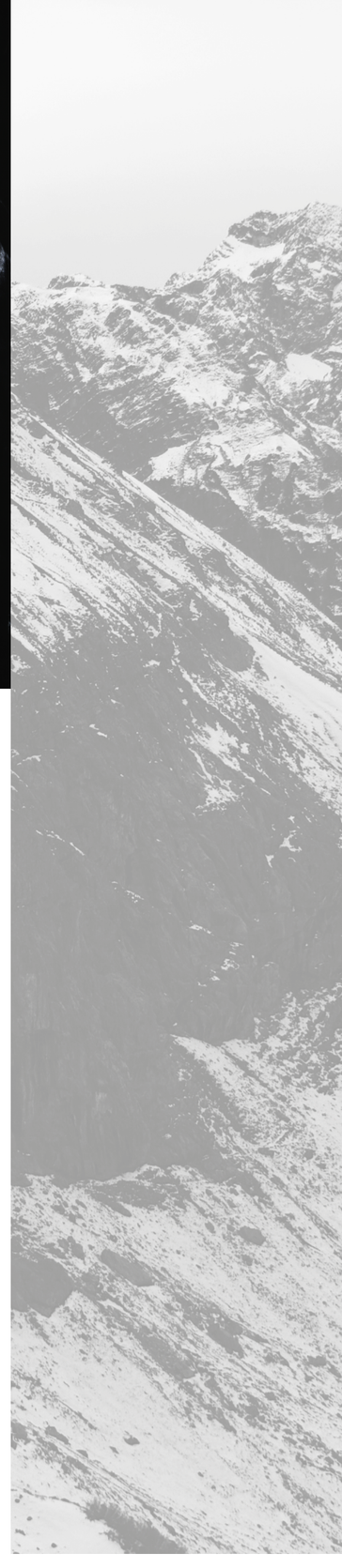
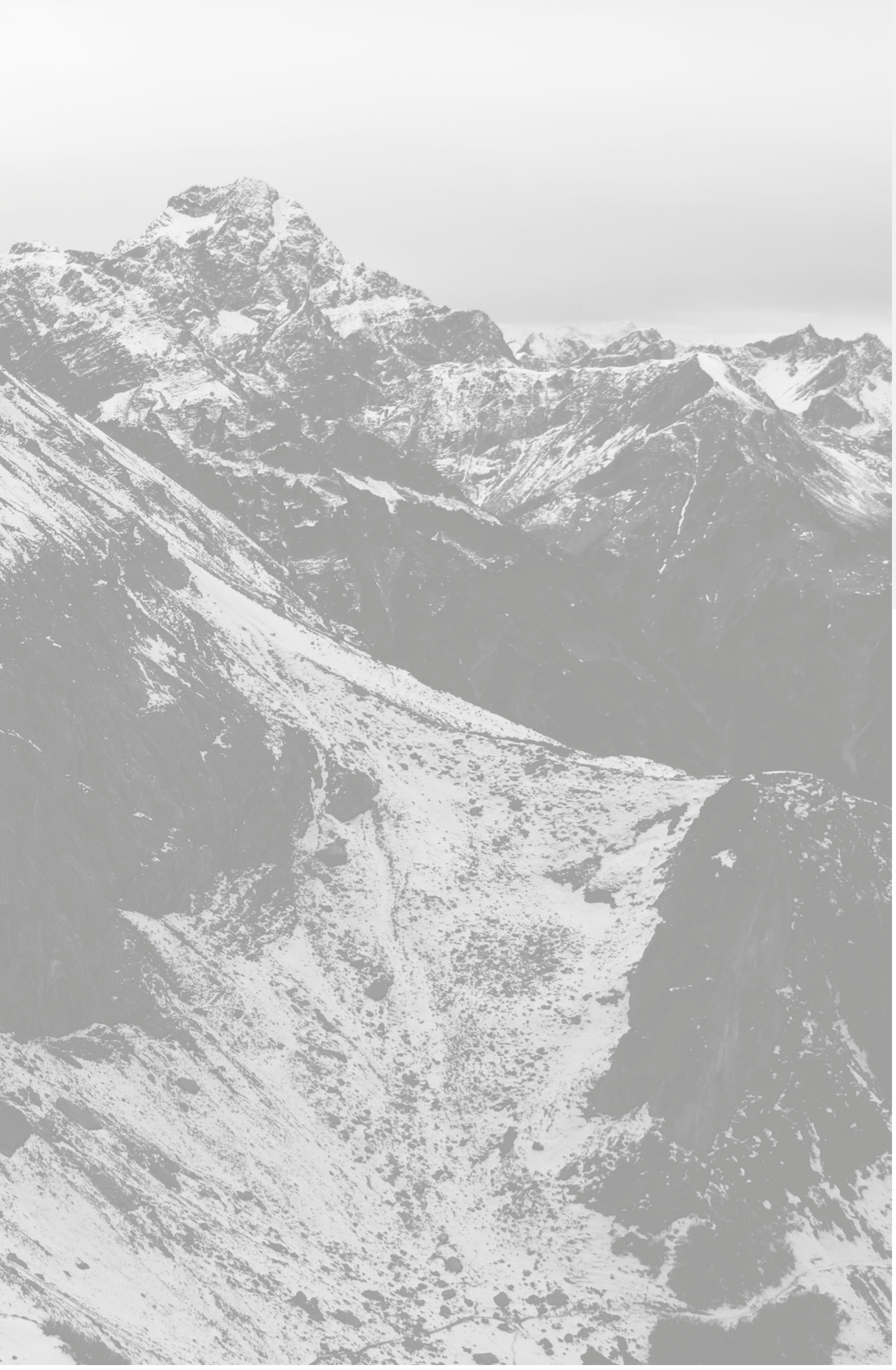
ANNUAL REPORT

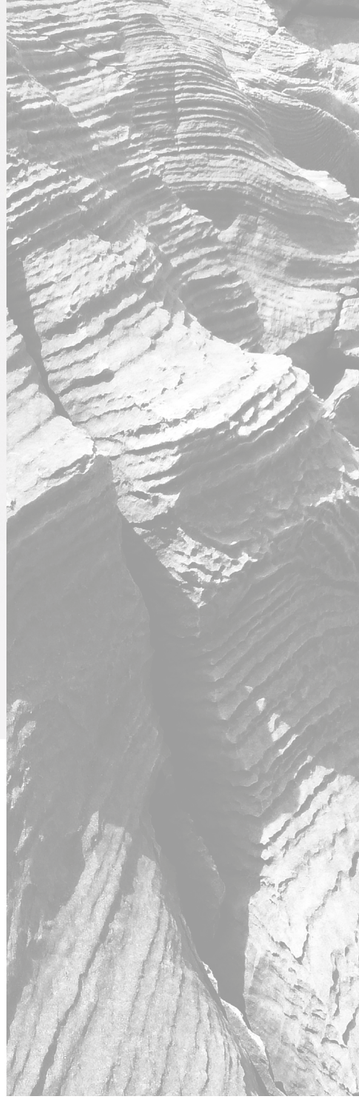
2022

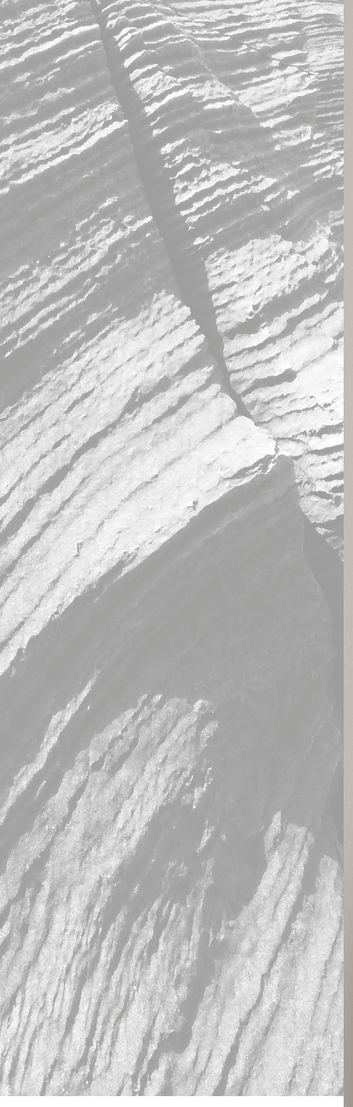
MONCLER
GROUP

MONCLER









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SECTION ONE

Dear shareholders,
2022 was another year characterized by complex and unpredictable dynamics. The conflict in Ukraine, inflation, the energy crisis and the pandemic – not yet fully resolved – contributed to an extremely unstable and uncertain macroeconomic and geopolitical situation.

Moncler Group's sales exceeded 2.6 billion euros during the year, up 25% on 2021 at constant exchange rates, and net profit was over 600 million euros. The Moncler and Stone Island brands reported record sales of 2.2 billion euros and 400 million euros, respectively.

The value of these results is even more noteworthy in light of the complicated environment in which they were achieved.

It was also a year of strong emotions. The one of the 70th anniversary of Moncler and the 40th anniversary of Stone Island, during which we celebrated the journey of these two extraordinary brands. But above all we started planning for tomorrow, because we know that past success must always inspire new ambitions.

At Moncler, after a 70-day programme of iconic activations and experiences around the world, we started working on strengthening all the three dimensions of the brand: *Collection*, *Genius* and *Grenoble*, and we are developing the footwear segment with products with a strong, recognizable identity.

Stone Island is continuing the excellent work that will enable it to express its full potential. In order to achieve a more customer-centric business model, during the year we internalised the management of several markets and integrated logistics into a single Group hub. An innovative store concept was also launched in Chicago – a significant step in the development of the store network.

Sustainability continued to be a key pillar of our strategy. In 2022 the Group was once again ranked first in our sector in the Dow Jones Sustainability Indices, for the fourth consecutive year. However, we are not stopping here: we have set increasingly more challenging goals and we continue to work hard to pursue our medium- to long-term targets.

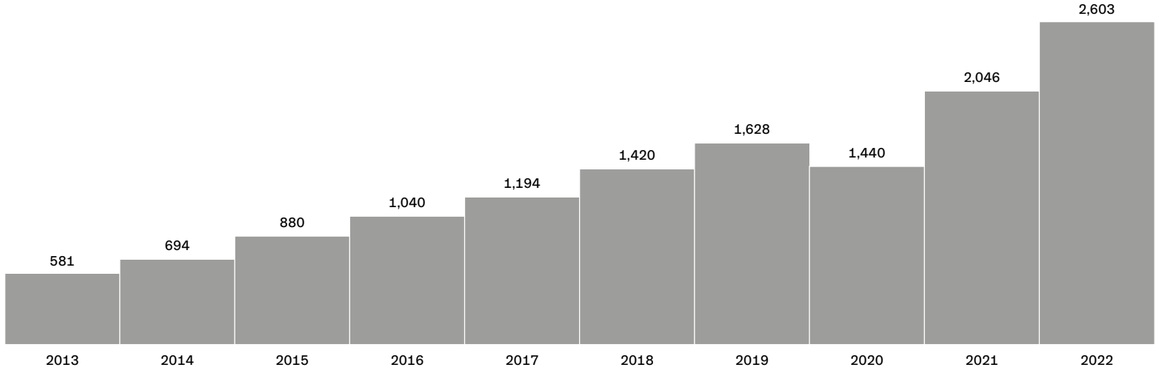
In early 2023 the macroeconomic context remains complex, and characterized by continued uncertainty and unpredictability. In light of this, we will keep working to maintain a flexible and reactive organisation, leveraging our unique brands and our clear strategic vision.

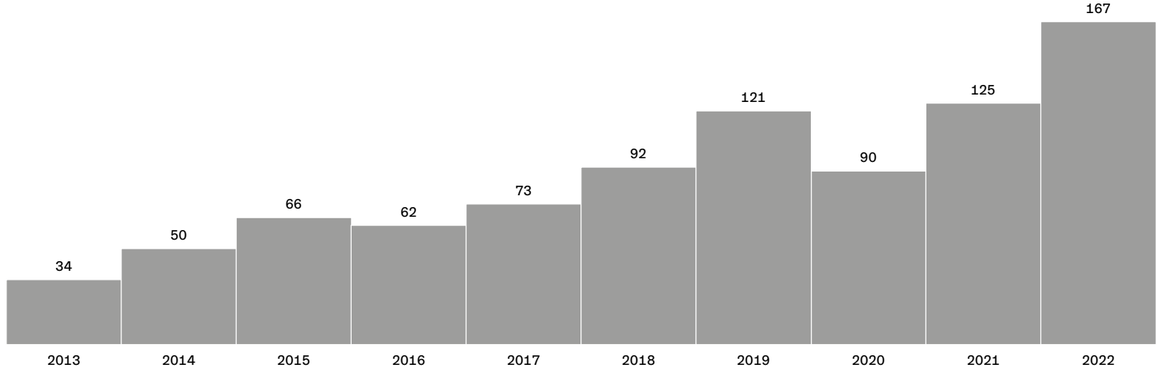
I would like to conclude thanking all our stakeholders for the constant support, starting with our shareholders, a valuable source of support and advice, our Board of Directors, an essential body for each single strategic decision, and all our employees, who each day are with me in this extraordinary journey, which for sure will lead to several further achievements and emotions.

Thank you.

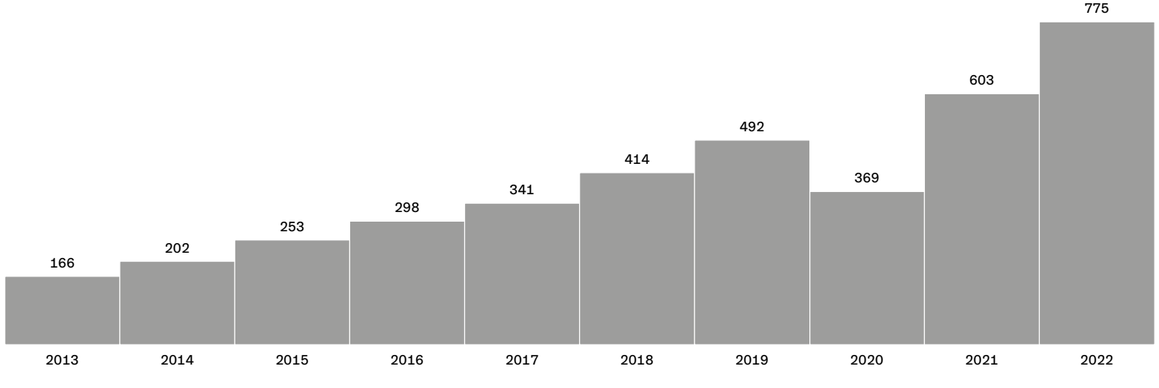
REMO RUFFINI
CHAIRMAN AND CEO

GROUP FINANCIAL HIGHLIGHTS[1]

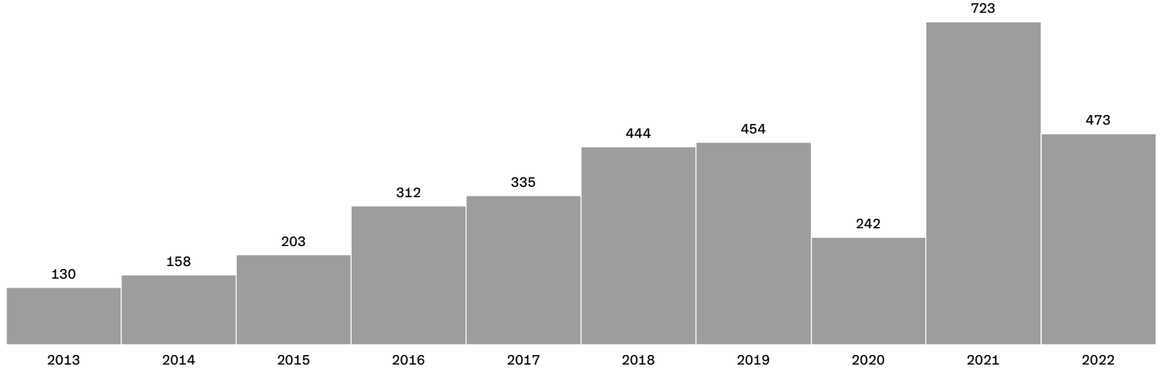




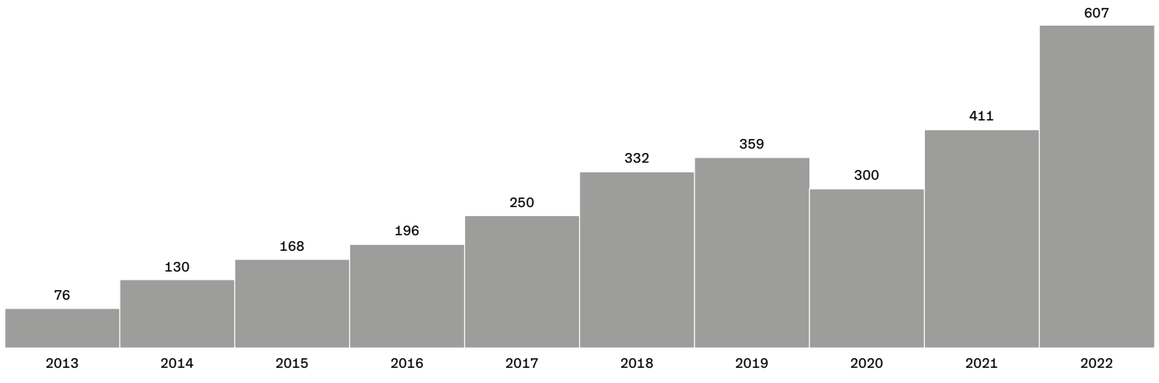
REVENUES (EUR M)



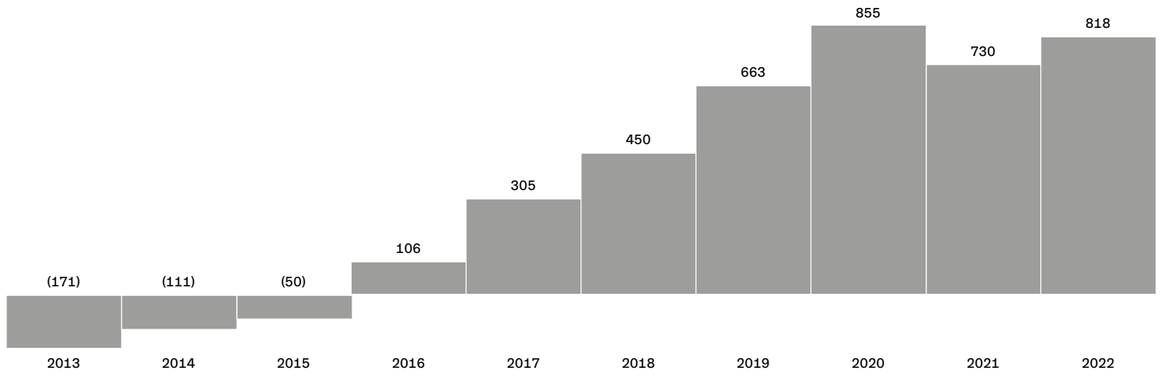
NET CAPITAL EXPENDITURE (EUR M)



EBIT (EUR M)



OPERATING CASH FLOW (EUR M)



NET INCOME (EUR M)

NET FINANCIAL POSITION (EUR M)

1 This note applies to all pages: data including IFRS 16 impacts from 2019. The net financial position excludes lease liabilities. Data rounded at the first decimal.

CORPORATE BODIES

BOARD OF DIRECTORS

Remo Ruffini
Chairman and Chief Executive Officer

Marco De Benedetti
Vice President
Non-Executive Director
Control, Risk and Sustainability Committee
Nomination and Remuneration Committee

Roberto Eggs
Executive Director

Bettina Fetzer
Independent Director

Gabriele Galateri di Genola
Independent Director
Control, Risk and Sustainability Committee

Alessandra Gritti
Independent Director
Lead Independent Director
Nomination and Remuneration Committee
Related Parties Committee

Jeanne Jackson
Independent Director

Diva Moriani
Independent Director
Nomination and Remuneration Committee
Related Parties Committee

Guido Pianaroli
Independent Director
Control, Risk and Sustainability Committee
Related Parties Committee

Carlo Rivetti
Non-Executive Director

Luciano Santel
Executive Director

Maria Sharapova
Indipendent Director

BOARD OF STATUTORY AUDITORS

Riccardo Losi
Chairman

Carolyn Dittmeier
Standing Auditor

Nadia Fontana
Standing Auditor

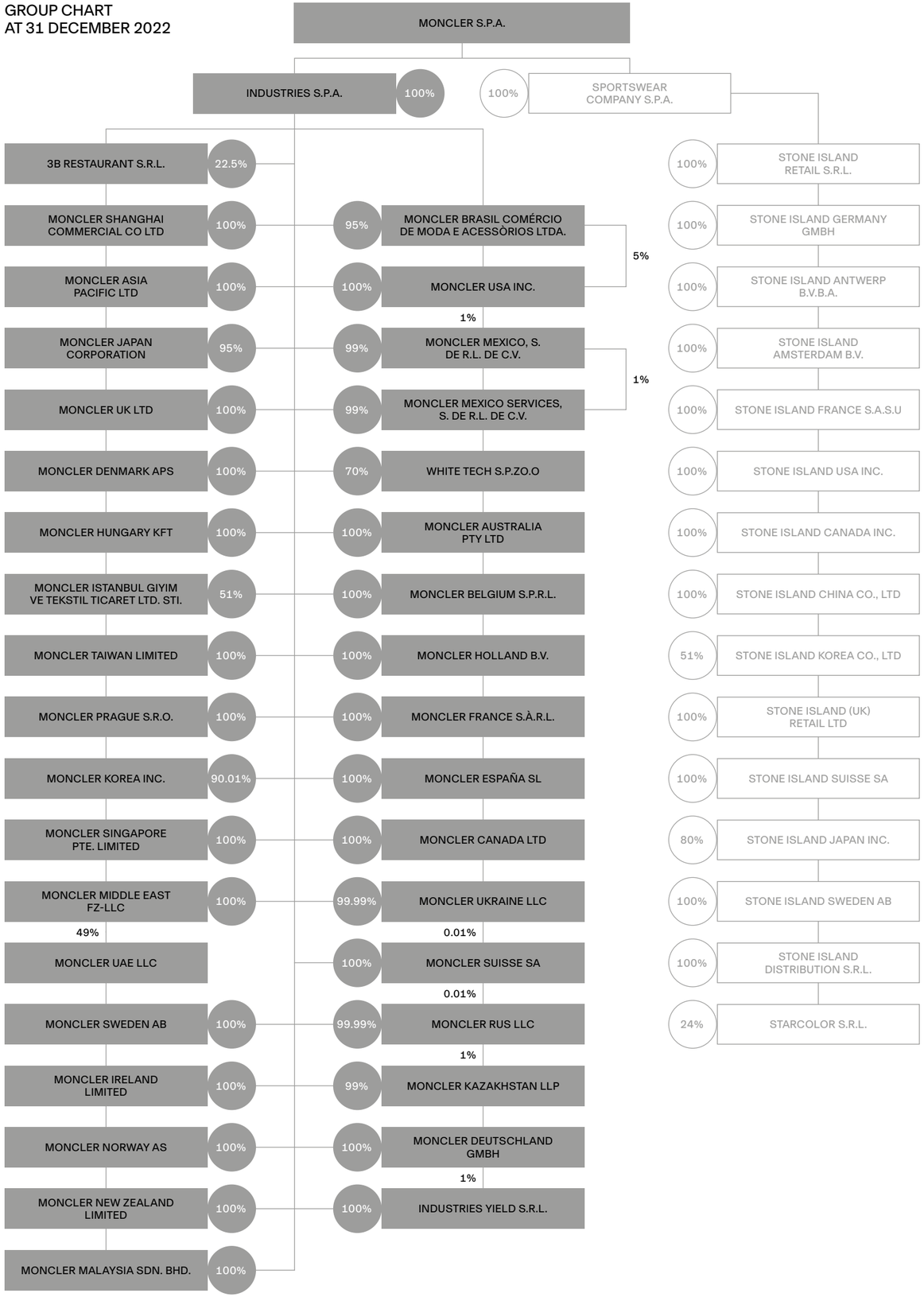
Federica Albizzati
Alternate Auditor

Lorenzo Mauro Banfi
Alternate Auditor

EXTERNAL AUDITORS

Deloitte & Touche S.p.A.

GROUP CHART AT 31 DECEMBER 2022



GROUP STRUCTURE

The Consolidated Financial Statements of the Moncler Group at 31 December 2022 include Moncler S.p.A. (Parent Company), Industries S.p.A., Sportswear Company S.p.A. (sub-holding companies directly controlled by Moncler S.p.A.), and 49 consolidated subsidiaries in which the Parent Company holds indirectly a majority of the voting rights, or over which it exercises control, or from which it is able to derive benefits through its power to govern both its financial and operating policies.

CONSOLIDATION AREA

Moncler S.p.A.	Parent company which holds the Moncler and Stone Island brands
Industries S.p.A.	Sub-holding company, directly involved in the management of foreign companies and distribution channels in Italy and licensee of the Moncler brand
Industries Yield S.r.l.	Company that manufactures apparel products
Moncler Asia Pacific Ltd	Company that manages DOS in Hong Kong SAR and in Macau SAR
Moncler Australia PTY Ltd	Company that manages DOS in Australia
Moncler Belgium S.p.r.l.	Company that manages DOS in Belgium
Moncler Brasil Comércio de moda e acessòrios Ltda.	Company that manages DOS in Brazil
Moncler Canada Ltd	Company that manages DOS in Canada
Moncler Denmark ApS	Company that manages DOS in Denmark
Moncler Deutschland GmbH	Company that manages DOS and promotes goods in Germany and Austria
Moncler España SL	Company that manages DOS in Spain
Moncler France S.à.r.l.	Company that manages DOS and distributes and promotes goods in France
Moncler Holland B.V.	Company that manages DOS in the Netherlands
Moncler Hungary KFT	Company that manages DOS in Hungary
Moncler Ireland Limited	Company that manages DOS in Ireland
Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti.	Company that manages DOS in Turkey
Moncler Japan Corporation	Company that manages DOS and distributes and promotes goods in Japan
Moncler Kazakhstan LLP	Company that manages DOS in Kazakhstan
Moncler Korea Inc	Company that manages DOS and distributes and promotes goods in South Korea
Moncler Malaysia SDN. BHD.	Company that manages DOS in Malaysia
Moncler Mexico, S. de R.L. de C.V.	Company that manages DOS in Mexico
Moncler Mexico Services, S. de R.L. de C.V.	Company that provides services to Moncler Mexico, S. de R.L. de C.V.
Moncler Middle East FZ-LLC	Holding Company for the Middle East
Moncler New Zealand Limited	Company that will manage DOS in New Zealand
Moncler Norway AS	Company that manages DOS in Norway
Moncler Prague s.r.o.	Company that manages DOS in the Czech Republic
Moncler Rus LLC	Company that managed DOS in Russia
Moncler Shanghai Commercial Co. Ltd	Company that manages DOS in China
Moncler Singapore Pte. Limited	Company that manages DOS in Singapore
Moncler Suisse SA	Company that manages DOS in Switzerland
Moncler Sweden AB	Company that manages DOS in Sweden
Moncler Taiwan Limited	Company that manages DOS in Taiwan
Moncler UAE LLC	Company that manages DOS in the United Arab Emirates
Moncler UK Ltd	Company that manages DOS in the United Kingdom
Moncler Ukraine LLC	Company that manages DOS in Ukraine
Moncler USA Inc	Company that manages DOS and promotes and distributes goods in North America
White Tech Sp.zo.o.	Company that manages quality control of down
Sportswear Company S.p.A.	Sub-holding company that owned the Stone Island brand until 30 December 2021 (subsequently conferred to Moncler S.p.A.), and directly involved in the management of foreign companies and the wholesale distribution channel
Stone Island Amsterdam B.V.	Company that manages DOS in the Netherlands
Stone Island Antwerp B.V.B.A.	Company that manages DOS in Belgium
Stone Island Canada Inc	Company that manages DOS in Canada
Stone Island China Co., Ltd	Company that manages DOS in China
Stone Island Distribution S.r.l.	Company that manages distribution
Stone Island France S.a.s.u.	Company that manages DOS in France
Stone Island Japan Inc.	Company that manages DOS in Japan
Stone Island Germany GmbH	Company that acts as Agent for Germany and Austria and manages DOS in Germany
Stone Island Korea Co., Ltd	Company that manages DOS and promotes and distributes goods in Korea
Stone Island Retail S.r.l.	Company that manages DOS in Italy
Stone Island (UK) Retail Ltd.	Company that manages DOS in UK
Stone Island Suisse SA	Company that manages DOS in Switzerland
Stone Island Sweden AB	Company that manages DOS in Sweden
Stone Island USA Inc	Company that manages DOS and promotes and distributes goods in USA

MONCLER GROUP

Born on 1 April 2021, Moncler Group, with its two brands – Moncler and Stone Island –, represents the expression of a new concept of luxury, which embraces the search for experientiality, inclusivity, a sense of belonging to a community and the mixing of diverse meanings and worlds including those of art, culture, music and sport. United by the "beyond fashion, beyond luxury" philosophy, these two Italian brands strengthen their ability to interpret the evolving cultural codes of the new generations.

Alongside maintaining their brands' identities highly independent and based on authenticity, on the constant search for uniqueness and on the extraordinary bond with the consumers' communities, the Group intends to bring together its entrepreneurial and managerial cultures as well as business knowledge and technical know-how of its brands to strengthen their competitiveness and enhance their important growth potential, also sharing the culture of sustainability.

MONCLER BRAND

The Moncler brand was born in 1952 in Monestier-de-Clermont, a small village in the mountains near Grenoble, with a focus on sports clothing for the mountain.

In 2003, Remo Ruffini purchased Moncler and started a process of repositioning through which the brand took on an even more distinctive and exclusive style, evolving from a line of products used purely for sport purposes to versatile lines that clients of all gender, age, identity and culture can wear on any occasion and where outerwear, while being the brand's identifying category, is gradually and naturally integrated with complementary products. Under his leadership, Moncler pursues a philosophy aimed at creating products that are unique, of the highest quality, versatile and constantly evolving while always remaining true to the brand's DNA guided by the motto "born in the mountains, living in the city".

Tradition, uniqueness, quality, consistency and energy have always been the distinctive features of the Moncler brand that over the years has been able to evolve while remaining consistent with its DNA, heritage and identity, in a continuous search for an open dialogue with its many consumers in the world.

STONE ISLAND BRAND

A culture of research, experimentation and usability are the matrixes that have always defined Stone Island, an informal clothing brand founded in 1982 by Massimo Osti and Carlo Rivetti, with its headquarter in Ravarino – a small town in the province of Modena – and intended to become a symbol of extreme research on fibres and fabrics, applied to an innovative design.

It is truly through the study of form and the "handling" of materials that Stone Island finds its own language, which has extreme research and maximum functionality as founding pillars. Each Stone Island piece is born from a perfect synthesis between experimentation and usability, between the study of fabrics and rationality. The study of uniforms and work clothes becomes the Stone Island observatory in defining a concept in which the function of the garment goes beyond aesthetics.

An on-going and in-depth investigation on the transformation and ennobling of fibres and fabrics, and on the unique ability to intervene on the finished garment through continuous dyeing experiments have led, over the years, to the discovery of materials and production techniques never previously used and to develop more than 60,000 different dye recipes.

1952

THE ORIGINS
The origins of the name lie in its very roots: Moncler is in fact the abbreviation of Monestier-de-Clermont, a mountain village near Grenoble. Here, René Ramillon and Andrè Vincent founded in 1952 the Company which gave life to the renowned down jacket, creating garments conceived to protect workers who wore them over their overalls, that offered high resistance and protection against the harshest climates and that were tested in a variety of expeditions.

1954

THE EXPEDITIONS
French mountaineer Lionel Terray first noticed Moncler products and foresaw their potential. The result was the specialist range "Moncler pour Lionel Terray". In 1954, Moncler's down jackets were chosen to equip the Italian expedition to K2, which culminated in the conquest of the world's second highest summit by Achille Compagnoni and Lino Lacedelli. In 1955, they equipped the expedition on the Makalù.

1968

THE OLYMPICS
To mark the Grenoble Winter Olympic Games, Moncler became the official supplier to the French downhill ski team.

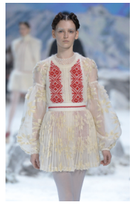
1980

CITY ICONS
In the 80s, under the stylistic direction of Chantal Thomass, Moncler made its entrance into the city, becoming the iconic garment of a generation of youth.

2003

REMO RUFFINI ACQUIRES MONCLER
The brand was acquired by the Italian entrepreneur Remo Ruffini, current Chairman and CEO of the Moncler Group, who began a strategy of global expansion in the luxury goods segment.

2006

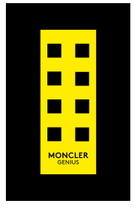


HAUTE COUTURE
In 2006 with *Moncler Gamme Rouge* and in 2009 with *Moncler Gamme Bleu*, the Moncler universe was further enhanced with its Haute Couture collection, ended in 2017 when Moncler launched a new project. In 2010, the *Moncler Grenoble* collections made their debut in New York. Reinterpreting the styles of the past, Grenoble started to create technical skiing garments and après-ski wear with a contemporary take.

2013

THE LISTING
On 16 December 2013, Moncler was listed on the Italian Stock Exchange of Milan. Shares were offered at EUR 10.2 and rose over 40% the first day, representing Europe's greatest success story in recent years.

2018



MONCLER GENIUS
In 2018, Moncler launched the new project *Moncler Genius – One House, Different Voices*, a hub of eight minds that, while retaining their individuality, reinterpreted the essence of the Moncler brand.

2020

STONE ISLAND JOINS THE MONCLER GROUP
In December, Moncler announced that it had signed an agreement for the acquisition of Stone Island. This agreement was finalised on 31 March 2021, when Stone Island became part of the Moncler Group.

2021

THE E-COMMERCE INTERNALISATION
Moncler completed the internalisation of its e-commerce (.com) and unveiled the brand's first-ever fragrances, *Moncler Pour Femme* and *Moncler Pour Homme*.

2022

THE 70TH ANNIVERSARY
Moncler celebrates the 70th anniversary with an extraordinary event in the most iconic place in Milan, Piazza Duomo, dedicated product launches and a 70-day programme of events and worldwide experiences with the aim of engaging and connecting its communities.

1982

THE ORIGINS
The first collection of Stone Island was born from the creative mind of Massimo Osti, inspired by the military uniforms and realised with Tela Stella – a fabric that recalls the waxed jackets corroded by the sea and by the sun – resulted from the study of a rigid, full-bodied, two-sided and two-tone truck tarpaulin which underwent a heavy stone wash procedure. To this, a “Badge” – a fabric label showing the Stone Island Wind Rose – was applied.

1983

GFT ACQUIRES 50% OF STONE ISLAND
GFT, Gruppo Finanziario Tessile – an Italian company controlled by the Rivetti family – acquired 50% of the Stone Island brand. These are the years of the foundation and consolidation of the brand’s aesthetics characterised by the extreme research on textile, fabric treatment, and garment dyeing techniques.

1993

THE RIVETTI FAMILY TAKES FULL CONTROL
Carlo Rivetti, together with his sister Cristina, took full control of the Stone Island brand, through Sportswear Company S.p.A. In 1996 Paul Harvey took over as the brand’s designer.

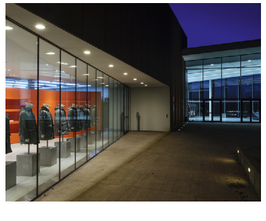
2005

THE JUNIOR COLLECTION
Stone Island Junior – a collection created for children and teenagers between 2 and 14 years old – was launched.

2008

THE EXPANSION
Carlo Rivetti took over the Creative Direction. The e-commerce platform stoneisland.com was launched, accessible from about 45 countries. The company also released the *Stone Island Shadow Project* – an exploration platform for a new generation of urban menswear that represents the continuous investigation of new aesthetic-functional codes.

2017

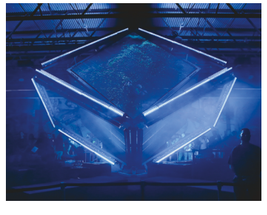


TEMASEK
Temasek, an investment company based in Singapore, acquired from the Rivetti family 30% of Sportswear Company S.p.A., the company owning the Stone Island brand.

2020

STONE ISLAND JOINS THE MONCLER GROUP
In December, Stone Island announced its entry into the Moncler Group.

2022



THE 40TH ANNIVERSARY
Stone Island celebrated its 40th anniversary with dedicated product launches and an iconic installation in Miami, followed by events that involved all the main communities of the brand.

VALUES

MONCLER BRAND
Moncler is by its nature an ever-evolving brand, pushing towards reinvention and continuous development. Over time, its values have been taking on new meanings while always remaining true to the brand identity.

Moncler has a very strong corporate culture and uniqueness characterised by its ability to unleash the extraordinary that is hidden in each one of us.

It is a uniqueness based on the commitment to set increasingly challenging goals, on the willingness to celebrate everyone's talent, on the awareness that every action has an impact on our society and our environment, on the capacity to create warmth in every relationship and on the strive for timeless brand distinction.

PUSH FOR HIGHER PEAKS

We constantly strive for better, as individuals and as a team. Inspired by our continuous pursuit of excellence. We are always learning and committed to set new standards. We are never fully satisfied.

ONE HOUSE, ALL VOICES

We love to bring all voices in, letting everyone's talent shine. We celebrate all perspectives, leverage our multiplicity and speak to every generation by letting all voices sing. We play a beautiful harmony.

EMBRACE CRAZY

We strive for timeless brand distinction. We are unconventional and unique. We foster our inner genius and our creative edge. We bring bold dreams, crazy and apparently unreachable ideas to life, always with great rigor. We feed our energy as we believe that everything truly great was often born crazy.

BE WARM

We were born to keep people warm. We are an emotional brand. We bring the warmth of human connections into everything we do, from the things we make, to the relationships we build. We celebrate everyone's achievements, big and small, with empathy and trust.

CREATE AND PROTECT TOMORROW

We believe in a positive, brighter and better tomorrow. We are agents of real and meaningful change. We rise to and act on the social and environmental challenges the world and its societies are facing.

THE PURPOSE OF MONCLER IS TO UNLEASH THE EXTRAORDINARY IN EVERYBODY

STONE ISLAND BRAND
Stone Island is LAB & LIFE together. It is continuous research, identity, community. Stone Island is a transversal and authentic brand, that has its foundations in the product.

LAB LIFE CULTURE

LAB is the constant, deep and boundless research into the transformation and enhancement of fibres and fabrics, which leads to the discovery of new materials and production techniques that have never been previously used in the clothing industry.

LIFE is the lived experience, the identity, the perceived status of anyone who wears Stone Island. It's the strong and recognisable aesthetic that originates from the study of uniforms and working clothes, recreated with new needs in mind, to define a project where the function of the garment is never just aesthetic.

This is the Stone Island culture, where everyone lives on constant and continuous research, and believes in functionality as an expression of unique and inimitable beauty.

ENDLESS PASSION FOR ENDLESS KNOW-HOW

Endless passion and endless know-how in design and in product have always been the basis of the Stone Island brand and the founding principles for all stakeholders of the brand.

The product-centred ethos spreads through both the Stone Island collection and all those living the brand, every day, inside and outside of the Company.

The Moncler Group has, as main strategic objective, the development of its brands in an authentic way while enhancing their strong uniqueness, also through a constant contamination of diverse entrepreneurial and managerial cultures as well as business knowledge and technical know-how.

The Moncler Group strategy is underpinned by four pillars.

BECOME A LEADER IN THE NEW LUXURY SEGMENT

The Moncler Group with its two brands – Moncler and Stone Island – represents the expression of a new concept of luxury, far from the traditional stereotypes, which embraces the search for experientiality, inclusivity, sense of belonging to a community and contamination of different worlds including those of art, culture, music and sport.

United by "beyond fashion, beyond luxury" philosophy, Moncler and Stone Island intend to consolidate in the new luxury segment, strengthening their ability to interpret the evolving cultural codes of the new generations.

BUILD A GLOBAL GROUP ABLE TO FULLY ENHANCE ITS BRANDS' POTENTIAL AT GLOBAL LEVEL

Under the guidance of Remo Ruffini, Moncler has followed a growth strategy inspired by two key principles: to become a global brand and to be more direct to consumers.

The Moncler Group aims at sharing knowledge and experience with both its brands to fully capture their growth potential globally, maintaining their unique positioning while strengthening their direct to consumers' approach.

DEVELOP ALL DISTRIBUTION CHANNELS WITH AN OMNICHANNEL APPROACH, SUPPORTED BY A STRONG DIGITAL CULTURE

Engaging directly with clients through every channel and touch point, involving them, understanding their expectations – even when unspoken – and creating unique and distinctive experiences in its stores, are the cornerstones of the relationship that the Group strives to develop with its community to never stop surprising it. The Group is pursuing a strategy of integrated development of its distribution channels knowing that thinking, defining and implementing its strategy digitally is key to sustain future growth.

FOLLOW A SUSTAINABLE GROWTH PATH TO CREATE VALUE FOR ALL STAKEHOLDERS

Moncler has been progressively strengthening its commitment to a long-term, sustainable and responsible growth, fully integrated into the Group's strategy and entirely embraced by Stone Island as well. The Group's plan is based on five strategic priorities: climate action, circular economy, fair sourcing, enhancing diversity, and giving back to local communities.

Moncler Group's integrated and flexible business model is geared towards having direct control of the phases adding the greatest value, putting the pursuit of ever-increasing quality and the satisfaction of consumers at the heart of all its work.

MONCLER BRAND

MONCLER – COLLECTIONS

Moncler's success is based on a unique brand strategy aimed at developing innovative products that are strongly "anchored" to the history of the brand. The journey, which began in 2003 when Remo Ruffini acquired the Group, has always been coherent and pursued without compromise. Heritage, uniqueness, quality, creativity and innovation are the terms used in Moncler to define the concept of "luxury".

The Moncler collections are divided into three parallel dimensions: *Moncler Collections*, *Moncler Grenoble* and *Moncler Genius*.

The *Moncler Men's*, *Women's* and *Enfant* Collections were born from the fusion of research, innovation and luxury expressing the brand's DNA: they meet the needs of different consumers, embracing multiple uses and lifestyles.

In *Moncler Grenoble,* the brand's DNA is even stronger and more defined. *Moncler Grenoble* has become a technology and style innovation lab for the sporty consumer with an interest in performance, design and innovation. The *Moncler Grenoble* Fall Winter collections are split into *High Performance*, products guaranteeing maximum performance, *Performance & Style*, for the sporty consumer who also cares about design, and *Après-Ski*, for the consumer who is looking for style with a sporting edge. *Day-namic* is the Spring Summer outdoor collection developed in the name of functionality and style.

Moncler Genius – One House, Different Voices collections bring together different interpretations and visions of the brand under the same "roof", generating a new synergetic creative energy, while always remaining true to the brand's uniqueness.

Transversal to the three brand's dimensions, the footwear collection – with the launch of the new family of Trailgrip products – takes on from this year an increasingly significant role in the brand's product offering, being developed taking into consideration not only the brand codes but also different potential usages. The Moncler collections are completed by the offering of bags, backpacks, accessories and eyewear, in addition to the perfumes introduced at the end of 2021.

Moncler's team of fashion designers is divided by collection and works under the close supervision of Remo Ruffini, who sets design guidelines and oversees their consistent implementation across all collections and product categories. The Moncler Style Department is assisted by the Merchandising and Product Development teams, which help create the collections and "transform" the designers' creative ideas into final products.

MONCLER – PRODUCTION

Moncler's products are designed, manufactured and distributed according to a business model featuring direct control of all phases where the greatest value is added.

Moncler directly manages the creative phase, the purchase of raw materials, as well as the development of prototypes. The two main product categories, outerwear and knitwear, are partly managed internally and partly assigned to third party manufacturers (façon manufacturers) that take care of the "cut-make-trim" phase, while for accessories and shoes Moncler uses third parties manufacturers.

The purchase of raw materials is one of the main areas of the value chain. All raw materials must comply with the highest qualitative standards in the industry, be innovative and able to offer advanced functional and aesthetic features. Moncler only buys the best white goose down from Europe, North America and Asia, while textiles and garment accessories (buttons, zips, etc.) are purchased mainly in Italy and Japan.

Moncler currently uses more than 370 suppliers of raw materials: the top 50 suppliers account for approximately 80% of the value of suppliers.

DOWN

Throughout its history, down has been at the heart of Moncler outerwear, and has gradually come to be identified with the brand itself.

A combination of extensive experience and continuous research and development has enabled the Company to gain unique expertise in this area, both in terms of knowledge of down as raw material and in terms of garment manufacturing process.

Moncler ensures that all its suppliers comply with the highest quality standards. Over the years, these standards have been – and indeed remain – a key point of product differentiation: only the best fine white goose down is used in the brand's garments.

Fine-down content and fill power are the main indicators of down quality. Moncler down contains at least 90% fine-down and boasts a fill power equal to or greater than 710 (cubic inches per 30 grams of down), resulting in a warm, soft, light and uniquely comfortable garment.

Each batch of down is subjected to a two-step checking procedure to assess its compliance with 11 key parameters, set in accordance with the strictest international standards and the stringent quality requirements imposed by the Company. In 2022, a total of around 1,600 tests were performed.

But for the Company, "quality" is more than this: the origin of its down and the respect for animal welfare are also fundamental for Moncler. When sourcing and purchasing raw materials, Moncler considers these aspects as important as the quality of the material itself. Since 2016, all Moncler down is certified with the DIST internal protocol. (Please refer to dist.moncler.com)

The "cut-make-trim" phase is conducted both by third party manufacturers (façon manufacturers) and in the Moncler manufacturing plant in Romania that currently employs more than 1,300 people. This hub was established in 2015, then was moved in 2016 to its current location, which has been expanded in 2022 to significantly increase its production capacity. Investments in R&D also continue to automate some stages of outerwear production, reducing processing times.

The third-party suppliers (façon manufacturers) working for Moncler are mainly located in Eastern European countries, which are currently able to ensure quality standards that are among the highest in the world for the production of down jackets. Moncler oversees these suppliers directly by conducting audits designed to check aspects related to product quality, brand protection and compliance with current laws, Moncler Code of Ethics (updated in 2017) and the Supplier Code of Conduct (approved in 2016). For the production, the brand uses 130 suppliers, split between façon and finished products manufacturers: the first 30 suppliers cover about 80% of the value of supply[2].

MONCLER – DISTRIBUTION

Moncler is present in all major markets both through the retail channel, consisting of directly operated stores (DOS[3]), the online store and the e-concessions, and through the wholesale channel, represented by multi-brand doors, shop-in-shops in luxury department stores, airport locations and online luxury multi-brand retailers (e-tailers).

Moncler's strategy is aimed at the control of the distribution channel, not only retail but also wholesale and digital, which is operated through a direct organisation.

As of 31 December 2022, the network of mono-brand Moncler boutiques counted 251 directly operated stores (DOS), +14 units compared to 31 December 2021. Some of the most important stores opened in the year include Dusseldorf, Madrid, Miami Design District, Shanghai Swire, Seoul Galleria, Chengdu SKP, Niigata Isetan, in addition to some important relocations/expansions including Macau Galaxy. The brand operates 63 wholesale shop-in-shops (SiS).

2 Based on Orders' Value.
3 Including free standing stores, concessions, travel retail stores and factory outlets.

MONCLER BRAND: MONOBRAND STORE NETWORK

MONCLER	31/12/2022	31/12/2021	Net openings 2022
Asia	125	117	8
EMEA	88	84	4
Americas	38	36	2
RETAIL	**251**	**237**	**14**
WHOLESALE	**63**	**64**	**-1**

Moncler also continues to develop its digital channel. Following the internalization of the .com site completed in 2021 and the subsequent implementation of the new front-end concept of the platform, the evolution continues with constant updates, in order to improve the experience and the customer journey inspired by the world of entertainment, guaranteeing smooth navigation with dedicated contents and services. These also include customization through the new Moncler by Me service launched in 2022.

MONCLER – MARKETING AND COMMUNICATION

Moncler was born in the mountains. Born to protect, to keep warm. Born to deal with extremes. A dynamic company by nature. At a time when the fashion world still recognized a two-season calendar as its only marketing model, Moncler broke old patterns. Since the launch of Moncler Genius in 2018, the Group has successfully delivered the industry's most compelling response to an increasingly digital world, where consumer expectations are shaped at the speed of Instagram. It strove towards increasingly ambitious goals, sought out more voices and embraced its boldest side – always with exacting precision. The marketing of Moncler has been revolutionised: monthly collections' launches by visionary designers are transmitted from the feed straight to consumers with dedicated editorial plans. This approach has demanded absolute coordination between all departments and functions within marketing and in the whole Company.

The future of the brand will take shape through distinctive initiatives for each brand's dimension: *Moncler Collection*, *Moncler Grenoble* and *Moncler Genius*.

In 2022 Moncler celebrated its 70th anniversary, with an extraordinary event in Milan's most iconic location, Piazza Duomo – kicking off a calendar of 70 days of events and experiences on a global level. Consistent with its continuous pursuit of the extraordinary, Moncler delivered a live performance with a strong visual and emotional impact: 700 dancers, 200 musicians, 100 choralists and 952 models, for a total of 1,952 people (a homage to the brand's birth year), choreographed by the renowned Sadeck Berrabah (Sadeck Waff). In order to continue to engage and connect ita communities, Moncler opened the event to an enormous audience of nearly 18,000 people. The Moncler Maya down jacket was the star of the celebrations and the key theme of the following 70 days. This iconic garment for the brand, revisited for an anniversary version in 13 special colours, was then reinterpreted by seven designers from the brand's past, present and future: Thom Browne, Hiroshi Fujiwara, Rick Owens, Pierpaolo Piccioli, Francesco Ragazzi, Giambattista Valli and Pharrell Williams. The seven reinterpretations of the Moncler Maya 70 jacket were presented through photographer Platon's shots and shared with various communities around the world through a travelling exhibition, from New York to London to Seoul. An immersive experience involving videos and archive garments that recounted the most important moments in Moncler's history through multi-sensory technology, including a virtual event in China via WeChat.

The film *The brand of Extraordinary* – featuring artist and Grammy Award-winner Alicia Keys – was also shown on the brand's digital channels for the occasion and aired for the first time on Italian TV on 26th September. Moncler's first TV film presents a series of iconic images that depict the brand's history. From its Alpine origins in 1952, to equipping the legendary Italian expedition to the summit of K2 in 1954, to creating the uniforms of the French ski team that won the gold medal at the 1968 Winter Olympics in Grenoble. A sequence of unforgettable moments that tell the story of the brand's stylistic evolution.

MONCLER – DIGITAL

The Group has always been looking for new ways to communicate with its consumer base and interact with new and existing communities. In 2022 Moncler further accelerated its digital transformation by leveraging its new business organisation and finalising the internalization of the e-commerce activities.

The goal is for every project, from the design of collections to product development or even event construction, to be digital native, to be designed with digital platforms as the first point of contact with clients to then be spread across all other channels. This new approach opened the door to a future full of creativity, experimentation and "contamination" between content and channels.

The new *Digital, Engagement and Transformation* function was created in July 2020 to support the evolution of Moncler's strategic vision and create new digital opportunities for the Group. The function defined and implemented the brand's strategy across all digital channels and spread the digital culture throughout the whole organisation, overseeing the five strategic pillars: *D-Commerce, D-Marketing, Consumer Engagement, D-Intelligence* and *D-Operations.*

D-Commerce aims at defining innovative and unique solutions for handling the online business and mainly deals with buying and merchandising management.

D-Marketing is involved in the creation of digital first content, aiming at accelerating the consumer reach, and also assisting in increasing client engagement and conversion. Several projects were developed in 2022 to increase the impact of social media, in-store traffic and media campaign performance. A notable example is the launch of "Moncler Curators", a new section on moncler.com that invites the most lively personalities in the worlds of sport, fashion, business and entertainment to curate their own personal Moncler product selection.

D-Intelligence identifies strategic growth levers through the analysis and management of qualitative and quantitative data to maximize the knowledge and behaviour of omnichannel clients, identify demand for new trends and products thus improving the client experience.

D-Operations, aimed at running all digital and omnichannel operations, among which the personalisation service "Moncler By Me".

Consumer Engagement is a department aimed at improving the understanding of, and connection with, the brand's current and future clients, while developing a new Loyalty Program, which will include exclusive benefits for the clients most loyal to the Moncler brand.

Significant energy in terms of resources and investment have been devoted to the development of the digital functions. From digital marketing to online advertising, to services, to CRM, to new platforms and social networks, the company is now benefiting from a leading set of new technical infrastructures, processes and a strong digital organization.

In particular, Moncler is present on the following social media platforms: Instagram, Facebook, Twitter, YouTube, LinkedIn, TikTok; in China on WeChat, Weibo, Douyin and RED; in Japan on LINE while in Korea on Kakao Talk.

STONE ISLAND BRAND

STONE ISLAND – COLLECTIONS

At the forefront of menswear, Stone Island redefines, with its point of view, the concept of man luxe, always contemporary and with a strong tendency to research and experimentation.

The brand is characterised by its different iconic visual codes. Stone Island expresses itself not only through the usage of its atypical branding, the "Badge", a removable rectangular label that exhibits the embroidery of the Stone Island Compass, but also, for the wide exploration of colour, with unique treatments and techniques, finishes and details of the garments, and for its unique design lexicon.

Alongside Stone Island men collections, the brand offers the Stone Island Junior collection – a declination of the brand for children and teenagers from 2 to 14 years old.

STONE ISLAND – RESEARCH AND DEVELOPMENT

Four decades dedicated to textile research, experimentation, study of the garment's function and innovation, often investigating worlds far from clothing, have made Stone Island a brand defined by its unique and distinctive research and an essential point of reference for the world of apparel and design today.

Important challenges faced also thanks to the commitment of the creative team, who managed to transfer its vision into the product, with passion and enthusiasm, pushing its research efforts on uncharted territories.

STONE ISLAND – PRODUCTION

The complete product development cycle is managed internally, at its headquarter in Ravarino (province of Modena).

Stone Island's mission has always been to pursue product innovation through continuous deployment of know-how and all-around research on fibres, yarns, fabrics, finishes and dye whilst cultivating the ambition to offer a product that is unique in its category.

In order to achieve this mission, product development has been carefully managed through an internal and integrated system in which modelling, prototypes and dyeing combine with established external partnerships in both research and execution.

The value chain – when it comes to the selection of ancillary materials and components, as well as to manufacture and dyeing – is managed under the strict supervision of Company technicians at established partners that are aligned with the Company's ethical and regulatory codes.

Fabrics and yarns are supplied by the best Italian and foreign companies, in particular in Japan and Korea.

Manufacturing is in Italy, in the Mediterranean basin and in the Far East, at established third-party companies trained in the know-how needed to satisfy the brand's standards of quality and sustainability.

STONE ISLAND – DISTRIBUTION

The Stone Island brand is distributed globally both through the wholesale channel and with direct presence (retail stores). Furthermore, in some markets the brand is managed by distribution contracts with qualified and long-standing partners, selected on the basis of their high knowledge of the fashion sector. The brand is currently present in the most important department stores in the world, also with dedicated spaces (shop-in-shops), in the best multi-brand boutiques and in the main e-tailers, besides having developed a network of 72 directly managed mono-brand stores as well as the online store.

In line with the Group's strategy aimed at the integrated development of its distribution channels, Stone Island has begun a path that will lead the brand to a greater control of distribution on international markets, through a progressive direct management of the markets currently managed by distributors and through the expansion of the DTC channel. Indeed, since 1 January 2022 Stone Island internalised the management of Korea and since 1 August the management of Japan through two joint ventures controlled by Stone Island. In the UK the implementation of this strategy led to the internalisation of the DTC business, composed at the moment of the store in London and the e-commerce.

At the same time, the Company is enhancing its control and doors' selection in the wholesale segment, a channel of strategic

importance for Stone Island, with the aim of further elevating the positioning of the brand itself.

In 2022 the wholesale channel accounted for 63% of revenues while the remaining 37% was generated by directly managed stores and the online channel. As of 31 December 2022, the network of mono-brand Stone Island stores was composed of 72 retail stores and 19 mono-brand wholesale stores. In the fourth quarter, Stone Island opened its first DOS under the new format in Chicago.

STONE ISLAND	31/12/2022	31/12/2021	Net openings 2022
Asia	44	4	40
EMEA	21	20	1
Americas	7	6	1
RETAIL	**72**	**30**	**42**
WHOLESALE	**19**	**58**	**-39**

STONE ISLAND – MARKETING, COMMUNICATION AND DIGITAL MEDIA

"The image is the product", is the absolute protagonist in every marketing activity, starting from communication.

Over the years, the brand has created a strong and recognisable iconography entrusted to the multiculturalism expressed by the faces of the models and the direct photo shoot on a white background where the garments are perfectly legible.

The detailed description of the fabric and the treatment of each individual garment are also present in the advertising campaigns.

Stone Island's tone of voice is direct and informative. Without adjectives, it is closer to the rigour of industrial design than to the world of fashion and lifestyle: a solid brand visual identity is also expressed in the videos.

The product remains at the centre not only of marketing activities but also of installations, special projects in flagship stores and pop-ups with clients of international importance.

Both its website and its social media platforms reflect the clean and industrial aesthetics of Stone Island.

The social media of reference is Instagram, flanked by the main platforms: Facebook, Twitter, Pinterest, YouTube and Vimeo, in addition to Chinese social media: WeChat, Weibo and Little Red Book.

Stone Island has a very active fan base that interacts intensely with the official account and that promotes the brand through many spontaneous fan-based groups on social networks.

Over time Stone Island got closer to the music world, an important brand's communication tool, with STONE ISLAND PRESENTS, a project for international music events featuring since 2015 high profile talents from the electronic music scene and more, and with STONE ISLAND SOUND, founded in 2020, a project that supports contemporary music production with the aim of promoting local communities while building an ideal world sound map.

STONE ISLAND – THE COLAB

The common thread that runs through the history of Stone Island's collaborations is that they take place with mutual respect between collaborators. This was the case for the *ante litteram* collaborations launched, back in 2009, with Adidas and New Balance; and this has been further strengthened with other important collaborations including Supreme from 2014 to today, Nike from 2016 to 2019, Head Porter from 2015 to 2020, Persol in 2020 and from 2021, a new long-term partnership with New Balance.

BRAND PROTECTION

The Moncler Group dedicates significant effort and considerable resources to safeguarding the value, uniqueness and authenticity of its products and protecting its intellectual and industrial property (IP) rights relating to both Group brands, an essential foundation for protecting its clients.

The internal department specialising in IP and brand Protection focuses above all on administrative protection: protecting Group brands in current and potential countries and product categories of commercial interest, including product forms and characteristics and product and process inventions, in addition to protecting copyrighted works.

Enforcement of IP rights and the fight against counterfeiting involve a wide range of activities, such as training and coordinating customs authorities, filing the relevant applications in the various countries, monitoring and taking investigative action in the physical and online market, removing illegal content from the Web, organising raids and seizures with the local authorities in many countries and, finally, taking civil, criminal and administrative actions. In 2022 the Group continued to hold a significant number of training sessions for Italian and foreign customs officials and enforcement authorities. In particular, in 2022, 41 training sessions were held for the Moncler brand and 36 training sessions were held for the Stone Island brand.

In 2022 constant efforts to combat counterfeiting led, at the global level, to approximately 3,000 cases of seizure for the Moncler brand and almost 1,000 cases for the Stone Island brand, removing from the market approximately 145,000 and nearly 64,000 finished products, respectively, as well as nearly 130,000 and 220,000 counterfeit branded items, respectively (such as logos and labels intended for the production of garments and accessories in infringement of the Group's PI rights).

Increasing attention is paid to the digital channel, monitored on a daily basis to undertake enforcement activities on search engines, marketplaces, websites and social networks every day. In the case of Stone Island, the Group removed in 2022 more than 61,000 online auction listings of counterfeit products, 48 sites in violation, more than 6,800 pages linked to counterfeit products and over 39,000 posts, accounts and sponsored advertisements on major social networks. In the case of Moncler, 2022 saw a reduction of over 80,600 auction listings of counterfeit products, the blocking of 300 sites, the removal from major search engines of more than 23,200 links to sites offering non-original products for sale and the removal of around 87,000 posts, ads and accounts promoting fake Moncler products through social networks.

To strengthen its strategy of fighting online counterfeiting, both brands are continuing their plans to bring civil lawsuits for counterfeiting in the United States against sellers who promote the international sale of counterfeit products on digital platforms, resulting in a strong deterrent for counterfeiters.

To increase protection of its end clients, in 2021 Moncler began to enhance its authenticity-traceability system, now characterised by a unique alphanumeric code and an NFC (Near Field Communication) tag, allowing the end consumer to immediately receive feedback on the nature of the garment purchased by scanning the NFC with a smartphone or tablet and keeping the verification mode active on the code.moncler.com website, managed directly by Moncler. Where necessary, Moncler also compiles expert reports for defrauded customers who wish to recover sums paid in the unwitting purchase of a counterfeit garment from the relevant electronic payment services companies. Similarly, since Spring-Summer 2014 Stone Island has been using the Certilogo® technology and experience to provide clients with the opportunity to verify the authenticity of Stone Island and Stone Island Shadow Project products. Starting in Autumn-Winter 2020-2021, this technology was also extended to Stone Island Junior garments, allowing – for all garments – the generation of an "anti-counterfeiting report" that can be used with payment institutions to obtain credit for the purchase of an unauthentic garment.

Moncler also remains committed to applying procedures governing how design and creative content is verified, underscoring the increasing importance of the issues of cultural assessment and risk mitigation. These procedures – introduced in 2020 and now fully implemented – are the subject of constant updates and training for all functions concerned, given also the company turnover. The same process was implemented at an operational level

also for Stone Island starting in the second half of 2022. To raise awareness internally among all departments involved in applying these procedures, four training sessions were developed also through the MAKERS programme, in addition to the important training and awareness-raising activities on IP & BP issues and activities carried out by the department.

HUMAN CAPITAL

As people are a fundamental resource for the creation of long-term value, the Moncler Group has always devoted attention, energy and resources to selecting the best talent, to the professional and personal growth of its staff and to promoting company well-being. The Group has clear policies in place to provide a healthy, safe, meritocratic and stimulating working environment, where everyone feels free to realise their skills, potential and talent to the fullest, and where everyone's diversity is valued.

Welcoming everyone, always valuing diversity and free expression are integral aspects of the company's culture and crucial to its model of growth and way of doing business. Moncler thrives in a multicultural environment and engages in a dialogue with all generations and cultures, aware that diversity is a critical factor for success.

The search for most talented people worldwide and the ability to retain them have always been at the top of the Group's business agenda. The opportunity to work in an international, dynamic, multicultural and meritocratic environment, together with Moncler's strong commitment to sustainable development, are key elements in the process of attracting talent, especially among younger generations. The Group needs their strong technical, professional and managerial skills, as well as their passion, dynamism, flexibility, vision, drive for innovation and harmony with the Group's values.

To identify top talent, the Group has been using a performance evaluation system that measures the skills demonstrated in achieving assigned objectives for years for the Moncler brand and it is now gradually implementing this system at Stone Island as well.

Knowledge, problem-solving and impact on the business are the meta-dimensions taken into account by the evaluation model underlying the remuneration review process, providing it with a solid basis of fairness, equal opportunities, meritocracy and competitiveness with the market.

The Group's REMUNERATION SYSTEM includes:

— **short-term variable remuneration systems, annual MBO** (management by objectives) for executives, managers and professionals, mainly based on the achievement of measurable qualitative and quantitative economic objectives linked to activities and processes of strategic importance to the business, identified according to a balanced scorecard. All those involved in implementing the Sustainability Plan in the MBO system are assigned social or environmental objectives related to the implementation of the Plan. Risk management indicators are also included in the schemes, with the aim of spreading a culture of risk assessment and management in decision-making;
— **team and individual sales commission** systems that reward service excellence and quality and business development for sales network employees;
— **long-term incentive** systems, such as performance share plans, for top management and key roles, which have a particular impact on the business, regardless of organisational level. These systems are linked to long-term performance conditions and ESG indicators as evidence of management's commitment to sustainability issues. Long-term incentive systems are an important component of the pay mix and make up the majority of total compensation at the top management level.

All of Moncler's variable remuneration systems are designed to encourage the achievement of distinctive results through mechanisms that reward overperformance by increasing the value of the bonus that can be obtained, starting from a certain threshold, if the assigned objectives are exceeded. Finally, the compensation package offered to employees is rounded out by various benefits, including life insurance, pension and welfare plans and information and prevention programmes.

In the area of international mobility – increasingly a pillar for the development of individuals and the Group's success – Moncler has adopted a Global Mobility Policy, laying down the Company's commitment to ensuring a fair, competitive, supportive and consistent economic treatment of expatriates at the global level.

Through this remuneration policy, the Group promotes and enhances an inclusive culture. To this end, in 2022 it launched a project aimed at obtaining equal pay certification, confirming the approach aimed at closing the gender pay gap.

In addition, in order to monitor the progress made towards gender balance targets, in 2022 the Group began an analysis that led to the design of a DE&I dashboard used to analyse the most important KPIs in this area.

DE&I

Moncler is committed to strengthening the culture of inclusion and enhancing diversity, inside and outside of the company, through a Diversity, Equity & Inclusion (DE&I) program. "Nurture Uniqueness" is indeed one of the five pillars of the 2020-25 sustainability plan dedicated to promoting diversity and inclusion.

The drivers of ongoing activity affect the following areas:

— strengthening of a culture of DE&I through training and awareness activities;
— promotion of representation through various tools including collaborations with universities that have a very heterogeneous student pool, selection processes aimed at ensuring fair and impartial evaluations;
— definition of new ways of working through initiatives that encourage exchange and sharing between people such as the creation of interdisciplinary working groups, the creation of project groups representative of company diversity by age, skills, gender, company seniority, cultural background etc.;
— definition of processes and policies to support DE&I and compliance with these principles including a global parental policy, the strengthening of internal protective mechanisms and systems for reporting incorrect conduct, equal pay certification, etc.;
— valorisation of talents with various initiatives including job posting, extension of the performance evaluation programme, celebration of individual achievements, etc.;

As regards the differences between genders, the percentage weight of women on the total workforce is predominant. In fact, the female presence stands at 69%, substantially in line with 2021. The percentage of women is high in all geographical areas and in the managerial bracket (managers, executives and senior executives) is equal to 51%. Women represent 70% of the population with permanent contracts and 60% of those with temporary contracts. 70% of the contracts transformed into permanent contracts in 2022 are for women. Analyzing the subdivision by gender in terms of company seniority, distribution by age group, level of education, there are no phenomena different from the general trend.

TRAINING

Training plays a key role in the process of harnessing the potential of individuals. It is fundamental to developing and consolidating individual skills to encourage the constant upskilling of key knowledge necessary to support a constantly changing business.

The head office training strategy, *MAKE* (*Moncler Academy for Knowledge and Excellence*), continued to evolve. This strategy has three main pillars:

— Leadership as a key factor in organisational development;
— Recognising that learning is a part of every activity;
— Individual knowledge becomes a collective asset through sharing.

The main activities carried out in 2022 were:

— **MONCampus:** a programme now in its third year, designed for talented young people and managed almost entirely by internal trainers;
— **Lead Accelerator:** an exclusive development programme dedicated to improving the cross-functional leadership abilities of 14 executives and senior managers and supporting them as agents of change within the organisation;
— **Makers Lab:** a programme where internal Company "experts" share their knowledge of specific activities, processes and tools.

The strategic importance of technical training led to the *MATE* project, an internal academy for recent graduates of technical and professional institutions.

The Company remains committed to completion of mandatory training: GDPR, Law 231, Health and Safety and the Code of Ethics are the main chapters developed by the Group at a global level.

OHSAS 45001 health and safety certification has also extended to the Italian Stone Island facilities since 2021. Specific training programmes were promoted during the year to maintain this certification.

As part of the efforts to promote diversity, training linked to the DE&I strategy was consolidated in 2022. The *Unconscious Bias* webinar was extended to all Group managers in 2022. To promote and understand the values of diversity and inclusion and provide the tools to develop an inclusive organisation, the *Unconscious Bias* webinar was delivered to 745 managers worldwide, for a total of 1,155 hours of training, and the same content was also made available in e-learning format to the entire non-management population.

In an effort to ensure that initiatives related to inclusive leadership are extended to all and provide an important reference, guidelines were drawn up to make the concept of inclusive leadership more tangible and accessible to the general company population. The *Inclusive Leadership Guidelines* contextualise the importance of the concept to the Moncler Group, explore the positive impact of being an inclusive leader and describe best practices for managers and teams.

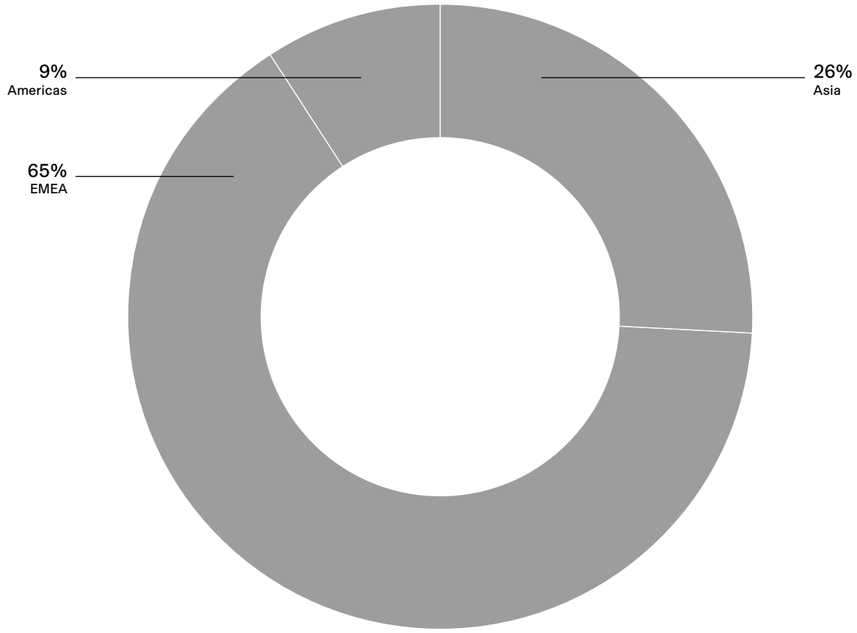
In 2022 the Group delivered 170,843 total training hours.

As at 31 December 2022 the Group had 6,310 employees (6,035 full-time equivalents or FTEs), of whom approximately 65% were employed in direct stores, compared with 49% in 2021. The Moncler brand had 5,767 employees (5,511 FTEs) and Stone Island 543 (524 FTEs).

At Group level, the distribution by geographical area sees the EMEA area employing 65% of total FTEs, followed by Asia with 27% and the Americas with 8%.

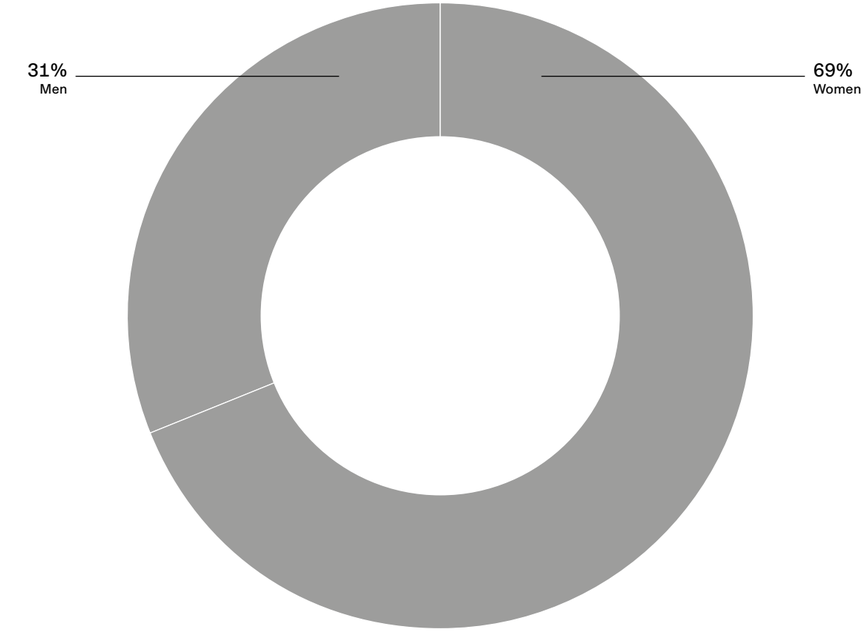
FTE	**2022**	**2021**	**2020**
Asia	1,611	1,167	1,102
EMEA	3,939	3,115	2,682
Americas	485	353	307
TOTAL	**6,035**	**4,635**	**4,091**
of which direct Retail	2,860	2,006	1,825

BREAKDOWN BY GEOGRAPHICAL AREA[4]



As at 31 December 2022, 69% of employees were women. This percentage is essentially unchanged on 31 December 2021.

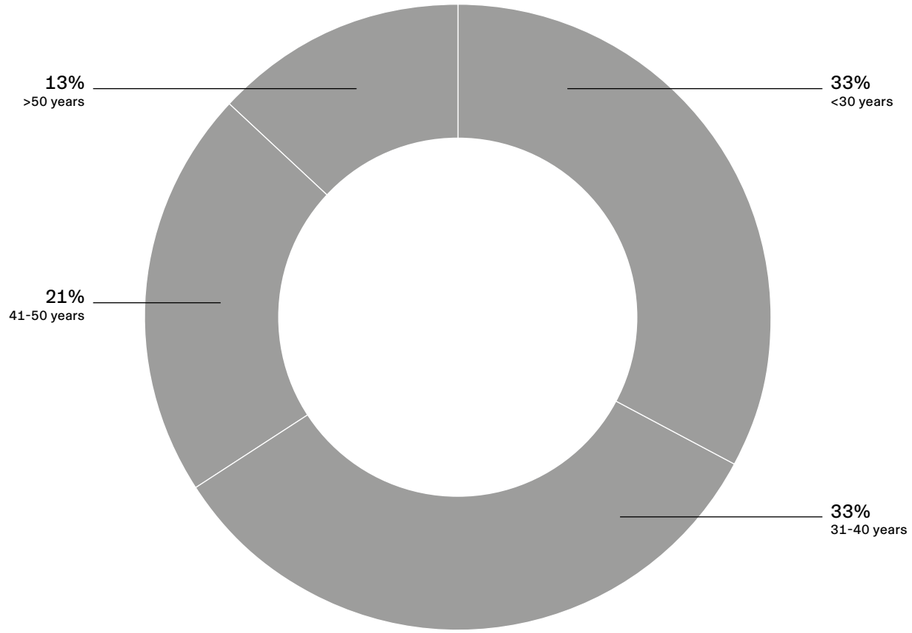
BREAKDOWN BY GENDER[5]



As at 31 December 2022, the greatest concentration of employees was in the 31-40 age bracket, which represents 33% of the population, down slightly on 2021 (35%). Employees under the age of 30 continue to increase, accounting for 33% of the population. The average age is 36.8, down from last year.

4 Full-Time Equivalents as at 31/12/2022.
5 Employee headcount as at 31/12/2022.

BREAKDOWN BY AGE[6]



WELLBEING OF OUR PEOPLE

The Moncler Group continues to implement a number of programmes to ensure the health, safety and well-being of its people. Health also means psychological and physical well-being. This is why it was decided to include a dedicated psychological counselling service and yoga activites among the services available to all.

MONVOICE

MONVOICE - *Employee Opinion Survey* is a questionnaire, introduced in 2017, used to measure the internal company climate. The goal of the questionnaire is to capture the Company's positioning in relation to two aspects: engagement and enablement of employees. By analysing the individual components of each of these two aspects, the Moncler Group identifies the strengths and areas on which to work to increase and improve its overall positioning.

In 2021 the survey was also extended to Stone Island and its subsidiaries to expand the internal climate analysis throughout the Group. Each year, analysis allows us to identify the strengths and areas to work on to grow and improve.

As in previous years, the main areas of excellence brought to light at the global Group level continued to include "quality and client care", "the flexibility and availability of managers" and a sense of "pride in being part of the Group".

VOLUNTEERING

In 2022 the Moncler Group developed a volunteering programme focused on four areas in collaboration with CISOM, Fondazione Francesca Rava, Legambiente and Officine Buone:

— Vaccine campaign. Moncler and its volunteers continued to work with vaccine campaign organisers at the Palazzo delle Scintille hub in the first part of the year, while also continuing to support volunteers and health care professionals to ensure that the vaccine cycle was as smooth as possible.
— Support for patients from nursing homes and hospitals in Italy through donations of talent. In collaboration with the association Officine Buone, Moncler volunteers brought their music to the nursing home Mater Gratiae in Milan, offering patients an entertaining, calming experience. The Moncler community also donated its artistic talent in order to spread art in Italian hospitals. On 25 October 2022 the travelling exhibition "*Be Warm*" was inaugurated at the National Cancer Institute in Milan, featuring paintings, photographs and drawings created, with warmth and passion, by Moncler employees, to promote beauty and creativity in hospitals.
— Support for the Ukrainian people. Through its volunteers, Moncler supported Fondazione Francesca Rava in collecting and storing basic goods to be sent to Ukraine in order to support its population in the current emergency.
— Protection and conservation of the environment. Moncler continues to support the park and beach cleaning projects promoted by Legambiente, organising corporate group activities (*Park & Beach litter*).

In 2022 company volunteering was extended to the entire Group population, Corporate and Retail, with opportunities to volunteer for two working days a year. The project resulted in 1,624 hours of volunteering work globally, including 1,352 hours at the main headquarter.

6 Employee headcount as at 31/12/2022.

For the Moncler Group, the true value of the Company lies also in the way the Group does business, in its contribution to society as a whole and in the determination to honour its commitments.

The growing integration of social and environmental impact assessments into business decisions is what underpins the Group's ability to create long-term value for all stakeholders.

The Group firmly believes that the quality of its products goes beyond their technical characteristics. A quality product is one that is made responsibly and with respect for human rights, workers' rights, the environment and animal welfare.

In 2021, the 2020-2025 Strategic Sustainability Plan was extended also to Stone Island and integrated with new objectives confirming the commitment to sustainable development and how environmental and social responsibility is increasingly an integral part of the Group's business model. The strategy focuses on five strategic drivers: climate action, circular economy, fair sourcing, enhancing diversity, and giving back to local communities.

The Group's Sustainability Plan, which includes the Net Zero target by 2050 and an intermediate commitment to reduce CO_2 emissions by 2030, defines ambitious targets that require important choices by the Moncler Group, ranging from the use of 100% renewable energies for direct use to a demanding commitment on the product and the supply chain where lies the greatest impacts. Another target linked to the reduction of the environmental impact is to have more than 50% of yarns and fabrics with lower impact compared to conventional solutions. The Plan also envisages continuing to work with the supply chain on the traceability of raw materials and on the front of social standards, with the emerging topic of the living wage. Awareness-raising initiatives are also envisaged to encourage and enhance diversity and promote an increasingly inclusive culture, for this reason commitments have been defined on training and awareness-raising courses on Diversity Equity and Inclusion and on obtaining the Equal Pay certification. The Group also undertakes to support local communities with projects of high social value in favor of the community and to protect children and families in vulnerable situations from the cold

Moncler joined the Fashion Pact, a coalition of leading global fashion and textile companies, which together with suppliers and distributors, is committed to achieving shared goals focused on three main areas: contain global warming, protecting biodiversity and the oceans.

In order to increasingly integrate sustainability into its business, the Moncler Group has implemented a governance that involves the interaction of different bodies dedicated to supervising and managing social and environmental issues.

The Sustainability Unit has the responsibility of proposing the sustainability strategy of the Group, identifying, promptly reporting to top management and managing, together with the relevant functions, the risks related to sustainability, including those relating to climate change and biodiversity, as well as finding areas and actions for improvement, thus contributing to the creation of long-term value. It also prepares the Consolidated Non-Financial Statement, and fosters a culture of sustainability at the Company. Lastly, the unit promotes a dialogue with stakeholders and, together with the Investor Relations division, handles the requests of sustainability rating agencies and Socially Responsible Investors (SRI).

"Ambassadors" have been selected from each Company's department to raise awareness of social and environmental issues in the departments where they operate and to promote sustainability initiatives that are in keeping with the Group's objectives. Moreover, starting from 2017, "Sustainability data owners" have also been picked, each responsible in their area, for data and information published in the Consolidated Non-Financial Statement and for achieving the objectives in the Sustainability Plan, for areas in their responsibility.

As further evidence of the degree to which the Company's senior management supports and promotes sustainability, the Control, Risks, and Sustainability Committee was established as a committee of the Board of Directors. The Committee is composed of three non-executive and independent Directors and was entrusted by the Board of Director to supervise sustainability issues associated with the business activities of the Group and its interactions with stakeholders, to define strategic sustainability guidelines and the relevant action plan (Sustainability Plan) including issues on climate change, biodiversity and human rights, and to review the Consolidated Non-Financial Statement.

In terms of financial instruments, Moncler is testing and adopting new mechanisms linked to sustainability performance. In July 2020, the Company has signed a financial credit line that consists of a sustainability-linked revolving credit facility with a rewarding mechanism linked to the achievement of environmental impact reduction targets. In November 2020, Moncler signed an agreement for forex risk hedging which provides for a premium in terms of improvement in hedging strikes on currencies based on the recognition of high sustainability standards by an external and independent assessment body.

The Moncler Group, in compliance with article 5, paragraph 3, letter b of Legislative Decree no. 254/2016, has issued a Consolidated Non-Financial Statement, which comprises a separate report and describes the year's main environmental and social activities and also publishes the results achieved in relation to Sustainability Plan objectives. The 2022 Consolidated Non-Financial Statement is prepared in compliance with the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) – core option – and is partially audited by Deloitte & Touche S.p.A.

In order to continue to improve the transparency of the ESG (Environmental Social Governance) performance and facilitate the comparability of the data and information provided to different stakeholders, starting from 2020 Moncler has also begun to consider some indicators provided by Sustainability Accounting Standards Board (SASB) with the aim of gradually expanding disclosures in subsequent publications.

THE DIST PROTOCOL

As part of its commitment to ensuring animal welfare and the full traceability of the down, Moncler requires and ensures that all its down suppliers comply with the strict standards of the Down Integrity System & Traceability (DIST) Protocol. Applied since 2015, the DIST Protocol sets out standards for farming and animal welfare, traceability and the technical quality of down. Moncler only purchases down that is DIST-certified.

Key requirements that must be met at all levels of the supply chain include:

— down must be derived exclusively from farmed geese and as a by-product of the food chain;
— no live-plucking or force-feeding of animals is permitted.

Moncler's down supply chain is particularly vertically integrated, and includes various types of entities: white geese farms, slaughterhouses, the companies responsible for washing, cleaning, sorting and processing the raw materials. Moreover, the supply chain includes façon manufacturers, which, using the down, manufacture finished products. All suppliers must comply scrupulously with the Protocol, to ensure the traceability of the raw materials, respect for animal welfare and the highest possible quality throughout the down supply chain: from the farm to the down injection into the garments.

The Protocol, defined taking into consideration the peculiarities of the supply chain structure, was the outcome of open, constructive engagement with a multi-stakeholder forum, established in 2014 that meets annually to review and reinforce the protocol. The forum considered the expectations of all the various stakeholders and ensured a scientific and comprehensive approach to the issue of animal welfare and product traceability. Starting from 2023, the Protocol will be integrated with three specific modules on human rights, environment, and the DIST down recycling procedure.

The Protocol assesses animal welfare in an innovative way. Alongside a traditional approach that focuses on the farming environment, the DIST, following the European Union guidelines, also evaluates animal welfare through careful observation of "Animal-Based Measures" (ABM[7]).

Moncler is constantly involved in the on-site auditing process to certify compliance with the DIST Protocol. To ensure maximum audit impartiality:

— audits are commissioned and paid directly by Moncler and not by the supplier;
— certification is conducted by a qualified third-party organisation whose auditors are trained by veterinarians and animal husbandry experts from the Department of Veterinary Medicine at the University of Milan;
— the certification body's work is in turn audited by an accredited external organisation.

The presence of certified down in Moncler garments is guaranteed by the "DIST down certified" label.

In 2022, 136 audits were conducted by third-parties along the entire supply chain.

As another important step towards a more circular economy, Moncler started recycling DIST-certified down through an innovative mechanical process that requires 70% less water compared to traditional down recycling processes.

Stone Island is also committed to ensuring that the down used in its products is obtained with respect for animal welfare. The Company purchases only certified duck down according to the Responsible Down Standard (RDS) protocol. Starting in 2023, all suppliers of the brand will have to be compliant with the social and environmental requirements verified through audits.

7 The "Animal-Based Measures" are indicators of the real welfare of an animal, determined through the direct observation of its capacity to adapt to specific farming environments. The measures include physiological, pathological and behavioural indicators.

MONCLER AND THE FINANCIAL MARKETS

In 2022 Moncler faced a year of extreme volatility and unpredictability in the macroeconomic situation, which affected both the global financial markets and the luxury sector.

Russia's invasion of Ukraine in February 2022 created a strong, long-lasting global political instability.

The sanctions imposed on Russia as a result of the conflict and the strong repercussions on the energy market generated strong tensions on raw materials, primarily energy-related ones, leading to significant price increases in Europe and America and to the highest inflation levels recorded in many years.

The operating environment was particularly volatile also in China, where an unexpected increase in Covid cases in the second and fourth quarters of the year led the Chinese government to implement again severe restrictions in all the country's major cities to contain the spread of the virus, with a strong negative impact on travel, consumption, and the country's entire economic and social backbone.

The complicated macroeconomic dynamics and the threat of a possible global recession resulted in severe volatility on financial markets throughout the year.

In 2022 all Western equity indices recorded double-digit decreases: the global index (S&P Global Index, BMI) was down by 29%. In Europe the EuroSTOXX50 was down 12%, the FTSE MIB ended the year at -13% and in the United States the S&P 500 came in at -19%.

Markets also struggled in Asia: in Japan, the NIKKEI 225 fell by 9%, in Hong Kong the Hang Seng Index (HSI) closed down 15% and in China the Shanghai Stock Exchange index (SSE Composite) declined by 13%, with the uncertainty related to the Covid situation and the deteriorating macroeconomic data in the country weighing heavily.

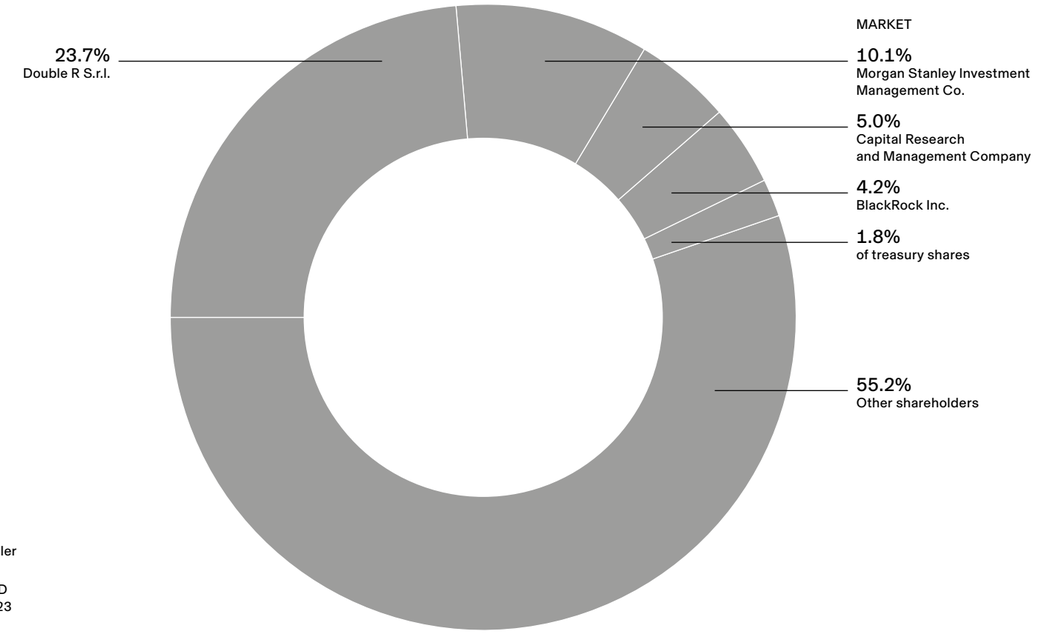
Despite their operational resilience, luxury stocks on average declined and valuation multiples contracted. In 2022 the value of the shares of companies operating in the luxury goods sector decreased by 13% on average. Brunello Cucinelli and Burberry were the only two companies to post a positive performance, up 14% and 12% respectively, while all other stocks saw a decline in value. Tod's, Kering and Salvatore Ferragamo in particular underperformed, with their stock values falling by 39%, 33% and 27%, respectively. The Moncler stock also performed negatively, reaching €49.5 at the end of 2022, down by 23% over the previous 12 months.

Share performance	**1 year (2022)**	**2 years (2022-2021)**	**5 years (2022-2018)**
Brunello Cucinelli	13.8%	93.6%	155.8%
Burberry Group	11.7%	13.4%	13.3%
Ermenegildo Zegna	-0.1%	n.a.	n.a.
Swatch Group	-5.7%	8.9%	-33.8%
Hermès	-5.9%	64.3%	223.8%
LVMH	-6.5%	33.1%	177.1%
Prada	-11.6%	-13.9%	55.8%
Compagnie Financiere Richemont	-12.4%	49.7%	35.8%
Moncler	**-22.7%**	**-1.3%**	**89.8%**
Salvatore Ferragamo	-26.8%	4.0%	-25.6%
Kering	-32.7%	-20.0%	30.1%
TOD'S	-38.6%	6.4%	-50.3%
Luxury goods sector average	**-11.5%**	**21.7%**	**61.1%**
FTSE MIB average	**-13.3%**	**6.6%**	**8.5%**

(source: FACTSET at 31 December 2022)

Moncler's market capitalisation was EUR 13.5 billion as at 31 December 2022, compared to €17.5 billion as at 31 December 2021, and in the year recorded a Total Shareholder Return (TSR) of -22%. The number of shares was 273,682,790 as at 31 December 2022. Moncler's significant shareholders are shown in the chart below.

SHAREHOLDING



SOURCE
Consob, Moncler

LAST UPDATED
1 February 2023

During the course of 2022, the Group maintained an ongoing dialogue with the financial community (investors and analysts), also in light of the volatility of the sector and the unpredictability of global macroeconomic events, which required continuous dialogue with investors and analysts. The *Investor Relations* team, assisted by Group management, participated in industry conferences, roadshows in major financial markets and meetings and calls with fund managers, buy-side and sell-side analysts. Such events were in either physical presence or virtual format, depending on the health measures in the country of reference.

On 5 May 2022 the Group organised a *Capital Markets Day* attended by over 80 representatives of the financial community (from analysts to investors) and an audience of over 450 people connected via webcast.

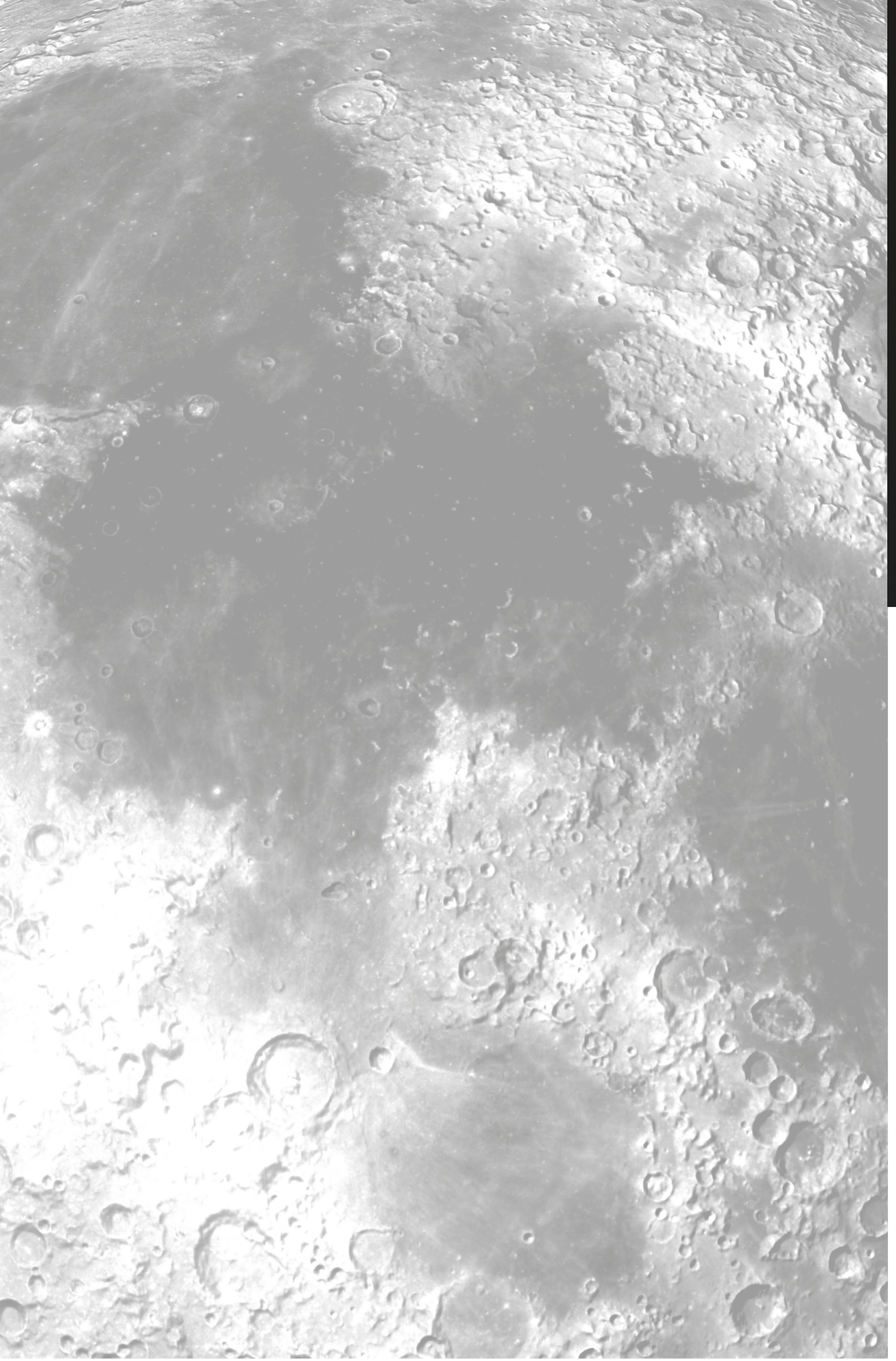
FINANCIAL CALENDAR

As a partial amendment of the information contained in the 2023 calendar of corporate events published on 26 October 2022, Moncler S.p.A. hereby notifies that the Annual Shareholders' Meeting of Shareholders will be held on 18 April 2023 instead of 20 April 2023.

The main events in 2022 related to the Moncler Group reporting timeline are provided below[8]:

DATE	**EVENT**
Tuesday, 28 February 2023	Board of Directors for the Approval of the Draft Consolidated Results at 31 December 2022
Tuesday, 18 April 2023	Annual Shareholders' Meeting for Approval of the Full Year Financial Statements at 31 December 2022
Thursday, 4 May 2023	Board of Directors for the Approval of the Interim Management Statement at 31 March 2023
Wednesday, 26 July 2023	Board of Directors for the Approval of the Half-Year Financial Report at 30 June 2023
Thursday, 26 October 2023	Board of Directors for the Approval of the Interim Management Statement at 30 September 2023

8 A conference call/meeting with institutional investors and equity research analysts will take place following the B.o.D.



SECTION TWO

INTRODUCTION

In accordance with Article 40, paragraph 2 bis of the Legislative Decree 127 of 09/04/91, the Parent Company has prepared the Directors' Report as a single document for both the separate financial statements of Moncler S.p.A. and the Group consolidated financial statements.

PERFORMANCE OF THE MONCLER GROUP

ECONOMIC RESULTS

Following is the consolidated income statement for FY 2022 and FY 2021.

(Euro/000)	FY 2022	% on revenues	FY 2021	% on revenues
REVENUES	**2,602,890**	**100.0%**	**2,046,103**	**100.0%**
YoY performance	+27%		+42%	
GROSS MARGIN	**1,987,843**	**76.4%**	**1,566,906**	**76.6%**
Selling expenses	(757,393)	(29.1%)	(588,269)	(28.8%)
General & Administrative expenses	(283,967)	(10.9%)	(233,490)	(11.4%)
Marketing expenses	(171,936)	(6.6%)	(142,082)	(6.9%)
EBIT	**774,547**	**29.8%**	**603,065**	**29.5%**
Net financial	(27,216)	(1.0%)	(21,608)	(1.1%)
EBT	**747,331**	**28.7%**	**581,457**	**28.4%**
Taxes	(140,625)	(5.4%)	(170,070)	(8.3%)
Tax Rate	18.8%		29.2%	
GROUP NET RESULT	**606,697**	**23.3%**	**411,367**	**20.1%**

CONSOLIDATED REVENUE

In 2022, Moncler Group reached consolidated revenue of EUR 2,602.9 million up 25% at constant FX ("cFX") compared to 2021. These results include Moncler brand revenue equal to EUR 2,201.8 million and Stone Island brand revenue equal to EUR 401.1 million.

In the fourth quarter the Group reached revenue equal to EUR 1,046.3 million up 19% cFX compared to Q4 2021. This result includes Moncler brand revenues equal to EUR 949.3 million, and Stone Island brand revenue equal to EUR 97.0 million.

MONCLER GROUP: REVENUE BY BRAND

MONCLER GROUP	FY 2022 EUR 000	%	FY 2021 EUR 000	%	% vs 2021 rep FX	% vs 2021 cFx	% vs 2019 cFx
Moncler	2,201,758	84.6%	1,824,166	89.2%	+21%	+19%	+36%
Stone Island	401,132	15.4%	221,936	10.8%	+29%[9]	+28%[9]	+63%
REVENUES	**2,602,890**	**100.0%**	**2,046,103**	**100.0%**	**+27%**	**+25%**	**+61%**

ANALYSIS OF MONCLER BRAND REVENUE

In 2022, Moncler brand revenues were equal to EUR 2,201.8 million, up 19% cFX growth compared to 2021. In the fourth quarter, the brand revenue amounted to EUR 949.3 million increasing 16% cFX compared to Q4 2021 and 52% compared to Q4 2019.

MONCLER: REVENUE BY GEOGRAPHY

MONCLER	FY 2022 EUR 000	%	FY 2021 EUR 000	%	% vs 2021 rep FX	% vs 2021 cFx	% vs 2019 cFx
Asia	1,029,327	46.8%	894,817	49.1%	+15%	+14%	+45%
EMEA	804,361	36.5%	624,469	34.2%	+29%	+29%	+27%
Americas	368,070	16.7%	304,881	16.7%	+21%	+12%	+35%
REVENUES	**2,201,758**	**100.0%**	**1,824,166**	**100.0%**	**+21%**	**+19%**	**+36%**

In 2022, revenues in Asia (which includes APAC, Japan and Korea) were EUR 1,029.3 million, +14% cFX compared to 2021. In the fourth quarter, Asia grew 12% cFX versus Q4 2021 and 56% cFX versus Q4 2019, driven by the acceleration of Korea and a solid performance in Japan. The performance in the APAC region was penalized during the months of October and November by the severe Covid restrictions in Mainland China, which were eased at the beginning of December, prompting a recovery in stores traffic.

EMEA reported revenues of EUR 804.4 million in 2022, growing +29% cFX compared to 2021, driven by a solid performance of the DTC channel (both physical and online), while wholesale was impacted by the conversions of some shop-in-shops and e-tailers. Revenues in the fourth quarter accelerated sequentially, up 30% versus Q4 2021 and +52% versus Q4 2019, driven by strong local demand. Italy, France and Germany contributed the most to the quarterly growth.

Americas registered revenues of EUR 368.1 million in 2022, +12% cFX compared to 2021 and +35% cFX versus 2019. In the fourth quarter the region grew +5% cFX compared to the last quarter of 2021 and +38% cFX compared to Q4 2019, driven mainly by the DTC channel.

MONCLER: REVENUE BY CHANNEL

MONCLER	FY 2022 EUR 000	%	FY 2021 EUR 000	%	% vs 2021 rep FX	% vs 2021 cFx	% vs 2019 cFx
DTC	1,772,003	80.5%	1,429,219	78.3%	+24%	+22%	+43%
Wholesale	429,755	19.5%	394,947	21.7%	+9%	+6%	+14%
REVENUES	**2,201,758**	**100.0%**	**1,824,166**	**100.0%**	**+21%**	**+19%**	**+36%**

In 2022, the Direct-To-Consumer (DTC[10]) channel achieved revenues of EUR 1,772.0 million, +22% cFX compared to 2021 and +43% cFX compared to 2019. The fourth quarter registered +18% cFX versus Q4 2021 and +55% cFX versus Q4 2019, despite the Covid restrictions implemented in Mainland China, mostly in the months of October and November.

The CSSG[11] for the DTC channel was +15% compared to 2021.

The wholesale channel revenues were EUR 429.8 million with +6% cFX growth compared to 2021 and +14% cFX versus 2019. In the fourth quarter revenues generated by this channel were up 1% cFX compared to Q4 2021 and +21% cFX compared to Q4 2019.

ANALYSIS OF STONE ISLAND BRAND REVENUE

In 2022, Stone Island brand revenues were equal to EUR 401.1 million up 28% cFX compared with EUR 310.0 million recorded in the 12-month proforma of 2021 (of which EUR 88.1 million generated in the first quarter 2021 and not consolidated in the Group's results), and +63% cFX compared 2019. In the fourth quarter the brand registered +48% cFX compared to Q4 2021.

STONE ISLAND BRAND: REVENUE BY GEOGRAPHY

STONE ISLAND	FY 2022 EUR 000	%	FY 2021[12] EUR 000	%	% vs 2021 rep FX	% vs 2021 cFx	% vs 2019 cFx
Asia	278,670	69.5%	241,162	77.8%	+16%	+16%	+42%
EMEA	80,177	20.0%	39,912	12.9%	+101%	+101%	+210%
Americas	42,285	10.5%	28,951	9.3%	+46%	+34%	+69%
REVENUES	**401,132**	**100.0%**	**310,024**	**100.0%**	**+29%**	**+28%**	**+63%**

EMEA, which is the most important region for the brand contributing EUR 278.7 million of revenues, grew by 16% cFX in 2022 compared with the same period of the previous year pro-forma, accelerating in the fourth quarter with +21% cFX versus Q4 2021. Italy, UK and France led the growth of the region in the year.

Asia reached EUR 80.2 million revenues growing 101% cFX compared with 2021 pro-forma, driven by the conversion into retail of Korea and Japan, while APAC suffered in the fourth quarter due to the Covid-19 restrictions in Mainland China.

Americas registered revenues of EUR 42.3 million, up 34% cFX compared with 2021 pro-forma, with growth driven by a good performance of the collections in the wholesale channel.

9 Pro-forma growth calculated on 12-month revenues of the period from 1 January to 31 December 2021 equal to EUR 310 million.

10 The DTC channel includes revenues from DOS, from direct online and from e-concessions.

11 CSSG considers DOS (excluding outlets) open for at least 52 weeks and the online store; stores that have been expanded and/or relocated are not included.

12 Pro-forma data related to the period from 1 January to 31 December 2021.

STONE ISLAND BRAND: REVENUE BY CHANNEL

STONE ISLAND	FY 2022 EUR 000	%	FY 2021[12] EUR 000	%	% vs 2021 rep FX	% vs 2021 cFx	% vs 2019 cFx
DTC	149,153	37.2%	76,678	24.7%	+95%	+93%	+157%
Wholesale	251,979	62.8%	233,346	75.3%	+8%	+7%	+33%
REVENUES	**401,132**	**100.0%**	**310,024**	**100.0%**	**+29%**	**+28%**	**+63%**

The wholesale channel, which continues to represent the majority of the brand revenues (63% of total), with EUR 252.0 million sales in 2022, grew by 7% cFX compared with 2021 pro-forma, driven by a good success of the collections across all markets, and despite the conversions into retail occurred during the year.

The DTC channel (representing 37% of the total revenues) reported sales of EUR 149.2 million, +93% cFX compared with 2021 pro-forma, driven by the already-mentioned conversion of Korea and Japan and the solid double-digit performance in EMEA and Americas. The direct online channel registered a strong double-digit growth.

Even excluding the impact from the conversions from wholesale to DTC performed during the year, growth would have been double-digit in both channels both in full year and in Q4.

MONCLER GROUP INCOME STATEMENT RESULTS

2022 data reflects the 12-month consolidation of Stone Island results (vs. 9-month in 2021 as consolidation occurred on 1 April 2021). These difference impacts the comparability of the data among the years.

In 2022, the Group consolidated gross margin reached EUR 1,987.8 million, equal to 76.4% of revenues compared to 76.6% in 2021.

In 2022, selling expenses were EUR 757.4 million, 29.1% of revenues substantially in line compared to 28.8% in 2021.

General and administrative expenses were EUR 284.0 million, equal to 10.9% of revenues compared to 11.4% in 2021.

The selling, general and administrative expenses include stock-based compensation costs equal to EUR 37.0 million in 2022 (EUR 28.6 million in 2021).

Marketing expenses were EUR 171.9 million, representing 6.6% of revenues compared to 6.9% recorded in 2021.

EBIT was equal to EUR 774.5 million, 29.8% margin, compared to EUR 603.1[13] million in 2021 (29.5% margin in 2021).

In 2022, net financial expenses were EUR 27.2 million, compared to EUR 21.6 million in 2021, mainly related to lease liabilities ex IFRS 16.

Taxes include the one-off positive impact of the Stone Island brand value realignment for EUR 92.3 million. Net of this effect, the tax rate would have been substantially in line with the previous year.

Group net result was then equal to EUR 606.7 million compared with EUR 411.4 million in 2021.

MONCLER GROUP CONSOLIDATED BALANCE SHEET AND CASH FLOW ANALYSIS

Following is the reclassified consolidated statement of financial position as of 31 December 2022 and 31 December 2021.

(EUR/000)	31/12/2022	31/12/2021
Brands	999,354	999,354
Goodwill	603,417	603,417
Fixed Assets	388,325	327,846
Right-of-use assets	773,517	656,196
Net working capital	191,674	148,842
Other assets/(liabilities)	4,470	(232,305)
INVESTED CAPITAL	**2,960,757**	**2,503,350**
Net debt/(net cash)	(818,223)	(729,587)
Lease liabilities	837,397	710,069
Pension and other provisions	39,297	23,774
Shareholders' equity	2,902,286	2,499,094
TOTAL SOURCES	**2,960,757**	**2,503,350**

13 Net of Purchase Price Allocation (PPA) and other transaction costs related to the Stone Island deal in H1 2021.

NET WORKING CAPITAL

Net working capital increased to EUR 191.7 million, equivalent to 7.4% of revenues compared to 7.0% as of 31 December 2021, demonstrating the strict control over working capital at both brands.

(EUR/000)	31/12/2022	31/12/2021
Payables	(482,425)	(348,953)
Inventory	377,549	263,521
Receivables	296,550	234,274
NET WORKING CAPITAL	**191,674**	**148,842**
% on LTM revenues	7.4%	7.0%

NET FINANCIAL POSITION

The net financial position as of 31 December 2022 was positive and equal to EUR 818.2 million compared to EUR 729.6 million as of 31 December 2021. As required by the accounting standard IFRS 16, as of 31 December 2022, the Group accounted lease liabilities of EUR 837.4 million compared to EUR 710.1 million as of 31 December 2021.

(EUR/000)	31/12/2022	31/12/2021
Cash	882,254	932,718
Net financial debt (net of financial credit)	(64,031)	(203,131)
NET DEBT	**818,223**	**729,587**
Lease liabilities	837,397	710,069

Following is the reclassified consolidated statement of cash FY 2022 and FY 2021.

(EUR/000)	FY 2022	FY 2021
EBIT	**774,547**	**603,065**
D&A	105,644	88,803
Other non-current assets/(liabilities)	14,570	11,810
Change in net working capital	(42,832)	92,301
Change in other curr./non-curr. assets/(liabilities)	(212,342)	51,844
Capex, net	(167,099)	(124,681)
OPERATING CASH FLOW	**472,488**	**723,142**
Net financial result	(3,977)	(2,139)
Taxes	(140,786)	(170,685)
FREE CASH FLOW	**327,725**	**550,318**
Dividends paid	(160,960)	(120,679)
Stone Island transaction	-	(551,157)
Changes in equity and other changes	(78,129)	(4,170)
NET CASH FLOW	**88,636**	**(125,688)**
Net Financial Position - Beginning of Period	729,587	855,275
Net Financial Position - End of Period	818,223	729,587
CHANGE IN NET FINANCIAL POSITION	**88,636**	**(125,688)**

Net cash flow in 2022 was equal to EUR 88.6 million following the payment of EUR 161.0 million of dividends, EUR 48.4 million of buy-back and EUR 124.1 million of extraordinary tax payment for the Stone Island brand tax value realignment.

NET CAPITAL EXPENDITURE

In 2022, net capital expenditure was EUR 167.1 million, increasing from EUR 124.7 million in 2021, with the main investments related to the expansion of the retail network, IT projects and the enlargement of the production facility in Bacau, Romania.

(EUR/000)	31/12/2022	31/12/2021
Distribution	99,428	75,976
Infrastructure	67,670	48,705
NET CAPEX	**167,098**	**124,681**
% on revenues	6.4%	6.1%

EBITDA RECONCILIATION

(EUR/000)	FY 2022	% on revenues	FY 2021	% on revenues
EBIT	**774,547**	**29.8%**	**603,065**	**29.5%**
D&A	105,644	4.1%	88,803	4.3%
Rights-of-use-amortisation	159,273	6.1%	137,490	6.7%
Stock-based compensation	37,015	1.4%	28,587	1.4%
EBITDA Adj.	**1,076,479**	**41.4%**	**857,945**	**41.9%**
Rents associated to rights-of-use	(181,718)	(7.0%)	(154,267)	(7.5%)
EBITDA Adj. pre IFRS 16	**894,761**	**34.4%**	**703,678**	**34.4%**

PERFORMANCE OF THE PARENT COMPANY MONCLER S.P.A.

The Board of Directors also approved the 2022 financial statements of the parent company Moncler S.p.A.
Revenues rose to EUR 418.7 million in 2022, an increase of 39% compared to revenues of EUR 302.1 million in 2021, mainly including the proceeds of the licensing of the Moncler and Stone Island brands.

General and administrative expenses, including stock-based compensation costs, were EUR 67.4 million, equal to 16.1% on revenues (18.2% in 2021). Marketing expenses were EUR 73.8 million (EUR 58.6 million in 2021), equal to 17.6% on revenues (19.4% in 2021).

In 2022, net financial interest was equal to EUR 4.4 million compared to EUR 1.7 million in 2021.

In 2022, taxes were positive and equal to EUR 5.7 million (compared to negative EUR 50.4 million in 2021), for the tax benefit deriving from the Stone Island brand value realignment.

Net income was EUR 278.8 million, an increase of 104% compared to EUR 136.5 million in 2021.

Moncler S.p.A balance sheet includes shareholders' equity of EUR 1,467.6 million at 31 December 2022, compared to 1,363.5 million euros at 31 December 2021, and a net financial position negative and equal to EUR 487.1 million (compared to EUR 370.4 million as of 31 December 2021), including the lease liabilities derived from the application of the IFRS 16 accounting principle.

MONCLER S.P.A.: FY 2022 INCOME STATEMENT

(EUR/000)	FY 2022	% on revenues	FY 2021	% on revenues
REVENUES	**418,707**	**100.0%**	**302,093**	**100.0%**
General & Administrative expenses	(67,392)	(16.1%)	(54,996)	(18.2%)
Marketing expenses	(73,832)	(17.6%)	(58,600)	(19.4%)
EBIT	**277,482**	**66.3%**	**188,497**	**62.4%**
Net financial	(4,391)	(1.0%)	(1,651)	(0.5%)
EBT	**273,091**	**65.2%**	**186,846**	**61.9%**
Taxes	5,745	1.4%	(50,364)	(16.7%)
NET RESULT	**278,836**	**66.6%**	**136,482**	**45.2%**

MONCLER S.P.A.: FY 2022 STATEMENT OF FINANCIAL POSITION

(EUR/000)	31/12/2022	31/12/2021
Intangible Assets	1,001,405	1,001,460
Tangible Assets	6,750	6,957
Investments	948,756	924,670
Other Non-current Assets / (Liabilities)	(2,699)	(217,709)
Total non-current assets/(liabilities)	**1,954,212**	**1,715,378**
Net working capital	65,185	52,704
Other current assets/(liabilities)	(53,569)	(32,516)
Total current assets/(liabilities)	**11,616**	**20,188**
INVESTED CAPITAL	**1,965,828**	**1,735,566**
Net debt/(net cash)	487,121	370,397
Pension and other provisions	11,092	1,658
Shareholders' equity	1,467,615	1,363,511
TOTAL SOURCES	**1,965,828**	**1,735,566**

MAIN RISKS

The regular management of its business and the development of its strategy expose the Moncler Group to various types of risks that could adversely affect the Group's operating results and its financial position. These risks are integrated into the corporate enterprise risk management (ERM) process. The entity responsible for managing ERM promotes coordination between the internal functions involved, in order to ensure consistency and effectiveness in overseeing and monitoring the main risks within the corporate organisation.

The most important business risks are monitored by the Control, Risks and Sustainability Committee and periodically examined by the Board of Directors, which takes them into account in developing the strategy.

RISKS RELATED TO THE COVID-19 PANDEMIC

The Covid-19 pandemic, which has spread globally since January 2020 and is still ongoing, has led all countries in the world, including Italy, to face a complex health emergency, with social, geopolitical and economic implications. Although the spread of vaccines has reduced the danger of the virus and led to a relaxation of measures by governments at a global level, the uncertainty of the evolution of the pandemic situation, linked to the transmission of new variants of the virus, could again affect the results in the coming financial years, for example by restricting the international mobility of customers or by limiting the operation of stores in some periods. In this context, the Moncler Group continues to maintain business continuity plans aimed at safeguarding the health and safety of its employees, management flexibility and production processes ready for implementation.

RISKS RELATED TO THE RUSSIA-UKRAINE CONFLICT

The conflict between Russia and Ukraine, which began on 24 February 2022, is having major global consequences not only in terms of severe humanitarian crisis, but also in terms of economic effects on global markets, which have immediately been reflected not only in the increase in the costs of certain commodities such as natural gas and oil, and consequently in electricity, but also in sharp declines in share values on the world's major markets.

The Moncler Group shut down its business shortly after the conflict broke out, closing both its Kiev and Moscow direct stores, halting online channel activity and shipping to the wholesale channel in Russia. The exposure to the Russian and Ukrainian markets, including tourists of Russian nationality buying in other markets, was less than 2% of the Group's annual turnover in 2021 (before the start of the conflict).

The Group does not have suppliers of raw materials in Russia and Ukraine or any manufacturing sites located there. However, the escalation of the conflict could have unforeseeable repercussions on other neighbouring countries where the Group has production, with an impact on production capacity, for example as a result of the temporary disruption the power supply, and on procurement costs. The situation is constantly monitored to react promptly to any intensification of the conflict.

RISKS ASSOCIATED WITH THE MARKETS IN WHICH THE GROUP OPERATES AND GENERAL GEOPOLITICAL AND ECONOMIC CONDITIONS

The Group operates in the luxury goods sector, where there is a significant correlation between the demand for goods and the level of wealth, the level of economic growth and political stability in the countries where demand is generated. The Group's ability to develop its business also depends on the political stability and economic situation of the various countries in which it operates.

Although Moncler operates in a significant number of countries around the world, reducing the risk of a high concentration of the business in limited geographical areas, any deterioration in economic, social or political conditions in one or more markets in which it operates could have negative consequences for sales and economic and financial results.

The possible reintroduction by national or supranational entities of constraints on the movement of individuals – as a result, for example, of international crises or pandemics – as well as the introduction of any export limitations as a result of trade or financial sanctions, could also affect sales, particularly in relation to specif-

ic geographical areas. In particular, in recent years the importance of Asian markets for the luxury goods sector has increased, reaching around half of turnover for the Moncler brand at the end of 2022, whereas Stone Island, having only recently begun its international expansion, particularly in Asia and America, remains more exposed to the European market (69% of revenues in fiscal year 2022).

CYBER RISKS AND PERSONAL DATA PROTECTION RISKS

Following a sophisticated malware attack in December 2021, which had no significant effects on the business but resulted in the exfiltration of personal information, the Group started a process of strengthening cybersecurity measures and technical expertise in this area, which during 2022 significantly increased the level of protection from this type of attack.

However, the Group's rapid technological evolution and increasing organisational complexity, together with the increasing sophistication and frequency of cyber attacks, mean it is not possible to exclude the potential risk for the Group of cyber attacks using innovative attack techniques.

Moncler is investing significantly in its model for managing cyber risks with a view to business continuity, adopting the best technologies and methodologies for identifying and protecting the Group, along with procedures, staff training, and careful assessment and periodic review of risks, including with regard to third parties.

RISKS RELATED TO THE COST AND AVAILABILITY OF HIGH QUALITY RAW MATERIALS, SUPPLY CHAIN CONTROL AND SUPPLIER RELATIONS

Moncler and Stone Island brand products require high-quality raw materials, including, but not limited to, down, nylon, cotton and wool. The price and availability of raw materials depend on a wide variety of factors, which are largely beyond the Group's control and difficult to predict.

Although the Group has always managed to ensure a supply of raw materials adequate to its production requirements in terms of quantity and quality, hypothetical further tensions on the supply side could lead to difficulties in supply and a further increase in costs, with negative consequences for the Group's economic results. In order to minimise the risks associated with the potential unavailability of raw materials in the timescales required for production, Moncler adopts a multi-sourcing strategy for supplier diversification and plans purchases with a medium-term time horizon. In addition, suppliers of raw materials must meet precise contractual quality, composition and performance requirements and comply with applicable laws on worker protection, working conditions, local labour laws, respect for animal welfare, the environment and the use of hazardous chemicals.

In the labour rights, the Moncler Group includes, among its supplier qualification criteria, company audits carried out by qualified professionals.

With regard to respect for animals, the Moncler brand formed a multi-stakeholder forum that approved and continuously monitors and integrates the DIST (*Down Integrity System & Traceability*) protocol, to which suppliers must adhere strictly, ensuring the traceability of the raw material, respect for animals and the finest quality throughout the supply chain. With regards to hazardous chemicals, the Group requires its suppliers to operate in absolute compliance with the most restrictive international laws applicable to hazardous or potentially hazardous chemicals, including the European REACH regulation, Chinese GB standards, Japanese JIS standards, as well as with the Product Restricted Substance List (PRSL) and the corporate Manufacturing Restricted Substances List (MRSL), which include not only legal parameters, but also many more restrictive voluntary requirements, in line with a precautionary approach.

RISKS RELATED TO BRAND IMAGE, REPUTATION AND RECOGNITION

The luxury goods sector is influenced by changing consumer tastes, preferences and lifestyles in the various regions in which it operates. The Moncler Group's success is significantly influenced by the image, reputation and recognition of its brands. If in the future the Group is not able, through its products and initiatives, to maintain the image, reputation and recognition of its brands, sales and economic results may be affected.

The Group therefore constantly strives to maintain and increase the strength of the Moncler and Stone Island brands, with a focus on product quality, innovation, communication and the development of its distribution model according to criteria of selectivity, quality and sustainability, including when it comes to the selection of counterparties with which to operate. The Group integrates sustainability assessments, including those related to compliance with local values (religious, cultural and social) into its communication and marketing strategies, out of a belief that the continuous creation of value for all its stakeholders is a fundamental priority in strengthening its reputation.

RISKS RELATED TO RELATIONS WITH THIRD-PARTY PRODUCERS

The Moncler Group directly manages the development of its collections as well as the purchase or selection of raw materials, whereas for the garment packaging phase it relies on both own factories and independent third parties that operate under the Group's close supervision (façon manufacturers).

Although the Group does not depend to a significant extent on any façon manufacturer, the suspension or termination of a relationship with some of the most significant façon manufacturers could adversely affect the Group's business, with consequences for its sales and earnings.

The Moncler Group constantly monitors the supply chain of third-party manufacturers in order to ensure, in addition to requirements of high quality and financial reliability, full compliance with labour laws, worker safety and the environment and the principles of its Supplier Code of Ethics and Conduct through audits at third party contractors and their sub-suppliers. However, there is still a risk that a counterparty will not fully comply with the contracts entered into with Moncler in terms of quality, timeliness of deliveries and compliance with the applicable regulations.

RISKS ASSOCIATED WITH THE RETAIL DISTRIBUTION NETWORK

With the Moncler brand, the Moncler Group generates most of its revenues through the retail channel, consisting of directly operated single-brand stores (DOSs) and the online store, whereas the Stone Island brand is more exposed to the wholesale channel (63% of 2022 revenues). Over the years, the Group has demonstrated its ability to open new stores in the most prestigious locations in major world cities and in top-tier department stores, despite the competition between operators in the luxury goods sector to secure such positions, which is very strong. The Group thus may encounter difficulties in opening new stores in the future, with negative consequences for its business growth prospects.

In addition, by its nature, the retail business has a higher incidence of fixed costs, mainly relating to lease agreements. Although management has demonstrated its ability to develop profitable retail business over the years, a potential slowdown in sales in specific geographical areas could reduce the Group's ability to turn a profit.

ENVIRONMENTAL RISKS

Environmental issues and the related risks are also subject to assessment and formulation of mitigation plans.

With reference to the environmental risks linked to climate change, in 2021 the Group began voluntarily reporting company risks related to climate change in both its Non-Financial Statement and the CDP Climate Change Questionnaire, as required by the European Securities and Market Authority (ESMA) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board: Governance, Strategy, Risk Management, Metrics and Targets.

The potential and actual risks analysed concern the intensification of extreme climatic phenomena, the increase in the cost of certain types of raw materials, the introduction of regulations aimed at containing climate change and possible changes in customer purchasing habits.

In addition to the risks associated with climate change, the Group also identifies among environmental risks the failure to comply or incomplete compliance with relevant rules and laws which could result in possible criminal penalties and/or financial outlays; environmental pollution phenomena related, for example, to uncon-

trolled emissions, inadequate disposal of waste and wastewater or spills of dangerous substances into the ground.

The Group is committed to preventing and mitigating any environmental risks through various initiatives and projects.

In 2020 Moncler joined the Science-Based Targets initiative (SBTi), setting targets for reducing greenhouse gas emissions in line with the United Nations' commitment to limiting the maximum increase in global temperatures from pre-industrial levels.

The Group formulated rules, processes and control activities to prevent and manage any environmental risks from its processing and raw materials suppliers, through the adoption of the Code of Ethics, the Supplier Code of Conduct and the Environmental Policy, updated in July 2022, containing binding rules observance of which is verified through environmental compliance audits carried out by specialised third-party entities.

The Group also manages risks arising from the temporary disruption of operations arising from external events or natural events through various initiatives, including business continuity plans, as well as insurance policies covering the loss of the integrity of company assets and damage arising from the disruption of business.

Please refer to the 2022 Non-Financial Statement for more information.

RISKS ASSOCIATED WITH DEPENDENCE ON KEY PERSONNEL

The Moncler Group's results also depend on the ability of its management, which plays a crucial role in the Group's development and which has significant experience in the luxury goods sector. If the relationship with some of these professionals is terminated without a timely, appropriate replacement, the Group's ability to compete and its growth prospects may be affected.

The Moncler Group has an operational and management structure capable of ensuring business continuity, including through the definition of succession plans and the adoption of retention plans for key professionals, as well as talent management aimed at developing skills and retaining talent.

RISKS RELATED TO THE COUNTERFEITING OF BRANDS AND PRODUCTS AND THE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

The luxury goods market is characterised by the counterfeiting of brands and products.

The Moncler Group has made significant investments in the adoption of innovative technologies that enable tracking of products throughout the value chain to prevent and mitigate the effects of counterfeiting of its brands and products and to protect its intellectual property rights in the territories where it operates. However, the presence on the market of significant quantities of counterfeit products could still adversely affect the brand image, with a negative impact on sales and financial performance.

RISKS RELATED TO THE EVOLUTION OF THE REGULATORY FRAMEWORK

The Moncler Group operates in a complex international context and is subject, in the various jurisdictions in which it operates, to laws and regulations that are constantly monitored, especially with regard to the health and safety of workers, environmental protection, rules on the manufacture and composition of products, consumer protection, personal data protection, industrial and intellectual property rights protection, competition rules, tax and customs rules, and in general all the relevant regulatory provisions.

The Group operates in accordance with applicable provisions of law and has established processes that ensure knowledge of the specific local regulations in the contexts in which it operates and of the regulatory changes that are gradually made. However, since legislation on certain matters, for example taxation, is characterised by a high degree of complexity, an interpretation other than that applied by the Group may still have a significant impact on economic results. In this regard, the Moncler Group is involved in a programme to negotiate advance pricing agreements with the tax authorities of the main countries in which the Group operates, some finalised and some still in progress.

In addition, the enactment of new legislation or amendments to existing legislation that impose more stringent standards – for example with regard to product compliance – may entail, by way of example, costs of adapting the production methods or characteristics of the products or may limit the Group's operations, with negative consequences for its financial performance.

RISKS ASSOCIATED WITH EXCHANGE RATE PERFORMANCE

The Moncler Group also operates on international markets in currencies other than the euro, mainly the renminbi, yen, US dollar, Korean yuan and pound sterling. It is therefore exposed to risk arising from the fluctuation of exchange rates, to an extent equal to the amount of transactions (mainly revenues) not covered by transactions of the opposite sign expressed in the same currency. The Group has a strategy in place aimed at gradually hedging the risks associated with exchange rate trends, limited to "transaction" risks, and has adopted a strict policy on currency risk that sets the minimum hedging limit per currency at the beginning of each sales campaign at 75%, and the minimum hedging limit per currency at the end of the sales campaign at 90%.

However, due in part to «translation» risk – deriving from the conversion into euro of the financial statements of foreign companies expressed in local currency – significant changes in exchange rates may entail changes (positive or negative) in the Group's results and financial position.

For further information, see the specific section of the Notes to the Financial Statements 9.1.

RISKS ASSOCIATED WITH INTEREST RATE PERFORMANCE

The Group does not avail itself of significant lines of credit as it is fully able to finance its own operations. In addition, the Group has the option of using loans from third parties, specifically banks. It chose to use such loans, it would be subject to the risk of interest rate changes. In order to hedge part of the risk relating to an increase in rates, the Group may carry out certain hedging activities. However, any significant fluctuations in interest rates could lead to an increase in financial expenses, with negative consequences for the Group's results.

For further information, see the specific section of the Notes to Financial Statements 9.1.

CREDIT RISKS

The Moncler Group operates in accordance with credit monitoring policies aimed at reducing the risks arising from the insolvency of its wholesale customers. These policies are based on preliminary analysis of the reliability of customers and on guaranteed forms of insurance cover and/or payment methods. In addition, the Group does not have significant credit concentrations.

However, the emergence of significant delinquency by certain customers could still result in losses on receivables, with negative consequences for the Group's results. The Moncler Group monitors and manages its exposure to wholesale customers with significant positions with particular care, including by applying for and obtaining bank guarantees and cash deposits in advance of shipments.

For further information, see the specific section of the Notes to the Financial Statements 9.2.

LIQUIDITY RISKS

The Group implements financial planning activities aimed at reducing liquidity risk, including in view of the seasonal nature of the business, particularly for the Moncler brand. Based on evolving financial needs, where necessary, lines of credit are planned with the banking system to meet these needs, according to a corresponding distinction between short-term and long-term lines of credit.

In addition, to face the risk of loss of available capital, the Group follows strict rules to spread its deposits and cash and cash equivalents in a balanced manner over an adequate number of highly rated banks, while avoiding concentration and using only risk-free financial products.

For further information, see the specific section of the Notes to the Financial Statements 9.3.

CORPORATE GOVERNANCE

The corporate governance system adopted by Moncler S.p.A. (the "Company", "Moncler", or "Parent Company") plays a central role in the clear and responsible conduct of the Moncler group's (the "Group") operations, significantly contributing to the creation of sustainable value in the medium to long-term for both shareholders and all stakeholders, in compliance with the best principles of social responsibility applicable in all countries where the Company operates.

Moncler has adopted a traditional model of governance complying with the legislations, regulations and guidelines of the Corporate Governance Code for Italian Listed Companies approved by the Corporate Governance Committee of Borsa Italiana S.p.A., to which Moncler adheres. It is based on four pillars:

1 the pivotal role of administrative and control bodies;
2 the effectiveness and transparency of managerial decisions;
3 the careful and diligent monitoring of related-party transactions and handling of privileged information;
4 the set of values defined, recognised, shared, and established in both the Code of Ethics and company policies.

Moncler implements a traditional administration and control system as per articles 2380-bis et seq. of the Italian Civil Code, within which the Board of Directors is entrusted with business management and the Board of Statutory Auditors with control and supervisory functions. This governance system of Moncler ensures continuous dialogue between management and shareholders as follows:

— the **Shareholders' Meeting**, is an entirely deliberative body whose competences are, by law, limited to the most significant decisions in social life. In particular, in ordinary and/or extraordinary sessions, is responsible for resolutions regarding, inter alia, (i) the appointment and removal of members of the Board of Directors and Board of Statutory Auditors, as well as their remuneration;(ii) the approval of the financial statements and allocation of profits; (iii) amendments to the Bylaws; (iv) the appointment of the independent auditors, upon motivated proposal of the Board of Statutory Auditors; (v) incentive plans;
— the **Board of Directors** is the body responsible for guiding and managing the Company and the Group. In addition to its powers assigned as per the law and Bylaws, the Board of Directors has exclusive competence over the most important economic and strategic decisions, and over resolutions that are instrumental in monitoring and steering the Group's business as well as on sustainability issues. In fact, the Board also plays a pivotal role in the approval process of corporate strategies with respect to environmental stewardship, including climate change, and social issues. Within the Board of Directors, three Committees have been established: the Nomination and Remuneration Committee and the Control, Risks, and Sustainability Committee, both vested with consulting and advisory functions in line with Corporate Governance code, and the Related Parties Committee in compliance with the applicable legal and regulatory provisions as well as with the related parties procedure adopted by the Company. The Company as of the date of this document is currently managed by a Board of Directors composed of 12 Directors (serving until the date of the Shareholders' Meeting to be convened to approve the financial statements for the year ending 31 December 2024) of which 3 are Executive and 9 are Non-Executive (of which 7 are independent);
— the **Board of Statutory Auditors** oversees, inter alia, (i) the compliance with the law and Bylaws, as well as observance of the principles of proper management; (ii) to the extent of its competence, the suitability of the Company's organisational structure, internal control system, and administrative accounting system, as well as the reliability of the latter in correctly representing management operations; (iii) the methods of concrete implementation of the corporate governance rules envisaged by the codes of conducts to which the Company adheres; and (iv) the effectiveness of the internal audit and risk management system, the auditing of accounts, and the autonomy of the external auditor;
— The **Independent Auditors** carry out the statutory auditing of accounts. They are appointed by the Shareholders' Meeting upon proposal of the Board of Statutory Auditors. The external auditor operates independently and autonomously and therefore does not represent either the minority or majority of shareholders. The statutory auditing of accounts for the nine-year period 2022-2030 was entrusted to the auditing firm Deloitte & Touche S.p.A.;
— Moreover, besides the **Internal Control and Risk Management System (ICRMS)** adopted by Moncler, a supervisory Body was established with the task of ensuring the effectiveness and adequacy of Moncler's mechanisms and internal controls, as well as of the organisational and management model pursuant to and for the purposes of Legislative Decree 231/2001 adopted by the Company, reporting on its implementation. The supervisory Body consists of three members: 2 external (including the President) and 1 internal.

In addition to the supervisory Body, the Compliance Function (which operates as a Level II control function), the Internal Audit Function (which operates as a Level III control function), the Director in charge of the SCIGR, the Control, Risks and Sustainability Committee and the Board of Statutory Auditors play an important role within the SCIGR among others.

The Chairman and Chief Executive Officer, Remo Ruffini, is also assisted by a Strategic Committee. In particular, the Strategic Committee, with a mainly advisory function, supports the Chairman and Chief Executive Officer, on an ongoing basis in defining and implementing strategic guidelines, carrying out liaison and sharing activities between the main strategic areas of the Company and the Group, ensuring uniformity and sharing of Moncler's founding values, namely uniqueness, exclusivity, transversality, quality and innovation. The Strategic Committee's areas of responsibility include the review of the Business Plan and Sustainability Plan and all strategic decisions including but not limited to those related to the development of the distribution network, marketing plans, investments, entry into new markets, and environmental and social initiatives.

For further information regarding, among other things, adherence to the principles and recommendations of the Corporate Governance Code and the corporate governance system adopted by Moncler, please refer to the "Report on Corporate Governance and Ownership Structure," which can be found on the company's website www.monclergroup.com, in the Governance section, prepared pursuant to Article 123-bis of the Consolidated Law on Finance.

RELATED-PARTY TRANSACTIONS

Information relating to related party transactions are provided in Note 10.1 to the Consolidated Financial Statements and Note 8.1 to the Separate Financial Statements.

ATYPICAL AND/OR UNUSUAL TRANSACTIONS

There are no positions or transactions deriving from atypical and/or unusual transactions that could have a significant impact on the results and financial position of the Group and the Parent Company.

TREASURY SHARES

Moncler owns 4,858,416 Company shares at 31 December 2022, equal to 1.8% of the current share capital.

SIGNIFICANT EVENTS OCCURRED DURING THE FINANCIAL YEAR 2022

STONE ISLAND KOREA
Starting from 1 January 2022, the distribution of the Stone Island brand in the Korean market has been internalised through the establishment of a joint venture with a local partner, in which the Group holds 51%.

GEOPOLITICAL UPDATE
As a results of the conflict in Ukraine started on 24 February, all the Moncler Group commercial activities in Russia and in Ukraine have been temporarily closed. The Group was present in the two countries with dedicated e-commerce, and for the Moncler brand with two directly operated stores (DOS) and three wholesale mono-brand stores (SiS). Moreover, the Group had around 100 multi-brand wholesale doors.

The total exposure to the two countries, including revenues generated by Russian tourists buying outside Russia, was less than

2% of the Group's revenues in 2021 (before the start of the conflict).

With regard to its supply chain, Moncler Group can confirm that it does not purchase raw materials in Ukraine or Russia, nor use third-parties producers based there. Both the direct production site located in Bacau, Romania, and all third-party manufacturers based in neighbouring areas operated without any disruption due to the conflict in Ukraine. Also at logistics level there have not been significant issues.

SHARES' BUY-BACK PROGRAM

On 3 March 2022, Moncler S.p.A. announced the launch of a buy-back program up to 1,000,000 of ordinary shares (equal to the 0.4% of its share capital), servicing stock-based incentive schemes or other allocations of shares to employees, members of the Board of Directors and consultants of Moncler and of its subsidiaries. The program terminated on 25 March 2022 and at 31 December 2022 Moncler S.p.A. held 4,858,416 treasury shares.

COMPOSITION OF THE BOARD OF DIRECTORS

On 21 April 2022, the Ordinary Shareholders' Meeting has appointed the new Board of Directors for the three-year period 2022-2024 and confirmed the composition of 12 members. The Board of Directors will remain in charge until the Shareholders' Meeting is called to approve the Financial Statements as of 31 December 2024. The Board is composed as follows: Remo Ruffini (Charmain and Chief Executive Officer), Diva Moriani (Independent Director), Carlo Rivetti (Non-Executive Director), Alessandra Gritti (Independent Director), Marco De Benedetti (Non-Executive Director), Jeanne Jackson (Independent Director), Maria Sharapova (Independent Director), Bettina Fetzer (Independent Director), Robert P. Eggs (Executive Director), Luciano Santel (Executive Director) and Gabriele Galateri di Genola (Independent Director).

DIVIDENDS

On 21 April 2022, the Ordinary Shareholders' Meeting approved the Moncler S.p.A Financial Statements at 31 December 2021 and approved the distribution of a gross dividend of EUR 0.60 per share.

2022 PERFORMANCE SHARES PLAN

On 21 April 2022, the Ordinary Shareholders' Meeting approved, pursuant to Art. 114-bis of the TUF, the adoption of a stock grant plan called "Performance Shares 2022 Plan" reserved to Executive Directors, Executives with Strategic Responsibilities, employees, collaborators and consultants of Moncler and its subsidiaries.

REALIGNMENT OF THE TAX VALUE OF THE STONE ISLAND BRAND

On 28 June 2022, the Board of Directors approved the realignment of the tax value of the Stone Island brand to its statutory value in the financial statements, opting for the regime pursuant to Art. 15 of Italian Decree Law no. 185/2088.

STONE ISLAND JAPAN

On 1 August 2022, the distribution of the Stone Island brand in the Japanese market was internalised through the establishment of a joint venture with a local partner, in which Stone Island holds the majority (80%), to directly manage the local business composed of 16 DOS and the relationship with local wholesale partners.

STONE ISLAND UK

On 1 August 2022, the DTC business of the Stone Island brand in the UK market, currently composed of the online store and the London DOS, was internalised.

SIGNIFICANT EVENTS OCCURRED AFTER THE REPORTING DATE

No significant events occurred after the reporting date.

SUSTAINABILITY RATINGS UPDATE

DOW JONES SUSTAINABILITY INDICES WORLD AND EUROPE

For the fourth year in a row, Moncler has been confirmed in the Dow Jones Sustainability Indices DJSI World and Europe, obtaining in the *S&P Global Corporate Sustainability Assessment* 2022 the highest score (91/100) of the 'Textiles, Apparel & Luxury Goods' (data as of 14 February 2023).

CDP

In CDP Climate Change questionnaire 2022, the Group has maintained the leadership level with an A- score for its environmental transparency and actions to mitigate climate risks. CDP is a global non-profit that runs the world's leading environmental disclosure platform.

MOODY'S

Moncler ranked second in the Moody's ESG Solutions' 2022 ESG Overall Score ranking for the sector of Specialised Retail with a score of 62/100, obtaining the level "Advanced".

MSCI

In 2022 Moncler was rated AA by MSCI ESG Research that provides MSCI ESG Ratings on global public companies and a limited number of private companies on a scale of AAA (leader) to CCC, according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers.

SUSTAINALYTICS

In January 2023, Moncler confirmed the Industry Top-Rated Badge as well as the Regional Top-Rated Badge from Sustainalytics, a leading research and ESG & Corporate Governance rating company that supports investors in the development and implementation of responsible investment strategies.

BUSINESS OUTLOOK

The global macroeconomic context at the beginning of 2023 remains complex, with uncertainties related to recession risks, inflationary pressure and a volatile geopolitical situation.

With regards to the Chinese market, after three years of extremely restrictive pandemic containment measures, we observed an encouraging reopening in the first few months of the year, although the health situation remains unstable.

In light of this uncertainty and unpredictability, the Group continues to work to maintain an agile, flexible and reactive organization, fostered by a portfolio of unique brands and by clear and effective development strategies, in order to remain on a solid growth path.

These are the main strategic lines of development.

STRENGTHENING OF ALL MONCLER BRAND DIMENSIONS

During 2023 Moncler will further strengthen the three dimensions of the brand (*Moncler Collection*, *Moncler Grenoble* and *Moncler Genius*) through distinctive events and focused communication strategies. Moncler Genius is evolving the traditional concept of collaboration entering a new phase of co-creation, thanks to the involvement of new talents who embrace new forms of creativity between design, entertainment, music and sport going well beyond fashion, as presented in London on 20 February. Moncler Collection will see the celebration in a new and modern key of other iconic garments that have made the history of the brand. Moncler Grenoble will continue to strengthen its awareness, with dedicated marketing initiatives and a wider and more complete performance-oriented collection suitable for all the seasons of the year.

DEVELOPMENT OF THE STONE ISLAND BRAND AT INTERNATIONAL LEVEL AND IN THE DIRECT-TO-CONSUMER (DTC)

During 2023 Stone Island will continue to strengthen its position in core markets, such as the European countries, and increase its penetration in the ones less mature but with a high potential. The expansion of Stone Island in the DTC channel will also continue, with the opening of some selected DOS under the new store design and with targeted clienteling and communication strategies, as well as dis-

tinctive and characterizing languages to strengthen the unique positioning of the brand, which has its own identity and value matrix rooted in the culture of research and experimentation.

SUSTAINABLE AND RESPONSIBLE GROWTH
The Moncler Group believes in a sustainable and responsible development, under shared values that are reflective of stakeholder expectations and consistent with the Group long-term strategy. An approach based not only on the commitment to set increasingly challenging goals, but also on the awareness that every action has an impact on the society and the environment in which we operate. In 2023 Moncler commits to implement the actions and projects necessary to pursue the sustainability objectives published in the 2020-2025 plan. The five strategic priorities of the Sustainability Plan are: climate change and biodiversity, circular economy and innovation, responsible supply chain, enhancement of diversity and support for local communities.

OTHER INFORMATION

RESEARCH AND DEVELOPMENT
Since the Moncler Group's success depends in part on the image, prestige and recognition of the brands, and in part on the ability to manufacture a set of collections in line with market trends, the Group conducts research and development in order to design, create and implement new products and new collections. Research and development costs are expensed in the income statement as they occur on an accrual basis.

RECONCILIATION BETWEEN NET RESULT AND SHAREHOLDERS' EQUITY OF THE PARENT COMPANY AND THE GROUP'S AMOUNTS
The reconciliation between the Group's net result and shareholders' equity at the end of the period and the parent Company Moncler's S.p.A. net result and shareholders' equity is detailed in the following table:

Reconciliation between result and new equity of the Parent and the Group	Result 2022	Net equity 31/12/2022	Result 2021	Net equity 31/12/2021
Parent Company balance	278,836	1,467,615	136,482	1,363,511
Inter-group dividends	(19,622)	0	(2,519)	0
Share of consolidated subsidiaries net of book value of relates equity interest	361,131	1,019,066	286,511	693,584
Allocation of the excess cost resulting the from acquisition of the subsidiaries and the corresponding Equity	0	605,298	(14,583)	605,298
Elimination of the intercompany profit and losses	(13,245)	(137,120)	(11,204)	(123,693)
Translation adjustments	0	(11,515)	0	869
Effects of other consolidation entries	(403)	(41,174)	(1,154)	(40,583)
TOTAL GROUP SHARES	**606,697**	**2,902,170**	**393,533**	**2,498,986**
Minority interest	9	116	20	108
TOTAL	**606,706**	**2,902,286**	**393,553**	**2,499,094**

SECONDARY OFFICES
The Company does not have any secondary offices.

CERTIFICATION PURSUANT TO ART. 2.6.2, PARAGRAPH 8 AND 9 OF THE RULES OF THE MARKETS ORGANISED AND MANAGED BY THE ITALIAN STOCK EXCHANGE
In relation to art. 15 of Consob Regulation adopted with resolution n. 20249 on 28 December 2017 as amended and integrated, concerning the conditions for the listing of companies with subsidiaries established and regulated under the laws of countries outside the European Union and of significance for the consolidated financial statements, please note that the above mentioned regulation is applicable to five companies belonging to the Group (Moncler Japan, Moncler USA, Moncler Asia Pacific, Moncler Shanghai and Moncler Korea) and that adequate procedures to ensure full compliance with said rules have been adopted and that the conditions referred to in that Article 15 were met.

CERTIFICATION PURSUANT TO ARTICLE 16, PARAGRAPH 4 OF THE MARKETS REGULATION ADOPTED BY CONSOB WITH RESOLUTION 20249 OF 28 DECEMBER 2017
Moncler S.p.A. is controlled by Remo Ruffini through Ruffini Partecipazioni Holding S.r.l. (RPH) and Double R S.r.l. (DR, formerly Ruffini Partecipazioni Sr.l.). In particular, Remo Ruffini holds the entire share capital of RPH, which controls DR, that at 31 December 2021 held 19.9% of the share capital of Moncler S.p.A.

Moncler S.p.A. is not managed or coordinated by Ruffini Partecipazioni Holding S.r.l.; for relative evaluations, reference is made to the Report on Corporate Governance and Ownership Structure, available at www.monclergroup.com, "Governance / Shareholders' Meeting" section.

MOTION TO APPROVE THE FINANCIAL STATEMENTS AND THE ALLOCATION OF THE RESULT FOR THE YEAR ENDED 31 DECEMBER 2022

Shareholders,
We invite you to approve the Moncler Group consolidated financial statements as at and for the year ended 31 December 2022 and the Moncler S.p.A.'s separate financial statements.

We recommend that you approve the distribution of a gross dividend of EUR 1.12 per ordinary share based on the net results for the year 2022 of Moncler S.p.A. equal to EUR 278.8 million.

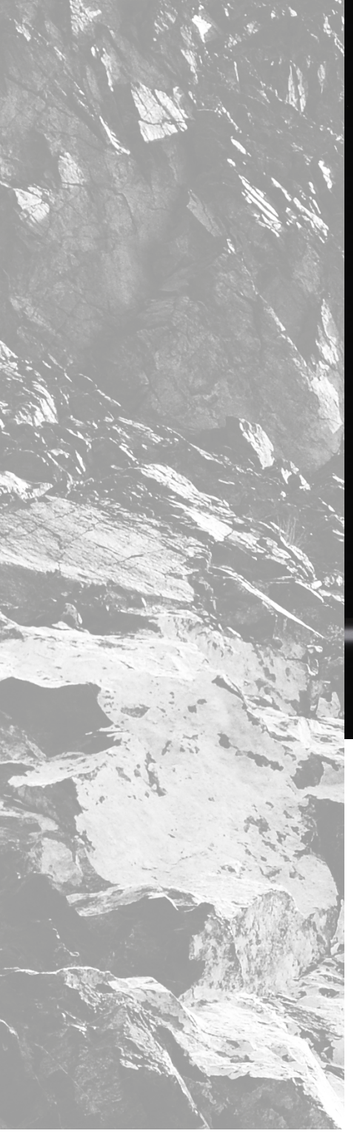
The total amount to be distributed as a dividend, having taken into consideration the number of shares as of today, net of the shares which are directly owned by the Company, is equal to Euro 301 million, with a 50% pay-out on the consolidated income[14].

Milan, 28 February 2023

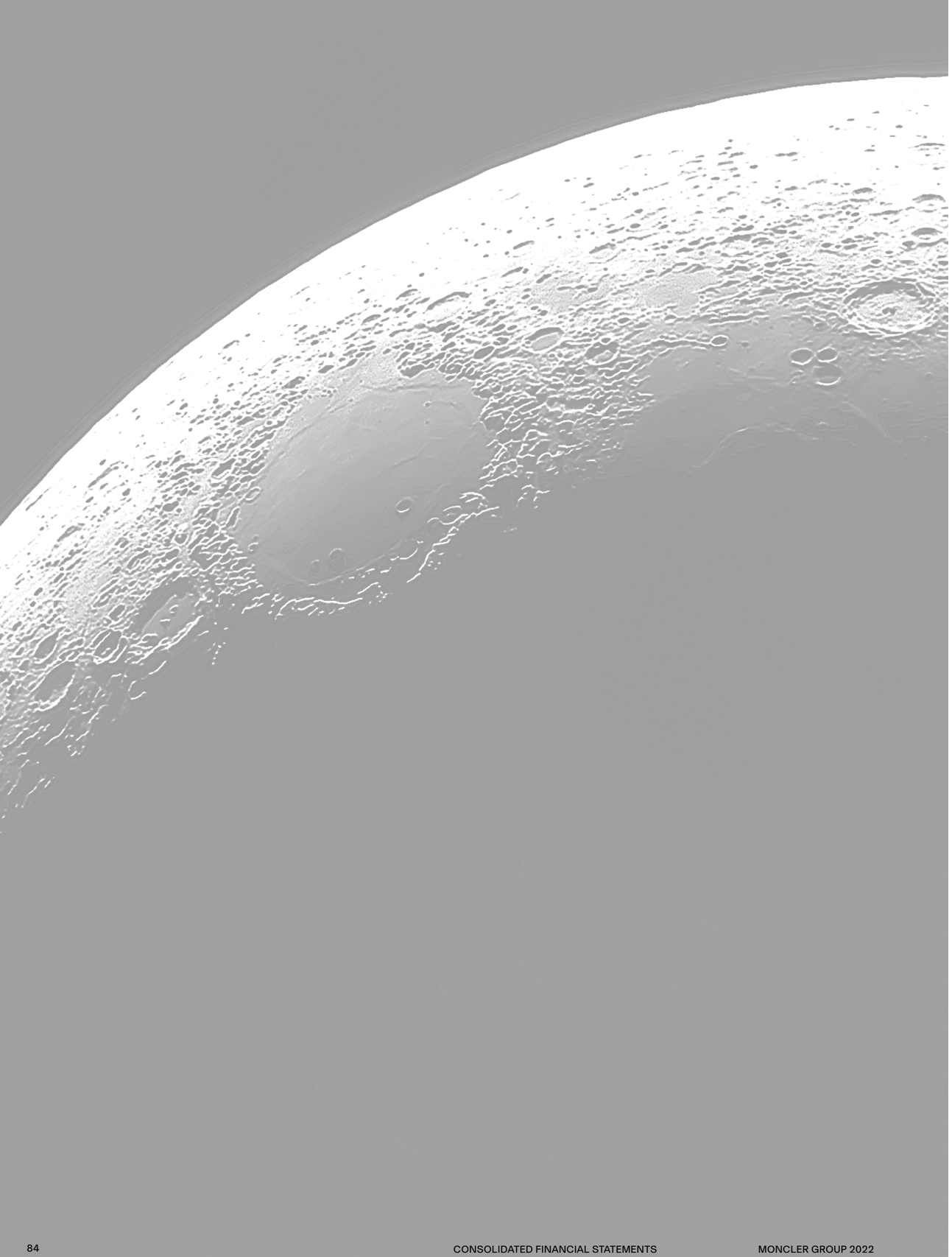
For the Board of Directors

THE CHAIRMAN
REMO RUFFINI

14 Subject to change due to the possible use and/or purchase of treasury shares.



STONE ISLAND



2 Consolidated financial statements

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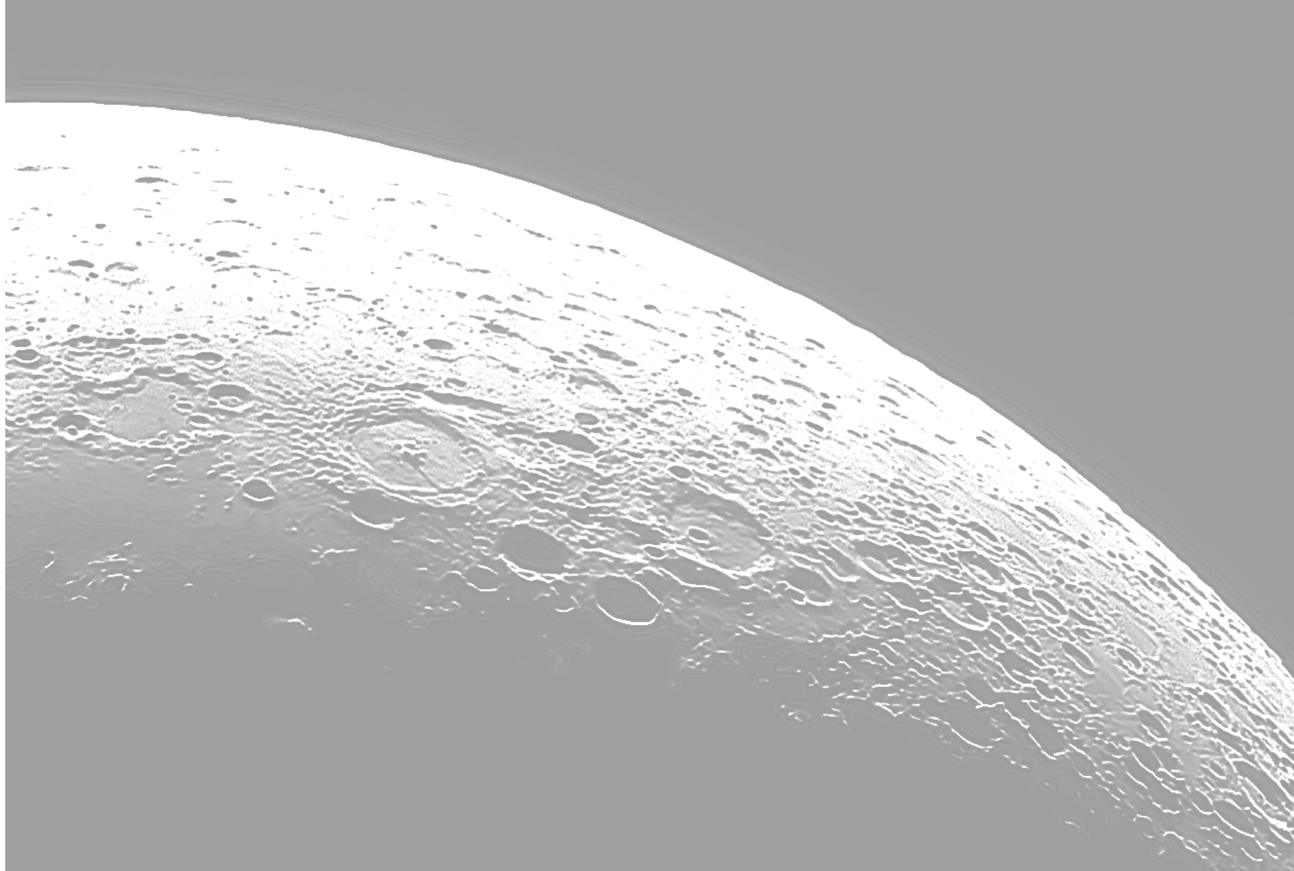
CONSOLIDATED FINANCIAL STATEMENTS



This English version of the consolidated financial statements of Moncler Group constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. The official version of the financial statements, which was prepared in accordance with the aforementioned Regulation, has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

CONSOLIDATED INCOME STATEMENT

(EURO/000)	Notes	2022	of which related parties (note 10.1)	2021	of which related parties (note 10.1)
Revenue	4.1	2,602,890	1,394	2,046,103	1,391
Cost of sales	4.2	(615,047)	(14,318)	(479,197)	(10,640)
Gross margin		**1,987,843**		**1,566,906**	
Selling expenses	4.3	(757,393)	(2,697)	(608,495)	(2,404)
General and administrative expenses	4.4	(283,967)	(23,426)	(237,109)	(17,926)
Marketing expenses	4.5	(171,936)		(142,082)	
Operating result	**4.6**	**774,547**		**579,220**	
Financial income	4.7	3,537		3,061	
Financial expenses	4.7	(30,753)		(24,669)	
Result before taxes		**747,331**		**557,612**	
Income taxes	4.8	(140,625)		(164,059)	
Net Result including Minority		**606,706**		**393,553**	
Non-controllig interests		9		20	
Net result, Group share		606,697		393,533	
Earning per share (unit of Euro)	**5.16**	**2.26**		**1.48**	
Diluted earnings per share (unit of Euro)	**5.16**	**2.24**		**1.47**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro/000)	Notes	2022	2021
Net profit (loss) for the period		606,706	393,553
Gains/(Losses) on fair value of hedge derivatives	5.16	10,238	(12,087)
Gains/(Losses) on exchange differences on translating foreign operations	5.16	(12,384)	19,051
Items that are or may be reclassified to profit or loss		**(2,146)**	**6,964**
Other Gains/(Losses)	5.16	336	(110)
Items that will never be reclassified to profit or loss		**336**	**(110)**
Other comprehensive income/(loss), net of tax		**(1,810)**	**6,854**
Total Comprehensive income/(loss)		**604,896**	**400,407**
Attributable to:			
Group		604,888	400,388
Non controlling interests		8	19

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro/000)	Notes	31/12/2022	of which related parties (note 10.1)	31/12/2021	of which related parties (note 10.1)
Brands and other intangible assets - net	5.1	1,086,706		1,070,074	
Goodwill	5.1	603,417		603,417	
Property, plant and equipment - net	5.3	1,074,490		913,322	
Investments (in associates for consolidation)		908		826	
Other non-current assets	5.9	46,863		37,082	
Deferred tax assets	5.4	205,932		179,312	
Non-current assets		**3,018,316**		**2,804,033**	
Inventories and work in progress	5.5	377,549		263,521	
Trade account receivables	5.6	296,550	20,136	234,274	12,085
Tax assets	5.12	5,940		4,963	
Other current assets	5.9	47,352		27,758	
Financial current assetst	5.8	11,351		722	
Cash and cash equivalent	5.7	882,254		932,718	
Current assets		**1,620,996**		**1,463,956**	
Total assets		**4,639,312**		**4,267,989**	
Share capital	5.16	54,737		54,737	
Share premium reserve	5.16	745,309		745,309	
Other reserves	5.16	1,495,427		1,305,407	
Net result, Group share	5.16	606,697		393,533	
Equity, Group share		**2,902,170**		**2,498,986**	
Non controlling interests		**116**		**108**	
Equity		**2,902,286**		**2,499,094**	
Long-term borrowings	5.15	718,709		624,732	
Provisions non-current	5.13	27,261		11,320	
Pension funds and agents leaving indemnities	5.14	12,036		12,454	
Deferred tax liabilities	5.4	15,190		225,621	
Other non-current liabilities	5.11	117		163	
Non-current liabilities		**773,313**		**874,290**	
Short-term borrowings	5.15	194,070		289,191	
Trade account payables	5.10	482,425	22,431	348,953	13,520
Tax liabilities	5.12	158,855		131,182	
Other current liabilities	5.11	128,363	5,105	125,279	5,161
Current liabilities		**963,713**		**894,605**	
Total liabilities and equity		**4,639,312**		**4,267,989**	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Euro)	Notes	Share capital	Share premium	Legal reserve	Other comprehensive income		Other reserves			Result of the period, Group share	Equity, Group share	Equity, non controlling interest	Total consolidated Net Equity
					Cumulative translation adj. reserve	Other OCI items	IFRS 2 reserve	FTA reserve	Retained earnings				
Group shareholders' equity at 01/01/2021	**5,16**	**51,671**	**173,374**	**10,319**	**(18,183)**	**1,064**	**58,450**	**(23,434)**	**1,073,436**	**300,351**	**1,627,048**	**89**	**1,627,137**
Allocation of Last Year Result		0	0	15	0	0	0	0	300,336	(300,351)	0	0	0
Changes in consolidation area		0	0	0	0	0	0	0	0	0	0	412	412
Dividends		0	0	0	0	0	0	0	(121,275)	0	(121,275)	0	(121,275)
Share capital increase		3,066	571,935	0	0	0	0	0	0	0	575,001	0	575,001
Other movements in Equity		0	0	0	0	0	(23,472)	1,798	39,498	0	17,824	(412)	17,412
Other changes of comprehensive income		0	0	0	19,052	(12,197)	0	0	0	0	6,855	(1)	6,854
Result of the period		0	0	0	0	0	0	0	0	393,533	393,533	20	393,553
Group shareholders' equity at 31/12/2021	**5,16**	**54,737**	**745,309**	**10,334**	**869**	**(11,133)**	**34,978**	**(21,636)**	**1,291,995**	**393,533**	**2,498,986**	**108**	**2,499,094**
Group shareholders' equity at 01/01/2022	**5,16**	**54,737**	**745,309**	**10,334**	**869**	**(11,133)**	**34,978**	**(21,636)**	**1,291,995**	**393,533**	**2,498,986**	**108**	**2,499,094**
Allocation of Last Year Result		0	0	613	0	0	0	0	392,920	(393,533)	0	0	0
Changes in consolidation area		0	0	0	0	0	0	0	0	0	0	0	0
Dividends		0	0	0	0	0	0	0	(161,288)	0	(161,288)	0	(161,288)
Share capital increase		0	0	0	0	0	0	0	0	0	0	0	0
Other movements in Equity		0	0	0	0	0	26,097	0	(66,513)	0	(40,416)	0	(40,416)
Other changes of comprehensive income		0	0	0	(12,383)	10,574	0	0	0	0	(1,809)	(1)	(1,810)
Result of the period		0	0	0	0	0	0	0	0	606,697	606,697	9	606,706
Group shareholders' equity at 31/12/2022	**5,16**	**54,737**	**745,309**	**10,947**	**(11,514)**	**(559)**	**61,075**	**(21,636)**	**1,457,114**	**606,697**	**2,902,170**	**116**	**2,902,286**

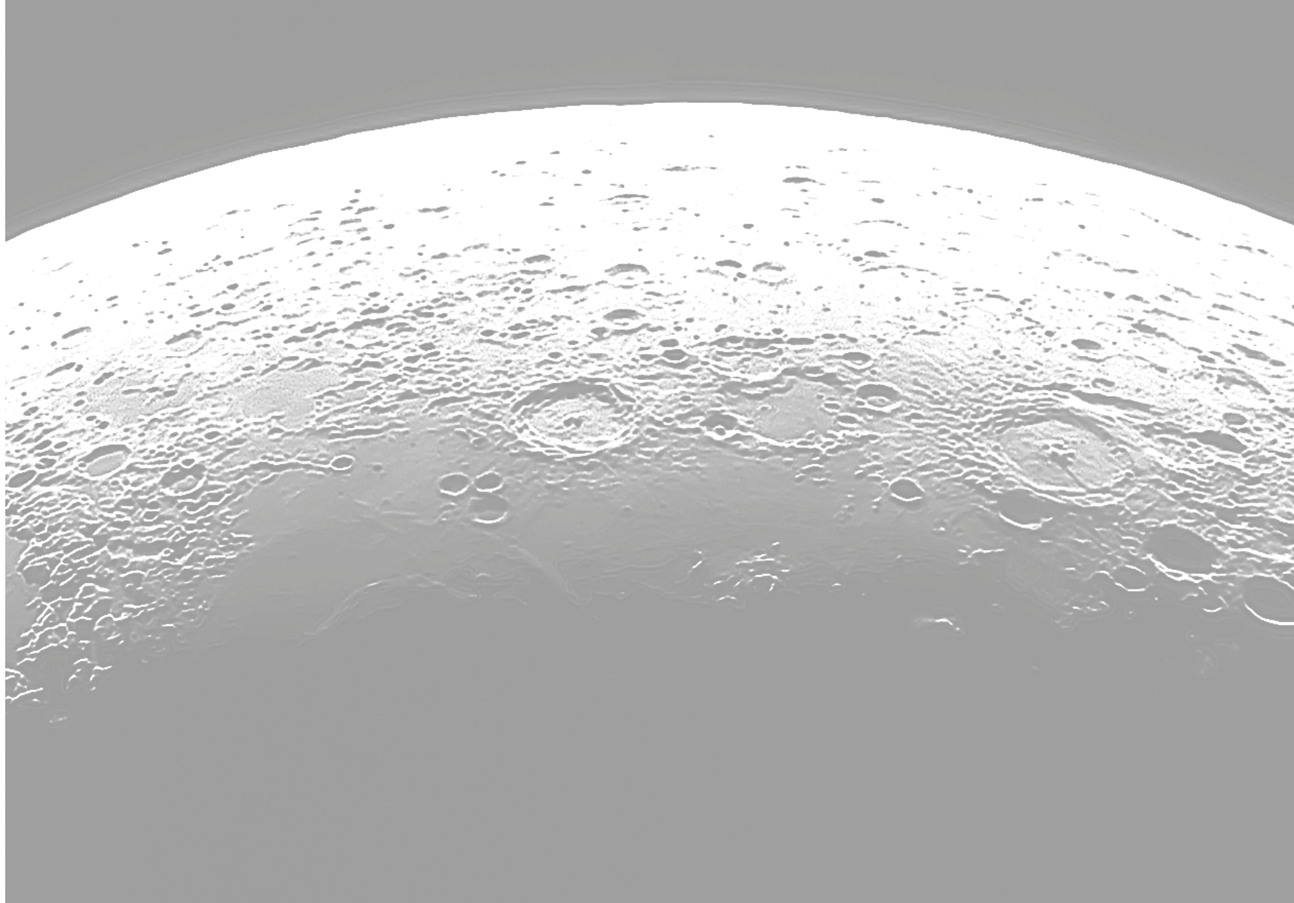
CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro/000)	Year 2022	of which related parties	Year 2021	of which related parties
Cash flow from operating activities				
Consolidated result	606,706		393,553	
Depreciation and amortization	264,917		246,519	
Net financial (income)/expenses	27,216		21,608	
Equity-settled share-based payment transactions	36,923		28,432	
Income tax expenses	140,625		164,059	
Changes in inventories - (Increase)/Decrease	(120,225)		(20,557)	
Changes in trade receivables - (Increase)/Decrease	(88,124)	(8,051)	24,657	(880)
Changes in trade payables - Increase/(Decrease)	163,314	8,911	105,780	(2,331)
Changes in other current assets/liabilities	(21,482)	(56)	46,293	4,572
Cash flow generated/(absorbed) from operating activities	**1,009,870**		**1,010,344**	
Interest and other bank charges paid	0		(362)	
Interest and other bank charges received	14		0	
Income tax paid	(342,127)		(146,715)	
Changes in other non-current assets/liabilities	(5,180)		2,047	
Net cash flow from operating activities (a)	**662,577**		**865,314**	
Cash flow from investing activities				
Purchase of tangible and intangible fixed assets	(169,853)		(131,828)	
Proceeds from sale of tangible and intangible fixed assets	2,754		7,147	
Acquisition of Business Unit and cash and cash equivalent acquired	0		(496,728)	
Net cash flow from investing activities (b)	**(167,099)**		**(621,409)**	
Cash flow from financing activities				
Repayment of borrowings	(11,803)		(32,643)	
Repayment of current and non-current lease liabilities	(170,500)		(146,301)	
Short-term borrowings variation	(2,567)		(44,836)	
Dividends paid to shareholders	(160,960)		(120,679)	
Treasury Shares variation	(48,352)		0	
Other changes in Net Equity	2,929		(721)	
Net cash flow from financing activities (c)	**(391,253)**		**(345,180)**	
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**104,225**		**(101,275)**	
Cash and cash equivalents at the beginning of the period	**802,715**		**923,483**	
Effect of exchange rate changes	**(24,686)**		**(19,493)**	
Net increase/(decrease) in cash and cash equivalents	**104,225**		**(101,275)**	
Cash and cash equivalents at the end of the period	**882,254**		**802,715**	

On behalf of the Board of Directors of Moncler S.p.A.

REMO RUFFINI
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



1 GENERAL INFORMATION ABOUT THE GROUP

1.1 THE GROUP AND ITS CORE BUSINESS

The parent company Moncler S.p.A. is a company established and domiciled in Italy, with its registered office located at Via Stendhal 47 Milan, Italy, and registration number of 04642290961.

Moreover, the parent company Moncler S.p.A. is de-facto indirectly controlled by Remo Ruffini through Ruffini Partecipazioni Holding S.r.l. (RPH) and Double R S.r.l. (DR, formerly Ruffini Partecipazioni S.r.l.): more specifically, Remo Ruffini owns the entire share capital of RPH, a company controlling DR which, in turn, as of 31 December 2022 holds a shareholding representing 23.8% of the share capital of Moncler S.p.A.

The Consolidated Financial Statements as at and for the year ended 31 December 2022 include the Parent Company and its subsidiaries (hereafter referred to as the "Group").

To date, the Group's core businesses are the creation, production and distribution of clothing for men, women and children, shoes, leather goods and other accessories under the Moncler and Stone Island brand name.

1.2 BASIS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.2.1 RELEVANT ACCOUNTING PRINCIPLES

The 2022 Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. IFRS also includes all International Accounting Standards ("IAS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

The Consolidated Financial Statements include the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the explanatory notes to the Consolidated Financial Statements.

1.2.2 PRESENTATION OF THE FINANCIAL STATEMENTS

The Group presents its consolidated income statement by destination, the method that is considered most representative for the business at hand. This method is in fact consistent with the internal reporting and management of the business.

With reference to the consolidated statement of financial position, a basis of presentation has been chosen which makes a distinction between current and non-current assets and liabilities, in accordance with the provisions of paragraph 60 and thereafter of IAS 1.

The consolidated statement of cash flows is prepared under the indirect method.

In accordance with the provisions of IAS 24, related-party transactions with the Group and their impact, if significant, on the consolidated statement of financial position, consolidated income statement and consolidated statement of cash flows are reported below.

1.2.3 BASIS FOR MEASUREMENT

The Consolidated Financial Statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments (i.e. derivatives) as required by IFRS 9, and on a going concern basis.

The Consolidated Financial Statements are presented in thousand euros, which is the functional currency of the markets where the Group mainly operates.

1.2.4 DIRECTORS' ASSESSMENT ON THE ASSUMPTION OF BUSINESS CONTINUITY

Based on the results of the current year and forecasts for future years, the management believes that there are no factors rendering business continuity uncertain. In particular, the Group's financial strength and its cash and cash equivalents at the end of the year guarantee a high level of financial independence to support Moncler's operational needs and development programmes. For 2023, business operations are fully guaranteed, both in terms of product offerings across the various markets and distribution channels and in the ability to manage and organise business activities.

1.2.5 USE OF ESTIMATES AND VALUATIONS

The preparation of the Consolidated Financial Statements and the related explanatory notes in conformity with IFRS requires that management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date. The estimates and related assumptions are based on historical experience and other relevant factors. The actual results could differ from those estimates. The estimates and underlying assumptions are reviewed periodically and any variation is reflected in the consolidated income statement in the period in which the estimate is revised if the revision affects only that period or even in subsequent periods if the revision affects both current and future periods.

In the event that management's estimate and judgment have a significant impact on the amounts recognised in the Consolidated Financial Statements or in case that there is a risk of future adjustments on the amounts recognised for assets and liabilities in the period immediately after the reporting date, the following notes will include the relevant information.

The estimates pertain mainly to the following captions of the Consolidated Financial Statements:

- impairment of non-current assets and goodwill;
- impairment of trade receivables (bad debt provision);
- allowance for returns;
- impairment of inventories (obsolescence provision);
- recoverability of deferred tax assets;
- provision for losses and contingent liabilities;
- lease liabilities and right of use assets;
- incentive systems and variable remuneration;
- IAS 29 hyperinflation;
- financial liabilities for the purchase of minority interests;
- IFRIC 23: uncertainty over income tax treatments.

IMPAIRMENT OF NON-CURRENT ASSETS AND GOODWILL

Non-current assets include property, plant and equipment, intangible assets with indefinite useful life and goodwill, investments and other financial assets.

Management periodically reviews non-current assets for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is estimated based on the present value of future cash flows expected to derive from the asset or from the sale of the asset itself, at a suitable discount rate.

When the recoverable amount of a non-current asset is less than its carrying amount, an impairment loss is recognised immediately in profit or loss and the carrying amount is reduced to its recoverable amount determined based on value-in-use calculation or its sale's value in an arm's-length transaction, with reference to the most recent Group business plan.

IMPAIRMENT OF TRADE RECEIVABLES

The bad debt provision represents management's best estimate of the probable loss for unrecoverable trade receivables. For the description of the criteria applied to estimate the bad debt provision, please refer to paragraph 2.10 Financial instruments - Trade receivables, financial assets and other current and non-current receivables.

ALLOWANCE FOR RETURNS

The allowance for returns reflects management's best estimate of the asset arising from expected product returns and the associated liability for future refunds.

IMPAIRMENT OF INVENTORY

The Group manufactures and sells mainly clothing goods that are

subject to changing consumer needs and fashion trends. As a result, it is necessary to consider the recoverability of the cost of inventories and the related required provision. Inventory impairment represents management's best estimate for losses arising from the sales of aged products, taking into consideration their saleability through the Group's distribution channels.

RECOVERABILITY OF DEFERRED TAX ASSETS
The Group is subject to income taxes in numerous jurisdictions. Judgment is required in determining the provision for income taxes in each territory. The Group recognises deferred tax assets when it is expected that they will be realised within a period that is consistent with management estimates and business plans.

PROVISION FOR LOSSES AND CONTINGENT LIABILITIES
The Group could be subject to legal and tax litigations arising in the countries where it operates. Litigation is inevitably subject to risk and uncertainties surrounding the events and circumstances associated with the claims and associated with local legislation and jurisdiction. In the normal course of business, management requests advice from the Group legal consultants and tax experts. The recognition of a provision is based on management's best estimate when an outflow of resources is probable to settle the obligation and the amount can be reliably estimated. In those circumstances where the outflow of resources is possible or the amount of the obligation cannot be reliably measured, the contingent liabilities are disclosed in the notes to Consolidated Financial Statements.

LEASE LIABILITIES AND RIGHT OF USE ASSETS
The Group recognises the right of use asset and the liability for the lease. The right of use asset is initially valued at cost, and then subsequently at cost net of accumulated depreciation and impairment losses, and adjusted to reflect the revaluation of the lease liability.

The Group values the lease liability at the present value of the payments due for unpaid leases at the effective date, discounting them using the interest rate determined taking into account the term of the lease contracts, the currency in which they are denominated, the characteristics of the economic environment in which the contract was stipulated and the credit adjustment.

The lease liability is subsequently increased by the interest accrued on this liability and decreased by the payments due for the lease made and is revalued in the event of a change in the future payments due for the lease deriving from a change in the index or rate, in the event of a change in the amount that the Group expects to pay as a guarantee on the residual value or when the Group changes its valuation with reference to the exercise or otherwise of a purchase, extension or cancellation option.

Lease contracts in which the Group acts as a lessee may provide for renewal options with effects, therefore, on the duration of the contract. Relative certainty that this option will (or won't) be exercised can influence, even significantly, the amount of lease liabilities and right of use assets.

INCENTIVE SYSTEMS AND VARIABLE REMUNERATION
For the description of the determination of the fair value of share-based incentive payments for the Moncler Group management, please see paragraph 2.13.

IAS 29 HYPERINFLATION
Furthermore, IAS 29, which was irrelevant on 31 December 2021 as no Group company was operating on hyperinflationary markets on that date, should have been applied for the Turkish subsidiary as at 31 December 2022, because Turkey met the criteria for a hyperinflationary economy during the year. However, the accounting effects of applying that accounting standard are not significant and thus have not been considered in the preparation of this Annual Report.

For an estimate of financial liabilities related to the purchase of minority interests and IFRIC 23: uncertainty over income tax treatments see paragraphs 2.20 and 2.16.

2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES USED IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The accounting principles set out below have been applied consistently for fiscal year 2022 and the prior year.

2.1 BASIS OF CONSOLIDATION

The Consolidated Financial Statements comprise those of the Parent Company and its subsidiaries, of which the Parent owns, directly or indirectly, a majority of the voting rights and over which it exercises control, or from which it is able to benefit by virtue of its power to govern the subsidiaries' financial and operating policies.

The financial results of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where the Group loses control of a subsidiary, the Consolidated Financial Statements include the results for the portion of the reporting period during which the Parent Company had control. In the Consolidated Financial Statements, non-controlling interests are presented separately within equity and in the statement of income. Changes in the parent's ownership interest, that do not result in a loss of control or changes that represent acquisition of non-controlling interests after the control has been obtained, are accounted for as changes in equity.

In preparing the Consolidated Financial Statements, the effects, the balances as well as the unrealised profit or loss recognised in assets resulting from intra-group transactions are fully eliminated.

INVESTMENTS IN ASSOCIATES
Investments in associates are accounted for using the equity method whereas the initial recognition is stated at acquisition cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets. On acquisition of the investment any difference between the cost of the investment and the investor's share of the net fair value of the associate's assets and liabilities is included in the carrying amount of the investment. If the investor's share of losses of the associate equals or exceeds its interest in the associate, the investor's interest is reduced to zero and additional losses are provided for and a liability is recognised to the extent that the investor has incurred a legal obligation or has the intention to make payments on behalf of the associate.

2.2 FOREIGN CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

TRANSACTIONS IN FOREIGN CURRENCIES
Foreign currency transactions are recorded by applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are held at year-end, are translated into the functional currency at the exchange rate ruling at the reporting date. Exchange differences arising on the settlement on the translation of monetary transactions at a rate different from those at which they were translated at initial recognition are recognised in the consolidated income statement in the period in which they arise.

TRANSLATION OF THE RESULTS OF OVERSEAS BUSINESSES
Assets and liabilities of overseas subsidiaries included in the Consolidated Financial Statements are translated into the Group's reporting currency of Euros at the exchange rate ruling at the reporting date. Income and expenses are translated at the average exchange rate for the reporting period, as it is considered to approximate at best the actual exchange rate at the transaction date. Differences arising on the adoption of this method are recognised separately in other comprehensive income and are presented in a separate component of equity as translation reserve until disposal of the foreign operation. Goodwill and fair value adjustments arising

on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate ruling at the reporting date.

The main exchange rates used to convert into Euro the Consolidated Financial Statements of foreign subsidiaries as at and for the years ended 31 December 2022 and 31 December 2021 are as follows:

	Average rate		Rate at the end of the period	
	Year 2022	Year 2021	As at 31/12/2022	As at 31/12/2021
AED	3.867320	4.343610	3.917100	4.159500
AUD	1.516690	1.574940	1.569300	1.561500
BRL	5.439900	6.377890	5.638600	6.310100
CAD	1.369500	1.482600	1.444000	1.439300
CHF	1.004710	1.081150	0.984700	1.033100
CNY	7.078800	7.628230	7.358200	7.194700
CZK	24.565900	25.640500	24.116000	24.858000
DKK	7.439560	7.437030	7.436500	7.436400
GBP	0.852761	0.859604	0.886930	0.840280
HKD	8.245100	9.193180	8.316300	8.833300
HUF	391.286000	358.516000	400.870000	369.190000
JPY	138.027000	129.877000	140.660000	130.380000
KRW	1,358.070000	1,354.060000	1,344.090000	1,346.380000
KZT	485.587000	504.428000	492.900000	492.750000
MOP	8.492690	9.468970	8.565800	9.098300
MXN	21.186900	23.985200	20.856000	23.143800
MYR	4.627900	4.898200	4.698400	4.718400
NOK	10.102610	10.163330	10.513800	9.988800
NZD	1.658200	1.672400	1.679800	1.657900
PLN	4.686100	4.565200	4.680800	4.596900
RON	4.931310	4.921480	4.949500	4.949000
RUB	72.634900	87.152700	76.076500	85.300400
SEK	10.629600	10.146500	11.121800	10.250300
SGD	1.451160	1.589100	1.430000	1.527900
TRY	17.408790	10.512370	19.964900	15.233500
TWD	31.322300	33.036100	32.760300	31.367100
UAH	34.010500	32.259200	39.037000	30.921900
USD	1.053050	1.182740	1.066600	1.132600

2.3 BUSINESS COMBINATIONS

Business combinations are accounted under the acquisition method.

Under this method, the identifiable assets acquired and the liabilities assumed are measured initially at their acquisition-date fair values. The costs incurred in a business combination are accounted as expenses in the periods in which the services are rendered.

Goodwill is determined as the excess of the aggregate of the considerations transferred, of any non-controlling interests and, in a business combination achieved in stages, the fair value of previously held equity interest in the acquiree compared to the net amounts of fair value of assets transferred and liabilities assumed at the acquisition date. If the fair value of the net assets acquired is greater than the acquisition cost, the difference is recognised directly in the statement of income at the acquisition date. Non-controlling interests could be measured either at their fair value at the acquisition date or at the non-controlling interests' proportionate share of the identifiable net assets. The election of either method is done for each single business combination.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurred, the Group shall report in the financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, that shall not exceed one year from the acquisition date, the provisional amounts are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of assets and liabilities recognised at that date.

2.4 NON-CURRENT ASSETS AVAILABLE FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets available for sale and discontinued operations are classified as available for sale when their values are recoverable mainly through a probable sale transaction. In such conditions, they are valued at the lower of their carrying value or fair value, net of cost to sell if their value is mainly recoverable through a sale transaction instead of continued use.

Discontinued operations are operations that:
- include a separate line of business or a different geographical area;
- are part of a single coordinated plan for the disposal of a separate major line of business or geographical area of activity;
- consist of subsidiaries acquired exclusively for the purpose of being sold.

In the consolidated income statement, non-current assets held for sale and disposal groups that meet the requirements of IFRS 5 to be defined as "discontinued operations", are presented in a single caption that includes both gains and losses, as well as losses or gains on disposal and the related tax effect. The comparative period is subsequently restated in accordance with IFRS 5.

As far as the financial position is concerned, non-current assets held for sale and disposal groups that meet the requirements of IFRS 5 are reclassified as current assets and liabilities in the period in which such requirements arise. The comparative financial statements are not restated or reclassified.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at acquisition or manufacturing cost, not revalued net of accumulated depreciation and impairment losses ("impairment"). Cost includes original purchase price and all costs directly attributable to bringing the asset to its working condition for its intended use.

DEPRECIATION
Depreciation of property, plant and equipment is calculated and recognised in the consolidated income statement on a straight-line basis over the estimated useful lives as reported in the following table:

Category	Depreciation period
Land	No depreciation
Buildings	From 25 to 33 years
Plant and equipment	From 8 to 12 years
Fixtures and fittings	From 5 to 10 years
Electronic machinery and equipment	From 3 to 5 years
Leasehold improvements	Useful life of improvements
Rights of use	Lease period
Other fixed assets	Depending on market conditions generally within the expected utility to the entity

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will take ownership of the asset by the end of the lease term.

Depreciation period is reviewed at each reporting period and adjusted if appropriate.

GAIN/LOSSES ON THE DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT
Gains and losses on the disposal of property, plant and equipment represent the difference between the net proceeds and net book value at the date of sale. Disposals are accounted when the relevant transaction becomes unconditional.

2.6 INTANGIBLE ASSETS

GOODWILL
Goodwill arising from business combination is initially recognised at the acquisition date as described in the notes related to "Business combinations".

Goodwill is included within intangible assets with an indefinite useful life, and therefore, is not amortised but subject to impairment test performed annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. After the initial recognition, goodwill is measured at acquisition cost less accumulated impairment.

As part of the IFRS first time adoption, the Group chose not to apply IFRS 3 "Business combinations" retrospectively regarding acquisitions made prior to the transition date (1 January 2009); consequently, goodwill resulting from acquisitions prior to the transition date to IFRS is still recorded under Italian GAAP, prior to any eventual impairment.

For further details please refer to note 2.7 "Impairment of non-financial assets".

BRANDS
Separately acquired brands are shown at historical cost. Brands acquired in a business combination are recognised at fair value at the acquisition date.

Brands have an indefinite useful life and are carried at cost less accumulated impairment. Brands are not amortised but subject to impairment test performed annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable.

For further details please refer to note 2.7 "Impairment of non-financial assets".

INTANGIBLE ASSETS OTHER THAN GOODWILL AND BRANDS
License rights are capitalised as intangible asset and amortised on a straight-line basis over their useful economic life. The useful economic life of license rights is determined on a case-by-case basis, in accordance with the terms of the underlying agreement.

Key money are capitalised in connection with the opening of new directly operated store ("DOS") based on the amount paid. Key money in general have a definite useful life which is generally in line with the lease period. However, in certain circumstances, key money have an indefinite useful life on the basis of legal protection or common practice that can be found in jurisdictions or markets that state that a refund could be received at the end of the lease period. In these limited cases, that need to be adequately supported, key money are not amortised but subject to impairment test at least annually in accordance with what set out in the note related to impairment of non-financial assets.

Software (including licenses and separately identifiable external development costs) is capitalised as intangible assets at purchase price, plus any directly attributable cost of preparing that asset for its intended use. Software and other intangible assets that are acquired by the Group and have definite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

AMORTISATION OF INTANGIBLE ASSETS WITH A DEFINITE USEFUL LIFE
Intangible assets with a definite useful life are amortised on a straight line basis over their estimated useful lives as described in the following table:

Category	Depreciation period
License rights	Based on market conditions within the licence period or legal limits to use the asset
Key money	Based on market conditions generally within the lease period
Software	From 3 to 5 years
Order backlog	Based on fulfillment of the order backlog identified in PPA
Other intangible assets	Based on market conditions generally within the period of control over the asset

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

At least once a year the Group verifies whether there is any indication that intangible assets with a definite useful life and property, plant and equipment have become impaired. If such evidence exists, the carrying amount of the assets is reduced to its recoverable amount.

Goodwill and assets with an indefinite useful life are not subject to amortisation and are tested annually or more frequently for impairment, whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

When the recoverable amount for individual asset cannot be reliably estimated, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The Group determines the value in use as the present value of future cash flows expected to be derived from the asset or from the cash-generating unit, gross of tax effects, by applying an appropriate discount rate that reflects market time value of money and the risks inherent to the asset. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount.

With the exception of impairment losses recognised on goodwill, when the circumstances that led to the loss no longer exist, the carrying amount of the asset is increased to its recoverable amount and cannot exceed the carrying amount that would have been determined had there been no loss in value. The reversal of an impairment loss is recognised immediately in the consolidated income statement.

For impairment testing purposes, Moncler goodwill and Moncler brand are measured with respect to the group of CGUs that compose the entire Moncler business. Stone Island goodwill and Stone Island brand are measured with respect to the Stone Island CGU, which coincides with the entire Stone Island sub-group.

As of 2019, IFRS 16 requires the recognition of a right of use asset and a liability for the obligation to pay rent in the financial statements. Any impairment of the asset for the right of use must be calculated and recognised in accordance with the provisions of IAS 36.

For the purpose of the rights-of-use impairment test related to Moncler business, the following CGUs have been defined, which coincide with the organisational units responsible for monitoring individual markets ("Regions"):
— EMEA Region;
— Americas Region;
— APAC Region;
— Japan Region;
— Korea Region.

The "rights-of-use" of each individual CGU is subject to impairment tests in the presence of triggering events (for the individual CGU) identified by a possible impairment and signalled by the following key performance indicators:
— divestment plans;
— below expectation performance indicators;
— operational losses.

The impairment test is carried out with the following methods:
— calculation of the CGU's gross value in use, excluding that related to the lease liability from cash flows;
— calculation of the CGU's recoverable amount, by deducting the carrying value of the lease liability from the gross value in use;
— comparison of the CGU's recoverable value with the carrying value, the latter calculated net of the carrying value of the lease liability.

In calculating the value in use, the discount rate used is the WACC for the geographical area to which it belongs, the aggregate value of which determines the Group WACC.

2.8 LEASED ASSETS

On 13 January 2016, the IASB published the new standard IFRS 16 Leases, which replaces IAS 17. This standard was endorsed by the European Union, with its publication on 9 November 2017. IFRS 16 is effective for financial statements commencing on or after 1 January 2019. The new standard eliminates the difference in the recognition of operating and finance leases, even despite elements that simplify its adoption, and introduces the concept of control in the definition of a lease. To determine whether a contract is a lease, IFRS 16 establishes that the contract must convey the right to control the use of an identified asset for a given period of time.

At the lease commencement date, the Group recognises the right of use asset and lease liability. The right of use asset is initially valued at cost, including the amount of the initial measurement of the lease liability, adjusted for the rent payments made on or before the commencement date, increased by the initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, net of the received lease incentives.

The right of use asset is amortised on a straight-line basis from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term. In this case, the right of use asset will be amortised over the useful life of the underlying asset, determined on the same basis as that of property and machinery. In addition, the right of use asset is regularly decreased for any impairment losses and adjusted to reflect any changes deriving from subsequent remeasurement of the lease liability.

The Group values the lease liability at the present value of the payments due for unpaid leases at the commencement date, discounting them using the interest rate implicit in the lease.

The payments due for the lease included in the measurement of the lease liability include:

— fixed payments (including substantially fixed payments);
— payments due for lease which depend on an index or rate, initially measured using an index or rate on the commencement date;
— amounts that are expected to be paid as a residual value guarantee; and
— the payments due for the lease in an optional renewal period if the Group is reasonably certain to exercise the renewal option, and early termination cancellation penalties, unless the Group is reasonably certain not to terminate the lease in advance.

The lease liability is measured at amortised cost using the effective interest criterion and remeasured in the event of a change in the future payments due for the lease deriving from a change in the index or rate, in the event of a change in the amount that the Group expects to pay as a guarantee on the residual value or when the Group changes its measurement with reference to the exercise or otherwise of a purchase, extension or cancellation option or in the event of revision of in-substance fixed payments due.

When the lease liability is remeasured, the lessee makes a corresponding change in right of use asset. If the right of use asset carrying value is reduced to zero, the lessee recognises the change in profit/(loss) for the year.

In the statement of financial position, the Group reports right of use assets that do not meet the definition of real estate investments in the item Property, plant and equipment and lease liabilities in the item Borrowings.

The Group recognises the related payments due for leases as a cost on a straight-line basis over the lease term.

For contracts signed before 1 January 2019, the Group establishes whether the agreement was or contained a lease by checking if:

— fulfilment of the agreement depended on the use of one or more specific assets; and
— the agreement transferred the right to use the asset.

Other assets subject to leases is classified as operating leases and is not recognised in the Group's statement of financial position. Payments relating to operating leases were recognised as a straight-line cost over the lease term, while incentives granted to the lessee were recognised as an integral part of the overall lease cost over the lease term.

Concessions obtained from landlords as a result of the Covid-19 pandemic ("rent concessions") are accounted for as negative variable rents and recognised through profit and loss provided they meet the following conditions:

— they refer only to reductions in payments due by 30 June 2021;
— the total of the contractual payments after the rent concession is substantially equal to or less than the payments envisaged by the original contract;
— no other substantial contractual changes have been agreed with the landlord.

2.9 INVENTORY

Raw materials and work in progress are valued at the lower of purchase or manufacturing cost calculated using the weighted average cost method and net realisable value. The weighted average cost includes directly attributable expenditures for raw material inventories and labour cost and an appropriate portion of production overhead based on normal operating capacity.

Provisions are recorded to reduce cost to net realisable value taking into consideration the age and condition of inventory, the likelihood to use raw materials in the production cycle as well as the saleability of finished products through the Group's distribution channels (outlet and stock).

2.10 FINANCIAL INSTRUMENTS

Trade receivables and debt securities issued are recognised when they are originated. All other financial assets and liabilities are initially recognised at the trade date, i.e., when the Group becomes a contractual party to the financial instrument.

Except for trade receivables that do not comprise a significant financing component, financial assets are initially measured at fair value plus or minus, in the case of financial assets or liabilities not measured at FVTPL, the transaction costs directly attributable to the acquisition or issue of the financial asset. At the time of initial recognition, trade receivables that do not have a significant financing component are valued at their transaction price.

On initial recognition, a financial asset is classified based on its valuation: at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit/(loss) for the period (FVTPL).

Financial assets are not reclassified after initial recognition, unless the Group changes its business model for managing financial assets. In that case, all the financial assets concerned are reclassified on the first day of the first reporting period following the change in business model.

A financial asset shall be measured at amortised cost if both of the following conditions are met and if it is not designated at FVTPL:

— the financial asset is held as part of a business model whose objective is to hold the financial assets in order to collect the related contractual cash flows; and
— the contractual terms of the financial asset provide for cash flows at certain dates consisting solely of payments of principal and interest on the amount of principal to be repaid.

At the time of subsequent measurement, assets belonging to this category are valued at amortised cost, using the effective interest rate. The effects of measurement are recognised among the financial income components. These assets are also subject to the impairment model described in the paragraph Trade receivables, financial assets and other current and non-current receivables.

A financial asset shall be measured at FVOCI if both of the following conditions are met and if it is not designated at FVTPL:

— the financial asset is held as part of a business model whose objective is achieved both through the collection of the contractual cash flows and through the sale of the financial assets; and
— the contractual terms of the financial asset provide for cash flows at certain dates consisting solely of payments of principal and interest on the amount of principal to be repaid.

On initial recognition of a security not held for trading, the Group may make an irrevocable choice to present subsequent changes in fair value in the other components of the comprehensive income statement. This choice is made for each asset.

At the time of subsequent measurement, the measurement made at the time of recognition is updated and any changes in fair value are recognised in the statement of comprehensive income. As for the category above, these assets are subject to the impairment model described in the paragraph Trade receivables, financial assets and other current and non-current receivables.

All financial assets not classified as valued at amortised cost or at FVOCI, as indicated above, are valued at FVTPL. All derivative financial instruments are included. On initial recognition, the Group may irrevocably designate the financial asset as measured at fair value through profit/(loss) for the period if this eliminates or significantly reduces a misalignment in accounting that would otherwise result from measuring the financial asset at amortised cost or at FVOCI.

At the time of subsequent measurement, financial assets measured at FVTPL are valued at fair value. Gains or losses arising from changes in fair value are recognised in the consolidated income statement in the period in which they are recognised under financial income/expenses.

Financial assets are derecognised from the financial statements when the contractual rights to receive cash flows from them expire, when the contractual rights to receive cash flows from a transaction in which all the risks and rewards of ownership of the financial asset are materially transferred or when the Group neither transfers nor retains materially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset.

Financial liabilities are classified as valued at amortised cost or at FVTPL. A financial liability is classified at FVTPL when it is held for trading, it represents a derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and any changes, including interest expense, are recognised in profit or loss for the period. Other financial liabilities are measured at amortised cost using the effective interest method. Interest expense and exchange rate gains/(losses) are recognised in profit/(loss) for the period, as are any gains or losses from derecognition.

The Group's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, other current and non-current assets and liabilities, investments, borrowings and derivative financial instruments.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and short-term deposits held with banks and most liquid assets that are readily convertible into cash and that have insignificant risk of change in value. Bank overdrafts are recorded under current liabilities on the Group's consolidated statement of financial position.

TRADE RECEIVABLES, FINANCIAL ASSETS AND OTHER CURRENT AND NON-CURRENT RECEIVABLES

Trade and other receivables, generated when the Group provides money, goods or services directly to a third party, are classified as current assets, except for items with maturity dates greater than twelve months after the reporting date.

Current and non-current financial assets, other current and non-current assets, trade receivables, excluding derivatives, with fixed maturity or determinable payment terms, are recognised at amortised cost calculated using the effective interest method. When financial assets do not have a fixed maturity, they are valued at cost. Notes receivable (due date greater than a year) with interest rate below that of the market rate are valued using the current market rate.

The financial assets listed above are valued based on the impairment model introduced by IFRS 9 or by adopting an expected loss model, replacing the IAS 39 framework, which is typically based on the valuation of the incurred loss.

For trade receivables, the Group adopts the so-called simplified approach, which does not require the recognition of periodic changes in credit risk, but rather the accounting of an Expected Credit Loss ("ECL") calculated over the entire life of the credit (so-called lifetime ECL).

In particular, the policy implemented by the Group provides for the stratification of trade receivables based on the days past due and an assessment of the solvency of the counterparty and applies different write-down rates that reflect the relative expectations of recovery. The Group then applies an analytical valuation of impaired receivables based on a debtor's reliability and ability to pay the due amounts.

The value of receivables is shown in the statement of financial position net of the related bad debt provision. Write-downs, made in accordance with IFRS 9, are recognised in the consolidated income statement net of any positive effects associated with reversals of impairment.

FINANCIAL LIABILITIES, TRADE PAYABLES AND OTHER CURRENT AND NON-CURRENT PAYABLES

Trade and other payables arise when the Group acquires money, goods or services directly from a supplier. They are included within current liabilities, except for items with maturity dates greater than twelve months after the reporting date.

Financial liabilities, excluding derivatives, are recognised initially at fair value which represents the amount at which the asset was bought in a current transaction between willing parties, and subsequently measured at amortised cost using the effective interest method. Financial liabilities that are designated as hedged items are subject to the hedge accounting requirements.

DERIVATIVES INSTRUMENTS

Consistent with the provisions of IFRS 9, derivative financial instruments may be accounted for using hedge accounting only when:

— the hedged items and the hedging instruments meet the eligibility requirements;
— at the beginning of the hedging relationship, there is a formal designation and documentation of the hedging relationship, of the Group's risk management objectives and the hedging strategy;
— the hedging relationship meets all of the following effectiveness requirements:
  — there is an economic relationship between the hedged item and the hedging instrument;
  — the effect of credit risk is not dominant with respect to the changes associated with the hedged risk;
  — the hedge ratio defined in the hedging relationship is met, including through rebalancing actions, and is consistent with the risk management strategy adopted by the Group.

FAIR VALUE HEDGE

A derivative instrument is designated as fair value hedge when it hedges the exposure to changes in fair value of a recognised asset or liability, that is attributable to a particular risk and could affect profit or loss. The gain or loss on the hedged item, attributable to the hedged risk, adjusts the carrying amount of the hedged item and is recognised in the consolidated income statement.

CASH FLOW HEDGE

When a derivative financial instrument is designated as a hedging instrument for exposure to variability in cash flows, the effective portion of changes in fair value of the derivative financial instrument is recognised among the other components of the comprehensive income statement and stated in the cash flow hedge reserve. The effective portion of changes in fair value of the derivative financial instrument that is recognised in the other components of the comprehensive income statement is limited to the cumulative change in the fair value of the hedged instrument (at present value) since

the inception of the hedge. The ineffective portion of changes in fair value of the derivative financial instrument is recognised immediately in the profit/(loss) for the period.

If the hedge ceases to meet the eligibility criteria or the hedging instrument is sold, matures or is exercised, hedge accounting ceases prospectively. When hedge accounting for cash flow hedges ceases, the accrued amount in the cash flow hedge reserve remains in equity until, in the case of a hedge of a transaction that results in the recognition of a non-financial asset or non-financial liability, it is included in the cost of the non-financial asset or non-financial liability on initial recognition or, in the case of other cash flow hedges, it is reclassified in profit or loss for the period in the same period or periods in which the hedged expected future cash flows affects profit/(loss) for the period.

If no more hedged future cash flows are expected, the amount shall be reclassified immediately from the cash flow hedge reserve and the reserve for hedging costs to profit/(loss) for the period.

If hedge accounting cannot be applied, gains or losses, arising from the fair value measurement of a derivative financial instrument, are immediately recognised in income statement.

Following the hedging relationships put in place, revenues in foreign currencies are translated in the consolidated financial statements at the corresponding forward rate for the relative hedged volume.

2.11 EMPLOYEE BENEFITS

Short-term employee benefits, such as wages, salaries, social security contributions, paid leave and annual leave due within twelve months of the consolidated statement of financial position date and all other fringe benefits are recognised in the year in which the service is rendered by the employee.

Benefits granted to employees, which are payable on or after the termination of employment through defined benefit and contribution plans, are recognised over the vesting period.

DEFINED BENEFIT SCHEMES

Defined benefit schemes are retirement plans determined based on employees' remuneration and years of service.

The Group obligation to contribute to employees' benefit plans and the related current service cost are determined by using an actuarial valuation defined as the projected unit credit method. The cumulative net amount of all actuarial gains and losses are recognised in equity within other comprehensive income.

The amount recognised as a liability under the defined benefit plans is the present value of the related obligation, taking into consideration expenses to be recognised in future periods for employee service in prior periods.

DEFINED CONTRIBUTION SCHEMES

Contribution made to a defined contribution plan is recognised as an expense in the income statement in the period in which the employees render the related service.

Up to 31 December 2006 Italian employees were eligible to defined benefit schemes referred as post-employment benefit ("TFR"). With the act n. 296 as of 27 December 2006 and subsequent decrees ("Pension Reform") issued in early 2007, the rules and the treatment of TFR scheme were changed. Starting from contribution vested on or after 1 January 2007 and not yet paid at the reporting date, referring to entities with more than 50 employees, Italian post-employment benefits is recognised as a defined contribution plan. The contribution vested up to 31 December 2006 is still recognised as a defined benefit plan and accounted for using actuarial assumptions.

2.12 PROVISION FOR RISKS AND CHARGES

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic resources will be required to settle the obligation and where the amount of the obligation can be reliably estimated.

Restructuring provision is recognised when the Group has a detailed formal restructuring plan and the plan has been implemented or the restructuring plan has been publicly announced. Identifiable future operating losses up to the date of a restructuring are not included in the provision.

Changes in estimates are recognised in the income statement in the period in which they occur.

2.13 SHARE-BASED PAYMENTS

The fair value at grant date of the incentives granted to employees in the form of share-based payments, that are equity settled, is usually included in expenses with a matching increase in equity over the period during which the employees obtain the incentives rights. The amount recognised as an expense is adjusted to reflect the actual number of incentives for which the continued service conditions are met and the achievement of non-market conditions, so that the final amount recognised as an expense, is based on the number of incentives that fulfil these conditions at the vesting date. In case the incentives granted as share-based payments whose conditions are not to be considered to maturity, the fair value at the grant date of the share-based payment is measured to reflect such conditions. With reference to the non-vesting conditions, any difference between amounts at the grant date and the actual amounts will not have any impact on the Consolidated Financial Statements.

The fair value of the amount payable to employees related to share appreciation rights, settled in cash, is recognised as an expense with a corresponding increase in liabilities over the period during which the employees unconditionally become entitled to receive the payment. The liability is measured at year-end and the settlement date based on the fair value of the share appreciation rights. Any changes in the fair value of the liability are recognised in profit or loss for the year.

2.14 REVENUE RECOGNITION

Based on the five-step model introduced by IFRS 15, the Group recognises revenues after identifying the contracts with its clients and the related services to be provided (transfer of goods and/or services), determining the consideration which it believes it is entitled to in exchange for the provision of each of these services and assessing the manner in which these services are provided (at a given time or over time).

Wholesale sales are recognised when goods are dispatched to trade customers, reflecting the transfer of risks and rewards. The provision for returns and discounts, recorded as a revenue adjustment, is estimated and accounted based on future expectation, taking into consideration historical return trends and is recorded as a variable component of the contractual consideration with the concurrent recognition of a liability for returns and of the corresponding asset in the statement of financial position.

Variable components of the consideration (for example, the effect of returns) are recognised in the financial statements only when it is highly probable that there will be no significant adjustment to the amount of revenue recognised in the future.

Retail sales are recognised at the date of transactions with final customers.

Royalties received from licensee are accrued as earned on the basis of the terms of the relevant royalty agreement which is typically based on sales volumes.

Upon receipt of an advance payment from a client, the Group recognises the amount of the advance payment for the obligation to transfer assets in the future under Other current liabilities and derecognises this liability by recognising the revenue when the assets are transferred.

The Group recognises the amounts paid to customers as a reduction in revenues when the costs for services cannot be reliably estimated or in costs when the costs for services can reliably be estimated.

2.15 BORROWING COSTS

Borrowing costs are recognised on an accrual basis taking into consideration interest accrued on the net carrying amount of financial assets and liabilities using the effective interest rate method.

2.16 TAXATION

Tax expense, recognised in the consolidated income statement, represents the aggregated amount related to current tax and deferred tax.

Current taxes are determined in accordance with enforced rules established by local tax authorities. Current taxes are recognised in the consolidated income statement for the period, except to the extent that the tax arises from transactions or events which are recognised directly either in equity or in other comprehensive income.

Deferred tax liabilities and assets are determined based on temporary taxable or deductible differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group Consolidated Financial Statements. Current and deferred tax assets and liabilities are offset when income taxes are levied by the same tax authority and when there is a legally enforceable right to offset the amounts.

Deferred tax liabilities and assets are determined using tax rates that have been enacted by the reporting date and are expected to be enforced when the related deferred income tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are not discounted.

Deferred tax assets recognised on tax losses and on deductible differences are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Tax liabilities include the estimate of risks associated with uncertainties on the tax treatments adopted for determining income taxes in accordance with the new IFRIC 23. These uncertainties can arise from: i) unclear or complex tax rules; ii) changes in tax regulations or clarifications by tax authorities; iii) ongoing tax audits and/or disputes; iv) public information on ongoing tax assessments and/or disputes involving other entities.

2.17 EARNINGS PER SHARE

The Group presents the basic and diluted earnings per share. The basic earnings per share is calculated by dividing the profit or loss attributable to holders of the Company shares by the weighted average of the number of shares for the financial year (defined as equal to the share capital), adjusted to consider any treasury shares held. The diluted earnings per share is calculated by adjusting the profit or loss attributable to shareholders and the weighted average of the number of company shares as defined above, to consider the effects of all potential shares with a dilution effect.

2.18 SEGMENT INFORMATION

For the purposes of IFRS 8 *Operating Segments*, the Group's business can be classified to two operating segments, relating to the Moncler and the Stone Island business, aggregated into a single segment, with similar characteristics to those required by the Standard.

2.19 FAIR VALUE

IFRS 13 is the only point of reference for the fair value measurement and related disclosures when such an assessment is required or permitted by other standards. Specifically, the principle defines fair value as the consideration received for the sale of an asset or the amount paid to settle a liability in a regular transaction between market participants at the measurement date. In addition, the new standard replaces and provides for additional disclosures required in relation to fair value measurements by other accounting standards, including IFRS 7.

IFRS 13 establishes a hierarchy that classifies within different levels the inputs used in the valuation techniques necessary to measure fair value. The levels, presented in a hierarchical order, are as follows:

- level 1: Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2: Fair values measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- level 3: Fair values measured using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

2.20 PUT & CALL AGREEMENTS WITH MINORITY SHAREHOLDERS

The Group records the financial liabilities relating to put options granted to minority shareholders at the present value of the option exercise price. On the initial recognition of the liability, this value is reclassified from equity by reducing the minority share if the terms and conditions of the put option give the Group access to the economic benefits associated with the share of the capital option. The Group accounts for this share as if it had already been purchased in application of the anticipated interest method. According to IAS 32, the recognized financial liability is equal to the best estimate of the option's strike price and is subsequently remeasured at each closing date in accordance with IFRS 9. The accounting policy adopted by the Group provides for the recognition to equity of any change in the value of the liability.

2.21 ACCOUNTING STANDARDS AND RECENTLY PUBLISHED INTERPRETATIONS

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE FROM 1 JANUARY 2022

Title	Issued date	Effective date	Endorsment date	EU regulation and date of publication
Annual Improvements to IFRS Standards 2018–2020 Cycle[Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41]	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021
Property, plant and equipment: proceeds before intended use (Amendments to IAS 16)	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021
Onerous contracts - Cost of fulfilling a contract (Amendments to IAS 37)	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021
Reference to the Conceptual Framework (Amendments to IFRS 3)	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021

The adoption of these amendments had no impacts on the Group's consolidated financial statements.

NEW STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE AND NOT EARLY ADOPTED BY THE GROUP

At the date when these annual financial statements were prepared, the European Union's competent authorities concluded the approval process needed for the adoption of the accounting standards and amendments described below. With reference of the applicable principles, the Group has decided not to exercise the option of the early adoption, if applicable.

Title	Issued date	Effective date	Endorsment date	EU regulation and date of publication
IFRS 17 – Insurance contracts (incuding amendments published on 25 June 2020)	May 2017 June 2020	1 January 2023	19 November 2021	(UE) 2021/2036 23 November 2021
Definition of accounting estimates (Amendments to IAS 8)	February 2021	1 January 2023	2 March 2022	(UE) 2022/357 3 March 2022
Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)	February 2021	1 January 2023	2 March 2022	(UE) 2022/357 3 March 2022
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12 Income taxes)	May 2021	1 January 2023	11 August 2022	(UE) 2022/1392 12 August 2022
Initial Application of IFRS 17 and IFRS 9— Comparative Information (Amendment to IFRS 17)	December 2021	1 January 2023	8 September 2022	(UE) 2022/1491 9 September 2022

We do not expect to see any significant effects on the Group's consolidated financial statements, from adopting these amendments.

In addition, at the date of these financial statements, the competent bodies of the European Union had not yet completed their endorsement process for the following accounting standards and amendments:

Title	Issued Date	Endorsment date IASB Document	Approval date by EU
Standards			
IFRS 14 Regulatory Deferral Accounts	January 2014	1 January 2016	Postponed pending the conclusion of the IASB project on "rate-regulated activities"
Amendments			
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	September 2014	Deferred until the completion of the IASB project on the equity method	Postponed pending the conclusion of IASB project on the equity method
Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non current liabilities with covenants (Amendments to IAS 1)	January 2020 July 2020 October 2022	1 January 2024	TBD
Lease liability in a sale and leaseback (Amendments to IFRS 16)	September 2022	1 January 2024	TBD

The Group will comply with these new standards and amendments based on their relevant effective dates when endorsed by the European Union and it will evaluate their potential impacts on the Consolidated Financial Statements.

3 SCOPE FOR CONSOLIDATION

As at 31 December 2022 the Consolidated Financial Statements of the Moncler Group include the figures, on a line-by-line basis, of the parent company Moncler S.p.A. and 51 subsidiaries, as detailed in the following table:

Investments (in associates for consolidation)	Registered office	Share capital	Currency	% of ownership	Parent company
Moncler S.p.A.	Milan (Italy)	54,736,558	EUR		
Industries S.p.A.	Milan (Italy)	15,000,000	EUR	100.00%	Moncler S.p.A.
Moncler Deutschland GmbH	Munich (Germany)	700,000	EUR	100.00%	Industries S.p.A.
Moncler España S.L.	Madrid (Spain)	50,000	EUR	100.00%	Industries S.p.A.
Moncler Asia Pacific Ltd	Hong Kong (China)	300,000	HKD	100.00%	Industries S.p.A.
Moncler France S.à.r.l.	Paris (France)	8,000,000	EUR	100.00%	Industries S.p.A.
Moncler USA Inc	New York (USA)	1,000	USD	100.00%	Industries S.p.A.
Moncler UK Ltd	London (United Kingdom)	2,000,000	GBP	100.00%	Industries S.p.A.
Moncler Japan Corporation (*) (**)	Tokyo (Japan)	104,776,859	JPY	94.94%	Industries S.p.A.
Moncler Shanghai Commercial Co. Ltd	Shanghai (China)	82,483,914	CNY	100.00%	Industries S.p.A.
Moncler Suisse SA	Chiasso (Switzerland)	9,500,000	CHF	100.00%	Industries S.p.A.
Moncler Belgium S.p.r.l.	Bruxelles (Belgium)	1,800,000	EUR	100.00%	Industries S.p.A.
Moncler Denmark ApS	Copenhagen (Denmark)	2,465,000	DKK	100.00%	Industries S.p.A.
Moncler Holland B.V.	Amsterdam (Holland)	18,000	EUR	100.00%	Industries S.p.A.
Moncler Hungary KFT	Budapest (Hungary)	150,000,000	HUF	100.00%	Industries S.p.A.
Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti. (*)	Istanbul (Turkey)	1,000,000	TRY	51.00%	Industries S.p.A.
Moncler Brasil Comércio, de moda e acessòrios Ltda.	Sao Paulo (Brazil)	10,000,000	BRL	95.00% 5.0%	Industries S.p.A. Moncler USA Inc
Moncler Taiwan Limited	Taipei (China)	10,000,000	TWD	100.00%	Industries S.p.A.
Moncler Rus LLC	Moscow (Russian Federation)	590,000,000	RUB	99.99% 0.01%	Moncler Suisse SA
Moncler Canada Ltd	Vancouver (Canada)	1,000	CAD	100.00%	Industries S.p.A.
Moncler Prague s.r.o.	Prague (Czech Republic)	200,000	CZK	100.00%	Industries S.p.A.
White Tech Sp.zo.o.	Katowice (Poland)	369,000	PLN	70.00%	Industries S.p.A.
Moncler Korea Inc. (*) (**)	Seoul (South Korea)	2,833,000,000	KRW	90.01%	Industries S.p.A.
Moncler Middle East FZ-LLC	Dubai (United Arab Emirates)	50,000	AED	100.00%	Industries S.p.A.
Moncler Singapore PTE, Limited	Singapore	5,000,000	SGD	100.00%	Industries S.p.A.
Industries Yield S.r.l.	Bacau (Romania)	25,897,000	RON	99.00% 1.0%	Industries S.p.A. Moncler Deutschland GmbH
Moncler UAE LLC (*)	Abu Dhabi (United Arab Emirates)	1,000,000	AED	49.00%	Moncler Middle East\FZ-LLC
Moncler Ireland Limited	Dublino (Ireland)	350,000	EUR	100.00%	Industries S.p.A.
Moncler Australia PTY LTD	Melbourne (Australia)	2,500,000	AUD	100.00%	Industries S.p.A.
Moncler Kazakhstan LLP	Almaty (Kazakhstan)	250,000,000	KZT	99.00% 1.0%	Industries S.p.A. Moncler Rus LLC
Moncler Sweden AB	Stockholm (Sweden)	1,000,000	SEK	100.00%	Industries S.p.A.
Moncler Norway AS	Oslo (Norway)	3,000,000	NOK	100.00%	Industries S.p.A.
Moncler Mexico, S. de R.L. de C.V.	Mexico City (Mexico)	33,000,000	MXN	99.00% 1.00%	Industries S.p.A. Moncler USA Inc
Moncler Mexico Services, S. de R.L. de C.V.	Mexico City (Mexico)	11,000,000	MXN	99.00% 1.00%	Industries S.p.A. Moncler USA Inc
Moncler Ukraine LLC	Kiev (Ukraine)	47,367,417	UAH	99.99% 0.01%	Industries S.p.A. Moncler Suisse SA
Moncler New Zealand Limited	Auckland (New Zealand)	2,000,000	NZD	100.00%	Industries S.p.A.
Moncler Malaysia Sdn. Bhd.	Kuala Lumpur (Malesia)	1	MYR	100.00%	Industries S.p.A.
Sportswear Company S.p.A.	Bologna (Italy)	10,084,166	EUR	100.00%	Moncler S.p.A.
Stone Island Retail S.r.l.	Bologna (Italy)	99,000	EUR	100.00%	Sportswear Company S.p.A.
Stone Island Germany Gmbh	Monaco (Germany)	500,000	EUR	100.00%	Sportswear Company S.p.A.
Stone Island Antwerp Bvba	Anversa (Belgium)	400,000	EUR	100.00%	Sportswear Company S.p.A.
Stone Island Amsterdam BV	Amsterdam (Holland)	25,000	EUR	100.00%	Sportswear Company S.p.A.
Stone Island Usa Inc	New York (USA)	2,500,000	USD	100.00%	Sportswear Company S.p.A.
Stone Island Canada Inc	Toronto (Canada)	500,000	CAD	100.00%	Sportswear Company S,p,A
Stone Island China Co. Ltd	Shanghai (China)	2,500,000	EUR	100.00%	Sportswear Company S.p.A.
Stone Island France S.a.s.	Saint Priest (France)	50,000	EUR	100.00%	Sportswear Company S.p.A.
Stone Island Distribution S.r.l.	Bologna (Italy)	50,000	EUR	100.00%	Sportswear Company S.p.A.
Stone Island Korea Co., Ltd. (*)	Seoul (South Korea)	30,500,000	KRW	51.00%	Sportswear Company S.p.A.
Stone Island (UK) Retail Limited	London (United Kingdom)	1,000,000	GBP	100.00%	Sportswear Company S.p.A.
Stone Island Japan Inc.	Tokyo (Japan)	400,000,000	JPY	80.00%	Sportswear Company S.p.A.
Stone Island Suisse SA	Chiasso (Switzerland)	3,000,000	CHF	100.00%	Sportswear Company S.p.A.
Stone Island Sweden AB	Stockholm (Sweden)	12,000,000	SEK	100.00%	Sportswear Company S.p.A.

(*) Fully consolidated (without attribution of interest to third parties).
(**) Share capital value and % of ownership take into consideration the treasury shares held by the same.

In relation to the scope of consolidation, the following changes compared to 31 December 2021:

— Stone Island Korea Co. Ltd. was set up as a joint venture, in which the majority interest is held by Sportswear Company S.p.A., which manages the Stone Island business directly in Korea;
— Stone Island Japan Inc. was set up as a joint venture, in which the majority interest is held by Sportswear Company S.p.A., which manages the Stone Island business directly in Japan;
— Officina della Maglia S.r.l. and Stone Island Logistic S.r.l. were merged into Sportswear Company S.p.A.;
— Stone Island Distribution S.r.l., Stone Island (UK) Retail Ltd, Stone Island Suisse SA, Stone Island Sweden AB and Moncler Malaysia SDN. BHD. were incorporated.

Please note that Moncler Korea Inc., Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti. and Moncler Japan Corporation, same as in the previous periods, and Stone Island Korea and Stone Island Japan Inc. are fully consolidated, without attribution of interest to third parties, in accordance with the anticipated interest principle in light of the agreements in place between those companies' shareholders.

4 COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

4.1 REVENUES

REVENUES BY BRAND

(Euro/000)	2022	%	2021	%
Total revenues	2,602,890	100.0%	2,046,103	100.0%
Moncler	2,201,758	84.6%	1,824,166	89.2%
Stone Island	401,132	15.4%	221,936	10.8%

In 2022, Moncler Group reached consolidated revenue of EUR 2,602.9 million up 27.2% compared to the same period of 2021. These results include Moncler brand revenue equal to EUR 2.201,8 million and Stone Island brand revenue equal to EUR 401.1 million.

ANALYSIS OF MONCLER BRAND REVENUES
In 2022, Moncler brand revenues were equal to EUR 2,201.8 million, up 20.7% growth compared to 2021.

REVENUES BY GEOGRAPHY
Sales are broken down by geographical area as reported in the following table:

(Euro/000)	2022	%	2021	%	Variation	% Variation
Asia	1,029,327	46.8%	894,817	49.1%	134,510	15.0%
EMEA	804,361	36.5%	624,469	34.2%	179,892	28.8%
Americas	368,070	16.7%	304,881	16.7%	63,189	20.7%
Total	**2,201,758**	**100.0%**	**1,824,166**	**100.0%**	**377,591**	**20.7%**

In 2022, revenues in Asia (which includes APAC, Japan and Korea) were equal to EUR 1,029.3 million registering a +15.0% growth compared to the same period of 2021, thanks to the continued excellent performance of Korea and Japan. The performance in the APAC region was penalized during the months of October and November by the severe Covid restrictions in Mainland China, which were eased at the beginning of December, prompting a recovery in stores traffic.

EMEA reported revenues of EUR 804.4 million in 2022, growing +28.8% compared to 2021, driven by a solid performance of the DTC channel (both physical and online), while wholesale was impacted by the conversions of some shop-in-shops and e-tailers.

Americas registered revenues of EUR 368.1 million in 2022, +20.7% compared to 2021, driven mainly by the DTC channel.

REVENUES BY CHANNEL
Revenues by distribution channels are broken down as follows:

(Euro/000)	2022	%	2021	%
Total revenues	2,201,758	100.0%	1,824,166	100.0%
of which:				
– Wholesale	429,755	19.5%	394,947	21.7%
– DTC	1,772,003	80.5%	1,429,219	78.3%

Revenues are made through two main distribution channels, DTC and wholesale. The DTC channel includes stores that are directly managed by the Brand (free-standing stores, concessions, e-commerce and factory outlet), while the wholesale channel includes stores managed by third parties that sell Moncler products either in single-brand spaces (i.e. shop-in-shop) or inside multi-brand stores (both physical and online).

In 2022, the DTC channel recorded revenues of EUR 1,772,0 million growing +24.0% compared to 2021.

The wholesale channel registered revenues equal to EUR 429.8 million with a 8.8% growth compared to 2021.

ANALYSIS OF STONE ISLAND BRAND REVENUE
In 2022, Stone Island brand revenues were equal to EUR 401.1 million up +29% compared with EUR 310.0 million recorded in the 12-month proforma of 2021 (of which EUR 221.9 million generated from 1 April 2021 and consolidated in the Moncler Group).

REVENUES BY GEOGRAPHY

(Euro/000)	2022	%	2021	%	Variation	% Variation
Asia	80,177	20.0%	28,517	12.8%	51,660	181.2%
EMEA	278,670	69.5%	172,236	77.6%	106,434	61.8%
Americas	42,285	10.5%	21,183	9.5%	21,102	99.6%
Total	**401,132**	**100.0%**	**221,936**	**100.0%**	**179,196**	**80.7%**

EMEA is the most important region for Stone Island and contributed EUR 278.7 million to 69.5% of revenues in 2022. Italy, UK and France led the growth of the region in the year.

Asia reached EUR 80.2 million revenues, driven by the conversion into retail of Korea and Japan, while APAC suffered in the fourth quarter due to the Covid-19 restrictions in Mainland China.

Americas registered revenues of EUR 42.3 million, with growth driven by a good performance of the collections in the wholesale channel.

REVENUES BY CHANNEL

(Euro/000)	2022	%	2021	%
Total revenues	401,132	100.0%	221,936	100.0%
of which:				
– Wholesale	251,979	62.8%	158,069	71.2%
– DTC	149,153	37.2%	63,867	28.8%

The wholesale channel, which continues to represent the majority of the revenues (62.8% of total), with EUR 252.0 million sales in 2022, grew compared with 2021 pro-forma, driven by a good success of the collections across all markets, and despite the conversions into retail occurred during the year.

The DTC channel (representing 37.2% of the total revenues) reported sales of EUR 149.2 million, driven by the already-mentioned conversion of Korea and Japan and the solid double-digit performance in EMEA and Americas. The direct online channel registered a strong double-digit growth.

4.2 COST OF SALES

In 2022, cost of sales increased by EUR 135.9 million in absolute terms (+28.3%), going from EUR 479.2 million in 2021 to EUR 615.0 million in 2022. Cost of sales as a percentage of sales has increased, going from 23.4% in 2021 to 23.6% in 2022.

4.3 SELLING EXPENSES

In 2022 selling expenses amounted to EUR 757.4 million (EUR 608.5 million in 2021), with an increase of EUR 148.9 million compared to 2021.

Selling expenses in 2022 represented 29.1%, substantially in line compared to 29.7% in 2021.

Selling expenses mainly include rent costs excluded from the application of the IFRS 16 for EUR 195.4 million (EUR 143.6 million of total rent costs in 2021), personnel costs for EUR 177.2 million (EUR 136.9 million in 2021) costs for depreciation of the right of use for EUR 146.6 million (EUR 126.4 million in 2021) and other amortisation and depreciation for EUR 77.9 million (EUR 66.3 million in 2021).

The item also includes costs related to stock-based compensation plans for EUR 6.2 million (EUR 5.4 million in 2021).

4.4 GENERAL AND ADMINISTRATIVE EXPENSES

In 2022, general and administrative expenses amounted to EUR 283.9 million, up EUR 46.8 million when compared to last year.

General and administrative expenses represented 10.9% of turnover, in respect to 11.6% in 2021.

The item also includes costs related to stock-based compensation plans for EUR 30.9 million (EUR 23.2 million in 2021).

4.5 MARKETING EXPENSES

Marketing expenses were EUR 171.9 million, representing 6.6% of revenues in respect to 6.9% recorded in 2021.

4.6 OPERATING RESULT

In 2022, the operating result of the Moncler Group amounted to EUR 774.5 million, compared to EUR 579.2 million in 2021, representing an EBIT margin of 29.8% (28.3% in 2021).

4.7 FINANCIAL INCOME AND EXPENSES

The caption is broken down as follows:

(Euro/000)	2022	2021
Interest income and other financial income	3,537	3,061
Total financial income	3,537	3,061
Interests expenses and other financial charges	(4,328)	(3,750)
Net foreign currency differences – negative	(4,480)	(1,332)
Total financial expenses	**(8,808)**	**(5,082)**
Total net excluded interests on lease liabilities	**(5,271)**	**(2,021)**
Interests on lease liabilities	(21,945)	(19,587)
Total net	**(27,216)**	**(21,608)**

4.8 INCOME TAX

The income tax effect on the consolidated income statement is as follows:

(Euro/000)	2022	2021
Current income taxes	(380,856)	(178,961)
Deferred tax (income) expenses	240,231	14,902
Income taxes charged in the income statement	**(140,625)**	**(164,059)**

On 28 June 2022, the Board of Directors of Moncler S.p.A. approved the realignment of the tax value of the Stone Island brand to its statutory value, opting for the regime pursuant to Art. 15 of Italian Decree Law 185/2008; this option entailed the payment of a substitute tax for 16% of the brand's value, equal to EUR 124.1 million, registered under current taxes and the release of EUR 216.4 million in previously-recognised deferred taxes payable. The net positive effect of the transaction was thus EUR 92.3 million.

For the breakdown of deferred tax assets and liabilities by nature, please see paragraph 5.4.

The reconciliation between the theoretical tax burden by applying the theoretical rate of the parent company, and the effective tax burden is shown in the following table:

RECONCILIATION THEORETIC-EFFECTIVE TAX RATE

(Euro/000)	Taxable Amount 2022	Tax Amount 2022	Tax rate 2022	Taxable Amount 2021	Tax Amount 2021	Tax rate 2021
Profit before tax	**747,331**			**557,612**		
Income tax using the Company's theoretic tax rate		**(179,359)**	**24.0%**		**(133,827)**	**24.0%**
Temporary differences		(23,920)	3.2%		(18,810)	3.4%
Permanent differences		(6,669)	0.9%		(2,193)	0.4%
Other differences		(170,908)	22.9%		(24,131)	4.3%
Deferred taxes recognized in the income statement		**240,231**	**(32.1)%**		**14,902**	**(2.7)%**
Income tax at effective tax rate		**(140,625)**	**18.8%**		**(164,059)**	**29.4%**

Deferred taxes in 2022 mainly include the benefit deriving from the release of deferred tax liabilities resulting from the realignment of Stone Island trademark's tax value to the statutory value.

4.9 PERSONNEL EXPENSES

The following table lists the details of the main personnel expenses by nature, compared with those of the previous year:

(Euro/000)	2022	2021
Wages and salaries and Social security costs	(265,408)	(216,920)
Accrual for employment benefits	(20,977)	(15,956)
Total	**(286,385)**	**(232,876)**

During the period, personnel expenses increased by 23.0%, from EUR 232.9 million in 2021 to EUR 286.4 million in 2022.

The remuneration related to the members of the Board of Directors is commented separately in the related-party section (note 10.1).

The costs related to the stock based compensation plans, equal to EUR 37.0 million (EUR 28.6 million in 2021) are separately commented in note 10.2.

The following table analyses the number of employees (full-time-equivalent) in 2022 compared to the prior year:

AVERAGE FTE BY AREA

FTE	2022	2021
Italy	1,609	1,395
Other European countries	1,876	1,720
Asia and Japan	1,343	1,167
Americas	395	353
Total	**5,223**	**4,635**

The actual number of employees of the Group as at 31 December 2022 was 6,310 unit (5,290 as at 31 December 2021).

4.10 DEPRECIATION AND AMORTISATION

Depreciation and amortisation are broken down as follows:

(Euro/000)	2022	2021
Depreciation of property, plant and equipment	(242,754)	(208,276)
Amortization of intangible assets	(22,163)	(38,243)
Total Depreciation and Amortization	**(264,917)**	**(246,519)**

The increase in both depreciation and amortisation was mainly due to investments made for the new store openings or the relocation/expansion of already existing stores, in IT, logistic and operation. The amortisation related to the right of use amounted to EUR 159.3

million (EUR 137.5 million in 2021), as explained in paragraph 5.3.

Please refer to comments made in notes 5.1 and 5.3 for additional details related to investments made during the year.

5 COMMENTS ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

5.1 GOODWILL, BRANDS AND OTHER INTANGIBLE ASSETS

BRANDS AND OTHER INTANGIBLE ASSETS

(Euro/000)	Gross value 31/12/2022	Accumulated amortization and impairment	Net value	Net value 31/12/2021
Brands	**999,354**	**0**	**999,354**	**999,354**
Licence rights	12	(12)	0	0
Key money	75,563	(60,521)	15,042	15,019
Software	138,061	(76,521)	61,540	46,430
Other intangible assets	32,760	(30,484)	2,276	2,310
Assets in progress	8,494	0	8,494	6,961
Goodwill	603,417	0	603,417	603,417
Total	**1,857,661**	**(167,538)**	**1,690,123**	**1,673,491**

Intangible assets changes are shown in the following tables:

As at 31 December 2022

GROSS VALUE BRANDS AND OTHER INTANGIBLE ASSETS

(Euro/000)	Brands	Licence rights	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
01/01/2022	**999,354**	**0**	**68,576**	**105,728**	**31,455**	**6,961**	**603,417**	**1,815,491**
Acquisitions	0	0	3,883	26,186	922	7,622	0	38,613
Disposals	0	0	(116)	(170)	0	(336)	0	(622)
Changes in consolidation area	0	0	0	0	0	0	0	0
Translation adjustement	0	0	106	(124)	(2)	(2)	0	(22)
Other movements, including transfers	0	12	3,114	6,441	385	(5,751)	0	4,201
31/12/2022	**999,354**	**12**	**75,563**	**138,061**	**32,760**	**8,494**	**603,417**	**1,857,661**

ACCUMULATED AMORTIZATION AND IMPAIRMENT BRANDS AND OTHER INTANGIBLE ASSETS

(Euro/000)	Brands	Licence rights	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
01/01/2022	**0**	**0**	**(53,557)**	**(59,298)**	**(29,145)**	**0**	**0**	**(142,000)**
Amortization	0	0	(3,724)	(17,514)	(925)	0	0	(22,163)
Disposals	0	0	94	131	0	0	0	225
Changes in consolidation area	0	0	0	0	0	0	0	0
Translation adjustement	0	0	(249)	118	0	0	0	(131)
Other movements, including transfers	0	(12)	(3,085)	42	(414)	0	0	(3,469)
31/12/2022	**0**	**(12)**	**(60,521)**	**(76,521)**	**(30,484)**	**0**	**0**	**(167,538)**

As at 31 December 2021

GROSS VALUE BRANDS AND OTHER INTANGIBLE ASSETS

(Euro/000)	Brands	Licence rights	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
01/01/2021	**223,900**	**0**	**56,837**	**77,839**	**10,888**	**4,153**	**155,582**	**529,199**
Acquisitions	0	0	0	13,734	931	6,239	0	20,904
Disposals	0	0	0	(121)	(587)	0	0	(708)
Changes in consolidation area	775,454	0	10,799	6,799	20,226	3	447,835	1,261,116
Translation adjustement	0	0	940	76	(19)	2	0	999
Other movements, including transfers	0	0	0	7,401	16	(3,436)	0	3,981
31/12/2021	**999,354**	**0**	**68,576**	**105,728**	**31,455**	**6,961**	**603,417**	**1,815,491**

ACCUMULATED AMORTIZATION AND IMPAIRMENT BRANDS AND OTHER INTANGIBLE ASSETS

(Euro/000)	Brands rights	Licence	Key money	Software intangible assets	Other	Assets in progress and advances	Goodwill	Total
01/01/2021	**0**	**0**	**(41,733)**	**(40,835)**	**(8,741)**	**0**	**0**	**(91,309)**
Depreciation	0	0	(3,927)	(13,313)	(21,003)	0	0	(38,243)
Disposals	0	0	0	51	586	0	0	637
Changes in consolidation area	0	0	(7,211)	(5,144)	0	0	0	(12,355)
Translation adjustement	0	0	(686)	(57)	13	0	0	(730)
Other movements, including transfers	0	0	0	0	0	0	0	0
31/12/2021	**0**	**0**	**(53,557)**	**(59,298)**	**(29,145)**	**0**	**0**	**(142,000)**

The increase in the caption software pertained to the investments in information technology to support the business and the corporate functions.

Please refer to the Directors' report for additional information related to investments made during the year.

5.2 IMPAIRMENT OF INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE AND GOODWILL

The captions Brands, Other intangible fixed assets with an indefinite useful life and Goodwill deriving from previous acquisitions have not been amortised, but have been tested for impairment by management.

The impairment tests on the Moncler brand and on the Stone Island brand were performed by comparing its carrying value with that derived from the discounted cash flow method applying the Royalty Relief Method, based on which the cash flows are linked to the recognition of a royalty percentage applied to revenues that the brand is able to generate.

The recoverable amount of Moncler goodwill and of Stone Island goodwill have been tested based on the "asset side" approach which compares the value in use of the cash-generating unit with the carrying amount of its net invested capital.

For the 2022 valuation of the Moncler brand and goodwill, the expected cash flows and revenues are based on the 2023 Budget approved by the Board of Directors on 2 February 2023, for the year 2024 on the 2022-2024 Business Plan approved by the Board of Directors on 24 February 2022 and for the years from 2025-2027 on the basis of management estimates consistent with the expected development plans.

For the 2022 valuation of the Stone Island brand and goodwill, the expected cash flows and revenues are based on the 2023 Budget approved by the Board of Directors on 2 February 2023 and for the years from 2024-2027 on the basis of management estimates consistent with the expected development plans.

The "g" rate used was 2.5%.

The discount rate was calculated using the Weighted Average Cost of Capital (WACC), by weighting the expected rate of return on invested capital, net of hedging costs from a sample of companies within the same industry. The calculation took into account fluctuation in the market as compared to the previous year and the resulting impact on interest rates. The weighted average cost of capital

(WACC) was calculated at 8.8% for the Moncler brand and at 9.3% for Stone Island.

The results of the sensitivity analysis indicated that the carrying amount of the Moncler brand is in line with the benchmark with a "g" rate = 0% and WACC = 94.5% and the carrying amount of the Stone Island brand with a "g" rate = 0% and WACC = 8.0%

Similarly, the same sensitivity analysis applied to the group of cash-generating unit Moncler and to the cash-generating unit Stone Island shows a full recovery of the value of the goodwill recorded considering changes in parameters even higher than those indicated above for the brands, confirming the wide recoverability of Moncler and Stone Island goodwill.

It is also underlined that the market capitalisation of the Company, based on the average price of Moncler share in 2022, showed a significant positive difference with respect to the Group net equity, confirming again the value of the goodwill.

5.3 NET PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT

(Euro/000)	31/12/2022 Gross value	Accumulated depreciation and impairment	Net value	31/12/2021 Net value
Land and buildings	1,296,502	(495,760)	800,742	675,467
Plant and Equipment	53,936	(31,687)	22,249	22,171
Fixtures and fittings	166,449	(120,239)	46,210	48,430
Leasehold improvements	386,389	(245,381)	141,008	127,820
Other fixed assets	43,717	(32,715)	11,002	10,024
Assets in progress	53,279	0	53,279	29,410
Total	**2,000,272**	**(925,782)**	**1,074,490**	**913,322**

The change in property, plant and equipment is included in the following tables:

As at 31 December 2022

GROSS VALUE PROPERTY, PLANT AND EQUIPMENT

(Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
01/01/2022	**1,024,942**	**47,437**	**154,740**	**333,106**	**37,239**	**29,410**	**1,626,874**
Acquisitions	286,875	4,064	13,706	53,497	5,483	42,280	405,905
Disposals	(14,886)	(760)	(4,880)	(10,403)	(851)	(2,254)	(34,034)
Changes in consolidation area	5,554	33	1,659	266	120	323	7,955
Other movements, including transfers	(5,983)	3,162	1,224	9,923	1,726	(16,480)	(6,428)
31/12/2022	**1,296,502**	**53,936**	**166,449**	**386,389**	**43,717**	**53,279**	**2,000,272**

ACCUMULATED DEPRECIATION AND IMPAIRMENT PPE

(Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
01/01/2022	**(349,475)**	**(25,266)**	**(106,310)**	**(205,286)**	**(27,215)**	**0**	**(713,552)**
Acquisitions	(162,618)	(7,058)	(17,903)	(49,037)	(6,138)	0	(242,754)
Disposals	8,485	421	4,618	10,250	718	0	24,492
Changes in consolidation area	1,771	(22)	(1,255)	(118)	(40)	0	336
Other movements, including transfers	6,077	238	611	(1,190)	(40)	0	5,696
31/12/2022	**(495,760)**	**(31,687)**	**(120,239)**	**(245,381)**	**(32,715)**	**0**	**(925,782)**

As at 31 December 2021

GROSS VALUE PROPERTY, PLANT AND EQUIPMENT

(Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
01/01/2021	**790,863**	**33,273**	**127,187**	**263,157**	**31,079**	**23,617**	**1,269,176**
Acquisitions	133,700	7,988	11,627	29,733	4,016	43,145	230,209
Disposals	(8,689)	(3,600)	(3,564)	(7,673)	(1,021)	(2,315)	(26,862)
Changes in consolidation area	86,248	9,728	7,148	15,365	1,124	2,179	121,792
Translation adjustment	23,084	(148)	4,412	9,161	596	345	37,450
Other movements, including transfers	(264)	196	7,930	23,363	1,445	(37,561)	(4,891)
31/12/2021	**1,024,942**	**47,437**	**154,740**	**333,106**	**37,239**	**29,410**	**1,626,874**

ACCUMULATED DEPRECIATION AND IMPAIRMENT PPE

(Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
01/01/2021	**(192,835)**	**(12,268)**	**(83,671)**	**(155,703)**	**(21,712)**	**0**	**(466,189)**
Acquisitions	(138,992)	(5,726)	(17,037)	(41,624)	(4,897)	0	(208,276)
Disposals	5,109	214	3,233	6,730	659	0	15,945
Changes in consolidation area	(13,348)	(7,401)	(5,212)	(8,115)	(768)	0	(34,844)
Translation adjustment	(10,319)	(85)	(3,782)	(6,497)	(415)	0	(21,098)
Other movements, including transfers	910	0	159	(77)	(82)	0	910
31/12/2021	**(349,475)**	**(25,266)**	**(106,310)**	**(205,286)**	**(27,215)**	**0**	**(713,552)**

The changes related to the right of use assets arising from the application of the IFRS 16 are reported here below:

RIGHT OF USE ASSETS

(Euro/000)	Land and buildings	Other fixed assets	Total
01/01/2022	**654,770**	**1,426**	**656,196**
Acquisitions	278,041	965	279,006
Disposals	(7,137)	(48)	(7,185)
Depreciation	(160,476)	(1,040)	(161,516)
Changes in consolidation area	0	0	0
Translation adjustment	6,954	2	6,956
Other movements, including transfers	60	0	60
31/12/2022	**772,212**	**1,305**	**773,517**

The increases in 2022 refer to new lease agreements for the opening or relocation of retail stores and the renewal of existing lease agreements, mainly in the EMEA and APAC regions.

In addition to the above mentioned effect arising from the application of the IFRS 16, the changes in property plant and equipment in 2022 show an increase in the items fixture and fittings, leasehold improvements and assets in progress and advances: all of these items are mainly related to the development of the distribution network, the relocation/expansion of already existing stores and the investments in logistic, operation and the enlargement of the production facility in Bacau, Romania.

Please refer to the Directors' report for an analysis of investments made during the year.

Based on the business performance recorded in the periods under analysis and the updated forecasts of future trends, no potential indicators of impairment were identified and no specific impairment tests were performed on these items.

5.4 DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities are offset only when there is a law within a given tax jurisdiction that provides for such right to offset. The balances were as follows as at 31 December 2022 and 31 December 2021:

DEFERRED TAXATION

(Euro/000)	31/12/2022	31/12/2021
Deferred tax assets	205,932	179,312
Deferred tax liabilities	(15,190)	(225,621)
Net amount	**190,742**	**(46,309)**

The decrease in the item Deferred tax liabilities derives from the release resulting from the above mentioned realignment of the Stone Island trademark's tax value to the statutory value.

In view of the nature of the net deferred tax assets and the expectation of future taxable income under the Business Plan 2022-2024 (approved by the Board of Directors on 24 February 2022), no indicators have been identified regarding the non-recoverability of the deferred tax assets recognised in the financial statements.

The change in deferred tax assets and liabilities, without taking into consideration the right of offset of a given tax jurisdiction, is detailed in the following table:

DEFERRED TAX ASSETS (LIABILITIES)

(Euro/000)	Opening balance - 01/01/2022	Changes in consolidation area	Taxes charged to the income statement	Taxes accounted for in Equity	Effect of currency translation	Other movements	Closing balance - 31/12/2022
Tangible and instangible assets	23,417	0	335	0	(13)	481	24,220
Inventories	116,976	0	17,809	0	1,220	(13)	135,993
Trade recivables	2,619	0	(458)	0	7	(11)	2,158
Derivatives	2,776	0	0	(748)	0	(10)	2,018
Employee benefits	1,695	0	1,150	20	(71)	(3)	2,791
Provisions	16,863	0	4,812	0	(794)	0	20,881
Trade payables	6,200	0	1,798	0	(2)	1	7,997
Other temporary items	8,514	0	1,417	0	(88)	(361)	9,482
Tax loss carried forward	252	0	213	0	(11)	(61)	393
Tax assets	**179,312**	**0**	**27,076**	**(728)**	**248**	**24**	**205,932**
Tangible and instangible assets	(222,547)	0	212,164	0	(139)	184	(10,338)
Financial assets	(384)	0	6	0	0	0	(378)
Inventories	(1,102)	0	(323)	0	0	0	(1,425)
Derivatives	(150)	0	151	(1,606)	0	0	(1,605)
Provisions	0	0	74	0	0	(353)	(279)
Trade payables	(46)	0	1	0	(3)	0	(48)
Other temporary items	(1,392)	0	1082	(878)	(2)	182	(1,008)
Tax loss carried forward	0	0	0	0	0	0	0
Tax liabilities	**(225,621)**	**0**	**213,155**	**(2,593)**	**(144)**	**13**	**(15,190)**
Net deferred tax assets (liabilities)	**(46,309)**	**0**	**240,231**	**(3,321)**	**104**	**37**	**190,742**

DEFERRED TAX ASSETS (LIABILITIES)

(Euro/000)	Opening balance - 01/01/2021	Changes in consolidation area	Taxes charged to the income statement	Taxes accounted for in Equity	Effect of currency translation	Other movements	Closing balance - 31/12/2021
Tangible and intangible assets	21,041	1,499	362	0	493	22	23,417
Financial assets	0	0	0	0	0	0	0
Inventories	97,143	6,831	8,946	0	4,029	27	116,976
Trade receivables	3,235	300	(934)	0	18	0	2,619
Derivatives	384	55	5	2,332	0	0	2,776
Employee benefits	2,029	14	(346)	(12)	9	1	1,695
Provisions	15,589	348	1,034	0	(109)	1	16,863
Trade payables	4,857	0	1,321	0	23	(1)	6,200
Other temporary items	5,039	628	2,111	0	(122)	858	8,514
Tax loss carried forward	1,515	0	(1,274)	0	11	0	252
Tax assets	**150,832**	**9,675**	**11,225**	**2,320**	**4,352**	**908**	**179,312**
Tangible and intangible assets	(3,596)	(78)	3,478	0	(362)	(221,989)	(222,547)
Financial assets	(300)	(76)	(8)	0	0	0	(384)
Inventories	(1,065)	0	(37)	0	0	0	(1,102)
Trade receivables	0	0	0	0	0	0	0
Derivatives	(879)	0	(150)	879	0	0	(150)
Employee benefits	0	0	0	0	0	0	0
Provisions	0	0	0	0	0	0	0
Trade payables	7	0	(51)	0	(2)	0	(46)
Other temporary items	(568)	12	445	663	(1)	(1,943)	(1,392)
Tax loss carried forward	5	0	0	0	0	(5)	0
Tax liabilities	**(6,396)**	**(142)**	**3,677**	**1,542**	**(365)**	**(223,937)**	**(225,621)**
Net deferred tax assets (liabilities)	**144,436**	**9,533**	**14,902**	**3,862**	**3,987**	**(223,029)**	**(46,309)**

The taxable amount on which deferred tax assets have been calculated is detailed in the following table:

DEFERRED TAX ASSETS AND LIABILITIES

(Euro/000)	Taxable amount 2022	Closing balance- 31/12/2022	Taxable amount 2021	Closing balance- 31/12/2021
Tangible and intangible assets	91,866	24,220	86,248	23,417
Inventories	548,879	135,993	446,472	116,976
Trade receivables	8,769	2,158	10,608	2,619
Derivatives	8,409	2,018	11,569	2,776
Employee benefits	10,692	2,791	6,488	1,695
Provisions	72,163	20,881	57,346	16,863
Trade payables	28,657	7,997	28,815	6,200
Other temporary items	41,536	9,482	33,749	8,514
Tax loss carried forward	1,748	393	982	252
Tax assets	**812,719**	**205,932**	**682,277**	**179,312**
Tangible and intangible assets	(55,066)	(10,338)	(806,583)	(222,547)
Financial assets	(1,534)	(378)	(965)	(384)
Inventories	(5,106)	(1,425)	(3,819)	(1,102)
Derivatives	(6,687)	(1,605)	625	(150)
Employee benefits	(454)	(109)	0	0
Provisions	(1,163)	(279)	0	0
Trade payables	(194)	(48)	(185)	(46)
Other temporary items	(3,456)	(1,008)	(2,197)	(1,392)
Tax loss carried forward	0	0	0	0
Tax liabilities	**(73,660)**	**(15,190)**	**(813,124)**	**(225,621)**
Net deferred tax assets (liabilities)	**739,059**	**190,742**	**(130,847)**	**(46,309)**

5.5 INVENTORY

As at 31 December 2022 Inventory amounted to EUR 377.5 million (EUR 263.5 million as at 31 December 2021) and is broken down as follows:

INVENTORY

(Euro/000)	31/12/2022	31/12/2021
Raw materials	134,521	98,688
Work-in-progress	60,714	52,335
Finished products	424,143	342,148
Inventories, gross	619,378	493,171
Obsolescence provision	(241,829)	(229,650)
Total	**377,549**	**263,521**

Inventory (gross amount) increased by approximately EUR 126.2 million (+25.6%) and mainly included raw materials and finished products for the forthcoming seasons.

The obsolescence provision was calculated using management's best estimate based on the season needs and the inventory balance based on passed sales trends through alternative channels and future sales volumes. This assumption is expressed differently for the Regions in which the Group operates, taking into account the characteristics of each market.

The change in the obsolescence provision is summarised in the following table:

OBSOLESCENCE PROVISION - MOVEMENTS

(Euro/000)	01/01/2022	Other movements	Accrued	Used	Translation Difference	31/12/2022
Obsolescence provision	(229,650)	(427)	(41,416)	28,824	840	(241,829)
Total	**(229,650)**	**(427)**	**(41,416)**	**28,824**	**840**	**(241,829)**

OBSOLESCENCE PROVISION - MOVEMENTS

(Euro/000)	01/01/2021	Other movements	Accrued	Used	Translation Difference	31/12/2021
Obsolescence provision	(184,116)	(17,928)	(40,834)	16,347	(3,119)	(229,650)
Total	**(184,116)**	**(17,928)**	**(40,834)**	**16,347**	**(3,119)**	**(229,650)**

5.6 TRADE RECEIVABLES

As at 31 December 2022 Trade receivables amounted to EUR 296.6 million (EUR 234.3 million as at 31 December 2021) and they are as follows:

TRADE RECEIVABLES

(Euro/000)	31/12/2022	31/12/2021
Trade account receivables	311,691	248,237
Allowance for doubtful debt	(15,009)	(13,871)
Allowance for discounts	**(132)**	**(92)**
TOTAL, NET VALUE	**296,550**	**234,274**

Trade receivables are related to the Group's wholesale business and they include balances with a collection time not greater than three months. During 2022 and 2021, there were no concentration of credit risk greater than 10% associated to individual customers. Please refer to note 9.1 for information regarding the exposure of trade receivables to currency risks.

The change in the allowance for doubtful debt and sales return is detailed in the following tables:

DOUBTFUL DEBT AND DISCOUNTS ALLOWANCE

(Euro/000)	01/01/2022	Changes in consolidation area	Accrued	Used	Translation Difference	31/12/2022
Allowance for doubtful debt	(13,871)	0	(1,601)	540	(77)	(15,009)
Allowance for discounts	(92)	0	(36)	0	(4)	(132)
Total	**(13,963)**	**0**	**(1,637)**	**540**	**(81)**	**(15,141)**

DOUBTFUL DEBT AND DISCOUNTS ALLOWANCE

(Euro/000)	01/01/2021	Changes in consolidated area	Accrued	Used	Translation Difference	31/12/2021
Allowance for doubtful debt	(10,699)	(2,016)	(1,721)	635	(70)	(13,871)
Allowance for discounts	**(200)**	**0**	**0**	**114**	**(6)**	**(92)**
Total	**(10,899)**	**(2,016)**	(1,721)	**749**	**(76)**	**(13,963)**

The allowance for doubtful debt was calculated in accordance with management's best estimate based on the ageing of accounts receivable as well as the solvency of the most aged accounts and also taking into consideration any balances turned over into collection proceedings. Trade receivables written down are related to specific balances that were past due and for which collection is uncertain. In addition, the bad debt provision includes an estimate of the expected loss relating to trade receivables "in bonis", increased in 2022 to take into account the changed economic context. The fund also covers any risk of revocation on trade receivables mainly related to North American customers.

5.7 CASH AND CASH EQUIVALENT

As at 31 December 2022 the caption cash and cash equivalent amounted to EUR 882.3 million (EUR 932.7 million as at 31 December 2021) and included cash and cash equivalents as well as the funds available at banks.

The amount included in the Consolidated Financial Statements represents the fair value at the date of the financial statements. The credit risk is very limited since the other parties are class A financial institutions.

The consolidated statement of cash flows includes the changes in cash and cash in bank as well as the bank overdrafts.

The following table shows the reconciliation between cash and cash in bank with those included in the consolidated statement of cash flows:

CASH AND CASH EQUIVALENTS INCLUDED IN THE STATEMENT OF CASH FLOWS

(Euro/000)	31/12/2022	31/12/2021
Cash on hand and at banks	882,254	932,718
Bank overdraft and short-term bank loans	0	(130,003)
Total	**882,254**	**802,715**

5.8 FINANCIAL CURRENT ASSETS

The caption financial current assets refers to the receivables arising from the market valuation of the derivatives on exchange rates hedges.

5.9 OTHER CURRENT AND NON-CURRENT ASSETS

OTHER CURRENT AND NON-CURRENT ASSETS

(Euro/000)	31/12/2022	31/12/2021
Prepayments and accrued income - current	16,135	12,117
Other current receivables	31,217	15,641
Other current assets	**47,352**	**27,758**
Prepayments and accrued income - non-current	87	70
Security / guarantees deposits	44,615	35,989
Investments in associated companies	36	36
Other non-current receivables	2,125	987
Other non-current assets	**46,863**	**37,082**
Total	**94,215**	**64,840**

Other current receivables mainly comprise the receivable due from the tax authority for value added tax.

Deposits are mostly related to the amounts paid on behalf of the lessee as a guarantee to the lease agreement.

The caption investments in associated companies includes the 22.5% interest in the company 3B Restaurant S.r.l. (same % in 2021), which deals with catering.

There are no differences between the amounts included in the Consolidated Financial Statements and their fair values.

5.10 TRADE PAYABLES

As at 31 December 2022 Trade payables amounted to EUR 482.4 million (EUR 349.0 million as at 31 December 2021) and included current payables due to suppliers for goods and services. These payables pertained to amounts that are payable within the upcoming year and did not include amounts that will be paid after 12 months.

In 2022 and 2021 there were no outstanding positions associated to individual suppliers that exceed 10% of the total value.

There are no differences between the amounts included in the Consolidated Financial Statements and their respective fair values.

Please refer to note 9.1 for an analysis of trade payable denominated in foreign currencies.

5.11 OTHER CURRENT AND NON-CURRENT LIABILITIES

OTHER CURRENT AND NON-CURRENT LIABILITIES

(Euro/000)	31/12/2022	31/12/2021
Deferred income and accrued expenses - current	2,078	1,595
Advances and payments on account to customers	18,658	18,079
Employee and social institutions	56,039	53,018
Tax accounts payable, excluding income taxes	39,776	33,711
Other current payables	11,812	18,876
Other current liabilities	**128,363**	**125,279**
Deferred income and accrued expenses - non-current	117	163
Other non-current liabilities	**117**	**163**
Total	**128,480**	**125,442**

The caption taxes payable includes mainly value added tax (VAT) and payroll tax withholding.

5.12 TAX ASSETS AND LIABILITIES

Tax assets amounted to EUR 5.9 million as at 31 December 2022 (EUR 5.0 million as at 31 December 2021).

Tax liabilities amounted to EUR 158.9 million as at 31 December 2022 (EUR 131.2 million as at 31 December 2021). They are recognised net of current tax assets, where the offsetting relates to the same tax jurisdiction and tax system.

5.13 NON-CURRENT PROVISIONS

Provision changes are shown in the following table:

PROVISION FOR CONTINGENCIES AND LOSSES

(Euro/000)	01/01/2022	Acquisitions	Disposals differences	Translation movements	Other	31/12/2022
Tax litigations	0	(11,164)	0	0	0	(11,164)
Other non current contingencies	(11,320)	(4,649)	1,253	335	(1,716)	(16,097)
Total	**(11,320)**	**(15,813)**	**1,253**	**335**	**(1,716)**	**(27,261)**

PROVISION FOR CONTINGENCIES AND LOSSES

(Euro/000)	01/01/2021	Acquisitions	Disposals differences	Translation movements	Other	31/12/2021
Other non current contingencies	(12,949)	(340)	3,855	(149)	(1,737)	(11,320)
Total	**(12,949)**	**(340)**	**3,855**	**(149)**	**(1,737)**	**(11,320)**

The item Tax litigations includes the provision for the possible repayment of the research and development tax credit referring to the years 2015-2019 by virtue of Resolution No. 41 of 26 July 2022, in which the Italian Revenue Agency revises its position on eligibility for the benefit.

The caption other non current contingencies includes costs for restoring stores, costs associated with ongoing disputes and product warranty costs.

5.14 PENSION FUNDS AND AGENTS LEAVING INDEMNITIES

The changes in the funds are depicted in the following table:

EMPLOYEES PENSION FUNDS

(Euro/000)	01/01/2022	Changes in consolidation area	Increase	Decrease	Translation differences	Other movements	31/12/2022
Pension funds	(6,773)	0	(1,712)	1,316	1	550	(6,618)
Agents leaving indemnities	(5,681)	0	(276)	539	0	0	(5,418)
Total	**(12,454)**	**0**	**(1,988)**	**1,855**	**1**	**550**	**(12,036)**

EMPLOYEES PENSION FUNDS

(Euro/000)	01/01/2021	Changes in consolidation area	Increase	Decrease	Translation differences	Other movements	31/12/2021
Pension funds	(4,628)	(1,776)	(998)	755	23	(149)	(6,773)
Agents leaving indemnities	(2,558)	(1,322)	(1,801)	0	0	0	(5,681)
Total	**(7,186)**	**(3,098)**	**(2,799)**	**755**	**23**	**(149)**	**(12,454)**

The pension funds pertain mainly to the Italian entities of the Group. Following the recent welfare reform, beginning on 1 January 2007, the liability has taken the form of a defined contribution plan. Therefore, the amount of pension fund (TFR) accrued prior to the application of the reform and not yet paid to the employees as at the date of the Consolidated Financial Statements is considered as a defined benefit plan, changes in which are shown in the following table:

EMPLOYEES PENSION FUNDS - MOVEMENTS

(Euro/000)	31/12/2022	31/12/2021
Net recognized liability - opening	(4,956)	(3,015)
Changes in consolidation area	0	(1,776)
Interest costs	(27)	(19)
Service costs	(741)	(689)
Payments	837	702
Actuarial Gains/(Losses)	550	(159)
Net recognized liability - closing	**(4,337)**	**(4,956)**

The actuarial valuation of employee termination benefits (TFR) is based on the Projected Unit Credit Cost method. Reported below are the main economic and demographic assumptions utilised for actuarial valuations.

Assumptions	
Discount rate	2.98%
Inflation rate	2.80%
Nominal rate of wage growth	2.80%
Labour turnover rate	10.59%
Probability of request of advances of TFR	2.93%
Percentage required in case of advance	70.00%
Life Table - Male	M2019
Life Table - Female	F2019

(*) Table ISTAT - resident population

The following table shows the effect of variations, within reasonable limits, in key actuarial assumptions on defined benefit plan obligations at year end.

SENSITIVITY ANALYSIS

(Euro/000)	**Variation**
Discount rate +0.5%	(155)
Discount rate -0.5%	165
Rate of payments Increases x (+0.5%)	5
Rate of payments Decreases x (-0.5%)	(605)
Rate of Price Inflation Increases (+0.5%)	113
Rate of Price Inflation Decreases (-0.5%)	(106)
Rate of Salary Increases (+0.5%)	25
Rate of Salary Decreases (-0.5%)	(24)
Increase the retirement age (+1 year)	(5)
Decrease the retirement age (-1 year)	6
Increase longevity (+1 year)	(0)
Decrease longevity (-1 year)	0

5.15 FINANCIAL LIABILITIES

Financial liabilities are detailed in the following table:

BORROWINGS

(Euro/000)	**31/12/2022**	**31/12/2021**
Bank overdraft and short-term bank loans	0	130,003
Short-term portion of long-term bank loans	7,429	11,801
Short-term financial lease liabilities	163,194	125,597
Other short-term loans	23,447	21,790
Short-term borrowings	**194,070**	**289,191**
Long-term portion of long-term bank loans	2,264	9,713
Long-term financial lease liabilities	674,285	584,679
Other long-term borrowings	42,160	30,340
Long-term borrowings	**718,709**	**624,732**
Total	**912,779**	**913,923**

Short-term borrowings include bank overdraft and short-term bank loans, the current portion of long-term bank loans, short-term financial lease liabilities arising from the application of IFRS 16 and, under other short-term loans, mainly the current portion of financial liabilities payable to non-banking third parties.

Long-term borrowings include the non-current portion of long-term bank loans, long-term financial lease liabilities arising from the application of IFRS 16 and financial liabilities payable to non-bank third parties.

Financial lease liabilities amounted to EUR 837 million (EUR 710 million in 2021) and are detailed in the following table:

FINANCIAL LEASE LIABILITIES

(Euro/000)	**31/12/2022**	**31/12/2021**
Short-term financial lease liabilities	163,194	125,597
Long-term financial lease liabilities	674,285	584,679
Total	**837,479**	**710,276**

The changes in financial lease liabilities during 2022 are reported in the following table:

(Euro/000)	**IFRS 16**	**Ex IAS 17**	**Financial lease liabilities**
01/01/2022	**710,069**	**207**	**710,276**
Acquisitions	267,480	0	267,480
Disposals	(170,373)	(127)	(170,502)
Financial expenses	23,239	2	23,241
Changes in consolidation area	0	0	0
Translation adjustment	6,982	0	6,982
31/12/2022	**837,397**	**82**	**837,479**

The following table shows the breakdown of the long-term borrowings in accordance with their maturity date:

AGEING OF THE LONG-TERM BORROWINGS

(Euro/000)	**31/12/2022**	**31/12/2021**
Within 2 years	163,333	139,137
From 2 to 5 years	334,904	289,848
Beyond 5 years	220,472	195,747
TOTAL	**718,709**	**624,732**

The following tables show the breakdown of the long-term borrowings, excluded financial lease liabilities, in accordance with their maturity date:

AGEING OF LONG-TERM BORROWINGS EXCLUDED LEASE LIABILITIES

(Euro/000)	**31/12/2022**	**31/12/2021**
Within 2 years	14,871	18,026
From 2 to 5 years	29,553	22,027
Beyond 5 years	0	0
Total	**44,424**	**40,053**

The non-discounted cash flows referring to the lease liabilities are shown below.

AGEING OF THE LEASE LIABILITIES NOT DISCOUNTED

(Euro/000)	**31/12/2022**	**31/12/2021**
Within 1 year	186,391	149,378
From 1 to 5 years	507,103	432,758
Beyond 5 years	237,991	210,691
Total	**931,485**	**792,827**

Long-term bank loans include outstanding amounts to be repaid to banks relating to unsecured loans taken out by the sub-group Stone Island companies.

Finally, the caption other short-term loans includes also the negative fair value, equal to EUR 9.0 million (compared to EUR 19.0 million negative as at 31 December 2021), related to the contracts to hedge the exchange rate risk. Please refer to note 9.3 for more details. The net financial position is detailed in the following table:

NET FINANCIAL POSITION

(Euro/000)	**31/12/2022**	**31/12/2021**
A. Cash	882,254	932,718
B. Cash equivalents	0	0
C. Other current financial assets	11,351	722
D. Liquidity (A)+(B)+(C)	893,605	933,440
E. Current financial DEBT	(23,447)	(151,793)
F. Current portion of non-current financial debt	(170,623)	(137,398)
G. Current financial indebtedness (E)+(F)	(194,070)	(289,191)
H. Net current financial indebtedness (G)+(D)	699,535	644,249
I. Non current financial debt	(676,549)	(594,392)
J. Debt instruments	0	0
K. Non-current trade and other payables	(42,160)	(30,340)
L. Non-current financial indebtedness (I)+(J)+(K)	(718,709)	(624,732)
M. Total financial indebtedness (H)+(L)	(19,174)	19,517

Net financial position as defined by the new ESMA Guidelines of 4 March 2021 (Consob Warning notice no. 5/21 to the Consob Communication DEM/6064293 of 28 July 2006).

5.16 SHAREHOLDERS' EQUITY

Changes in shareholders' equity for 2022 and the comparative period are included in the consolidated statements of changes in equity.

As at 31 December 2022 the subscribed share capital constituted by 273,682,790 shares was fully paid and amounted to EUR 54,736,558 with a nominal value of EUR 0.20 per share.

As at 31 December 2022 4,858,416 treasury shares were held, equal to 1.8% of the share capital, for a total value of EUR 186.2 million.

The legal reserve and premium reserve pertain to the parent company Moncler S.p.A.

In 2022 the Parent Company distributed dividends to the Group Shareholders for a gross unit amount of EUR 0.60 per ordinary share, for an amount of EUR 161.3 million of which EUR 161.0 million paid in 2022 (EUR 121.3 million distributed in 2021, of which EUR 120.7 million paid in 2021).

The change in the IFRS 2 reserve is due to the accounting treatment of the performance share plans, i.e., to the recognition of the figurative cost for the period relating to these plans and the reclassification to retained earnings of the cumulative figurative cost of the plans already closed.

The change in retained earnings mainly relates to the allocation of 2021 result, the dividend distributions, the above-mentioned reclassification of the IFRS 2 reserve and the adjustment to the market value of the financial liabilities to non-banking third parties. It also includes the purchase of treasury shares, net of the amount used to service the Performance shares plans.

The caption FTA reserve includes the effects of the initial application of the IFRS 16.

The caption other reserves includes other comprehensive income comprising the exchange rate translation reserve of financial statements reported in foreign currencies, the reserve for hedging interest rate risks and exchange rates risks and the reserve for actuarial gains/losses. The translation reserve includes the exchange differences emerging from the conversion of the financial statements of the foreign consolidated companies. The hedging reserve includes the effective portion of the net differences accumulated in the fair value of the derivative hedge instruments. Changes to these reserves were as follows:

OTHER COMPREHENSIVE INCOME

(Euro/000)	Cumulative translation adj. reserve			Other OCI items		
	Value before tax effect	Tax effect	Value after tax effect	Value before tax effect	Tax effect	Value after tax effect
Reserve as at 01/01/2021	**(18,183)**	**0**	**(18,183)**	**1,431**	**(367)**	**1,064**
Changes in the period	19,052	0	19,052	(16,059)	3,862	(12,197)
Translation differences of the period	0	0	0	0	0	0
Reversal in the income statement of the period	0	0	0	0	0	0
Reserve as at 31/12/2021	**869**	**0**	**869**	**(14,628)**	**3,495**	**(11,133)**
Reserve as at 01/01/2022	**869**	**0**	**869**	**(14,628)**	**3,495**	**(11,133)**
Changes in the period	(12,383)	0	(12,383)	13,895	(3,321)	10,574
Translation differences of the period	0	0	0	0	0	0
Reversal in the income statement of the period	0	0	0	0	0	0
Reserve as at 31/12/2022	**(11,514)**	**0**	**(11,514)**	**(733)**	**174**	**(559)**

EARNING PER SHARE

Earning per share for the years ended 31 December 2022 and 31 December 2021 is included in the following table and is based on the relationship between net income attributable to the Group and the average number of shares, net of treasury shares owned.

The diluted earnings per share is in line with the basic earnings per share as at 31 December 2022 as there were no significant dilutive effects arising from stock based compensation plans.

It should be noted that, for the diluted earnings per share calculation, the treasury share method has been applied, prescribed by IAS 33 paragraph 45 for stock-based compensation plans.

Earnings per share	2022	2021
Net result of the period (Euro/000)	606,697	393,533
Average number of shares related to parent's Shareholders	268,974,283	265,570,691
Earnings attributable to Shareholders (Unit of Euro)	2.26	1.48
Diluted earnings attributable to Shareholders (Unit of Euro)	2.24	1.47

6 SEGMENT INFORMATION

For the purposes of IFRS 8 "Operating segments", the activity carried out by the Group can be identified in the operating segments referring to the Moncler business and the Stone Island business. These operating segments were aggregated into a single reportable segment, consistent with the core principle of IFRS 8, as the segments have similar economic characteristics and share common features, i.e.:

- the nature of the products;
- the nature of the production processes;
- the type of customers;
- the distribution channels.

7 COMMITMENTS AND GUARANTEES GIVEN

7.1 COMMITMENTS

The Group does not have significant commitments arising from operating lease contract or other contractual cases that do not fall within the scope of IFRS 16.

7.2 GUARANTEES GIVEN

As at 31 December 2022 the Group had given the following guarantees:

GUARANTEES AND BAILS GIVEN

(Euro/000)	31/12/2022	31/12/2021
Guarantees and bails given for the benefit of:	53,817	36,403
Third parties/companies		
Total guarantees and bails given	**53,817**	**36,403**

Guarantees pertain mainly to lease agreements for the new stores.

8 CONTINGENT LIABILITIES

As the Group operates globally, it is subject to legal and tax risks which may arise during the performance of its ordinary activities. Based on information available to date, the Group believes that at the date of preparation of this document there are no further potential liabilities in addition to those already recorded in the provisions accrued in the Consolidated Financial Statements.

9 INFORMATION ABOUT FINANCIAL RISKS

The Group's financial instruments include cash and cash equivalents, loans, receivables and trade payables and other current receivables and payables and non-current assets as well as derivatives.

The Group is exposed to financial risks related to its operations: market risk (mainly related to exchange rates and interest rates), credit risk (associated with both regular client relations and financing activities), liquidity risk (with particular reference to the availability of financial resources and access to the credit market and financial instruments) and capital risk.

Financial risk management is carried out by Headquarters, which ensures primarily that there are sufficient financial resources to meet the needs of business development and that resources are properly invested in income-generating activities.

The Group uses derivative instruments to hedge its exposure to specific market risks, such as the risk associated with fluctuations in exchange rates and interest rates, on the basis of the policies established by the Board of Directors.

9.1 MARKET RISK

FOREIGN EXCHANGE RATE RISK

The Group operates internationally and is exposed to foreign exchange rate risk primarily related to the U.S. Dollar, the Japanese Yen and the Chinese Renminbi and to a lesser extent to the Hong Kong Dollar, the British Pound, Korean Won, Canadian Dollars, the Swiss Franc, Taiwan Dollars, Singapore Dollars, Australian Dollars, Mexican Pesos, Norwegian Kroner, New Zealand Dollars and Swedish Kroner.

The Group regularly assesses its exposure to financial market risks and manages these risks through the use of derivative

financial instruments, in accordance with its established risk management policies.

The Group's policy permits derivatives to be used only for managing the exposure to fluctuations in exchange rates connected with future cash flows and not for speculative purposes.

During 2022, the Group put in place a policy to hedge the exchange rates risk on transactions with reference to the major currencies to which it is exposed: USD, JPY, CNY, HKD, GBP, KRW, CAD, CHF, TWD, SGD, AUD, MXN, NOK, NZD and SEK.

The instruments used for these hedges are mainly Currency Forward Contracts and Currency Option Contracts.

The Group uses derivative financial instruments as cash flow hedges for the purpose of redetermining the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for.

Counterparties to these agreements are major and diverse financial institutions.

The exposure of contingent assets and liabilities denominated in currencies is detailed in the following table (the Euro amount of each currency):

DETAILS OF THE BALANCES EXPRESSED IN FOREIGN CURRENCY 31/12/2022

(Euro/000)	Euro	JP Yen	US Dollar	CN Yuan	HK Dollar	CH Franc	GB Pound	KR Won	CA Dollar	Other	Total
Cash and cash equivalent	429,795	89,626	63,264	103,026	11,232	14,413	18,023	84,038	22,624	46,213	882,254
Financial assets	10,777	0	0	0	574	0	0	0	0	0	11,351
Trade receivable	94,246	60,210	19,710	72,701	1,468	757	8,578	28,247	4,722	5,911	296,550
Other current assets	27,164	3,292	1,433	10,686	895	115	1,746	618	279	1,124	47,352
Other non-current assets	7,625	12,701	2,383	11,920	**6,088**	461	1,178	1,122	906	2,479	46,863
Total assets	**569,607**	**165,829**	**86,790**	**198,333**	**20,257**	**15,746**	**29,525**	**114,025**	**28,531**	**55,727**	**1,284,370**
Trade payables	(339,545)	(41,566)	(32,272)	(39,655)	2,071	(3,889)	(7,369)	(5,243)	(1,812)	(13,145)	(482,425)
Borrowings	(444,813)	(47,651)	(176,309)	(79,695)	(30,181)	(38,978)	(25,817)	(4,905)	(9,818)	(54,612)	(912,779)
Other current payables	(76,011)	(7,019)	(18,585)	(5,001)	(636)	(803)	(7,387)	(6,342)	(584)	(5,995)	(128,363)
Other non-current payables	(112)	0	0	(3)	0	0	(2)	0	0	0	(117)
Total liabilities	**(860,481)**	**(96,236)**	**(227,166)**	**(124,354)**	**(28,746)**	**(43,670)**	**(40,575)**	**(16,490)**	**(12,214)**	**(73,752)**	**(1,523,684)**
Total, net foreign positions	**(290,874)**	**69,593**	**(140,376)**	**73,979**	**(8,489)**	**(27,924)**	**(11,050)**	**97,535**	**16,317**	**(18,025)**	**(239,314)**

DETAILS OF THE BALANCES EXPRESSED IN FOREIGN CURRENCY 31/12/2021

(Euro/000)	Euro	JP Yen	US Dollar	CN Yuan	HK Dollar	CH Franc	GB Pound	KR Won	CA Dollar	Other	Total
Cash and cash equivalent	559,819	56,422	51,010	118,885	18,462	3,427	27,001	45,485	5,131	47,076	932,718
Financial assets	530	0	0	0	192	0	0	0	0	0	722
Trade receivable	70,589	46,456	17,319	64,433	520	(18)	7,721	19,973	2,901	4,380	234,274
Other current assets	14,929	1,993	707	5,429	165	39	1,570	162	445	2,319	27,758
Other non-current assets	4,928	10,485	2,166	7,488	6,513	598	701	723	931	2,549	37,082
Total assets	**650,795**	**115,356**	**71,202**	**196,235**	**25,852**	**4,046**	**36,993**	**66,343**	**9,408**	**56,324**	**1,232,554**
Trade payables	(264,236)	(23,617)	(18,900)	(23,938)	567	(469)	(5,533)	(2,070)	(1,702)	(9,055)	(348,953)
Borrowings	(578,134)	(45,096)	(122,188)	(32,917)	(39,526)	(10,079)	(23,170)	(3,622)	(9,265)	(49,926)	(913,923)
Other current payables	(69,494)	(8,380)	(19,274)	(5,948)	(1,260)	(1,065)	(8,645)	(6,076)	(1,080)	(4,057)	(125,279)
Other non-current payables	(161)	0	0	0	0	0	(2)	0	0	0	(163)
Total liabilities	**(912,025)**	**(77,093)**	**(160,362)**	**(62,803)**	**(40,219)**	**(11,613)**	**(37,350)**	**(11,768)**	**(12,047)**	**(63,038)**	**(1,388,318)**
Total, net foreign positions	**(261,230)**	**38,263**	**(89,160)**	**133,432**	**(14,367)**	**(7,567)**	**(357)**	**54,575**	**(2,639)**	**(6,714)**	**(155,764)**

At the reporting date, the Group had outstanding hedges for EUR 202.5 million (EUR 108.1 million as at 31 December 2021) against receivables still to be collected and outstanding hedges for EUR 583.9 million (EUR 477.7 million as at 31 December 2021) against future revenues.

As far as the currency transactions are concerned, it should be noted that a + / -1% change in their exchange rates would have the following effects:

DETAILS OF THE TRANSACTIONS EXPRESSED IN FOREIGN CURRENCY

(Euro/000)	JP Yen	US Dollar	CN Yuan	HK Dollar	KR Won	GB Pound	Other
Effect of an exchange rate increase amounting to +1%							
Revenue	2,919	3,671	4,117	209	2,543	760	1,663
Operating profit	1,844	2,196	2,461	26	1,577	418	572
Effect of an exchange rate decrease amounting to -1%							
Revenue	(2,978)	(3,745)	(4,200)	(213)	(2,594)	(775)	(1,697)
Operating profit	(1,882)	(2,241)	(2,510)	(27)	(1,608)	(426)	(585)

With reference to the provisions of IFRS 13, it should be pointed out that the category of financial instruments measured at fair value are mainly attributable to the hedging of exchange rates risk. The valuation of these instruments is based on the discounting of future cash flows considering the exchange rates at the reporting date (level 2 as explained in the section related to principles).

INTEREST RATE RISK

The Group's exposure to interest-rate risk is mainly related to cash and cash equivalents and it is centrally managed.

As at 31 December 2022, there was limited hedging on interest rates, given the limited exposure to financial institutions.

9.2 CREDIT RISK

The Group has no significant concentrations of financial assets (trade receivables and other current assets) with a high credit risk. The Group's policies related to the management of financial assets are intended to reduce the risks arising from non solvency of wholesale customers. Sales in the retail channel are made through cash and credit cards. In addition, the amount of loans outstanding is constantly monitored, so that the Group's exposure to bad debts is not significant and the percentage of writeoffs remains low. The maximum exposure to credit risk for the Group at 31 December 2022 is represented by the carrying amount of trade receivables reported in the Consolidated Financial Statements.

As far as the credit risk arising from other financial assets other than trade receivables (including cash and short-term bank deposits) is concerned, the theoretical credit risk for the Group arises from default of the counterparty with a maximum exposure equal to the carrying amount of financial assets recorded in the Consolidated Financial Statements, as well as the nominal value of guarantees given for third parties debts or commitments indicated in note 7 of the Explanatory Notes. The Group's policies limit the amount of credit exposure in different banks.

9.3 LIQUIDITY RISK

Liquidity risk arises from the ability to obtain financial resources at a sustainable cost in order for the Group to conduct its daily business operations. The factors that influence this risk are related to the resources generated/absorbed by operating activities, by investing and financing activities and by availability of funds in the financial market.

Following the dynamic nature of the business, the Group has centralised its treasury functions in order to maintain the flexibility in finding financial sources and maintain the availability of credit lines. The procedures in place to mitigate the liquidity risk are as follows:

— centralised treasury management and financial planning. Use of a centralised control system to manage the net financial position of the Group and its subsidiaries;

— obtaining adequate credit lines to create an adequate debt structure to better use the liquidity provided by the credit system;
— continuous monitoring of future cash flows based on the Group budget.

Management believes that the financial resources available today, along with those that are generated by the current operations will enable the Group to achieve its objectives and to meet its investment needs and the repayment of its debt at the agreed upon maturity date.

It should also be noted that, with reference to the provisions of IFRS 13, financial liabilities relating to commitment to purchase minority interests are accounted for at fair value based on valuation models primarily attributable to level 3, as explained in the section related to principles.

It is reported in the following table an analysis of the contractual maturities (including interests), for financial liabilities.

CONTRACTUAL CASH FLOWS

(Euro/000)	Non derivative financial liabilities					
	Total book value	Total	within 1 year	1-2 years	2-5 years	more than 5 years
Bank overdraft	0	0	0	0	0	0
Self-liquidating loans	0	0	0	0	0	0
Financial debt to third parties	0	0	0	0	0	0
Unsecured loans	9,711	9,711	7,453	2,258	0	0
Financial lease liabilities	837,479	837,479	163,194	148,462	305,351	220,472

CONTRACTUAL CASH FLOWS

(Euro/000)	Derivative financial liabilities					
	Total book value	Total	within 1 year	1-2 years	2-5 years	more than 5 years
Interest rate swap hedging	(18)	(18)	(18)	0	0	0
Forward contracts on exchange rate hedging	(2,387)	(2,387)	(2,387)	0	0	0
- Outflows	9,099	9,099	9,099	0	0	0
- Inflows	(11,486)	(11,486)	(11,486)	0	0	0

9.4 OPERATING AND CAPITAL MANAGEMENT RISKS

In the management of operating risk, the Group's main objective is to manage the risks associated with the development of business in foreign markets that are subject to specific laws and regulations.

The Group has implemented guidelines in the following areas:
— appropriate level of segregation of duties;
— reconciliation and constant monitoring of significant transactions;
— documentation of controls and procedures;
— technical and professional training of employees;
— periodic assessment of corporate risks and identification of corrective actions.

As far as the capital management risk is concerned, the Group's objectives are aimed at the going concern issue in order to ensure a fair economic return to shareholders and other stakeholders while maintaining a good rating in the capital debt market. The Group manages its capital structure and makes adjustments in line with changes in general economic conditions and with the strategic objectives.

10 OTHER INFORMATION

10.1 RELATED PARTY TRANSACTIONS

Set out below are the transactions with related parties deemed relevant for the purposes of the "Related-party procedure" adopted by the Group.

The "Related-party procedure" is available on the Company's website (www.monclergroup.com, under "Governance/Corporate documents").

Transactions and balances with consolidated companies have been eliminated during consolidation and are therefore not commented here.

During 2022, related-party transactions mainly relate to trading transactions carried out on an arm's length basis with the following parties:

During 2022, related-party transactions mainly relate to trading transactions carried out on an arm's length basis with the following parties:
— Yagi Tsusho Ltd, counterparty to the transaction, which led to the establishment of Moncler Japan Ltd., acquires finished products from Moncler Group companies (EUR 122.3 million in 2022 and EUR 97.4 million in 2021) and then sells them to Moncler Japan Ltd. (EUR 136.6 million in 2022 and EUR 108.1 million in 2021) pursuant to the contract agreed upon the company's establishment.
— Gokse Tekstil Kozmetik Sanayi ic ve dis ticaret limited sirketi, company held by the minority shareholder of Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti, provides services to that company by virtue of the contract signed at the time of incorporation of the company. Total costs recognised for 2022 amounted to EUR 0.1 million (EUR 0.1 million in 2021).
— The company La Rotonda S.r.l., owned by a manager of the Moncler Group, acquires finished products from Industries S.p.A. and provides services to the same. Total revenues recognised for 2022 amounted to EUR 1.4 million (EUR 1.4 million in 2021) and total costs recognised amounted to EUR 0.2 million (EUR 0.2 million in 2021).
— The company Rivetex S.r.l. (formerly Amanpulo S.r.l.), a company referable to Carlo Rivetti and his family members, rents a building to Moncler Group; in 2022 total costs amounted to EUR 0.5 million (EUR 0.4 million in 2021).
— Mr Fabrizio Ruffini, brother of the Chairman of the Board of Directors and Chief Executive Officer of Moncler S.p.A., provides consultancy services relating to research, development and quality control for Moncler branded products. Total costs recognised for 2022 amounted to EUR 0.6 million (EUR 0.6 million in 2021).

The company Industries S.p.A. adheres to the Parent Company Moncler S.p.A. fiscal consolidation.

COMPENSATION PAID TO DIRECTORS, BOARD OF STATUTORY AUDITORS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

Compensation paid to the members of the Board of Directors in 2022 amounted to EUR 8,052 thousand (EUR 7,484 thousand in 2021).

Compensation paid to the members of the Board of Auditors in 2022 amounted to EUR 142 thousand (EUR 142 thousand in 2021).

In 2021 total compensation paid to executives with strategic responsibilities amounted to EUR 2,787 thousand (EUR 2,616 thousand in 2021).

In 2022 the costs relating to performance share plans (described in paragraph 10.2) referring to members of the Board of Directors and Key management personnel amounted to EUR 13,833 thousand (EUR 8,916 thousand in 2021).

The following tables summarise the afore-mentioned related-party transactions that took place during 2022 and the prior year.

(Euro/000)	Type of relationship	Note	31/12/2022	%	31/12/2021	%
Yagi Tsusho Ltd	Distribution agreement	a	122,310	(19.9)%	97,416	(20.3)%
Yagi Tsusho Ltd	Distribution agreement	a	(136,628)	22.2%	(108,056)	22.5%
GokseTekstil Kozmetik Sanayi ic ve dis ticaret limited sirketi	Service agreement	b	(117)	0.0%	(109)	0.0%
La Rotonda S.r.l.	Trade transactions	c	1,394	0.1%	1,391	0.1%
La Rotonda S.r.l.	Trade transactions	d	(157)	0.0%	(155)	0.0%
Rivetex S.r.l.	Trade transactions	d	(480)	0.0%	(356)	0.0%
Fabrizio Ruffini	Service agreement	b	(554)	0.2%	(552)	0.2%
Directors, board of statutory auditors and executives with strategic responsibilities	Labour services	b	(22,755)	8.0%	(17,265)	7.3%
Executives with strategic responsibilities	Labour services	d	(2,060)	0.3%	(1,893)	0.3%
Total			**(39,047)**		**(29,579)**	

a effect in % based on cost of sales.
b effect in % based on general and administrative expenses.
c effect in % based on revenues.
d effect in % based on selling expenses.

(Euro/000)	Type of relationship	Note	31/12/2022	%	31/12/2021	%
Yagi Tsusho Ltd	Trade payables	a	(22,532)	4.7%	(13,609)	3.9%
Yagi Tsusho Ltd	Trade receivables	b	20,103	6.8%	12,078	5.2%
La Rotonda S.r.l.	Trade receivables	b	33	0.0%	7	0.0%
La Rotonda S.r.l.	Trade payables	a	(38)	0.0%	(37)	0.0%
Fabrizio Ruffini	Trade payables	a	139	0.0%	126	0.0%
Directors, board of statutory auditors and executives with strategic responsibilities	Other current liabilities	c	(5,105)	4.0%	(5,161)	4.1%
Total			**(7,400)**		**(6,596)**	

a effect in % based on trade payables.
b effect in % based on trade receivables.
c effect in % based on other current liabilities.

The following tables summarise the weight of related-party transactions on the Consolidated Financial Statements as at and for the years ended 31 December 2022 and 2021:

(Euro/000)	31/12/2022			
	Revenue	Cost of sales	Selling expenses	General and administrative expenses
Total related parties	1,394	(14,318)	(2,697)	(23,426)
Total consolidated financial statements	2,602,890	(615,047)	(757,393)	(283,967)
Weight %	0.1%	2.3%	0.4%	8.2%

(Euro/000)	31/12/2022		
	Trade recivables	Trade payables	Other current liabilities
Total related parties	20,136	(22,431)	(5,105)
Total consolidated financial statements	296,550	(482,425)	(128,363)
Weight %	6.8%	4.6%	4.0%

(Euro/000)	31/12/2021			
	Revenue	Cost of sales	Selling expenses	General expenses and administrative
Total related parties	1,391	(10,640)	(2,404)	(17,926)
Total consolidated financial statements	2,046,103	(479,197)	(608,495)	(237,109)
Weight %	0.1%	2.2%	0.4%	7.6%

(Euro/000)	31/12/2021		
	Trade recivables	Trade payables	Other current liabilities
Total related parties	12,085	(13,520)	(5,161)
Total consolidated financial statements	234,274	(348,953)	(125,279)
Weight %	5.2%	3.9%	4.1%

10.2 STOCK-BASED COMPENSATION PLANS

The Consolidated Financial Statements at 31 December 2022 reflects the values of the Performance Share Plans approved in 2018, in 2020 and 2022.

The costs related to stock-based compensation plans in 2021 are equal to EUR 37.0 million compared to EUR 28.6 million in 2021.

On 16 April 2018 the Shareholders' Meeting of Moncler approved the adoption of a Stock Grant Plan entitled "2018-2020 Performance Shares Plan" ("2018 Plan") addressed to Executive Directors and/or Key Managers, and/or employees, and/or collaborators, and/or external consultants of Moncler S.p.A. and of its subsidiaries, which have strategically relevant roles or are otherwise capable of making a significant contribution, with a view of pursuing the Group's strategic objectives.

The object of the Plan is the free granting of the Moncler shares in case certain performance targets are achieved at the end of the vesting period of 3 years.

The performance targets are expressed base on the earning per share index ("EPS") of the Group in the vesting period, adjusted by the conditions of over/under performance.

The proposed maximum number of shares serving the Plan is equal to n. 2,800,000 resulting from the allocation of treasury shares.

The Plan provides for a maximum of 3 cycles of attribution; the first attribution cycle, approved during 2018, ended with the assignment of 1,365,531 Moncler Rights. The second attribution cycle, approved during 2019, ended with the assignment of 341,514 Moncler Rights.

As regards the first allocation cycle, the plan ended in 2021 and for further information please refer to 2021 Annual Report.

As regards the second allocation cycle:
— The 3-year vesting period ended with the approval of the Draft Financial Statements as at December 31, 2021.
— The performance targets were met at 97.3%, therefore, No. 248,264 shares were assigned to the beneficiaries through the allocation of treasury shares.

As at 31 December 2022 there are no rights in circulation; the effect of the closed plans on the income statement in 2022 amounts to EUR 0.1 million.

On 11 June 2020, the Ordinary Shareholders' Meeting approved, pursuant to art. 114-bis of the Consolidated Law on Finance, the adoption of a Stock Grant Plan denominated "2020 Performance Shares Plan" addressed to Executive Directors, Key Managers, employees and collaborators, therein including Moncler's external consultants and of its subsidiaries.

The object of the Plan is the free granting of the Moncler shares in case certain Performance Targets are achieved at the end of the vesting period of 3 years.

The Performance Targets are expressed base on the following index of the Group in the Vesting Period, adjusted by the conditions of over/under performance: (i) Net Income, (ii) Free Cash Flow and (iii) ESG (Environmental Social Governance).

The proposed maximum number of shares serving the Plan is equal to n. 2,000,000 resulting from capital increase and/or allocation of treasury shares.

The Plan provides for a maximum of 3 cycles of attribution; as regards the first attribution cycle, on 11 June 2020 the Board of Directors resolved the granting of 1,350,000 Moncler Rights. The second attribution cycle, approved during 2021, ended with the assignment of 463,425 Moncler Rights.

As at 31 December 2022 there are still in circulation 1,093,686 rights related to the first cycle of attribution (the effect on the income statement of 2022 amounts to EUR 15.4 million) and 414,583 rights related to the second cycle of attribution (the effect on the income statement of 2022 amount to EUR 9.5 million).

On 21 April 2022, the Ordinary Shareholders' Meeting has approved, pursuant to art. 114-bis of the Consolidated Law on Finance, the adoption of a Stock Grant Plan denominated "2022 Performance Shares Plan" addressed to Executive Directors, Key Managers, employees and collaborators, therein including Moncler's external consultants and of its subsidiaries.

The object of the Plan is the free granting of the Moncler shares in case certain Performance Targets are achieved at the end of the vesting period of 3 years.

The Performance Targets are expressed base on the following index of the Group in the Vesting Period, adjusted by the conditions of over/under performance: (i) Net Income, (ii) Free Cash Flow and (iii) ESG (Environmental Social Governance).

The proposed maximum number of shares serving the Plan is equal to n. 2,000,000 resulting from allocation of treasury shares.

The Plan provides for a maximum of 3 cycles of attribution; as regards the first attribution cycle, on 4 may 2022 the Board of Directors resolved the granting of 971,169 Moncler Rights.

As at 31 December 2022 there are still in circulation 928,950 rights related to the first cycle of attribution, which effect on the 2022 income statement amount to EUR 9.8 million

As stated by IFRS 2, these plans are defined as Equity Settled.

For information regarding the plan, please see the company's website, www.monclergroup.com, in the "Governance/Shareholders' Meeting" section.

10.3 SUBSIDIARIES AND MINORITY INTERESTS

Following are the financial information of the subsidiaries that have significant minority interests.

SUMMARY OF SUBSIDIARY'S FINANCIAL INFORMATION

(Euro/000)	31/12/2022					
	Assets	Liabilities	Net equity	Revenue	Profit/(Loss)	Profit/(Loss) attributable to minority
White Tech Sp.zo.o.	467	64	385	225	30	9

SUMMARY OF SUBSIDIARY'S FINANCIAL INFORMATION

(Euro/000)	31/12/2021					
	Assets	Liabilities	Net equity	Revenue	Profit/(Loss)	Profit/(Loss) attributable to minority
White Tech Sp,zo,o,	425	64	361	225	66	20

Cash Flow 2022 (*)

(Euro/000)	White Tech Sp.zo.o.
Operating Cash Flow	28
Free Cash Flow	29
Net Cash Flow	23

Cash Flow 2021 (*)

(Euro/000)	White Tech Sp.zo.o.
Operating Cash Flow	84
Free Cash Flow	69
Net Cash Flow	66

(*) Amounts showed according to the Cash Flow Statements included in the Directors' Report

10.4 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

We point out that, on 28 June 2022, the Board of Directors of Moncler S.p.A. approved the realignment of the tax value of the Stone Island brand to its statutory value, opting for the regime pursuant to Art. 15 of Italian Decree Law 185/2008; this option entailed the payment of a substitute tax for 16% of the brand's value, equal to EUR 124.1 million, registered under current taxes and the release of EUR 216.4 million in previously-recognised deferred taxes payable. The net positive effect of the transaction was thus EUR 92.3 million. Please refer to the paragraph 4.8 for a description of the transaction.

10.5 ATYPICAL AND/OR UNUSUAL TRANSACTIONS

It should be noted that during 2022 the Group did not enter into any atypical and/or unusual transactions.

10.6 FINANCIAL INSTRUMENTS

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Euro/000) 31/12/2022	Current	Non-current	Fair value	Level
Financial assets measured at fair value				
Interest rate swap used for hedging	-	-	-	
Forward exchange contracts used for hedging	11,351	-	11,351	2
Sub-total	**11,351**	**-**	**11,351**	
Financial assets not measured at fair value				
Trade and other receivables (*)	296,550	44,615		
Cash and cash equivalents (*)	882,252	-		
Sub-total	**1,178,802**	**44,615**	**-**	
Total	**1,190,153**	**44,615**	**11,351**	

(Euro/000) 31/12/2021	Current	Non-current	Fair value	Level
Financial assets measured at fair value				
Interest rate swap used for hedging	-	-	-	
Forward exchange contracts used for hedging	722	-	722	2
Sub-total	**722**	**-**	**722**	
Financial assets not measured at fair value				
Trade and other receivables (*)	234,919	35,989		
Cash and cash equivalents (*)	932,718	-		
Sub-total	**1,167,637**	**35,989**	**-**	
Total	**1,168,359**	**35,989**	**722**	

(Euro/000) 31/12/2022	Current	Non-current	Fair value	Level
Financial liabilities measured at fair value				
Interest rate swap used for hedging	-	-	-	2
Forward exchange contracts used for hedging	(8,965)	-	(8,965)	2
Other financial liabilities	(14,482)	(42,160)	(56,642)	3
Sub-total	**(23,447)**	**(42,160)**	**(65,607)**	
Financial liabilities not measured at fair value				
Trade and other payables (*)	(512,895)	-		
Bank overdrafts (*)	-	-		
Short-term bank loans (*)	-	-		
Bank loans (*)	(7,435)	(2,258)		
IFRS 16 financial loans (*)	(163,194)	(674,285)		
Sub-total	**(683,524)**	**(676,543)**	**-**	
Total	**(706,971)**	**(718,703)**	**(65,607)**	

(Euro/000) 31/12/2021	Current	Non-current	Fair value	Level
Financial liabilities measured at fair value				
Interest rate swap used for hedging	-	-	-	2
Forward exchange contracts used for hedging	(18,959)	-	(18,959)	2
Other financial liabilities	(2,831)	(30,340)	(33,171)	3
Sub-total	**(21,790)**	**(30,340)**	**(52,130)**	
Financial liabilities not measured at fair value				
Trade and other payables (*)	(385,908)	-		
Bank overdrafts (*)	(3)	-		
Short-term bank loans (*)	(130,000)	-		
Bank loans (*)	(11,801)	(9,713)		
IFRS 16 financial loans (*)	(125,597)	(584,679)		
Sub-total	**(653,309)**	**(594,392)**	**-**	
Total	**(675,099)**	**(624,732)**	**(52,130)**	

(*) Such items refer to short-term financial assets and financial liabilities whose carrying value is a reasonable approximation of fair value, which was therefore not disclosed.

10.7 FEES PAID TO INDEPENDENT AUDITORS

Fees paid to independent auditors are summarised below:

AUDIT AND ATTESTATION SERVICES

(Euro)	Entity that has provided the service	Fees 2022
Audit	Deloitte & Touche S.p.A.	410,800
	Network Deloitte & Touche S.p.A.	220,521
Attestation services	Deloitte & Touche S.p.A.	120,500
	Network Deloitte & Touche S.p.A.	-
Other services	Deloitte & Touche S.p.A.	-
	Network Deloitte & Touche S.p.A.	-
Total		**751,821**

10.8 DISCLOSURE PURSUANT TO ITALIAN LAW N. 124/2017

With regard to the requirements of Law 124/2017, it should be noted that in 2022:

— Moncler S.p.A. benefited from an art bonus credit of EUR 13 thousand;
— Industries S.p.A. benefited from an inventory tax credit of EUR 404 thousand, a tax credit for investments in new capital expenditures of EUR 200 thousand, the “Industria 4.0” tax credit of EUR 510 thousand and the energy and gas tax credit in the amount of Euro 100 thousand;
— Sportswear Company S.p.A. benefited from the advertising bonus of EUR 106 thousand, the inventory tax credit of EUR 453 thousand and the energy and gas tax credit in the amount of Euro 27 thousand;

For the purposes of the above requirements and with regard to any other grants received falling among the cases provided for, reference is also made to the specific Italian national register, which can be consulted by the public.

11 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No significant events occurred after the reporting date.

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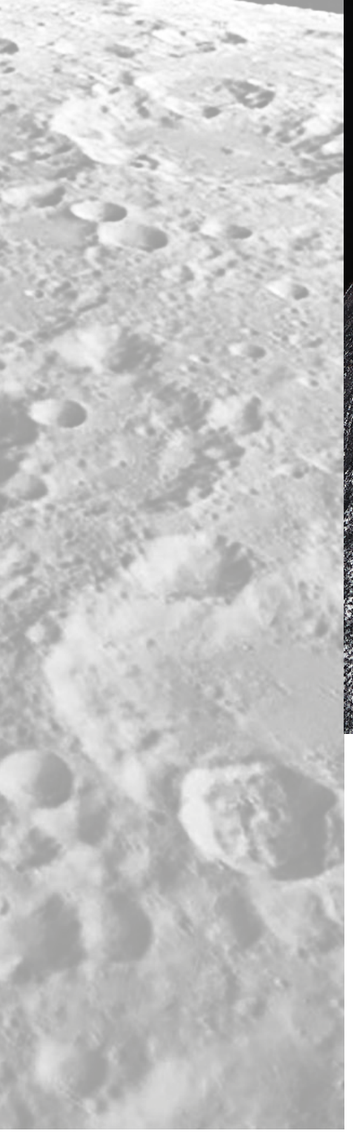
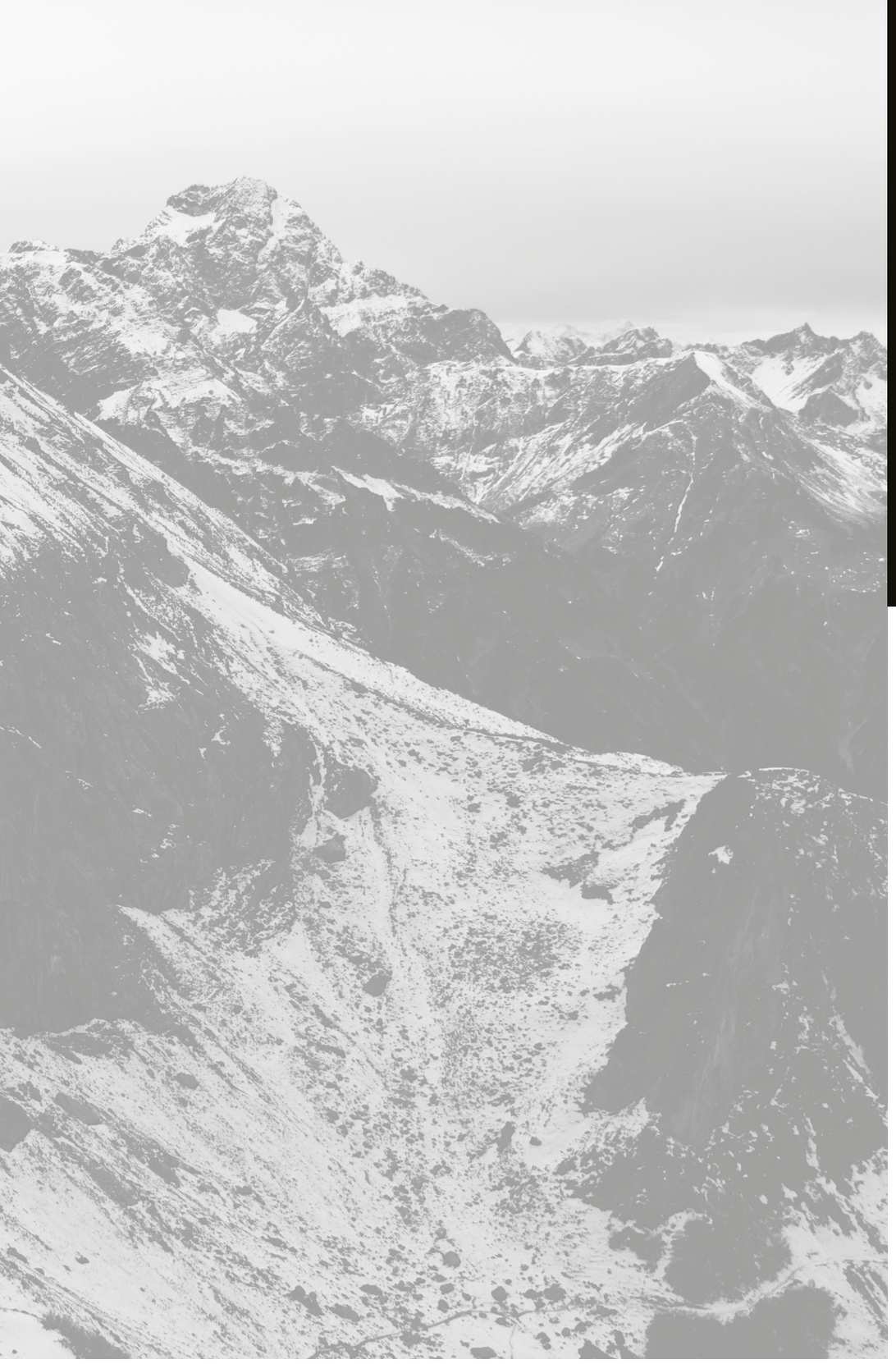
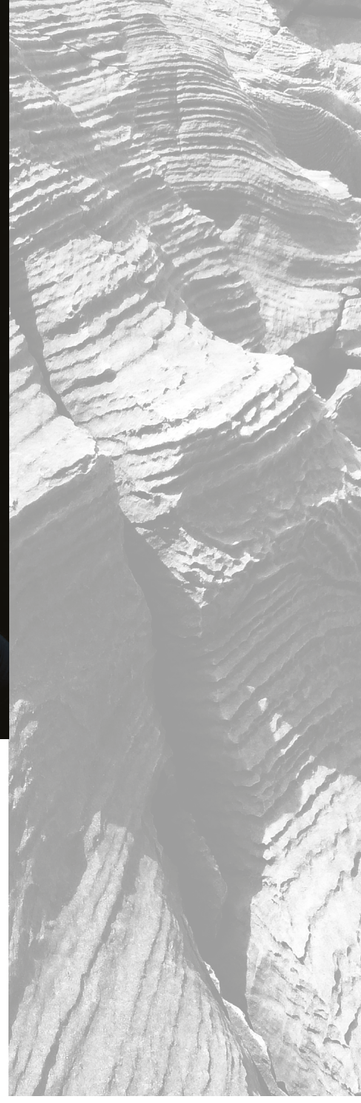
The Consolidated Financial Statements, comprised of the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and explanatory notes to the Consolidated Financial Statements give a true and fair view of the financial position and the results of operations and cash flows and corresponds to the accounting records of the Parent Company and the companies included in the consolidation.

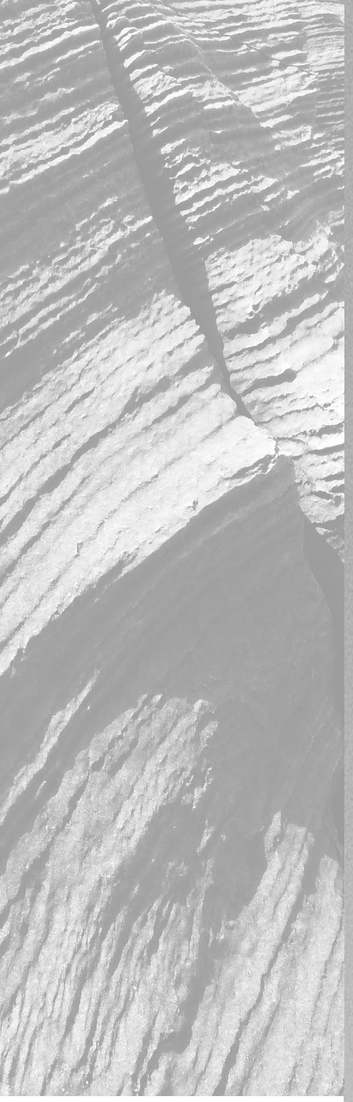
On behalf of the Board of Directors of Moncler S.p.A.

REMO RUFFINI
CHAIRMAN AND CHIEF EXECUTIVE OFFICER









3 Separate financial statements

SEPARATE FINANCIAL STATEMENTS P. 152
EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS P. 160

SEPARATE FINANCIAL STATEMENTS

Moncler S.p.A.
Registered office: Via Stendhal 47, MILAN – ITALY
Share capital: EUR 54,736,558.00 fully paid-in – Registration number CCIAA: MI-1763158
Tax code: 04642290961

This English version of the consolidated financial statements of Moncler Group constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. The official version of the financial statements, which was prepared in accordance with the aforementioned Regulation, has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

INCOME STATEMENT

(Euro)	Notes	2022	of which related parties (note 8.1)	2021	of which related parties (note 8.1)
Revenue	3.1	418,706,683	414,471,815	302,092,463	299,144,224
General and administrative expenses	3.2	(67,392,269)	(16,719,331)	(54,996,276)	(12,048,171)
Marketing expenses	3.3	(73,832,431)	(4,349,396)	(58,599,541)	(2,987)
Operating result		**277,481,983**		**188,496,646**	
Financial income	3.5	4,651	4,651	33,122	33,122
Financial expenses	3.5	(4,395,888)	(3,571,786)	(1,684,431)	(830,841)
Result before taxes		**273,090,746**		**186,845,337**	
Income taxes	3.6	5,744,959		(50,363,722)	
Net result		**278,835,705**		**136,481,615**	

COMPREHENSIVE INCOME

(Euro)	Note	2022	2021
Net profit (loss) for the period		278,835,705	136,481,615
Gains/(Losses) on fair value of hedge derivatives	4.16	0	0
Items that are or may be reclassified to profit or loss		0	0
Actuarial Gains/(Losses) on pension funds	4.16	22,825	(7,948)
Items that will never be reclassified to profit or loss		22,825	(7,948)
Other comprehensive income/(loss), net of tax		**22,825**	**(7,948)**
Total Comprehensive income/(loss)		**278,858,530**	**136,473,667**

FINANCIAL POSITION

(Euro)	Notes	31/12/2022	of which related parties (note 8.1)	31/12/2022	of which related parties (note 8.1)
Brands and other intangible assets - net	4.1	1,001,405,282		1,001,460,254	
Property, plant and equipment - net	4.3	6,749,883		6,957,036	
Investments in subsidiaries	4.4	948,755,953		924,669,525	
Other non-current assets	4.9	257,900		126,400	
Deferred tax assets	4.5	1,957,703		2,178,482	
Non-current assets		**1,959,126,721**		**1,935,391,697**	
Trade accounts receivable	4.6	1,910,103		1,219,240	
Intra-group accounts receivable	4.6	111,688,675	111,688,675	83,877,769	83,877,769
Other current assets	4.9	1,849,521		1,387,217	
Other current assets intra-group	4.9	28,000,606	28,000,606	4,110,773	4,110,773
Intra-group financial receivables	4.8	159,741	159,741	1,075,337	1,075,337
Cash and cash equivalent	**4.7**	**12,966,224**		**901,195**	
Current assets		**156,574,870**		**92,571,531**	
Total assets		**2,115,701,591**		**2,027,963,228**	
Share capital	4.16	54,736,558		54,736,558	
Premium reserve	4.16	745,308,990		745,308,990	
Other reserve	4.16	388,733,560		426,983,425	
Net result	4.16	278,835,705		136,481,615	
Equity		**1,467,614,813**		**1,363,510,588**	
Long-term borrowings	4.14	4,985,590		5,685,596	
Intra-group long-term borrowings	4.14	50,000,000	50,000,000	327,000,000	327,000,000
Provisions non-current	4.13	9,266,402		0	
Employees pension fund	4.12	1,825,276		1,658,378	
Deferred tax liabilities	4.5	4,914,807		220,014,187	
Non-current liabilities		**70,992,075**		**554,358,161**	
Short-term borrowings	4.14	1,146,328		1,077,384	
Intra-group short-term borrowings	4.14	444,114,569	444,114,569	38,610,403	38,610,403
Trade accounts payable	4.10	41,137,651		29,983,918	
Intra-group accounts payable	4.10	7,275,648	7,275,648	2,408,945	2,408,945
Tax liabilities	4.15	42,655,805		14,355,724	
Other current liabilities	4.11	16,845,378	3,752,387	12,008,839	3,630,802
Other current liabilities intra-group	4.11	23,919,324	23,919,324	11,649,266	11,649,266
Current liabilities		**577,094,703**		**110,094,479**	
Total liabilities and equity		**2,115,701,591**		**2,027,963,228**	

CHANGES IN EQUITY

(Euro)	Notes	Share capital	Premium reserve	Legal reserve	Other comprehensive income	Other reserves	Revaluation reserve	FTA reserves	Retained earnings	Result of the period	Net equity
						IFRS 2 reserve					
Shareholders' equity at 01/01/2021	**4.16**	**51,670,525**	**173,374,223**	**10,319,181**	**(193,452)**	**58,451,807**	**19,395**	**(20,638)**	**279,807,021**	**173,929,732**	**747,357,794**
Allocation of Last Year Result		0	0	14,924	0	0	66,568	0	173,848,240	(173,929,732)	0
Share capital and reserves increase		3,066,033	571,934,767	0	0	0	0	0	0	0	575,000,800
Dividends		0	0	0	0	0	0	0	(121,274,690)	0	(121,274,690)
Other movements in Equity		0	0	0	(7,948)	(23,472,071)	0	1,053	49,424,035	0	25,945,069
Result of the period		0	0	0	0	0	0	0	0	136,481,615	136,481,615
Shareholders' equity at 31/12/2021	**4.16**	**54,736,558**	**745,308,990**	**10,334,105**	**(201,400)**	**34,979,736**	**85,963**	**(19,585)**	**381,804,606**	**136,481,615**	**1,363,510,588**
Shareholders' equity at 01/01/2022	**4.16**	**54,736,558**	**745,308,990**	**10,334,105**	**(201,400)**	**34,979,736**	**85,963**	**(19,585)**	**381,804,606**	**136,481,615**	**1,363,510,588**
Allocation of Last Year Result		0	0	613,207	0	0	0	0	135,868,408	(136,481,615)	0
Share capital and reserves increase		0	0	0	0	0	0	0	0	0	0
Dividends		0	0	0	0	0	0	0	(161,288,158)	0	(161,288,158)
Other movements in Equity		0	0	0	22,825	26,097,047	0	0	(39,563,194)	0	(13,443,322)
Result of the period		0	0	0	0	0	0	0	0	278,835,705	278,835,705
Shareholders' equity at 31/12/2022	**4.16**	**54,736,558**	**745,308,990**	**10,947,312**	**(178,575)**	**61,076,783**	**85,963**	**(19,585)**	**316,821,662**	**278,835,705**	**1,467,614,813**

CASH FLOWS

(Euro/000)	2022	of which related parties (note 8.1)	2021	of which related parties (note 8.1)
Cash flow from operating activities				
Net result of the period	278,835,705		136,481,615	
Depreciation and amortization	2,173,448		1,351,600	
Net financial (income)/expenses	4,391,237		1,651,309	
Equity-settled share-based payment transactions	10,799,165		6,507,510	
Income tax expenses	(5,744,959)		50,363,722	
Changes in trade receivables - (Increase)/Decrease	(28,501,769)	(27,810,906)	50,980,920	51,942,353
Changes in trade payables - Increase/(Decrease)	15,893,747	4,866,703	15,072,092	2,367,148
Changes in other current assets/liabilities	3,924,394	121,586	8,496,403	3,188,956
Cash flow generated/(absorbed) from operating activities	**281,770,968**		**270,905,171**	
Interest paid	(4,259,534)		(1,449,348)	
Interest received	4,651		33,122	
Income tax paid	(241,954,657)		(78,659,157)	
Income tax received from fiscal consolidation	59,529,068	59,529,068	17,446,765	17,446,765
VAT received from Fiscal Consolidation	(761,345)	(761,345)	11,918,361	11,918,361
Changes in other non-current assets/liabilities	254,326		55,937	
Net cash flow from operating activities (a)	**94,583,477**		**220,250,851**	
Cash flow from investing activities				
Purchase of tangible and intangible fixed assets	(1,265,748)		(1,113,719)	
Stone Island transaction	0		(578,267,579)	
Net cash flow from investing activities (b)	**(1,265,748)**		**(579,381,298)**	
Cash flow from financing activities				
Repayment of current and non-current lease liabilities	(1,360,098)		(618,547)	
Borrowings variation, other than bank borrowings	129,419,761	129,419,762	419,035,978	418,973,761
Transaction related to equity	(48,351,741)		0	
Dividends paid to shareholders	(160,960,599)		(120,679,237)	
Net cash flow from financing activities (c)	**(81,252,677)**		**297,738,194**	
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**12,065,052**		**(61,392,253)**	
Cash and cash equivalents at the beginning of the period	**901,130**		**62,293,383**	
Net increase/(decrease) in cash and cash equivalents	**12,065,052**		**(61,392,253)**	
Cash and cash equivalents at the end of the period	**12,966,182**		**901,130**	

On behalf of the Board of Directors

REMO RUFFINI
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

1.1 MONCLER S.P.A.

Moncler S.p.A. (the "Company" or "Moncler") is a company established and domiciled in Italy, with its registered office located at Via Stendhal 47 Milan, Italy, and registration number of 04642290961.

The Company is de-facto indirectly controlled by Remo Ruffini through Ruffini Partecipazioni Holding S.r.l. (RPH) and Double R S.r.l. (DR, formerly Ruffini Partecipazioni S.r.l.): more specifically, Remo Ruffini owns the entire share capital of RPH, a company controlling DR which, in turn, as of 31 December 2022 holds a shareholding representing 23.8% of the share capital of Moncler S.p.A.

It is the Parent Company for the Moncler Group (hereinafter referred to as the "Group") and 51 other subsidiaries.

The main activity of the Company is the Moncler and Stone Island brands management, including increasing awareness through dedicated communication and marketing campaigns.

The Moncler Group companies run their businesses in accordance with the guidelines and the strategies set up by Moncler's Board of Directors.

The Company also prepares the Consolidated Financial Statements and the Management Report is a single document as permitted by. 40/2 bis, letter. B Legislative Decree 127/91.

1.2 BASIS FOR THE PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS

1.2.1 RELEVANT ACCOUNTING PRINCIPLES

The 2022 separate financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. IFRS also includes all International Accounting Standards ("IAS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

The financial statements include the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the explanatory notes to the financial statements.

1.2.2 PRESENTATION OF THE FINANCIAL STATEMENTS

The Company presents its income statement by destination, the method that is considered most representative for the business at hand. This method is in fact consistent with the internal reporting and management of the business.

With reference to the statement of financial position, a basis of presentation has been chosen which makes a distinction between current and non-current assets and liabilities, in accordance with the provisions of paragraph 60 and thereafter of IAS 1.

The statement of cash flows is prepared under the indirect method.

1.2.3 BASIS FOR MEASUREMENT

The financial statements have been prepared on the historical cost basis except for the measurement of certain financial instruments (i.e. derivative measured at fair value in accordance with IFRS 9) and on a going concern basis.

The financial statements are presented in thousand euros, which is the functional currency of the markets where the Company mainly operates.

The explanatory notes have been prepared in thousands of Euros unless stated otherwise.

1.2.4 DIRECTORS' ASSESSMENT ON THE ASSUMPTION OF BUSINESS CONTINUITY

Based on the results of the current year and forecasts for future years, the management believes that there are no factors rendering business continuity uncertain. In particular, the Companies's financial strength and its cash and cash equivalents at the end of the year guarantee a high level of financial independence to support Moncler's operational needs and development programmes. For 2023, business operations are fully guaranteed, both in terms of product offerings across the various markets and distribution channels and in the ability to manage and organise business activities.

1.2.5 USE OF ESTIMATES AND VALUATIONS

The preparation of the financial statements and the related explanatory notes in conformity with IFRS requires that management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date. The actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed periodically and any variation is reflected in the income statement in the period in which the estimate is revised if the revision affects only that period or even in subsequent periods if the revision affects both current and future periods.

In the event that management's estimate and judgment have a significant impact on the amounts recognised in the financial statements or in case that there is a risk of future adjustments on the amounts recognised for assets and liabilities in the period immediately after the reporting date, the following notes will include the relevant information.

The estimates pertain mainly to the following captions of the Consolidated Financial Statements:

- impairment of non-current assets with indefinite useful lives and investments;
- provision for losses and contingent liabilities.
- Incentive systems and variable remuneration.

RECOVERABLE AMOUNT OF NON-CURRENT ASSETS WITH INDEFINITE USEFUL LIVES AND INVESTMENTS ("IMPAIRMENT")
Management periodically reviews non-current assets, assets held for sale and investments in subsidiaries for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is estimated based on the present value of future cash flows expected to derive from the asset or from the sale of the asset itself, at a suitable discount rate.

When the recoverable amount of a non-current asset is less than its carrying amount, an impairment loss is recognised immediately in the income statement and the carrying amount is reduced to its recoverable amount determined based on value-in-use calculation or its sale's value in an arm's length transaction, with reference to the most recent Group business plan.

PROVISION FOR LOSSES AND CONTINGENT LIABILITIES
The Group could be subject to legal and tax litigations arising in the countries where it operates. Litigation is inevitably subject to risk and uncertainties surrounding the events and circumstances associated with the claims and associated with local legislation and jurisdiction. In the normal course of business, management requests advice from the Group legal consultants and tax experts. The recognition of a provision is based on management's best estimate when an outflow of resources is probable to settle the obligation and the amount can be reliably estimated. In those circumstances where the outflow of resources is possible or the amount of the obligation cannot be reliably measured, the contingent liabilities are disclosed in the notes to Consolidated Financial Statements.

INCENTIVE SYSTEMS AND VARIABLE REMUNERATION
For the description of the determination of the fair value of share-based incentive payments for the Moncler Group management, please see paragraph 2.9.

2 SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting principles set out below have been applied consistently for fiscal year 2022 and the prior year.

2.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at acquisition or manufacturing cost, not revalued net of accumulated depreciation and impairment losses ("impairment"). Cost includes original purchase price and all costs directly attributable to bringing the asset to its working condition for its intended use.

DEPRECIATION
Depreciation of property, plant and equipment is calculated and recognised in the income statement on a straight-line basis over the estimated useful lives as reported in the following table:

Category	Depreciation period
Land	No depreciation
Buildings	From 25 to 33 years
Plant and equipment	From 8 to 12 years
Fixtures and fittings	From 5 to 10 years
Electronic machinery and equipment	From 3 to 5 years
Leasehold improvements	Useful life of improvements
Rights of use	Lease period
Other fixed assets	Depending on market conditions generally within the expected utility to the entity

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will take ownership of the asset by the end of the lease term.

Depreciation methods, useful lives and residual value are reviewed at each reporting period and adjusted if appropriate.

GAIN/LOSSES ON THE DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT
Gains and losses on the disposal of property, plant and equipment represent the difference between the net proceeds and net book value at the date of sale. Disposals are accounted when the relevant transaction becomes unconditional.

2.2 INTANGIBLE ASSETS

BRANDS
Separately acquired brands are shown at historical cost. Brands acquired in a business combination are recognised at fair value at the acquisition date.

Brands have an indefinite useful life and are carried at cost less accumulated impairment. Brands are not amortised but subject to impairment test performed annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable.

For further details please refer to note 2.5 "Impairment of non-financial assets".

INTANGIBLE ASSETS WITH A DEFINITE USEFUL LIFE
Software (including licenses and separately identifiable external development costs) is capitalised as intangible asset at purchase price, plus any directly attributable cost of preparing that asset for its intended use. Software and other intangible assets that are acquired by the Group and have definite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

AMORTIZATION OF INTANGIBLE ASSETS WITH A DEFINITE USEFUL LIFE
Intangible assets with a definite useful life are amortised on a straight line basis over their estimated useful lives as described in the following table:

Category	Depreciation period
License rights	Based on market conditions within the licence period or legal limits to use the assets
Software	From 3 to 5 years
Other intangible assets	Based on market conditions generally within the period of control over the asset

2.3 NON-CURRENT ASSETS AVAILABLE FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets available for sale and discontinued operations are classified as available for sale when their values are recoverable mainly through a probable sale transaction. In such conditions, they are valued at the lower of their carrying value or fair value, net of cost to sell if their value is mainly recoverable through a sale transaction instead of continued use.

Discontinued operations are operations that:
— include a separate line of business or a different geographical area;
— are part of a single coordinated plan for the disposal of a separate major line of business or geographical area of activity;
— consist of subsidiaries acquired exclusively for the purpose of being sold.

In the income statement, non-current assets held for sale and disposal groups that meet the requirements of IFRS 5 to be defined as "discontinued operations", are presented in a single caption that includes both gains and losses, as well as losses or gains on disposal and the related tax effect. The comparative period is subsequently restated in accordance with IFRS 5.

As far as the financial position is concerned, non-current assets held for sale and disposal groups that meet the requirements of IFRS 5 are reclassified as current assets and liabilities in the period in which such requirements arise. The comparative financial statements are not restated nor reclassified.

2.4 INVESTMENTS

Investments in subsidiaries, associates and others are accounted for as follows:
— at cost, inclusive of any additional charges; or
— in accordance with IFRS 9.

The Company recognises dividends from subsidiaries, associates and others in its income statement when the right to receive such dividends has materialised.

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

At least once a year the Company verifies whether there is any indication that intangible assets with a definite useful life, property, plant and equipment and investments have become impaired. If such evidence exists, the carrying amount of the assets is reduced to its recoverable amount.

Assets with an indefinite useful life are not subject to amortisation and are tested annually or more frequently for impairment, whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

When the recoverable amount for individual asset cannot be reliably estimated, the Company determines the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The Group determines the value in use as the present value of future cash flows expected to be derived from the asset or from the cash-generating unit, gross of tax effects,

by applying an appropriate discount rate that reflects market time value of money and the risks inherent to the asset. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount.

With the exception of impairment losses recognised on goodwill, when the circumstances that led to the loss no longer exist, the carrying amount of the asset is increased to its recoverable amount and cannot exceed the carrying amount that would have been determined had there been no loss in value. The reversal of an impairment loss is recognised immediately in the income statement.

2.6 LEASED ASSETS

On 13 January 2016, the IASB published the new standard IFRS 16 Leases, which replaces IAS 17. This standard was endorsed by the European Union, with its publication on 9 November 2017. IFRS 16 is effective for financial statements commencing on or after 1 January 2019. The new standard eliminates the difference in the recognition of operating and finance leases, even despite elements that simplify its adoption, and introduces the concept of control in the definition of a lease. To determine whether a contract is a lease, IFRS 16 establishes that the contract must convey the right to control the use of an identified asset for a given period of time.
At the lease commencement date, the Company recognises the right of use asset and lease liability. The right of use asset is initially valued at cost, including the amount of the initial measurement of the lease liability, adjusted for the rent payments made on or before the commencement date, increased by the initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, net of the received lease incentives.

The right of use asset is amortised on a straight-line basis from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company at the end of the lease term. In this case, the right of use asset will be amortised over the useful life of the underlying asset, determined on the same basis as that of property and machinery. In addition, the right of use asset is regularly decreased for any impairment losses and adjusted to reflect any changes deriving from subsequent remeasurement of the lease liability.

The Company values the lease liability at the present value of the payments due for unpaid leases at the commencement date, discounting them using the interest rate implicit in the lease.
The payments due for the lease included in the measurement of the lease liability include:
— fixed payments (including substantially fixed payments);
— payments due for lease which depend on an index or rate, initially measured using an index or rate on the commencement date;
— amounts that are expected to be paid as a residual value guarantee; and
— the payments due for the lease in an optional renewal period if the Company is reasonably certain to exercise the renewal option, and early termination cancellation penalties, unless the Company is reasonably certain not to terminate the lease in advance.

The lease liability is measured at amortised cost using the effective interest criterion and remeasured in the event of a change in the future payments due for the lease deriving from a change in the index or rate, in the event of a change in the amount that the Company expects to pay as a guarantee on the residual value or when the Company changes its measurement with reference to the exercise or otherwise of a purchase, extension or cancellation option or in the event of revision of in-substance fixed payments due.

When the lease liability is remeasured, the lessee makes a corresponding change in right of use asset. If the right of use asset carrying value is reduced to zero, the lessee recognises the change in profit/(loss) for the year.

In the statement of financial position, the Company reports right of use assets that do not meet the definition of real estate investments in the item Property, plant and equipment and lease liabilities in the item Borrowings.

The Company recognises the related payments due for leases as a cost on a straight-line basis over the lease term.

For contracts signed before 1 January 2019, the Company established whether the agreement was or contained a lease by checking if:
— fulfilment of the agreement depended on the use of one or more specific assets; and
— the agreement transferred the right to use the asset.

Other assets subject to leases are classified as operating leases and are not recognised in the Company's statement of financial position. Payments relating to operating leases are recognised as a straight-line cost over the lease term, while incentives granted to the lessee are recognised as an integral part of the overall lease cost over the lease term.

2.7 FINANCIAL INSTRUMENTS

Trade receivables and debt securities issued are recognised when they are originated. All other financial assets and liabilities are initially recognised at the trade date, i.e., when the Company becomes a contractual party to the financial instrument.

Except for trade receivables that do not comprise a significant financing component, financial assets are initially measured at fair value plus or minus, in the case of financial assets or liabilities not measured at FVTPL, the transaction costs directly attributable to the acquisition or issue of the financial asset. At the time of initial recognition, trade receivables that do not have a significant financing component are valued at their transaction price.

On initial recognition, a financial asset is classified based on its valuation: at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit/(loss) for the period (FVTPL).

Financial assets are not reclassified after initial recognition, unless the Company changes its business model for managing financial assets. In that case, all the financial assets concerned are reclassified on the first day of the first reporting period following the change in business model.

A financial asset shall be measured at amortised cost if both of the following conditions are met and if it is not designated at FVTPL:
— the financial asset is held as part of a business model whose objective is to hold the financial assets in order to collect the related contractual cash flows; and
— the contractual terms of the financial asset provide for cash flows at certain dates consisting solely of payments of principal and interest on the amount of principal to be repaid.

At the time of subsequent measurement, assets belonging to this category are valued at amortised cost, using the effective interest rate. The effects of measurement are recognised among the financial income components. These assets are also subject to the impairment model described in the paragraph Trade receivables, financial assets and other current and non-current receivables.

A financial asset shall be measured at FVOCI if both of the following conditions are met and if it is not designated at FVTPL:
— the financial asset is held as part of a business model whose objective is achieved both through the collection of the contractual cash flows and through the sale of the financial assets; and
— the contractual terms of the financial asset provide for cash flows at certain dates consisting solely of payments of principal and interest on the amount of principal to be repaid.

On initial recognition of a security not held for trading, the Company may make an irrevocable choice to present subsequent changes in fair value in the other components of the comprehensive income statement. This choice is made for each asset.

At the time of subsequent measurement, the measurement made at the time of recognition is updated and any changes in fair value are recognised in the statement of comprehensive income. As for the category above, these assets are subject to the impairment model described in the paragraph Trade receivables, financial assets and other current and non-current receivables.

All financial assets not classified as valued at amortised cost or at FVOCI, as indicated above, are valued at FVTPL. All derivative financial instruments are included. On initial recognition, the Company may irrevocably designate the financial asset as measured at fair value through profit/(loss) for the period if this eliminates or significantly reduces a misalignment in accounting that would otherwise result from measuring the financial asset at amortised cost or at FVOCI.

At the time of subsequent measurement, financial assets measured at FVTPL are valued at fair value. Gains or losses arising from changes in fair value are recognised in the consolidated income statement in the period in which they are recognised under financial income/expenses.

Financial assets are derecognised from the financial statements when the contractual rights to receive cash flows from them expire, when the contractual rights to receive cash flows from a transaction in which all the risks and rewards of ownership of the financial asset are materially transferred or when the Company neither transfers nor retains materially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset.

Financial liabilities are classified as valued at amortised cost or at FVTPL. A financial liability is classified at FVTPL when it is held for trading, it represents a derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and any changes, including interest expense, are recognised in profit or loss for the period. Other financial liabilities are measured at amortised cost using the effective interest method. Interest expense and exchange rate gains/(losses) are recognised in profit or loss for the period, as are any gains or losses from derecognition.

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, other current and non-current assets and liabilities, investments, borrowings and derivative financial instruments.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and short-term deposits held with banks and most liquid assets that are readily convertible into cash and that have insignificant risk of change in value. Bank overdrafts are recorded under current liabilities on the Company's statement of financial position.

TRADE RECEIVABLES AND OTHER CURRENT AND NON-CURRENT RECEIVABLES

Trade and other receivables generated when the Company provides money, goods or services directly to a third party are classified as current assets, except for items with maturity dates greater than twelve months after the reporting date.

Receivables are valued if they have a fixed maturity, at amortised cost calculated using the effective interest method. When financial assets do not have a fixed maturity, they are valued at cost. Receivables with a maturity of over one year, which are non-interest bearing or which accrue interest below market rates, are discounted using market rates.

The financial assets listed above are valued based on the impairment model introduced by IFRS 9 or by adopting an expected loss model, replacing the IAS 39 framework, which is typically based on the valuation of the incurred loss.

For trade receivables, the Company adopts the so-called simplified approach, which does not require the recognition of periodic changes in credit risk, but rather the accounting of an Expected Credit Loss ("ECL") calculated over the entire life of the credit (so-called lifetime ECL).

In particular, the policy implemented by the Company provides for the stratification of trade receivables based on the days past due and an assessment of the solvency of the counterparty and applies different write-down rates that reflect the relative expectations of recovery. The Company then applies an analytical valuation of impaired receivables based on a debtor's reliability and ability to pay the due amounts.

The value of receivables is shown in the statement of financial position net of the related bad debt provision. Write-downs made in accordance with IFRS 9 are recognised in the consolidated income statement net of any positive effects associated with reversals of impairment.

TRADE PAYABLES AND OTHER CURRENT AND NON-CURRENT PAYABLES

Trade and other payables arise when the Company acquires money, goods or services directly from a supplier. They are included in current liabilities, except for items with maturity dates greater than twelve months after the reporting date.

Payables are stated, at initial recognition, at fair value, which usually comprises the cost of the transaction, inclusive of transaction costs. Subsequently, they are stated at amortised cost using the effective interest method.

FINANCIAL LIABILITIES

The classification of financial liabilities has not changed since the introduction of IFRS 9. Amounts due to banks and other lenders are initially recognised at fair value, net of directly attributable incidental costs, and are subsequently measured at amortised cost, applying the effective interest rate method. If there is a change in the expected cash flows, the value of the liabilities is recalculated to reflect this change on the basis of the present value of the new expected cash flows and the internal rate of return initially determined. Amounts due to banks and other lenders are classified as current liabilities, unless the Company has an unconditional right to defer their payment for at least 12 months after the reference date. Loans are classified as non-current when the company has an unconditional right to defer payments for at least twelve months from the reporting date.

DERIVATIVE INSTRUMENTS

Consistent with the provisions of IFRS 9, derivative financial instruments may be accounted for using hedge accounting only when:

- the hedged items and the hedging instruments meet the eligibility requirements;
- at the beginning of the hedging relationship, there is a formal designation and documentation of the hedging relationship, of the Company's risk management objectives and the hedging strategy;
- the hedging relationship meets all of the following effectiveness requirements:
  - there is an economic relationship between the hedged item and the hedging instrument;
  - the effect of credit risk is not dominant with respect to the changes associated with the hedged risk;
  - the hedge ratio defined in the hedging relationship is met, including through rebalancing actions, and is consistent with the risk management strategy adopted by the Company.

FAIR VALUE HEDGE

A derivative instrument is designated as fair value hedge when it hedges the exposure to changes in fair value of a recognised asset or liability, that is attributable to a particular risk and could affect profit or loss. The gain or loss on the hedged item, attributable to the hedged risk, adjusts the carrying amount of the hedged item and is recognised in the consolidated income statement.

CASH FLOW HEDGE

When a derivative financial instrument is designated as a hedging instrument for exposure to variability in cash flows, the effective portion of changes in fair value of the derivative financial instrument is recognised among the other components of the comprehensive income statement and stated in the cash flow hedge reserve. The effective portion of changes in fair value of the derivative financial instrument that is recognised in the other components of the comprehensive income statement is limited to the cumulative change in the fair value of the hedged instrument (at present value) since the inception of the hedge. The ineffective portion of changes in fair

value of the derivative financial instrument is recognised immediately in the profit/(loss) for the period.

If the hedge ceases to meet the eligibility criteria or the hedging instrument is sold, matures or is exercised, hedge accounting ceases prospectively. When hedge accounting for cash flow hedges ceases, the accrued amount in the cash flow hedge reserve remains in equity until, in the case of a hedge of a transaction that results in the recognition of a non-financial asset or non-financial liability, it is included in the cost of the non-financial asset or non-financial liability on initial recognition or, in the case of other cash flow hedges, it is reclassified in profit or loss for the period in the same period or periods in which the hedged expected future cash flows affects profit/(loss) for the period.

If no more hedged future cash flows are expected, the amount shall be reclassified immediately from the cash flow hedge reserve and the reserve for hedging costs to profit/(loss) for the period.

If hedge accounting cannot be applied, gains or losses arising from the fair value measurement of a derivative financial instrument are immediately recognised in income statement.

2.8 EMPLOYEE BENEFITS

Short-term employee benefits, such as wages, salaries, social security contributions, paid leave and annual leave due within twelve months of the statement of financial position date and all other fringe benefits are recognised in the year in which the service is rendered by the employee.

Benefits granted to employees which are payable on or after the termination of employment through defined benefit and contribution plans are recognised over the vesting period.

DEFINED BENEFIT SCHEMES

Defined benefit schemes are retirement plans determined based on employees' remuneration and years of service.

The Company's obligation to contribute to employees' benefit plans and the related current service cost is determined by using an actuarial valuation defined as the projected unit credit method. The cumulative net amount of all actuarial gains and losses are recognised in equity within other comprehensive income.

With reference to defined benefit plans, the increase in present value of the defined benefit obligation for employee service in prior periods (past service cost) is accounted as an expense on a straight-line basis over the average period until the benefits become vested.

The amount recognised as a liability under the defined benefit plans is the present value of the related obligation, taking into consideration expenses to be recognised in future periods for employee service in prior periods.

DEFINED CONTRIBUTION SCHEMES

Contribution made to a defined contribution plan is recognised as an expense in the income statement in the period in which the employees render the related service.

Up to 31 December 2006 Italian employees were eligible to defined benefit schemes referred as post-employment benefit ("TFR"). With the act n. 296 as of 27 December 2006 and subsequent decrees ("Pension Reform") issued in early 2007, the rules and the treatment of TFR scheme were changed. Starting from contribution vested on or after 1 January 2007 and not yet paid at the reporting date, referring to entities with more than 50 employees, Italian post-employment benefits is recognised as a defined contribution plan. The contribution vested up to 31 December 2006 is still recognised as a defined benefit plan and accounted for using actuarial assumptions.

2.9 SHARE-BASED PAYMENTS

The fair value at grant date of the incentives granted to employees in the form of share-based payments that are equity settled is usually included in expenses, with a matching increase in equity, over the period during which the employees obtain the incentives rights. The amount recognised as an expense is adjusted to reflect the actual number of incentives for which the continued service conditions are met and the achievement of non-market conditions, so that the final amount recognised as an expense is based on the number of incentives that fulfill these conditions at the vesting date. In case the incentives granted as share-based payments whose conditions are not to be considered to maturity, the fair value at the grant date of the share-based payment is measured to reflect such conditions. With reference to the non-vesting conditions, any differences between amounts at the grant date and the actual amounts will not have any impact on the financial statements.

The fair value of the amount payable to employees related to share appreciation rights, settled in cash, is recognised as an expense with a corresponding increase in liabilities over the period during which the employees unconditionally become entitled to receive the payment. The liability is measured at year-end and the settlement date based on the fair value of the share appreciation rights. Any changes in the fair value of the liability are recognised in profit or loss for the year.

2.10 PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and where the amount of the obligation can be reliably estimated.

Changes in estimates are recognised in the income statement in the period in which they occur.

2.11 REVENUE RECOGNITION

Based on the five-step model introduced by IFRS 15, the Group recognises revenues after identifying the contracts with its clients and the related services to be provided (transfer of goods and/or services), determining the consideration which it believes it is entitled to in exchange for the provision of each of these services and assessing the manner in which these services are provided (at a given time or over time). Variable components of the consideration are recognised in the financial statements only when it is highly probable that there will be no significant adjustment to the amount of revenue recognised in the future.

Royalties received from licensee are accrued as earned on the basis of the terms of the relevant royalty agreement which is typically based on sales volumes.

2.12 BORROWING COSTS

Borrowing costs are recognised on an accrual basis taking into consideration interest accrued on the net carrying amount of financial assets and liabilities using the effective interest rate method.

2.13 TAXATION

Tax expense recognised in the consolidated income statement represents the aggregate amount related to current tax and deferred tax.

Current tax is determined in accordance with enforced rules established by local tax authorities. Current taxes are recognised in the consolidated income statement for the period, except to the extent that the tax arises from transactions or events which are recognised directly either in equity or in other comprehensive income.

Deferred tax liabilities and assets are determined based on temporary taxable or deductible differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Current and deferred tax assets and liabilities are offset when income taxes are levied by the same tax authority and when there is a legally enforceable right to offset the amounts.

Deferred tax liabilities and assets are determined using tax rates that have been enacted by the reporting date and are expected to be enforced when the related deferred income tax asset is re-

alised or the deferred tax liability is settled. Deferred tax assets and liabilities are not discounted.

Deferred tax assets recognised on tax losses and on deductible differences are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Tax liabilities include the estimate of risks associated with uncertainties on the tax treatments adopted for determining income taxes in accordance with the new IFRIC 23. These uncertainties can arise from: i) unclear or complex tax rules; ii) changes in tax regulations or clarifications by tax authorities; iii) ongoing tax audits and/or disputes; iv) public information on ongoing tax assessments and/or disputes involving other entities.

2.14 FOREIGN CURRENCY

The amounts included in the financial statements of each Group company are prepared using the currency of the country in which the company conducts its business.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the exchange rate in effect at the transaction date. The assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rate prevailing at that date. Exchange differences arising from the conversion or settlement of these items due to different rates used from the time of initial recognition are recorded in the income statement.

2.15 FAIR VALUE

IFRS 13 is the only point of reference for the fair value measurement and related disclosures when such an assessment is required or permitted by other standards. Specifically, the principle defines fair value as the consideration received for the sale of an asset or the amount paid to settle a liability in a regular transaction between market participants at the measurement date. In addition, the new standard replaces and provides for additional disclosures required in relation to fair value measurements by other accounting standards, including IFRS 7.

IFRS 13 establishes a hierarchy that classifies within different levels the inputs used in the valuation techniques necessary to measure fair value. The levels, presented in a hierarchical order, are as follows:

- level 1: Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2: Fair values measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- level 3: Fair values measured using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

2.16 ACCOUNTING STANDARDS AND RECENTLY PUBLISHED INTERPRETATIONS

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE FROM 1 JANUARY 2022

Title	Issued date	Effective date	Endorsment date	EU regulation and date of publication
Annual Improvements to IFRS Standards 2018–2020 Cycle [Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41]	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021
Property, plant and equipment: proceeds before intended use (Amendments to IAS 16)	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021
Onerous contracts - Cost of fulfilling a contract (Amendments to IAS 37)	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021
Reference to the Conceptual Framework (Amendments to IFRS 3)	May 2020	1 January 2022	28 June 2021	(UE) 2021/1080 2 July 2021

The adoption of these amendments had no impacts on the Company financial statements.

NEW STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE AND NOT EARLY ADOPTED BY THE GROUP

At the date when these annual financial statements were prepared, the European Union's competent authorities concluded the approval process needed for the adoption of the accounting standards and amendments described below. With reference of the applicable principles, the Group has decided not to exercise the option of the early adoption, if applicable.

Title	Issued date	Effective date	Endorsment date	EU regulation and date of publication
IFRS 17 – Insurance contracts (including amendments published on 25 June 2020)	May 2017 June 2020	1 January 2023	19 November 2021	(UE) 2021/36 23 November 2021
Definition of accounting estimates (Amendments to IAS 8)	February 2021	1 January 2023	2 March 2022	(UE) 2022/357 3 March 2022
Disclosure of Accounting policies (Amendments and to IAS 1 IFRS Practice Statement 2)	February 2021	1 January 2023	2 March 2022	(UE) 2022/357 3 March 2022
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12 Income taxes)	May 2021	1 January 2023	11 August 2022	(UE) 2022/1392 12 August 2022
Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17)	December 2021	1 January 2023	8 September 2022	(UE) 2022/1491 9 September 2022

The adoption of these amendments had no impacts on the Company financial statements.

In addition, at the date of these financial statements, the competent bodies of the European Union had not yet completed their endorsement process for the following accounting standards and amendments:

Title	Issue Date	Effective date of IASB document	Approval date by EU
Standards			
IFRS 14 Regulatory Deferral Accounts	January 2014	1 January 2016	Postponed pending the conclusion of the IASB project on "rate-regulated activities".
Amendments			
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	September 2014	Deferred until the completion of the IASB project on the equity method	Postponed pending the conclusion of IASB project on the equity method
Classification of Liabilities as Current or Non-current (Amendments to IAS 1), and Non current liabilities with covenants (Amendments to IAS 1)	January 2020 July 2020 October 2022	1 January 2024	TBD
Lease liability in a sale and leaseback (Amendments to IFRS 16)	September 2022	1 January 2024	TBD

The Company will comply with these new standards and amendments based on their relevant effective dates when endorsed by the European Union and it will evaluate their potential impacts on the Financial Statements.

3 COMMENTS ON THE INCOME STATEMENT

3.1 REVENUE

The company's revenues mainly include royalty income from the use of Moncler trademark and Stone Island trademark.

The increase of EUR 116,614 thousand compared with the previous year is due to the first year of royalties relating to the Stone Island brand and to the increase in business volumes.

3.2 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses amounted to EUR 67,392 thousand (EUR 54,996 thousand in 2021) and primarily include designing and product development expenses in the amount of EUR 16,924 thousand (EUR 12,755 thousand in 2021), the personnel expenses of other functions in the amount of EUR 14,722 thousand (EUR 13,401 thousand in 2021), legal, financial and administrative expenses in the amount of EUR 3,817 thousand (EUR 3,327 thousand in 2021), directors' fees in the amount of EUR 8,077 thousand (EUR 6,907 thousand in 2021), auditing and attestation service, statutory auditors expenses, costs for supervisory body and internal audit in the amount of EUR 543 thousand (EUR 499 thousand in 2021).

This item also includes costs related to stock-based compensation plans for EUR 10,891 thousand (EUR 6,663 thousand in 2021).

3.3 MARKETING EXPENSES

Marketing expenses amounted to EUR 73,832 thousand (EUR 58,600 thousand in 2021) and are mostly made up of expenses related to media-plan and events.

3.4 PERSONNEL EXPENSES, DEPRECIATION AND AMORTISATION

The total personnel expenses, included under general and administrative expenses, amounted to EUR 18,976 thousand (EUR 16,533 thousand in 2021) including social security contribution and leaving indemnity expenses.

The average number of FTE ("full-time-equivalent") in 2022 was 166 (129 in 2021).

In 2022 depreciation and amortisation, again included under general and administrative expenses, amounted to EUR 2,173 thousand (EUR 1,352 thousand in 2021).

3.5 FINANCIAL INCOME AND EXPENSES

The caption is broken down as follows:

(Euro/000)	2022	2021
Interest income and other financial income	5	33
Foreign currency differences - positive	0	0
Total financial income	**5**	**33**
Interests expenses and bank charges	(4,186)	(1,439)
Foreign currency differences - negative	(127)	(225)
Total financial expenses	**(4,313)**	**(1,664)**
Total net excluded interests on lease liabilities	**(4,308)**	**(1,631)**
Interests on lease liabilities	(83)	(20)
Total net	**(4,391)**	**(1,651)**

In 2022 the item Interest expense mainly refers to interest accrued on the loan received from the subsidiary Industries S.p.A.

In 2022 and 2021 the company did not received dividends.

3.6 INCOME TAX

The tax impact on the income statement is detailed as follows:

(Euro/000)	2022	2021
Current income taxes	(209,134)	(49,861)
Deferred tax income (expenses)	214,879	(503)
Income taxes charged in the income statement	**5,745**	**(50,364)**

On 28 June 2022, the Board of Directors of Moncler S.p.A. approved the realignment of the tax value of the Stone Island brand to its statutory value, opting for the regime pursuant to Art. 15 of Italian Decree Law 185/2008; this option entailed the payment of a substitute tax for 16% of the brand's value, equal to EUR 124.1 million, registered under current taxes and the release of EUR 216.4 million in previously-recognised deferred taxes payable. The net positive effect of the transaction was thus EUR 92.3 million.

For the breakdown of deferred tax assets and liabilities by nature, please see paragraph 4.5.

The reconciliation between the theoretical tax burden by applying the theoretical rate of the Parent Company, and the effective tax burden is shown in the following table:

RECONCILIATION THEORETIC-EFFECTIVE TAX RATE

(Euro/000)	Taxable Amount 2022	Tax Amount 2022	Tax Rate 2022	Taxable Amount 2021	Tax Amount 2021	Tax Rate 2021
Profit before tax	**273,091**			**186,846**		
Income tax using the Company's theoretic tax rate		(65,542)	24.0%		(44,843)	24.0%
Temporary differences		1,298	0.5%		330	(0.2)%
Permanent differences		(101)	(0.0)%		1,879	(1.0)%
Other differences		(144,789)	(53.0)%		(7,227)	3.9%
Deferred taxes recognized in the income statement		214,879	78.7%		(503)	0.3%
Income tax at effective tax rate		**5,745**	**(2.1)%**		**(50,364)**	**27.0%**

The caption Other differences in 2021 includes current IRAP and, in 2022, the substitute tax paid in relation to the realignment of the Stone Island trademark's tax value to the statutory value.

4 COMMENTS ON THE STATEMENT OF FINANCIAL POSITION

4.1 BRANDS AND OTHER INTANGIBLE ASSETS

BRANDS AND OTHER INTANGIBLE ASSETS

(Euro/000)	2022 Gross value	Accumulated depreciation and impairment	Net value	2021 Net value
Brands	999,354	0	999,354	999,354
Software	641	(483)	158	203
Other intangible assets	9,614	(7,721)	1,893	1,903
Total	**1,009,609**	**(8,204)**	**1,001,405**	**1,001,460**

Intangible assets changes for the years 2022 and 2021 are shown in the following tables:

As at 31 December 2022

GROSS VALUE BRANDS AND OTHER INTANGIBLE ASSETS

(Euro/000)	Brands	Software	Other intangible assets	Total
01/01/2022	**999,354**	**641**	**8,788**	**1,008,783**
Acquisitions	0	0	826	826
Disposals	0	0	0	0
Impairment	0	0	0	0
Other movements, including transfers	0	0	0	0
31/12/2022	**999,354**	**641**	**9,614**	**1,009,609**

ACCUMULATED AMORTIZATION BRANDS AND OTHER INTANGIBLE ASSETS

(Euro/000)	Brands	Software	Other intangible assets	Total
01/01/2022	**0**	**(438)**	**(6,885)**	**(7,323)**
Depreciation	0	(45)	(836)	(881)
Disposals	0	0	0	0
Other movements, including transfers	0	0	0	0
31/12/2022	**0**	**(483)**	**(7,721)**	**(8,204)**

As at 31 December 2021

GROSS VALUE BRANDS AND OTHER INTANGIBLE ASSETS

(Euro/000)	Brands	Software	Other intangible assets	Total
01/01/2021	**223,900**	**434**	**7,898**	**232,232**
SPW Incorporation	775,454	0	0	775,454
Acquisitions	0	207	874	1,081
Disposals	0	0	0	0
Impairment	0	0	0	0
Other movements, including transfers	0	0	16	16
31/12/2021	**999,354**	**641**	**8,788**	**1,008,783**

ACCUMULATED AMORTIZATION BRANDS AND OTHER INTANGIBLE ASSETS

(Euro/000)	Brands	Software	Other intangible assets	Total
01/01/2021	**0**	**(427)**	**(6,170)**	**(6,597)**
Depreciation	0	(11)	(715)	(726)
Disposals	0	0	0	0
Other movements, including transfers	0	0	0	0
31/12/2021	**0**	**(438)**	**(6,885)**	**(7,323)**

4.2 IMPAIRMENT OF INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE

The caption Brands, which has an indefinite useful life, has not been amortised, but has been tested for impairment by management.

The impairment tests on the Moncler brand and on the Stone Island brand were performed by comparing its carrying value with that derived from the discounted cash flow method applying the Royalty Relief Method, based on which the cash flows are linked to the recognition of a royalty percentage applied to revenues that the brand is able to generate.

For the 2022 valuation of the Moncler brand, the expected cash flows and revenues are based on the 2023 Budget approved by the Board of Directors on 2 February 2023, for the year 2024 on the 2022-2024 Business Plan approved by the Board of Directors on 24 February 2022 and for 2025-2027 on the basis of management estimates consistent with the expected development plans.

For the 2022 valuation of the Stone Island brand, the expected cash flows and revenues are based on the 2023 Budget approved by the Board of Directors on 2 February 2023 and for the years from 2024-2027 on the basis of management estimates consistent with the expected development plans.

The "g" rate used was 2.5%.

The discount rate was calculated using the Weighted Average Cost of Capital (WACC), by weighting the expected rate of return on invested capital, net of hedging costs from a sample of companies within the same industry. The calculation took into account fluctuation in the market as compared to the previous year and the resulting impact on interest rates. The weighted average cost of capital (WACC) was calculated at 8.8% for the Moncler brand and at 9.3% for Stone Island.

The results of the sensitivity analysis indicated that the carrying amount of the Moncler brand is in line with the benchmark with a "g" rate = 0% and WACC = 94.5% and the carrying amount of the Stone Island brand with a "g" rate = 0% and WACC = 8.0%

4.3 PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT

(Euro/000)	2022 Gross value	Accumulated depreciation and impairment	Net value	2021 Net value
Land and buildings	7,665	(1,749)	5,916	6,421
Plant and Equipment	123	(114)	9	13
Fixtures and fittings	234	(171)	63	88
Leasehold improvements	114	(45)	69	79
Other fixed assets	928	(691)	237	330
Assets in progress	456	0	456	26
Total	**9,520**	**(2,770)**	**6,750**	**6,957**

The changes in property, plant and equipment for 2022 and 2021 is included in the following tables:

As at 31 December 2022

GROSS VALUE PROPERTY, PLANT AND EQUIPMENT

(Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
01/01/2022	**7,160**	**123**	**234**	**106**	**833**	**26**	**8,482**
Acquisitions	609	0	0	8	138	430	1,185
Disposals	(104)	0	0	0	(43)	0	(147)
Other movements, including transfers	0	0	0	0	0	0	0
31/12/2022	**7,665**	**123**	**234**	**114**	**928**	**456**	**9,520**

ACCUMULATED DEPRECIATION AND IMPAIRMENT PPE

(Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
01/01/2022	**(739)**	**(110)**	**(146)**	**(27)**	**(503)**	**0**	**(1,525)**
Depreciation	(1,045)	(4)	(25)	(18)	(200)	0	(1,292)
Disposals	35	0	0	0	12	0	47
Other movements, including transfers	0	0	0	0	0	0	0
31/12/2022	**(1,749)**	**(114)**	**(171)**	**(45)**	**(691)**	**0**	**(2,770)**

As at 31 December 2021

GROSS VALUE PROPERTY, PLANT AND EQUIPMENT

(Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
01/01/2021	**1,629**	**5**	**0**	**4**	**459**	**16**	**2,113**
SPW Incorporation	4,792	118	234	102	91	0	5,337
Acquisitions	1,384	0	0	0	288	33	1,705
Disposals	(645)	0	0	0	(12)	0	(657)
Other movements, including transfers	0	0	0	0	7	(23)	(16)
31/12/2021	**7,160**	**123**	**234**	**106**	**833**	**26**	**8,482**

ACCUMULATED DEPRECIATION AND IMPAIRMENT PPE

(Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
01/01/2021	**(440)**	**(5)**	**0**	**(2)**	**(265)**	**0**	**(712)**
SPW Incorporation	(41)	(105)	(146)	(24)	(87)	0	(403)
Depreciation	(461)	0	0	(1)	(163)	0	(625)
Disposals	203	0	0	0	12	0	215
Other movements, including transfers	0	0	0	0	0	0	0
31/12/2021	**(739)**	**(110)**	**(146)**	**(27)**	**(503)**	**0**	**(1,525)**

The changes related to the right of use assets arising from the application of the IFRS 16 are reported here below:

RIGHT OF USE ASSETS

(Euro/000)	Land and buildings	Other fixed assets	Total
01/01/2022	**6,421**	**259**	**6,680**
Acquisitions	609	137	746
Disposals	(70)	(30)	(100)
Depreciation	(1,044)	(162)	(1,206)
31/12/2022	**5,916**	**204**	**6,120**

4.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are detailed in the following table:

INVESTMENTS IN SUBSIDIARIES

(Euro/000)	Country	% ownership 31/12/2022	31/12/2022	Carrying amount 31/12/2022	31/12/2022
Industries S.p.A.	Italia	100%	100%	356,374	332,772
Sportswear Company S.p.A.	Italia	100%	100%	592,382	591,898
Total				**948,756**	**924,670**

Financial information related to the subsidiaries are detailed in the following table:

SUMMARY OF SUBSIDIARY'S FINANCIAL INFORMATION

(Euro/000)	31/12/2022 Assets	Liabilities	Net equity	Revenues	Profit/(Loss)
Industries S.p.A.	1,904,017	795,233	1,108,784	1,351,046	150,154
Sportswear Company S.p.A.	328,550	113,675	214,875	327,225	40,751
Total	**2,232,567**	**908,908**	**1,323,659**	**1,678,271**	**190,905**

SUMMARY OF SUBSIDIARY'S FINANCIAL INFORMATION

(Euro/000)	31/12/2021 Assets	Liabilities	Net equity	Revenues	Profit/(Loss)
Industries S.p.A.	1,730,773	799,962	930,811	1,081,382	92,061
Sportswear Company S.p.A.	272,964	98,256	174,708	317,951	62,703
Total	**2,003,737**	**898,218**	**1,105,519**	**1,399,333**	**154,764**

The carrying amounts of the investments in Industries S.p.A. and Sportswear Company S.p.A. also include the greater value recognised upon their acquisition (2008 and 2021), allocated to the goodwill associated with the Moncler and the Stone Island businesses, respectively.

At the reporting date, management found that there were no risks of impairment of the amounts recognised, based on the performance of the Moncler and Stone Island businesses and expectations of the development plans. These considerations are also supported by the impairment tests carried out on the Moncler and Stone Island business cash generating units described in the Moncler Group's consolidated financial statements. The increase in the value of the investment was due to the accounting treatment of the stock option and performance share plans adopted by the Company and described in section 8.2.

Furthermore, the market capitalisation of the Company, based on the average price of Moncler share in 2022, shows a positive difference with respect to the net equity, indirectly confirming the value of the goodwill.

Please refer to the Consolidated Financial Statements for a complete list of the Group companies directly and indirectly controlled by the Company.

4.5 DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities are offset only when there is a law within a given tax jurisdiction which provides for such right to offset. The balances were as follows as at 31 December 2022 and 31 December 2021:

DEFERRED TAXATION

(Euro/000)	31/12/2022	31/12/2021
Deferred tax assets	1,958	2,178
Deferred tax liabilities	(4,915)	(220,014)
Net amount	**(2,957)**	**(217,836)**

Changes in deferred tax assets and deferred tax liabilities are detailed in the following table:

DEFERRED TAX ASSETS (LIABILITIES)

(Euro/000)	Opening balance 01/01/2022	Taxes charged to the income statement	Taxes accounted for in Equity	Other movements	Closing balance 31 December 2022
Tangible assets	2	(2)	0	0	0
Employee benefits	34	0	0	0	34
Other temporary items	2,142	(218)	0	0	1,924
Tax assets	**2,178**	**(220)**	**0**	**0**	**1,958**
Intangible assets	(217,599)	215,099	0	0	(2,500)
Financial assets	(2,415)	0	0	0	(2,415)
Tax liabilities	**(220,014)**	**215,099**	**0**	**0**	**(4,915)**
Net deferred tax assets (liabilities)	**(217,836)**	**214,879**	**0**	**0**	**(2,957)**

DEFERRED TAX ASSETS (LIABILITIES)

(Euro/000)	Opening balance 01/01/2021	Taxes charged to the income statement	Taxes accounted for in Equity	Other movements	Closing balance 31/12/2021
Tangible assets	4	(1)	0	(1)	2
Employee benefits	35	0	0	(1)	34
Other temporary items	1,390	751	0	1	2,142
Tax assets	**1,429**	**750**	**0**	**(1)**	**2,178**
Intangible assets	5	(1,253)	0	(216,351)	(217,599)
Financial assets	(2,415)	0	0	0	(2,415)
Tax liabilities	**(2,410)**	**(1,253)**	**0**	**(216,351)**	**(220,014)**
Net deferred tax assets (liabilities)	**(981)**	**(503)**	**0**	**(216,352)**	**(217,836)**

The taxable amount on which deferred tax has been calculated is detailed in the following table:

DEFERRED TAX ASSETS (LIABILITIES)

(Euro/000)	Taxable amount 2022	Closing balance 31/12/2022	Taxable amount 2021	Closing balance 31/12/2021
Tangible assets	0	0	5	2
Employee benefits	143	34	143	34
Other temporary items	8,015	1,924	8,928	2,142
Tax assets	**8,158**	**1,958**	**9,076**	**2,178**
Intangible assets	(8,960)	(2,500)	(779,925)	(217,599)
Financial assets	(10,064)	(2,415)	(10,064)	(2,415)
Tax liabilities	**(19,024)**	**(4,915)**	**(789,989)**	**(220,014)**
Net deferred tax assets (liabilities)	**(10,866)**	**(2,957)**	**(780,913)**	**(217,836)**

The caption other temporary items mainly refers to the Directors' remunerations.

4.6 TRADE RECEIVABLES

TRADE RECEIVABLES

(Euro/000)	31/12/2022	31/12/2022
Trade receivables, third parties	1,910	1,219
Trade receivables, intra-group	111,689	83,878
Total, net value	**113,599**	**85,097**

Trade receivables are originated from the marketing and communication operations of the Company related to the brand development and Group operations and are mostly considered intercompany transactions.

There are no trade receivables with a due date greater than five years. There is no difference between the book value and the fair value of trade receivables.

Trade receivables from Group companies mainly relates to the receivable from the subsidiaries Industries S.p.A. and Sportswear Company S.p.A. resulting from the royalties for the use of the Moncler and Stone Island trademarks.

These receivables do not present collectability risks.

4.7 CASH AND CASH EQUIVALENT

As at 31 December 2022, the caption cash and cash equivalent amounted to EUR 12,966 thousand (EUR 901 thousand as at 31 December 2021) and includes funds available at banks. Please refer to the statement of cash flows for further information related to cash fluctuation.

CASH AND CASH EQUIVALENTS INCLUDED IN THE STATEMENT OF CASH FLOW

(Euro/000)	31/12/2022	31/12/2021
Cash in hand and at the bank	12,966	901
Total	**12,966**	**901**

4.8 INTRA-GROUP FINANCIAL RECEIVABLES

The financial receivables item, amounting to EUR 160 thousand, relates to the financial receivable from Stone Island Retail S.r.l. In 2021 (Euro 1,075 thousand) the item referred to the receivable for the financial settlement of the partial demerger transaction.

4.9 OTHER CURRENT AND NON-CURRENT ASSETS

OTHER CURRENT ASSETS

(Euro/000)	31/12/2022	31/12/2021
Advances on account to vendors	60	872
Prepaid expenses	1,434	391
Tax receivables excluding income taxes	258	114
Other current assets	944	10
Other current assets, intra-group	27,154	4,111
Total other current assets	**29,850**	**5,498**
Security / guarantees deposits	148	126
Other non-current assets	110	0
Other non-current assets	**258**	**126**
Total	**30,108**	**5,624**

The caption other current taxes consists mainly of the receivable due from the tax authority related to IRES receivable for personnel expenses not deducted for IRAP purposes as well as the VAT receivable.

The caption other current assets, intra-group includes mainly amounts related to the fiscal consolidation and VAT consolidation; the same caption in 2021 included mainly amounts related to fiscal consolidation.

Deposits are mostly related to the amounts paid on behalf of the lessee as a guarantee to the lease agreement.

There are no differences between the amounts included in the Consolidated Financial Statements and their fair values.

4.10 TRADE PAYABLES

As at 31 December 2022, the caption trade payables pertains mostly to marketing and communication services.

TRADE PAYABLES

(Euro/000)	31/12/2022	31/12/2021
Trade payables, third parties	41,138	29,984
Trade payables, intra-group	7,276	2,409
Total	**48,414**	**32,393**

Details of the transactions with subsidiaries are provided in the note 8.1 on related parties

4.11 OTHER CURRENT LIABILITIES

As at 31 December 2022, the caption other current liabilities included the following:

OTHER CURRENT LIABILITIES

(Euro/000)	31/12/2022	31/12/2021
Directors and audit related payables	3,752	3,631
Amounts payable to employees and consultants	4,079	4,269
Employees taxation payables	1,158	1,399
Other current liabilities	7,857	2,710
Other current liabilities, intra-group	23,919	11,649
Total	**40,765**	**23,658**

As at 31 December 2022 the caption other current liabilities, intra-group mainly included the amounts related to the fiscal and VAT consolidation and in 2021 it included the amounts related to VAT consolidation. For additional information please see note 8.1.

4.12 EMPLOYEES PENSION FUND

As at 31 December 2022, the caption includes the employee pension fund as detailed in the following table:

EMPLOYEES PENSION FUNDS - MOVEMENTS

(Euro/000)	31/12/2022	31/12/2021
Net recognized liability - opening	1,658	1,619
SPW Incorporation	0	45
Interest costs	10	5
Service costs	615	547
Payments	(435)	(566)
Actuarial (Gains)/Losses	(23)	8
Net recognized liability - closing	**1,825**	**1,658**

The actuarial valuation of employee termination benefits (TFR) is based on the Projected Unit Credit Cost method. Reported below are the main economic and demographic assumptions utilised for actuarial valuations.

Assumptions	
Discount rate	2.65%
Inflation rate	2.80%
Nominal rate of wage growth	2.80%
Labour turnover rate	19.00%
Probability of request of advances of TFR	3.80%
Percentage required in case of advance	70.00%
Life Table - Male	M2019 (*)
Life Table - Female	F2019 (*)

(*) Table ISTAT - resident population

The following table shows the effect of variations, within reasonable limits, in key actuarial assumptions on defined benefit plan obligations at year end.

SENSITIVITY ANALYSIS

(Euro/000)	Variation
Discount rate (+0.5%)	(41)
Discount rate (-0.5%)	42
Rate of payments Increases x (+0.5%)	1
Rate of payments Increases x (-0.5%)	(1)
Rate of Price Inflation Increases (+0.5%)	32
Rate of Price Inflation Decreases (-0.5%)	(31)
Rate of Salary Increases (+0.5%)	15
Rate of Salary Decreases (-0.5%)	(14)
Increase the retirement age (+1 year)	0
Decrease the retirement age (-1 year)	(0)
Increase longevity (+1 year)	0
Decrease longevity (-1 year)	(0)

4.13 PROVISIONS NON-CURRENT

The item Provisions non-current includes the provision for the possible repayment of the research and development tax credit referring to the years 2015-2019 by virtue of Resolution No. 41 of 26 July 2022, in which the Italian Revenue Agency revises its position on eligibility for the benefit.

4.14 FINANCIAL LIABILITIES

BORROWINGS

(Euro/000)	31/12/2022	31/12/2021
Short-term financial lease liabilities	1,146	1,077
Intra-group short-term borrowings	444,115	38,610
Short-term borrowings	**445,261**	**39,687**
Long-term financial lease liabilities	4,986	5,686
Intra-group long-term borrowings	50,000	327,000
Long-term borrowings	**54,986**	**332,686**
Total	**500,247**	**372,373**

Borrowings amounted to EUR 500,247 thousand (EUR 372,373 thousand in 2021) and refer to the financial debt with Industries S.p.A. and with Sportswear Company S.p.A. and to the financial lease liabilities.

Financial lease liabilities are detailed in the following table:

FINANCIAL LEASE LIABILITIES

(Euro/000)	
Short-term financial lease liabilities	1,146
Long-term financial lease liabilities	4,986
Total	**6,132**

The changes in financial lease liabilities during 2022 are reported in the following table:

(Euro/000)	IFRS 16	Ex IAS17	Financial lease liabilities
01/01/2022	**6,763**	**0**	**6,763**
Acquisitions	646	0	646
Disposals	(1,360)	0	(1,360)
Financial expenses	83	0	83
Other movements, including transfers	0	0	0
31/12/2022	**6,132**	**0**	**6,132**

The following table shows the breakdown of the long-term borrowings in accordance with their maturity date:

AGEING OF THE LONG-TERM BORROWINGS

(Euro/000)	31/12/2022	31/12/2021
Within 2 years	1,074	1,032
From 2 to 5 years	51,958	329,199
Beyond 5 years	1,954	2,455
Total	**54,986**	**332,686**

The non-discounted cash flows referring to the lease liabilities are shown below.

AGEING OF THE LEASE LIABILITIES NOT DISCOUNTED

(Euro/000)	31/12/2022	31/12/2021
Within 1 year	1,222	1,155
From 1 to 5 years	3,224	3,443
Beyond 5 years	2,009	2,538
Total	**6,455**	**7,136**

4.15 TAX ASSETS AND LIABILITIES

Tax liabilities amount to EUR 42,656 thousand as at 31 December 2022, net of current tax assets (EUR 14,356 thousand as at 31 December 2021). The balance pertains to IRES and IRAP payable.

4.16 SHAREHOLDERS' EQUITY

As at 31 December 2022 the subscribed share capital constituted by 273,682,790 shares was fully paid and amounted to EUR 54,736,558 with a nominal value of EUR 0.20 per share.

Changes in shareholders' equity for 2022 and the comparative period are included in the consolidated statements of changes in equity.

As at 31 December 2022, 4,858,416, treasury shares were held, equal to 1.8% of the share capital, for a total value of EUR 186,164 thousand.

The change in the IFRS 2 reserve is due to the accounting treatment of the performance share plans, i.e., to the recognition of the figurative cost for the period relating to these plans and the reclassification to retained earnings of the cumulative figurative cost of the plans already closed.

The change in retained earnings mainly relates to the allocation of 2021 result, the dividend distributions and the above-mentioned reclassification of the IFRS 2 reserve. It also includes the purchase of treasury shares, net of the amount used to service the Performance shares plans.

In 2022 the Company distributed dividends to the shareholders for an amount of EUR 161,288 thousand, of which EUR 160,960 thousand paid in 2022 (Euro 121,275 thousand in 2021, of which EUR 120,684 thousand paid in 2021).

The caption FTA reserve includes the effects of the initial application of the IFRS 16.

The following table includes details about how the shareholders reserve should be used:

INFORMATION ON RESERVES

(Euro)	Amount	Possible use	Available amount	Non-available amount	Amounts used in the previous 3 years to hedge losses	Amounts used in the previous 3 years for other reason
Share capital	54,736,558	-	-	54,736,558	-	-
Reserves:						
Legal reserve	10,947,312	B	-	10,947,312	-	-
Share premium	745,308,990	A, B, C	745,308,990(*)	-	-	-
OCI Reserve	(178,575)	-	-	(178,575)	-	-
Revaluation reserve	85,963	A, B	85,963	-	-	-
FTA Reserve	(19,585)	A, B, C	-	(19,585)	-	-
IFRS 2 Reserve	61,076,783	A, B, C	61,076,783	-	-	-
Retained earnings	316,821,662	A, B, C	316,643,087	178,575	-	272,163,256
Total share capital and reserves	**1,188,779,108**		**1,123,114,823**	**65,664,285**	-	**272,163,256**
Non distributable amount			**0**			
Distributable remaining amount			**1,123,114,823**			

Explanation: A share capital increase - B hedge of losses - C distribution to the shareholders
(*) Share premium reserve entirely available after allocating to legal reserve up to 20% of the share capital

In view of the realignment of the Moncler trademark's tax value to the statutory value, as required by Law Decree 104/2020 (the so-called "August" Decree), art. 110, par. 8, the Retained earnings reserve has been appointed as deferred tax reserve for an amount equal to EUR 217,150,636.

The caption OCI ("Other Comprehensive Income") reserve includes the actuarial risks related to the employee pension fund.

Changes in that reserve are as follows:

OTHER COMPREHENSIVE INCOME

(Euro/000)	Employees pension fund - actuarial valuation			Fair value IRS		
	Value before tax effect	Tax effect	Value after tax effect	Value before tax effect	Tax effect	Value after tax effect
Reserve as at 01/01/2021	**(231)**	**38**	**(193)**	**0**	**0**	**0**
Reclassification to Other reserves	0	0	0	0	0	0
Changes in the period	(8)	0	(8)	0	0	0
Translation differences of the period	0	0	0	0	0	0
Reversal in the income statement of the period	0	0	0	0	0	0
Reserve as at 31/12/2021	**(239)**	**38**	**(201)**	**0**	**0**	**0**
Reserve as at 01/01/2022	**(239)**	**38**	**(201)**	**0**	**0**	**0**
Reclassification to Other reserves	0	0	0	0	0	0
Changes in the period	23	0	23	0	0	0
Translation differences of the period	0	0	0	0	0	0
Reversal in the income statement of the period	0	0	0	0	0	0
Reserve as at 31/12/2022	**(216)**	**38**	**(178)**	**0**	**0**	**0**

5 COMMITMENTS AND GUARANTEES GIVEN

5.1 COMMITMENTS

The Company does not have significant commitments arising from operating lease contract or other contractual cases that do not fall within the scope of IFRS 16.

5.2 GUARANTEES GIVEN

As at the date of the financial statements, the Company had no guarantees toward the Group companies nor third parties.

6 CONTINGENT LIABILITY

The Company is subject to risks which may arise during the performance of its ordinary activities. Based on information available to date, management believes that there currently are no contingent liabilities that need to be accrued in the financial statements.

7 INFORMATION ABOUT FINANCIAL RISKS

The Company's financial instruments include cash and cash equivalents, loans, receivables and trade payables and other current receivables and payables and non-current assets as well as derivatives.

The Company is mostly exposed to interest rate risk, liquidity risk and capital risk.

MARKET RISK

EXCHANGE RATE RISK

The Company operated mostly with companies in euros and, as such, the exposure to exchange rate risk is limited. As at 31 December 2022, a small portion of the Company's assets and liabilities (i.e. trade receivables and payables) were denominated in a currency different from its functional currency.

INTEREST RATE RISK

The Company's exposure to interest rate risk during 2022 is connected mostly to changes in interest rates relate to outstanding loans.

As at 31 December 2022 the Company had no bank loans and therefore there were no interest rate hedges, consequently any changes in interest rates at the year-end date would not have significant effects on the result of the year.

The Company is not exposed to changes in currency interest rates.

CREDIT RISK

The Company has no significant concentrations of credit risk with companies that are not part of the Group. The maximum exposure to credit risk is represented by the amount reported in the financial statements.

As far as the credit risk arising from other financial assets (including cash, short-term bank deposits and some financial derivative instruments) is concerned, the credit risk for the Company arises from default of the counterparty with a maximum exposure equal to the carrying amount of financial assets recorded in the financial statements.

LIQUIDITY RISK

Liquidity risk arises from the ability to obtain financial resources at a sustainable cost in order for the Group to conduct its daily business operations. The factors that influence this risk are related to the resources generated/absorbed by operating activities, by investing and financing activities and by availability of funds in the financial market.

Management believes that the financial resources available today, along with those that are generated by the current operations will enable the Company to achieve its objectives and to meet its investment needs and the repayment of its debt at the agreed upon maturity date.

OPERATING AND CAPITAL MANAGEMENT RISKS

In the management of operating risk, the Company's main objective is to manage the risks associated with the development of business in foreign markets that are subject to specific laws and regulations.

The Group has implemented guidelines in the following areas:
- appropriate level of segregation of duties;
- reconciliation and constant monitoring of significant transactions;
- documentation of controls and procedures;
- technical and professional training of employees;
- periodic assessment of corporate risks and identification of corrective actions.

As far as the capital management risk is concerned, the Company's objectives are aimed at the going concern issue in order to ensure a fair economic return to shareholders and other stakeholders while maintaining a good rating in the capital debt market. The Company manages its capital structure and makes adjustments in line with changes in general economic conditions and with the strategic objectives.

8.1 RELATED-PARTY TRANSACTIONS

Set out below are the transactions with related parties deemed relevant for the purposes of the "Related-party procedure" adopted by the Group.

The "Related-party procedure" is available on the Company's website (www.monclergroup.com, under "Governance/Corporate documents").

Transactions with subsidiaries are of a commercial nature and are conducted at market conditions similar to those conducted with third parties and are detailed as follows:

INTERCOMPANY BALANCES

(Euro/000)	31/12/2022		
	Receivables	Payables	Net value
Industries S.p.A.	115,927	(463,704)	(347,777)
Sportswear Company S.p.A.	22,645	(61,278)	(38,633)
Stone Island Retail S.r.l.	737	0	737
Stone Island Distribution S.r.l.	488	0	488
Other Group companies	53	(328)	(275)
Total	**139,850**	**(525,310)**	**(385,460)**

INTERCOMPANY TRANSACTIONS

(Euro/000)	2022		
	Revenues	Expenses/Other revenues net	Net value
Industries S.p.A.	350,291	(6,828)	343,463
Sportswear Company S.p.A.	64,181	(4,832)	59,349
Other Group companies	0	(371)	(371)
Total	**414,472**	**(12,031)**	**402,441**

Moncler S.p.A. granted to the subsidiary Industries S.p.A. a license to use the Moncler brand and to the subsidiary Sportswear Company S.p.A. a license to use the Stone Island brand. Based on the license agreements, the Company is remunerated through payments of royalties.

The total amount of royalties for fiscal year 2022 amounted to EUR 414.5 million (EUR 287.1 million in 2021).

Please note that Moncler S.p.A. is part of the Group's fiscal and VAT consolidation and is responsible with Industries S.p.A. and Sportswear Company S.p.A. for taxes payable and the related interests.

Compensation paid to the members of the Board of Directors in 2022 are EUR 7,380 thousand (EUR 6,837 thousand in 2021).

Compensation paid to the members of the Board of Auditors in 2022 are EUR 142 thousand (EUR 142 in 2021).

In 2022 the costs relating to Performance Shares (described in note 8.2) referring to members of the Board of Directors amount to EUR 5,083 thousand (EUR 2,296 thousand in 2021).

There are no other related-party transactions.

The following tables summarise the afore-mentioned related-party transactions that took place during 2022 and the prior year:

(Euro/000)	Type of relationship	Note	31/12/2022	%	31/12/2022	%
Industries S.p.A.	Trade transactions	c	350,291	83.7%	299,144	99.0%
Industries S.p.A.	Trade transactions	b	(3,261)	2.3%	(2,891)	2.5%
Industries S.p.A.	Interest income	d	5	100.0%	33	100.0%
Industries S.p.A.	Interest expense	a	(3,572)	81.3%	(831)	49.3%
Other Group companies	Trade transactions	b	(371)	0.3%	115	(0.1)%
Directors and board of statutory auditors	Labour services	b	(7,522)	5.3%	(6,979)	6.1%
Directors	Labour services	b	(5,083)	3.6%	(2,296)	2.0%
Total			**389,836**		**286,295**	

a % calculated based on total financial costs
b % calculated on operating costs
c % calculated on revenues
d % calculated based on total financial income

(Euro/000)	Type of relationship	Note	31/12/2022	%	31/12/2022	%
Industries S.p.A.	Trade payables	b	(4,323)	8.9%	(2,318)	7.2%
Industries S.p.A.	Financial debt	a	(445,345)	0.0%	(365,610)	0.0%
Industries S.p.A.	Financial receivables	f	0	0.0%	0	0.0%
Industries S.p.A.	Debt from fiscal consolidation	d	(14,036)	34.4%	(11,649)	49.2%
Industries S.p.A.	Credit from fiscal consolidation	e	0	0.0%	0	0.0%
Industries S.p.A.	Trade receivables	c	91,922	80.9%	83,816	98.5%
Industries S.p.A.	Credit from fiscal consolidation	e	24,005	80.4%	4,111	74.8%
Industries S.p.A.	Debt from fiscal consolidation	d	0	0.0%	0	0.0%
Sportswear Company S.p.A.	Financial receivables	f	0	0.0%	1,075	0.0%
Other Group companies	Trade receivables	c	0	0.0%	62	0.1%
Other Group companies	Trade payables	b	0	0.0%	(91)	0.3%
Directors and board of statutory auditors	Other current liabilities	d	(3,752)	9.2%	(3,631)	15.3%
Total			**(351,529)**		**(294,235)**	

a effect in % based on total financial debt
b effect in % based on trade payables
c effect in % based on trade receivables
d effect in % based on other current liabilities
e effect in % based on other current assets
f effect in % based on total financial receivables

The following tables summarise the weight of related-party transactions on the financial statements as at and for the years ended 31 December 2022 and 2021:

31/12/2022

(Euro/000)	Revenues	Operating expenses	Financial expenses	Financial income	Trade receivabes	Other current assets	Trade payables	Other payables current	Total financial debt	Total financial receivables
Total related parties	414,472	(21,069)	(3,572)	5	91,922	24,005	(4,323)	(17,788)	(445,345)	0
Total financial statement	418,707	(141,225)	(4,396)	5	113,599	29,850	(48,413)	(40,765)	(500,246)	160
Weight %	99.0%	14.9%	81.3%	100.0%	80.9%	80.4%	8.9%	43.6%	89.0%	0.0%

31/12/2021

(Euro/000)	Revenues	Operating expenses	Financial expenses	Financial income	Trade receivabes	Other current assets	Trade payables	Other payables current	Total financial debt	Total financial receivables
Total related parties	299,144	(11,866)	(831)	33	83,878	4,111	(2,409)	(15,280)	(365,610)	1,075
Total financial statement	302,093	(113,596)	(1,684)	33	85,097	5,498	(32,393)	(23,658)	(372,373)	1,075
Weight %	99.0%	10.4%	49.3%	100.0%	98.6%	74.8%	7.4%	64.6%	0%	100.0%

8.2 STOCK-BASED COMPENSATION PLANS

The Financial Statements at 31 December 2022 reflects the values of the Performance Shares Plan approved in 2018, in 2020 and 2022.

The costs related to stock-based compensation plans are equal to EUR 10,891 thousand in the 2022, compared with EUR 6,663 thousand in 2021.

On 16 April 2018 the Shareholders' Meeting of Moncler approved the adoption of a Stock Grant Plan entitled "2018-2020 Performance Shares Plan" ("2018 Plan") addressed to Executive Directors and/or Key Managers, and/or employees, and/or collaborators, and/or external consultants of Moncler S.p.A. and of its subsidiaries, which have strategically relevant roles or are otherwise capable of making a significant contribution, with a view of pursuing the Group's strategic objectives.

The object of the Plan is the free granting of the Moncler shares in case certain performance targets are achieved at the end of the vesting period of 3 years.

The performance targets are expressed base on the earning per share index ("EPS") of the Group in the vesting period, adjusted by the conditions of over/under performance.

The proposed maximum number of shares serving the Plan is equal to n. 2,800,000 resulting from the allocation of treasury shares.

The Plan provides for a maximum of 3 cycles of attribution; the first attribution cycle, approved during 2018, ended with the assignment of 1,365,531 Moncler Rights. The second attribution cycle, approved during 2019, ended with the assignment of 341,514 Moncler Rights.

As regards the first allocation cycle, the plan ended in 2021 and for further information please refer to 2021 Annual Report.

As regards the second allocation cycle:

— The 3-year vesting period ended with the approval of the Draft Financial Statements as at December 31, 2021.
— The performance targets were met at 97.3%, therefore, No. 248,264 shares were assigned to the beneficiaries through the allocation of treasury shares.

As at 31 December 2022 there are no rights in circulation; the effect of the closed plans on the income statement in 2022 amounts to EUR 151 thousand.

On 11 June 2020, the Ordinary Shareholders' Meeting has approved, pursuant to art. 114-bis of the Consolidated Law on Finance, the adoption of a Stock Grant Plan denominated "2020 Performance Shares Plan" addressed to Executive Directors, Key Managers, employees and collaborators, therein including Moncler's external consultants and of its subsidiaries.

The object of the Plan is the free granting of the Moncler shares in case certain Performance Targets are achieved at the end of the vesting period of 3 years.

The Performance Targets are expressed base on the following index of the Group in the Vesting Period, adjusted by the conditions of over/under performance: (i) Net Income, (ii) Free Cash Flow and (iii) ESG (Environmental Social Governance).

The proposed maximum number of shares serving the Plan is equal to n. 2,000,000 resulting from capital increase and/or allocation of treasury shares.

The Plan provides for a maximum of 3 cycles of attribution; as regards the first attribution cycle, on 11 June 2020 the Board of Directors resolved the granting of 1,350,000 Moncler Rights. The second attribution cycle, approved during 2021, ended with the assignment of 463,425 Moncler Rights.

As at 31 December 2022 there are still in circulation 1,093,686 rights related to the first cycle of attribution and 414,583 rights related to the second cycle of attribution. With reference to Moncler S.p.A., as at 31 December 2022 there are still in circulation 165,273 rights related to the first cycle of attribution and 234,813 rights related to the second cycle of attribution.

The effect on the income statement on the year 2022 amounted to EUR 7,895 thousand.

On 21 April 2022, the Ordinary Shareholders' Meeting has approved, pursuant to art. 114-bis of the Consolidated Law on Finance, the adoption of a Stock Grant Plan denominated "2022 Performance Shares Plan" addressed to Executive Directors, Key Managers, employees and collaborators, therein including Moncler's external consultants and of its subsidiaries.

The object of the Plan is the free granting of the Moncler shares in case certain Performance Targets are achieved at the end of the vesting period of 3 years.

The Performance Targets are expressed base on the following index of the Group in the Vesting Period, adjusted by the conditions of over/under performance: (i) Net Income, (ii) Free Cash Flow and (iii) ESG (Environmental Social Governance).

The proposed maximum number of shares serving the Plan is equal to n. 2,000,000 resulting from allocation of treasury shares.

The Plan provides for a maximum of 3 cycles of attribution; as regards the first attribution cycle, on 4 may 2022 the Board of Directors resolved the granting of 971,169 Moncler Rights.

As at 31 December 2022 there are still in circulation 928,950 rights related to the first cycle of attribution. With reference to Moncler S.p.A. as at 31 December 2022 there are still in circulation 258,325 rights; the effect on the income statement in 2022 amounted to Euro 2,753 thousand.

As stated by IFRS 2, these plans are defined as Equity Settled.

For information regarding the plan, please see the company's website, www.monclergroup.com, in the "Governance/Shareholders' Meeting" section.

8.3 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

We point out that, on 28 June 2022, the Board of Directors of Moncler S.p.A. approved the realignment of the tax value of the Stone Island brand to its statutory value, opting for the regime pursuant to Art. 15 of Italian Decree Law 185/2008; this option entailed the payment of a substitute tax for 16% of the brand's value, equal to EUR 124.1 million, registered under current taxes and the release of EUR 216.4 million in previously-recognised deferred taxes payable. The net positive effect of the transaction was thus EUR 92.3 million. Please refer to the paragraph 3.6 for a description of the transaction.

8.4 ATYPICAL AND/OR UNUSUAL TRANSACTIONS

It should be noted that during 2022 the Company did not enter into any atypical and/or unusual transactions.

8.5 FINANCIAL INSTRUMENTS

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Euro/000)	31/12/2022 Current	Non-current	Fair value	Level
Financial assets measured at fair value				
Interest rate swap used for hedging	-	-	-	2
Forward exchange contracts used for hedging	-	-	-	
Sub-total	**-**	**-**	**-**	
Financial assets not measured at fair value				
Trade and other receivables (*)	113,599	148		
Cash and cash equivalents (*)	12,966	-		
Financial receivables (*)	160			
Sub-total	**126,725**	**148**	**-**	
Total	**126,725**	**148**	**-**	

(Euro/000)	31/12/2021 Current	Non-current	Fair value	Level
Financial assets measured at fair value				
Interest rate swap used for hedging	-	-	-	
Forward exchange contracts used for hedging	-	-	-	
Sub-total	**-**	**-**	**-**	
Financial assets not measured at fair value				
Trade and other receivables (*)	85,097	126		
Cash and cash equivalents (*)	901	-		
Financial receivables (*)	1,075			
Sub-total	**87,073**	**126**	**-**	
Total	**87,073**	**126**	**-**	

(Euro/000)	31/12/2022 Current	Non-current	Fair value	Level
Financial liabilities measured at fair value				
Interest rate swap used for hedging	-	-	-	2
Forward exchange contracts used for hedging	-	-	-	2
Other financial liabilities	-	-	-	3
Sub-total	**-**	**-**	**-**	
Financial liabilities not measured at fair value				
Trade and other payables (*)	(56,270)	-		
Financial payables (*)	(444,115)	(50,000)		
Bank overdrafts (*)	-	-		
Short-term bank loans (*)	-	-		
Bank loans (*)	-	-		
IFRS 16 financial loans (*)	(1,146)	(4,986)		
Sub-total	**(501,531)**	**(54,986)**	**-**	
Total	**(501,531)**	**(54,986)**	**-**	

(Euro/000)	31/12/2021 Current	Non-current	Fair value	Level
Financial liabilities measured at fair value				
Interest rate swap used for hedging	-	-	-	2
Forward exchange contracts used for hedging	-	-	-	2
Other financial liabilities	-	-	-	3
Sub-total	**-**	**-**	**-**	
Financial liabilities not measured at fair value				
Trade and other payables (*)	(35,103)	-		
Financial payables (*)	(38,610)	(327,000)		
Bank overdrafts (*)	-	-		
Short-term bank loans (*)	-	-		
Bank loans (*)	-	-		
IFRS 16 financial loans (*)	(1,078)	(5,686)		
Sub-total	**(74,791)**	**(332,686)**	**-**	
Total	**(74,791)**	**(332,686)**	**-**	

(*) Such items refer to short-term financial assets and financial liabilities whose carrying value is a reasonable approximation of fair value, which was therefore not disclosed.

8.6 FEES PAID TO INDEPENDENT AUDITORS

Fees paid to independent auditors are summarised below:

AUDIT AND ATTESTATION SERVICES

(Euro)	Entity that has provided the service	Fees 2022
Audit	Deloitte & Touche S.p.A. Network Deloitte & Touche S.p.A.	240,800 0
Attestation services	Deloitte & Touche S.p.A. Network Deloitte & Touche S.p.A.	55,000 0
Other services	Deloitte & Touche S.p.A. Network Deloitte & Touche S.p.A.	0 0
Total		**295,800**

8.7 DISCLOSURE PURSUANT TO ITALIAN LAW N. 124/2017

Pursuant to the requirements of Law no. 124/2017, in 2022 the company Moncler S.p.A. benefited from EUR 13 thousand in Art Bonus contribution.

For the purposes of the above requirements and with regard to any other grants received falling among the cases provided for, reference is also made to the specific Italian national register, which can be consulted by the public.

9 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No significant events occurred after the reporting date.

10 MOTION TO APPROVE THE FINANCIAL STATEMENTS AND THE ALLOCATION OF THE RESULT FOR THE YEAR ENDED 31 DECEMBER 2022

In conclusion to these explanatory notes, we invite you to approve the Moncler S.p.A.'s separate financial statements.

We propose that you resolve to distribute a gross dividend of EUR 1.12 per ordinary share based on the 2022 profit of Moncler S.p.A., which amounts to EUR 278,835,705, and on the retained earnings reserve.

The total amount to be distributed as a dividend, having taken into consideration the number of shares as of today, net of the shares which are directly owned by the Company, is equal to EUR 301 million[1].

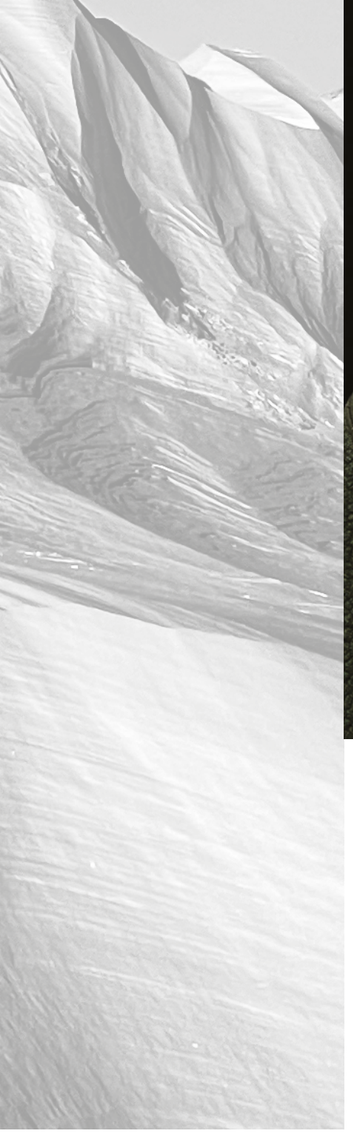
***

The financial statements, comprised of the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and explanatory notes to the financial statements give a true and fair view of the financial position and the results of operations and cash flows and corresponds to the Company's accounting records.

On behalf of the Board of Directors

REMO RUFFINI
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

1 Subject to change due to the possible use and/or purchase of treasury shares.



MONCLER
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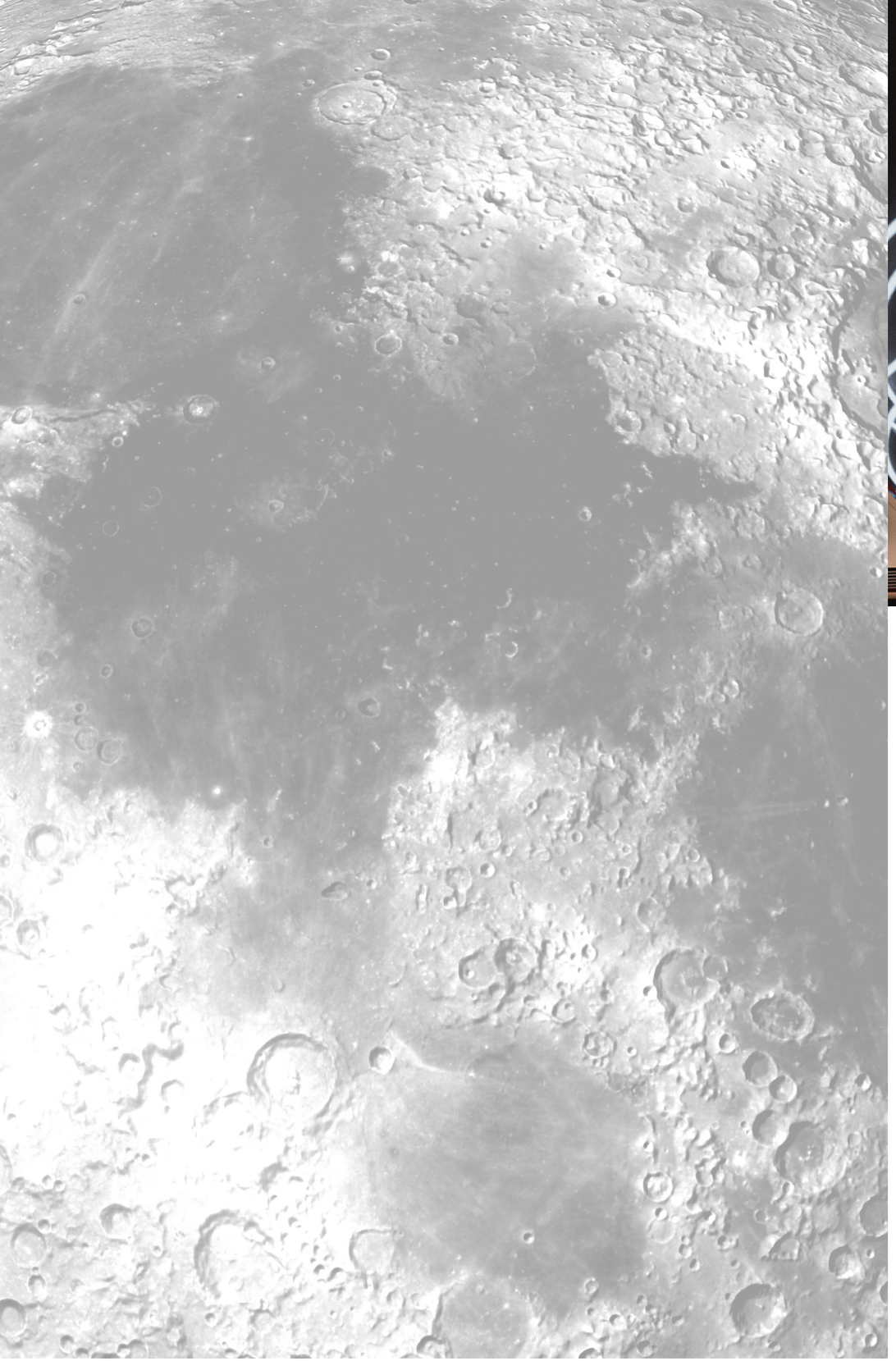

MONCLER

ATTESTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 154 BIS OF LEGISLATIVE DECREE NO. 58/98

1 The undersigned, Remo Ruffini, in his capacity as the Chief Executive Officer of the Company, and Luciano Santel, as the executive officer responsible for the preparation of Moncler S.p.A.'s financial statements, pursuant to the provisions of Article 154-bis, clauses 3 and 4, of Legislative Decree no. 58 of 1998, hereby attest:

— the adequacy with respect to the Company structure
— and the effective application

of the administrative and accounting procedures applied in the preparation of the Company's consolidated financial statements at 31 December 2022.

2 The assessment of the adequacy of the administrative and accounting procedures used for the preparation of the consolidated financial statements at 31 December 2022 was based on a process defined by Moncler S.p.A. in accordance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, an internationally-accepted reference framework.

3 The undersigned moreover attest that:

3.1 the consolidated financial statements:
a) have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Council, dated 19 July 2002
b) correspond to the amounts shown in the Company's accounts, books and records; and
c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries as of 31 December 2022 and for the year then ended.

3.2 the director's report includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

28 February 2023

CHAIRMAN OF THE BOARD OF DIRECTORS
AND CHIEF EXECUTIVE OFFICER

REMO RUFFINI

EXECUTIVE OFFICER RESPONSIBLE FOR THE PREPARATION
OF THE COMPANY'S FINANCIAL STATEMENTS

LUCIANO SANTEL

Deloitte.

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INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Moncler S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Moncler S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2022, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2022, of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Moncler S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Impairment test on the brand and the goodwill related to Stone Island CGU

Description of the key audit matter	The consolidated financial statements of the Group as at December 31, 2022 show "Brands and other intangible assets - net" equal to Euro 1,087 million and "Goodwill" equal to Euro 603 million. These captions include the brand and goodwill allocated to the Stone Island cash generating unit ("CGU") for Euro 775 million and Euro 447 million respectively. These assets are considered to be intangibles of indefinite useful life and are therefore not amortized but, as required by the International Accounting Standard "IAS 36 impairment of assets", tested for impairment at least annually comparing the recoverable amount of the CGU, determined according to the value in use methodology, and the carrying amount, which takes into account both goodwill and other tangible and intangible assets allocated to the CGU. The management evaluation process is complex and is based on assumptions regarding, among other things, forecasting the of CGU expected cash flows and determining an appropriate discount rate (WACC) and long-term growth rate (g-rate). These assumptions are influenced by future expectations and market conditions. In light of the magnitude of the goodwill and brand value recorded in the consolidated financial statements pertaining to the Stone Island CGU, the subjectivity of estimates relating to the determination of CGU cash flows and the key variables of the impairment model, we considered the impairment test a key audit matter of the consolidated financial statements. Note 5.2 of the consolidated financial statements provides information on the tests carried out in respect of intangible assets and goodwill, including a "sensitivity analysis" which illustrates the effects of changes in key variables used for the impairment test.
Audit procedures performed	We have first examined how management determined the CGU's value in use, analyzing the methods and assumptions used by management in developing the impairment test. As part of our audit, we have, among other things, carried out the following procedures, also with the support of experts: • recognition and understanding of the process adopted by the Moncler Group in executing the impairment test; • analysis of the reasonableness of the main assumptions adopted in forecasting cash flows also with analysis of sector data and obtaining information from management; • comparison of actual results with original plans in order to assess the nature of the deviations and the reliability of the planning process; • assessment of the reasonableness of the discount rate (WACC) and long-term growth rate (g-rate);

	• verification of the clerical accuracy of the model used to determine the CGU's value in use; • verification of the correct determination of the carrying amount of the CGU; • verification of the sensitivity analysis prepared by management. We have also examined the adequacy and compliance of the information provided by the Group on the impairment test with respect to IAS 36 provisions.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the parent company Moncler S.p.A. or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Moncler S.p.A. has appointed us on April 22, 2021 as auditors of the Company for the years from December 31, 2022 to December 31, 2030.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

Other matters

The consolidated financial statements of the Group for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on March 30, 2022.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Moncler S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the consolidated financial statements as at December 31, 2022, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2022 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information contained in the explanatory notes to the consolidated financial statements, when extracted from XHTML format in an XBRL instance, may not be reproduced in the same way as the corresponding information displayed in the consolidated financial statements in XHTML format.

Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Moncler S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of Moncler Group as at December 31, 2022, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements of Moncler Group as at December 31, 2022 and on their compliance with the law, as well as to make a statement about any material misstatement.

Deloitte.

In our opinion, the above-mentioned report on operations and some specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of Moncler Group as at December 31, 2022 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Statement pursuant to art. 4 of the Consob Regulation for the implementation of Legislative Decree 30 December 2016, no. 254

The Directors of Moncler S.p.A. are responsible for the preparation of the non-financial statement pursuant to Legislative Decree 30 December 2016, no. 254.

We verified the approval by the Directors of the non-financial statement.

Pursuant to art. 3, paragraph 10 of Legislative Decree 30 December 2016, no. 254, this statement is subject of a separate attestation issued by us.

DELOITTE & TOUCHE S.p.A.

Signed by
Barbara Moscardi
Partner

Treviso, Italy
March 27, 2023

As disclosed by the Directors, the accompanying consolidated financial statements of Moncler S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

ATTESTATION OF THE SEPARATE FINANCIAL STATEMENTS PURSUANT TO ART. 154 BIS OF LEGISLATIVE DECREE NO. 58/98

1 The undersigned, Remo Ruffini, in his capacity as the Chief Executive Officer of the Company, and Luciano Santel, as the executive officer responsible for the preparation of Moncler S.p.A.'s financial statements, pursuant to the provisions of Article 154-bis, clauses 3 and 4, of Legislative Decree no. 58 of 1998, hereby attest:

— the adequacy with respect to the Company structure
— and the effective application

of the administrative and accounting procedures applied in the preparation of the Company's separate financial statements at 31 December 2022.

2 The assessment of the adequacy of the administrative and accounting procedures used for the preparation of the separate financial statements at 31 December 2022 was based on a process defined by Moncler S.p.A. in accordance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, an internationally-accepted reference framework.

3 The undersigned moreover attest that:

3.1 the separate financial statements:
a) have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Council, dated 19 July 2002
b) correspond to the amounts shown in the Company's accounts, books and records; and
c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company as of 31 December 2022 and for the year then ended.

3.2 the director's report includes a reliable operating and financial review of the Company, as well as a description of the main risks and uncertainties to which they are exposed.

28 February 2023

CHAIRMAN OF THE BOARD OF DIRECTORS
AND CHIEF EXECUTIVE OFFICER

REMO RUFFINI

EXECUTIVE OFFICER RESPONSIBLE FOR THE PREPARATION
OF THE COMPANY'S FINANCIAL STATEMENTS

LUCIANO SANTEL

Deloitte.

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INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Moncler S.p.A.

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the separate financial statements of Moncler S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2022, statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Impairment test on the Stone Island brand

Description of the key audit matter

In the separate financial statements as at December 31, 2022, the caption "Brands and other intangible assets - net" includes for Euro 775 million the value assigned to the Stone Island brand (hereinafter referred to as the "Brand") contributed by Sportswear Company S.p.A. to the Company following the demerger enacted at the end of 2021.

Such Brand, being an intangible asset with an indefinite useful life, is not amortized but, as provided by International Accounting Standard "IAS 36 Impairment of assets", is tested for impairment at least annually comparing its carrying amount with the recoverable value, determined as value in use using the discounted cash flows method, estimated through the application of the so-called *Royalty Relief method*.

The management evaluation process is complex and is based on assumptions regarding, among other things, forecasting the Brand's expected cash flows and determining an appropriate discount rate (WACC) and long-term growth rate (g-rate). These assumptions are influenced by future expectations of sales performance, which is the basis for the calculation, and by market conditions.

In light of the magnitude of the value included in the separate financial statements, the subjectivity of the estimates for the determination of the Brand cash flows as well as key variables of the impairment model, we considered the impairment test a key audit matter of the Company's separate financial statements.

Note 4.2 of the separate financial statements provides the information on the test carried out, including a sensitivity analysis which illustrates the effects of variations in the key variables used for the impairment test.

Audit procedures performed

We have first examined how management determined the Brand value in use, analyzing methods and assumptions used by management in developing the impairment test.

As part of our audit, we have, among other things, carried out the following procedures, also with the support of experts:

- recognition and understanding of the process adopted by the Company in executing the impairment test;
- analysis of the reasonableness of the main assumptions adopted in forecasting cash flows also with analysis of sector data and obtaining information from management;
- comparison of actual results with original plans in order to assess the nature of deviations and the reliability of the planning process;
- assessment of the reasonableness of the discount rate (WACC) and long-term growth rate (g-rate);

- verification of the clerical accuracy of the model used to determine the value in use of the Brand;
- verification of the sensitivity analysis prepared by management.

We have also examined the adequacy and compliance of the disclosure provided by the Company on the impairment test with respect to IAS 36 provisions.

Responsibilities of the Directors and the Board of Statutory Auditors for the Separate Financial Statements

The Directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Moncler S.p.A. has appointed us on April 22, 2021 as auditors of the Company for the years from December 31, 2022 to December 31, 2030.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the separate financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

Other matters

The separate financial statements of Moncler S.p.A. for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on March 30, 2022.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Moncler S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the separate financial statements as at December 31, 2022, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the separate financial statements with the provisions of the Delegated Regulation.

In our opinion, the separate financial statements as at December 31, 2022 have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Moncler S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Moncler S.p.A. as at December 31, 2022, including their consistency with the related separate financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the separate financial statements of Moncler S.p.A. as at December 31, 2022 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and information contained in the report on corporate governance and ownership structure are consistent with the separate financial statements of Moncler S.p.A. as at December 31, 2022 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Barbara Moscardi
Partner

Treviso, Italy
March 27, 2023

As disclosed by the Directors, the accompanying separate financial statements of Moncler S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative

MONCLER S.p.A.

Share Capital

Euro 54,925,534.60 fully paid up

Head office at Via Stendhal 47, Milan

Companies Register of Milan registration number and Tax Identification

04642290961

Economic Administrative Index 1763158

* * *

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING

In accordance with Article 153 of Legislative Decree No. 58 of 24 February 1998

Shareholders,

This report, which was prepared in accordance with Article 153 of Legislative Decree 58/1998 (the "Finance Consolidation Act" or "TUF") relates to the activities of the Board of Statutory Auditors (the "Board") of Moncler S.p.A. (hereinafter "Moncler" and also the "Company") for the year ending 31 December 2022. The mandate of the Board of Statutory Auditors currently in office expires with the approval of the financial statements as of 31 December 2022.

During the 2022 financial year, the Board of Statutory Auditors performed its duties in accordance with the Italian Civil Code, Legislative Decree 58/1998 (TUF), the guidelines issued by Consob in its communication No. 1025564 of 6 April 2001 as amended, Legislative Decree 39/2010 (the decree enacting Directive 2006/43/EC on the legal auditing of annual and consolidated financial reports, as amended by Directive 2014/56/EU) as amended, the statutory provisions and the provisions issued by the Supervisory Authorities. It also took into account the rules of conduct laid down by the Italian National Council of Accountants and Tax Consultants.

The Board of Statutory Auditors also complied with the regulations applicable to entities of public interest (Article 16 of Legislative Decree 39/2010) such as Moncler as a publicly listed company, in its capacity as the "Committee for Internal Control and Accounts Auditing" by performing additional specific control and monitoring duties with regard to financial reporting and legal auditing, as provided for in Article 19 of Legislative Decree 39/2010 as amended by Legislative Decree 135/2016, and with regard to non-financial reporting pursuant to Legislative Decree 254/2016 as amended.

The Board of Statutory Auditors now reports on its activities in 2022. The relevant information is provided below in accordance with the applicable provisions.

1. Activities of the Board of Statutory Auditors during the year ending 31 December 2022 *(point 10 of Consob Communication No. 1025564/01)*

The Board of Statutory Auditors performed its activities by holding 13 meetings during the 2022 financial year.

The Board also attended 8 meetings of the Board of Directors, and was present, either through all of its members or through its chairman and/or another auditor:

- at 8 meetings of the Control, Risks and Sustainability Committee;
- 5 meetings of the Nomination and Remuneration Committee;
- at 1 meetings of the Related Parties Committee.

As part of its control activity the Board, among other things:

- oversaw compliance with laws, the company bylaws and industry regulations;
- oversaw compliance with the principles of sound administration, and the functioning and adequacy of the Company's organisational structure and of its internal control, accounting and administration systems, by collecting data and information from the heads of the company departments, from the Financial Reporting Officer and from Deloitte&Touche S.p.A. ("DT"), the firm engaged for the legal auditing of the accounts;
- in accordance with Article 149, paragraph 1c-bis) of the TUF, it oversaw the methods used to implement the Code of Corporate Governance for listed companies published in 2020 by the Corporate Governance Committee, which the company adopted;
- checked that the criteria and verification procedures used by the Board to assess the independence requirements for directors have been properly applied;
- carried out a self-assessment of the requirements for the exercise of the role of Statutory Auditor;
- checked that the Board of Directors' policy on related-party transactions conformed to the principles of Consob resolution No. 17221 of 12 March 2010 as amended, and oversaw compliance with the policy;
- met with the Supervisory Body set up in accordance with Legislative Decree 231/2001, for the purposes of exchanging information;
- held meetings and exchanged information with the supervisory bodies of the main subsidiaries;

– oversaw the adoption of remuneration policies that are subject to approval by the shareholders' meeting;
– held meetings and obtained information – also by attending the meetings of the Control, Risks and Sustainability Committee – from the Designated Manager for the Preparation of the Corporate Accounting Documents, and from the Head of Internal Audit and the heads of other company departments involved from time to time in the Board's supervisory activities;
– in the context of the relations between the supervisory body and auditor (Article 150, third paragraph of the TUF) and in the light of the Board of Statutory Auditors' powers as the Internal Control and Accounts Auditing Committee (Article 19 of Legislative Decree 39/2010), held periodic meetings with the appointed auditors, DT, to exchange information and data relevant to their respective duties.

2. Operations with greater financial significance. Other notable events *(point 1 of Consob Communication No. 1025564/01)*

2.1. Activities of the Board

The Board of Statutory Auditors oversaw the Company's compliance with the law, the company bylaws and the principles of sound administration, with particular reference to operations that were significant in terms of profit or loss, financial aspects or equity, by regularly attending the meetings of the Board of Directors and by examining the documents provided.

In this regard, the Board of Statutory Auditors obtained from the CEOs and from the Board of Directors information about the activities performed and about the major financial and equity operations carried out by the Company, also through its direct or indirect subsidiaries; that information is represented in detail in the Directors' Report, to which please refer.

On the basis of the information made available to the Board, it can reasonably be considered that these operations were carried out in accordance with the law and the company bylaws, and that they were not manifestly imprudent, reckless nor did they conflict with the resolutions passed by the shareholders' meeting, nor would they compromise the integrity of the Company's assets.

2.2 Significant events

Information about the significant events involving the Company and the Group in

2022 and in the first part of 2023 is contained in the Annual Report and Consolidated Financial Statements for 2022. These include, in particular, the following:

(i) As of 1 January 2022, the distribution of "Stone Island" brand products on the Korean market was brought in-house through the establishment of a joint venture with a local partner, in which the Group holds 51%;

(ii) following the outbreak of the conflict in Ukraine that began on 24 February 2022, both the shop in Kiev and all business activities in Russia were closed. Total exposure to the two countries in the financial year 2021 (before the start of the conflict), including revenue generated by Russian tourists buying outside Russia, had been less than 2% of Group sales;

(iii) on 3 March 2022, Moncler announced the launch of a share buyback programme for up to a maximum of 1,000,000 ordinary shares (representing 0.4% of the current share capital) to service compensation and share allocation plans for employees, directors and consultants of Moncler and its subsidiaries. The programme ended on 25 March 2022 and as at 31 December 2022 Moncler held 4,858,416 treasury shares;

(iv) on 21 April 2022, the Ordinary Shareholders' Meeting appointed the new Board of Directors, confirming its 12-member composition, for the three-year period 2022-2024, which will remain in office until the Shareholders' Meeting that will be called to approve the Financial Statements for the year ending 31 December 2024;

(v) on 21 April 2022, the Ordinary Shareholders' Meeting approved, pursuant to Article 114-*bis* of the TUF, the adoption of a stock grant plan called "*Performance Shares 2022 Plan*" reserved for Executive Directors, Executives with Strategic Responsibilities, employees, collaborators and consultants of Moncler and its subsidiaries;

(vi) on 28 June 2022, the Board of Directors approved the transaction to realign the tax value of the Stone Island brand to the statutory value in the financial statements, opting for the regime set forth in Article 15 of Legislative Decree 185/2008;

(vii) As of 1 August 2022, the distribution of Stone Island brand products on the Japanese market was brought in-house through the establishment of a joint venture majority-owned by Stone Island (80%), which directly manages the business in the country (currently consisting of 16 mono-brand shops) and relations with wholesale partners.

3. Related-party and intragroup transactions. Atypical and/or unusual operations *(points 2 and 3 of Consob Communication No. 1025564/01)*

As required by Consob Regulation 17221/2010 as amended and by Article 2391-*bis* of the Italian Civil Code, the Company has a "*Related Parties Procedure*", which was last updated on 14 June 2021 to take into account the changes made to Consob Regulation 17221/2010 by Consob Deliberation No. 21624 of 10 December 2020 (effective from 1 July 2021).

The Board of Statutory Auditors considers that the procedure meets the requirements of Consob Regulation 17221/2010 in its current form: during the year the Board oversaw the Company's compliance with these procedures.
The Annual Report, which includes the Directors' Report, the Consolidated Financial Statements and the 2022 Separate Financial Statements of Moncler, contains information about the income-related and equity effects of related-party transactions and also describes the main relationships.

In 2022, no operations classified as "major" under the Related Parties Procedure were brought to the attention of the Related Parties Committee.
No related-party transactions were executed on an urgent basis.

The Board judged as adequate the information given by the Board of Directors in the 2022 Annual Report of the Company in relation to intragroup and related party transactions.

As far as we are aware, during the financial year 2022 no atypical and/or unusual operations were carried out.

4. Organisational structure of the Company and Group *(points 12 and 15 of Consob Communication No. 1025564/01)*

The organisational structure of the Company and of the Group, and the related developments have been described in detail in the Report on Corporate Governance and Ownership.

The Company's organisational structure includes the duties and responsibilities of the Company's functions, the hierarchical and functional relations between them, and the coordination arrangements.
The Board of Statutory Auditors oversaw the overall adequacy of the organisational structure of the Company and of the Group and also monitored the process for the setting and granting of authorities.

The Board of Statutory Auditors met the Supervisory Body, which was set up pursuant to Legislative Decree 231/2001 and whose task is to oversee the functioning and observance of the 231 Model adopted in accordance with Legislative Decree 39/2010 and of the Code of Ethics. It also obtained information about the organisational and procedural activities carried out pursuant to Legislative Decree 231/2001.
The Supervisory Body did not report any critical issues following its activity. In particular, the SB pointed out that no whistleblowing reports have been received.

On 27 March 2023, the Board of Statutory Auditors obtained the report provided by the Board of the subsidiary Industries S.p.A.. On 27 March 2023, it obtained the report prepared by the Board of the subsidiary Sportswear Company S.p.A., which did not reveal any issue that would require a mention in this report.
The Board of Statutory Auditors also met with the representatives of the supervisory bodies of the subsidiaries Industries S.p.A. and Sportswear Company S.p.A., as required by Article 151 of the TUF.

5. Internal control and risk management system (ICRMS); monitoring of the financial and non-financial reporting process *(points 13 and 14 of Consob Communication No. 1025564/01)*

5.1 Internal control and risk management system (ICRMS)

The Report on Corporate Governance and Ownership Structure describes the main characteristics of the system for internal control and risk management.
The ICRMS is the set of rules, procedures and organisational structures, which operates in order to allow the effective functioning of the Company and of the Group and in order to identify, manage and monitor the main risks to which they are exposed. The ICRMS is an integrated system that involves the whole of the organisational structure; the bodies of the Company and its departments, including

the control functions, are required to make a coordinated and interdependent contribution to the functioning of this system.

The Board of Statutory Auditors oversaw the adequacy of the ICRMS adopted by the Company and the Group and checked that it functioned correctly. In particular, the Board of Statutory Auditors:

(i) noted the adequacy rating given by the Board of Directors in relation to the ICRMS, after consulting the control, Risks And Sustainability Committee; in this regard, refer to the Report on Corporate Governance and Ownership Structure;
(ii) examined the semi-annual report of the Control, Risks And Sustainability Committee provided to assist the Board of Directors;
(iii) examined the documents summarising the assessment of the adequacy and efficacy of the ICRMS, prepared by the Internal Audit Function;
(iv) attended all the meetings of the Control, Risks and Sustainability Committee, obtaining information about any project the Committee considered appropriate to arrange or request in response to specific issues;
(v) obtained knowledge of the trend in the organisational structures and activities performed by the Internal Audit and Compliance Functions;
(vi) examined the reports on the work done by the Internal Audit and Compliance Functions which were brought to the attention of the Control, Risks and Sustainability Committee and of the Board of Directors;
(vii) verified the autonomy, independence and functionality of the Internal Audit Function, and maintained and implemented adequate, regular connections with that function;
(viii) examined the Audit Plan prepared by Internal Audit and approved by the Board of Directors, observed the compliance with the Plan and received information on the results of the audits and on the effective implementation of any mitigating or corrective actions;
(ix) obtained information about the changes to the set of Group procedures.

In light of the above, taking into account the changes in the ICRMS, our analysis and the information we have obtained, nothing has emerged that would lead this Board to consider that the Company's overall system of internal controls and risk management is inadequate.

5.2 Administration and accounting system, and the financial reporting process

With regard to the accounting and administration system and the financial reporting process, the Board of Statutory Auditors, among its other activities, monitored the work done by the Company in continuously assessing the adequacy and concrete functioning of the system in practice.
The Report on Corporate Governance and Ownership Structure describes the main characteristics of the system.

Discussions with the managers of the external auditing firm to exchange information relevant to the performance of their respective duties pursuant to Article 150, paragraph 3 of the TUF, did not reveal any issue that would require a mention in this report.

At the meeting on 17 March 2023, the Board of Statutory Auditors examined the draft supplementary report prepared by the external auditing firm Deloitte & Touche under Article 11 of EU Regulation 537/2014 and issued on 27 March 2023, and found that the report did not reveal any significant deficiencies in the internal control system with regard to the financial reporting process. The content of that report was then discussed and investigated further during the periodic exchanges of information between the Board of Statutory Auditors and the external auditing firm.

5.3 Non-financial reporting process

The Board of Statutory Auditors would like to remind the shareholders that under Legislative Decree 254/2016 as amended and the related enacting regulation issued by CONSOB in its deliberation No. 20267 of 18 January 2018, the Company is required to prepare and publish a consolidated Non-Financial Report ("NFR"). Under Article 4 of Legislative Decree 254/2016, the NFR provides non-financial information about the Company and its subsidiaries "*to the extent necessary to ensure a clear understanding of the Group's activities, its performance, its results and the impact thereof*".

As provided for in Article 3, paragraph 7 of Legislative Decree 254/2016, the Board of Statutory Auditors, in performing its legal functions, oversaw the compliance with the regulations requiring the preparation and publication of a non-

financial report, also taking into account the provisions of EU Regulation 2020/852 (so-called Taxonomy Regulation).

The Board of Directors approved the NFR on 28 February 2023; it was prepared in compliance with Legislative Decree 254/2016, in accordance with Article 8 of the Taxonomy Regulation and EU Delegated Regulation 2021/2178, and taking into account the applicable international reporting standards (GRI Universal Standard).

The Board also noted that on 27 March 2023, the external auditing firm issued the Report required under Article 3, paragraph 10 of Legislative Decree 254/2016.
In that report, Deloitte & Touche attested that on the basis of its work, nothing had come to its attention that would lead it to consider that the NFR had not been drafted, in all its material aspects, in accordance with the requirements of Articles 3 and 4 of Legislative Decree 254/2016 or with the Group reporting standards.

The Board of Statutory Auditors observed, in turn, that on the basis of its activities it had not received any indications of any elements of non-conformity of the NFR compared to the regulatory provisions governing its preparation and publication.

6. Legal auditing of the accounts *(points 4, 7, 8 and 16 of Consob Communication No. 1025564/01)*

6.1 Activities of the Board of Statutory Auditors in the 2022 financial year

The mandate for the legal audit of the Company's financial statements and of the Group's consolidated financial report was granted to the external auditing firm Deloitte & Touche on 21 April 2021, for the nine-year period 2022-2030; during 2022 the same auditing firm also checked that the company accounts had been duly kept, and that the management events had been correctly reported in the accounting records.

In accordance with Article 19 of Legislative Decree 39/2010, the Board of Statutory Auditors in its capacity as the "Internal Control and Accounts Auditing Committee" performed the required oversight of the work of the External Auditing Firm, within the limits required by the applicable regulations.
During the year, the Board held meetings with the managers of the external auditing firm as required by Article 150, paragraph 3 of the TUF. In the context of

its supervisory role (Article 19 of Legislative Decree 39/2010) the Board of statutory auditors acquired information from Deloitte & Touche with reference to the planning and execution of the audit activity. During the meetings, appropriate exchanges of data and information relevant to the performance of their respective duties were carried out, and no issue which requires a mention in this report was raised.

On 27 March 2023 the auditing firm issued reports pursuant to Articles 14 and 16 of Legislative Decree 39/2010, for the separate financial statements and for the consolidated financial report to 31 December 2022.
In particular, the external auditing firm, in its reports:

- gave an opinion which indicates that the Separate and the Consolidated Financial Statements of Moncler provide a true and accurate representation of the financial and equity situation of Moncler and of the Group to 31 December 2022, and of the profit and loss result and the cash flow for the year ending on the same date, in accordance with the International Financial Reporting Standards adopted by the European Union and with the provisions issued in implementation of Article 9 of Legislative Decree 38/05;
- issued a declaration of consistency, which shows that the Board of Directors' Report accompanying the Separate and the Consolidated Financial Statements as of 31 December 2022 and some of the specific information in the "Report on Corporate Governance and Ownership" indicated in Article 123-bis, paragraph 4 of the TUF, for which the Company's directors are responsible, was prepared in accordance with the provisions of law;
- issued an opinion on the conformity of the separate and consolidated financial statements with the provisions of EU Regulation 2019/815 ("ESEF Regulation"), stating the following: "*We are aware that certain information contained in the notes to the consolidated financial statements, when extracted from XHTML format into an XBRL file, may not be reproduced identically to the corresponding information presented in the consolidated financial statements in XHTML format due to certain technical limitations.*"
- declared that they had nothing to report, in terms of any significant errors in the Board of Directors' Report, on the basis of their knowledge and understanding of the business and its context acquired during the course of the audit activity;
- verified the directors' approval of the Non-Financial Report.

After attending the meetings of the Control, Risks and Sustainability Committee,

which were attended by the Financial Reporting Officer and the managers of the independent auditors, the Board of Statutory Auditors has no observations to make as to the proper use of the accounting standards or their consistent use in the preparation of the consolidated financial report.

On 27 March 2023, the External Auditing Firm also gave the Board of Statutory Auditors a supplementary report as required by Article 11 of EU Regulation No. 537/2014. In an annex to that report, the External Auditing Firm also gave the Board of Statutory Auditors a declaration on independence, as required by Article 6 of EU Regulation No. 537/2014, which did not reveal any situation that could compromise independence. In accordance with the provisions of Article 19, paragraph 1a) of Legislative Decree 39/2010, the Board duly sent the supplementary report to the Board of Directors, without making any observations.

In accordance with Article 19, paragraph 1e) of Legislative Decree 39/2010, the Board of Statutory Auditors – again in its role as "Internal Control and Accounts Auditing Committee" – verified and monitored the independence of the auditing firm. In conducting these audits, no situations were found that would compromise the independence of the auditing firm, nor were there any causes of incompatibility, within the meaning of the applicable regulations. This has also been confirmed by the declaration given by Deloitte & Touche under Article 6, paragraph 2a) of EU Regulation 537/2014.

6.2 Activities of the Board of Statutory Auditors with reference to non-audit services

With reference to non-audit services, at the request and with the support of the Board, in June 2021 the Company adopted a specific procedure governing the awarding of mandates to auditing firms and their networks, in relation to non-audit services ("*Internal Procedure for the awarding of mandates for non-audit services to the auditors of the Group and companies in its network*").

During 2022, in accordance with the provisions of Article 19, paragraph 1e) of Legislative Decree 39 2010 and Article 5, paragraph 4 of EU Regulation 537/2014, the Board of Statutory Auditors, in its role as the Internal Control and Accounts Auditing Committee, pre-reviewed the proposals submitted for its attention

regarding the conferral of non-audit services to the Auditing Firm or to companies in its network.

In its assessment, the Board of Statutory Auditors verified that these services were compatible with the prohibitions imposed in Article 5 of EU Regulation 537/2014, and also the absence of potential risks to the auditors' independence deriving from the provision of non-audit services, in view of the provisions of Legislative Decree 39/2010 (Articles 10 et seq) in the Issuers' Regulation (Article 149-bis et seq) and Auditing Standard No. 100.

Where the legal requirements were met, the Board approved the conferral of the services to Deloitte & Touche or to other companies in its network.

The fees paid for the non-audit services provided to the Company and its subsidiaries in 2022, by the External Auditing Firm or by other companies in its network, have been itemised, with details of audit services, attestation and other services, in paragraph 8.6 of the Notes to the consolidated accounts, to which please refer.

7. Adoption of the Corporate Governance Code, Composition of the Board of Directors and Remuneration. Board Self Assessment ***(****point 17 of Consob Communication No. 1025564/01)*

Moncler adopted the Corporate Governance Code published by the Corporate Governance Committee in January 2020. The Code became applicable on 1 January 2021.

The Board of Statutory Auditors has assessed the way in which Moncler has implemented the Corporate Governance Code, in the terms illustrated in the Report on Corporate Governance and Ownership Structure, and has no observations to make in that regard.

The Board of Statutory Auditors notes that the Board of Directors has assessed the function, size and composition of the Board and of its Committees in accordance with Article 4 of the Code of Corporate Governance. The Board self-assessment process is described in the Report on Corporate Governance and Ownership Structure, to which please refer.

The process and results of the Board's self-assessment for the 2022 financial year were presented, discussed and agreed by the Board of Directors with the assistance of the external advisor at the Board meeting on 28 February 2023 which was attended by the Board of Statutory Auditors.

The Board of Statutory Auditors has verified the correct application of the criteria and procedure used by the Board of Directors to evaluate the independence of the directors qualified as "independent".

Early in 2023 and in line with the recommendations of Standard Q.1.1 of the Rules of Conduct for the Boards of Statutory Auditors of Listed Companies prepared by CNDCEC, the Board of Statutory Auditors, with reference to the 2022 financial year, also conducted its own self-assessment with regard to its functioning and composition. It also issued declarations about the compliance with independence, probity and integrity criteria required by the applicable regulatory and legal framework, and discussed and shared the results of the meeting held on 17 March 2023.

On 3 March 2023, the Board of Statutory Auditors issued its end of mandate report containing the "*Considerations of the Outgoing Board of Statutory Auditors in Consistency with the CNDCEC Rules of Conduct for the Board of Statutory Auditors of Listed Companies of 26 April 2018*".

Through the participation of the Chairman and/or a delegate auditor at all the meetings of the Nomination and Remuneration Committee and the Control, Risks and Sustainability Committee, the Board of Statutory Auditors has verified the corporate procedures that led to the definition of the Company's remuneration policies, with particular reference to the criteria for the remuneration and bonuses of the heads of the Control Functions, and of the Officer Responsible for the Preparation of the Company's Financial Statements.

8. Opinions given by the Board of Statutory Auditors during the year *(point 9 of Consob Communication No. 1025564/01)*

On 23 February 2022, the Board of Statutory Auditors, pursuant to the Corporate Governance Code (Article 6, Recommendation 33c), gave its favourable opinion on the approval of the Audit Plan for 2022.

The Board of Statutory Auditors also expressed a favourable opinion on (i) the appointment of the financial reporting officer and (ii) the remuneration due to an executive director.

Lastly, on 23 February 2023, the Board of Auditors gave its favourable opinion on the Audit Plan for 2023, approved by the Board of Directors on 28 February 2023.

9. Complaints pursuant to Article 2408 of the Italian Civil Code. Any omissions, reprehensible facts or irregularities found *(points 5, 6 and 18 of Consob Communication No. 1025564/01)*

The Board of Statutory Auditors did not receive any complaints under Article 2408 of the Italian Civil Code during the 2022 financial year nor during the first months of 2023.

During the course of the activities performed, and on the basis of the information obtained, no omissions, reprehensible events, irregularities or any other significant circumstances have emerged that would require a mention in this report.

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Referring to all the considerations made in this Report, the Board of Statutory Auditors, taking into account the specific duties of the External Auditing Firm with regard to the control of accounting and verification of the reliability of the financial statements, has no observations to make to the Shareholders' Meeting pursuant to Article 153 of the TUF regarding approval of the Financial Statements for the year ended 31 December 2022, accompanied by the Board of Directors' Report, or on the proposed allocation of profits for the year and the distribution of dividends as made by the Board.

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27 March 2023

BOARD OF STATUTORY AUDITORS

Riccardo Losi

Carolyn Dittmeier

Nadia Fontana

GLOSSARY

AMERICAS
North and South America.

APAC
China, South-East Asia, Australia and New Zealand.

ASIA
APAC, Japan and Korea.

AUDIT
Systematic and documented assessment (by an independent body) to verify compliance with the requirements of a given law/standard of reference.

CAGR
Compounded Annual Growth Rate.

COMPARABLE STORE SALES GROWTH (CSSG)
Growth at comparable exchange rates of revenues generated by directly managed stores DOS (excluding outlets) which have been opened for at least 52 weeks and by the online store (.com); stores that have been extended and/or relocated are excluded from the calculation.

CONCESSION
Directly operated mono-brand retail store located on the premises of a department store/shopping mall.

DEPARTMENT STORE
Large retail establishment with an extensive assortment in variety and range of goods, organised into separate departments.

DIRECT-TO-CONSUMER (DTC)
Distribution channel that includes both revenues generated by the physical stores directly managed (DOS), and by the direct online channel.

DOS
Directly Operated Store, including free-standing stores, concessions, travel retail stores and factory outlets.

DOORS
Wholesale stores, both multi-brand and mono-brand, where the brands are present.

EBIT
Earnings Before Interest and taxes (Operating results).

EBITDA
Earnings before Interest, Taxes, Depreciation and Amortisation.

E-CONCESSION
Online sales generated through third-party digital platforms and managed directly by the brand.

EMEA
Europe, United Kingdom, Middle East and Africa.

E-TAILER
Shop on digital platforms managed by third parties.

FAÇON MANUFACTURER
Third party supplier carrying out “cut-make-trim” phase (façon) of the production cycle according to the so-called industrialised method.

FLAGSHIP STORE
A mono-brand retail store which by its size and/or location conveys the philosophy and image of the brand.

FREE STANDING STORE
A retail store that is located directly on a street, i.e. not in a department store or shopping mall.

FULL TIME EQUIVALENT (FTE)
Average annual number of employees equivalent to full-time workers.

IFRS 16
Accounting principle that requires companies to recognise in their accounts the right-to-use of leased assets and the related liability corresponding to the obligation to make lease payments. Assets and liabilities arising from leases are measured on a present value basis.

KEY MONEY
An amount of money paid by the assignee to the assignor of lease agreements in retail properties, representing the goodwill connected to the prestige of a specific location.

NEW LUXURY
A concept that embraces the search for experientiality, inclusivity, a sense of belonging to a community and the mixing of diverse meanings and worlds including those of art, culture, music and sport.

OUTLET
A shop that sells products and collections from previous years and seasons at discount price.

RETAIL
Distribution channel directly managed by the Group.

SHOP-IN-SHOP
A dedicated mono-brand selling space located in and managed by a department store.

SRI (SOCIALLY RESPONSIBLE INVESTOR)
Financial operator who integrates standard financials with environmental, social, and governance considerations.

STAKEHOLDER
Every entity that has a legitimate interest in the activity of an organisation and influences or is influenced by the organisation’s decisions.

SUPPLY CHAIN
Distribution processes that begin with the supply of raw materials or components and end with the customer, encompassing all phases of production, wholesale and retail.

TRAVEL RETAIL STORE
Point of sale located in places where there is a high flow of travelers, such as airports and train stations.

WHOLESALE
Distribution channel owned by a third party that manages the products it buys and resells them on its own.

WHOLESALE MONO-BRAND STORE
Shop-in-shops (SIS) and all mono-brand stores that are not directly managed by the Group.

CONTACT US

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NOTES

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ECF (Elemental Chlorine Free)
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