

# MARCOLIN

## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022



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## GENERAL INFORMATION



## CORPORATE BOARDS AND AUDITORS

### **Board of Directors**<sup>1</sup>

Vittorio Levi	Chairman
Fabrizio Curci	C.E.O. and General Manager
Antonio Abete	Director
Simone Cavalieri	Director
Jacopo Forloni	Director
Cirillo Coffen Marcolin	Director
Emilio Macellari	Director
Frédéric Jaques Mari Stévenin	Director
Raffaele Roberto Vitale	Director
Severine de Wulf	Director

### **Board of Statutory Auditors**<sup>1</sup>

David Reali	Chairman
Mario Cognigni	Standing Auditor
Diego Rivetti	Standing Auditor
Alessandro Maruffi	Alternate Auditor
Stefania Prandelli	Alternate Auditor

### **Internal Audit Committee**<sup>2</sup>

Vittorio Levi	Chairman
Jacopo Forloni	Supervisor
Cirillo Coffen Marcolin	Supervisor

### **Supervisory Body**<sup>2</sup>

Federico Ormesani	Chairman
David Reali	Supervisor
Gabriele Crisci	Supervisor

### **Independent Auditors**<sup>1,3</sup>

PricewaterhouseCoopers S.p.A.

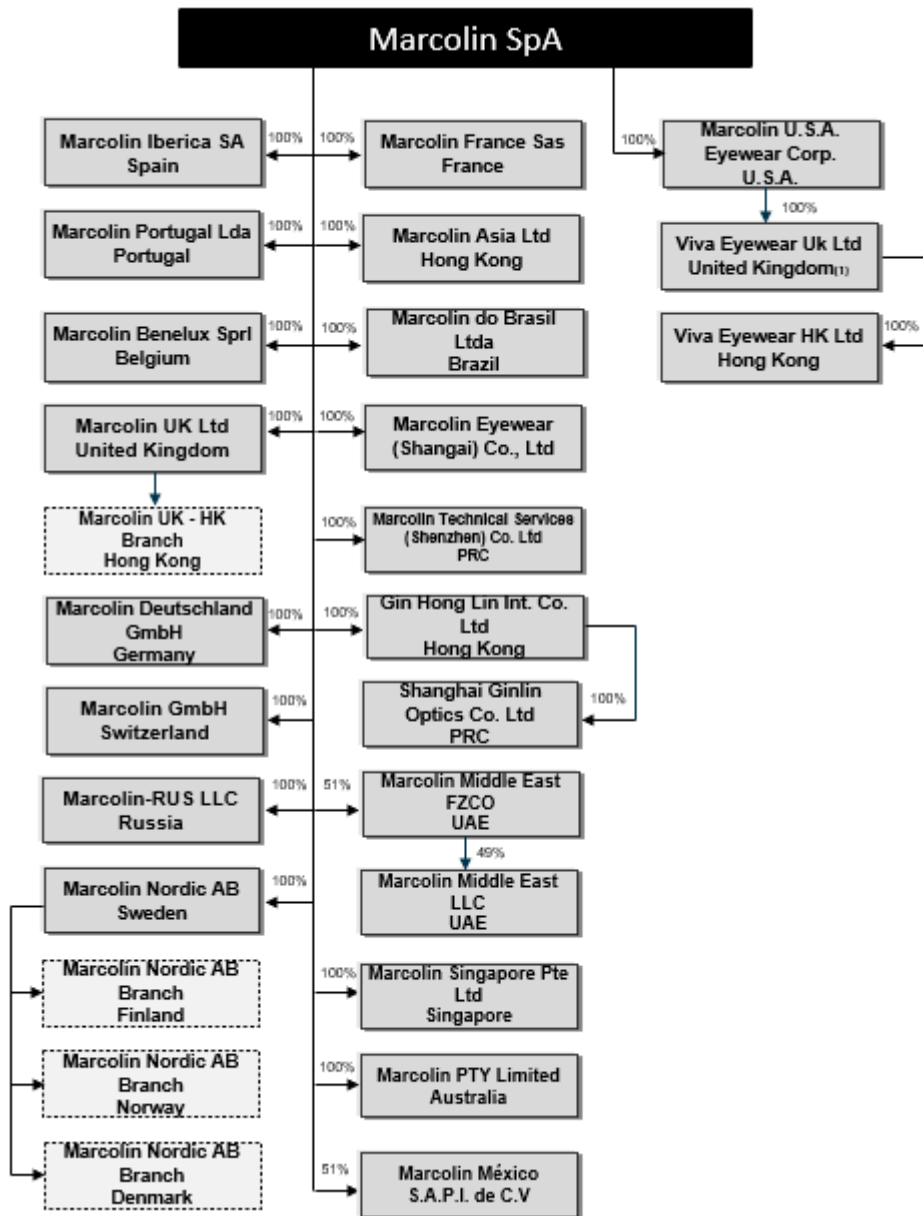
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1) Term of office ends on the date of the General Meeting called to approve the annual financial statements for the year ended December 31, 2024 (pursuant to the Shareholders' Resolution of April 28, 2022).

2) Pursuant to the Board of Directors' appointment of April 28, 2022.

3) Term of engagement: 2022 - 2024 (pursuant to the Shareholders' Resolution of April 28, 2022).

## MARCOLIN GROUP STRUCTURE



1) Company undergoing liquidation;



**INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(euro/000)	Notes	03/31/2022	12/31/2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	1	41,624	43,506
Intangible assets	1	43,968	44,577
Goodwill	1	289,601	287,720
Deferred tax assets	1	53,447	52,223
Other non-current assets	1	872	842
Non-current financial assets	1; 6	231	238
<b>Total non-current assets</b>		<b>429,743</b>	<b>429,106</b>
<b>CURRENT ASSETS</b>			
Inventories	2	116,152	103,307
Trade receivables	2	86,065	70,762
Other current assets	2	33,604	30,093
Current financial assets	2; 6	100	899
Cash and cash equivalents	2; 6	215,812	228,848
<b>Total current assets</b>		<b>451,733</b>	<b>433,909</b>
<b>TOTAL ASSETS</b>		<b>881,476</b>	<b>863,015</b>
<b>EQUITY</b>			
	3		
Share capital		35,903	35,903
Additional paid-in capital		170,304	170,304
Legal reserve		7,180	6,437
Other reserves		51,829	47,441
Retained earnings (losses)		(11,265)	(162,394)
Profit (loss) for the period		3,004	151,873
<b>Group equity</b>		<b>256,956</b>	<b>249,564</b>
Non controlling interests		2,070	1,463
<b>TOTAL EQUITY</b>		<b>259,026</b>	<b>251,025</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Non-current financial liabilities	4; 6	382,935	383,220
Non-current funds	4	7,402	7,107
Deferred tax liabilities	4	5,247	4,728
Other non-current liabilities	4	767	752
<b>Total non-current liabilities</b>		<b>396,352</b>	<b>395,807</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	5	151,733	146,894
Current financial liabilities	5; 6	23,978	22,100
Current funds	5	18,669	18,298
Tax liabilities	5	7,855	6,815
Other current liabilities	5	23,863	22,075
<b>Total current liabilities</b>		<b>226,097</b>	<b>216,182</b>
<b>TOTAL LIABILITIES</b>		<b>622,448</b>	<b>611,989</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>881,476</b>	<b>863,015</b>

## CONDENSED CONSOLIDATED INCOME STATEMENT AND CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(euro/000)</i>	Notes	03/31/2022	%	03/31/2021	%
Net Revenues	7	129,821	100.0%	108,663	100.0%
Cost of sales	8	(51,898)	(40.0)%	(46,764)	(43.0)%
<b>GROSS PROFIT</b>		<b>77,922</b>	<b>60.0%</b>	<b>61,899</b>	<b>57.0%</b>
Distribution and marketing expenses	9	(56,768)	(43.7)%	(48,463)	(44.6)%
General and administrative expenses	10	(10,845)	(8.4)%	(8,679)	(8.0)%
Other operating income/(expenses)	11	181	0.1%	227	0.2%
<b>OPERATING INCOME - EBIT</b>		<b>10,491</b>	<b>8.1%</b>	<b>4,984</b>	<b>4.6%</b>
Profit/(loss) from associates	12	-	0.0%	(341)	(0.3)%
Financial income	13	5,178	4.0%	6,764	6.2%
Financial costs	13	(10,373)	(8.0)%	(9,671)	(8.9)%
<b>PROFIT (LOSS) BEFORE TAXES</b>		<b>5,296</b>	<b>4.1%</b>	<b>1,735</b>	<b>1.6%</b>
Income tax expense	14	(1,723)	(1.3)%	(1,001)	(0.9)%
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>		<b>3,573</b>	<b>2.8%</b>	<b>734</b>	<b>0.7%</b>
<b>Profit (loss) attributable to:</b>					
- Owners of the parent		3,004	2.3%	433	0.4%
- Non-controlling interests		568	0.4%	301	0.3%

<i>(euro/000)</i>	03/31/2022	03/31/2021
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>3,573</b>	<b>734</b>
<i>Other items that will not subsequently be reclassified to profit or loss:</i>		
Effect (actuarial gains/losses) on defined benefit plans, net of taxes	-	-
<b>TOTAL OTHER ITEMS THAT WILL NOT SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS</b>	<b>-</b>	<b>-</b>
<i>Other items that will be subsequently reclassified to profit or loss:</i>		
Change in foreign currency translation reserve	2,620	3,556
Change in exchange rate difference on quasi equity loan	1,808	1,538
<b>TOTAL OTHER ITEMS THAT WILL BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS</b>	<b>4,428</b>	<b>5,094</b>
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>8,001</b>	<b>5,828</b>
<b>Risultato complessivo attribuibile:</b>		
- owners of the parent	7,393	5,459
- non-controlling interests	608	369

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Additional paid-in capital	Legal Reserve	Other reserves					Profit (loss) for the period	Capital and reserves net total	Non-controlling interests in equity	Total equity
				S.holders deposit in s/capital	Translation reserve	Other	Actuarial gain / (loss) reserve	Retained earnings/ (losses)				
(euro/000)												
<b>December 31, 2020</b>	<b>35,902</b>	<b>170,304</b>	<b>6,437</b>	<b>46,108</b>	<b>(285)</b>	<b>(8,093)</b>	<b>(32)</b>	<b>(75,322)</b>	<b>(56,824)</b>	<b>118,195</b>	<b>1,100</b>	<b>119,295</b>
Allocation of 2020 result	-	-	-	-	-	-	-	(56,824)	56,824	-	-	-
Other movements	-	-	-	-	-	(154)	-	-	-	(154)	-	(154)
- Period result	-	-	-	-	-	-	-	-	433	433	301	734
- Other components of comprehensive income	-	-	-	-	3,488	1,538	-	-	-	5,026	68	5,094
Total comprehensive income	-	-	-	-	3,488	1,538	-	-	433	5,459	369	5,828
<b>March 31, 2021</b>	<b>35,902</b>	<b>170,304</b>	<b>6,437</b>	<b>46,108</b>	<b>3,203</b>	<b>(6,709)</b>	<b>(32)</b>	<b>(132,146)</b>	<b>433</b>	<b>123,500</b>	<b>1,470</b>	<b>124,969</b>
<b>December 31, 2021</b>	<b>35,902</b>	<b>170,304</b>	<b>6,437</b>	<b>46,108</b>	<b>6,081</b>	<b>(4,684)</b>	<b>(64)</b>	<b>(162,394)</b>	<b>151,873</b>	<b>249,563</b>	<b>1,463</b>	<b>251,025</b>
Allocation of 2021 result	-	-	743	-	-	-	-	151,129	(151,873)	-	-	-
- Period result	-	-	-	-	-	-	-	-	3,004	3,004	568	3,573
- Other components of comprehensive income	-	-	-	-	2,580	1,808	-	-	-	4,388	40	4,428
Total comprehensive income	-	-	-	-	2,580	1,808	-	-	3,004	7,392	608	8,001
<b>March 31, 2022</b>	<b>35,902</b>	<b>170,304</b>	<b>7,180</b>	<b>46,108</b>	<b>8,661</b>	<b>(2,875)</b>	<b>(64)</b>	<b>(11,265)</b>	<b>3,004</b>	<b>256,955</b>	<b>2,070</b>	<b>259,026</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>(euro/000)</i>	<b>03/31/2022</b>	<b>03/31/2021</b>
<b>OPERATING ACTIVITIES</b>		
<i>Profit (loss) for the period</i>	3,573	734
Depreciation and amortization	6,161	7,119
Provisions	(2,915)	1,417
Income tax expense	1,723	1,001
Accrued interest expense	5,195	2,907
Adjustments to other non-cash items	(0)	338
<i>Cash generated by operations</i>	<b>13,736</b>	<b>13,517</b>
<i>Cash generated by change in operating working capital</i>	<b>(17,076)</b>	<b>(850)</b>
(Increase) decrease in other assets	(1,372)	(1,470)
(Decrease)/increase in other liabilities	1,047	3,955
(Use) of current and non-current provisions	(53)	(147)
(Decrease)/increase in current tax liabilities	(290)	1,205
Adjustments to other non-cash items	(0)	75
<i>Other elements in working capital</i>	<b>(668)</b>	<b>3,618</b>
Income taxes paid	(1,726)	(342)
Interest received	36	43
Interest paid	(392)	(3,523)
<i>Total cash generated by change in other items of net working capital</i>	<b>(2,750)</b>	<b>(203)</b>
<i>Net cash from /(used in) net working capital</i>	<b>(19,826)</b>	<b>(1,053)</b>
<b>Net cash from/(used in) operating activities</b>	<b>(6,090)</b>	<b>12,464</b>
<b>INVESTING ACTIVITIES</b>		
(Purchase) of property, plant and equipment	(578)	(1,285)
Disposal of property, plant and equipment	0	3
(Investments) in intangible assets	(1,834)	(1,851)
<b>Net cash from/(used in) investing activities</b>	<b>(2,411)</b>	<b>(3,133)</b>
<b>FINANCING ACTIVITIES</b>		
<i>Financial Assets</i>		
- (Proceeds)	-	(1,960)
- Repayments	700	703
<i>Financial Loans from banks</i>		
- Proceeds	370	-
- (Repayments)	(672)	(1,006)
Principal elements of lease payments	(1,312)	(919)
Other current and non current financial liabilities	(3,988)	(291)
Transactions with non-controlling interests	-	(3,634)
<i>Net cash from /(used in) financing activities</i>	<b>(4,903)</b>	<b>(7,108)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(13,404)</b>	<b>2,223</b>
Effect of foreign exchange rate changes	368	159
<b>Cash and cash equivalents at beginning of year</b>	<b>228,848</b>	<b>52,363</b>
<b>Cash and cash equivalents at March 31, 2022</b>	<b>215,812</b>	<b>54,743</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### INTRODUCTION

Marcolin, a long-established company based in Longarone (Belluno) in the Italian eyewear district, is a designer, manufacturer and distributor of eyewear products. As a renowned leader in the global eyewear business, Marcolin stands out for its premium quality products, design skills, production capabilities, attention to detail and first-rate distribution.

Thanks to the important acquisition of the Viva Group in 2013 and to the stipulation over the years of new partnership agreements with other international businesses (including with partner LVMH, successfully concluded at the end of 2021), Marcolin Group has become a highly global eyewear business in terms of its brand portfolio, products, geographic presence and markets.

In 2021, Marcolin Group sold some 13 million pairs of glasses throughout the world, realizing sales of euro 455 million and employing some 1,847 individuals, in addition to using a widespread, well-structured network of independent agents.

As part of its ongoing project to develop in new markets, the Group completed the opening of a new subsidiary in Shanghai in July 2021. The Group has been present on the Chinese market for seven years through a joint venture with the Ginko Group, a long-standing player in the local eyewear market, a relationship that concluded at the end of 2020 with the acquisition of the remaining 50% of the company's shares. To further strengthen its commercial presence in China and as part of a broader strategy of corporate consolidation and direct presence in key markets around the world, Marcolin Shanghai will support local partners more closely, responding more effectively and quickly to consumer needs. The new location will lead to an increase in the company's organic growth in the market, while at the same time guaranteeing the production chain and offering products developed specifically for the Chinese market, thanks to in-depth expertise in fitting and design processes and close collaboration with the country's major customers. The new branch is located in the Jing'an District, a modern and upmarket commercial and financial district in the centre of Shanghai.

During 2020, the Group had already taken significant steps to develop new markets in the APAC territory through the establishment of the subsidiaries Marcolin Australia and Marcolin Singapore, aimed at strengthening the Group's growth in the APAC geographical area and enhancing the commercial synergy with the regional office already operating in Hong Kong.

Overall, the 2021 financial year together with the first three months of 2022, saw a revival of the Group's business, following a significant decrease in 2020 due to the Covid-19 pandemic. Although the first quarter of 2021 still saw restrictions due to the resurgence of the pandemic and recurring lockdowns in many regions where the group operates, the subsequent quarters performed very favourably, allowing the group to relaunch its commercial strategies in terms of developing channels, geographies and brands, which had slowed down in the previous year.

First quarter 2022 was overall positive against a backdrop of continued disruption from the health crisis, specially in APAC regions, and marked by the dramatic events in Ukraine. Despite this, the Group growth has been balanced across all geographic areas.

The economic-financial stringency expressed in 2020 and 2021 to cope with the economic crisis that emerged as a result of the pandemic was maintained in the first quarter of 2022, demonstrating how these choices have permeated the corporate culture, such as the containment of discretionary spending, the evaluation and support of the most strategic investments, the efficiency of internal production capacity, the optimisation of marketing expenses, the accurate monitoring of net working capital through the minimisation of inventory levels and the careful management of collections from customers and payment of suppliers.

The macroeconomic indicators present in the first few months of 2022, which mainly see a general increase in the inflation index of the main world countries, the constant rise in energy and transport costs, together with the geopolitical tensions that led to the war crisis between Russia and Ukraine at the end of February 2022, show a general climate of uncertainty, to which is added the uncertainty arising from the continuation of the Covid-19 pandemic crisis; however, on this last point, the year 2021 saw important signs of recovery thanks to the effectiveness of the vaccination campaigns, as well as the choices of the various governments in terms of policies for the recovery to support businesses. Against this background, it is difficult to predict the results of the current year, which could be affected by macroeconomic dynamics not attributable to the Group's choices or trends in the sector. Despite this unfavourable scenario, the Group is committed to pursuing both short and medium term strategies.

With reference to licence agreements, the year 2021 was characterised by the commercial launch of the collections of the Group's new brands whose licence agreements were signed at the end of 2019, shortly before the advent of the Covid-19 pandemic, which slowed down their commercial and promotional activities. 2021 therefore saw the emergence of brands such as Barton Perreira, Sportmax, Max&Co, Max Mara, adidas, Longines, Omega, BMW, BMW M and BMW M Motorsport and GCDS, that will express their performance along 2022 onwards.

On February 2022, Marcolin also signed a partnership between WEB Eyewear and Alfa Romeo F1 Team ORLEN. The new image of the WEB Eyewear brand will appear on the team's C42 cars, helmets, and suits of the team's drivers Valtteri Bottas and Guanyu Zhou and will be underlined, by the development of a capsule collection featuring a dynamic design and high-end details with sunglasses and optical frames born from a passion for sport and great technological research available in the second half of 2022.

Today Marcolin has a strong *portfolio* of licensed brands balanced between the *Luxury* and *Diffusion* segments, in both men's and women's segments, with a good balance between prescription glasses and sunglasses.

The company is positioned in the *Luxury* sector with some of the most *glamorous brands* in the *fashion system*, including Tom Ford, Tod's, Ermenegildo Zegna, Pucci, Moncler, Barton Perreira, Omega, Longines, Bally, Max Mara and Sport Max, and in the *Diffusion* sector with the brands Guess, Guess by Marciano, Candie's, Gant, Harley Davidson, Swarovski, Max&Co, Skechers, BMW, GCDS, Timberland, and Kenneth Cole New York, as well as other brands specifically dedicated to the US market.

The sports segment is represented by adidas Badge of Sport and adidas Originals.

Proprietary brands include WEB Eyewear, Viva and the historic Marcolin.

Geographically, the Group is present in all major countries across the world through direct affiliates, partnership agreements and exclusive distribution agreements with major players of the industry.

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## ACCOUNTING POLICIES AND BASIS OF CONSOLIDATION

### Basis of operation

These interim condensed consolidated financial statements for the three months ended March 31, 2022 have been prepared on a going concern basis following IAS 34 “*Interim Financial Reporting*” which governs interim financial reporting. In fact, the Directors verified the absence of any financial, business or other types of indicators that could signify issues about the Group’s ability to meet its obligations in the foreseeable future, and specifically in the next 12 months.

IAS 34 permits a significantly lower amount of information to be included in interim financial statements from what is required for annual financial statements by International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union (hereafter “IFRS”), given that the entity has prepared its financial statements compliant with IFRS for the previous fiscal year.

The interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group as of and for the year ended December 31, 2021.

The interim condensed consolidated financial statements include the condensed consolidated statement of financial position, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of change in equity, the condensed consolidated statement of cash flows, and the notes thereto.

### Risks associated with the Covid-19 pandemic

The spread of the coronavirus has been and still is a complex and unprecedented global emergency in the modern world, with implications of global significance at the health, social, political, economic and geopolitical levels. Since the beginning of the pandemic, the Marcolin Group has taken all available measures to ensure the health and safety of its employees as well as to protect its profitability and financial parameters. The new economic scenario threatened by the pandemic has focused management’s strategy on strengthening the financial structure through recontracts with major suppliers, increasing the efficiency of the supply chain through the implementation of new projects, production and commercial development of brands, and general streamlining of business processes. The common denominator of all these projects is the drive for digitalisation, both in terms of processes and marketing developments. However, despite the initiatives planned and undertaken, it cannot be excluded that the continuation of the Covid-19 pandemic, also in future years, may have a negative impact on the Group’s results. Management has carefully assessed the impact of this uncertainty on the accounting estimates and therefore also on the recoverability of the company’s main assets, including in the forward-looking scenarios the risk elements related to the potential impacts of the Covid-19 pandemic.

### Russia and Ukraine crisis

The geopolitical tensions that led to the war crisis between Russia and Ukraine at the end of February 2022, show a general climate of uncertainty. In particular, the sanctions imposed by certain governments against Russia, could directly or indirectly negatively affect the Group’s future economic and financial performance, considering the negative repercussions that various sectors and markets could suffer globally in terms of the supply chain, the availability of raw materials and, last but not least, possible restrictions and crises on financial markets.

To mitigate this risk, it should be noted that the Marcolin Group had no significant exposure to the Russian and Eastern European markets as at March 31, 2022. In Russia there is a commercial subsidiary, while in Eastern European countries the Group is active through independent third-party distributors. Overall, the turnover generated in these territories does not exceed 2% of the total consolidated turnover. Transactions from headquarter to Marcolin Russia have been temporarily suspended. As of today, the subsidiary has sufficient inventory and cash to autonomously manage local sales and business for some months ahead.

### Accounting policies

The accounting policies adopted for the preparation of the interim condensed consolidation financial statements for the three months ended March 31, 2022 are consistent with those used to prepare the annual consolidated financial statements as at December 31, 2021, except taxes on income which, in the interim periods, are accrued using tax rate that would be applicable to expected total annual profit or loss and except as regards the adoption of the new or revised IFRS or IFRIC as set out below.

The Group elected to use the following types of financial statements, which are envisaged by International Accounting Standard (IAS) 1:

- the income statement that classifies costs by their nature. In addition, it was decided to present two distinct documents: the income statement and the statement of comprehensive income;

- the statement of financial position that presents separately current assets, non-current assets, current liabilities, non-current liabilities, assets held for sale and liabilities associated with assets held for sale;
- the statement of changes in equity that presents items in individual columns with reconciliation of the opening and closing balances of each item forming equity;
- the cash flow statement using the indirect method, which presents the cash flows by operating, investing and financing activities for the period.

The same financial statement format was used to prepare the annual consolidated financial statements as at December 31, 2021.

Since the figures are reported in thousands of euro, slight differences may emerge due to rounding off.

### **New accounting standards and interpretations approved by the European Union and effective for periods beginning on or after January 1, 2022**

The following new standards and amendments became effective on January 1, 2022:

*Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020).*

### **New accounting standards and interpretations approved by the European Union and effective for periods after March 31, 2022**

The following new standards and amendments became effective after March 31, 2022:

*Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)*

*Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)*

*IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)*

### **New accounting standards and interpretations published by the IASB but not yet approved by the European Union**

At the date of preparation of the condensed consolidation interim financial statements, the following new standards and interpretations had been issued by IASB but not yet endorsed by the EU.

<b>Description</b>	<b>Effective date of the standard</b>
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)	January 1, 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)	January 1, 2023
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)	January 1, 2023

### **Estimates**

The preparation of interim financial statements requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made applying the Group's accounting policies and the key sources of estimation uncertainly were the same as those that applied to the annual consolidated financial statements of the Company as of and for the year ended December 31, 2021.

### **Seasonality of operations**

The operations of the Group are affected by seasonal consumer buying patterns. While sales of prescription frames do not experience any significant seasonal variation, sales of sunglasses are generally higher in February, March and April as retailers purchase new collections in anticipation of the increased consumer demand in the

spring and summer months. Accordingly, our net sales recorded in the first half of any given year are generally higher than in the second half, while our operating expenses are generally not subject to such seasonality. In addition, such seasonality may cause our working capital requirements to vary from period on period, depending on the variability in the volumes and timing of sales and sunglasses.

## Financial risk management

In the ordinary courses of the business the Group is exposed to a variety of financial risks including market risks (currency risk and interest risk), credit risk and liquidity risk. The condensed consolidated interim financial statements do not include all the information and notes on financial risk management required in the preparation of the annual consolidated financial statements.

## Consolidated companies

The Marcolin Group's interim condensed consolidated financial statements for the three months ended March 31, 2022 reflect the consolidated companies at that date, i.e. Marcolin S.p.A. (the Parent Company), its Italian and foreign subsidiaries and the companies over which it exercises a dominant influence, whether directly or indirectly.

The companies list is set forth below:

Company	HQ	Currency	Share capital	Consolidation method	% ownership	
					Direct	Indirect
Marcolin Asia HK Ltd	Hong Kong	HKD	1,539,785	Full consolidation	100.0%	
Marcolin Benelux Sprl	Villers-Le-Bouillet, Belgium	EUR	280,000	Full consolidation	100.0%	
Marcolin do Brasil Ltda	Barueri - SP, Brasil	BRL	41,369,129	Full consolidation	100.0%	
Marcolin Deutschland GmbH	Colonia, Germany	EUR	300,000	Full consolidation	100.0%	
Marcolin France Sas	Parigi, France	EUR	1,054,452	Full consolidation	100.0%	
Marcolin GmbH	Muttenz, Switzerland	CHF	200,000	Full consolidation	100.0%	
Marcolin Iberica SA	Barcelona, Spain	EUR	487,481	Full consolidation	100.0%	
Marcolin Nordic AB	Stoccolma, Sweden	SEK	50,000	Full consolidation	100.0%	
Marcolin Portugal Lda	Lisbona, Portugal	EUR	420,000	Full consolidation	100.0%	
Marcolin Technical Services (Shenzhen) Co. Ltd	Shenzhen, PRC	CNY	1,000,000	Full consolidation	100.0%	
Marcolin UK Ltd	London, UK	GBP	3,572,718	Full consolidation	100.0%	
Marcolin USA Eyewear Corp.	Somerville, Usa	USD	121,472,262	Full consolidation	100.0%	
Marcolin Singapore Pte Ltd	Singapore	SGD	100,000	Full consolidation	100.0%	
Marcolin PTY Limited	Sidney, Australia	AUD	50,000	Full consolidation	100.0%	
Marcolin-RUS LLC	Mosca, Russia	RUB	305,520	Full consolidation	100.0%	
Marcolin Middle East FZCO	Dubai Airport Freezone, UAE	AED	100,000	Full consolidation	51.0%	
Marcolin México S.A.P.I. de C.V.	Naucaplan de Juarez, México	MXN	50,000	Full consolidation	51.0%	
Marcolin Eyewear (Shanghai) Co., Ltd.	Shanghai, PRC	CNY	3,000,000	Full consolidation	100.0%	
Gin Hong Lin Intenational Co Ltd	Hong Kong	HKD	25,433,653	Full consolidation	100.0%	
Shanghai Ginlin Optics Co Ltd	Shanghai, PRC	CNY	22,045,100	Full consolidation		100.0%
Viva Eyewear Hong Kong Ltd	Hong Kong	HKD	100	Full consolidation		100.0%
Viva Eyewear UK Ltd - in liquidation	North Yorkshire, United Kingdom	GBP	-	Full consolidation		100.0%

No changes in the scope of consolidation since December 31, 2021.

## Italian tax consolidation

The Company acts as a consolidated entity in the group taxation regime under Presidential Decree 917, Article 117 *et seq.* of December 22, 1986 (Italian Tax Code or "TUIR"), which allows the determination of one single corporate income tax (IRES) tax base given by the algebraic sum of the taxable income and tax losses of each of the participating entities, together with the ultimate parent company, 3 Cime S.p.A., which acts as the consolidating entity.

Participation in the Italian tax consolidation regime enables each participant (including the Company) to optimize the financial management of IRES, for example by netting the taxable income and tax losses of each participant within the tax group.

Effective from 2017, Decree Law 193/2016, Article 7-quater introduced the automatic renewal of the options to participate in the aforementioned tax regime; accordingly, the three-year participation in the tax regime was renewed automatically in 2020.

Tax consolidation transactions are summarized below:

- in years with taxable income, the subsidiaries pay 3 Cime S.p.A. the additional tax due to the tax authorities.
- in the event of negative taxable income (tax loss), the Company receives from 3 Cime S.p.A. a payment corresponding to 100% of the tax savings realized, accounted for on an accrual basis;
- the amount is paid only when 3 Cime S.p.A. actually uses the tax loss brought to the consolidation;
- if 3 Cime S.p.A. and the Company do not renew the tax consolidation option, or if the requirements for continuance of tax consolidation should fail to be met before the end of the three-year period in which

the option is exercised, tax loss carryforwards resulting from the tax return are split up proportionally among the companies that produced them.

## Exchange rates

The following table lists the exchange rates used for currency translation (the closing and average exchange rates refer to March 31, 2022 and January-to-March 2022, respectively):

Currency	Symbol	Closing exchange rate			Average exchange rate		
		03/31/2022	03/31/2021	Change	2022	2021	Change
Dirham Emirati Arabi	AED	4.077	4.306	(5.3)%	4.119	4.425	(6.9)%
Australian Dollar	AUD	1.483	1.541	(3.8)%	1.549	1.560	(0.7)%
Brasilian Real	BRL	5.301	6.741	(21.4)%	5.870	6.599	(11.1)%
Canadian Dollar	CAD	1.390	1.478	(6.0)%	1.421	1.526	(6.9)%
Swiss Franc	CHF	1.027	1.107	(7.3)%	1.036	1.091	(5.0)%
Renminbi	CNY	7.040	7.681	(8.3)%	7.121	7.808	(8.8)%
Danish Krone	DKK	7.438	7.437	0.0%	7.441	7.437	0.0%
English Pound	GBP	0.846	0.852	(0.7)%	0.836	0.874	(4.3)%
Hong Kong Dollar	HKD	8.692	9.115	(4.6)%	8.755	9.347	(6.3)%
Japanese Yen	JPY	135.170	129.910	4.0%	130.464	127.806	2.1%
Mexican Pesos	MXN	22.090	24.051	(8.2)%	22.992	24.527	(6.3)%
Norwegian krone	NOK	9.711	9.996	(2.8)%	9.925	10.258	(3.3)%
Ruble	RUB	92.619	88.318	4.9%	96.362	89.668	7.5%
Swedish Krone	SEK	10.337	10.238	1.0%	10.481	10.120	3.6%
USA Dollar	USD	1.110	1.173	(5.3)%	1.122	1.205	(6.9)%

## ANALYSIS OF INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 1. Non-current assets

The composition of non-current assets is shown below:

Non-current assets (euro/000)	03/31/2022	12/31/2021	Increase/decrease	
			euro	%
Property, plant and equipment	41,624	43,506	(1,882)	(4.3)%
Intangible assets	43,968	44,577	(609)	(1.4)%
Goodwill	289,601	287,720	1,881	0.7%
Deferred tax assets	53,447	52,223	1,224	2.3%
Other non-current assets	872	842	30	3.6%
Non-current financial assets	231	238	(7)	(3.0)%
<b>Total non-current assets</b>	<b>429,743</b>	<b>429,106</b>	<b>637</b>	<b>0.15%</b>

The net value of non-current assets increased by 0.637 million from December 31, 2021.

Intangible assets decrease mainly refers to amortization effect which is higher than the new capitalizations.

The net value of the right of use booked in Property, plant and equipment, due to IFRS16 adoption, is euro 13.013 million. The depreciation of right of use recognized as of March 31, 2022 in the income statement is euro 1.385 million.

Goodwill increase by euro 1.881 million is only due to translation effect.

Deferred tax assets increase by euro 1.224 million is mostly due to translation effect.

Based on IAS 36 accounting principle (Impairment of assets), management evaluated Goodwill did not suffer any impairment losses, given no trigger events occurred since December 31, 2021, based on positive results of 1Q2022, in line with management expectations.

### 2. Current assets

The composition of current assets is shown below:

Current assets (euro/000)	03/31/2022	12/31/2021	Increase/decrease	
			euro	%
Inventories	116,152	103,307	12,845	12.4%
Trade receivables	86,065	70,762	15,302	21.6%
Other current assets	33,604	30,093	3,511	11.7%
Current financial assets	100	899	(799)	(88.9)%
Cash and bank balances	215,812	228,848	(13,035)	(5.7)%
<b>Total current assets</b>	<b>451,733</b>	<b>433,909</b>	<b>17,824</b>	<b>4.1%</b>

The total value of current assets increased by euro 17.824 million from December 31, 2021, mainly as a result of the combined effect of the changes listed below.

Inventories has increased compared to December 31, 2021, reflecting the expected increase in Net Sales along 2022. Inventory shows lower level compared to historical trends thanks to execution along 2021 of key projects on supply chain side, such as new automation system and new sales and demand planning processes.

The increase in Trade receivables compared to December 31, 2021 is largely affected by business seasonality, since usually first quarter experiences the highest sales level than other quarters of the year. DSO index keeps maintaining lowest level ever experienced.

Trade receivables are shown net of the provision for doubtful debts and returns.

Other current assets mainly include VAT credit amount, prepaid expenses and right to receive goods back accounted in accordance with IFRS15.

Finally, the increase in cash and bank balances has been reported in the Group's Consolidated Statement of Cash Flow.

### 3. Equity

The Parent Company's share capital is euro 35,902,749.82, fully paid up, divided into 61,458,375 ordinary shares with no indication of nominal value.

As at 31 March 2022, the share capital was 100% owned by the 3 Cime S.p.A. following the purchase and subsequent cancellation on 23 December 2021 of the shares previously held by the shareholder Vicuna Holding S.p.A., as part of the process of realising the investment in the joint venture with the LVMH Group Thélios S.p.A.

The share premium reserve was 170,304 thousand euro as at 31 December 2021, and the capital reserve account remained unchanged at 46,108 thousand euro.

The legal reserve of euro 7.180 million has reached the limit imposed by Italian Civil Code Article 2430.

The translation reserve of euro 8.661 million refers to the translation into euros of the financial statements of Group companies whose functional currency differs from the euro.

Other reserves are some euro -14.204 million and include euro -2.875 million foreign exchange difference on some intercompany loans granted by Marcolin S.p.A. to subsidiaries treated in accordance with IAS 21 as a quasi-equity loan.

The Condensed Consolidated Statement of Changes in Equity provides more detailed information.

### 4. Non-current liabilities

The composition of non-current liabilities is shown below:

Non-current liabilities (euro/000)	03/31/2022	12/31/2021	Increase/decrease	
			euro	%
Non-current financial liabilities	382,935	383,220	(285)	(0.1)%
Non-current funds	7,402	7,107	296	4.2%
Deferred tax liabilities	5,247	4,728	519	11.0%
Other non-current liabilities	767	752	15	2.0%
<b>Total non-current liabilities</b>	<b>396,352</b>	<b>395,807</b>	<b>545</b>	<b>0.1%</b>

Non-current financial liabilities mainly include:

- i) the value of the non-convertible and non-subordinated senior bond loan taken out on 27 May 2021 for a nominal amount of 350 million euro, at a fixed rate of 6.125% and maturing in November 2026;
- ii) the value of the 25 million euro loan granted by the shareholder 3 Cime S.p.A. in 2020, including interest accrued at the balance sheet date;
- iii) the amount of non-current financial lease liabilities recognized in accordance with IFRS16 for euro 9.014 million.

### 5. Current liabilities

Current liabilities are set forth below:

Current liabilities (euro/000)	03/31/2022	12/31/2021	Increase/decrease	
			euro	%
Trade payables	151,733	146,894	4,839	3.3%
Current financial liabilities	23,978	22,100	1,878	8.5%
Current funds	18,669	18,298	370	2.0%
Tax liabilities and others	31,718	28,890	2,827	9.8%
<b>Total current liabilities</b>	<b>226,097</b>	<b>216,182</b>	<b>9,914</b>	<b>4.6%</b>

Trade payables as at March 31, 2022 amounted to euro 151.733 million and show an increase of euro 4.839 million compared to December 2021. Such increase is aligned with purchases flow and business seasonality trend follows. Benefit on DPO thanks to 2020 and 2021 renegotiations with most suppliers.

Current financial liabilities primarily relate to bank overdraft and short-term financing, including for a total of 9,719 thousand euro the balance of short-term borrowings from the banking system; 5,158 thousand euro related to the application of the new accounting standard IFRS16; payables to other lenders for 9,100 thousand euro, mainly related to the accrued interest payable on the Bond.

Current funds amounted as at March 31, 2022 to euro 18.669 million and show an increase of euro 0.370 million compared to December 2021. In accordance with IFRS 15, the returns provision and product warranty provision are recognised by reference to the future sales and/or qualitative returns expected to be received from customers based on the available contractual information and past statistics.

The increase in Tax liabilities and others are mainly due to VAT temporary effect and an increase on employees' liabilities such as vacations and bonuses not yet paid.

## 6. Net financial position

The net financial debt as at March 31, 2022 is set forth below in comparison with December 31, 2021:

Net financial debt (euro/000)	03/31/2022	12/31/2021	Increase / Decrease	
			euro	%
Cash and cash equivalents	215,812	228,848	(13,035)	(5.7)%
Current and non-current financial assets	331	1,137	(806)	(70.9)%
Current financial liabilities	(23,304)	(21,426)	(1,878)	9%
Current portion of non-current financial liabilities	(674)	(674)	-	0%
Non-current financial liabilities	(382,935)	(383,220)	285	0%
<b>Net financial position</b>	<b>(190,770)</b>	<b>(175,335)</b>	<b>(15,435)</b>	<b>9%</b>
Loan from parent company 3 Cime S.p.A.	27,649	27,279	370	1.4%
<b>Net financial position Adjusted</b>	<b>(163,122)</b>	<b>(148,056)</b>	<b>(15,065)</b>	<b>10.2%</b>

The reported net financial debt is euro 190.770 million, compared to euro 175.335 million at December 31, 2021. The adjusted net financial debt (excluding 3 Cime S.p.A. shareholder loan) is euro 163.122 million, compared to euro 148.056 million at December 31, 2021.

The main components of the Group's debt are the bond notes for a notional amount of euro 350 million, 27.6 million euro for the loan granted in June 2020 by the shareholder 3 Cime S.p.A. as part of the activities aimed at providing financial support to the Group to support the critical issues arising from the Covid-19 pandemic, short and medium/long-term loans granted by various financial institutions. In addition, a *Super Senior Revolving Facility* for a maximum amount of 46.2 million euro was available and unused as at 31 March 2022.

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## ANALYSIS OF CONDENSED CONSOLIDATED INCOME STATEMENT

The Group's interim Condensed Consolidated Income Statement as at March 31, 2022 is summarized below against the results as at March 31, 2021.

The 2022 net sales to date are euro 129.821 million, compared to euro 108.663 million for the first three months of 2021.

The March 2022 Reported Ebitda is euro 16.932 million, compared to 12.433 million for the three months of 2021.

Consolidated income statement (euro/000)	03/31/2022		03/31/2021	
	euro	% of net revenues	euro	% of net revenues
Net revenues	129,821	100.0%	108,663	100%
Gross profit	77,922	60.0%	61,899	57.0%
Ebitda	16,932	13.0%	12,433	11%
Operating income - Ebit	10,491	8.1%	4,984	4.6%
Financial income and costs	(5,195)	(4.0)%	(2,907)	(2.7)%
Profit before taxes	5,296	4.1%	1,735	1.6%
Net profit/(loss) for the period	3,573	2.8%	734	0.7%

Excluding the effects of extraordinary transactions, the March 2022 Adjusted Ebitda is euro 18.208 million (14.0% of net sales), against the March 2021 Adjusted Ebitda of euro 14.324 million (13.2% of net sales).

Economic indicator - Adjusted (euro/000)	03/31/2022		03/31/2021	
	euro	% of net revenues	euro	% of net revenues
Ebitda Adjusted	18,208	14.0%	14,324	13.2%
Ebit Adjusted	11,767	9.1%	6,876	6.3%

## 7. Net Revenues

The following table sets forth the net revenues by geographical area (destination markets):

Net Revenues by geographical area (euro/000)	03/31/2022		03/31/2021		Increase (decrease)	
	Net Revenues	% on total	Net Revenues	% on total	Euro	%
Italy	6,566	5.1%	7,762	7.1%	(1,196)	(15.4)%
Rest of Europe	54,856	42.3%	43,506	40.0%	11,351	26.1%
Europe	61,422	47.3%	51,268	47.2%	10,154	19.8%
Americas	53,588	41.3%	45,465	41.8%	8,123	17.9%
Asia	4,675	3.6%	4,502	4.1%	173	3.8%
Rest of World	10,136	7.8%	7,428	6.8%	2,708	36.5%
<b>Total</b>	<b>129,821</b>	<b>100.0%</b>	<b>108,663</b>	<b>100.0%</b>	<b>21,158</b>	<b>19.5%</b>

In the first three months of 2022 net sales are euro 129.821 million and increase of euro 21.158 million (19.5%) in comparison to the same period of 2021. At constant exchange rates net sales are euro 125.339 million, with an increase of euro 16.677 million (+15.3%) compared to previous period.

### Italy

Revenues in the domestic market decreased by 15.4% compared to the same period of 2021, mainly driven by temporary effect on sales to customers and discontinued brands.

### Rest of Europe

Revenues from the Rest of Europe market (euro 54.856 million) increased by 26.1% compared to the same period of 2021 at current exchange rates. This area shows very positive results, strong performance for luxury brands (led by Tom Ford and Max Mara collections) and for diffusion brands (led by Guess). Compared to the same period of 2021, best performer regions are EMEA Distributors, Key Accounts and France.



Americas

In the Americas area, net sales show an increase compared to the same period of 2021 at current exchange rates for some 17.9% (at constant exchange rate would be 9,4%). In particular, North America shows an increase of 14,9% compared to the same period of last year (at constant exchange rate would be 7,0%), very good performance for the US Optical channel, US Retail Department Stores. Latin America reached a positive performance with +37.6% increase on Net Sales compared to previous year at current exchange rate (at constant exchange rate would be 25.9%).

Asia

The Asian Far East market shows an increase in net sales of some 3.8% at current exchange rates. The performance is mainly driven by Korea, while China and Hong Kong area sales are still impacted by Covid-19 health emergency.

Rest of World

From a geographical standpoint, the "Rest of the World" includes the Middle East, the Mediterranean area and Africa. During first three months of 2022 net sales amount to euro 10.136 million and show an increase of some 36,5% compared with the same period of the previous year. The positive performance is mainly driven by the recovery of sales in our JV Middle East.

**8. Cost of sales**

The following table shows a detailed breakdown of the cost of sales:

<b>Cost of Sales</b> (euro/000)	<b>03/31/2022</b>	<b>% on net revenues</b>	<b>03/31/2021</b>	<b>% on net revenues</b>
Product cost	46,971	36.2%	41,764	38.4%
Cost of personnel	2,975	2.3%	3,456	3.2%
Amortization, depreciation and writedowns	872	0.7%	916	0.8%
Other production cost	1,080	0.8%	629	0.6%
<b>Total</b>	<b>51,898</b>	<b>40.0%</b>	<b>46,764</b>	<b>43.0%</b>

Cost of sales amounted to euro 51.898 million for the three months ended March 31, 2022, an increase of euro 5.134 million, or 11%, from euro 46.764 million for the three months ended March 31, 2021.

The cost of sales as a percentage of net revenues is 40% for the three months ended March 30, 2022 compared to 43% the three months ended March 30, 2021.

Gross Margin overall confirms the solid performance experienced in FY21 thanks to production and procurement efficiency, positive commercial mix despite increase in global freight tariffs.

Other costs mainly refer to other purchasing charges and business consulting services.

**9. Distribution and marketing expenses**

Below is the detailed breakdown of the distribution and marketing expenses:

<b>Distribution and marketing expenses</b> (euro/000)	<b>03/31/2022</b>	<b>% on net revenues</b>	<b>03/31/2021</b>	<b>% on net revenues</b>
Cost of personnel	14,523	11.2%	13,263	12.2%
Commissions	7,639	5.9%	6,918	6.4%
Amortization	4,211	3.2%	5,260	4.8%
Royalties	15,225	11.7%	13,278	12.2%
Advertising and PR	7,541	5.8%	4,115	3.8%
Other costs	7,628	5.9%	5,628	5.2%
<b>Total</b>	<b>56,768</b>	<b>43.7%</b>	<b>48,463</b>	<b>44.6%</b>

The distribution and marketing expenses amounted to euro 56.768 million for the three months ended March 31, 2022, an increase of euro 8.305 million or 17.1% from euro 48.463 million for three months ended March 31, 2021.

Commissions expenses amounted to euro 7.639 million in 2022, an increase of 10.4% from the euro 6.918 million for the three months ended March 31, 2021.

In 2022 Royalties amounted to euro 15.225 million. In 2022 Royalties as a percentage of net revenues is 11.7% on net revenues compared to 12.2% during 2021.

Advertising and PR expenses in 2022 amounted to euro 7.541 million, an increase of euro 3.425 million, or 83.2%, from the euro 4.115 million in the same period of 2021. As a percentage of net revenues, Advertising and PR expenses in 2022 is 5.8%, compared to 3.8% of 2021.

The “other costs” refer mainly to freight-out expenses, business travel, rent and services. In 2022, other costs amounted to euro 7.628 million, an increase of euro 2 million, or 35.5%, from the euro 5.628 million in the same period of 2021. As a percentage of net revenues, they are 5.9%, compared to 5.2% for the three months ended March 31, 2021.

## 10. General and administrative expenses

The general and administrative expenses are set forth below:

<b>General and administrative expenses (euro/000)</b>	<b>03/31/2022</b>	<b>% on net revenues</b>	<b>03/31/2021</b>	<b>% on net revenues</b>
Cost of personnel	4,247	3.3%	3,901	3.6%
Amortization and writedowns	1,358	1.0%	1,274	1.2%
Other costs	5,241	4.0%	3,503	3.2%
<b>Total</b>	<b>10,845</b>	<b>8.4%</b>	<b>8,679</b>	<b>8.0%</b>

General and administrative expenses amounted to euro 10.845 million for the three months ended March 31, 2022, compared to euro 8.679 million the three months ended March 31, 2021. As a percentage of net revenues, in 2022 general and administrative expenses is 8.3%, compared to 8% for 2021.

## 11. Other operating income and expenses

The total amount of other operating income and expenses amounted to a net euro 0.181 million revenues for the three months ended March 31, 2022. The amount mainly refers to other rebilling, compensation for damages and other minor non-operating expenses.

## 12. Share of profits/(losses) of associates

As of March 31, 2022 the amount is zero following the divestment from the Joint Venture Thélios S.p.A. occurred in December 2021. The amount of euro -0.341 million from previous year was referred to the effect of consolidation using the equity method of the associate entity Thélios S.p.A. and its subsidiaries.

## 13. Financial income and costs

Net Financial Income and expenses amounted to a net euro 5.195 million expenses for the three months ended March 31, 2022 compared to euro 2.907 million expenses for the three months ended March 31, 2021.

The financial line is composed of opposing amounts. With reference to the cost components, the main are financial interest expenses related to the euro 350 million bond for a total amount of 5.6 million euro. Foreign currency management, which is also a component of the balance of financial income and expenses, contributed to a net income amounts of 1.4 million euro. The increase of total net financial interest expenses compared to previous year is mainly due to a higher gain on foreign currencies experienced last year due to a higher appreciation of USD during the first three months of 2021 compared to 2022.

## 14. Income tax expense

The estimated income tax expense amounted to euro -1.723 million for the three months ended March 31, 2022, compared to the euro 1.001 million the three months ended March 31, 2021.

Current and deferred income tax are calculated by applying the tax rates on reasonably estimated taxable income, determined in accordance with the tax regulations in force. Income tax expense has been calculated on a prudential basis, considering the tax effect on subsidiaries with taxable net income while not considering the deferred tax asset over some entities with taxable net losses and new startup companies.

## OTHER INFORMATIONS

### SUBSEQUENT EVENTS

Between March 31, 2022 and the date of approval of the interim condensed consolidated financial statements as of March 31, 2022, no events occurred that could have material effects on the reported financial results in accordance with IAS 10.

### DISCLOSURE OF ATYPICAL, UNUSUAL AND RELATED-PARTY TRANSACTIONS

The information with respect to atypical and unusual transactions, and transactions with related parties, is provided below.

#### *Significant non-recurring events and transactions*

In the first three months of 2022 there were no significant non-recurring events and/or transactions.

#### *Atypical and unusual transactions*

In the first three months of 2022 there were no atypical and/or unusual transactions, including with other Group companies, nor any transactions outside the scope of the ordinary business activity that could have significantly impacted the financial position, financial performances or cash flows of Marcolin S.p.A. and the Group.

#### *Transactions with related parties*

In addition to the transactions between the consolidated companies, during the period transactions took place with equity-accounted associates and other related parties.

Intercompany and related-party transactions are of a trade nature and are conducted on an arm's length basis.

The transactions and outstanding balances with respect to related parties as at March 31, 2022 are shown below, as required by IAS 24. As previously noted, Marcolin Group figures reflect the participation in the Italian tax consolidation regime with the Parent Company 3Cime SpA.

<b>Company</b> <i>(euro/000)</i>	<b>Expenses</b>	<b>Revenues</b>	<b>Payables</b>	<b>Receivables</b>	<b>Type</b>
<b>Other related parties</b>					
Pai Partners Sas	15	-	140	-	Related party
Family Marcolin	103	-	36	0	Related party
3 Cime S.p.A.	370	-	27,649	8,026	Consolidating
<b>Total</b>	<b>488</b>	<b>-</b>	<b>27,825</b>	<b>8,026</b>	

The same table is set forth as at March 31, 2021:

<b>Company</b> <i>(euro/000)</i>	<b>Expenses</b>	<b>Revenues</b>	<b>Payables</b>	<b>Receivables</b>	<b>Type</b>
<b>Other related parties</b>					
Pai Partners Sas	15	-	124	-	Related party
Family Marcolin	166	-	90	0	Related party
3 Cime S.p.A.	370	-	26,149	10,085	Consolidating
<b>Total</b>	<b>551</b>	<b>-</b>	<b>26,363</b>	<b>10,085</b>	

Milan, April 28, 2022

For the Board of Directors

C.E.O.  
*Fabrizio Curci*



