VICENZA

FOPE

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FOPE: THE BOARD OF DIRECTORS APPROVES THE RESULTS AS

- *Net Revenues: Euro 26.0 million (FY2019: Euro 35.0 million)*
- *EBITDA: Euro 3.95 million (FY2019: Euro 6.78 million)*
- *EBIT: Euro 2.34 million (FY2019: Euro 5.43 million)*
- *Net profit: Euro 1.66 million (FY2019: Euro 4.85 million)*
- *Net Financial Position: Euro 2.42 million (FY2019: Euro 0.09 million)*
- *Equity: Euro 20.6 million (FY2019: Euro 20.8 million)*

Vicenza, 22 March 2021

The Board of of FOPE (FPE:IM), an Italian goldsmith company leader in the fine jewellery sector, listed on the AIM Italia, has approved today the Consolidated Financial Statements and the Draft Separate Financial Statements at 31 2020.

Diego Nardin, CEO of **FOPE**: "*The sales and margins results achieved during the extraordinary year of the pandemic, which we must view positively, and, above all, the detailed analysis of the conduct of each market, offer us reassurance about the importance of our brand amongst our retailers and as the top choice for our customers. The 2020 data also allow us to formulate for 2021, albeit as yet without having lifted all reservations due to the continued effects of the health emergency, forecasts for a business volume that guarantees positive management of the economic result and for financial management that will allow the Company to fulfil the financial commitments made, without undue tension.*"

Consolidated highlights at 31 2020

Net revenues came to Euro 26.0 million as compared with Euro 35.0 million in 2019. The change is exclusively due to the impact on business resulting from the prolonged lock-downs brought by the COVID-19 health emergency, both on the Italian market and export markets.

EBITDA came to Euro 3.95 million (Euro 6.78 million in 2019), corresponding to an EBITDA margin of 15.2% (19.4% in 2019). Sales margins and cost management during the lock-downs ensured that a suitable level of profitability was maintained.

EBIT amounted to 2.34 million, compared with Euro 5.43 million in 2019.

Pre-tax profit for the year totalled Euro 2.07 million, compared with Euro 4.95 million in 2019.

Net profit came to Euro 1.66 million as compared with Euro 4.85 million in 2019.

Net financial position came to Euro 2.42 million (Euro 0.09 million at 31 2019), with liquid funds for Euro 9.7 million.

Equity came to Euro 20.6 million, as compared with Euro 20.8 million at 31 2019.

Distribution of net profit for the year

The Board of Directors has resolved proposing that the Shareholders' Meeting allocates the profit for the year totalling Euro 1,884,882, as follows:
- Euro 94,244 to the legal reserve,
- Euro 996,527 to the extraordinary reserve,
- Euro 794,111 by way of dividends to the distribution of a gross dividend of Euro 0.15 per share to the holders of the 5,294,071 common shares outstanding.

In respect of the ordinary dividend that will be assigned for payment starting 05 May 2021 - ex-dividend date no. 4 at 03 May 2021 and record date at 04 May 2021 - the dividend yield is 1.8%, while the payout ratio is 42%.

Significant events after the reporting period

On 15 March 2021, FOPE obtained renewal of the RJC certification by the Responsible Jewellery Council, an international non-profit organisation that sets the standards for the certification of the entire jewellery production chain.

Business outlook

The commercial result recorded in the early months of 2021 and the good position of the order book are in line with the Company's positive forecasts. The health emergency and the consequent negative effects on the economy and segment to which the Company belongs, are not over yet. Some markets are gradually returning to normal operating conditions, whilst others are still impacted by COVID-19, with the closure of jewellery stores and limits to travel. The uncertainty surrounding the length of time it will actually take for the markets to recover means that we are unable to lift all reservations in respect to the extraordinary conditions of the context and prepare accurate estimates on sales volumes for this year.

For 2021, a business volume can be expected that guarantees positive management of the economic result and financial management that will assure that financial commitments are fulfilled without undue tension. The experience accrued during the health emergency and the consequent assessments on the conduct of the markets in which FOPE operates, have confirmed the validity of the strategies pursued, which constitute the guidelines for the action taken to overcome the contingent period and continue the business development over the years to come.

Convening of the Ordinary Shareholders' Meeting

The Board of has resolved to convene the Ordinary Shareholders' Meeting for 23 April 2021, at single call, at 10.30 at the company's office, to discuss and resolve on the following agenda

- Approval of the financial statements at 31 2020, complete with the reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditing Firm. Presentation of the group consolidated financial statements at 31 2020 and relevant reports. Related and consequent resolutions.
- Allocation of the period result. Related and consequent resolutions.
- Election of the Board of Auditors. Related and consequent resolutions.
- Assignment for the statutory auditing of the accounts for financial years 2021-2023. Related and consequent resolutions.

The Shareholders' Meeting Convening, which will be published in accordance with the terms established by the law and the Articles of Association, shall also specify how the meeting can be attended, in view in particular of the needs dictated by the current emergency situation, its continuation and in compliance with the provisions of current law in force. Please also note that the documentation relating to the items on the agenda will be made available to the public at the registered office and on the website www.fopegroup.com, in the Investor Relations/Shareholders' Meetings section, under the terms of current legislation.

The press release is available on the websites www.fopegroup.com and www.1info.it

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FOPE (FPE:IM) is a historic Italian jewellery company established in Vicenza in 1929 and a leader in the fine jewellery market. With Euro 26 million in revenues in 2019, 59 employees (at group level), and a strong international presence (it generates 91% of its revenues abroad), FOPE pursues a strategic growth project based on expanding and consolidating the brand in the international luxury market by leveraging 4 competitive advantages: product quality, perfect combination of Made-in-Italy craftsmanship and technology, recognisable design, and long-standing customer relationships. FOPE operates globally through a well-established and select network of over 700 stores in 50 countries (with a direct presence through the subsidiaries FOPE USA Inc., in the US market, FOPE Jewellery Limited, in the UK market and FOPE SpA DMCC Brach in Dubai). The business model focuses on maintaining direct business relationships with multi-brand jewellery retailers (either independent or part of groups) that specialise in luxury products such as fine jewellery and watches. FOPE does not work with intermediaries: instead, it enters into direct partnerships that ensure the loyalty and reliability of the customer/retailer as well as an outstanding after-sale service. In 2015, the Company opened its first mono-brand store in Venice's Piazza San Marco and in 2019 a flagship boutique in the prestigious Old Bond Street in London. The entire production cycle—from prototyping to the shipping of finished jewels to over 50 countries— takes place inside the headquarters in Vicenza. FOPE's investments in R&D have led to an extremely high level of standardisation and automation, with proprietary technology that allows to optimise processes and times in order to deliver products of world-class quality. FOPE's jewels range from timeless classics featuring the iconic Novecento mesh to the more recent Flex'it lines, which include the original bracelets made flexible thanks to a patented system of tiny gold springs embedded in the mesh—strikingly elegant collections that always stand out in terms of comfort and portability. FOPE has obtained the voluntary TF (Traceability & Fashion) certification and is a certified member of the Responsible Jewellery Council.

ISIN of FOPE ordinary shares: IT0005203424 –ISIN of "FOPE POC 4.5% 2016-2021": IT0005203671

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Attachments:

- Consolidated Income Statement
- Consolidated Balance sheet
- FOPE SpA Income Statement
- FOPE SpA Balance sheet

CONSOLIDATED INCOME STATEMENT

Euro	31/12/2020	31/12/2019	Change
Net revenues	**25,996,048**	**34,964,396**	**(8,968,348)**
Other incomes	468,200	965,714	(497,514)
Operating costs	19,481,047	25,701,633	(6,220,586)
Added value	**6,983,201**	**10,228,477**	**17,211,678**
Cost of personnel	3,037,782	3,447,007	(409.225)
EBITDA	**3,945,419**	**6,781,470**	**(2,836,051)**
Depreciation and Amortization	1,608,155	1,348,416	259.739
EBIT	**2,337,264**	**5,433,054**	**(3,095,790)**
Financial income and expense	(269,564)	(482,471)	212,907
EBT	**2,067,700**	**4,950,583**	**(2,882,883)**
Tax	404,508	103,560	300,948
Net Profit	**1,663,192**	**4,847,023**	**(3,183,831)**

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CONSOLIDATED BALANCE SHEET

Euro	31/12/2020	31/12/2019	Change
Net intangible assets	3,580,307	2,545,614	1,034,693
Net tangible assets	10,062,221	10,069,456	(7,235)
Financial assets	78,611	10	78,601
Fixed Assets	**13,721,139**	**12,615,080**	**1,106,059**
Inventories	8,547,856	6,202,041	2,345,815
Account Receivable	5,592,008	8,295,128	(2,703,120)
Other Receivables	943,774	1,793,771	(849,997)
Hedging op. cr.position	419,932	1,356,226	(936,294)
Current Asset	**15,503,570**	**17,647,166**	**(2,143,596)**
Trade payables	2,471,024	5,668,042	(3,197,018)
Current liabilities	787.985	767.393	20.592
Current liabilities	**3,259,009**	**6,435,435**	**(3,176,426)**
Net working capital	**12,244,561**	**11,211,731**	**1,032,830**
Severance pay fund	(953,534)	(869,491)	(84,043)
Agencies indemn.Fund and Other	(1,670,420)	(1,926,468)	256,048
Hedging op.Fund	(352.521)	(167.235)	(185,286)
Total funds	**(2,976,475)**	**(2,963,194)**	**(13,281)**
Invested capital	**22,989,225**	**20,863,617**	**2,125,608**
Share capital and equity reserve	(20,523,419)	(19,919,314)	(604,105)
Hedging op.Reserve	(50,334)	(852,821)	802,487
Shareholders' equity	**(20,573,753)**	**(20,772,135)**	**198.382**
M/L term financial position	(7,358,338)	(5,630,087)	(1,728,251)
Short-term financial position	4,942,866	5,538,605	(595,739)
Net Position Debt	**(2,415,472)**	**(91,482)**	**(2,323,990)**
Equity and Net Position Debt	**22,989,225**	**20,863,617**	**2,125,608**

FOPE SPA INCOME STATEMENT

Euro	31/12/2020	31/12/2019	Change
Net revenues	**26,325,167**	**34,964,397**	**(8,639,229)**
Other incomes	437.987	969.174	(531.188)
Operating costs	(20,305,484)	(26,628,827)	6,323,343
Added value	**6,457,670**	**9,304,744**	**(2,847,074)**
Cost of personnel	(2,363,882)	(2,787,941)	424.059
EBITDA	**4,093,788**	**6,516,803**	**(2,423,015)**
Depreciation and Amortization	(1,565,312)	(1,311,761)	(253.551)
EBIT	**2,528,476**	**5,205,042**	**(2,676,566)**
Financial income and expense	(269.604)	(480.516)	210.912
EBT	**2,258,872**	**4,724,526**	**(2,465,654)**
Tax	(373.990)	(47.252)	(326.738)
Net Profit	**1,884,882**	**4,677,274**	**(2,792,392)**

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FOPE SPA BALANCE SHEET

Euro	31/12/2020	31/12/2019	Change
Net intangible assets	3,389,761	2,320,603	1,069,158
Net tangible assets	10,027,790	10,014,428	13.362
Financial assets	134.118	134.118	0
Fixed Assets	**13,551,669**	**12,469,149**	**1,082,520**
Inventories	8,260,646	6,202,041	2,058,605
Account Receivable	4,836,576	8,295,128	(3,458,552)
Subsidiaries Receivables	1,231,372	116.080	1,115,292
Other Receivables	830.055	1,545,344	(715.289)
Hedging op. cr.position	419.932	1,356,226	(936.294)
Current Asset	**15,578,581**	**17,514,819**	**(1,936,238)**
Accounts Payable	2,278,224	5,253,252	(2,975,028)
Subsidiaries Payables	204.743	597.428	(392.685)
Other Payables	864.013	1,131,029	(267.016)
Short term debt	**3,346,980**	**6,981,709**	**(3,634,729)**
Net Working Capital	**12,231,601**	**10,533,110**	**1,698,491**
Severance pay Fund	(953.534)	(869.491)	(84.043)
Agencies indemn.Fund and Other	(1,377,865)	(1,324,304)	(53.561)
Hedging op.Fund	(352.521)	(167.235)	(185.286)
Invested Capital	**23,099,350**	**20,641,229**	**2,458,121**
Share capital and equity reserve	(20,473,923)	(19,527,588)	(946.335)
Hedging op.Reserve	(50.334)	(852.821)	802.487
Shareholders' equity	**(20,524,257)**	**(20,380,409)**	**(143.848)**
M/L term financial position	(7,358,338)	(5,630,087)	(1,728,251)
Short-term financial position	4,783,245	5,369,267	(586.022)
Net Position Debt	**(2,575,093)**	**(260.820)**	**(2,314,273)**
Equity and Net Position Debt	**23,099,350**	**20,641,229**	**2,458,121**