Development and growth strategies for the Japanese market continue, with the FOPE GINZA flagship store in Tokyo set to open in June 2023

- ***Revenues: Euro 62.2 million (2021: Euro 40.3 million)***
- ***EBITDA: Euro 15.8 million (2021: Euro 8.8 million)***
- ***EBIT: Euro 13.9 million (2021: Euro 6.8 million)***
- ***Net Profit: Euro 10.8 million (2021: Euro 5.0 million)***
- ***Net Financial Position: cash positive for Euro 1.5 million (2021: cash positive for Euro 1.9 million)***
- ***Equity: Euro 33.6 million (2021: Euro 25,8 million)***

FOPE CAPITAL MARKETS DAY – 30 March 2023, 11:00 am, Palazzo Parigi Hotel & Grand SpA

Vicenza, 28 March 2023

The Board of Directors of FOPE (FPE:IM), leading Italian goldsmith company in the high-end jewellery segment listed on Euronext Growth Milan market, approved today the Consolidated Financial Statements and the Draft Separate Financial Statements as at 31 December 2022.

Diego Nardin, FOPE CEO, commented: *"It is with great satisfaction that we close the 2022 financial year, recording significant growth in sales and other economic indicators compared to 2021 and showing a strong capital position. This excellent result in terms of revenues confirms the effectiveness of the market development and brand affirmation strategies we are pursuing. All of the countries where we work recorded growth, both in our consolidated international markets, as well as in emerging markets and Italy. The volume of revenues achieved, combined with efficient cost management, generated good margins, as confirmed by the EBITDA margin recorded by the Group, equal to 25.5% of revenues. As with the economic results, the management of financial flows was also optimised: the net financial position was cash positive for Euro 1.50 million, even after completing all investments planned for the year. We have a positive outlook for the development of the business in 2023 with cautious but growing sales expectations, despite the persistent uncertainties deriving from the international economic context and the critical factors that remain unpredictable. The specific nature of FOPE's offer, the forecasts on the potential business performance of the luxury segment in which we operate, and the results of the first months of 2023 encourage this positive outlook, I believe."*

Consolidated highlights as at 31 December 2022

Net revenues amounted to Euro 62.2 million, up 54.2% compared to Euro 40.3 million in 2021 and up 77.6% compared to the 2019 result of Euro 35.0 million. The growth in revenues recorded on both international markets and in Italy was reflected in the similar growth in the volumes of jewellery collections sold. In 2022, a marginal increase in the price list produced effects exclusively in the final quarter of the year.

EBITDA came in at Euro 15.8 million, +80.1% compared to Euro 8.8 million 2021. The EBITDA margin, equal to 25.5%, was especially notable, higher than both the 2021 figure of 21.8% and the pre-pandemic result (19.4% in 2019).

EBIT was equal to Euro 13.9 million, showing a significant improvement compared to Euro 6.8 million in 2021 and Euro 5.4 million in 2019. The EBIT margin stood at 22.4% (16.8% in 2021 and 15.5% in 2019).

Net Profit came in at Euro 10.8 million, up from Euro 5.0 million in 2021.

The **Net Financial Position** was cash for Euro 1.5 million, compared to Euro 1.9 million as at 31 December 2021.

Equity was equal to Euro 33.6 million, compared to Euro 25.8 million as at 31 December 2021.

<u>Distribution of the Profit for the Year</u>

The Board of Directors has resolved to propose that the Shareholders' Meeting allocates the parent company's profit for the year, equal to Euro 10,284,147, as follows:

- Euro 5,964,460 to the extraordinary reserve;
- Euro 4,319,686 to the distribution of a gross of Euro 0.80 per share for the 5,399,608 outstanding ordinary shares.

The ordinary dividend will be paid from 10 May 2023 - ex- date no. 6 on 8 May 2023 and record date on 9 May 2023 - with a dividend yield equal to 2,50%, and a pay-out ratio of 42%.

<u>Significant Events After the Reporting Period</u>

<u>Planned opening of the FOPE flagship store in Tokyo</u>

The inauguration of the FOPE GINZA boutique in Tokyo, which is currently under construction, is scheduled for June 2023. The ambitious project aims to bring the FOPE brand to another location of international standing, similar to London, through its own flagship store, in order to achieve high brand awareness in the Japanese market, where the Group continues to pursue commercial development and marketing activities aimed at increasing its presence in the country. The project was realised in partnership with a major jewellery group operating in Tokyo.
FOPE S.p.A. financially supported part of the investment required for the construction of the boutique designed by Italian architect Flavio Albanese from the firm ASA, who interpreted and combined the FOPE image with the elegance of Japanese style.
The operational management of the stores and the related costs, as well as customer reception services, will be entrusted and charged to the local partner.

<u>Business Outlook</u>

In the light of the results achieved in 2022 financial year, without disregarding any potential critical developments of the macroeconomic situation with particular regard to the geopolitical scenario characterised by tensions between Russia and Ukraine, development of the business is expected again in 2023 financial year.
It should be noted that the Group is not active in the markets affected by the aforementioned conflict and, although we cannot exclude any indirect negative effects in case of the deterioration of the Eurozone economy

due to the continuation of the conflict, not operating in these markets, the Group does not predict any direct phenomena that could affect the development of Group activities envisaged for the current year. Based on the forecasts prepared by the Company, an increase in the sales volumes and a economic result are expected in 2023 financial year. The results achieved in first months of 2023 confirm these forecasts and, consequently, the expectations above.

Ordinary and Extraordinary Shareholders' Meeting Convened

The Board of Directors resolved to convene the Ordinary and Extraordinary Shareholders' Meeting on 28 April 2023, at 10:30 am at the Registered Office. It should be noted that, in addition to the approval of the separated financial statements as at 31 December 2022 and the presentation of the consolidated financial statements as at 31 December 2022, in the ordinary session, the Shareholders' Meeting will be called in an extraordinary session to examine and approve the proposal to delegate the Board of Directors to increase the share capital so that it can possibly seize the opportunity to increase the free float and find new financial resources to support the development of the Group.

The Notice of Call of the Shareholders' Meeting, to be published within the terms envisaged by the law and the Articles of Association, will also indicate the methods for attending the Shareholders' Meeting, in compliance with the provisions of legislation in force at the time. Documentation regarding the agenda will be made available to the public at the registered office and on the website www.fopegroup.com, under the section Investor Relations / Shareholders' Meetings, within the terms established by current legislation.

FOPE CAPITAL MARKETS DAY

FOPE hereby announces that on 30 March 2023, at 11:00 am, at Palazzo Parigi Hotel & Grand SpA (Milan, Corso di Porta Nuova, 1), the CEO Diego Nardin will present the 2022 results and strategic guidelines. Mandatory registration at: m.pireddu@irtop.com

The institutional presentation will be published on the day of the event on the website www.fopegroup.com, under the section "Investor Relations / Events and Presentations".

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

FOPE (FPE:IM; ISIN IT0005203424) is a historic Italian jewellery company established in Vicenza in 1929 and a leader in the fine jewellery market. With about 60 employees, and a strong international presence (about 90% of its revenues), 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 in the US, Arab, and UK markets through the subsidiaries FOPE USA Inc., FOPE Services DMCC, and FOPE Jewellery Limited, respectively). 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*.

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CONSOLIDATED INCOME STATEMENT

Euro	31/12/2022	31/12/2021	Change
Revenue	**62,161,398**	**40,306,787**	**21,854,611**
Other revenue and income	590,183	401,613	188,570
External costs	42,345,010	28,184,292	14,160,718
Added value	**20,406,571**	**12,524,107**	**7,882,464**
Personnel costs	4,576,359	3,736,898	839,461
EBITDA	**15,830,212**	**8,787,209**	**7,043,003**
Depreciation and amortisation	1,919,114	2,006,714	(87,600)
EBIT	**13,911,098**	**6,780,495**	**7,130,603**
Financial income and charges	(753,462)	49,300	(802,762)
Pre-tax profit	**13,157,636**	**6,829,795**	**6,327,841**
Earnings before Tax	2,325,474	1,800,240	525,234
Net profit	**10,832,162**	**5,029,555**	**5,802,607**

CONSOLIDATED BALANCE SHEET

Euro	31/12/2022	31/12/2021	Change
Net intangible fixed assets	3,041,035	3,107,913	(66,878)
Net tangible fixed assets	9,974,191	9,568,104	406,087
Holdings/equity and other financial fixed assets	1,138,729	88,071	1,050,658
Non-current assets	**14,153,955**	**12,764,088**	**1,389,867**
Warehouse stock	13,922,637	10,308,809	3,613,828
Trade receivables	12,361,591	9,324,585	3,037,006
Current receivables	3,097,071	1,301,646	1,795,425
Cash flow hedging op. cr. position	132,082	794,993	(662,911)
Short-term assets for the year	**29,513,381**	**21,730,033**	**7,783,348**
Trade payables	4,688,627	4,457,257	231,370
Current liabilities	4,102,494	3,313,533	788,961
Short-term liabilities for the year	**8,791,121**	**7,770,789**	**1,020,332**
Net working capital	**20,722,260**	**13,959,243**	**6,763,017**
Severance pay fund	(1,186,417)	(1,006,788)	(179,629)
End-of-mandate indemnity fund and other funds	(1,076,534)	(1,727,961)	651,427
Expected cash flow hedging op. fund	(473,647)	(21,931)	(451,716)
Provisions for risks and non-current charges	**(2,736,598)**	**(2,756,680)**	**20,082**
Total assets	**32,139,617**	**23,966,651**	**8,172,966**
Share capital and equity reserve	(33,805,375)	(25,285,252)	(8,520,123)
Expected cash flow hedging op. reserve	164,769	(556,610)	721,379
Shareholders' equity	**(33,640,606)**	**(25,841,862)**	**(7,798,744)**
Medium to long-term financial position	(4,997,325)	(5,002,537)	5,212
Short-term financial position	6,498,315	6,877,748	(379,433)
Net financial position	**1,500,990**	**1,875,211**	**(374,221)**
Equity and net financial position	**32,139,616**	**23,966,651**	**8,172,965**

FOPE SPA INCOME STATEMENT

Euro	31/12/2022	31/12/2021	Change
Revenue	**57,730,197**	**38,956,888**	**18,773,309**
Other revenue and income	491,700	299,025	192,675
External costs	(39,538,169)	(26,597,609)	(12,940,560)
Added value	**18,683,728**	**12,658,304**	**6,025,424**
Personnel costs	(3,645,623)	(2,993,348)	(652,275)
EBITDA	**15,038,105**	**9,664,956**	**5,373,149**
Depreciation and amortisation	(1,815,351)	(1,964,536)	149,185
EBIT	**13,222,754**	**7,700,420**	**5,522,334**
Financial income and charges	(803,353)	49,458	(852,811)
Pre-tax profit	**12,419,401**	**7,749,879**	**4,669,523**
Earnings before Tax	(2,135,255)	(2,088,021)	(47,233)
Net profit	**10,284,147**	**5,661,857**	**4,622,289**

FOPE SPA BALANCE SHEET

Euro	31/12/2022	31/12/2021	Change
Net intangible fixed assets	2,887,583	2,928,004	(40,421)
Net tangible fixed assets	9,608,445	9,508,877	99,568
Holdings/equity and other financial fixed assets	1,137,635	134,118	1,003,517
Non-current assets	**13,633,663**	**12,570,999**	**1,062,664**
Warehouse stock	12,335,394	9,184,653	3,150,741
Trade receivables	6,426,454	5,322,440	1,104,014
Subsidiaries Receivables	8,856,365	6,942,412	1,913,953
Current receivables	2,341,273	675,906	1,665,367
Cash flow hedging op. cr. position	132,082	794,993	(662,911)
Short-term assets for the year	**30,091,568**	**22,920,404**	**7,171,164**
Trade payables	3,913,308	3,672,818	240,490
Subsidiaries Payables	434,022	248,918	185,104
Current liabilities	2,709,702	2,932,018	(222,316)
Short-term liabilities for the year	**7,057,032**	**6,853,754**	**203,278**
Net Working Capital	**23,034,536**	**16,066,650**	**6,967,886**
Severance pay Fund	(1,186,417)	(1,006,788)	(179,629)
Agencies indemn.Fund and Other	(863,934)	(1,380,187)	516,253
Hedging op.Fund	(473,647)	(21,931)	(451,716)
TOTAL ASSETS	**34,144,201**	**26,228,743**	**7,915,458**
Share capital and equity reserve	(33,377,498)	(25,536,264)	(7,841,234)
Expected cash flow hedging op. reserve	164,770	(556,610)	721,380
Shareholders' equity	**(33,212,728)**	**(26,092,874)**	**(7,119,854)**
Medium to long-term financial position	(4,997,325)	(5,002,537)	5,212
Short-term financial position	4,065,852	4,866,668	(800,816)
Net Financial Position	**(931,473)**	**(135,869)**	**(795,604)**
EQUITY AND NET FINANCIAL POSITION	**34,144,201**	**26,228,743**	**7,915,458**