

VICENZA

FOPE

DAL 1929

THE FOPE GROUP APPROVES THE RESULTS FOR 2023: EBITDA MARGIN AT 25.4% AND NET FINANCIAL POSITION AT BREAK EVEN; PROPOSED DIVIDEND OF 0.85 EURO PER SHARE

Communication strategies for brand development and growth continue: announced the opening of a Showroom in Milan in 2024.

- **Revenues: Euro 66.8 m (2022: Euro 62.2 m)**
- **EBITDA: Euro 17.0 m (2022: Euro 15.8 m)**
- **EBIT: Euro 14.7 m (2022: Euro 13.9 m)**
- **Net Profit: Euro 10.1 m (2022: Euro 10.8 m)**
- **Net Financial Position: 0.0 m (2022: cash positive for Euro 1.5 m)**
- **Equity: Euro 40.0 million (2022: Euro 33.6 million)**

Vicenza, 22 March 2024

Today, the Board of Directors of FOPE (FPE:IM), a leading Italian fine jewellery company listed on Euronext Growth Milan, approved the Consolidated Financial Statements and the draft Separate Financial Statements for the year ended 31 December 2023.

Diego Nardin, FOPE Chief Executive Officer: *“We judge the financial statement results for 2023 very positively. They show growth in the level of sales and good indices for profitability and capital solidity. Sales results are in line with the budget expectations drawn up at the start of 2023. These took into account a complex international economic situation which was confirmed by indicators highlighting slowdowns especially in the second half. The hedging policy for our gold requirements neutralised the fluctuations in gold prices and the primary margin on sales did not change from the budget values. EBITDA Margin was confirmed at 25.4% despite the significant increase over the previous year in expenses incurred for communication and marketing activities. In the same way as the economic aspects, also the management of financial flows was optimised and the net financial position broke even, despite having made all the investments planned for the year. We look positively at the development of the business for 2024 with expected rising sales notwithstanding the ongoing uncertainties related to the international economic context. The specific nature of FOPE’s offer and the first positive indications and results from our concessionaires on the appreciation of the new collections and on the potential trend in our collaboration, I believe, support the positive estimates.”*

Main consolidated results at 31 December 2023

Net Revenues stood at Euro 66.8 million, up by 7.4%, (an increase of Euro 4.6 million) compared to Euro 62.2 million in 2022. Growth was recorded on both international and Italian markets, with the latter standing out for its excellent sales performance, generated by both the boutique in Venice and in general by our concessionaires, and boosted by the high number of foreign tourists in Italy.

EBITDA stood at Euro 17.0 million, +7.6% compared to Euro 15.8 million in 2022. Keeping the EBITDA margin steady was important and it stood at 25.4%, despite the increase, compared to 2022, in the expenses incurred for marketing and communication activities.

EBIT amounted to Euro 14.7 million, up on Euro 13.9 million in 2022. EBIT margin was 22% compared to 22.4% in 2022 due to the increase in the depreciation of technological and commercial investments.

Net Profit stood at Euro 10.1 million, compared to Euro 10.8 million in 2022. Consolidated net profit in 2022 benefitted from particular tax benefits, with a reduction of Euro 1.25 million in the taxes calculated.

The **Net Financial Position** was zero compared to a *cash positive* position of Euro 1.5 million at 31 December 2022.

Equity was Euro 40.0 million, compared to Euro 33.6 million at 31 December 2022.

Distribution of the profit for the year

The Board of Directors resolved to propose the following allocation of the parent company FOPE S.p.A.'s profit for the year, equal to Euro 9,199,252, to the Shareholders' Meeting

- Euro 4,609,585 to the extraordinary reserve,
- Euro 4,589,667 to dividends, through the distribution of a gross dividend of Euro 0.85 per share for the 5,399,608 outstanding ordinary shares.

In respect of the ordinary dividend that will be paid as from 2 May 2024 – ex-dividend date no. 7 on 29 April 2024 and record date on 30 April 2024 – the *dividend yield* is 2.89%¹, while the *payout ratio* is 49.89%.

Significant events following the end of the year

Establishment of FOPE Japan G.K.

In January 2024, activities to establish the new company FOPE Japan G.K. were completed.

FOPE Japan G.K. is a company incorporated under Japanese law based in Tokyo. It acts as distributor for Fope Group's products on the Japanese market, provides concessionaires with support for sales and customer care, and implements the marketing and communication activities on the market in collaboration with the Group marketing and communication department.

FOPE Japan G.K. is 80% held by FOPE S.p.A. and 20% by SwissPrimeBrands Ltd., a partner of the Group which has handled the distribution of FOPE's products in Japan up to now.

The further strengthening of the presence on foreign markets is part of the policy, pursued in recent years by the Group, aimed at establishing a direct commercial presence in areas that are considered strategic, as in the case of Japan, which for FOPE is an emerging market with significant growth potential.

Business outlook

In light of the positive results recorded in 2023, albeit without disregarding all the caution regarding potential critical future developments in the macroeconomic situation, especially with regard to the geopolitical scenario characterised by the war between Russia and Ukraine, and by the Israel-Palestine conflict, a positive development in the business is expected also for 2024.

The Group is not active on the markets affected by the above conflicts and, although it is not possible to rule out indirect negative impacts should there be a general deterioration in the economy due to the crises continuing, no direct phenomena are seen which may influence the positive development of the Group's activities planned for the current year.

¹ Dividend yield calculated based on the closing price of FOPE shares on March 21, 2024.

On the basis of the forecasts made by the Company for 2024, growth in sales and a positive economic result are expected. The results achieved in the first months of 2024 confirm these forecasts and, consequently, the aforementioned expectations.

Call of the Ordinary Shareholders' Meeting

The Board of Directors resolved to convene the Ordinary Shareholders' Meeting, in first call, on 23 April 2024, at 10.30 a.m., at the Registered Office. Besides approving the separate financial statements at 31 December 2023, the allocation of the profit for the year and the presentation of the consolidated financial statements at 31 December 2023, the Ordinary Shareholders' Meeting will have to: i) appoint the Board of Statutory Auditors; ii) appoint the Independent Auditors for the next 3 years; iii) decide on the review of the remuneration of some directors.

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. Documentation regarding the items on 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, as well as on the website www.borsaitaliana.it, under the section "Shares/Documents, within the terms established by current legislation.

The press release is available on the websites www.fopegroup.com and www.info.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 75 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 main markets through the subsidiaries FOPE USA Inc. (America), FOPE Jewellery Limited (UK) and FOPE Deutschland GmbH (Deutschland). 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. The Company opened mono-brand stores in Venice's Piazza San Marco (2015), in the prestigious Old Bond Street in London (2019), in Tokyo Ginza (2023) and in the prestigious Seibu mall in Kuala Lumpur (2023). The entire production cycle - from prototyping to the shipping of finished jewels - 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, rings and necklaces 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*. Since 2017 it has drawn up the Sustainability Report adopting the GRI standards.

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CONSOLIDATED INCOME STATEMENT

Euro	31/12/2023	31/12/2022	Variation
Revenue	66,768,113	62,161,398	4,606,715
Other revenue and income	870,112	590,183	279,929
External costs	44,967,118	42,345,010	2,622,108
Added value	22,671,107	20,406,571	2,264,536
Personnel costs	5,720,099	4,576,359	1,143,740
EBITDA	16,951,008	15,830,212	1,120,796
Depreciation and amortisation	2,291,380	1,919,114	372,266
EBIT	14,659,628	13,911,098	748,530
Financial income and charges	- 879,371	- 753,462	- 125,909
Pre-tax profit	13,780,257	13,157,636	622,621
Earnings before Tax	3,705,140	2,325,474	1,379,666
Net profit	10,075,117	10,832,162	- 757,045

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CONSOLIDATED BALANCE SHEET

Euro	31/12/2023	31/12/2022	Variation
Net intangible fixed assets	3,470,784	3,041,035	429,749
Net tangible fixed assets	10,409,865	9,974,191	435,674
Holdings/equity and other financial fixed assets	882,502	1,138,729	- 256,227
Non-current assets	14,763,151	14,153,955	609,196
Warehouse stock	15,718,227	13,922,637	1,795,590
Trade receivables	14,375,399	12,361,591	2,013,808
Current receivables	3,354,540	3,097,071	257,469
Cash flow hedging op. cr. position	695,148	132,082	563,066
Short-term assets for the year	34,143,314	29,513,381	4,629,933
Trade payables	4,110,521	4,688,627	- 578,106
Current liabilities	2,072,647	4,102,494	- 2,029,847
Short-term liabilities for the year	6,183,168	8,791,121	- 2,607,953
Net working capital	27,960,146	20,722,260	7,237,886
Severance pay fund	- 1,237,074	- 1,186,417	- 50,657
End-of-mandate indemnity fund and other funds	- 1,256,345	- 1,076,534	- 179,811
Expected cash flow hedging op. fund	- 148,845	- 473,647	324,802
Provisions for risks and non-current charges	- 2,642,264	- 2,736,598	94,334
Total assets	40,081,033	32,139,617	7,941,416
Share capital and equity reserve	- 39,630,831	- 33,805,375	- 5,825,456
Expected cash flow hedging op. reserve	- 420,499	164,769	- 585,268
Shareholders' equity	- 40,051,330	- 33,640,606	- 6,410,724
Medium to long-term financial position	- 5,386,365	- 4,997,325	- 389,040
Short-term financial position	5,356,662	6,498,315	- 1,141,653
Net financial position	- 29,703	1,500,990	- 1,530,693
Equity and net financial position	40,081,033	32,139,616	7,941,417

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FOPE SPA INCOME STATEMENT

Euro	31/12/2023	31/12/2022	Variation
Revenue	60,510,798	57,730,197	2,780,600
Other revenue and income	783,554	491,700	291,854
External costs	- 41,340,025	- 39,538,169	- 1,801,856
Added value	19,954,327	18,683,728	1,270,599
Personnel costs	- 4,336,024	- 3,645,623	- 690,401
EBITDA	15,618,303	15,038,105	580,198
Depreciation and amortisation	- 2,203,197	- 1,815,351	- 387,846
EBIT	13,415,106	13,222,754	192,351
Financial income and charges	- 883,814	- 803,353	- 80,461
Pre-tax profit	12,531,292	12,419,401	111,890
Earnings before Tax	- 3,332,040	- 2,135,255	- 1,196,785
Net profit	9,199,252	10,284,147	- 1,084,895

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FOPE SPA BALANCE SHEET

Euro	31/12/2023	31/12/2022	Variation
Net intangible fixed assets	3,332,962	2,887,583	445,379
Net tangible fixed assets	9,941,632	9,608,445	333,187
Holdings/equity and other financial fixed assets	907,948	1,137,635	- 229,687
Non-current assets	14,182,542	13,633,663	548,879
Warehouse stock	13,506,245	12,335,394	1,170,851
Trade receivables	8,490,154	6,426,454	2,063,700
Receivables form subsidiaries	8,709,479	8,856,365	- 146,886
Current receivables	2,500,076	2,341,273	158,803
Cash flow hedging op. cr. position	695,148	132,082	563,066
Short-term assets for the year	33,901,102	30,091,568	3,809,534
Trade payables	3,486,546	3,913,308	- 426,762
Payables form subsidiaries	167,293	434,022	- 266,729
Current liabilities	1,470,832	2,709,702	- 1,238,870
Short-term liabilities for the year	5,124,671	7,057,032	- 1,932,361
Net working capital	28,776,431	23,034,536	5,741,895
Severance pay fund	- 1,237,074	- 1,186,417	- 50,657
End-of-mandate indemnity fund	- 929,798	- 863,934	- 65,864
Expected cash flow hedging op. fund	- 148,845	- 473,647	324,802
Total assets	40,643,256	34,144,201	6,499,055
Share capital and equity reserve	- 38,285,042	- 33,377,497	- 4,907,545
Expected cash flow hedging op. reserve	- 420,499	164,769	- 585,268
Shareholders' equity	- 38,705,541	- 33,212,728	- 5,492,813
Medium to long-term financial position	- 5,386,365	- 4,997,325	- 389,040
Short-term financial position	3,448,650	4,065,852	- 617,202
Net financial position	- 1,937,715	- 931,473	- 1,006,242
Equity and net financial position	40,643,256	34,144,201	6,499,055