

FOPE GROUP Consolidated Financial Statements
as of 31 December 2025

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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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.



Dear Shareholders,

The 2025 financial year discloses a net profit of Euro 11,4 million, reflecting an increase of Euro 3.0 million compared to the previous year, and a proposal to distribute the ninth dividend since the Company's stock market listing.

2025 was characterised by a significant increase in revenues compared with the previous year, alongside strong profit margins and financial stability, confirming the trend already evident in the first half of the year.

Revenues for the year, amounting to Euro 93,6 million, were up by +27.5% compared to 2024, 87% of which was generated on international markets. Sales, achieved in a complex macroeconomic environment characterised by instability – in particular new trade rules for the United States and sharply rising raw material prices – were widespread across all markets where FOPE operates, with growth achieved in established markets for the brand such as Europe, Italy and the United States and, most notably, in emerging markets such as Japan and South Korea.

The new collections were very well appreciated, 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 EBITDA margin also improved, standing at 21.9%, after absorbing the increase in costs related to the consolidation of the Group structure, including the recruitment of qualified staff at head office and branch support, and investments in communication and marketing initiatives aimed at pursuing commercial development strategies and establishing the brand internationally, including a strong focus on digital activities.

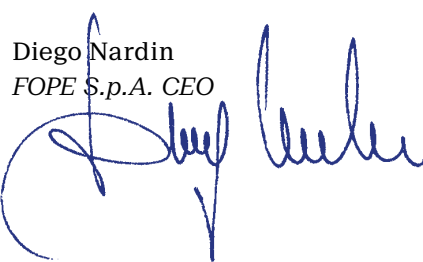
The Net Financial Position is cash positive of Euro 10,0 million at 31 December 2025 reflects an improvement on 2024, notwithstanding the investments made and the use of financial resources resulting from the physiological increase in working capital due to the growth of the business.

In the first few months of 2026, we are pleased to report an increase in the order book compared to the same period in 2025, which allows us to look positively towards business development for the current year and with an expectation of growth in sales. I believe that, the distinctiveness of the FOPE products coupled with the initial positive feedback from our retail partners regarding the appeal of the new collections and the potential trajectory of the partnership, important factors which reinforce the positive forecasts.

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 FY2024, 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.

The impressive results achieved in 2025 are attributable 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.

Diego Nardin
FOPE S.p.A. CEO

A handwritten signature in blue ink, consisting of a large, stylized initial 'D' followed by the name 'Diego Nardin' in a cursive script.

FOPE S.p.A., the parent company, and its four subsidiaries operate in the jewellery sector as manufacturers and distributors of high-end jewellery under its own brand. FOPE is an international brand which generated turnover in 2025 on foreign markets to the extent of 86.82%. In addition to developing new product “collections”, the Group is historically focused also on process innovation and efficiently combining its goldsmith tradition with the best industrial production techniques for the creation of jewellery featuring elegant and sophisticated designs.

The headquarters, offices and production site of the Parent Company are located in Vicenza, in one of Italy’s main goldsmith districts, where the brand was originally 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 human rights practices.

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, 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 went on 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 communication 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 15 December, 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). 30 November 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 well-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 in the British market and even more so on 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 incorporated as a wholly-owned subsidiary of FOPE S.p.A. The new established company and operating structure made it possible to revise the entire commercial organisation for the German market with a view to development.

2023 – The flagship boutique in Japan, located in the prestigious Tokyo Ginza district, was inaugurated in June, confirming the ongoing investments in the development of the Japanese market.

Furthermore, the new boutique in Kuala Lumpur, located within the new and exclusive Seibu mall in the centre of the Malaysian capital, opened in November, with an official opening ceremony in February 2024.

The boutiques aim to further consolidate the brand's visibility on international markets.

2024 – FOPE Japan GK, a company established and based in Tokyo, became operational. The company incorporated under Japanese law, 80% owned by FOPE S.p.A. and with a 20% stake held by SwissPrimeBrands Co. Ltd., a partner of the Group that oversaw the initial stages of product distribution on the market. A project of great significance that aligns with the strategic objectives of a direct market presence in the most important markets.

2025 – The Milan showroom situated in the historical Borromeo building, was completed in 2025 and further enhanced to become fully operational to host hospitality events.

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 awareness and design characterisation;
- 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 stages of raw materials to finished products.

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 site, are located at the headquarters of FOPE S.p.A., within a building constructed in 2000 and extended during recent years, 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 company incorporated under German law with its registered office in Mönchengladbach (DE), is wholly owned by 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 SwissPrimeBrands, 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.

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 craftsmanship 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:

- 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, also available in English, is on the corporate websites at www.fope.com and www.fopegroup.com. These Web pages disclose 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.

The Company has elected an 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, entrusted with management functions, and a Board of Statutory Auditors responsible for ensuring compliance with the law, by-laws and proper administration processes. 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 6 members of the Board of Directors, 4 hold an executive office, while 2 are independent directors. The 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. In accordance with the Organisation, Management and Control Model adopted pursuant to Legislative Decree 231/2001 (231 Model), the Supervisory Board was appointed and made operational.

Composition of governing bodies by gender	2025			2024			2023		
	W	M	TOTAL	W	M	TOTAL	W	M	TOTAL
Board of Directors	2	4	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	6	9	4	5	9	4	5	9
Percentage	40.00%	60.00%	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 identity - FOPE jewellery feature a highly recognizable design;
 - 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.

The actions taken to leverage the keys to success—which have driven growth—are long-term phenomena that have an increasingly positive impact on the market's perception of the brand and fuel further development.

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. Indeed, 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 Consolidated 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 Consulting¹ 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 2025, 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 2024 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.

Confirming the soundness and consistency of the strategies adopted in the ESG field, in 2025 FOPE was recognised by Il Sole 24 Ore as one of Italy's Leading Companies in Sustainability.

The recognition, based on an in-depth analysis of environmental, social and governance indicators relating to hundreds of companies operating across the country, rewards the long-term path undertaken by the company towards responsible, transparent and integrated growth.

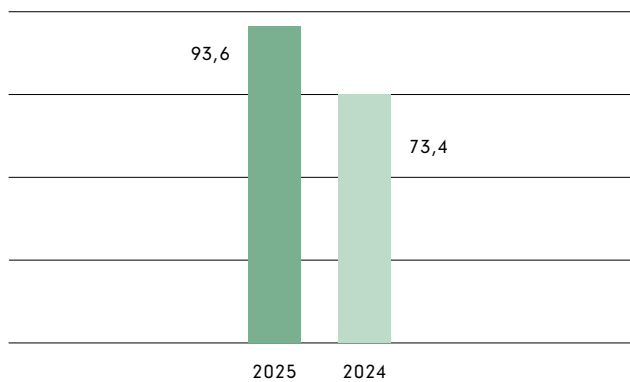
Inclusion in the ranking represents further proof of the value generated through sustainable governance, innovation in production processes and a commitment to inclusion and reducing environmental impact.

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

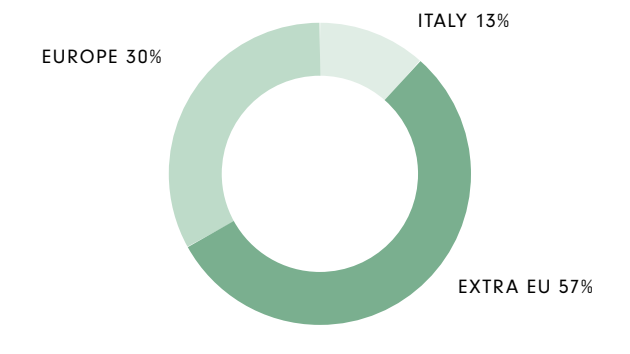
The following table discloses the financial highlights of the Group's Consolidated Financial Statements compared to the prior year. Amounts are shown in Euro millions.

	31/12/2025		31/12/2024		2025 VS 2024	
Net revenues	93,58	100.00%	73,43	100.00%	20,14	100.00%
Operating Costs	(73,06)		(58,63)		(14,43)	
EBITDA	20,52	21.93%	14,81	20.16%	5,72	28.38%
Depreciation and Amortisation	(3,04)		(2,69)		(0,36)	
EBIT	17,48	18.68%	12,12	16.50%	5,36	26.61%
Financial income/(costs)	(1,40)		(0,62)		(0,78)	
Profit before tax	16,08	17.19%	11,50	15.66%	4,58	22.74%
Tax	(4,63)		(3,12)		(1,52)	
Net Profit	11,45	12.23%	8,38	11.42%	3,06	15.21%
Assets	15,29		15,37		(0,08)	(0.51%)
Net Working Capital	35,66		29,64		6,02	20.31%
Provisions	(3,41)		(2,91)		(0,50)	17.18%
Invested Capital	47,54		42,10		5,44	12.92%
Shareholders' Equity	(57,58)		(45,36)		(12,22)	26.94%
Net Financial Position – cash positive	10,04		3,26		6,78	207.89%
Total Invested Capital + Net Financial Position	(47,54)		(42,10)		(5,44)	12.92%

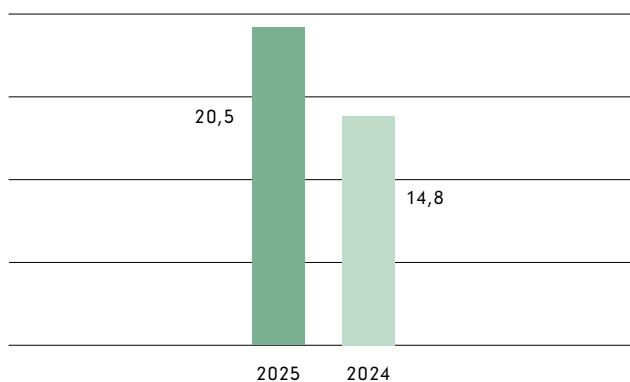
NET REVENUE



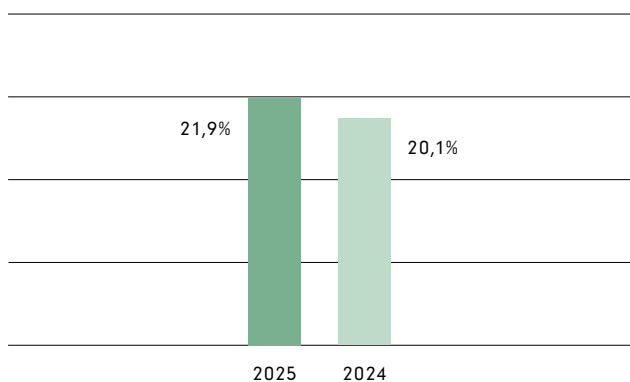
SALES



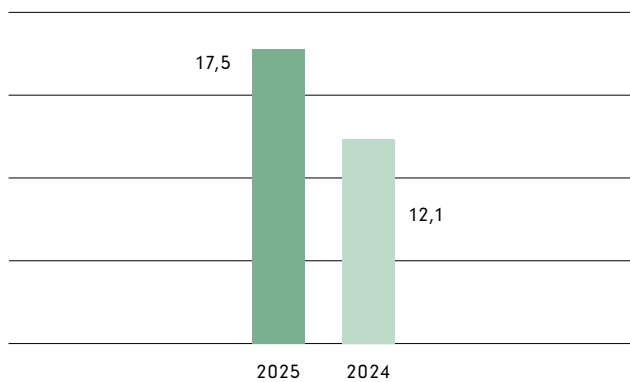
EBITDA



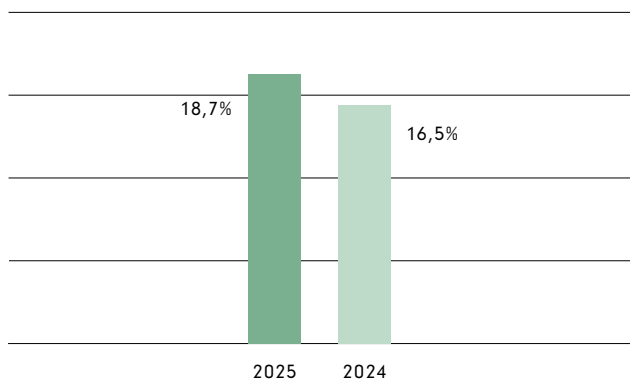
EBITDA MARGIN

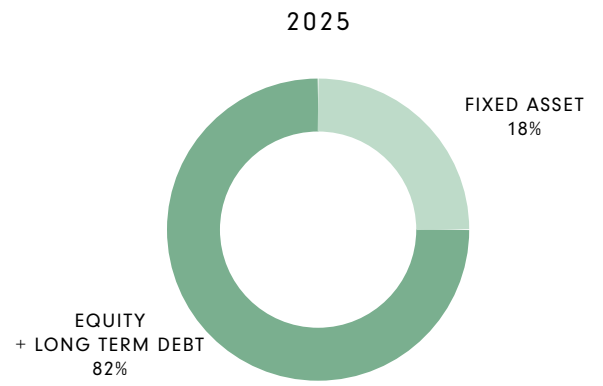
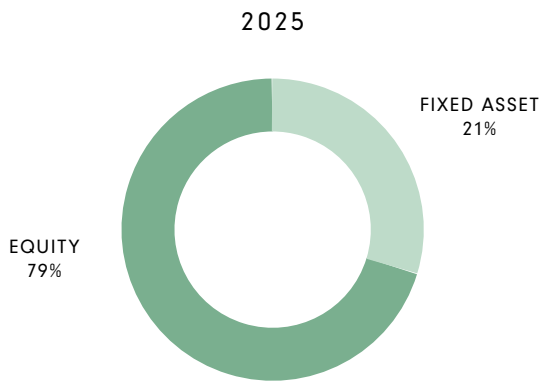


EBIT



EBIT MARGIN





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

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

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

	FOPE SPA	FOPE JEWELLERY	FOPE USA	FOPE DEUSCHLAND	FOPE JAPAN
	31/12/2025	31/12/2025	31/12/2025	31/12/2025	31/12/2025
Net revenues	84,01	10,63	20,05	0,82	3,41
Operating Costs	(65,43)	(10,11)	(19,04)	(0,69)	(3,05)
EBITDA	18,58	0,52	1,01	0,14	0,36
Depreciation and Amortisation	(2,78)	(0,15)	(0,05)	(0,02)	(0,05)
EBIT	15,80	0,38	0,96	0,12	0,31
Financial income/(costs)	(1,80)	-	-	-	(0,03)
Profit before tax	14,00	0,38	0,96	0,12	0,28
Tax	(4,00)	(0,13)	(0,22)	(0,04)	(0,14)
Net profit	9,99	0,24	0,74	0,08	0,14
Assets	14,90	0,42	0,72	0,15	0,18
Net working capital	35,47	(0,22)	0,75	0,13	(0,52)
Provisions	(2,90)	-	-	-	(0,01)
Invested capital	47,47	0,20	1,46	0,28	(0,35)
Shareholders' equity	(54,71)	(1,24)	(2,59)	(0,35)	(0,21)
Net Financial Position - cash positive	7,24	1,05	1,12	0,06	0,57
Exchange Rates Applied		USD/EUR	GBP/EUR		YEN/EUR
As at 31/12/2025		1.18	0.87		184.09
Average exchange rate		1.13	0.86		169.04

IMPACT OF CONFLICT IN UKRAINE, ISRAEL, MIDDLE EAST AND GULF COUNTRIES AND AMERICAN TARIFFS ON OPERATIONS

The Group operates by producing and distributing its own jewellery collections to FOPE brand retailers, with revenues being generated from sales of products sold by these retailers to the end customers.

Revenues achieved in 2025 of Euro 93,6 million reflect an increase of a 27.4% on 2024 arising from higher sales volume.

On 24 February 2022, the Russia-Ukraine conflict broke out, leading to a series of sanctions against Russia. These sanctions have inevitably had 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 and Ukrainian market, nor are there any Russian, or Ukrainian suppliers in its supply chain. Furthermore, it should be noted that there are no direct links between FOPE S.p.A. and any Russian or Ukrainian companies.

Similarly, we believe that the conflict affecting the Middle East and the Gulf countries does not negatively impact our Group's business - it should be noted that the share of the Company's sales volumes realised in the Gulf countries is not significant for the purposes of achieving budget targets, while the Company has no presence on the Iranian market.

While it is not possible to rule out a potential indirect negative effect on the business, caused by a general deterioration of the economy due to the escalation and continuation of the aforesaid conflicts, no such direct phenomena are identified at present as to hinder a positive development of the activities and business for the current year.

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 2026 confirms the forecast of a positive performance for the year, with adequate profit margins.

Customer receipts during 2025 did not show any critical issues and good turnover ratios were maintained. The Net Financial Position recorded at the end of 2025 is cash positive of Euro 10,0 million, and reflects the Group's ability to generate positive cash flows net of commitments undertaken in its investment plan as well as the loan repayment plan.

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 Directors' Report. 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.

INCENTIVE PLAN - 2025-2027 SHARE-BASED INCENTIVE PLAN

BONUS SHARE CAPITAL INCREASE TO SERVICE A SHARE-BASED INCENTIVE PLAN FOR 2025-2027

On 24 April 2025, the Extraordinary Shareholders' Meeting approved a bonus share capital increase of up to a maximum amount of Euro 100,000, through the use, for an equal amount, of a profit reserve contained within the extraordinary reserve set aside by the Company, resulting in the issue, pursuant to Article 2349, paragraph 1, of the Italian Civil Code, of a maximum of 100,000 new ordinary shares, without par value and with full dividend rights, to be allocated, on one or more occasions, to serve a stock grant plan for the period 2025-2027.

APPROVAL OF THE REGULATIONS OF THE 2025-2027 SHARE-BASED INCENTIVE PLAN

On 25 September 2025, the Board of Directors approved the regulations of the share-based incentive plan, which provide for: (i) the allocation, free of charge, to beneficiaries – identified at the discretion of the Board of Directors – of FOPE shares based on the achievement of certain qualitative targets (including continued service with the Group for a specified period) and/or specific financial targets linked to the Group's consolidated revenues and EBITDA; (ii) a time horizon of three years (2025, 2026 and 2027), with interim vesting for qualitative targets and annual vesting for financial targets, based on the results of each relevant year; (iii) the allocation of a maximum of 100,000 rights to the free allocation of one share; (iv) a percentage-based vesting mechanism with a floor of 80% and a cap of 100%, corresponding to the possibility of exercising the rights on a percentage basis relative to the total, applicable only to vesting linked to the achievement of financial targets; (v) good and bad leaver mechanisms to regulate the right to exercise the rights and the transfer of the possibility to exercise the rights also to heirs; (vi) restrictions on the disposal of the shares received for 24 months (which may be waived); (vii) the obligation to return the shares received in the event of being a bad leaver; and (viii) the Company's right of first refusal in the event of sales following the lock-up period.

The Board of Directors identified the Company's General Manager (classified as a Related Party and subject to the approval of the Related Parties Committee for the allocation – as detailed in the Notes to the Consolidated Financial Statements) and the Sales Director responsible for the American market as beneficiaries.

The General Manager was granted 20,000 shares in December whilst the Sales Director responsible for the American market was granted 15,000 shares in March 2026.

COMPOSITION OF THE SHARE CAPITAL

INES CAZZOLA	1,864,756	SHARES EQUAL TO	34.31%
UMBERTO CAZZOLA	1,227,386	SHARES EQUAL TO	22.58%
EREDI GIULIA CAZZOLA	637,370	SHARES EQUAL TO	11.73%
P4P INTERNATIONAL SPA	540,250	SHARES EQUAL TO	9.94%
BORROMEO VITALIANO	346,800	SHARES EQUAL TO	6.38%
DIEGO NARDIN	297,160	SHARES EQUAL TO	5.47%
OTHER INVESTORS (<5%)	520,886	SHARES EQUAL TO	9.58%
TOTAL SHARES	5,434,608		100.00%

*a further 637,730 shares held under usufruct with voting rights granted by the heirs

**of which 637,730 shares held as bare ownership

BOARD OF DIRECTORS

Umberto Cazzola	Chairman
Ines Cazzola	Deputy Chair
Elisa Teatini	Director
Davide Angelo Francesco Molteni	Independent director
Alberto Camerlengo	Independent director
Diego Nardin	Chief Executive Officer

BOARD OF STATUTORY AUDITORS

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

INDEPENDENT AUDITORS

BDO Audit Service S.r.l.

SUPERVISORY BOARD

Stefania Centorbi

LISTED FOPE S.P.A. SHARES

Ordinary shares FPE ISIN Code 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):

RECLASSIFIED INCOME STATEMENT	31/12/2025	31/12/2024	DIFFERENCE
Net revenues	93,578,260	73,433,504	20,144,756
Other income	875,032	888,264	(13,232)
External costs	(65,316,358)	(52,658,341)	(12,658,017)
Added value	29,136,934	21,663,427	7,473,507
Labour costs	(8,620,661)	(6,862,730)	(1,757,931)
EBITDA	20,516,273	14,800,697	5,715,576
Amortisation and depreciation of fixed assets	(3,043,712)	(2,686,392)	(357,320)
EBIT	17,472,561	12,114,305	5,358,256
Financial income (expenses)	(1,390,723)	(613,445)	(777,278)
Profit before tax	16,081,838	11,500,860	4,580,978
Income tax	(4,633,602)	(3,117,072)	(1,516,530)
Net profit	11,448,236	8,383,788	3,064,448

SALES REVENUES

The Company's financial results for 2025 were positive. Net revenues amounted to Euro 93,58 million reflecting an increase of Euro 20,14 million (27.43%) over the previous year.

Sales revenues increased significantly compared to the previous financial year, confirming the positive trend already observed in the first half of the year. Sales, achieved in a complex macroeconomic environment characterised by instability - in particular new trade rules for the United States and sharply rising raw material prices - were widespread across all markets where FOPE operates, with growth in established markets for the brand such as in Europe, Italy and the United States and, most notably, in emerging markets such as Japan and South Korea.

Sales refer to the FOPE jewellery collections, which are created, 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, to end consumers as final customers, as well as 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, Tokyo and Seoul. 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 2025 directly to retailers of the distribution network were very well perceived, 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. Of the total turnover achieved in 2025, 86.82% was generated in foreign countries, a percentage in line with the previous year.

OPERATING COSTS

Operating costs (excluding labour costs), which have increased by 24.04% with respect to the previous year, include variable industrial costs proportional to sales volumes and structural costs. The increase results from 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 25.62% increase in costs was mainly attributable to the hiring of 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 enacted during the year were fully expensed in the period. 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 2025, 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' commissions and those of 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 year for Euro 3.05 million, rising by 13.30% on 2024, 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' and Directors' Termination Indemnity, were calculated in accordance with applicable regulations.

MARGINS AND RESULT FOR THE YEAR

The Group achieved an EBITDA of Euro 20,52 million, increasing by Euro 5,72 million compared to 2024. Similarly, EBIT also increased and amounted to Euro 17,47 million.

The increase in EBITDA, which has also led to higher Profit before tax, has arisen from improved operating margins compared to 2024 coupled with higher turnover volumes which have absorbed operating overheads.

Profit before tax amounted to Euro 16,08 million. The Net Profit for the year, totaling Euro 11,45 million, reflect an increase of Euro 3,0 million compared to the prior year's profit of Euro 8.38 million.

ANALYSIS OF THE MAIN BALANCE SHEET AND FINANCIAL DATA

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	31/12/2025	31/12/2024	DIFFERENCE
Net intangible fixed assets	2,421,985	3,054,343	(632,358)
Net tangible fixed assets	12,817,139	11,499,737	1,317,402
Equity investments and other financial assets	59,972	813,142	(753,170)
Fixed assets	15,299,096	15,367,222	(68,126)
Inventories	18,712,414	15,746,887	2,965,527
Trade receivables	16,166,965	17,255,853	(1,088,888)
Other receivables	3,608,101	2,830,346	777,755
Expected cash flow hedging trans. cr. position	10,744,235	3,152,137	7,592,098
Current assets	49,231,715	38,985,223	10,246,492
Trade payables	(5,851,435)	(5,565,634)	(285,801)
Other payables	(7,721,920)	(3,777,111)	(3,944,809)
Current liabilities	(13,573,355)	(9,342,745)	(4,230,610)
Net working capital	35,658,360	29,642,478	6,015,882
Provision for Employee Severance Pay	(1,477,323)	(1,411,589)	(65,734)
Provision for termination of office and other provisions	(1,572,106)	(1,038,820)	(533,286)
Hedging reserve	(363,660)	(460,095)	96,435
Total provisions	(3,413,089)	(2,910,504)	(502,585)
Invested capital	47,544,367	42,099,196	5,445,171
Share capital and Shareholders' equity reserve	(50,120,491)	(43,431,964)	(6,688,527)
FFA hedging reserve	(7,460,268)	(1,926,917)	(5,533,351)
Shareholders' equity	(57,580,759)	(45,358,881)	(12,221,878)
Medium/long-term financial position	(6,207,954)	(4,000,999)	(2,206,955)
Short-term financial position	16,244,345	7,260,684	8,983,661
Net financial position – cash positive	10,036,391	3,259,685	6,776,706
Invested capital and Net Financial Position	47,544,368	42,099,196	5,445,172

FIXED ASSETS

Investments in tangible and intangible fixed assets during the year totalling Euro 3,84 million, relate to the technological devices and equipment used in the production process, as well as goods supporting the sales activity. In particular, the investment in the construction and layout of the new production department within the main building, which became fully operational in the early months of 2026. Commercial investments include the implementation of Shop-in-Shops (FOPE customised furniture corners within retailers' shops). In 2025, the last auxiliary and completion work continued on the implementation of the new SAP 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

Trade receivables reflect a decrease compared to the prior year. The favourable receivables turnover ratios have not changed significantly compared to the previous year. The decrease is mainly attributable to the volume of receivables exceeding the normal turnover trend in December 2024, generated by a delay in fulfilling orders in the final quarter of 2024. During 2025 order fulfilment and turnover returned to normal trends.

Regarding suppliers, the payment policies did not change and the balances shown 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 transaction cr. position", while the relevant liabilities are disclosed under "Provisions for expected cash flow hedging transactions."

INVENTORIES

The value of inventories, amounting to Euro 18,71 million, increased compared to the previous year (Euro +2,97 million compared to 31 December 2024). The overall change is mainly attributable to an increase in gold raw material stock. It should be noted that production only works based on orders and not to stock.

AMOUNTS OWED TO CREDIT INSTITUTIONS AND FINANCIAL POSITION

During the year, loans amounting to Euro 8,50 million were obtained, in order to replace similar positions that had been used up and to streamline treasury and investment costs.

The Net Financial Position, which reflects a cash positive net balance of Euro 10,04 million at 31 December 2025, increased compared to the balance as at 31 December 2024 of Euro 3,26 million.

The individual cash flow entries are recorded and commented on in the Statement of Cash Flows, on page 29.

SHAREHOLDERS' EQUITY AND RESERVES FOR HIGHLY LIKELY PLANNED HEDGING TRANSACTIONS

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 effects of cash flow hedging transactions recorded as at 31 December 2025 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 economic effects of the hedging transactions have been recorded under assets, if result in positive adjustments, whilst in the reserve for expected cash flow hedging

transactions if result in negative adjustments.

As at 31 December 2025, 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 of Consolidated Cash Flow Statement as at 31 December 2025 (in Euro):

CONSOLIDATED CASH FLOW STATEMENT	31/12/2025	31/12/2024	DIFFERENCE
Profit for the year	11,448,236	8,383,788	3,064,448
Depreciation and amortisation	3,043,712	2,686,392	357,320
Change in severance pay and end-of-service pay	155,798	232,079	(76,281)
Gross self-financing	14,647,746	11,302,259	3,345,487
Decrease (increase) in trade receivables	1,088,888	(2,645,339)	3,734,227
Decrease (increase) in other short-term receivables	(800,899)	598,735	(1,399,634)
Decrease (increase) in Inventories	(2,965,526)	(28,659)	(2,936,867)
Increase (decrease) in short-term payables	2,538,862	1,972,923	565,939
Change in net working capital	(138,675)	(102,340)	(36,335)
Cash Flow from Operating Activities	14,509,071	11,199,919	3,309,152
Investment in Tangible and Intangible fixed assets	(3,728,756)	(3,359,825)	(368,931)
Decrease in financial assets	756,101	31,951	724,150
Repayment of Medium/Long-Term Loans	(8,531,520)	(5,398,577)	(3,132,943)
Uses	(11,504,175)	(8,726,451)	(2,777,724)
Acquisition of loans	8,500,000	6,000,000	2,500,000
Changes in Shareholders' equity reserve	(4,759,711)	(4,582,656)	(177,055)
Sources	3,740,289	1,417,344	2,322,945
Change in expected cash flow hedging trans. cr. position	(7,595,028)	(2,419,580)	(5,175,448)
Changes in provisions for expected cash flow hedging transactions	(96,435)	311,250	(407,685)
Changes in reserves for expected cash flow hedging transactions	5,533,351	1,506,418	4,026,933
Tax effect of changes in cash flow hedging	2,158,112	601,912	1,556,200
Changes in expected cash flow hedging transaction positions			
NET CASH FLOW	6,745,185	3,890,812	2,854,373
Cash and cash equivalents at 31/12/2025	21,890,655		
Cash and cash equivalents at 31/12/2024	(15,145,470)	15,145,470	
Cash and cash equivalents at 31/12/2023		(11,254,658)	
NET CASH FLOW	6,745,185	3,890,812	2,854,373

The net cash flow generated in 2025 from operations, net of investments and financing activities amounted to Euro 6,75 million, some Euro 2,85 million higher than 31 December 2024.

Cash flow generated from operations and funding obtained from new M/L-term loans has made it possible to meet the financial commitments required to finance the investment plan, while complying with the repayment of existing loans and managing treasury flows without straining liquidity requirements.

The Net Financial Position as at 31 December 2025 and at the end of the previous year was as follows (figures shown in Euro):

NET FINANCIAL POSITION	31/12/2025	31/12/2024	DIFFERENCE
Net position for short-term bank transactions and cash on hand	21,890,656	15,145,470	6,745,186
Short-term portion of loans	(5,646,311)	(7,884,786)	2,238,475
Net short-term financial position	16,244,345	7,260,684	8,983,661
Long-term portion of loans	(6,207,954)	(4,000,999)	(2,206,955)
NET FINANCIAL POSITION - CASH POSITIVE	10,036,391	3,259,685	6,776,706

During the year, new loans of Euro 8,50 million were obtained and Euro 8,53 million of existing loans were repaid.

The amount of gold working capital 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 2025 in respect of the availability of gold owned by credit institutions, on the basis of the aforementioned contracts, amounted to Euro 38,85 million.

INTERCOMPANY TRANSACTIONS

During 2025, the parent company FOPE S.p.A. entered into the following intercompany transactions (figures shown in Euro):

Company	RECEIVABLES	PAYABLES	REVENUES	COSTS
FOPE Usa Inc	5,342,416	74,749	13,405,303	762,278
FOPE Jewellery Ltd	4,748,256	20,976	7,706,254	167,686
FOPE Deutschland GmbH		113,409		821,973
FOPE Japan GK	1,417,832	22,545	2,496,413	446,489
Total	11,508,504	231,679	23,607,970	2,198,426

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 at Group companies as at 31 December 2025 comprised 112 people: 56 women and 56 men.

No significant accidents occurred during the year.

RESEARCH AND DEVELOPMENT

During 2025, 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:

- new Prima Aura collection (necklace and bracelet);
- new Prima Twins collection (ring and bracelet);
- new Vendôme Bridge collection (ring and two bracelets);
- new Prima collection (addition of flex'it necklaces in three different versions)
- expansion of the Eka Impero collection (addition of a bracelet and earring);
- expansion of the Love Nest collection (addition of two flex'it necklaces);
- expansion of the Eka Maori collection (addition of two new bracelets);
- expansion of the Eka collection (addition of a new two-tone flex'it necklace);
- expansion of the Must Have collection: addition of an Eka bracelet made entirely of ruthenium;
- expansion of the Panorama collection (addition of a new full-rondel bracelet).

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 381,491.07, 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 continue in 2025.

The Group did not consider it appropriate to capitalise the costs related to the above research and development activities, as they were fully expensed for in the year they were incurred.

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.

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 stabilise the interest rate risk on medium-term loans.

CREDIT RISK

The provision for doubtful receivables is considered adequate to hedge 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 overdrafts, 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 entering into financial hedging transactions. The hedging transactions, which have a duration of less than 24 months, are carried out on a rotation basis for a portion of the total estimated requirements.

SIGNIFICAT EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

As previously mentioned, in accordance with the provisions of the regulations governing the 2025-2027 share incentive plan, in March 2026 the Board of Directors allocated 15,000 bonus shares, increasing the share capital to Euro 5,434,608.

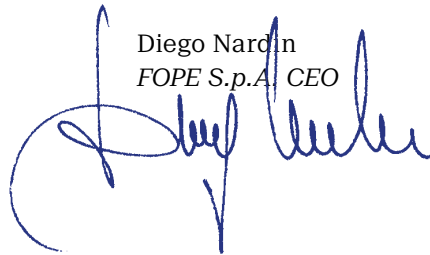
BUSINESS OUTLOOK

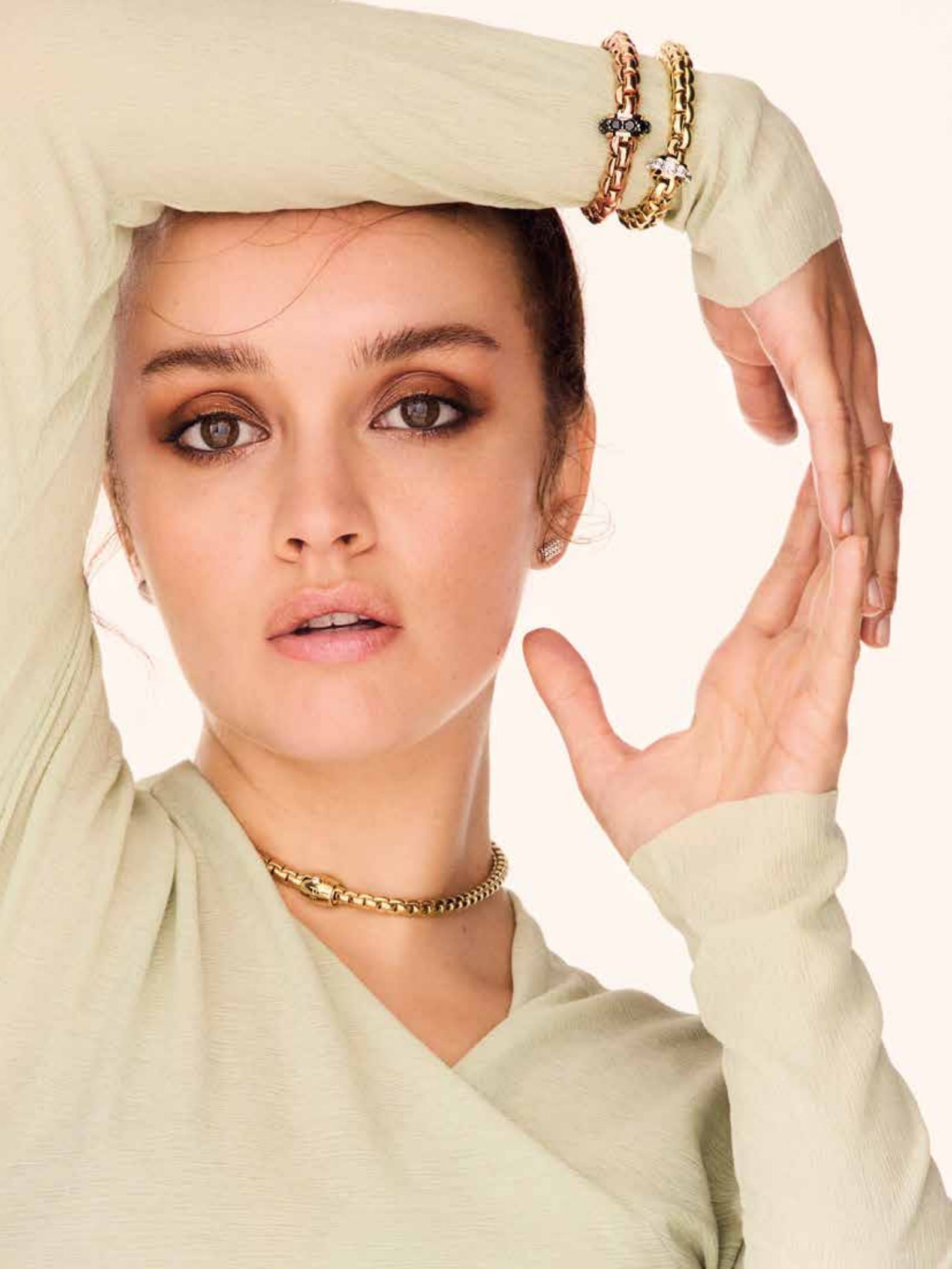
In light of the positive results recorded during the year 2025 and the ongoing commercial development activities, while not entirely ruling out potential critical future developments in the macroeconomic situation characterised by ongoing conflicts, positive business growth is also forecast for 2026.

In particular, with regard to the geopolitical scenario characterised by the conflict between Russia and Ukraine and the conflict affecting the Middle East and the Gulf states, it should be noted that the share of the Company's sales volumes achieved in the Gulf states has a negligible impact on the achievement of Budget targets, while the Company has no presence on the Russian and Iranian markets. 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 no direct phenomena that could affect the positive development of the Group's business expected for the current year.

Based on the Company's forecasts for 2026, sales volume growth and a positive economic result are expected. The results achieved in the first months of 2026 confirm forecasts and, consequently, the above-mentioned expectations.

Diego Nardin
FOPE S.p.A. CEO





CONSOLIDATED FINANCIAL
STATEMENTS AS OF
31 DECEMBER 2025

BALANCE SHEET
PROFIT AND LOSS
STATEMENT OF CASH FLOWS (INDIRECT METHOD)

BALANCE SHEET ASSETS	31/12/2025	31/12/2024
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	1,615,854	2,016,755
4) concessions, licenses, trademarks and other similar rights	18,575	13,924
5) goodwill	116,555	269,188
6) assets under construction and payments on account	126,400	
7) others	544,601	754,476
Total intangible fixed assets	2,421,985	3,054,343
II - Tangible fixed assets		
1) land and buildings	6,885,153	7,163,685
2) plant and machinery	2,579,337	1,961,043
3) industrial and commercial equipment	1,768,542	1,403,513
4) other assets	843,336	771,478
5) assets under construction and payments on account	740,771	200,018
Total tangible fixed assets	12,817,139	11,499,737
III - Financial fixed assets		
1) equity investments in		
a) subsidiaries		
b) associated companies		
c) parent companies		
d) companies subject to the control of parent companies		
d-bis) other companies	5,055	5,715
Total equity investments	5,055	5,715
2) receivables		
a) amounts due from subsidiaries		
b) amounts due from associated companies		
c) amounts due from parent companies		
d) amounts due from companies subject to the control of parent companies		
d-bis) amounts due from others		
within the following year	46,989	52,429
after the following year		
Total long-term receivables from others	46,989	52,429
Total receivables	46,989	52,429
3) other securities		750,000
4) derivative financial instruments (assets)	7,928	4,998
Total financial fixed assets	59,972	813,142
Total fixed assets (B)	15,299,096	15,367,222
C) Current assets		
I - Inventories		
1) raw materials, auxiliary materials and consumables	4,756,071	3,965,350
2) unfinished and semi-finished products	6,049,686	4,964,616
3) contract work in progress		
4) finished products and goods	7,887,513	6,810,197
5) payments on account	19,144	6,724
Total inventories	18,712,414	15,746,887
Tangible fixed assets for sale		

BALANCE SHEET ASSETS	31/12/2025	31/12/2024
II - Receivables		
1) trade receivables		
within the following year	16,166,965	17,255,853
after the following year		
Total trade receivables	16,166,965	17,255,853
2) amounts due from subsidiaries		
3) amounts due from associated companies		
4) amounts due from parent companies		
5) amounts due from companies subject to the control of parent companies		
5-bis) amounts due from Inland Revenue		
within the following year	642,291	940,979
after the following year		
Total amounts due from Inland Revenue	642,291	940,979
5-ter) deferred tax assets	1,064,607	1,005,707
5-quater) amounts due from others		
within the following year	677,236	516,400
after the following year	36,988	122
Total amounts due from others	714,224	516,522
Total receivables	18,588,087	19,719,061
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 instruments (assets)	10,744,235	3,152,137
6) other securities		
Financial assets for cash pooling management		
Total current financial assets	10,744,235	3,152,137
IV - Cash and cash equivalents		
1) bank and postal deposits	21,881,062	15,101,771
2) cheques		33,396
3) cash and securities on hand	9,594	10,303
Total cash and cash equivalents	21,890,656	15,145,470
Total current assets (C)	69,935,392	53,763,555
D) Accrued income and prepayments	1,186,979	367,137
TOTAL ASSETS	86,421,467	69,497,914

BALANCE SHEET – LIABILITIES	31/12/2025	31/12/2024
A) Group Shareholders' equity		
I - Share capital	5,419,608	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	28,704,431	24,440,606
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		
Foreign currency translation reserve	(144,741)	48,669
Total other sundry reserves	(1,587,404)	(1,097,436)
Total other reserves	26,972,286	23,391,839
VII - Reserve for expected cash flow hedging transactions	7,460,268	1,926,917
VIII - Profit/(loss) carried forward		(153)
IX - Profit/(loss) for the year	11,382,083	8,346,748
Loss covered in the year		
X - Negative reserve for treasury shares		
Total shareholders' equity	57,339,544	45,170,258
Minority interest in shareholders' equity		
Minority interest in share capital and reserves	175,062	151,583
Profit/(loss) for the year attributable to minority interests	66,153	37,040
Total minority interest in shareholders' equity	241,215	188,623
Total consolidated shareholders' equity	57,580,759	45,358,881
B) Provisions for risks and charges		
1) provision for pensions and similar obligations	1,077,427	987,363
2) provision for taxes, including deferred tax liabilities	3,283,448	1,007,963
consolidation provision for future risks and charges		
3) derivative financial instruments (liabilities)	363,660	460,095
4) others	494,678	51,455
Total provisions for risks and charges	5,219,213	2,506,876
C) Employee severance pay	1,477,323	1,411,589
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		

BALANCE SHEET – LIABILITIES	31/12/2025	31/12/2024
3) amounts due to shareholders for loans		
within the following year		
after the following year		
Total amounts due to shareholders for loans		
4) amounts due to banks		
within the following year	5,646,311	7,884,786
after the following year	6,207,954	4,000,999
Total amounts due to banks	11,854,265	11,885,785
5) amounts due to other lenders		
within the following year	37,664	49,350
after the following year		
Total amounts due to other lenders	37,664	49,350
6) payments on account		
within the following year	15,639	257,685
after the following year		
Total payments on account	15,639	257,685
7) trade payables		
within the following year	5,851,435	5,565,634
after the following year		
Total trade payables	5,851,435	5,565,634
8) payables in the form of credit instruments		
9) amounts due to subsidiaries		
10) amounts due to associated companies		
11) amounts due to parent companies		
11-bis) amounts due to companies subject to the control of parent companies		
12) amounts due to Inland Revenue		
within the following year	2,657,130	1,034,364
after the following year		
Total amounts due to Inland Revenue	2,657,130	1,034,364
13) amounts due to social security and welfare institutions		
within the following year	500,969	386,721
after the following year		
Total amounts due to social security and welfare institutions	500,969	386,721
14) other payables		
within the following year	1,044,143	805,886
after the following year		
Total other payables	1,044,143	805,886
Total payables	21,961,245	19,985,425
E) Accrued expenses and deferred income	182,927	235,143
TOTAL LIABILITIES	86,421,467	69,497,914

INCOME STATEMENT	31/12/2025	31/12/2024
A) Production Value		
1) revenues from sales and services	93,578,260	73,433,504
2) changes in inventories of unfinished, semi-finished and finished products	2,177,861	7,421,693
3) changes in contract work in progress		
4) increase in fixed assets from in-house production		
5) other income and revenues		
operating grants	58,471	46,813
others	816,561	841,451
Total other income and revenues	875,032	888,264
Total production value	96,631,153	81,743,461
B) Costs of production		
6) raw materials, auxiliary materials, consumables and goods	47,072,641	31,854,293
7) services	19,607,755	19,651,232
8) use of third-party assets	1,294,446	813,924
9) labour costs		
a) salaries and wages	6,445,073	5,136,128
b) social security contributions	1,693,866	1,349,888
c) employee severance pay	315,140	254,178
d) pensions and similar obligations		
e) other costs	166,582	122,536
Total labour costs	8,620,661	6,862,730
10) amortisation, depreciation and write-downs		
a) amortisation of intangible fixed assets	1,379,887	1,330,555
b) depreciation of tangible fixed assets	1,663,825	1,355,837
c) other write-downs of fixed assets		
d) write-downs of receivables included in current assets and cash and cash equivalents	135,494	103,271
Total amortisation, depreciation and write-downs	3,179,206	2,789,663
11) changes in inventories of raw materials, auxiliary materials, consumables and goods	(818,472)	7,404,046
12) provisions for risks		30,000
13) other provisions	10,776	
14) sundry operating charges	191,579	223,268
Total production costs	79,158,592	69,629,156
Difference between production value and costs (A - B)	17,472,561	12,114,305
C) Financial income and charges		
15) income from equity investments		
from subsidiaries		
from associated companies		
from parent companies		
from companies subject to the control of parent companies		
others	6,369	4,602
Total income from equity investments	6,369	4,602
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		

INCOME STATEMENT	31/12/2025	31/12/2024
d) income other than the above		
from subsidiaries		1,947
from associated companies		
from parent companies		
from companies subject to the control of parent companies		
others	211,184	254,371
Income other than the above	211,184	256,318
Total other financial income	211,184	256,318
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	(623,511)	(727,085)
Total interest and other financial charges	(623,511)	(727,085)
17-bis) Exchange rate gains/(losses)	(984,765)	(147,280)
Total financial income (charges) (15 + 16 - 17 + - 17-bis)	(1,390,723)	(613,445)
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)	16,081,838	11,500,860
20) Current taxes and deferred tax assets and liabilities		
current taxes	4,566,244	3,379,429
taxes pertaining to previous years	(130)	(114,460)
deferred tax assets and liabilities	67,488	(147,897)
income (expense) from participation in the tax consolidation/fiscal transparency scheme		
Total current taxes and deferred tax assets and liabilities	4,633,602	3,117,072
21) Net profit/(loss) for the year	11,448,236	8,383,788
Group profit/(loss)	11,382,083	8,346,748
Profit/(loss) for the year attributable to minority interests	66,153	37,040

STATEMENT OF CASH FLOWS (INDIRECT METHOD)	31/12/2025	31/12/2024
A) Cash flows from operating activities (indirect method)		
Profit (loss) for the year	11,448,236	8,383,788
Income taxes	4,633,602	3,117,072
Interest expense/(income)	412,326	470,766
(Dividends)		
Capital (gains)/losses from asset disposal	(10,027)	(7,895)
Profit/(loss) for the year before income taxes, interest, dividends, and capital gains/losses from disposals	16,484,137	11,963,731
Adjustments for non-monetary items not reflected in net working capital		
Allocations to provisions	823,958	366,392
Depreciation/amortisation of fixed assets	3,043,712	2,686,392
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	3,867,670	3,052,784
2) Cash flow before changes in net working capital	20,351,807	15,016,515
Changes in net working capital		
Decrease/(Increase) in inventories	(2,965,527)	(28,659)
Decrease/(Increase) in trade receivables	998,378	(2,983,725)
Increase/(Decrease) in trade payables	285,801	1,455,113
Decrease/(Increase) in accrued income and prepaid expenses	(819,842)	146,575
Increase/(decrease) in accrued expenses and deferred income	(52,216)	31,827
Other decreases/(increases) in net working capital	637,681	1,196,880
Total changes in net working capital	(1,915,725)	(181,989)
3) Cash flow after changes in net working capital	18,436,082	14,834,526
Other adjustments		
Interest received/(paid)	(412,326)	(470,766)
(Income tax paid)	(3,560,330)	(3,163,687)
Dividends received		
(Use of provisions)	(134,426)	(1,041)
Other receipts/(payments)	10,027	7,895
Total other adjustments	(4,097,055)	(3,627,599)
Cash flow from operating activities (A)	14,339,027	11,206,927
B) Cash flows from investing activities		
Tangible fixed assets		
(Investments)	(3,367,687)	(2,796,361)
Disposals	386,461	350,652
Intangible fixed assets		
(Investments)	(747,529)	(914,114)
Disposals		
Financial fixed assets		
(Investments)		(40,482)
Disposals	756,101	72,423
Current financial assets		
(Investments)		
Disposals		
(Acquisition of business units net of cash and cash equivalents)		
Disposal of business net of cash and cash equivalents		
Cash flow from investing activities (B)	(2,972,654)	(3,327,872)

CASH FLOW STATEMENT, INDIRECT METHOD	31/12/2025	31/12/2024
C) Cash flows from financing activities		
Third-party funds		
Increase/(decrease) in short-term payables to banks		(513)
New loans obtained	8,500,000	6,000,000
(Repayment of loans)	(8,531,520)	(5,398,576)
Own funds		
Paid-in capital increase		
(Capital repayment)		
Sale/(Purchase) of treasury shares		
(Dividends and interim dividends paid)	(4,589,667)	(4,589,667)
Cash flow from financing activities (C)	(4,621,187)	(3,988,756)
Increase (decrease) in cash and cash equivalents (A± B± C)	6,745,186	3,890,299
Cash and cash equivalents at the beginning of the year		
Bank and post office deposits	15,101,771	11,246,304
Cheques	33,396	329
Cash and valuables in hand	10,303	8,538
Total cash and cash equivalents at the beginning of the year	15,145,470	11,255,171
Of which not freely available		
Cash and cash equivalents at the end of the year		
Bank and post office deposits	21,881,062	15,101,771
Cheques		33,396
Cash and valuables on hand	9,594	10,303
Total cash and cash equivalents at the end of the year	21,890,656	15,145,470



NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025

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 the Directors’ Report			X
OIC 4 Mergers and demergers		JANUARY 2007	
OIC 5 Liquidation financial statements		JUNE 2008	
OIC 6 Debt restructuring and financial statement disclosures			X
OIC 7 Green certificates			X
OIC 8 Greenhouse gas emissions		FEBRUARY 2013	
OIC 9 Impairment losses on tangible and intangible fixed assets	JANUARY 2023		
OIC 10 Cash flow statement	DECEMBER 2016		
OIC 11 Financial statements, objectives and assumptions	MARCH 2018		
OIC 12 Composition and formats of financial statements	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 the 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 Work in progress on order	DECEMBER 2016		
OIC 24 Intangible fixed assets	DECEMBER 2017		
OIC 25 Income Tax	MARCH 2024		
OIC 26 Transactions, assets and liabilities in foreign currency	DECEMBER 2016		
OIC 28 Shareholders’ equity	JANUARY 2023		
OIC 29 Changes in accounting policies, accounting, errors and events occurring after the end of the year	DECEMBER 2017		
OIC 30 Interim financial statements	APRIL 2006		
OIC 31 Provisions for risks and charges and severance pay	JANUARY 2024		
OIC 32 Financial derivatives	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 Consolidated Financial Statements for the year ended 31 December 2025, 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	% OWNED	% CONSOLIDATED
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 year ended 31 December 2025—reclassified and adjusted to comply with the accounting standards and the basis of presentation adopted by the Group—were used.

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 "Foreign currency translation reserve".

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

Currency	EXCHANGE RATE AT 31/12/2025	ANNUAL AVERAGE EXCHANGE RATE
US dollar	1.1750	1.1300
UAE Dirham	4.3152	4.1499
Pound sterling	0.8726	0.85679
Japanese yen	184.09	169.0435

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 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 fixed 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 year 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.

SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES APPLIED:

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 recorded at the purchase price, stated net of amortisation made during the years, and 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 auxiliary 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%
Wastewater treatment plants	15.00%
Office furniture and equipment	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 auxiliary charges (shipping costs, customs duties and other directly attributable costs) for other raw and auxiliary 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 36 months, as the effects are irrelevant in order to give a true and fair view. Receivables with a maturity of less than 36 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 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 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" comprise 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 year 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 2025, 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 AT 31/12/2025
Executives	11
Managers	6
White collars	50
Blue collars	45
Total employees	112

ANALYSIS OF BALANCE SHEET ITEMS

INTANGIBLE FIXED ASSETS

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

	START-UP AND EXPAN- SION COSTS	DEVELOP- MENT COSTS	INDUSTRI- AL PATENT RIGHTS AND INTELLECTU- AL PROPERTY RIGHTS	CONCES- SIONS, LICENCES, TRADEMARKS AND SIMILAR RIGHTS	GOODWILL	INTANGIBLE FIXED ASSETS UNDER CONSTRUC- TION AND ADVANCE PAYMENTS	OTHER INTANGIBLE FIXED ASSETS	TOTAL INTAN- GIBLE FIXED ASSETS
Opening balance								
Cost			4,723,364	90,304	1,450,010		1,948,553	8,212,231
Revaluations								
Amortisation (accumulated amortisation)			(2,706,609)	(76,380)	(1,180,822)		(1,194,077)	(5,157,888)
Write-downs								
Book value			2,016,755	13,924	269,188		754,476	3,054,343
Changes during the year								
Increases due to acquisitions			576,655	12,672		126,400	22,887	738,614
Reclassifications (of book value)			15,000					15,000
Decreases for disposals and divestments (of book value)								
Revaluations carried out during the year								
Amortisation for the year			(992,234)	(8,021)	(152,633)		(227,000)	(1,379,887)
Write-downs made during the year								
Other changes			(323)	(1)			(5,762)	(6,086)
Total changes			(400,902)	4,650	(152,633)	126,400	(209,875)	(632,360)
Closing balance								
Cost			5,314,432	102,975	1,450,010	126,400	1,958,376	8,952,193
Revaluations								
Amortisation (accumulated amortisation)			(3,698,578)	(84,400)	(1,333,455)		(1,413,775)	(6,530,208)
Write-downs								
Book value			1,615,854	18,575	116,555	126,400	544,601	2,421,985

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 1.47 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 544,601, 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.

TANGIBLE FIXED ASSETS

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 ADVANCE PAYMENTS	TOTAL TANGIBLE FIXED ASSETS
Opening balance						
Cost	10,312,387	6,568,886	4,851,757	2,048,798	200,018	23,981,846
Revaluations						
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
Changes during the year						
Increases due to acquisitions		988,241	1,067,789	299,772	745,016	3,100,818
Reclassifications (of book value)		116,573	60,314	7,601	(158,791)	25,697
Decreases for disposals and divestments (of book value)		(242,903)	(76,764)	(26,097)	(40,697)	(386,461)
Revaluations carried out during the year						
Depreciation for the year	(278,532)	(465,165)	(697,688)	(222,440)		(1,663,825)
Write-downs made during the year						
Other changes		221,549	11,378	13,021	(4,775)	241,173
Total changes	(278,532)	618,295	365,029	71,857	540,753	1,317,402
Closing balance						
Cost	10,312,387	7,425,117	5,842,324	2,292,941	740,771	26,613,540
Revaluations						
Depreciation (Accumulated depreciation)	(3,427,234)	(4,845,780)	(4,073,782)	(1,449,605)		(13,796,401)
Write-downs						
Book value	6,885,153	2,579,337	1,768,542	843,336	740,771	12,817,139

“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 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 the previous financial year, 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 843,336, include the following items:

Description	31/12/2025	31/12/2024	DIFFERENCE
Furniture and fittings	596,566	515,492	81,074
IT equipment	116,302	112,411	3,891
Vehicles	121,240	138,199	(16,959)
Miscellaneous equipment	534	1,050	(516)
Other	8,694	4,326	4,368
Total other tangible fixed assets	843,336	771,478	71,858

The amount recorded under the item “Assets under construction and payments on account”, amounting to Euro 740,771, relates for Euro 463,758 to the amount paid for the extension works on the ground floor/production department of the headquarters and to payments on account made to manufacturers of machinery and commercial equipment to be delivered during 2026, and the remaining amount to payments made for the purchase of furniture and equipment for Shop-in-Shop outlets in both the United States and the United Kingdom.

FINANCIAL FIXED ASSETS

EQUITY INVESTMENTS

Name	CITY, IF IN ITALY, OR FOREIGN COUNTRY	TAX CODE (FOR ITALIAN COMPANIES)	CAPITAL IN EUROS	PROFIT (LOSS) FOR THE LAST FINANCIAL YEAR IN EUROS	SHAREHOLDERS' EQUITY IN EUROS	SHAREHOLDING IN EUROS	PERCENTAGE OF SHARES HELD	BOOK VALUE OR CORRESPONDING RECEIVABLE	PRODUCTION VALUE
Milano 1919 s.r.l.	MILAN	06412160969	137,500	(399,138)	379,056	27,500	20	250,000	765,960
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 2024 showed a production value of Euro 765,960, a shareholders' equity of Euro 379,056, and a loss of Euro 399,138. 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 card security deposit	27,504
Various security deposits	13,266
Rent deposit	6,219
Total	46,989

As at 31 December 2025, there were no receivables related to repurchase agreements.

OTHER SECURITIES

During 2025, the bonds purchased in 2022 from Cornè Bank Ltd. were redeemed for a total of Euro 750,000.

CURRENT ASSETS

INVENTORIES

A breakdown of inventories is provided in the table below:

	OPENING BALANCE	CHANGE DURING THE YEAR	CLOSING BALANCE
Raw materials auxiliary materials and consumables	3,965,350	790,721	4,756,071
Work in progress and semi-finished products	4,964,616	1,085,070	6,049,686
Finished goods and merchandise	6,810,197	1,077,316	7,887,513
Payments on account for goods	6,724	12,420	19,144
Total inventories	15,746,887	2,965,527	18,712,414

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 auxiliary charges (shipping costs, customs duties and other directly attributable costs) for other raw and auxiliary materials;
- Production cost, determined based on the average cost criterion, pertaining to finished and unfinished products.

The valuation of inventories of finished goods and contract work in progress includes production costs and external processing costs.

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 148,189.

The value of the loan for use as at 31 December 2025 stood at Euro 38,846,301.

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.



RECEIVABLES

The consolidated balances of receivables, after eliminating intercompany balances, are broken down as follows based on maturity dates:

	OPENING BALANCE	CHANGE DURING THE YEAR	CLOSING BALANCE	PORTION DUE WITHIN THE YEAR	PORTION DUE AFTER THE YEAR
Receivables recognised under current assets					
Trade receivables	17,255,853	(1,088,888)	16,166,965	16,166,965	
Receivables from subsidiaries					
Receivables from associated companies					
Receivables from parent companies					
Receivables from companies subject to control by parent companies					
Tax receivables	940,979	(298,688)	642,291	642,291	
Deferred tax assets	1,005,707	58,900	1,064,607		
Receivables from others	516,522	197,702	714,224	677,236	36,988
Total receivables recognised under current assets	19,719,061	(1,130,974)	18,588,087	17,486,492	36,988

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 642,291, mainly includes the tax credit accrued by the Parent Company pursuant to Article 48-bis of Italian Law Decree 34/2020 (Euro 287,959). 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 1,064,607. 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.

The item "Receivables from others" mainly refers to payments on account to service providers and a receivable from employees.

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	
Italian customers	17.19%
EU customers	16.61%
Non-EU customers	66.20%

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

Description	PROVISION FOR IMPAIRMENT PURSUANT TO ARTICLE 2426 OF THE ITALIAN CIVIL CODE	PROVISION FOR IMPAIRMENT PURSUANT TO ARTICLE 106 OF PRESIDENTIAL DECREE 917/1986	TOTAL
Balance at 31/12/2024	470,167	82,144	552,311
Use during the year	(44,432)		(44,432)
Provision for the year	135,495		135,495
Other changes	(552)		(552)
Balance at 31/12/2025	560,678	82,144	642,822

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

	VALUE AS AT 31/12/2024	ALLOCATION FOR THE YEAR	USE FOR THE YEAR	OTHER CHANGES	VALUE AS AT 31/12/2025
Deferred tax assets	274,421	176,908	24,783		426,546
Tax effect of hedging derivatives	110,422	87,278	110,422		87,278
Deferred tax assets FOPE USA Inc.					
Deferred tax (assets) liabilities from consolidated adjustments	620,863		100,622	30,543	550,784
	1		2		(1)
	1,005,707	264,186	235,829	30,543	1,064,607

The table below shows the breakdown of deferred tax assets as at 31 December 2025.

Description	31/12/2025	24% IRES DEFERRED TAX ASSETS	4.08% IRAP DEFERRED TAX ASSETS	OTHER DEFERRED TAX ASSETS	TOTAL DEFERRED TAX
Allocation to provision for agents' termination indemnity	45,619	10,949	1,861		12,810
Provision for product warranty	32,231	7,735	1,315		9,050
Write-down of receivables	82,144	19,715			19,715
Write-down of raw materials stock	148,189	35,565	6,046		41,611
Goodwill write-down	100,000	24,000	4,080		28,080
Unpaid directors' fees	92,000	22,080			22,080
Provision for future expenses	22,000	5,280	898		6,178
Amortisation of goodwill	582,097	139,703	23,750		163,453
Provision for miscellaneous risks (provision for returns))	440,447	105,707	17,970		123,677
Equity derivatives - interest rates/currencies	363,660	87,278			87,278
Consolidation entries - : reversal of profit in stock	1,852,709	444,650	75,591		520,241
Deferred tax assets FOPE Usa Inc.				30,543	30,543
Rounding/exchange rate %		659	(768)		(109)
Total	3,761,096	903,321	130,743	30,543	1,064,607

CURRENT FINANCIAL ASSETS

The Group recognised derivative financial instruments (assets) in the amount of Euro 10,744,235 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 DURING THE YEAR	CLOSING BALANCE
Bank and postal deposits	15,101,771	6,779,291	21,881,062
Cheques	33,396	(33,396)	-
Cash and other valuables on hand	10,303	(709)	9,594
Total cash and cash equivalents	15,145,470	6,745,186	21,890,656

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 DURING THE YEAR	CLOSING BALANCE
Accrued income	-	388,850	388,850
Prepayments	367,137	430,992	798,129
Total accrued income an prepayments	367,137	819,842	1,186,979

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 irrespective 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
Settlement of forward contracts	388,850
Trade fair participation	212,449
Advertising pages	207,707
Other types of insurance	145,641
Theft insurance	87,287
Use licences, technical assistance and software	44,267
Rental fees	19,137
Costs relating to FOPE Branch	13,640
Leasing	12,386
DPO assignment	9,100
Rental and security	5,190
Car hire	2,729
Services related to listing on the Euronext Growth Milan	2,269
Shopfront rental	1,354
Other	34,973
Total	1,186,979

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 year and on shareholders' equity:

	SHAREHOLDERS' EQUITY (EXCLUDING PROFIT/LOSS FOR THE YEAR)	PROFIT/(LOSS) FOR THE YEAR
Shareholders' equity and profit/(loss) for the year as shown in the Parent Company's financial statements	44,717,669	9,994,572
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	2,824,857	
b) pro-rata profit/(loss) of investees		1,134,282
c) gains/losses recognised at the date of acquisition of the investees		
d) consolidation difference		
Other consolidation entries	(1,604,799)	272,816
Write-off of the effects of transactions between Subsidiaries	19,735	(19,587)
Shareholders' equity and profit/(loss) for the period attributable to the Group	45,957,462	11,382,083
Shareholders' equity and profit/(loss) for the year attributable to minority interests	175,062	66,153
Consolidated Shareholders' Equity and net profit/(loss)	46,132,524	11,448,236

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

	ALLOCATION OF PROFIT FROM THE PREVIOUS YEAR				OTHER CHANGES			CLOSING BALANCE
	OPENING BALANCE	DIVIDEND ALLOCATION	OTHER ALLOCATIONS	INCREASES	DECREASES	RECLASSIFICATIONS	PROFIT FOR THE YEAR	
Capital	5,399,608			20,000				5,419,608
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	24,440,606		3,757,081	506,744				28,704,431
Reserve for unrealised foreign exchange gains								
Consolidation reserve								
Various other reserves	(1,097,436)				(489,968)			(1,587,404)
Various other reserves - Translation	48,669				(193,410)			(144,741)
Total other reserves	23,391,839		3,757,081	506,744	(683,378)			26,972,286
Reserve for hedging expected cash flows	1,926,917			7,460,268	(1,926,917)			7,460,268
Profit/(loss) carried forward	(153)			153				-
Profit/(loss) for the year	8,346,748	(4,589,667)	(3,757,081)				11,382,083	11,382,083
Loss covered in the year								
Negative reserve for treasury shares								
Share capital and reserves of minority interests	151,583		37,040		(13,561)			175,062
Profit/(loss) of minority interests	37,040		(37,040)				66,153	66,153
Total consolidated shareholders' equity	45,358,881	(4,589,667)	-	7,987,165	(2,623,856)	-	11,448,236	57,580,759

REVALUATION RESERVES

The revaluation reserve of Euro 1,469,295 includes Euro 1,443,785 relating to the revaluation arising from Article 110 of Law 126/2020, following the revaluation of the patent for the “Flex’it” stretch fabric. The reserve is shown net of the 3% substitute tax due for the tax recognition of the revaluation carried out, amounting to Euro 44,653.

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.

PROVISIONS FOR RISKS AND CHARGES

Below is a breakdown of this item.

	PROVISION FOR PENSIONS AND SIMILAR OBLIGATIONS	PROVISION FOR TAXES, INCLUDING DEFERRED TAXES	DERIVATIVE FINANCIAL LIABILITIES	OTHER PROVISIONS	TOTAL PROVISIONS FOR RISKS AND CHARGES
Opening balance	987,363	1,007,963	460,095	51,455	2,506,876
Changes in the year					
Allocation in the year	90,654	3,139,669	363,660	451,223	4,045,206
Use in the year	590	894,727	460,095	8,000	1,363,412
Other changes		30,543			30,543
Total changes	90,064	2,275,485	(96,435)	443,223	2,712,337
Closing balance	1,077,427	3,283,448	363,660	494,678	5,219,213

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 year 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 expected liability that the Group might incur should it decide to terminate the business relationship.

Derivative instruments (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 year.

The item, amounting to Euro 494,678, relates to the "provision for future returns" of Euro 440,447, the "product warranty provision" of Euro 32,231 and "legal costs for ongoing litigation" of Euro 22,000.

The "provision for future returns" has been set aside, with effect from the current year, in accordance with Italian accounting standard OIC 34 Revenue, which requires the recognition of returns relating to sales made during the half-year, which will arise after the end of the half-year, in a provision with a corresponding reduction in sales revenues.

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:

	31/12/2024	ALLOCATION IN THE YEAR	UTILISED THE YEAR	31/12/2025
Deferred tax provision		86,451		86,451
Effect of hedging derivatives	880,545	3,015,513	880,545	3,015,513
Deferred tax arising from leases	(10)	10		-
Deferred tax liabilities of FOPE Jewellery Ltd.	102,939		5,166	97,773
Deferred taxes, FOPE USA Inc.	21,130	68,239		89,369
Foreign exchange differences	3,356		9,014	(5,658)
Rounding	3		3	-
Total provision for deferred taxes	1,007,963	3,170,213	894,728	3,283,448

EMPLOYEE SEVERANCE PAY

The following table shows the changes in the year.

	EMPLOYEE SEVERANCE PAY
Opening balance	1,411,589
Changes during the year	
Provision for the year	151,357
Use during the year	81,404
Other changes	(4,219)
Total changes	65,734
Closing balance	1,477,323

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.

PAYABLES

Below is a breakdown of amounts due based on maturity:

	OPENING BALANCE	CHANGE DURING THE YEAR	CLOSING BALANCE	AMOUNT DUE WITHIN THE YEAR	PORTION FALLING DUE AFTER THE YEAR
Bonds					
Convertible bonds					
Loans from shareholders					
Bank borrowings	11,885,785	(31,520)	11,854,265	5,646,311	6,207,954
Amounts owed to other lenders	49,350	(11,686)	37,664	37,664	
Advance payments	257,685	(242,046)	15,639	15,639	
Payables to suppliers	5,565,634	285,801	5,851,435	5,851,435	
Payables represented by credit instruments					
Payables to subsidiaries					
Payables to associated companies					
Payables to parent companies					
Payables to companies controlled by parent companies					
Tax payables	1,034,364	1,622,766	2,657,130	2,657,130	
Payables to social security and welfare institutions	386,721	114,248	500,969	500,969	
Other payables	805,886	238,257	1,044,143	1,044,143	
Total payables	19,985,425	1,975,820	21,961,245	15,753,291	6,207,954

Below is a breakdown of the balance of total amounts due to banks as at 31 December 2025 totalling Euro 11,854,265.

	AMOUNT
Loans	11,854,265
current accounts payable	
Other liabilities	
Total	11,854,265

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 Director's Report on Operations.

Credit institution	ORIGINAL AMOUNT	MATURITY	OUTSTANDING AMOUNT AS AT 31/12/2025	AMOUNT WITHIN 12 MONTHS	AMOUNT DUE AFTER 12 MONTHS
Credem S.p.A.	3,000,000	10/12/2026	1,234,682	1,234,682	
Credem S.p.A.	5,500,000	22/04/2028	5,500,000	2,156,520	3,343,480
Intesa San Paolo S.p.A.	4,000,000	24/04/2028	2,500,000	1,000,000	1,500,000
Unicredit S.p.A.	3,000,000	31/03/2026	264,653	264,653	
Unicredit S.p.A.	3,000,000	30/04/2028	2,354,930	990,456	1,364,474
Total			11,854,265	5,646,311	6,207,954

The amount of gold working capital 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 2025 in respect of the availability of gold owned by Credit Institutions, on the basis of the aforementioned contracts, amount to Euro 38,846,301.

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 Director's 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 nominal value net of trade discounts, while cash discounts are recognised at the time of payment.

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

Tax payables mainly refer to the amounts due by the Parent Company 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 considered significant.

ACCRUED EXPENSES AND DEFERRED INCOME

	OPENING BALANCE	CHANGE DURING THE YEAR	CLOSING BALANCE
Accrued expenses	137,992	(30,326)	107,666
Deferred income	97,151	(21,890)	75,261
Total accrued expenses and deferred income	235,143	(52,216)	182,927

Below is a breakdown of this item:

Description	AMOUNT
Tax credits pursuant to Law 160/19	75,261
Bank charges and interest	61,938
Loan-for-use fees	45,087
Costs relating to FOPE Branch	641
Total	182,927

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

A) PRODUCTION VALUE

Below is a breakdown of this item.

Description	31/12/2025	31/12/2024	CHANGES
Revenues from sales and services	93,578,260	73,433,504	20,144,756
Change in product inventories	2,177,861	7,421,693	(5,243,832)
Other revenues and income	875,032	888,264	(13,232)
Total	96,631,153	81,743,461	14,887,692

Below is the percentage breakdown of revenues by geographical area.

Revenues by area	
Customers in Italy	13.18%
EU customers	29.66%
Customers outside Europe	57.16%

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.

B) COSTS OF PRODUCTION

Below is a breakdown of this item.

Description	31/12/2025	31/12/2024	CHANGES
Raw materials, auxiliary materials and goods	47,072,641	31,854,293	15,218,348
Change in inventories of raw materials	(818,472)	7,404,046	(8,222,518)
Services	19,607,755	19,651,232	(43,477)
Use of third-party assets	1,294,446	813,924	480,522
Wages and salaries	6,445,073	5,136,128	1,308,945
Social security contributions	1,693,866	1,349,888	343,978
Severance pay	315,140	254,178	60,962
Pension benefits and similar obligations			
Other staff costs	166,582	122,536	44,046
Amortisation of intangible fixed assets	1,379,887	1,330,555	49,332
Depreciation of tangible fixed assets	1,663,825	1,355,837	307,988
Other write-downs of fixed assets			
Write-downs of receivables included in current assets	135,494	103,271	32,223
Provisions for risks		30,000	(30,000)
Other provisions	10,776		10,776
Other operating expenses	191,579	223,268	(31,689)
Total	79,158,592	69,629,156	9,529,436

“Services” include Euro 818,526 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 investments in subsidiaries	
From investments in other companies	6,369
Other income not included above	211,184
Total	217,553

Income other than the above relates to interest income.

	INTEREST AND OTHER FINANCIAL COSTS
From bond issues	
From bank borrowings	610,620
From other sources	12,891
Total	623,511

EXCHANGE RATE GAINS/(LOSSES)

	FOREIGN EXCHANGE GAINS	FOREIGN EXCHANGE LOSSES	NET GAINS (LOSSES)
Realised component	2,373,896	2,891,875	(517,980)
Unrealised component	13,585	480,370	(466,785)
Total	2,387,480	3,372,245	(984,765)

INCOME TAXES FOR THE YEAR

	31/12/2025	31/12/2024	DIFFERENCE
Current taxes:	4,566,244	3,379,429	1,186,815
IRES	3,354,933	2,621,382	733,551
IRAP	713,770	497,755	216,015
Leasing taxes			
Current taxes FOPE USA Inc.	178,768	158,858	19,910
Current taxes FOPE Jewellery Ltd.	136,491	32,637	103,854
Current taxes FOPE Deutschland GmbH	39,346	43,685	(4,339)
Current taxes, FOPE Japan	142,936	25,112	
Taxes relating to previous financial years	(130)	(114,459)	114,329
Deferred tax (assets) liabilities	67,488	(147,898)	215,386
IRES	(42,834)	18,511	(61,345)
IRAP	(22,839)	(3,978)	(18,861)
Other deferred tax (assets) liabilities	32,538	28,061	4,477
Deferred tax (assets) liabilities from consolidation adjustments	100,623	(190,492)	291,115
Total	4,633,602	3,117,072	1,516,530

Taxes are determined accruals basis and 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 will reverse.

Deferred tax asset and liability rates for the year 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.

DEFERRED TAX ASSETS/LIABILITIES

To provide a more detailed view of reconciliation between theoretical tax burden and actual tax burden recognised in the financial statements, below is reconciliation of the consolidated theoretical tax rate with the actual tax rate for the year compared with that for the year ended 31 December 2024.

	31/12/2025		31/12/2024	
	TAXABLE AMOUNT	TAX	TAXABLE AMOUNT	TAX
Pre-tax profit/(loss) for the year (Parent Company)	13,997,602		11,080,816	
IRES - Theoretical tax burden (24% rate)		(3,359,424)		(2,659,396)
IRAP - IRAP - Theoretical tax burden (4.08% rate on EBIT)		(644,657)		(447,061)
Total taxes		(4,004,081)		(3,106,457)
Theoretical tax rate		28,61%		28,03%
IRES differences				
Permanent upward adjustments	345,600	(82,944)	343,546	(82,451)
Increases that give rise to deferred tax assets	641,950	(154,068)	197,274	(47,346)
Increases adjusting deferred tax liabilities			28,992	(6,958)
Total increases	987,550	(237,012)	569,812	(136,755)
Permanent decreases	(595,128)	142,831	(424,808)	101,954
Decreases adjusting deferred tax assets	(103,262)	24,783	(303,396)	72,815
Decreases that give rise to deferred tax liabilities	(307,875)	73,890		
Decreases	(1,006,265)	241,504	(728,204)	174,769
IRAP differences				
Staff costs	896,243	(36,567)	664,149	(25,902)
Provisions and bad debt write-downs				
Other permanent increases	667,852	(27,248)	614,415	(23,962)
Total increases feeding into deferred tax assets	512,459	(20,908)	72,012	(2,808)
Total increases	2,076,554	(84,723)	1,350,576	(52,672)
Permanent decreases	(74,741)	3,049	(50,746)	1,979
Decreases adjusting deferred tax assets	(307,875)	12,561		
Total decreases	(382,616)	15,611	(50,746)	1,979
Total current IRES tax		(3,354,933)		(2,621,382)
Total current IRAP tax		(713,770)		(497,754)
Taxes from previous financial years		130		114,459
Taxes paid by foreign subsidiaries		(497,541)		(260,292)
Tax effect of lease accounting		(10)		
Deferred tax (assets) liabilities of Parent Company		65,673		(14,533)
Deferred tax (assets) liabilities of foreign subsidiaries		(32,529)		(28,062)
Deferred tax (assets) liabilities from consolidation adjustments		(100,622)		190,492
Total tax for the year		(4,633,602)		(3,117,072)
Pre-tax profit/(loss) for the period (consolidated)		16,081,838		11,500,861
Effective tax rate		28.81%		27.10%

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 year ended 31 December 2025 were prepared in accordance with the indirect method as under OIC 10, adjusting the profit for the year shown in the Income Statement.

During the year 2025, the Group generated total cash flows of Euro 6,745,186. Cash and cash equivalents increased from Euro 15,145,470 as at the end of the previous year to Euro 21,890,656 as at 31 December 2025.

A) Cash flows from operating activities

The Group closed the year 2025 with a profit for the year of Euro 11,448,236 (Euro 8,383,788 as at 31 December 2024). Taxes for the year totalled Euro 4,633,602 (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 14,339,027, up compared to the previous year (Euro 11,206,927).

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 823,958, referring to provisions for agents' termination indemnity and other provisions.
- Amortisation and depreciation of fixed assets totalling Euro 3,043,712.

Changes in net working capital were negative and totalled Euro 1,915,725, showing in particular an increase in other receivables and inventories.

Other adjustments were on the downside (Euro 4,097,055) and mainly related to deferred tax liability.

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 2,972,654.

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 4,621,187.

With reference to third-party funds, it should be noted that a new loan of Euro 8,500,000 was taken out, while Euro 8,531,520 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 AMOUNT AS AT 31/12/2025	FAIR VALUE AS AT 31/12/2025
Commodity swap	HEDGING DERIVATIVE	PRECIOUS METALS	37,638,900	10,661,628
Currency options	HEDGING DERIVATIVE	USD/EUR EXCHANGE RATE	18,400,000	(235,007)
Currency options	HEDGING DERIVATIVE	AUD/EUR EXCHANGE RATE	1,030,000	82,607
Currency options	HEDGING DERIVATIVE	GBP/EUR EXCHANGE RATE	6,000,000	(71,752)
Currency options	HEDGING DERIVATIVE	JPY/EUR EXCHANGE RATE	310,000,000	(13,521)
Interest Rate Swap	HEDGING DERIVATIVE	INTEREST RATE	10,619,583	(35,452)

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 2025, 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.

OTHER INFORMATION

INFORMATION RELATING TO FEES PAYABLE TO THE INDEPENDENT AUDITORS

	AMOUNT
Statutory audit of FOPE S.p.A. annual accounts	52,661
Statutory audit of FOPE Jewellery Ltd annual accounts	18,359
Statutory audit of FOPE USA Inc annual accounts	23,894
Statutory audit of FOPE Japan GK annual accounts	17,746
Tax advisory services	
Other audit services provided	4,600
Services other than auditing	54,488
Total fees payable to the statutory auditor or audit firm	171,748

The firm BDO Audit Service S.r.l. was appointed to perform the statutory audit of the consolidated financial statements.

During 2025, the audit firm also provided consulting services related to the preparation of the sustainability report. 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	AUDITORS
Fees	1,249,876	54,766

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.

INCENTIVE PLAN - 2025-2027 SHARE-BASED INCENTIVE PLAN

BONUS SHARE CAPITAL INCREASE TO SERVICE A SHARE-BASED INCENTIVE PLAN FOR 2025-2027

On 24 April 2025, the Extraordinary Shareholders' Meeting approved a bonus share capital increase of up to a maximum amount of Euro 100,000, through the use, for an equal amount, of a profit reserve contained within the extraordinary reserve set aside by the Company, resulting in the issue, pursuant to Article 2349, paragraph 1, of the Italian Civil Code, of a maximum of 100,000 new ordinary shares, without par value and with full dividend rights, to be allocated, on one or more occasions, to serve a stock grant plan for the period 2025-2027.

APPROVAL OF THE REGULATIONS OF THE 2025-2027 SHARE-BASED INCENTIVE PLAN

On 25 September 2025, the Board of Directors approved the regulations of the share-based incentive plan, which provide for: (i) the allocation, free of charge, to beneficiaries – identified at the discretion of the Board of Directors – of FOPE shares based on the achievement of certain qualitative targets (including continued service with the Group for a specified period) and/or specific financial targets linked to the Group's consolidated revenues and EBITDA; (ii) a time horizon of three years (2025, 2026 and 2027), with interim vesting for qualitative targets and annual vesting for financial targets, based on the results of each relevant year; (iii) the allocation of a maximum of 100,000 rights to the free allocation of one share; (iv) a percentage-based vesting mechanism with a floor of 80% and a cap of 100%, corresponding to the possibility of exercising the rights on a percentage basis relative to the total, applicable only to vesting linked to the achievement of financial targets; (v) good and bad leaver mechanisms to regulate the right to exercise the rights and the transfer of the possibility to exercise the rights also to heirs; (vi) restrictions on the disposal of the shares received for 24 months (which may be waived); (vii) the obligation to return the shares received in the event of being a bad leaver; and (viii) the Company's right of first refusal in the event of sales following the lock-up period.

Based on the commitments undertaken at the time of hiring, the Board of Directors identified the Company's General Manager and Sales Director responsible for the American market (both related parties and key executives of FOPE) among the beneficiaries.

On the basis of the approved incentive plan, the General Manager was granted n. 60,000 allocation rights - 20,000 shares were granted in December 2025 and the remaining two thirds exercisable on an annual basis - subject to the achievement, in the relevant financial year, of the economic objectives set forth in the plan regulations, as well as compliance with the other conditions provided therein in both cases.

The Sales Director responsible for the American market was granted 15,000 stock options exercisable starting in September 2025. In accordance with the terms established in March 2026, 15,000 shares were allocated to the Sales Director responsible for the American market..

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.

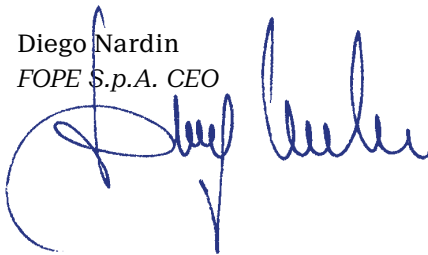
The Parent Company's commitments to third parties relate to the value of gold on loan for use amounting to Euro 38,846,301.

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

As already highlighted in the Directors' Report, in accordance with the provisions of the regulations governing the 2025-2027 share incentive plan, in March 2026 the Board of Directors allocated 15,000 bonus shares, bringing the share capital to Euro 5,434,608.

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





INDEPENDENT
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, 2025

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.

GSN/SBR/irm - RC058142025AS0168

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BDO

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 group (the Group), which comprise the balance sheet as at December 31, 2025, 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 the Group at December 31, 2025 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.

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

BDO Audit Services S.r.l.

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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 group as at December 31, 2025, 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 group as at December 31, 2025.

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.

Milan, dated April 3, 2026

BDO Audit Services S.r.l.
Signed by

Giuseppe Santambrogio
Partner

VICENZA

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