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CONSOLIDATED FINANCIAL STATEMENTS

2025

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CONSOLIDATED FINANCIAL STATEMENTS

2025



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CONSOLIDATED FINANCIAL STATEMENTS 2025

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LETTER TO STAKEHOLDERS

2025 will likely be remembered as one of the most challenging years for the fashion industry, marked by a downturn driven by global geopolitical and economic conditions. In this context, I am proud of the stability and resilience demonstrated by OTB Group, that has faced these difficulties with a strong, united structure and a clear vision for the future. At a time when uncertainty represented one of the defining features of the landscape, we have continued to pursue our strategy with clarity and conviction, placing creativity at the heart of our approach as a distinctive value and strategic asset to further strengthen the foundations of our future development.

I am convinced that creativity must always remain at the core of business processes, especially in the most challenging times. It is the only true tool we have to overcome any crisis, as it allows us to anticipate change, innovate, and transform difficulties into opportunities for growth. Guided by this philosophy, over the course of the year we inaugurated a new creative direction for three of the Group brands, with Glenn Martens at Maison Margiela, Simone Bellotti at Jil Sander, and Meryll Rogge at Marni.

For me, creativity is not just aesthetic; it is a strategic vision that combines innovation, sustainability, and the courage to run a contemporary business. This is the direction guiding the entire OTB Group. We will continue to invest decisively in our product and our supply chain, which have always been fundamental pillars of our long-term sustainable growth.

In this scenario, OTB closed the financial year with a turnover of around €1.7 billion, representing a 4.8% decline at constant exchange rates, total investments of €64 million, and a net financial position up 29%, with positive cash generation. Investments were focused in particular on the development of direct channels and innovation projects, with an increasing emphasis on artificial intelligence solutions and clienteling.

Maison Margiela continued its growth trajectory, recording an increase of over 8% and reaffirming its position as one of the world's most iconic brands. Diesel also recorded very strong results, achieving its highest level of profitability in the past decade, a testament to the effectiveness of the hard work carried out to reposition the brand.

From a geographical standpoint, Japan continues to be a key market, representing over 27% of global turnover, while North America is showing signs of growth. We registered the first positive feedback in high-potential regions where we have recently invested, such as the

Middle East and Mexico, further confirming the strength and international relevance of our brands.

Among the most significant moments of the year, in January 2026 we renewed the licensing agreement between Staff International and Dsquared2 for a further five years and ten seasons, strengthening a partnership spanning more than two decades and embarking on a new shared journey with the brand.

Sustainability remains central to our vision. In 2025, we continued on our journey to make the company increasingly responsible, further expanding the use of low-impact materials across our brands' collections. Diesel, in particular, used these materials in around 90% of the pieces in its new denim collection. At the same time, we increased our procurement of energy from renewable sources. We believe that care for the planet must go hand in hand with creativity and innovation, and this is how we interpret the future of fashion.

Similarly, through the OTB Foundation, we have continued to make a tangible difference for people in need and for communities. We delivered educational programmes in schools focused on tackling bullying and addiction, emergency interventions in countries affected by war, and initiatives supporting women's empowerment and the fight against gender-based violence, results of which I am truly proud.

2025 was also a year of great personal significance for me, marked by the award of the Légion d'honneur by the French Government. This recognition serves as an incentive to further strengthen our presence in France, which, together with Italy, represents excellence in our sector.

Looking ahead, despite a context characterised by high uncertainty and significant geopolitical tensions, we have set ourselves ambitious goals and will continue to invest with determination to position OTB as one of the leading groups in the international fashion landscape. This vision would not be possible without the contribution of more than 7,000 people across our Group, whose talent, commitment and courage remain the true driving force enabling us to face challenges and build our future.

Renzo Rosso
Chairman and Founder of OTB Group



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BOARDS OF DIRECTORS AND STATUTORY AUDITORS



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BOARD OF DIRECTORS OF OTB S.P.A.

In office for the three-year period 2024 – 2026 (until approval of 2026 Financial Statements)

Chairman:

Renzo Rosso

CEO:

Ubaldo Minelli

Directors:

Stefano Rosso

Arianna Roberta Alessi

Carlo Purassanta

Cristina Bombassei

BOARD OF STATUTORY AUDITORS OF OTB S.P.A.

In office for the three-year period 2025 – 2027 (until approval of 2027 Financial Statements)

Chairman:

Cristiano Agogliati

Statutory Auditors:

Yuri Zugolaro

Bettina Solimando

Alternate Auditors:

Alessandra Maggioni

Silvia Daccò

INDEPENDENT AUDITORS

In office for the three-year period 2025 – 2027 (until approval of 2027 Financial Statements)

PricewaterhouseCoopers S.p.A.



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Consolidated Financial Statements as at 31 December 2025

**DIRECTORS' REPORT ON THE
CONSOLIDATED FINANCIAL STATEMENTS**



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GENERAL MARKET AND GROUP PERFORMANCE

Dear Shareholders,

In 2025, the global economy continued to operate in a highly complex environment. Developments were shaped by ongoing geopolitical tensions, an uncertain macroeconomic outlook and the gradual normalisation of monetary policy. The performance in international markets is mixed, with uneven growth rates across the main geographical regions, and demand remains selective. The key ongoing factors contributing to volatility include energy prices, financial conditions and trade policies.

In the United States, economic growth slowed from 2.8% to 2.2% year on year. Inflation stood at around 2.7%, while the labour market showed signs of cooling with fewer than 200,000 new jobs being created and the unemployment rate rising to 4.3%. Household consumption remains the primary driver of growth, despite widespread consumer caution.



China's economy is expected to grow by around 5%, supported by fiscal and monetary stimulus, as well as policies aimed at innovation and productivity. Although consumer spending is showing signs of recovery, the property sector remains weak. Overall, exports have remained resilient thanks to market diversification, despite trade tensions with the United States, and continue to play a significant role in supporting growth.

Japan's economy has experienced modest growth, with GDP rising by 1.1% in 2025 following the contraction recorded the previous year. The decline in the third quarter was followed by a slight improvement in the fourth quarter. The economic landscape continues to be characterised by moderate domestic demand and financial conditions that are helping to stabilise the economic cycle.



Growth in the eurozone remained moderate and uneven. Spain recorded strong growth of 2.8%, while France saw more modest growth of 0.8%, and Germany remained stagnant. Inflation continues to gradually return towards the 2% target. The outlook is still affected by weak domestic demand and uncertainty in the industrial sector.

In Italy, economic activity has shown modest growth throughout the year, supported by exports and NRRP-related investments. Growth continued at a moderate pace in the fourth quarter, driven by the services sector and a partial recovery in industry. Inflation remains at moderate levels below 2%, while the labour market is showing signs of improvement.

With respect to the Italian fashion sector, in which the Company operates, 2025 is likely to be remembered as one of the most challenging years, with an estimated decline in turnover of around 2.6% against a total estimated value of approximately Euro 93 billion. Throughout the year, there were signs of gradual stabilisation, with a recovery in the core sectors after a long period of decline, and greater resilience in the higher-end segments. The outlook points to a return to growth in 2026, albeit within a selective context. Despite the 4.1% decline recorded in 2025, exports remain a strategic driver, with a recovery expected in the coming year.

In this context, the OTB Group demonstrated its resilience. The periods marked by higher complexity highlight the value of our people and our team spirit. Furthermore, the plans we have put in place and the skills we have developed across the Group enable us to look to the future with confidence as we can rely on a solid, cohesive organisation.

Within this context, the OTB Group performed as follows:

- the Diesel Group, which produces and distributes clothing and the relevant accessories under the Diesel brand in the premium casual wear segment;
- Brave Kid S.r.l., which manages under licence the production and distribution of clothing and relevant accessories under the Diesel, MM6 Maison Margiela, Marni, Dsquared2, N21, MYAR and Max&Co brands for children's collections;
- Staff International S.p.A., operating in the luxury goods sector, managing under license the production and distribution of the high-end brands such as Dsquared2; it also deals with the design and production of shoes and bags for the entire OTB Group and with the design and production of collections for the Jil Sander, Maison Margiela and Marni brands;
- the Marni Group, which operates in the luxury goods sector, focusing on its core business of men and women's clothing and accessories; production is entrusted to Staff International S.p.A.. Through the investee Marni USA Ltd., the Marni Group has a 20% interest in Atelier Luxury Group LLC, the US company that owns the luxury brand AMIRI, founded in Los Angeles in 2014 by Mike Amiri. With a modern vision of luxury, AMIRI sits alongside the brands of the most established designers in the best stores worldwide.
- the Margiela Group, which operates in the *pret-à-porter* sector and distributes "Maison Margiela" brand products which are produced by Staff International S.p.A.;
- Viktor&Rolf B.V., the owner of the brand of the same name;
- the Jil Sander Group, acquired in 2021, which operates in the luxury sector with the Jil Sander brand founded in 1968 by the German designer of the same name.



The Group, headed by OTB, ended 2025 with total turnover of Euro 1,632.0 million, down 7.0% compared to Euro 1,754.4 million in 2024. This decline reflects the general downturn in the wholesale sector and the slowdown in the Chinese and European markets. However, these trends were partially offset by the positive performance of Maison Margiela (+8.4%), growth in North America and the Middle East, and the resilience and stability of the Japanese and retail channels, respectively.

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The adjusted net loss amounts to Euro 50.4 million, after non-recurring expense of Euro 56.0 million (Euro 3.9 million in 2024), and the net financial debt of Euro 536.8 million becomes a net financial position of Euro 39.9 million, excluding the assets and liabilities relating to the recognition of right-of-use assets (IFRS 16) (net financial debt of Euro 561.8 million in 2024 and net financial position of Euro 31.2 million excluding lease assets and liabilities).

The consolidated financial statements were prepared in accordance with IFRS Accounting Standards, while the financial statements of the parent continue to be prepared in accordance with the provisions of the Italian Civil Code and the Italian accounting standards (OIC).

SIGNIFICANT EVENTS OF THE YEAR

In 2025, the global economy continued to operate in a highly complex environment, still shaped by ongoing geopolitical tensions, an uncertain macroeconomic outlook and gradually stabilising market trends. Against this backdrop, demand fluctuated unevenly across geographical areas and distribution channels. The wholesale channel continued to decline, while certain geographical areas within the retail channel underperformed. As a result, constant adjustments to operational strategies were required.

In particular, the retail strategy for the Marni and Jil Sander brands was reviewed, with the distribution network being streamlined through the closure of underperforming stores and the appointment of a new creative director.

The complex market situation, coupled with the effects of the aforementioned measures involving the Marni and Jil Sander brands, negatively impacted the OTB Group's financial position.

Nevertheless, the OTB Group has continued to implement initiatives aimed at strengthening its competitive position, focusing, in particular, on operational efficiency, financial discipline and selective business development. Accordingly, the Group has continued to invest in technological innovation to improve the efficiency and effectiveness of processes and relationships with internal and external stakeholders. Meanwhile, it has also continued to implement its sustainability strategy by providing sustainability training at all levels of the organisation. The measures taken were aimed at safeguarding the Company's financial strength and ensuring business continuity.

Thanks to the significant investments made in recent years to reposition the brand, Diesel has improved its profitability and achieved its best results in ten years. The brand continues to promote its values of accessibility and inclusion, and to this end organised its first public show during the Milan Fashion Week in September 2025, where it unveiled its Spring/Summer '26 collection. Investment in direct channels continued in 2025, with major new openings in Berlin and Seoul. In particular, one of the brand's largest flagship stores has opened in Seoul's Hannam district. Designed as a cultural hub, the store brings together fashion, design and global trends.

In the luxury segment, Maison Margiela maintained its positive momentum, growing by 8.4% and becoming the fastest-growing brand within the Group. Following the appointment of Glenn Martens as creative director, the brand took centre stage at Paris Haute Couture Week in July with the designer's debut Artisanal couture show, followed by the Ready-to-Wear collection in October 2025. Throughout the year, the brand continued to expand internationally, entering the Canadian market and opening its first stores in Mexico, while also strengthening its presence in the Middle East.

In 2025, Jil Sander announced the appointment of Simone Bellotti as creative director, aiming to further enhance the status of the fashion house within the Group. Bellotti presented his debut Spring/Summer '26 ready-to-wear collection at the Milan Fashion Week in September 2025, followed by the Fall/Winter 2026 pre-collection. During the year, the brand strengthened its retail presence in the Asia-Pacific region by opening new stores in China and Japan. Jil Sander unveiled its first fragrance range, the Olfactory Series 1, in collaboration with Coty. The brand also revived its long-standing partnership with Puma, reigniting the pioneering dialogue between luxury and sport that the two companies started in 1998.

The appointment of Meryll Rogge as creative director marks a new phase for Marni. This decision reflects the brand's commitment to reinforcing its identity while embracing a contemporary vision that remains faithful to the Maison's core values. Meryll Rogge has already launched a successful capsule collection for the brand's direct-to-consumer channels, as well as the Fall/Winter 2026 Pre-Collection.

Viktor Horsting and Rolf Snoeren, the founders and designers of Viktor&Rolf, were reappointed as the creative directors of the haute couture maison in February 2025 and celebrated their 30-year career with an exhibition called "Viktor&Rolf: Fashion Statements", which, after Munich, was taken to the High Museum of Art in Atlanta. The fashion house's partnership with L'Oréal in the luxury fragrance sector, which has spanned more than twenty years, continues to be a success, with global best-sellers such as Flowerbomb and Spicebomb. During the year, Viktor&Rolf returned to the ready-to-wear segment with their Fall/Winter '25 collection.

Staff International, a strategic asset of OTB and a production and logistics platform for the Group's brands, including Dsquared2 under licence, has renewed its agreement with Dsquared2 for five years, starting from Spring/Summer '27. This agreement builds on a partnership spanning over twenty years and marks the beginning of a new phase of shared strategic development. In 2025, the company renewed the distribution agreement for the Amiri brand in Japan for a further five years.

During the year, the fourth edition of Staff International's in-house academy, Scuola dei Mestieri, took place. This academy is designed to train the next generation of Made in Italy talent. Since its launch in 2021, the academy has welcomed over 50 young professionals, over 85% of whom have subsequently joined Group companies.

Brave Kid, a company specialising in the production and worldwide distribution of children's clothing for the Group's own and licensed brands, has consolidated its business. From the Spring/Summer '26 season onwards, the company has insourced the research, development, production and distribution of footwear for the Diesel brand and the MAX&Co. licence.



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In 2025, the Group continued to invest in direct channels in order to strengthen its control over distribution and its relationships with end customers. Retail, outlet and online channels are becoming increasingly important to the Group's business, accounting for 60% of turnover. During the year, work continued on streamlining the network through new openings, relocations and closures. This brought the total number of direct stores to 600 by the end of 2025.

In the Asia-Pacific region, a change in governance has been implemented, with the Korean market now falling under the jurisdiction of Japan, a country that remains central to the Group. The aim is to extend the best practices established in the Japanese market and support the development of high-potential markets such as Korea.

During the year, the OTB Group launched direct operations in Mexico by opening its first nine stores. Furthermore, it began a programme to expand the business of its joint venture with the Chalhoub Group in Qatar and Kuwait as of 2026.

As a result of these transactions, the Group is now directly present in 27 countries and is active in over 100 markets through its sales channels.

The Group has continued to invest in technological innovation to improve the efficiency and effectiveness of its internal operations, as well as those involving customers and suppliers. This has involved migrating the finance, logistics and sales systems for certain group brands to the cloud. In addition, various teams have introduced AI solutions into their day-to-day work, with the aim of reducing low-value tasks and enhancing staff skills to improve work quality. As part of projects developed in collaboration with one of the world's leading technology companies, which will be announced shortly, AI has also been integrated into customer management activities in the form of virtual sales tools. AI has also been applied to certain stages of the supply chain.

As a Steering Member of the Aura Blockchain Consortium, OTB continues to play a leading role in further expanding the use of blockchain technology within its own processes. The Company now provides a digital certificate of authenticity for all Jil Sander, Maison Margiela and Marni products. Thanks to the ongoing standardisation and scalability of these operations, the Group has recorded over two million products on the blockchain since the project began.

This has paved the way for the implementation of the Digital Product Passport (DPP). During the year, OTB has launched a number of pilot projects in anticipation of the European regulations due to come into force in 2027.

In appreciation of the consortium's innovative and collaborative approach, Aura received the Groundbreaker Award at the National Chamber of Italian Fashion's Sustainable Fashion Awards in September 2025.

OTB, its brands and companies continued to implement the sustainability strategy "Be Responsible. Be brave.". In particular, the Group has procured over 80% of its energy from renewable sources to meet its overall operational energy requirements, while also continuing to invest in sustainability training across the organisation. A key objective has been to increase the use of environmentally friendly materials in its brands' collections. In particular, 90% of the garments in Diesel's latest denim range are crafted from such materials.

Furthermore, with respect to supply chain management, Diesel has tightened controls throughout its supply chain, paying particular attention to suppliers and subcontractors based in Italy.

OTB remains an active member of the leading organisations promoting responsible development in the fashion industry. In 2025, the Group reinforced its ongoing and tangible commitment by contributing directly to the joint efforts of industry groups and brands within The Fashion Pact, the Re.Crea Consortium and the Sustainable Markets Initiative, which was promoted by King Charles III.



The Group has reaffirmed its commitment to investing in the supply chain by pursuing the C.A.S.H. project, launched in 2013 to provide financial support to its most dedicated partners. The total volume of funding disbursed since the beginning of the programme has exceeded Euro 700 million.

OTB has also played an active role in the working groups set up by the sector's trade associations. These groups led to the drafting of the Protocol for Legality in the fashion supply chain which aims to establish a shared framework for transparency and legality within the Made in Italy supply chain.

The Group has reaffirmed its commitment to embedding sustainability at every level of the organisation, recognising its importance as a driver of growth. With this in mind, major training programmes have been developed in collaboration with international academic partners and are aimed at all Group employees. Particular attention has been paid to training within the style and product development departments. The aim is to foster a shift in mindset from the initial design and development stages of the collections onwards.

In 2022, the European Commission conducted an inspection at the headquarters of the subsidiary Jil Sander S.p.A. in Milan, concerning any agreements and/or concerted practices to coordinate prices and future market behaviour in the European Economic Area, at least from 2020. The matter was resolved in 2025 with no consequences for the Group.

During the year, the OTB Group was subject to a number of tax inspections by the Italian and foreign tax authorities.

The ongoing tax inspection covering the subsidiary Staff International S.p.A. has resulted in a recovery notice served during the year for the 2017, 2018, 2019 and 2020 tax years, and concerning the alleged improper offsetting of non-existent tax credits for R&D investments in the 2017, 2018, 2019 and 2020 tax years, amounting to Euro 3,940 thousand, plus penalties and interest. The company has filed an appeal with the Venice Tax Court of First Instance against the Veneto Regional Office of the Italian tax authorities. The claimant, Staff International S.p.A., is maintaining its position, which is consistent with the stance it took when deciding not to participate in the amnesty.

The competent tax authorities are currently investigating other group companies, such as Diesel S.p.A., Marni France SAS and Marni Deutschland GmbH. These inspections have not resulted in any specific, final objections from the relevant authorities.

Marni Group S.r.l. underwent a tax inspection during 2025 which ended with no adverse findings.

Finally, the subsidiaries OTB Korea LTD and Margiela Shanghai Trading Co. LTD are currently under investigation by customs authorities in their respective countries. These investigations have not yet produced any quantitative risk findings.

In addition, the subsidiary Diesel S.p.A. filed an application during the year to renew the Bilateral Advance Pricing Agreement (BAPA) in relation to transactions with the Japanese subsidiary Diesel Japan. This application refers to the five-year period 2025-2029 and is part of the prior agreement procedures between the tax authorities of the two countries, aimed at defining shared transfer pricing methods. The procedure has not yet reached its final stage.

Given the general state of the procedures, the verification processes and the absence of specific and quantifiable objections by the tax authorities, the taxpayers concerned do not believe that there are any significant elements that would affect the consolidated financial statements of the OTB Group.

GROUP OPERATIONS

Operating situation

In 2025, non-recurring expense totalling Euro 56.0 million was recognised in connection with increased inventory write-downs due to a change in the Group's brands' creative directors and impairment losses on goodwill relating to the Marni business world and certain Marni and Jil Sander brand store assets following impairment tests. Furthermore, personnel expenses increased due to corporate restructuring and the renewal of the licence with Dsquared2. Non-recurring expense may be analysed as follows:

<i>(in millions of euro)</i>	2025
Change in inventories	(21.4)
Purchases	(0.8)
Services	(2.0)
Personnel expenses	(1.2)
Other operating expenses	(0.1)
Impairment losses on non-current assets	(30.5)
Total non-recurring expense	(56.0)



The financial performance reflects the impact of non-recurring expense on the Group's financial results. The highlights of the reclassified statement of profit or loss are shown below, together with prior year comparative figures (in millions of euro):

<i>(in millions of euro)</i>	2025	%	2024 restated	%	25vs24	%
Net sales	1,568.8	96.1%	1,691.3	96.4%	(122.5)	(7.2)%
Royalties and other revenue	63.2	3.9%	63.1	3.6%	0.1	0.2%
Total revenue	1,632.0	100.0%	1,754.4	100.0%	(122.4)	(7.0)%
<i>non-recurring income/(expense)</i>	<i>0.0</i>	<i>0.0%</i>	<i>0.0</i>	<i>0.0%</i>	<i>0.0</i>	
Cost of sales	(514.9)	(31.6)%	(564.9)	(32.2)%	50.0	(8.9)%
Adjusted gross profit/margin	1,117.1	68.4%	1,189.5	67.8%	(72.4)	(6.1)%
<i>non-recurring income/(expense)</i>	<i>(22.2)</i>	<i>(1.4)%</i>	<i>0.0</i>	<i>0.0%</i>	<i>(22.2)</i>	
Gross profit/margin	1,094.9	67.1%	1,189.5	67.8%	(94.6)	(8.0)%
Royalties and other costs	(11.6)	(0.7)%	(17.0)	(1.0)%	5.4	(31.8)%
Advertising costs	(99.5)	(6.1)%	(106.5)	(6.1)%	7.0	(6.6)%
Sales commissions	(30.4)	(1.9)%	(29.2)	(1.7)%	(1.2)	4.1%
Transport costs	(28.2)	(1.7)%	(32.4)	(1.8)%	4.2	(13.0)%
Personnel expenses	(373.5)	(22.9)%	(375.8)	(21.4)%	2.3	(0.6)%
Overheads	(332.3)	(20.4)%	(348.7)	(19.9)%	16.4	(4.7)%
Impairment losses on receivables	(4.2)	(0.3)%	(2.9)	(0.2)%	(1.3)	44.8%
Adjusted gross operating profit	237.4	14.5%	277.0	15.8%	(39.6)	(14.3)%
<i>non-recurring income/(expense)</i>	<i>(25.5)</i>	<i>(1.6)%</i>	<i>0.0</i>	<i>0.0%</i>	<i>(25.5)</i>	
Gross operating profit	211.9	13.0%	277.0	15.8%	(65.1)	(23.5)%
Impairment losses on property, plant and equipment and intangible assets	0.0	0.0%	(1.8)	(0.1)%	1.8	(100.0)%
Amortisation/depreciation	(66.4)	(4.1)%	(66.2)	(3.8)%	(0.2)	0.3%
Depreciation of right-of-use assets	(150.7)	(9.2)%	(154.2)	(8.8)%	3.5	(2.3)%
Trademark amortisation	(10.2)	(0.6)%	(10.2)	(0.6)%	0.0	0.0%
Adjusted net operating profit (EBIT)	10.1	0.6%	44.6	2.5%	(34.5)	(77.4)%
<i>non-recurring income/(expense)</i>	<i>(56.0)</i>	<i>(3.4)%</i>	<i>0.0</i>	<i>0.0%</i>	<i>(56.0)</i>	
Net operating profit/(loss) (EBIT)	(45.9)	(2.8)%	44.6	2.5%	(90.5)	(202.9)%
Financial income (expenses)	(3.4)	(0.2)%	(6.5)	(0.4)%	3.1	(47.7)%
Equity-investments measured using the equity method	(3.0)	(0.2)%	(3.1)	(0.2)%	0.1	(3.2)%
Interests on lease liabilities	(17.1)	(1.0)%	(16.6)	(0.9)%	(0.5)	3.0%
Exchange gains (losses)	(7.7)	(0.5)%	1.8	0.1%	(9.5)	(527.8)%
Adjusted pre-tax profit/(loss)	(21.1)	(1.3)%	20.2	1.2%	(41.3)	(204.5)%
<i>non-recurring income/(expense)</i>	<i>(56.0)</i>	<i>(3.4)%</i>	<i>0.0</i>	<i>0.0%</i>	<i>(56.0)</i>	
Pre-tax profit/(loss)	(77.1)	(4.7)%	20.2	1.2%	(97.3)	(481.7)%
Income taxes	(29.3)	(1.8)%	(15.6)	(0.9)%	(13.7)	87.8%
Adjusted profit/(loss)	(50.4)	(3.1)%	4.6	0.3%	(55.0)	(1,195.7)%
<i>non-recurring income/(expense)</i>	<i>(56.0)</i>	<i>(3.4)%</i>	<i>0.0</i>	<i>0.0%</i>	<i>(56.0)</i>	
Profit/(loss)	(106.4)	(6.5)%	4.6	0.3%	(111.0)	(2,413.0)%
Adjusted profit/(loss) attributable to owners of the Parent	(50.4)	(3.1)%	4.2	0.2%	(54.6)	(1,300.0)%
<i>non-recurring income/(expense)</i>	<i>(56.0)</i>	<i>(3.4)%</i>	<i>0.0</i>	<i>0.0%</i>	<i>(56.0)</i>	
<i>Profit/(loss) attributable to owners of the Parent</i>	<i>(106.4)</i>	<i>(6.5)%</i>	<i>4.2</i>	<i>0.2%</i>	<i>(110.6)</i>	<i>(2,633.3)%</i>



Net sales of Euro 1,568.8 million consist of Euro 940.9 million of direct channel sales (retail, outlets, on-line) and Euro 627.9 million of indirect channel sales. In 2024, net sales amounted to Euro 1,691.3 million, of which Euro 961.9 million related to direct channels and Euro 729.4 million related to indirect channels.

Revenue from sales and services by geographical segment, consisting of the sum of net sales of Euro 1,568.8 million and royalty income of Euro 41.3 million, coming to a total of Euro 1,610.1 million, breaks down as follows (in millions of euro):

<i>(in millions of euro)</i>	Italy	Rest of Europe	APAC (excl. India)	Japan	America	Rest of world (incl. India)	Total
Revenue	287.0	384.8	212.8	429.9	192.5	103.1	1,610.1
% of revenue	17.8%	23.9%	13.2%	26.7%	12.0%	6.4%	100.0%

Net sales fell by 7.2% compared with the previous year and reflect the general downturn in the wholesale channel and the slowdown in the Chinese and European markets. These trends were partially offset by the positive performance of Maison Margiela (+8.4%), growth in North America and the Middle East, and the resilience and stability of the Japanese and retail channels, respectively.

Sales through direct channels accounted for 60.0% of total sales compared to 56.9% in the previous year. During the year, work continued on streamlining the network through new openings, relocations and closures. This brought the total number of direct stores to 600 by the end of 2025. Royalty income amounted to Euro 41.3 million (Euro 40.9 in 2024).

Adjusted EBITDA amounted to Euro 237.4 million (Euro 277.0 million in 2024) equal to 14.5% of revenue, compared to 15.8% in the previous year. Adjusted EBITDA is shown after non-recurring expense of Euro 25.5 million. Including non-recurring expense, EBITDA amounts to Euro 211.9 million, accounting for 13.0% of revenue.

Adjusted EBIT amounted to Euro 10.1 million (Euro 44.6 million in 2024) equal to 0.6% of revenue, compared to 2.5% in the previous year. Adjusted EBIT is shown after non-recurring expense of Euro 56.0 million. Including non-recurring expense, EBIT is negative by Euro 45.9 million, accounting for -2.8% of revenue.

The loss for the year amounted to Euro 50.4 million (profit of Euro 4.6 million in 2024). The percentage impact on revenue was -6.5% compared to 0.2% in 2024. The loss for the year was affected by costs relating to non-recurring transactions amounting to Euro 56.0 million. The loss for the year including non-recurring expense amounts to Euro 106.4 million, accounting for -6.5% of revenue.



Financial position

The Group's statement of financial position at 31 December 2025 is summarised below (in millions of euro):

<i>(in millions of euro)</i>	31.12.2025	%	31.12.2024 restated	%	25vs24	%
Current assets	758.5	35.3%	852.3	36.8%	(93.8)	(11.0)%
Non-current assets	1,387.4	64.7%	1,465.4	63.2%	(78.0)	(5.3)%
Total assets	2,145.9	100.0%	2,317.7	100.0%	(171.8)	(7.4)%
Current liabilities	628.2	29.3%	644.6	27.8%	(16.4)	(2.5)%
Non-current liabilities	547.8	25.5%	571.8	24.7%	(24.0)	(4.2)%
Equity attributable to the owners of the Parent	964.0	44.9%	1,094.9	47.2%	(130.9)	(12.0)%
Non-controlling interests	5.9	0.3%	6.4	0.3%	(0.5)	(7.8)%
Equity	969.9	45.2%	1,101.3	47.5%	(131.4)	(11.9)%
Total liabilities	2,145.9	100.0%	2,317.7	100.0%	(171.8)	(7.4)%

At 31 December 2025, equity amounted to Euro 969.1 million compared to Euro 1,101.3 million at 31 December 2024.

For information about changes in equity, reference should be made to the notes to the consolidated financial statements.

Cash flows

The Group's cash flows can be summarised as follows:

<i>(in millions of euro)</i>	2025	2024 restated	25vs24	%
Net opening cash and cash equivalents	78.8	81.4	(2.6)	(3.2)%
Self-financing	165.9	244.1	(78.2)	(32.0)%
Changes in working capital	41.6	32.4	9.2	28.4%
Changes in financial instruments	(5.3)	2.0	(7.3)	(365.0)%
Taxes and interest	26.4	(5.1)	31.5	(617.6)%
Net investments for business combinations	(6.9)	(9.6)	2.7	(28.1)%
Net investments	(68.9)	(83.7)	14.8	(17.7)%
Dividend distribution	(20.6)	(20.6)	0.0	0.0%
Cash flows from IFRS 16	(163.9)	(163.1)	(0.8)	0.5%
Cash flow from financing activities	14.4	5.3	9.1	171.7%
Net exchange difference	18.7	(4.3)	23.0	(534.9)%
<i>Net change in cash and cash equivalents</i>	<i>1.4</i>	<i>(2.6)</i>	<i>4.0</i>	<i>(153.8)%</i>
Net closing cash and cash equivalents	80.2	78.8	1.4	1.8%

Ratios

The main financial ratios calculated using adjusted figures can be summarised as follows:

	2025	2024 restated	25vs24
R.O.I.	0.47%	1.92%	(1.45)%
R.O.E.	(4.97)%	0.42%	(5.39)%
R.O.S.	0.62%	2.54%	(1.92)%
Liquidity ratio	1.21	1.32	(0.11)

The same ratios calculated using unadjusted figures are shown in the table below:

	2025	2024 restated	25vs24
R.O.I.	(2.14)%	1.92%	(4.06)%
R.O.E.	(11.04)%	0.42%	(11.46)%
R.O.S.	(2.81)%	2.54%	(5.35)%
Liquidity ratio	1.21	1.32	(0.11)

INVESTMENTS

The Group's investments total Euro 70.9 million, compared with Euro 86.5 million the previous year. The breakdown is as follows:

- Euro 14.5 million in intangible assets;
- Euro 49.5 million in property, plant and equipment;
- Euro 6.9 million for scope enlargement.

Investments in property, plant and equipment and intangible assets focused, in particular, on direct channels (in 2025, the streamlining of the retail network involved 49 new openings, 58 closures and the relocation of some stores to more strategic locations) and on major innovation projects, which mainly concerned AI and customer solutions.

Investments for scope enlargement relate to the acquisition of the retail and e-commerce business in the United Arab Emirates through OTB ME Trading LLC, based in Dubai, wholly-owned by OTB Middle East FZCO which, in turn, is 60% owned by the parent OTB S.p.A. and the remaining 40% by the Chalhoub Group in the Middle East. The acquisition values are presented in the notes to the consolidated financial statements.

RESEARCH AND DEVELOPMENT

Research activity is focused on styling and technology.

With regard to styling, constant attention is paid to changing tastes and customs to ensure early recognition of trends in what is now a global market and with consumers who are more attentive and aware. On the technology front, the emphasis is on the search for new materials and a new way of treating fabrics and raw materials, in general, with the aim of obtaining a finished product with features that combine quality and style so as to guarantee brand recognition for each label.

OTHER INFORMATION

Personnel and organisation

The Group had 6,825 employees at 31 December 2025 against 6,875 at 31 December 2024.

Particular attention is paid to professional training and management development, with projects and work-groups involving various companies and group functions.



OTB

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Objectives and policies concerning the management of financial risk

As already described in the notes to the consolidated financial statements, the OTB Group operates in an international context and therefore, is exposed, to a varying extent, to various financial risks linked to its business. These risks fall mainly into the category of market risks, which can be further divided into:

- interest rate risk, which is linked to the impact of changes in market interest rates;
- currency risk, arising from trading in currencies other than the presentation currency;
- liquidity risk, which is connected with the need to guarantee adequate access to capital markets and sources of funding to support the needs generated from operations, investments and the maturities of financial liabilities;
- credit (or counterparty) risk, i.e. the risk of default by counterparties on commercial or financial obligations, arising from normal business operations, as well as from financing, investment and risk hedging activities.

The methods used for financial risk management are described in detail in the notes to which reference should be made.

Information on the environment

During the year:

- no damage was caused to the environment for which any Group company was found responsible;
- no sanctions or penalties were levied against any Group companies for environmental protection crimes or damage to the environment;
- there were no greenhouse gas emissions as defined by Law no. 316/2004.

Information relating to personnel

During the year:

- no fatal accidents took place involving employees for which any Group company was found to be responsible;
- no accidents causing serious injuries took place involving employees for which any Group company was found to be responsible;
- no liability vis-à-vis employees or former employees for illnesses caused by occupational hazards, nor for harassment charges, took place for which any Group company was found to be responsible.

Treasury shares

OTB S.p.A. does not hold, nor has it acquired or sold treasury shares during the year, either directly or through trustees or nominees or through subsidiaries or associates.

Related party transactions

No related party transactions can be qualified as either atypical or unusual, since they fall within the ordinary operations of the Group companies. These transactions are regulated at market conditions, taking into account the characteristics of the goods and services provided.

For further information about related party transactions, reference should be made to the notes to the consolidated financial statements.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

Significant subsequent events

For information about the significant events subsequent to the reporting date of these consolidated financial statements, reference should be made to the directors' report.

Business outlook

During the first few months of 2026, the economic, political and social landscape was characterised by uncertainty. However, signs of gradual stabilisation emerged in certain market sectors. Against this backdrop, the Company and the OTB Group are consolidating and developing by investing in and strengthening their organisational and operational structures. They continue to focus on monitoring developments in relevant markets, maintaining a strong presence in key markets and expanding operations in areas with the greatest growth potential. In the short and medium term, the Company and the OTB Group will continue to implement actions and measures aimed at mitigating the effects of the macroeconomic environment, while maintaining a prudent approach to financial management and preserving their strategic focus on brands, product quality and the supply chain. Indeed, these elements are considered key to achieving their medium- to long-term objectives.

Breganze, 17 March 2026
The Board of Directors
The Chairman
Renzo Rosso

**REPORT OF THE BOARD
OF STATUTORY AUDITORS**



REPORT OF THE BOARD OF STATUTORY AUDITORS PURSUANT TO ART. 2429 OF ITALIAN THE CIVIL CODE ON THE FINANCIAL STATEMENTS AT 31 DECEMBER 2025

To the Shareholders' Meeting of OTB S.p.A.

This document covers the supervisory activities carried out by the Board of Statutory Auditors pursuant to Art. 2403 of the Italian Civil Code on the financial statements of OTB S.p.A. ("OTB" or "Company") at 31 December 2025 approved by the Board of Directors on 17 March 2026.

The Board of Statutory Auditors that signs this report was appointed by the Shareholders' Meeting on 16 April 2025, with a three-year term of office, thus expiring with the approval of the financial statements at 31 December 2027.

Supervisory activities performed pursuant to Article 2403 et seq. of the Italian Civil Code

From the date the assignment was granted, we have conducted our activities in accordance with the rules of conduct for Boards of Statutory Auditors issued by the Italian Accounting Profession. Specifically:

- we supervised compliance with the law and articles of association and compliance with the principles of correct administration; in particular, we have assessed the adequacy of the organisational, administrative and accounting structure adopted by the Company and its effective operation, not detecting any critical issues and/or exceptions to bring to your attention;
- we attended the Shareholders' Meetings and we met with the Board of Directors, in relation to which, on the basis of the information available, we neither found any violations of law or the articles of association, nor any transactions that were manifestly imprudent, risky, in potential conflict of interest or such as to compromise the integrity of the company's assets;
- during the meetings held, we acquired information from the directors on the general management trend and its foreseeable outlook as well as on the most important transactions in terms of dimension or characteristics, implemented by the company. On the basis of the information acquired, we have no particular comments to make;
- we acquired information, read the reports of the Supervisory Body relating to the period 1 January 2025 – 31 December 2025 and no critical issues emerged that should be highlighted in this report regarding the correct implementation of the Organisational Model;
- we gained awareness of and monitored, insofar as we are competent to do so, the suitability and function of the Company's organisational structure, also through the collection of information from the department managers. On this regard, we have no particular comments to make;
- we acquired knowledge on and supervised, to the extent of our responsibility, the adequacy and functioning of the administrative-accounting system, as well as on the reliability of the latter to correctly represent operations, by obtaining information from function heads and examining company documents and, in this regard, we have no particular observations to report;
- for the purpose of mutual exchange of data and information, we spoke with the auditing firm PWC S.p.A., appointed by the Shareholders' Meeting on 16 April 2025 to perform the statutory audit of the financial statements for the three-year period 2025–2027 pursuant to Art. 2409-bis of the Italian Civil Code. The meetings did not reveal any relevant data or information that should be highlighted in this report;



- no shareholder claims were received pursuant to Art. 2408 of the Italian Civil Code;
- no claims were brought before the Court pursuant to Article 2409 of the Italian Civil Code;
- during the year, the Board of Statutory Auditors issued no opinions established by law.
- During the financial year, we did not make any reports to the Board of Directors pursuant to Article 25–octies of Legislative Decree no. 14 of 12 January 2019, and no notifications have been received from eligible public creditors pursuant to Article 25–novies of Legislative Decree no. 14 of 12 January 2019.

During the supervisory activities as described above, no other significant events emerged such as to be worthy of note in this report.

Comments about the financial statements

The draft financial statements that the Board of Directors sent us pursuant to Art. 2429 of the Civil Code, consisting of the balance sheet, income statement, notes thereto and cash flow statement, were drawn up in compliance with the provisions of the Italian Civil Code on financial statements as amended by Legislative Decree no. 139/2015 in implementation of the European Directive 2013/34.

We verified compliance of the financial statements with the facts and information of which we are aware and following completion of our duties, and we have no comments to make.

As far as we are aware, in preparing the financial statements, the Board of Directors did not depart from the provisions of law pursuant to Art. 2423, point 5, of the Italian Civil Code.

We have noted, pursuant to art. 2426, point 5 of the Italian Civil Code, that no start-up or capital costs or development costs have been recognised under balance sheet assets. Assets under development and payments on account and other assets, recognised with the consent of the Board of Statutory Auditors, mainly refer to ancillary charges for the study and implementation of new strategic projects concerning the development of the various sales channels, planning activities related to logistics, investments in digital innovation and robotics, as well as the investment for the new SAP HANA accounting and management information system that will be adopted throughout the Group.

We have noted, pursuant to Art. 2426, point 6, of the Italian Civil Code, that no goodwill has been recognised under balance sheet assets.

We ensured compliance with the laws regarding preparation of the directors' report and have no particular comments to make in this regard.

Since we are not responsible for the statutory audit of the financial statements, we have verified compliance with the legal provisions relating to the preparation of the financial statements at 31 December 2025 and have no comments to make in this regard.

With respect to checking that the accounting records were duly kept, the correct recognition of operations, as well as the statutory audit of the financial statements, reference should be made to the report of the independent auditors. The Board of Statutory Auditors has acknowledged that the independent auditors PWC S.p.A. issued on 02 April 2026, its report pursuant to Art. 14 of Legislative Decree no. 39/2010, from which no findings or disclosures emerge and in which it is stated that the *financial statements give a true and fair view of the Company's financial position as at 31 December 2025 and of the results of operations and cash flows for the year then ended, in accordance with the Italian regulations governing their preparation.*

Comments on the consolidated financial statements

We also examined the draft consolidated financial statements at 31 December 2025, made available to us in conjunction with the financial statements of the parent and the directors' report thereon.

The reporting date of the consolidated financial statements coincides with that of the parent and of all the other companies included in the consolidation scope, with the exception of Diesel Fashion India Reliance PVT. Ltd. and K-Bit Brave Sourcing Ltd., which prepare interim financial statements at 31 December for consolidation purposes as their reporting date is 31 March.

The consolidation scope changed with respect to the previous year due to the following extraordinary transactions:

- the acquisition of 100% of OTB ME Trading LLC, based in Dubai, United Arab Emirates, by the subsidiary OTB Middle East FZCO, which is 60% owned by the parent OTB S.p.A.;
- the acquisition of the remaining 10% of the subsidiary BVX S.r.l.;
- the liquidation of Marni Suisse SA, wholly-owned by the subsidiary Marni Group S.r.l..

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union and which were in force at the date of the preparation thereof. The notes to the consolidated financial statements analytically indicate, *inter alia*, the preparation criteria and the consolidation scope in accordance with the provisions of the IFRS Accounting Standards.

With respect to the directors' report which accompanies the consolidated financial statements, we hereby confirm that it provides comprehensive disclosures and that the figures reported therein are consistent with those presented in the consolidated financial statements.

The Board of Statutory Auditors acknowledged that on 02 April 2026, the independent auditing firm PWC S.p.A. issued its report pursuant to Article 14 of Legislative Decree no. 39 of 27 January 2010, on the consolidated financial statements of the OTB Group, from which no observations or disclosures emerge and in which it is stated that *the consolidated financial statements give a true and fair view of the Group's financial position as at 31 December 2025 and of the results of operations and cash flows for the year then ended, in accordance with the International Financial Reporting Standards endorsed by the European Union.*

Observations and proposals with regard to approval of the financial statements

Considering that no significant facts emerged from the supervisory and control activity worthy of reporting and/or mention in this report and taking into consideration the results of the activity carried out by PWC S.p.A., the independent auditors responsible for the statutory audit of the financial statements, to which the Board refers, the Board of Statutory Auditors is in favour of the approval of the financial statements at 31 December 2025 nor does it have any observations regarding the proposed allocation of the net profit for the year formulated by the Board of Directors in the notes.

Breganze, 2 April 2026

The Board of Statutory Auditors
Cristiano Agogliati
Bettina Solimando
Yuri Zugolaro

**CONSOLIDATED
FINANCIAL STATEMENTS**



CONSOLIDATED FINANCIAL STATEMENTS: CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in thousands of euro)</i>	Note	31.12.2025	31.12.2024 restated
Assets			
Non-current assets			
Goodwill	1	65,412	83,740
Intangible assets with a finite useful life	1	244,897	254,936
Right of use assets	2	534,060	555,310
Property, plant and equipment	3	313,794	333,345
Equity-accounted investees	4	41,429	46,979
Lease assets	5	2,151	0
Other financial assets	6	2,955	2,855
Other non-current assets	7	49,509	43,965
Deferred tax assets	8	135,593	144,316
Total non-current assets		1,389,800	1,465,446
Current assets			
Inventories	9	362,170	428,948
Trade receivables	10	190,766	225,605
Tax receivables	11	14,423	21,455
Current lease assets	5	205	20
Current other financial assets	6	26,424	10,566
Other current assets	12	79,050	81,950
Cash and cash equivalents	13	83,069	83,760
Total current assets		756,107	852,304
Total assets		2,145,907	2,317,750
Equity and liabilities			
Shareholders' equity			
Group shareholders' equity	14	963,980	1,094,903
Minority interest	15	5,943	6,404
Total shareholders' equity		969,923	1,101,307
Non-current liabilities			
Lease liabilities	16	448,239	461,529
Non-current financial liabilities	17	5,079	611
Provisions for risks and charges	18	23,654	20,856
Post-employment benefits plan liabilities	19	8,140	9,707
Other non-current liabilities	20	3,981	16,874
Deferred tax liabilities	21	58,695	62,202
Total non-current liabilities		547,788	571,779
Current liabilities			
Trade payables	22	257,599	270,939
Other current liabilities	23	132,023	135,404

CONSOLIDATED FINANCIAL STATEMENTS

<i>(in thousands of euro)</i>	Note	31.12.2025	31.12.2024 restated
Current tax liabilities	24	11,441	9,594
Provisions for risks and charges	18	33,951	34,727
Current lease liabilities	16	128,640	131,488
Current financial liabilities	25	64,542	62,512
Total current liabilities		628,196	644,664
Total liabilities		1,175,984	1,216,443
Total equity and liabilities		2,145,907	2,317,750

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>(in thousands of euro)</i>	Note	2025	
Revenue from sales and services	28	1,610,108	1,732,229
Other operating income	29	21,884	22,182
Revenue		1,631,992	1,754,411
Change in inventories	30	50,523	56,303
Purchases	31	397,755	405,410
Lease and rental costs	32	116,144	118,613
Services	33	432,001	462,422
Personnel expenses	34	374,729	375,809
Other operating expenses	35	42,857	54,632
Amortisation/depreciation	36	227,502	230,572
Provisions and impairment losses	37	36,425	6,018
Operating profit/(loss)		(45,944)	44,632
<i>of which non-recurring income/(expense)</i>		<i>(56,005)</i>	<i>0</i>
Financial income	38	3,404	2,915
Equity-investments measured using the equity method	39	(2,968)	(3,087)
Financial expenses	40	23,888	26,011
Exchange gains (losses)	41	(7,672)	1,849
Profit/(loss) before tax		(77,068)	20,298
<i>of which non-recurring income/(expense)</i>		<i>(56,005)</i>	<i>0</i>
Income tax	42	29,384	15,747
Profit/(loss) for the year		(106,452)	4,551
<i>of which non-recurring income/(expense)</i>		<i>(56,005)</i>	<i>0</i>
Profit/(loss) attributable to the Group		(106,449)	4,248
Profit/(loss) attributable to minority interests		(3)	303

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of euro)

	2025	2024 restated
Profit/(loss) for the year	(106,452)	4,551
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss, net of tax:		
Foreign operations – foreign currency translation differences	(20,100)	(690)
Cash flow hedges – net (loss)/profit:		
<i>Cash flow hedges – gross (loss)/profit</i>	18,172	(15,376)
<i>Cash flow hedges – tax effect</i>	(3,834)	3,163
Cash flow hedges – (loss)/profit	14,338	(12,213)
Cost of hedging – net (loss)/profit:		
<i>Cost of hedging – gross (loss)/profit</i>	250	3,006
<i>Cost of hedging – tax effect</i>	(49)	(633)
Cost of hedging – (loss)/profit	201	2,373
Total items that are or may be reclassified subsequently to profit or loss, net of tax	(5,561)	(10,530)
Items that will not be reclassified subsequently to profit or loss, net of tax:		
Actuarial gains/(losses)	754	733
Tax effect of the actuarial reserve	(182)	(179)
Actuarial gains/(losses), net	572	554
Total items that will not be reclassified to profit or loss, net of tax	572	554
Total comprehensive expense	(4,989)	(9,976)
Total comprehensive expense for the year, net of tax	(111,441)	(5,425)
Attributable to:		
Owners of the Parent	(110,978)	(5,829)
Non-controlling interests	(463)	404

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in thousands of euro)</i>	Note	2025	2024 restated
Operating activities			
Profit/(loss) for the year		(106,452)	4,551
Non-monetary items:			
Depreciation of property, plant and equipment	36	53,257	52,277
Amortisation of intangible assets	36	23,536	24,131
Depreciation of right-of-use assets	36	150,708	154,164
Gains/(Losses) on sale of property, plant and equipment and intangible assets		(272)	(241)
Impairment losses on property, plant and equipment and intangible assets		30,494	1,777
Losses/(gains) on the sale of right-of-use assets		125	(205)
Impairment losses/(gains) on equity investments	39	2,968	3,087
Accrual to/(Release of) loss allowance		4,168	2,928
Accrual to/(Release of) provisions for risks and charges		7,520	1,659
Impairment gains on right-of-use assets		0	0
Other non-monetary items		(143)	(22)
Total non-monetary items		272,366	239,555
Taxes	42	29,384	15,747
Interest		3,389	6,495
IFRS 16 interest	38, 40	17,095	16,601
Changes in working capital:			
Change in inventories		47,290	52,383
Change in current and non-current receivables and other assets		14,476	32,677
Change in current and non-current payables and other liabilities		(20,104)	(52,625)
Total changes in working capital		41,662	32,435
Net change in derivative financial instruments		(5,333)	2,033
Income taxes paid		(23,475)	(43,958)
Net cash from operating activities		228,636	273,459
Cash flows from investing activities:			
Acquisition of intangible assets	1	(14,451)	(15,876)
Acquisition of property, plant and equipment	3	(49,509)	(61,048)
Proceeds from sale of intangible assets		435	2,663
Proceeds from sale of property, plant and equipment		(2,223)	902
Other changes in property, plant and equipment and intangible assets		(220)	(2,419)
Acquisition of non-controlling interests		0	0
Proceeds from sale of investments		183	0
Other changes in unconsolidated investments		(6,181)	(9,250)
Net investments for business combinations		(6,958)	(9,581)
Financial investments		(98)	(903)
Dividends received	4	3,178	2,200
Net cash used in investing activities		(75,844)	(93,312)

<i>(in thousands of euro)</i>	Note	2025	2024 restated
Cash flows from financing activities			
Other changes in Shareholders' Equity		0	0
Dividends paid to shareholders	14	(20,000)	(20,000)
Change in non-current financial liabilities		4,684	554
Change in current financial liabilities		12,782	11,342
Reimbursement of lease liabilities		(163,869)	(163,097)
Interest paid		(3,152)	(6,552)
<i>Dividends paid to minority interests</i>		(626)	(600)
<i>Other changes to minority interests</i>		0	0
Net cash used in financing activities		(170,181)	(178,353)
Net change in cash and cash equivalents		(17,389)	1,794
Effect of movements in exchange rates		18,735	(4,324)
Opening net cash and cash equivalents		78,843	81,373
Closing net cash and cash equivalents		80,189	78,843

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Legal reserve	Other reserves
Balance at 31.12.2023	25,000	5,000	1,046,727
Changes in the accounting treatment of costs relating to design services	0	0	(15,362)
Balance at 31.12.2023 restated	25,000	5,000	1,031,365
Allocation of 2023 profit	0	0	88,360
Dividend payments	0	0	(20,000)
Increases	0	0	0
Other changes	0	0	0
Profit for the year	0	0	0
Total comprehensive expense for the year	0	0	(9,287)
Balance at 31.12.2024 restated	25,000	5,000	1,090,438
Allocation of 2024 profit	0	0	4,248
Dividend payments	0	0	(20,000)
Increases	0	0	0
Other changes	0	0	60
Profit/(loss) for the year	0	0	15,092
Total profit/(loss) for the year	0	0	15,092
Balance at 31.12.2025	25,000	5,000	1,089,838



Translation reserve	Profit/(loss) for the year	Shareholders equity attributable to the Group	Minority interest	Total shareholders' equity
(28,993)	88,360	1,136,094	6,006	1,142,100
0	0	(15,362)	(6)	(15,368)
(28,993)	88,360	1,120,732	6,000	1,126,732
0	(88,360)	0	0	0
0	0	(20,000)	0	(20,000)
0	0	0	0	0
0	0	0	0	0
0	4,248	4,248	303	4,551
(790)	0	(10,077)	101	(9,976)
(29,783)	4,248	1,094,903	6,404	1,101,307
0	(4,248)	0	0	0
0	0	(20,000)	0	(20,000)
0	0	0	0	0
(5)	0	55	2	57
	(106,449)	(106,449)	(3)	(106,452)
(19,621)	0	(4,529)	(460)	(4,989)
(49,409)	(106,449)	963,980	5,943	969,923

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



OTB

BILANCIO FINANZIARIO 2025

GENERAL INFORMATION

OTB S.p.A. is an Italian company limited by shares and is located at: Via Dell'Industria 2, Breganze (VICENZA). Together with its subsidiaries, the Group operates primarily in the ready-to-wear apparel sector as well as clothing and accessories in the casual/leisure-wear sector.

In 2025, the OBT Group incurred non-recurring expense totalling Euro 56,005 thousand in connection with increased inventory write-downs due to a change in the Group's brands' creative directors, impairment losses on goodwill relating to the Marni business world, and certain Marni and Jil Sander brand store assets following impairment tests. Furthermore, personnel expenses increased due to corporate restructuring and the renewal of the licence with Dsquared2. Non-recurring expense may be analysed as follows:

<i>(in thousands of euro)</i>	2025
Change in inventories	(21,352)
Purchases	(839)
Services	(2,016)
Personnel expenses	(1,190)
Other operating expenses	(113)
Impairment losses on property, plant and equipment and intangible assets	(30,495)
Total non-recurring expense	(56,005)

BASIS OF PREPARATION

Statement of compliance with IFRS Accounting Standards

The consolidated financial statements of OTB Group have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union and which were in force at the date of preparation of this document. The term "IFRS" encompasses International Accounting Standards (IAS) that are still in force, as well as all interpretations of the IFRS Interpretations Committee, which was formerly called the International Financial Reporting Interpretations Committee ("IFRIC"), and of the Standing Interpretations Committee ("SIC").

Form and content of the consolidated financial statements

The consolidated financial statements are presented in euros and all figures are rounded to the nearest thousand, except when otherwise indicated.

They comprise the consolidated statements of financial position, profit or loss, other comprehensive income, cash flows and changes in equity and these notes.

The Group classifies an asset as current when:

- it owns it for sale or consumption, or foresees its realisation within the normal course of its operating cycle;
- it owns it primarily for the purpose of trading;
- it expects to realise the assets within twelve months after the reporting date;
- the asset is cash or a cash equivalent unless the asset is restricted from being used for at least twelve months after the reporting date.



All assets that do not meet the conditions listed above are classified as non-current.

The Group classifies a liability as current when:

- it expects to settle the liability within its normal operating cycle;
- it owns it primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting date;
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All liabilities that do not meet the conditions listed above are classified as non-current.

The consolidated statement of profit or loss is presented with an analysis of expenses by nature. The Group presents its cash flows using the indirect method in accordance with IAS 7 and has classified its cash flows as operating activities, investing activities and financing activities. Certain items of the consolidated statement of cash flows were subject to reclassifications of insignificant amounts carried out for the purpose of better exposure of said items.

A description of the methods used by the Group for financial risk management is provided in these notes in the paragraph "Financial risk management".

These notes include the information normally required by current regulations and accounting standards, appropriately presented for each of the primary financial statements.



OTB

CONSOLIDATED FINANCIAL STATEMENTS 2025

ACCOUNTING POLICIES

Introduction

The consolidated financial statements have been prepared applying the going concern assumption on the basis of the historical cost criterion, with the exception of some classes of financial assets and liabilities (including derivative financial instruments) measured at fair value.

They have been prepared based on the financial statements of the individual subsidiaries. The figures of the consolidated companies are adjusted, where necessary, to bring them into line with the accounting policies of the Parent, which comply with the IFRS Accounting Standards as issued by the International Accounting Standards Board and endorsed by the European Union, as well as the measures issued in implementation of article 9 of Legislative decree no. 38/05.

The consolidated financial statements provide comparative information in respect of the previous year.

Adoption of IFRS Accounting Standards

The consolidated financial statements of the OTB Group (the "Group") at 31 December 2025 have been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the measures issued in implementation of article 9 of Legislative decree no. 38/05.

Accounting standards, amendments and interpretations endorsed by the European Union, not yet mandatorily applicable which the Group did not adopt early at 31 December 2025

The standards and interpretations which, at the date of preparation of these consolidated financial statements, had already been issued but were not yet effective, are described below. The Group intends to adopt these standards and interpretations, if applicable, when they come into force.

Standard/amendment	Description
<i>Contracts referencing nature-dependent electricity – Amendments to IFRS 9 and IFRS 7</i>	<p>The IASB has made the following amendments to ensure the correct recognition of these contracts:</p> <ul style="list-style-type: none"> – clarification of the application of own-use requirements; – change to hedge accounting requirements where such contracts are used as hedging instruments, provided that certain conditions are met; – additional new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and future cash flows. <p>The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted. No significant impact on the consolidated financial statements is expected.</p>

Standard/amendment	Description
<i>Classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7</i>	The IASB has amended IFRS 9 “Financial Instruments” following a post-implementation review of the classification and measurement requirements. The amendments include guidance on the classification of financial assets, including those with specific characteristics, and specifically address the needs that have arisen regarding the classification of certain financial assets with ESG features. The IASB has also amended IFRS 7 “Financial Instruments: Disclosures”, requiring entities to provide additional information on financial assets and liabilities with specific characteristics. The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted. No significant impact on the consolidated financial statements is expected.
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	On 18 July 2024, the IASB issued annual improvements to IFRS – Volume 11, containing amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The IASB’s annual improvements are amendments limited to clarifying wording of an IFRS accounting standard or correct certain minor unintended consequences, omissions or conflicts between existing requirements. The amendments included in the annual improvements to IFRS Accounting Standards – Volume 11 relate to: <ul style="list-style-type: none"> – IFRS 1 “First-time Adoption of International Financial Reporting Standards – Hedge accounting by a first-time adopter”; – IFRS 7 “Financial Instruments: Disclosures” I. Gain or loss on derecognition. II. Disclosure of deferred difference between fair value and transaction price III. Credit risk disclosures; – IFRS 9 “Financial Instruments”: I. Lessee derecognition of lease liabilities II. Transaction price; – IFRS 10 “Consolidated Financial Statements – Determination of a ‘de facto agent’”; – IAS 7 “Statement of Cash Flows – Cost method”. The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted. No significant impact on the consolidated financial statements is expected.
<i>IFRS 18 Presentation and Disclosures in Financial Statements</i>	In April 2024, the IASB issued IFRS 18 in response to investors’ concerns about the comparability and transparency of entities’ performance reporting. The new disclosure requirements introduced by IFRS 18 will improve the comparability of the financial performance of similar entities, particularly with respect to the definition of “operating profit or loss”. The new disclosure requirements relating to “management-defined performance measures” will improve transparency. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027. The standard has not yet been adopted by the Group. <p>The Group is not expected to have any of the specified main business activities set out in the standard. However, it will carry out the necessary investigations. The standard is expected to have an impact on the statement of cash flows, as interest and dividends received and financial expenses paid will be presented in individual categories.</p> <p>The Group currently reports a subtotal for operating profit/(loss). It will carry out a detailed assessment in order to determine the correct classification of the items and ensure that the subtotal of operating profit/(loss) complies with the requirements of IFRS 18. The Group expects significant changes in this respect, particularly following the reclassification of exchange gains and losses to operating activities, as well as the reclassification of income from associates as part of a new subtotal within a new “investments” category. Furthermore, the new aggregation and disaggregation requirements will lead to changes in the presentation to provide a more useful structured summary.</p> <p>The Group currently reports to its stakeholders an adjusted EBITDA figure. The management-defined performance measures currently disclosed outside the financial statements will be assessed to determine whether they meet the definition provided by the standard.</p>

Standards, amendments and interpretations not yet endorsed by the European Union

At the date of approval of these consolidated financial statements, the competent bodies of the European Union had not yet completed the endorsement process required for the adoption of the following standards and amendments:

Standard/amendment	Description
<i>IFRS 19 Subsidiaries without public accountability: Disclosures</i>	<p>On 9 May 2024, the IASB issued IFRS 19, which allows eligible entities to reduce disclosure requirements in their financial statements, while still following the recognition, measurement and presentation requirements set out in other IFRS Accounting Standards. In order to be eligible, at the reporting date, an entity must be a subsidiary as defined in IFRS 10, must not have public accountability and must have a parent (ultimate or intermediate) that produces consolidated financial statements which are publicly available and comply with IFRS Accounting Standards. IFRS 19 will be effective for annual reporting periods beginning on or after 1 January 2027. Early adoption is permitted. The Company is currently assessing the impact on its consolidated financial statements.</p>
<i>Amendments to IFRS 19: Subsidiaries without public accountability: Disclosures</i>	<p>On 21 August 2025, the IASB issued amendments to IFRS 19 "Subsidiaries without public accountability: Disclosures". Specifically:</p> <ul style="list-style-type: none"> - the IASB has reduced the disclosure requirements by excluding disclosure objectives relating to supplier finance arrangements, lack of exchangeability, Pillar Two model rules, classification and measurement of financial instruments, and non-current liabilities with covenants; - it has reduced disclosure requirements relating to supplier finance arrangements; - it has excluded disclosure requirements that are in fact guidance, not requirements; - it has replaced disclosure requirements relating to management-defined performance measures by a cross-reference to IFRS 18. <p>The Company is currently assessing the impact on its consolidated financial statements.</p>
<i>Amendments to IAS 21: The effects of changes in foreign exchange rates: translation to a hyperinflationary presentation currency</i>	<p>On 13 November 2025, the IASB issued amendments to IAS 21 to clarify how to translate financial statements from a non-hyperinflationary currency to a hyperinflationary presentation currency. The amendments to IAS 21 provide that:</p> <ul style="list-style-type: none"> - when an entity translates amounts from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy, the entity translates those amounts, including comparative amounts, using the closing rate at the date of the most recent statement of financial position; - when the entity's presentation currency ceases to be the currency of a hyperinflationary economy and its functional currency continues to be the currency of a non-hyperinflationary economy, the entity applies prospectively (without restatement of the comparative amounts) the method currently applicable in IAS 21 to such situations; - the entity would have to disclose that it has applied the method, including summarised financial information about its foreign operations translated applying the new criterion; it would also have to disclose if the economy concerned ceased to be hyperinflationary. <p>Having considered the expected costs and benefits, the IASB also decided to include an exception to the above translation method for affected entities that apply IAS 29 (Financial Reporting in Hyperinflationary Economies) and are required to translate the results and financial position of a foreign operation in accordance with the amendments. The amendments are effective for annual reporting periods beginning on or after 1 January 2027 with retrospective application with certain transition provisions.</p>

ASSESSMENT CRITERIA

The most significant accounting policies and measurement criteria used for the preparation of the consolidated financial statements are briefly described below.

During the year, the Group voluntarily changed the accounting treatment of costs for design services. Since 2025, these costs have been recognised on an accruals basis when the design service is performed instead of when sales take place. The change in the accounting treatment provides more reliable and meaningful information.

The new accounting policy has been applied retrospectively. In accordance with IAS 8, the new accounting treatment has been applied as if it had always been used. The 2024 opening balances of assets and liabilities have been adjusted and taken as a reduction in retained earnings. Prior year comparative figures have been restated to reflect the effect of the new accounting treatment, thereby ensuring consistency of data over time. The impact on opening equity for 2024 was a decrease of Euro 15,368 thousand, whilst the impact on the profit for 2024 was a positive Euro 578 thousand.

The following reconciliation table shows the effects of the change in accounting policy on the statement of financial position:

<i>(in thousands of euro)</i>	31.12.2024	Effect of change in accounting policy	31.12.2024 restated
Deferred tax assets	142,811	1,505	144,316
Other current assets	100,944	(18,994)	81,950
Equity attributable to the owners of the Parent	(1,109,688)	14,785	(1,094,903)
Non-controlling interests	(6,409)	5	(6,404)
Deferred tax liabilities	(65,828)	3,626	(62,202)
Trade payables	(270,012)	(927)	(270,939)
Total	(1,208,182)	0	(1,208,182)

The following reconciliation table shows the impact of the change in accounting policy on the statement of profit or loss:

<i>(in thousands of euro)</i>	2024	Effect of change in accounting policy	2024 restated
Services	(463,223)	801	(462,422)
Other operating expenses	(54,603)	(29)	(54,632)
Income tax expense	(15,553)	(194)	(15,747)
Total	(533,379)	578	(532,801)

Tangible fixed assets

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost inclusive of any directly attributable ancillary charges necessary for making the assets ready for use, net of impairment losses. They are systematically depreciated on the basis of their technical economic useful life, being the estimate of the period in which the asset will be used by the Group, starting from the time in which the asset is available for use. Any changes to the depreciation pattern, deriving from a review of the useful life of the asset, the residual value, or the methods for obtaining the economic benefits of the asset, are recognised prospectively.

Revaluations of property, plant and equipment are not permitted, not even in accordance with specific laws.

Land, whether free of constructions or annexed to civil and industrial buildings, is accounted for separately and is not depreciated, since it is deemed to have an indefinite useful life.

Where capitalisation criteria have been met, cost also includes borrowing costs directly attributable to the acquisition, construction or production of an asset. Costs incurred subsequent to the purchase of an asset are capitalised only if they increase the future economic benefits inherent in the asset to which they relate. Costs incurred for maintenance or repairs of an ordinary or cyclical nature are charged directly to profit or loss in the year they are incurred. The capitalisation of costs related to attachment expansion, modernisation or improvement of facilities owned or leased by the Group is carried out to the extent that they meet the requirements for being classified separately as an asset or part of an asset, applying the component approach, according to which, each component with an independent assessment of the useful life and its value must be treated individually. All other costs are recognised in profit or loss as incurred.



The indicative useful lives, estimated by the Group for each asset category, are as follows:

	Useful life
Buildings	33-80 years
Plant and machinery	4-10 years
Computers and office equipment	2-10 years
Furniture and fittings	3-10 years
Industrial and commercial equipment	3-8 years
Leasehold improvements	Over the residual lease term up to a maximum of 10 years
Other assets:	
- Motor vehicles	4-5 years
- Other vehicles	5 years

With respect to leased stores, where the Group has undertaken to restore premises to their original condition upon their return to the lessor, premises restoration costs are charged to profit or loss over the residual lease term.



Intangible fixed assets

Intangible assets refer to identifiable assets without physical substance, controlled by Group companies and capable of producing future economic benefits. Identifiability is defined with reference to the possibility of distinguishing the acquired asset from goodwill. This requirement is usually met when:

- the intangible asset is attributable to a legal or contractual right; or
- the asset meets the separability criterion, i.e. it can be assigned, transferred, leased or exchanged independently or as an integral part of other assets.

Intangible assets acquired separately are measured on initial recognition at cost inclusive of directly attributable ancillary costs. The cost of intangible assets acquired in a business combination is their fair value at the acquisition date. Internally generated intangible assets are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The Group does not incur any development costs that qualify for capitalisation in accordance with IAS 38.

Revaluations are not permitted, not even in accordance with specific laws.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised systematically over the useful economic life of the assets concerned. The residual carrying amount at the end of the useful lives of the assets is assumed to be zero unless third parties have committed to purchase the assets at the end of their useful lives or where an active market exists for the assets.

The estimated future useful lives of the assets are reviewed by the Directors at the end of each reporting period. The useful lives of intangible assets, as estimated by the Group, are as follows:

	Useful life
Trademarks	20–30 years
Intellectual property rights	3–5 years
Key money	Over the residual lease term up to a maximum of 10 years
Right-of-use assets	Over the lease term
Other	3–5 years

Intangible assets with indefinite useful lives, which for the Group consist solely of goodwill, are not amortised, but are tested for impairment using the methods described below.

Gains or losses arising from the sale of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is sold.

Trademarks

Some of the Group's main trademarks have been designed and developed internally; accordingly, they have not been capitalised. Any revaluations made in the past in accordance with specific legislation have not been recognised in these financial statements. Trademarks acquired directly from third parties or in a business combination are recognised in the same manner as for other intangible assets.

All of the Group's trademarks are deemed to be intangible assets with a finite useful life and are amortised systematically.

Intellectual property rights

These assets, which have been acquired from third parties, mainly consist of software licences or costs incurred for the implementation of IT systems. Such assets with finite lives are measured at purchase or production cost and are amortised on a straight line basis over their estimated useful lives, which generally ranges from 3 to 5 years.

Key money

Key money is a payment made to secure a tenancy in a commercially strategic location. It is amortised over the term of the relevant lease with a maximum period of 10 years.

Goodwill

Goodwill arising from business combinations initially represents any excess consideration transferred over the fair value of the net assets of the entity acquired at the transaction date. Goodwill is not amortised, but is tested for impairment at least annually and whenever circumstances arise that are indicative of potential impairment, in order to verify its recoverability.

Impairment of tangible and intangible assets**Assets other than goodwill**

At each reporting date, the Group assesses whether there are any indicators of asset impairment. Whenever there are evident internal or external signs that indicate that an asset may be impaired, intangible assets with an indefinite useful life are tested for impairment at least annually to ensure that the carrying amount of the assets does not exceed their recoverable amount.

The impairment test is performed via a comparison with the higher between an asset's fair value less costs to sell and its value in use. An asset's value in use is equal to the estimated future cash flows from the asset over its remaining useful life, discounted using a discount rate that reflects the time value of money and market risk. If it is not possible to estimate independent cash flows for an individual asset, these are estimated for the smallest identifiable group of assets (cash-generating unit or CGU) to which the asset belongs, for which it is possible to estimate independent cash flows, and a comparison is made between the carrying amount and the value in use of the CGU.



When the recoverable amount of an asset or a CGU is lower than its carrying amount, the latter is adjusted immediately by recognising an impairment loss in profit or loss within a cost category that is consistent with the nature of the impaired asset.

If the reason for the recognition of an impairment loss ceases to exist, the carrying amount of the asset or of the CGU is reinstated up to the carrying amount that the asset or the CGU would have had if no impairment loss had been recognised, taking into account the related amortisation.



Goodwill

Goodwill is allocated to one or more CGUs at the acquisition date, based on the benefits or synergies expected from the business combination that generated the goodwill.

Goodwill is tested for impairment by assessing the value in use of the CGU to which the goodwill relates; when the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses on goodwill are not reversed in future periods. Goodwill is tested for impairment annually at 31 December.

Leased assets

Leases are recognised in accordance with IFRS 16.

At inception of a contract, the Group:

- assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This assessment is repeated in the event of a subsequent amendment of the terms and conditions of the contract;
- accounts for each lease component within the contract as a lease separately from non-lease components of the contract;
- determines the lease term as the non-cancellable period of the lease together with both any periods covered by an option to extend or terminate the lease.

At the commencement date of the lease, i.e. the date on which the asset is made available for use, the Group, as a lessee, recognises a right-of-use asset and a lease liability. The lease term is determined considering the non-cancellable period of the contract, as well as, where there is reasonable certainty, also the periods considered by the extension options or connected to the failure to exercise the termination options of the contract. The lease liability is initially recognised at an amount equal to the present value of the following lease payments, not yet made at the commencement date: (i) fixed payments (in-substance fixed payments), less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The present value of the aforementioned payments is equal to the present value of the residual future payments discounted using the interest rate implicit in the lease or, alternatively, the Group's incremental borrowing rate. Subsequently, right-of-use assets are measured at cost, i.e., less accumulated depreciation and any accumulated impairment losses and adjusted for any reassessment or lease modifications. The lease liability is instead measured by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications.

Assets are depreciated over the lease term, unless the latter is shorter than the useful life of the asset, based on the rates applied to items of property, plant and equipment, and there is reasonable certainty of the transfer of ownership of the leased asset at the natural expiry of the contract. In this case, the depreciation period will be calculated on the basis of the criteria and rates indicated for items of property, plant and equipment.

For short-term leases which do not provide for extension options and for leases for which the underlying asset is of low value, the lease payments are recognised in profit or loss on a straight-line basis over the lease term.

Inventories

Inventories of raw materials, semi-finished products and finished goods are valued at the lower of cost and market value, whereby cost is determined on a weighted average cost basis. Inventories include direct material costs, transport costs, customs costs and a portion of other direct costs that may be reasonably attributed thereto.

An allowance is recognised for materials and finished goods considered obsolete or slow moving, taking into account their expected future use and realisable value. Specific consideration is given to significant market disruptions, e.g., pandemic and/or war. Write-downs are reversed in subsequent years if the reasons therefore cease to exist.

As far as finished goods are concerned, net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale, whereas, for raw materials, net realisable value is based on replacement cost.

Financial assets and liabilities

Financial assets other than derivatives

Upon their initial recognition, financial assets must be classified in one of the three categories indicated below on the basis of the following elements:

- the business model of the entity for the management of financial assets; and
- the characteristics relating to the contractual cash flows of the financial asset.

Financial assets are subsequently derecognised only if the sale has resulted in the substantial transfer of all the risks and benefits associated with said assets. On the other hand, if a significant portion of the risks and benefits relating to the financial assets transferred has been maintained, these continue to be recognised in the financial statements, even if legally the ownership of the assets has actually been transferred.

Financial assets at amortised cost

This category includes financial assets that meet both of the following conditions:

- the financial asset is owned according to a business model whose objective is achieved
- through the collection of contractually agreed cash flows ("Hold to Collect" business model); and
- the contractual terms of the financial asset envisage, on certain dates, cash flows represented solely by payments of principal and interest on the principal amount outstanding (i.e. "SPPI test" passed).

Upon initial recognition, these assets are recognised at fair value, including transaction costs or income directly attributable to the instrument. After initial recognition, financial assets are measured at amortised cost, using the effective interest rate method. The amortised cost method is not used for assets – measured at historical cost – whose short duration makes the effect of discounting negligible, for those without a defined maturity and for demand loans.

Financial assets at fair value thorough other comprehensive income

This category includes financial assets that meet both of the following conditions:

- the financial asset is held according to a business model whose objective is achieved both through the collection of contractually envisaged cash flows and through the sale of the financial asset ("Hold to Collect and Sell" business model); and
- the contractual terms of the financial asset envisage, on certain dates, cash flows represented solely by payments of principal and interest on the principal amount outstanding (i.e. "SPPI test" passed).

This category includes equity investments, which cannot be classified as subsidiaries, associates or joint ventures, which are not held for trading purposes, for which the option for designation at fair value through other comprehensive income has been exercised.

Upon initial recognition, these assets are recognised at fair value, including transaction costs or income directly attributable to the instrument. After initial recognition, equity investments other than subsidiaries, associates and joint ventures are measured at fair value, and the amounts recognised as a balancing entry in equity (Statement of comprehensive income) must not be subsequently transferred to profit or loss, even in the event of assignment. Dividends are the only component attributable to these equity instruments that is taken to profit or loss. For equity instruments included in this category, not listed on an active market, the cost criterion is used as an estimate of the fair value only on a residual basis and limited to a few circumstances, i.e. when the most recent information to measure the fair value is insufficient, or if there is a wide range of possible measurements of fair value and cost represents the best estimate of fair value in that range of values.

Financial assets at fair value through profit or loss

Financial assets other than those classified under “Financial assets at amortised cost” and “Financial assets at fair value through other comprehensive income” are classified in this category. This category includes financial assets held for trading and derivative contracts that cannot be classified as hedging (which are presented as assets if the fair value is positive and as liabilities if the fair value is negative).

Impairment of financial assets

In accordance with the provisions of IFRS 9, the Group applies a simplified approach to estimate expected credit losses over the lifetime of the instrument and takes into consideration its historical experience with respect to credit losses, corrected on the basis of specific prospective factors of the nature of the Group’s receivables and the economic context.





In summary, the Group assesses the expected losses of financial assets so that it reflects:

- an objective, probability-weighted amount determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and demonstrable information that is available, without undue cost or effort, at the reporting date on past events, current conditions and forecasts of future economic conditions.

The financial asset is impaired when one or more events have occurred that have a negative impact on the financial asset's estimated future cash flows. The observable data relating to the following events constitute evidence that the financial asset is impaired (it may not be possible to identify a single event; the impairment of financial assets may be due to the combined effect of several events):

- a) significant financial difficulties of the issuer or debtor;
- b) a breach of contract, such as a default or missed deadline;
- c) for economic or contractual reasons relating to the debtor's financial difficulties, the creditor extends a concession to the debtor, which the creditor would not otherwise have taken into consideration;
- d) there is a likelihood that the debtor will file for bankruptcy or other financial restructuring proceedings;
- e) the disappearance of an active market for that financial asset due to financial difficulties; or
- f) the purchase or creation of the financial asset at great discounts reflecting the credit losses incurred.

For financial assets recognised at amortised cost, when an impairment loss has been identified, its value is measured as the difference between the asset's carrying amount and the present value of expected future cash flows, discounted on the basis of the original effective interest rate. This amount is taken to profit or loss.

Lease assets

Lease assets refer exclusively to subleases of assets linked to leases recognised in accordance with IFRS 16. As a result of the sublease, the right-of-use asset inherent in the lease is totally or partially reversed, with simultaneous elimination or reduction of the related depreciation and, at the same time, a lease asset is recognised which generates interest income. On the other hand, the sublease does not produce any change in the financial liability of the lease.

The Group uses the Incremental Borrowing Rate (IBR) to calculate the present value of future cash receipts.

Subsequent to initial recognition, lease assets are increased by the interest accrued during the period and decreased by the receipts obtained. In addition, the lease asset is remeasured to take account of any changes in the contractual terms.

Government grants

Government grants, including non-monetary grants measured at fair value, are recognised when there is a reasonable certainty that they will be received and that the Group will comply with all the conditions set for their disbursement.

Cash and cash equivalents

Cash and cash equivalents and short-term deposits include cash on hand and overnight and short-term deposits, in the latter case with an original maturity expected no later than three months, readily convertible into cash and subject to an irrelevant risk of change in value. Items included in cash and cash equivalents are measured at fair value. Term deposits that do not comply with the requirements of the IFRS Accounting Standards are not included in cash and cash equivalents.



Short-term bank deposits with an original maturity equal to or greater than three months that do not meet the requirements of IAS 7 are included in a specific current asset item.

Collection transactions are recorded by bank transaction date, while for payment transactions the order date is also taken into account.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of bank overdrafts.

Financial liabilities other than derivatives

The Group has not designated any financial liabilities as held for trading.

Financial liabilities and trade payables are recognised when the Group becomes a party to the related contractual clauses and are initially measured at fair value adjusted for directly attributable transaction costs.

Subsequently, they are measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets are derecognised when one of the following conditions is met:

- the contractual right to receive the cash flows from the asset has expired;
- the Group has essentially transferred all the risks and benefits associated with the business;
- the Group has neither transferred nor essentially maintained all the risks and benefits connected with the financial asset but has relinquished control.

Financial liabilities are derecognised when they are extinguished, i.e. when the contractual obligation is fulfilled, cancelled or has expired. An exchange of debt instruments with materially different contractual terms shall be accounted for as settlement of the original financial liability and recognised as a new financial liability.

Similarly, a substantial change in the contractual terms of an existing financial liability, even partial, must be accounted for as an extinction of the original financial liability and recognised as a new financial liability.

Offset of financial assets and liabilities

The Group offsets financial assets and liabilities only when:

- there is a legally enforceable right to offset the values recognised in the financial statements;
- there is an intention either to offset on a net basis or to realise the asset and settle the liability simultaneously.

Measurement of fair value

The measurement of the fair value and the related disclosure is carried out in accordance with "IFRS 13 – Measurement of fair value". Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.



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The measurement of fair value is based on the assumption that the sale of the asset or the transfer of the liability takes place in the principal market, i.e. in the market in which the greatest volume and level of transactions for the asset or liability takes place. In the absence of a principal market, the transaction is assumed to take place in the most advantageous market to which the companies have access, i.e. the market that maximises the results of the transaction to sell the asset or minimises the amount to be paid to transfer the liability.

The fair value of an asset or liability is determined by considering the assumptions that market participants would use to define the price of the asset or liability, assuming that they act according to their best economic interests. Market participants are independent, knowledgeable buyers and sellers who are able to enter into a transaction for the asset or liability and who are motivated but not required or compelled to enter into the transaction.



Determination of the fair value of financial instruments

The fair value of listed financial instruments is determined by observing the prices directly observable on the market, while for unlisted financial instruments, by using specific measurement techniques that make use of the greatest possible number of inputs observable on the market. In circumstances where this is not possible, the inputs are estimated by management taking into account the characteristics of the instruments being measured. Changes in the assumptions made in estimating the input data could affect the fair value recognised for these instruments.

The levels of the financial instruments classified on the basis of a hierarchy of levels which reflect the significance of the inputs used in determining the fair value (IFRS 13 – Fair value measurement) are shown below.

- **Level 1:** Listed price (active market): the data used in the measurements are represented by prices quoted on markets in which assets and liabilities identical to those being measured are exchanged;
- **Level 2:** Use of parameters observable on the market (for example, for derivatives, the exchange rates recorded by the Bank of Italy, market yield curves, volatility provided by Bloomberg, credit spreads calculated on the basis of credit default swaps, etc.) different from the quoted prices of level 1;
- **Level 3:** Use of parameters unobservable on the market (internal assumptions, for example, cash flows, risk-adjusted spreads, etc.).

Derivative financial instruments

Derivative financial instruments are accounted for in accordance with the provisions of IFRS 9.

The Group uses derivative financial instruments to hedge its currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into; they are subsequently periodically remeasured at fair value.

They are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Upon signing of the contract, the Group designates and documents the existence of a hedging relationship, specifying the identification of the hedging instrument, element or transaction being hedged, correlation between the two and the nature of the risk, including the risk management objectives, hedging strategy and the methods that will be used to verify their prospective and retrospective effectiveness.

The effectiveness of each hedge is verified both at the inception of each derivative instrument and during its life and, in particular, at each reporting date. Generally, a hedge is considered highly "effective" if, both at inception and during its life, changes in fair value, in the case of fair value hedges, or in expected future cash flows, in the case of cash flow hedges, of the hedged item are substantially offset by changes in the fair value of the hedging instrument.

IFRS 9 envisages the possibility of designating the following three hedging relationships:

- fair value hedges when hedging the exposure to changes in the fair value of an underlying asset or liability. The change in the fair value of a hedging instrument is recognised in the statement of profit or loss;
- cash flow hedges when hedging the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a transaction envisaged and considered highly likely, which may impact profit and loss. The portion of profit or loss on the derivative relating to the change in fair value of the effective hedging portion is recognised directly in equity under the "Hedging reserve," while the ineffective portion is recognised in profit or loss. When the economic effects originating from the hedged item arise, the portion recognised in comprehensive income is reversed to profit or loss;
- net investment hedge.

Unlike changes in fair value arising from year end measurement, differentials arising from contracts paid or collected at their established due dates are recognised in profit or loss, regardless of the purpose of the derivative.

Furthermore, the hedging relationship ends when:

- the derivative expires, is sold, terminated or exercised;
- the hedged item is sold, expires or is repaid;
- it is no longer highly probable that the hedged future transaction will take place.

If derivatives do not qualify as a hedging instrument, changes in their fair value are recognised in profit or loss.

Provisions for risks and charges

Provisions represent obligations that are certain or probable and for which a reliable estimate can be made of the amount thereof, but the timing or the exact amount required to settle the obligation could not be determined. Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee benefits

The short-term benefits consist of wages, salaries, related social security contributions, indemnity in lieu of holidays and incentives paid in the form of a bonus payable in the twelve months from the reporting date. These benefits are accounted for as components of personnel expenses in the period in which the work is performed.

Benefits granted to employees and which become payable upon or subsequent to termination of employment via defined benefit plans (post-employment benefits) or other long term benefits (retirement benefits) are recognised in the vesting period. As regards the post-employment benefits due by the Italian group companies, the benefits payable subsequent to termination of employment may be classified as follows:

- defined contribution plans, consisting of the portion accrued as from 1 January 2007;
- defined benefit plans, consisting of the post-employment benefits accrued up to 31 December 2006.

Under a defined contribution plan, an entity's legal or constructive obligation is limited to the amount it agrees to contribute: consequently, the actuarial risk and investment risk fall on the employee. Defined benefit plans create an obligation on the entity to provide agreed benefits to employees: consequently, the actuarial risk and investment risk fall on the company.

Defined benefit plan obligations are determined annually by an independent actuary using the Project Unit Credit method. The present value of the defined benefit plan is determined by discounting future cash flows at a given interest rate. The actuarial gains and losses deriving from said adjustments and the changes in the actuarial assumptions, are recognised in other comprehensive income.

Liabilities for obligations relating to other medium/long-term employee benefits, such as management incentive plans, are determined by adopting actuarial assumptions. The effects deriving from the changes in actuarial assumptions, or from adjustments based on past experience, are recognised entirely in profit or loss.

Non-current assets held for sale and discontinued operations

Assets and liabilities that can be directly associated with business units held for sale are recognised in the statement of financial position as held for sale, separately from other assets and liabilities of the company. Immediately before classification as held for sale, the related assets and liabilities are measured in accordance with the applicable accounting standards. When they are classified as held for sale, net assets are measured at the lower of their carrying amount and the related fair value, reduced by selling costs. Any negative difference between the previous carrying amount and fair value less costs to sell is charged to profit or loss. The business units classified as held for sale constitute a discontinued operation if they: (i) represent a significant autonomous business unit or a geographical area of significant activity; (ii) are part of a single programme for the disposal of a significant business unit or a geographic area of significant activity; or (iii) refer to a subsidiary acquired exclusively for the purpose of its sale. The results of discontinued operations, as well as any gains/losses realised following the disposal, are indicated separately in profit or loss in a specific item, net of the related tax effects, also for comparative years.

Business combinations

Business combinations are recognised according to the acquisition method. According to this method, the buyer must measure the identifiable assets acquired and liabilities adopted at their respective fair values at the date of acquisition. The net assets acquired determined in this manner are compared to the consideration transferred and two situations may arise. If the consideration transferred exceeds the value of the net assets acquired, goodwill is determined. If, on the other hand, the value of the net assets acquired exceeds the consideration transferred, this excess must be immediately recognised in profit or loss as income from the transaction concluded. Charges accessory to the transaction are consistently recognised in profit or loss when incurred. If, at the end of the period in which the combination takes place, the initial accounting for a business combination is incomplete, the Group recognises the provisional amounts of the items whose accounting is incomplete in its financial statements. During the measurement period, the Group retroactively adjusts the provisional amounts recognised at the acquisition date.

Asset acquisition

Acquisitions of assets are recognised according to the "asset acquisition method". According to this method, the buyer must identify and record the individual identifiable assets acquired, allocating the purchase cost incurred to the individual identifiable assets to be acquired, on the basis of their respective fair values at purchase date. The application of the method cannot, therefore, in any way lead to the recognition of goodwill, since any excess of the cost incurred by the buyer with respect to the fair values of the assets received must be recognised in profit or loss.



Revenue

Revenue from contracts with customers is recognised when the following conditions occur:

- the contract with the customer has been identified;
- the contractual obligations ("performance obligations") contained in the contract have been identified;
- the price has been determined;
- the price was allocated to the individual performance obligations contained in the contract;
- the performance obligation contained in the contract has been fulfilled.

The Group recognises revenue from contracts with customers when (or as) it fulfils the performance obligation by transferring the promised good or service (i.e. the asset) to the customer.

The asset is transferred when (or as) the customer acquires control.

Wholesale sales

Revenue from wholesale sales is recognised when control of the goods has passed to the buyer, usually on delivery of the goods. Control is defined as the ability to prevent other entities from deciding on and benefiting from the use of the asset. Payment is normally deferred until delivery takes place.

The Group closely monitors the terms of trade and any right of return granted to customers of its trading subsidiaries. In those cases where the above-mentioned conditions do not lead to a transfer to the customer of all the risks of ownership of the goods (such as cases where the conditions amount to sale or return, rather than an outright sale), revenue recognition is deferred until such time as the risks are substantially transferred (e.g. sell through to the end customer). Risks arising from the granting of return rights are measured and recognised, on the one hand, in a liability for future refunds and a corresponding reduction in accrued revenue for the gross value of expected returns, and, on the other, in an asset for returns to be received and a corresponding reduction in expenses for the cost value of expected returns. Discounts, including those of a financial nature, and rebates are recognised as a reduction of revenue to which they relate.

Retail sales

These sales are made in part through stores managed directly by the Group. Revenue is recognised on delivery of the goods to the customer, which coincides with the receipt of payment in cash or by means of electronic payment. This category also includes sales made through concession or license stores, i.e., outlets operated by third parties. In such cases, revenue is recognised at the time of sale of the goods to the final consumer while the related collection is deferred with respect to recognition of the revenue.

Licenses

Revenue is recognised based on the underlying contractual provisions, usually as a percentage of sales of branded products made by the licensee. Any amount received upon renewal of a licence is recognised on an accruals basis over the life of the contract.

Provision of services

Revenue from the sale of services is recognised in the period in which the services are rendered by reference to the stage of completion of the service, measured as a percentage of the total services still to be rendered.

Lease and rental income

This is recognised on an accruals basis, as well as on a straight line basis over the life of the contracts.

Upon receipt of an advance payment made by the customer, the Group recognises the amount of the advance payment for the obligation to transfer assets in the future under "Other current liabilities" and eliminates this liability by recognising the revenue when it transfers these assets.

Costs and expenses

Costs and expenses are accounted for in accordance with the concepts of prudence and accruals. They are recognised when they relate to goods and services sold or consumed in the year, on an accruals basis using the same criteria as those disclosed for revenue.

Operating lease instalments:

- for the fixed or variable part based on an index or a rate, these are recognised in profit or loss through depreciation of right-of-use assets on the one hand and through interest on the lease liability on the other, in accordance with IFRS 16;
- for the variable portion that depends mainly on sales volumes, these are recognised in profit or loss on an accruals basis.

Income taxes

Current taxes

Current income taxes are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income taxes relating to items recognised directly in equity are also recognised in equity and not in the consolidated statement of profit or loss.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to do so and the intention is to settle on a net basis and to realise the asset and settle the liability at the same time.

Deferred taxes liabilities

Deferred taxes are calculated on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, with the exception of non-tax deductible goodwill. Deferred tax assets are recognised on the carry forward of any unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which they can be utilised. Current and deferred tax assets and tax liabilities are offset if the taxes relate to the same taxation authority and a legally enforceable right exists to offset them. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted in the countries where the Group operates.

Deferred tax liabilities are recognised on untaxed reserves when their distribution is deemed possible.

Uncertainty about the treatment of income taxes

In defining uncertainty it will be considered whether a given tax treatment will be acceptable to the tax authority. If it is deemed likely that the tax authority will accept the tax treatment (the term "likely" is understood as "more likely than not"), then the Group recognises and measures its current or deferred tax assets and liabilities by applying the provisions of the IAS 12. Conversely, if there is uncertainty about the treatments for income tax purposes, the Group will have to reflect the effect of this uncertainty using the method that best provides for the resolution of the uncertain tax treatment. The Group must decide whether to consider each uncertain tax treatment separately or jointly with one or more uncertain tax treatments, choosing the approach that best provides for the resolution of the uncertainty. In assessing whether and how uncertainty affects the tax treatment, the Group assumes that the tax authority accepts or refuses an uncertain tax treatment assuming that the latter, in the verification phase, will control the amounts that it has the right to examine and will be fully aware of all relevant information.

When it concludes that it is unlikely that the tax authority will accept an uncertain tax treatment, the Group reflects the effect of the uncertainty in determining current and deferred taxes, using the expected value method or the most probable amount method, depending on which method best predicts the solution of the uncertainty.

The Group makes significant use of professional opinions in identifying uncertainties about treatments for income tax purposes and reviews the opinions and estimates made in the presence of a change in facts and circumstances that modify its forecasts on the acceptability of a given tax treatment or estimates made on the effects of uncertainty, or both.

Since the uncertain tax positions refer to the definition of income taxes, the Group presents the uncertain tax assets/liabilities as current taxes or deferred taxes.

Foreign currencies

The consolidated financial statements are presented in euros, which is also OTB Group's functional currency. Transactions in foreign currencies are initially recognised by the Group's entities at the rates in force at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using closing rates. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items in currencies other than the functional currency, measured at cost, are translated using the exchange rate in force on the date of initial recognition of the transaction; when the measurement is made at fair value, or at the recoverable or realisable value, the exchange rate in force on the date of determination of this value is adopted.

Significant accounting judgements, estimates and assumptions

These consolidated financial statements, which have been prepared in accordance with IFRS Accounting Standards, contain estimates and assumptions made by the Group related to assets and liabilities, costs and revenue and contingent liabilities at the reporting date. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable and realistic based on the information available at the time.

The assumptions associated with the estimates are reviewed periodically and the impact of any change is recognised in profit or loss in the period in which the estimate is revised: the actual results could differ from such estimates.

The critical accounting judgements that have been made, in that they are based on estimates of the Group's future results, relate to the recoverability of recognised deferred tax assets and the performance of impairment testing as previously described. Significant estimates have also been made with respect to the determination of the market value of inventories, which requires forecasts to be made of the Group's ability to dispose of unsold finished goods pertaining to past seasons or collections.

***Impairment of assets***

In accordance with the accounting standards applied by the Group, property, plant and equipment and intangible assets are tested for impairment and any identified impairment loss must be recognised when there are indicators that predict difficulties for the recovery of the related carrying amount represented by the higher amount between the fair value, less costs to sell, and value in use. Verification of the existence of the aforementioned indicators requires the directors to make subjective assessments based on the information available within the Group and on the market, as well as on past experience. Furthermore, if it is determined that a potential impairment loss may have occurred, the Group determines it using the valuation techniques deemed suitable. The correct identification of indicators of a potential impairment of property, plant and equipment and intangible assets, as well as the estimates for their determination depend on factors that can vary over time, influencing the valuations and estimates made by the directors.

Useful lives of tangible and intangible assets

The cost of property, plant and equipment and intangible assets is depreciated/amortised on a straight-line basis over the estimated useful life of the related assets. The economic useful life of these assets is determined by the directors at the time they are acquired; it is based on past experience for similar assets, market conditions and anticipations regarding future events that could impact the useful life of the assets, including changes in technology. Therefore, the actual economic life may differ from the estimated useful life.

Provision for risks and charges

Provisions representing the risk of a negative outcome are recognised for legal and tax risks. The recognised provisions represent the best estimate at the date made by the directors. This estimate involves the adoption of assumptions which depend on factors which may change over time and which could, therefore, have significant effects with respect to the current estimates made by the directors for the preparation of the Group's financial statements.

Loss allowance

The loss allowance reflects the estimate of losses for the loan portfolio. Accruals have been made against expected credit losses, estimated on the basis of past experience with loans of similar credit risk, current and historical outstanding amounts, as well as the close monitoring of loan portfolio quality and current conditions and forecasts of the economy and reference markets. The estimates and assumptions are reviewed periodically and the effects of each change are reflected in profit or loss in the relevant year.

Allowance for inventory write-down

The Group mainly produces and sells clothing items that are subject to changes in customer taste and trends in the fashion world. The allowance for inventory write-down therefore reflects the management's estimate of the expected loss in value of garments from collections from past seasons, taking into consideration the ability to sell the garments themselves through the various distribution channels in which the Group operates.

Assets for expected returns and liabilities for refunds on expected returns

The Group estimates the variable consideration to be included in the transaction price for the sale of products with the right of return. The Group has developed a model for forecasting sales returns. It is based on historical return data for each brand/country/customer and agreements made for each season with individual customers to obtain expected return rates. The resulting percentages are applied to the value of sales made per season to determine the expected value of the variable consideration. Any future changes compared to past experience will affect the Group's estimated expected return rates.

Other information**Segment information and earnings per share**

The Group does not have any publicly traded securities. Accordingly, it is exempt from disclosure requirements concerning consolidated segment information as required by IFRS 8 and from the disclosure of earnings per share as required by IAS 33.



CONSOLIDATION SCOPE AND BASIS, TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

CONSOLIDATION SCOPE

The consolidated financial statements comprise the financial statements of the Parent Company OTB S.p.A. and of the companies for which the Parent Company, directly or indirectly, holds the majority of voting rights, or for which it is able to govern the financial and operating policies.

As required by IFRS 10, a list is provided below of the companies that have been included in the consolidation scope at 31 December 2025 on a line-by-line basis:

Name	Registered office	Currency	Share capital	Share held		Investee via
				Direct	Indirect	
Diesel S.p.A.	Breganze (VI)	Eur	22,500,000	100%		
Diesel Italia S.r.l.	Milan	Eur	300,000		100%	(1)
Brave Kid S.r.l.	Marostica (VI)	Eur	550,000	90%		
Diesel France S.A.S.	Paris	Eur	1,000,000		100%	(1)
Diesel USA Inc.	New York	Usd	110,001,000		100%	(1)
Diesel Sweden A.B.	Stockholm	Sek	600,000		100%	(1)
Diesel Swiss S.A.	Lugano	Chf	1,000,000		100%	(1)
Diesel Hellas S.A. in liquidation	Athens	Eur	300,000		100%	(1)
Diesel London Ltd.	London	Gbp	700,000		100%	(1)
Diesel Denmark A.P.S.	Copenhagen	Dkk	601,000		100%	(1)
Diesel Belgium S.A.	Antwerp	Eur	71,992		100%	(1)
Diesel Norge A.S.	Oslo	Nok	225,000		100%	(1)
Diesel Benelux B.V.	Amsterdam	Eur	18,152		100%	(1)
Diesel Pacific Ltd.	Hong Kong	Hkd	1,100,846,839		100%	(1)
Diesel Dragon (Shanghai) Trading Co. Ltd.	Shanghai	Cny	1,067,336,426		100%	(1)
K-Bit Ltd.	Hong Kong	Hkd	10,000		100%	(1)
K-Bit Brave Sourcing Ltd.	Chennai	Inr	100,000		100%	(1)
Diesel Iberia S.A.	Barcelona	Eur	100,000		100%	(1)
Diesel Deutschland Gmbh	Dusseldorf	Eur	1,000,100		100%	(1)
Diesel Japan Co. Ltd.	Osaka	Yen	60,000,000		100%	(1)
Diesel Japan Service Co. Ltd.	Osaka	Yen	10,000,000		100%	(1)
Diesel Canada Inc.	Montreal	Cad	44,642,857		100%	(1)
Diesel Fashion India Reliance Pvt. Ltd	Mumbai	Inr	1,235,000,000		51%	(1)
Universe S.a.r.l.	Principality of Monaco	Eur	150,000		100%	(1)
K-Bit Marocco S.a.r.l. in liquidation	Souissi Rabat	Mad	230,000		100%	(1)
Staff International S.p.A.	Noventa Vicentina (VI)	Eur	1,500,000	100%		
Staff Usa Inc.	New York	Usd	1,000		100%	(2)
Staff International Japan Co.Ltd.	Tokyo	Yen	440,000,000		100%	(2)
Props Vigevano S.r.l.	Milan	Eur	100,000		100%	(2)
Staff Asia Pacific Ltd.	Hong Kong	Hkd	7,000,000		100%	(2)
Staff Shanghai Co. Ltd	Shanghai	Cny	63,600,000		100%	(2)
Frassinetti S.r.l.	Rufina (FI)	Eur	304,200		79.5%	(2)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name	Registered office	Currency	Share capital	Share held		Investee via
				Direct	Indirect	
Calzaturificio Stephen S.r.l.	Pianezze (VI)	Eur	70,000		80%	(2)
Viktor&Rolf B.V.	Amsterdam	Eur	20,000	70%		
Brand Name Company B.V.	Amsterdam	Eur	200,000		70%	(3)
55DSL A.G. in liquidation	Lugano	Chf	100,000	100%		
Marni Group S.r.l.	Milan	Eur	1,000,000	100%		
Marni Retail Espana S.A.	Madrid	Eur	60,000		100%	(4)
Marni Japan Ltd	Tokyo	Yen	99,900,000		100%	(4)
Marni U.S.A. Corp.	New York	Usd	100,000		100%	(4)
Marni France S.a.S.	Paris	Eur	50,000		100%	(4)
Marni Retail UK Ltd	London	Gbp	1,600		100%	(4)
Marni China Ltd	Hong Kong	Cny	4,783,171		100%	(4)
Marni Deutschland Gmbh	Munich	Eur	25,000		100%	(4)
Marni Hong Kong Ltd	Hong Kong	Hkd	300,000		100%	(4)
Marni Shanghai Ltd	Shanghai	Cny	110,759,726		100%	(4)
Margiela S.A.S.U.	Paris	Eur	300,000	100%		
Margiela Japan CO. Ltd.	Tokyo	Yen	100,000,000		100%	(5)
Margiela Asia Ltd.	Hong Kong	Hkd	103,000,000		100%	(5)
Margiela (Shanghai) Trading Co. Ltd	Shanghai	Cny	121,380,000		100%	(5)
Margiela USA Inc.	New York	Usd	1,000		100%	(5)
Giordan S.r.l.	Venice	Eur	10,000		100%	(5)
Seppa e De Faveri S.r.l.	Venice	Eur	10,000		100%	(5)
Jil Sander S.p.A.	Milan	Eur	1,000,000	100%		
Jil Sander Paris S.a.s	Paris	Eur	5,665,698		100%	(6)
Jil Sander Shanghai Co. Ltd	Shanghai	Cny	157,500,000		100%	(6)
Jil Sander CH Sagl	Lugano	Chf	20,000		100%	(6)
Jil Sander UK Limited	London	Gbp	100,000		100%	(6)
Jil Sander USA Inc.	New York	Usd	4,561,062		100%	(6)
Jil Sander Japan Co. Ltd	Tokyo	Yen	100,000,000		100%	(6)
Jil Sander Hong Kong Ltd	Hong Kong	Hkd	4,500,000		100%	(6)
Tre Erre S.r.l.	Venice	Eur	10,329		100%	(6)
Jil Sander Trademark Gmbh & Co. KG	Schoenefeld	Eur	10,000		100%	(6)
Jil Sander Gmbh	Schoenefeld	Eur	25,000		100%	(6)
BVX S.r.l.	Breganze (VI)	Eur	100,000	100%		
OTB Korea Ltd.	Seoul	Krw	16,700,000,000	100%		
OTB Macau Ltd.	Macau	Mop	14,000,000	100%		
OTB Middle East FZCO	Dubhai	Aed	300,000	60%		
OTB ME Trading LLC	Dubhai	Aed	300,000		60%	(7)
OTB SINGAPORE COMMERCIAL PTE. Ltd.	Singapore	Sgd	2,000,000	100%		
OTB IMPORTACIONES S. de R.L. de C.V.	Mexico City	Mxn	3,000	100%		
OTB FASHION MEXICO S. de R.L. de C.V.	Mexico City	Mxn	3,000	100%		

Key:

(1) via Diesel S.p.A.

(2) via Staff International S.p.A.

(3) via Viktor&Rolf B.V.

(4) via Marni Group S.r.l.

(5) via Margiela S.A.S.U.

(6) via Jil Sander S.p.A.

(7) OTB Middle East FZCO

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The consolidation scope changed with respect to the previous year due to the following extraordinary transactions:

- the acquisition of 100% of OTB ME Trading LLC, based in Dubai, United Arab Emirates, by the subsidiary OTB Middle East FZCO, which is 60% owned by the parent OTB S.p.A.;
- the acquisition of the remaining 10% of the subsidiary BVX S.r.l.;
- the liquidation of Marni Suisse SA, wholly-owned by the subsidiary Marni Group S.r.l..

The reporting date of the consolidated financial statements coincides with that of the parent and of all the other companies included in the consolidation scope, with the exception of Diesel Fashion India Reliance PVT. Ltd. and K-Bit Brave Sourcing Ltd., which prepare interim financial statements at 31 December for consolidation purposes as their reporting date is 31 March.

With regard to L.R. Vicenza, 82.79% held by OTB SpA, the directors concluded that the Group is unable to exercise control and therefore the investment was accounted for using the equity method in accordance with the provisions of IAS 28.

CONSOLIDATION PRINCIPLES

The consolidation scope includes the Parent OTB S.p.A. and its subsidiaries at 31 December 2025, in which the Parent directly or indirectly owns the majority of the share/quota capital or shares/quotas with voting rights, or has the power, also through contractual agreements, to determine financial and operational policies.

Subsidiaries

These are companies in which the Group exercises control. Such control exists when the Group has the direct or indirect power to determine the financial and operating policies of a company in order to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is taken over.

Consolidation of a subsidiary begins as of the date of acquisition, that is, when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The consolidation procedures adopted include:

- the elimination of the parent's investment in each subsidiary and the inclusion of the assets and liabilities of each subsidiary on a line-by-line basis or under the equity method;
- the presentation of any portion of equity attributable to non-controlling interests;
- the elimination of all transactions between entities of the group and, thus, intragroup payables, receivables, sales, purchases and unrealised gains or losses.

Assets and liabilities, costs and income of the entities consolidated on a line-by-line basis are included in the consolidated financial statements in their entirety; the carrying amount of the investment in each subsidiary is eliminated against the parent's portion of equity of each subsidiary. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value. Any excess purchase consideration over the fair value of the net assets acquired is recognised as goodwill; if negative, the balance is taken to profit or loss.

The portion of equity and profit attributable to non-controlling interests is recognised in specific captions within equity and the statement of profit or loss. In the event of an acquisition of partial control, the portion of equity attributable to non-controlling interests is determined based on the share of the fair value at the acquisition date of the net assets acquired, with the exclusion of any goodwill attributable thereto (partial goodwill method).

The Group did not resort to the alternative method permitted for accounting for partial acquisitions and, accordingly, it has recognised the entire amount of goodwill arising from the acquisition by also taking account of the portion attributable to non-controlling interests (full goodwill method).

In the event of the acquisition of interests subsequent to the assumption of control (purchase of non-controlling interests), any difference between the purchase consideration and the corresponding share of the net assets acquired is recognised directly in equity; likewise, the impact of the sale of a non-controlling interest, without a loss of control, is accounted for in equity.

Associates

These are companies in which the Group exercises significant influence, but not control or joint control, over financial and operating policies. The consolidated financial statements include the Group's share of the profit or loss of associates, accounted for using the equity method, from the date on which the significant influence begins.

TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

The rules applied for the translation of the financial statements of foreign operations are the following:

- the assets and liabilities of foreign operations are translated into euros at the closing rate;
- income and expense items are translated at the average exchange rates for the year;
- exchange differences arising from the translation of income and expense items at an exchange rate that differs from the closing rate and arising from the translation of opening equity balances at an exchange rate that differs from the closing rate are recognised in equity ("translation reserve").



The exchange rates indicated in the following table were used for the translation of the financial statements of foreign operations (exchange rate for 1 Euro):

Currency		Average exchange rates		Closing rates	
		2025	2024	31.12.2025	31.12.2024
US Dollar	USD	1.13	1.0824	1.175	1.0389
Danish Krone	DKK	7.4634	7.4589	7.4689	7.4578
Swedish Krona	SEK	11.0663	11.4325	10.8215	11.459
British Pound	GBP	0.85679	0.84662	0.8726	0.82918
Norwegian Krone	NOK	11.7173	11.629	11.843	11.795
Swiss Franc	CHF	0.937	0.9526	0.9314	0.9412
Hong Kong Dollar	HKD	8.8104	8.4454	9.1464	8.0686
Japanese Yen	YEN	169.0435	163.8519	184.09	163.06
Chinese Renminbi	CNY	8.1185	7.7875	8.2262	7.5833
Won Sud	KRW	1605.45	1475.4	1696.94	1532.15
Canadian Dollar	CAD	1.5787	1.4821	1.6088	1.4948
Indian Rupee	INR	98.5239	90.5563	105.5965	88.9335
Pataca	MOP	9.0746	8.6988	9.4208	8.3107
Mexican Peso	MXN	21.6705	19.8314	21.118	21.5504
Singapore dollar	SGD	1.4756	1.4458	1.5105	1.4164
United Arab Emirates	AED	4.1499	3.975	4.3152	3.8154
Moroccan Dirham	MAD	10.548	10.756	10.714	10.514



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CONSOLIDATED FINANCIAL STATEMENTS 2025

FINANCIAL RISKS

The OTB Group, operating in an international context, is exposed, to a varying extent, to various financial risks linked to the conduct of its business. These risks fall mainly into the category of market risks, which can be further divided into:

- interest rate risk, which is linked to the impact of changes in market interest rates;
- currency risk, arising from trading in currencies other than the presentation currency;
- liquidity risk, which is connected with the need to guarantee adequate access to capital markets and sources of funding to support the needs generated from operations, investments and the maturities of financial liabilities;
- credit (or counterparty) risk, i.e. the risk of default by counterparties on commercial or financial obligations, arising from normal business operations, as well as from financing, investment and risk hedging activities.

Financial risk management follows the guidelines defined by the Parent, in order to control and coordinate the operations of the individual subsidiaries, so as to systematically monitor the Group's levels of exposure to financial risks.

In accordance with these guidelines, the Group adopts an approach that focuses on the management of individual financial risks, with the objective of mitigating the impact, including through the use of derivatives for hedging purposes.

Interest rate risk

The OTB Group's exposure to the interest rate risk is moderate. Considering the positive net financial position and of the size of the debt of the Group, it was not necessary to adopt specific measures, such as the use of derivatives to mitigate the interest rate risk. Through a centralised treasury structure, the Group constantly monitors the financial performance of the companies, implementing a policy of resource optimisation.

The yields on both assets and liabilities of the Group's entire financial position are predominantly benchmarked to the Euribor rate for the period (or equivalent rates for currencies other than the euro), with the addition of a spread that varies according to the type of relationship. Interest margins are aligned with standard market rates and are proportional to the Group's financial soundness.

Given the above and their dynamics, the Group's financial results are only marginally sensitive to changes in interest rates.

A hypothetical shift in the interest rate curve up or down by 25 basis points (in parallel along the entire the curve) would result in the following effects. The simulation represents the expected impact during 2026, assuming that risk exposures remain the same as they were on 31 December 2025 for the entire year.

	Carrying amount	of which subject to RR	Rate risk (RR)	
			+25bp Income/(Charges)	-25bp Income/(Charges)
31.12.2025				
<i>(in thousands of euro)</i>				
Non-current financial assets	2,955	-	-	-
Trade receivables	190,766	-	-	-
Current financial assets	166	-	-	-
Cash and cash equivalents	83,069	80,278	201	(201)
Total financial assets			201	(201)
31.12.2025				
<i>(in thousands of euro)</i>				
Non-current financial liabilities	5,079	-	-	-
Trade payables	257,599	-	-	-
Current financial liabilities	62,176	60,815	(152)	152
Total financial liabilities			(152)	152

Exchange risk

The OTB Group is exposed to fluctuations in the exchange rates of the currencies in which commercial transactions are settled with both customers and suppliers, mainly JPY, CNY, GBP, HKD, USD and KRW.

In order to minimise the impact of currency fluctuations on expected economic margins, the Group has adopted a currency hedging policy in line with market practices and international accounting standards.

The main derivative instruments used are Forward purchase/sale transactions and, residually, plain vanilla options. The counterparties of these derivative instruments are leading financial institutions.

The table below shows the breakdown by currency of cash and cash equivalents at 31 December 2025:

<i>(in thousands of euro)</i>	31.12.2025	AED	CAD	CHF	CNY	EUR	GBP	HKD	YEN	KRW	USD	Other
Cash and cash equivalents	83,069	2,239	3,160	2,550	16,892	16,822	4,127	2,916	9,815	1,203	18,132	5,213

Two scenarios were considered for the sensitivity analysis of the exchange rate: a 5% appreciation and a 5% depreciation, respectively, in the exchange rate between the currency in which cash and cash equivalents are denominated and the euro.

The table below shows the results of the analysis:

31.12.2025	Carrying amount	exposed to currency risk	Currency risk	
			+5% Gain/(Loss)	-5% Gain/(Loss)
<i>(in thousands of euro)</i>				
Cash and cash equivalents	83,069	66,248	3,155	(3,487)

Liquidity risk

The OTB Group identifies liquidity risk as the possibility that a company of the Group, or the Group itself, cannot punctually fulfil its obligations. The containment of this risk is guaranteed through a centralised treasury structure which constantly monitors the financial performance of the companies with the aim of ensuring an adequate level of liquidity to cover the financial and business commitments undertaken. In particular, the tools for monitoring and optimising cash generation, controlling the trend of working capital, together with careful financial planning, both in the short and medium-long term, make it possible to maintain a balanced cash level, limiting critical issues and financial strain.

The OTB Group believes that the cash and cash equivalents together with the credit lines at 31 December 2025 are sufficient to cover the needs deriving from the operating activity.

The table below shows the credit facilities used and those available at 31 December 2025 and 2024:

<i>(in thousands of euro)</i>	Committed credit facilities (cash)	Uncommitted credit facilities (cash)	Total (cash)
31.12.2025			
Credit facilities	5,079	467,835	472,914
Utilisations	(5,079)	(62,176)	(67,255)
Availability	0	405,659	405,659
31.12.2024			
Credit facilities	50,611	385,562	436,173
Utilisations	(611)	(52,252)	(52,863)
Availability	50,000	333,310	383,310

Credit risk

Credit risk represents the exposure that the Company has to potential losses arising from the failure by counterparties to fulfil their contractual obligations.

OTB Group generally focuses on commercial transactions with customers with which it has established relationships. It is Group policy to subject customers that request extended payment terms to background checks of their credit standing, based on information obtained from specialised agencies and by observing and analysing data on the performance of newly acquired customers. Moreover, trade receivables are constantly monitored throughout the year to ensure timely intervention, if needed, in order to reduce the risk of losses.

Trade receivables are stated net of an allowance estimated based on the risk of default by the counterparty, determined with reference to information available on the customer's solvency and by taking account of past data.

At the reporting date, there are no significant positions in countries considered "high risk".

For a brief summary of the quality of the Group's receivables, please refer to note (10), which provides information on trade receivables by due date and on impairment losses recognised by the Group.

OTHER RISKS

The normal management of the business and the development of its strategy exposes the OTB Group to several types of risks, listed below, which could adversely affect the Group's financial performance and financial condition.





Risks related to markets and general geopolitical and economic conditions

The OTB Group operates through its brands in the apparel and accessories sector, particularly in the premium casual wear, pret-à-porter and luxury segments. The sector is characterised by an important correlation between the demand for goods and the level of economic growth and political stability of the countries where the demand is generated. Thus, it is evident that development of the business also depends on the political stability and economic situation of the various countries in which it operates. The Group is present with its companies and third-party distributors in a significant number of countries worldwide, which significantly reduces the above risks, although any deterioration in economic, social, or political conditions in one or more markets could lead to adverse effects on sales and financial results.

Cyber risks

The strong and growing relationship of dependence and interconnection between information and communication technologies causes significant vulnerabilities to information systems due to the increasing sophistication and frequency of cyber attacks. On this front, the OTB Group periodically reviews risks, in addition to investing both organisational and technical resources to limit this type of risk as much as possible, including from a business continuity perspective. No successful attacks were incurred during 2025.

Risks related to brand image, reputation and recognition

The industry in which the OTB Group operates is significantly influenced by the image, reputation and recognition of its brands, and as a result, its financial results are also affected by these aspects.

For this reason, the Group considers it essential to constantly enhance and strengthen the image and positioning of its brands by investing in product quality, innovation, research and development, communication strategies and distribution network.

Risks associated with relations with third-party manufacturers

The OTB Group directly manages the creation and development of the collections, while for production it relies on independent third parties operating under the Group's close supervision. The Group does not depend significantly on any third party, and this makes it possible to significantly reduce the risk that any interruptions or terminations of the relationship may adversely affect sales and financial results.

In addition, the Group has constant control over the manufacturer chain in place in order to ensure, in addition to high quality and financial reliability requirements, full compliance with, *inter alia*, labour, worker safety and environmental laws, as well as the principles of its Code of Ethics and Conduct. For this reason, audits are conducted periodically at subcontractors and their sub-suppliers.

Risks associated with dependence on key figures

The OTB Group's results also depend on the ability of management, which plays a key role in the Group's growth, thanks to significant industry knowledge and experience. Termination of the relationship with some of these professionals could create a certain impact on growth prospects.

For this reason, the Group has adopted an operational and management structure capable of ensuring business continuity, including through the adoption of retention plans for key professional figures, as well as talent management programs aimed at developing skills and retaining talent.

Risks associated with trademark and product counterfeiting and intellectual property right protection

The market in which the Group operates is characterised by brand and product counterfeiting phenomena that could create negative effects on sales and economic results.

The OTB Group has made significant investments in the adoption of innovative technologies that enable product tracking throughout the value chain to prevent and mitigate the effects of counterfeiting activities on its brands and products, thereby protecting its intellectual property rights with reference to the various commodity classes and in the territories in which it operates.

Risks associated with the changing regulatory framework

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

2025 ACQUISITIONS

Business combinations

During the year, the subsidiary OTB Middle East FZCO (60% owned by the parent OTB S.p.A.) acquired 100% of OTB ME Trading LLC, which is based in Dubai (United Arab Emirates). This acquisition aimed to create a dynamic and integrated retail network, strengthening the presence of Jil Sander, Maison Margiela and Marni in the Middle East through significant investment, including the opening of new stores, enhancing the brands' e-commerce platforms and carrying out local marketing activities. As described in the accounting policies section in these notes, the identifiable assets acquired and liabilities assumed were measured at their respective fair values at the date of acquisition. The acquisition took effect on 2 February 2025. The following table shows the related amounts.

<i>(in thousands of euro)</i>	acquisition date
Assets	
Non-current assets	
Intangible assets with a finite useful life	2
Property, plant and equipment	1,869
Other non-current assets	457
Total non-current assets	2,328
Current assets	
Inventories	3,295
Total current assets	3,295
Total assets	5,623
Equity and liabilities	
Equity	
Equity attributable to the owners of the Parent	5,623
Non-controlling interests	0
Equity	5,623
Non-current liabilities	
Total non-current liabilities	0
Current liabilities	
Total current liabilities	0
Total liabilities	0
Total equity and liabilities	5,623

The fair value of net assets acquired thus determined was compared with the consideration transferred and the excess of the latter over the former was allocated to goodwill. The following table shows the related amounts:

<i>(in thousands of euro)</i>	OTB ME Trading LLC
Consideration paid	6,958
Share of net assets acquired expressed at fair value	5,623
Difference allocated to goodwill	1,335

Transaction costs were consistently recognised in profit or loss when incurred.



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CONSOLIDATED FINANCIAL STATEMENTS 2025

NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Non-current assets

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024 restated
Non-current assets	1,389,800	1,465,446

1. GOODWILL AND INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

Goodwill and intangible assets with a finite useful life which, at 31 December 2024, totalled Euro 338,676 thousand. At 31 December 2025, they amounted to Euro 310,309 thousand.

Changes in intangible assets for the year ended 31 December 2025 are summarised in the following table:

<i>(in thousands of euro)</i>	Goodwill	Trademarks	Intellectual property rights	Key money	Other	Assets under development	Total
Cost							
As 31.12.2024	165,071	308,994	39,022	16,877	117,759	9,065	656,788
Increases	0	619	1,139	557	7,114	5,022	14,451
Decreases/Impairment losses	(19,501)	0	(1,759)	(643)	(3,972)	(384)	(26,259)
Exchange differences	(585)	0	(1,553)	(143)	(229)	(5)	(2,515)
Other changes	1,510	67	43	(354)	3,879	(4,296)	849
As 31.12.2025	146,495	309,680	36,892	16,294	124,551	9,402	643,314
Accumulated amortisation							
As 31.12.2024	81,331	89,172	36,984	15,797	94,828	0	318,112
Amortisation/depreciation	0	10,245	1,336	765	11,190	0	23,536
Decreases	0	0	(1,674)	(643)	(3,905)	0	(6,222)
Exchange differences	(423)	0	(1,412)	(146)	(178)	0	(2,159)
Other changes	175	0	(75)	(354)	(8)	0	(262)
As 31.12.2025	81,083	99,417	35,159	15,419	101,927	0	333,005
Net book value							
As 31.12.2024	83,740	219,822	2,038	1,080	22,931	9,065	338,676
As 31.12.2025	65,412	210,263	1,733	875	22,624	9,402	310,309

Goodwill, which is described in the accounting policies section of these notes, relates to the following acquisitions:

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024
Marni	26,713	46,175
Calzaturificio Stephen srl	12,172	12,172
Diesel Japan	7,088	7,088
Diesel Canada	4,337	4,337
Viktor&Rolf	5,766	5,766
Other	9,336	8,202
Total	65,412	83,740

Goodwill decreased compared to the previous year due to the €19,462,000 impairment loss recognised on Marni's goodwill following the impairment test described below. This effect was partially offset by the recognition of goodwill under the "Other" item, which was determined at the time of the purchase price allocation made when acquiring Calzaturificio Stephen S.r.l., as previously described in the 2025 acquisitions section of these notes. "Other" includes goodwill that arose from acquisitions by Group companies of business units, consisting mainly of stores.

"Trademarks" refer to the cost of purchasing and maintaining trademark rights. A breakdown of trademarks held by the Group is provided below:

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024
Marni	85,567	90,600
Jil Sander	120,611	125,387
Other	4,085	3,835
Total	210,263	219,822

"Other" includes Diesel, 55DSL, Margiela and Viktor&Rolf.

"Intellectual property rights" include costs for the purchase of application software and unlimited software user licences.

"Other" intangible assets primarily comprise capitalised expenditure on IT systems that support production, planning, logistics, and the Group's finance and commercial infrastructure. During the year, investments were made in major innovation projects focusing mainly on AI and clienteling solutions. The year-on-year increase is mainly due to investment in the new SAP S/4HANA accounting and management information system, to the extent of the parts that have been implemented.

"Assets under development" are almost entirely made up of the Group's investments in developing new IT applications. At the reporting date, these applications were not yet operational as they had not been completed. This item includes the parts of the new SAP S/4HANA accounting and management information system that have not yet been completed.

The impairment test was carried out at year end in accordance with IAS 36 by determining the recoverable amount with reference to value in use. This usually involves identifying the company or sub-group to which the company refers as Cash Generating Units (CGUs), consistent with the way in which management monitors business performance, according to the different business worlds which characterise the OTB Group.

- Diesel Business World
- Staff International Business World
- Marni Business World
- Margiela Business World
- Jil Sander Business World
- Viktor&Rolf Business World
- Brave Kid Business World

The impairment test is performed using the Discounted Cash Flow (DCF) method, aimed at determining the Value in Use of the identified cash generating unit (CGU) or the fair value less cost to sell.

The value in use is estimated by discounting operating cash flows, i.e. cash flows available before repayment of debt and shareholder remuneration (Unlevered Discounted Cash Flow or UDCF method). These flows are discounted at a rate equal to the Weighted Average Cost of Capital or WACC, in order to obtain the Enterprise Value.

The WACC is determined in consideration of the geographical context in which the Group operates.

For the purpose of the impairment test at the end of 2025, the most up-to-date forecast data were used and, for the Jil Sander and Marni Business Worlds, approved by the relevant Boards of Directors of 13 and 16 March 2026, taking due account of the current macroeconomic situation and market forecasts, for a conventional period of up to 5 years at the end of which a terminal value was determined and the main parameters used were:

- 2% growth rate in perpetuity ("g");
- WACC equal to 8.65%.

With regard more specifically to impairment testing, it is noted that the test was carried out by including in the invested capital both the value of goodwill and the value of the brand allocated to the CGU.

The result of the impairment tests to determine Value in Use were subjected to sensitivity analysis, aimed at verifying the sensitivity of the results to changes in some of the main parameters of the estimate, within reasonable intervals and with non-conflicting hypotheses.

The impairment test revealed that the carrying amount of the invested capital in the Marni Business World CGU exceeded its value in use. Consequently, an impairment loss of Euro 19,462 thousand on the goodwill allocated to this CGU was recognised in profit or loss. The impairment test carried out on the other Business Worlds did not reveal any significant signs of impairment.

2. RIGHT OF USE ASSETS

Right-of-use assets represents the right to use the underlying assets of lease. Changes in right-of-use assets for the year ended 31 December 2025 are shown in the following table:

<i>(in thousands of euro)</i>	Right-of-use assets – Buildings	Right-of-use assets – Other	Total
Cost			
As 31.12.2024	1,131,656	19,101	1,150,757
Increases	171,320	4,450	175,770
Decreases	(150,844)	(163)	(151,007)
Exchange differences	(65,675)	(19)	(65,694)
Other changes	(4,082)	(32)	(4,114)
As 31.12.2025	1,082,375	23,337	1,105,712
Accumulated depreciation			
As 31.12.2024	581,568	13,878	595,446
Depreciation/depreciation	147,544	3,165	150,709
Decreases	(132,339)	(164)	(132,503)
Exchange differences	(37,014)	(5)	(37,019)
Other changes	(4,976)	(5)	(4,981)
As 31.12.2025	554,783	16,869	571,652
Net book value			
As 31.12.2024	550,088	5,223	555,311
As 31.12.2025	527,592	6,468	534,060

Buildings refers to leases for shops, offices and other spaces. Other refers to leases for vehicles and other assets.

The increases of the year mainly refer to the signing of new leases for the opening of new stores. These decreases are due to the termination of existing leases and the impairment loss on right-of-use assets, as determined by the impairment test conducted on the Marni and Jil Sander stores, which are primarily located in the United States. For additional information on total impairment losses, reference should be made to note 3.



3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment amount to Euro 313,794 thousand at 31 December 2025 compared to Euro 333,345 thousand at 31 December 2024.

Changes in property, plant and equipment for the year ended 31 December 2025 are summarised in the following table:

<i>(in thousands of euro)</i>	Land and buildings	Plant and machinery	Office furniture and equipment	Leasehold improvements	Other assets	Assets under construction	Total
Cost							
As 31.12.2024	235,170	92,097	135,755	249,894	31,682	522	745,120
Increases	164	1,609	12,291	32,285	2,523	637	49,509
Decreases	(88)	(1,584)	(10,804)	(25,744)	(1,894)	(1,505)	(41,619)
Exchange differences	(24)	(33)	(6,461)	(19,240)	(1,554)	(75)	(27,387)
Other changes	0	12	129	929	5	1,406	2,481
As 31.12.2025	235,222	92,101	130,910	238,124	30,762	985	728,104
Accumulated depreciation							
As 31.12.2024	61,315	65,387	107,610	154,990	22,473		411,775
Depreciation/depreciation	5,343	3,369	11,408	30,957	2,180		53,257
Decreases	(42)	(1,514)	(9,934)	(20,035)	(1,812)		(33,337)
Exchange differences	(13)	(30)	(4,841)	(11,541)	(1,123)		(17,548)
Other changes	0	0	153	10	0		163
As 31.12.2025	66,603	67,212	104,396	154,381	21,718		414,310
Net book value							
As 31.12.2024	173,855	26,710	28,145	94,904	9,209	522	333,345
As 31.12.2025	168,619	24,889	26,514	83,743	9,044	985	313,794

Land and buildings relate to the purchase and/or construction cost of buildings and to the purchase cost of land owned by certain group companies.

Plant and machinery mainly relate to the purchase of new machinery and the cost of installing general plant.

Leasehold improvements mostly relate to the restructuring and alteration of leased premises accommodating the stores and the show-rooms managed directly by the Group. The increases in Leasehold improvements and Office furniture and equipment mainly refer to costs incurred for the development of the retail network, which saw the opening of 49 new stores.

Other assets consist mainly of company vehicles and business and commercial equipment.

Assets under construction and payments on account include capital expenditure by Group companies still in progress at the reporting date.

As required by the Group's procedure for the analysis of impairment indicators relating to the retail network, at the year end, an impairment test was conducted based on internal and external information sources. Typically, external sources could be changes in the technological, economic and legal environment in which the Group operates, while external sources are corporate strategies that could change the intended use of the assets. The analyses carried out led to impairment losses being recognised on the assets of certain Marni and Jil Sander stores, primarily located in the United States. These losses totalled Euro 11,033 thousand and mainly related to leasehold improvements and right-of-use assets.

4. EQUITY-ACCOUNTED INVESTEEES

Equity-accounted investees at 31 December 2025 amounted to Euro 41,429 thousand compared to Euro 46,979 thousand at 31 December 2024. They mainly refer to 20% of Atelier Luxury Group LLC, which owns the luxury brand AMIRI founded in Los Angeles in 2014, acquired by the subsidiary Marni USA Corp. in 2019.

The investment was recognised in the consolidated financial statements using the equity method. The change in this investment is summarised in the following table:

Measurement using the equity method at the beginning of the year	46,853
Profit for the year: pro rata	2,806
Dividends paid during the year	(3,178)
Trademark amortisation	(398)
Exchange differences	(5,396)
Measurement using the equity method at the end of the year	40,687
Profit or loss effect of equity method measurement of the investment	2,408

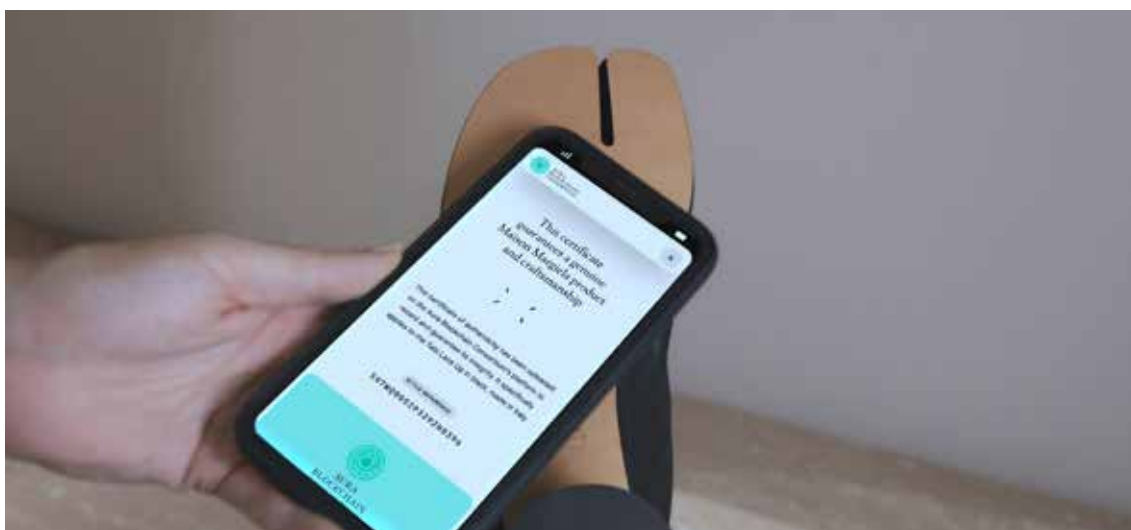
The following table summarises financial information about the Group's investment in Amiri:

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024
Current assets	99,585	125,560
Non-current assets	93,440	87,167
Total assets	193,025	212,727
Equity	(105,060)	(120,844)
Current liabilities	(14,237)	(28,738)
Non-current liabilities	(73,728)	(63,145)
Total liabilities	193,025	212,727

Statement of profit or loss of Atelier Luxury Group LLC (summary data):

<i>(in thousands of euro)</i>	2025	2024
Sales	197,919	208,961
Cost of sales	(67,296)	(70,250)
Personnel expenses	(34,888)	(30,972)
Operating costs	(70,979)	(64,788)
Other expenses	(10,727)	(9,620)
Net profit	14,029	33,330

The residual portion of Equity-accounted investees amounts to Euro 742 thousand (Euro 126 thousand in the previous year) and refers to the investment in L.R. Vicenza S.p.A., a company that participates in the Serie C football championship and in which the parent OTB S.p.A. holds a 82.79% investment, but over which it is unable to exercise control. During the year, the investment percentage decreased from 88.56% to 82.79% as a result of the zeroing, subsequent reinstatement of share capital and subscription of new shares for a total of Euro 6,180 thousand, on the one hand, and the sale of 3.5% on the other, generating a gain of Euro 183 thousand. At 31 December 2025, the company's equity amounted to Euro 895 thousand and incurred a loss of Euro 6,489 thousand. Measurement of the investment using the equity method led to the recognition of an impairment loss of Euro 5,375 thousand in profit or loss.



5. LEASE ASSETS

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024	change
Non-current lease assets	2,151	0	2,151
Current lease assets	205	20	185
Total lease assets	2,356	20	2,336



Lease assets refer to subleases.

They are shown by due date as follows:

<i>(in thousands of euro)</i>	Up to 1 year	From 1 to 5 years	After 5 years	Total
Non-current lease assets	0	2,151	0	2,151
Current lease assets	205	0	0	205
Total lease assets	205	2,151	0	2,356

6. OTHER FINANCIAL ASSETS

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024	change
Non-current financial assets	2,955	2,855	100
Current financial assets	26,424	10,566	15,858
Total financial assets	29,379	13,421	15,958

Non-current financial assets include a loan of Euro 2,837 thousand (unchanged from the previous year end) granted by the parent OTB S.p.A. in favour of Aura Blockchain Consortium, in which OTB S.p.A. acts as steering and founding member, alongside the main international luxury groups (LVMH, Prada Group and Richemont International SA) with the aim of accelerating the Group's digital innovation. This loan contract provides for a rate of 2.5% and maturity in 2027.

For details on Current financial assets, please refer to Note (26) to financial instruments.

7. OTHER NON-CURRENT ASSETS

Other non-current assets at 31 December 2025 and 31 December 2024 may be analysed as follows:

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024	change
Advances	0	0	0
Other prepayments and accrued income	7,288	210	7,078
Other tax assets	106	106	0
Guarantee deposits	41,247	43,455	(2,208)
Other assets	868	194	674
Other non-current assets	49,509	43,965	5,544

Other prepayments mainly include the non-current portion due to a licensee pending the licence agreement.

Guarantee deposits mainly refer to deposits paid as security for store leases.

8. DEFERRED TAX ASSETS

These include the accrual of benefits related to the temporary differences between recognised assets and liabilities and the corresponding tax values and taxes on losses that can be carried forward for tax purposes for which it is probable that future taxable income will be obtained. Changes in deferred tax assets during the year are as follows:

<i>(in thousands of euro)</i>	01.01.2025 restated	Increases	Decreases	Other changes	31.12.2025
Allowance for inventory write-down	33,983	12,734	(11,887)	(1,274)	33,556
Risk provisions	12,686	6,869	(4,972)	(151)	14,432
Loss allowance	3,864	197	(1,210)	(112)	2,739
Amortisation/depreciation	13,954	2,904	(4,428)	(691)	11,739
Leases – IFRS 16	8,011	1,716	(1,443)	(346)	7,938
Elimination of intercompany profits	40,143	33,668	(40,143)	0	33,668
Deferred tax assets on tax losses	14,178	0	(418)	(655)	13,105
Exchange differences	968	0	(34)	0	934
Other temporary differences	16,529	2,779	(779)	(1,047)	17,482
Total deferred tax assets	144,316	60,867	(65,314)	(4,276)	135,593

In order to ensure comparability between financial statements figures, the opening balance of Other temporary differences has been increased by Euro 1,505 thousand as a result of the voluntary change in the accounting treatment of costs for design services, as described in the accounting policies section of these notes.

Deferred tax assets and liabilities on temporary differences related to the treatment of leases in accordance with IFRS 16 amount to Euro 7,938 thousand (as shown in the table above) and Euro 293 thousand (as shown in note (21)), respectively, and was determined by offsetting right-of-use assets against lease liabilities. The following table shows deferred taxes on right-of-use assets and lease liabilities in the absence of offsetting:

<i>(in thousands of euro)</i>	31.12.2025
Deferred tax assets on Leases - IFRS 16	7,938
Deferred tax liabilities on Leases - IFRS 16	(293)
Net deferred taxes on Leases - IFRS 16	7,645
Deferred tax assets on lease liabilities	129,208
Deferred tax liabilities on right-of-use assets	(121,563)
Net deferred taxes on Leases - IFRS 16	7,645



The following table shows the tax losses that can be carried forward on which no deferred tax assets have been allocated and potential deferred tax assets:

<i>(in thousands of euro)</i>	31.12.2025
Tax losses that can be carried forward on which no deferred tax assets have been allocated	253,315
Potential deferred tax assets	61,795

The tax losses that can be carried forward for the next 5 years amount to Euro 59,600 thousand, while the tax losses that can be carried forward indefinitely amount to Euro 193,715 thousand.

CURRENT ASSETS

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024 restated
Current assets	756,107	852,304

9. INVENTORIES

Inventories amount to Euro 362,170 thousand at 31 December 2025 compared to Euro 428,948 thousand at 31 December 2024.

The composition of inventories at 31 December 2025 and 31 December 2024 is as follows:

<i>(in thousands of euro)</i>	31.12.2025			31.12.2024			change
	Gross	Allowance	Net	Gross	Allowance	Net	
Raw materials	62,250	(38,378)	23,872	63,362	(23,715)	39,647	(15,775)
Work in progress	13,354	(1,318)	12,036	16,007	(2,262)	13,745	(1,709)
Finished goods	421,622	(95,360)	326,262	465,897	(90,341)	375,556	(49,294)
Total inventories	497,226	(135,056)	362,170	545,266	(116,318)	428,948	(66,778)

Inventories decreased by Euro 66,778 thousand (-16%). This is due to a reduction in gross inventories resulting from the brands' careful procurement process for finished goods, in which they have adjusted their volumes in response to the market downturn, and to an increase in the allowance of €18,738 thousand (+16%).



The increase in the allowance is due to a write-down of €21,352 thousand on raw materials and finished goods, following a change in creative direction at Jil Sander and Marni. It was partially offset by the reduction in the allowance due to the decrease in gross inventories. The significant write-down resulting from the change in creative directors was considered a non-recurring cost.

10. TRADE RECEIVABLES

The balance of trade receivables at 31 December 2025 amounted to Euro 190,766 (Euro 225,605 thousand in the previous year).

Trade receivables are stated net of a loss allowance of Euro 21,919 thousand.

The composition of trade receivables at 31 December 2025 and 31 December 2024 is as follows:

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024	change
Trade receivables	212,685	251,924	(39,239)
Loss allowance	(21,919)	(26,319)	4,400
Trade receivables, net	190,766	225,605	(34,839)

Trade receivables arise from commercial transactions with domestic and foreign customers. They do not include any amounts due after one year. Impairment losses have been recognised prudently on an individual and collective basis.

Pursuant to IFRS 9, impairment losses on the Group's financial assets were recognised following the expected credit losses (ECL) approach. IFRS 9 requires the Group to recognise an impairment loss equal to the ECL for all debt instruments not held at fair value recognised in profit or loss and for contract assets.

Details of the gross amount of trade receivables by geographical segment are shown below:

<i>(in thousands of euro)</i>	Italy	Rest of Europe	APAC (excl. India)	Japan	America	Rest of world (incl. India)	Total
Trade receivables	62,423	57,716	11,375	42,436	16,009	22,726	212,685

The Group was not subject to any significant concentration of credit risk at the reporting date.

At 31 December 2025 and 31 December 2024, the ageing analysis of trade receivables is as follows:

<i>(in thousands of euro)</i>	Total	Not past due		Past due			
				1-60 days	61-120 days	121-180 days	181-360 days
31.12.2025	212,685	175,333	25,385	3,628	3,225	2,165	2,949
31.12.2024	251,924	207,632	25,528	3,362	2,671	4,903	7,828

Changes in the loss allowance are summarised in the following table:

<i>(in thousands of euro)</i>	As 1.1.2025	Translation difference	Accruals/(Releases)	Utilisations	As 31.12.2025
Loss allowance	26,319	(551)	3,544	(7,393)	21,919

11. TAX RECEIVABLES

Tax assets amount to Euro 14,423 thousand at 31 December 2025 (Euro 21,455 thousand at 31 December 2024).

The item includes income taxes receivable and refers to the following:

- Euro 5,841 thousand for the IRES receivable under the "National Tax Consolidation Scheme", a group taxation system adopted by the parent OTB S.p.A. together with its Italian subsidiaries, and is due to excess payments;
- Euro 1,707 thousand consisting of IRAP receivable;
- Euro 854 thousand for IRES and IRAP claimed for reimbursement relating to the 2020 tax year following the successful settlement of the bilateral Italy – Japan Advance Pricing Agreement (APA);
- Euro 699 thousand for the claim for reimbursement made following the audit by the French tax authorities of the subsidiary Diesel France SAS;
- Euro 570 thousand relating the successful settlement of the Mutual Agreement Procedure (MAP) between Italy – France and Italy – Denmark for the previous tax years.

The remainder relates to amounts due from the tax authorities of the various countries where the subsidiaries are located.

12. OTHER CURRENT ASSETS

Other current assets consist solely of amounts due within one year and include:

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024 restated	change
VAT credits	32,533	37,130	(4,597)
Other tax assets	12,823	12,069	754
Amounts due from employees	280	380	(100)
Amounts due from agents	42	67	(25)
Guarantee deposits	616	588	28
Other assets	4,370	9,032	(4,662)
Total other assets	5,308	10,067	(4,759)
Assets for expected returns	8,057	8,101	(44)
Accrued income	74	96	(22)
Prepaid leases and rentals	4,818	3,106	1,712
Prepaid maintenance expenses	1,612	1,894	(282)
Prepaid insurance premiums	495	472	23
Other prepayments	13,330	9,015	4,315
Total prepayments	20,255	14,487	5,768
Total other current assets	79,050	81,950	(2,900)

VAT credits include the balance of the VAT settlement of the Group in Italy of Euro 12,586 thousand and the VAT credit for the third quarter of 2025 of Euro 3,800 thousand claimed for reimbursement as part of the Group VAT. The remaining VAT credits relate to Italian companies not included in Group VAT and foreign companies.

Other tax assets include Euro 11,846 thousand relating to the tax credit for research and development, technological innovation, design and aesthetic conception, of which Euro 1,266 thousand pertains to the costs incurred in 2025. During 2025, the Group did not offset tax credits deriving from investments in research and development, technological innovation, design and aesthetic conception.

Other assets mainly refer to advance payments made on advertising fees to licensees by a Group company and advances paid to service providers.

Assets for expected returns are related to the estimate arising from granting return rights to customers. Indeed, this valuation leads, on the one hand, to the recognition of a liability in an amount corresponding to the reversal of sales revenue previously recognised on an accruals basis and, on the other hand, to the recognition of an asset for returns to be received in an amount corresponding to the cost of sales of the goods for which the return has been estimated.

Other prepayments mainly relate to prepaid costs for services invoiced in 2025, but pertaining to the following year. In this respect, in order to ensure comparability between financial statements figures, the balance at 31 December 2024 was decreased by Euro 18,994 thousand as a result of the voluntary change in the accounting treatment of costs for design services, as described in the accounting policies section of these notes.

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 31 December 2025 amount to Euro 83,069 thousand (Euro 83,760 thousand at 31 December 2024).

The composition thereof is as follows:

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024	change
Bank and postal demand deposits	80,298	80,786	(488)
Cash and cash-in-hand	2,771	2,974	(203)
Total cash and cash equivalents	83,069	83,760	(691)
Bank overdrafts	(2,880)	(4,917)	2,037
Total net cash and cash equivalents as per the statement of cash flows	80,189	78,843	1,346

Shareholders' equity

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024 restated
Shareholders' equity	969,923	1,101,307

Changes in equity in 2025 and in the previous year are shown in the specific table of these notes. In order to ensure comparability between financial statements figures, the balance of equity at 31 December 2024 was decreased by Euro 14,790 thousand (Euro -14,785 thousand for the Group's equity and Euro -5 thousand for non-controlling interests) as a result of the voluntary change in the accounting treatment of costs for design services, as described in the accounting policies section of these notes.

14. GROUP SHAREHOLDERS' EQUITY

Equity attributable to the owners of the Parent at 31 December 2025 amounts to Euro 969,923 thousand (Euro 1,101,307 thousand at 31 December 2024).

The Euro 130,923 thousand decrease in this item compared to 31 December 2024 was mainly due to the loss of the year of Euro 106,449 thousand, the distribution of dividends (Euro 20,000 thousand) and the reduction in the translation reserve (Euro 19,626 thousand), partially offset by the increase in hedge accounting reserves (Euro 14,326 thousand).

Share capital

Share capital at 31 December 2025 is fully subscribed and paid-in and totals Euro 25,000 thousand.

Other reserves

Other reserves are detailed below:

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024 restated	change
First time adoption reserve	(145,622)	(146,391)	769
Cost of hedging reserve	(1,662)	(1,861)	199
Hedging reserve	13,306	(1,019)	14,325
Actuarial reserve	1,475	910	565
Reserve for future capital increase	148,318	148,318	0
Extraordinary reserve	295,284	310,869	(15,585)
Consolidation reserve and retained earnings	778,739	779,612	(873)
Total other reserves	1,089,838	1,090,438	(600)

A reconciliation of equity and profit for the year as reported by OTB S.p.A. to the amounts reported in the consolidated financial statements is provided in the following table:

<i>(in thousands of euro)</i>	31.12.2025		31.12.2024 restated	
	Profit for the year	Equity	Profit for the year	Equity
As per the financial statements of OTB S.p.A. IFRS compliant	12,371	524,106	12,773	531,511
Contribution of equity and profit/(loss) of consolidated companies	(52,133)	1,908,089	36,024	1,856,550
Carrying amount of equity investments in consolidated companies	0	(1,453,672)	(5,474)	(1,292,430)
Reversal of intercompany dividends received	(39,732)	0	(37,256)	0
Elimination of intercompany profits in inventories of consolidated subsidiaries, net of taxes	355	(89,495)	(2,579)	(103,738)
Consolidation differences	(19,462)	55,482	0	74,950
Goodwill arising on consolidation allocated to trademarks (including deferred tax liabilities)	181	726	181	544
Value attributed to Trademark from acquisitions (including deferred tax liabilities)	(3,444)	86,960	(3,444)	90,404
Value attributed to right-of-use assets from asset acquisitions	(320)	844	(320)	1,164
Measurements of investments using the equity method	(4,100)	(35,536)	(9,337)	(31,435)
Measurement of PUT&CALL non-controlling interests	372	(14,258)	(1,786)	(15,162)
Reversal of provision for retail channel returns net of taxes	(688)	6,691	2,543	7,963
Deferred tax liabilities on reserves taxable on distribution	0	(4,855)	0	(4,854)
Other consolidation adjustments	148	(15,159)	13,226	(14,159)
As per consolidated financial statements	(106,452)	969,923	4,551	1,101,308
Attributable to non-controlling interests	(3)	5,943	303	6,404
Profit and equity attributable to the owners of the Parent	(106,449)	963,980	4,248	1,094,904

For the purposes of a better representation of the connection between the profit for the year and equity of OTB S.p.A. and the corresponding consolidated amounts, it was considered appropriate to allocate the impact of the consolidation entries on the profit/(loss) and equity instead of the profit/(loss) and equity attributable to the owners of the Parent.

15. CAPITAL AND RESERVES ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Capital and reserves attributable to non-controlling interests at 31 December 2025 amount to Euro 5,943 thousand (Euro 6,404 thousand at 31 December 2024).

Non-current liabilities

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024 restated
Non-current liabilities	547,788	571,779

16. LEASE LIABILITIES

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024	change
Non-current lease liabilities	448,239	461,529	(13,290)
Current lease liabilities	128,640	131,488	(2,848)
Total lease liabilities	576,879	593,017	(16,138)

Lease liabilities refer to subleases. For further details, please refer to the accounting policies section of these notes.

Lease liabilities are broken down by due date as follows:

<i>(in thousands of euro)</i>	Up to 1 year	From 1 to 5 years	After 5 years	Total
Non-current lease liabilities	0	311,543	136,696	448,239
Current lease liabilities	128,640	0	0	128,640
Total lease liabilities	128,640	311,543	136,696	576,879

17. NON-CURRENT FINANCIAL LIABILITIES

Details of non-current financial liabilities are provided below:

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024	change
Loans from third parties	5,079	611	4,468
Non-current financial liabilities	5,079	611	4,468

The loans were accounted using the amortised cost method.

Non-current financial liabilities are broken down by due date as follows:

<i>(in thousands of euro)</i>	Up to 1 year	From 1 to 5 years	After 5 years	Total
Loans from third parties	0	5,079	0	5,079
Total long term loans	0	5,079	0	5,079

The Group's net financial position at 31 December 2025 and 31 December 2024 is summarised below. The net financial position has been determined based on the "Recommendations for the consistent implementation of the European Commission's regulation on prospectuses" issued by Consob.

(in thousands of euro)

Net financial position		31.12.2025	31.12.2024
A.	Cash	2,771	2,974
B.	Other cash equivalents	80,298	80,786
C.	Total cash and cash equivalents (A+B)	83,069	83,760
D.	Current loans receivable	26,424	10,566
E.	Current bank payables	(2,880)	(4,917)
F.	Other current financial payables	(61,662)	(57,595)
G.	Current loans and borrowings (E+F)	(64,542)	(62,512)
H.	Current net financial position (C+D+G)	44,951	31,814
I.	Non-current financial payables	(5,079)	(611)
J.	Non-current net financial debt (I)	(5,079)	(611)
K.	Net financial position (H+J)	39,872	31,203

Considering the current and non-current assets and liabilities related to the recognition of right-of-use assets, in accordance with IFRS 16, the Group's net financial position at 31 December 2025 and 31 December 2024 would be as follows:

(in thousands of euro)

Net financial position		31.12.2025	31.12.2024
A.	Cash	2,771	2,974
B.	Other cash equivalents	80,298	80,786
C.	Total cash and cash equivalents (A+B)	83,069	83,760
D.	Current lease assets	205	20
E.	Current loans receivable	26,424	10,566
F.	Current bank payables	(2,880)	(4,917)
G.	Other current financial payables	(61,662)	(57,595)
H.	Current payables (F+G)	(64,542)	(62,512)
I.	Current lease liabilities	(128,640)	(131,488)
J.	Current net financial position (C+D+E+H+I)	(83,484)	(99,654)
K.	Non-current financial payables	(5,079)	(611)
L.	Non-current lease liabilities	(448,239)	(461,529)
M.	Non-current net financial position (K+L)	(453,318)	(462,140)
N.	Net financial position (J+M)	(536,802)	(561,794)



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18. PROVISIONS FOR RISKS AND CHARGES

The composition of provisions at 31 December 2025 and changes therein for the year then ended are set out as follows:

<i>(in thousands of euro)</i>	Provision for tax disputes	Provision for discounts	Provision for legal disputes	Provision for agent indemnities	Provision for leasehold restoration	Other provisions	Total
As 11.2025	7,565	3,735	2,009	789	15,514	25,971	55,583
Increases during year	26	982	969	58	8,930	9,140	20,105
Uses/Releases	(112)	(1,887)	(1,156)	(128)	(6,290)	(6,750)	(16,323)
Acquisition values	0	0	0	0	0	0	0
Reclassifications	181	0	0	(180)	0	481	482
Exchange differences	0	(101)	(23)	0	(1,685)	(433)	(2,242)
As 31.12.2025	7,660	2,729	1,799	539	16,469	28,409	57,605
Current	7,500	2,729	1,799	539	2,919	18,465	33,951
Non-current	160				13,550	9,944	23,654

The provision for discounts relates to year end discounts and allowances payable to customers.

The provision for legal disputes relates to legal disputes that were still pending at 31 December 2025.

The provision for agent indemnities relates to obligations of certain Group companies for agent indemnities and represents a prudent estimate of the liability to agents that would arise if agency agreements were terminated under circumstances defined in the relevant legislation.

The provision for leasehold restoration meets contractual obligations to return a leased property to the lessor at the end of the lease term in a specified condition.

Other provisions refers to the allocation for certain or probable charges whose date of occurrence has not yet been defined.

19. POST-EMPLOYMENT BENEFITS PLAN LIABILITIES

Post-employment benefits relate entirely to the provision for employee termination. Changes during the year are shown in the table below:

<i>(in thousands of euro)</i>	As 11.2025	Costs for services	Interest cost	Actuarial losses/(gains)	Utilisation or benefits paid and advances	Other changes	As 31.12.2025
Net liability for employee benefits	9,707	501	283	(608)	(1,557)	(186)	8,140

Post-employment benefits mainly refer to the Italian group companies. As a result of changes made to post-employment benefits by Law 296 of 27 December 2006 (2007 Finance Act) and by subsequent decrees and regulations issued in early 2007, the post-employment benefits of Italian of Group companies accruing from 1 January 2007 onwards, or from the date on which employee indicated their election based on the options available, have been recognised as a defined contribution plans, regardless of whether the employee opted for a supplementary pension scheme or for the INPS Treasury Fund. Accordingly, the accounting treatment of this provision is similar to that for the payment of contributions of a different nature, given that they do not envisage any annual service cost. Consistently, the post-employment benefits recognised before the entry into force of the reform and not yet paid to employees existing at the date of preparation of the financial statements, are considered a defined benefit plan and its amount is determined at the end of each year on the basis of actuarial assumptions.

Technical evaluations were made based on the assumptions described in the following table:

Actuarial calculation assumptions

Inflation rate	2.00%
Discount rate	3.95%
Remuneration increase rate	3.00%

In accordance with the provisions of IAS 19, a sensitivity analysis was performed on changes in the main technical bases included in the calculation model.

From the baseline scenario, the most significant assumptions were varied, namely the average annual discount rate, average inflation rate, remuneration growth rate and turnover rate. The results obtained are summarised in the table below:

<i>(in thousands of euro)</i>	Changes in assumptions	Impact on liability	
		Increase in assumptions	Decrease in assumptions
Actuarial calculation assumptions			
Inflation rate	+/-0.25%	8,213	8,069
Discount rate	+/-0.50%	7,878	8,420
Remuneration increase rate	+/-2.00%	8,228	8,049

The following table shows an estimate of expected payments (in nominal value) over the next 10 years:

<i>(in thousands of euro)</i>	Within one year	Between 1 and 2 years	Between 2 and 5 years	Between 5 and 10 years	Total
Actuarial calculation assumptions	687	609	2,213	4,807	8,316

20. OTHER NON-CURRENT LIABILITIES

Details of other non current liabilities are shown below:

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024	change
Amounts due to social security and welfare institutions	33	42	(9)
Amounts due to employees	0	0	0
Deferred income	47	14	33
Current tax liabilities	0	1,534	(1,534)
Other liabilities	3,901	15,284	(11,383)
Other non-current liabilities	3,981	16,874	(12,893)

With regard to tax liabilities, the 2024 balance related to the portion of the liability arising from participation in the tax amnesty scheme for research and development tax credits. As this was due to be paid the following year, it was reclassified as a current liability. Reference should be made to note 23 for further details.

Other liabilities mainly refer to the amount arising from the measurement of the put and call options on non-controlling interests of subsidiaries, one of which was reclassified from long- to short term. Liabilities were calculated based on the companies' equity value and the update to the measurement carried out at year end resulted in the recognition of a charge of Euro 187 thousand in profit or loss.

21. DEFERRED TAX LIABILITIES

The table below provides a breakdown of deferred tax liabilities in the relevant years:

<i>(in thousands of euro)</i>	01.01.2025 restated	Increases	Decreases	Other changes	31.12.2025
Non-current assets	60,888	107	(2,859)	(81)	58,055
Leases - IFRS 16	508	(147)	(40)	(28)	293
Exchange differences	542	0	(542)	0	0
Other temporary differences	264	129	(1,633)	1,587	347
Total deferred tax liabilities	62,202	89	(5,074)	1,478	58,695

Deferred tax liabilities relating to non-current assets mainly consist of intangible assets, the consolidated carrying amount thereof is significantly higher than their tax basis (especially the Marni trademark and the Jil Sander trademark, the consolidated carrying amount of which reflects a purchase price allocation made subsequent to the business combination).

In order to ensure comparability between financial statements figures, the 31 December 2024 balance of Other temporary differences has been decreased by Euro 3,626 thousand as a result of the voluntary change in the accounting treatment of costs for design services, as described in the accounting policies section of these notes.

Current liabilities

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024 restated
Current liabilities	628,196	644,664

22. TRADE PAYABLES

Trade payables at 31 December 2025 amount to Euro 257,599 thousand, representing a decrease Euro 13,340 thousand compared to 31 December 2024.

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024 restated	change
Trade payables	257,599	270,939	(13,340)

In this respect, in order to ensure comparability between financial statements figures, the balance at 31 December 2024 was increased by Euro 928 thousand as a result of the voluntary change in the accounting treatment of costs for design services, as described in the accounting policies section of these notes.

The change in the year is attributable to normal trading activities.

23. OTHER CURRENT LIABILITIES

Other current liabilities at 31 December 2025, amount to Euro 132,023 thousand (Euro 135,404 thousand in the previous year).

Details thereof are shown below:

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024	change
Customer advance payments	14,129	14,425	(296)
Amounts due to employees	34,193	35,798	(1,605)
Amounts due to social security and welfare institutions	12,730	14,079	(1,349)
Due to others	14,166	4,352	9,814
Total other liabilities	75,218	68,654	6,564
VAT liability	7,774	9,691	(1,917)
Withholding taxes	7,612	8,784	(1,172)
Other current tax liabilities	2,498	2,780	(282)
Liabilities for refunds on expected returns	19,272	21,291	(2,019)
Accrued lease and rental expenses	2,861	3,162	(301)
Accrued service expenses	1,177	2,266	(1,089)
Accrued maintenance expenses	31	30	1
Other accrued expenses	14,017	17,289	(3,272)
Total accrued expenses	18,086	22,747	(4,661)
Deferred lease and rentals	0	72	(72)
Other deferred income	1,485	1,385	100
Total deferred income	1,563	1,457	106
Other current liabilities	132,023	135,404	(3,381)

“Due to others” relates primarily to the short-term portion of the liability arising from the measurement of the call and put options held on non-controlling interests in a subsidiary. On 17 July 2025, the non-controlling investors exercised their put option and the process leading to the final measurement of the non-controlling interest to be acquired by the Group is currently underway. The liability was reclassified from the long- to the short-term bracket and decreased due to the distribution of dividends to non-controlling investors worth Euro 569 thousand and the updated measurement of the call & put options at year end for Euro 465 thousand.

Liabilities for refunds on expected returns related to the measurement of the granting of return rights to customers. As previously mentioned, this measurement results in the recognition of a liability for future refunds and a corresponding reduction in revenue for the gross value of expected returns. It also results in the recognition of an asset for returns to be received and a corresponding reduction in the cost of sales.

Other current tax liabilities refer to the last instalment of Euro 1,534 thousand falling due in 2026 and arising from the participation in the tax amnesty scheme for research and development tax credits pursuant to L.D. 146/2021, to which several Italian group companies participated in 2024, by repaying the sums used for offsetting in previous years and arising from certain credits; the reversal did not entail the payment of either penalties or interest. This was determined by the need to eliminate the growing interpretative uncertainty on the correct application of the regulations and to reduce the risk arising from the uncertainty generated on these items, thus ensuring full tax compliance.



24. CURRENT TAX LIABILITIES

The income tax expense may be broken down as follows:

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024	change
Income taxes	11,441	9,594	1,847
Current tax liabilities	11,441	9,594	1,847

Income taxes are recognised net of current tax assets, where offsetting relates to the same jurisdiction and the same taxation.

25. CURRENT FINANCIAL LIABILITIES

Details of current financial liabilities are provided below:

<i>(in thousands of euro)</i>	31.12.2025	31.12.2024	change
Bank overdrafts	2,880	4,917	(2,037)
Derivative financial instruments	2,366	10,260	(7,894)
Other current financial liabilities	59,296	47,335	11,961
Total financial liabilities	64,542	62,512	2,030



Financial liabilities summarised by due date are as follows:

<i>(in thousands of euro)</i>	Up to 1 year	From 1 to 5 years	After 5 years	Total
Bank overdrafts	2,879	0	0	2,879
Derivative financial instruments	2,366	0	0	2,366
Other current financial liabilities	59,297	0	0	59,297
Total financial liabilities	64,542	0	0	64,542

The increase in other current financial liabilities relates primarily to the rise in short-term bank loans at group level and, to a lesser extent, to the different use of credit facilities (short-term credit lines versus overdrafts). These needs arise from the investments made during 2025 and changes in working capital.



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CONSOLIDATED FINANCIAL STATEMENTS 2025

26. FINANCIAL INSTRUMENTS

The classification of financial instruments in accordance with IFRS 9 affects various components of the financial statements. The tables below present the carrying amount of outstanding financial instruments, by category, with indication of the hierarchical level of fair value at 31 December 2025 and 31 December 2024.

31.12.2025 (in thousands of euro)	Financial assets			Total	Level 1	Level 2	Level 3	Total
	Amortised cost	FV through OCI	FV through P&L					
Non-current lease assets	2,151			2,151				
Non-current financial assets	2,955			2,955				
Other non-current assets	49,509			49,509				
Total non-current financial assets	54,615	0	0	54,615				
Trade receivables	190,766			190,766				
Current lease assets	205			205				
Derivative financial instruments		26,258		26,258		26,258		26,258
Current financial assets	166			166				
Other current assets	79,050			79,050				
Cash and cash equivalents	83,069			83,069				
Total current financial assets	353,256	26,258	0	379,514		26,258		26,258

31.12.2025 (in thousands of euro)	Financial liabilities			Total	Level 1	Level 2	Level 3	Total
	Amortised cost	FV through OCI	FV through P&L					
Non-current lease liabilities	448,239			448,239				
Non-current financial liabilities	5,079			5,079				
Other non-current liabilities	223		3,758	3,981			3,758	3,758
Total non-current financial Liabilities	453,541	0	3,758	457,299			3,758	3,758
Trade payables	257,599			257,599				
Other current liabilities	121,523		10,500	132,023			10,500	10,500
Current lease liabilities	128,640			128,640				
Derivative financial instruments		2,366		2,366		2,366		2,366
Current financial liabilities	62,176			62,176				
Total current financial liabilities	569,938	2,366	10,500	582,804		2,366	10,500	12,866

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31.12.2024 restated <i>(in thousands of euro)</i>	Financial assets			Total	Level 1	Level 2	Level 3	Total
	Amortised cost	FV through OCI	FV through P&L					
Non-current lease assets	0			0				
Non-current financial assets	2,855			2,855				
Other non-current assets	43,965			43,965				
Total non-current financial assets	46,820	0	0	46,820				
Trade receivables	225,605			225,605				
Current lease assets	20			20				
Derivative financial instruments		10,398		10,398		10,398		10,398
Current financial assets	168			168				
Other current assets	81,950			81,950				
Cash and cash equivalents	83,760			83,760				
Total current financial assets	391,503	10,398	0	401,901		10,398		10,398
31.12.2025 <i>(in thousands of euro)</i>	Financial liabilities			Total	Level 1	Level 2	Level 3	Total
	Amortised cost	FV through OCI	FV through P&L					
Non-current lease liabilities	461,529			461,529				
Non-current financial liabilities	611			611				
Other non-current liabilities	1,713		15,161	16,874			15,161	15,161
Total non-current financial liabilities	463,853	0	15,161	479,014			15,161	15,161
Trade payables	270,939			270,939				
Other current liabilities	135,404			135,404				
Current lease liabilities	131,488			131,488				
Derivative financial instruments		10,260		10,260		10,260		10,260
Current financial liabilities	52,252			52,252				
Total current financial liabilities	590,083	10,260	0	600,343		10,260		10,260

The carrying amount of financial assets and liabilities outstanding at 31 December 2025 is considered a reasonable approximation of the fair value, given their nature.

The Group uses internal valuation models, which are generally used for financial modelling in practice, based on prices provided by market operators or by quoted market prices in active markets obtained from leading info-providers.

For the determination of the fair value of derivatives, a pricing model is used based on market interest rates and exchange rates prevailing at the measurement date.

The following table presents the carrying amount of derivative financial instruments outstanding at 31 December 2025:

31.12.2025 <i>(in thousands of euro)</i>	amount	countervalue	average	Fair value in Euro	
	in foreign currency	in Euros	exchange rate	pos	neg
Outright sales:					
AUD v/EUR	1,540	847	1.82	0	(20)
CAD v/EUR	3,800	2,373	1.60	22	(8)
CHF v/EUR	7,900	8,649	0.91	72	(20)
CNY v/EUR	385,500	48,328	7.98	1,545	(125)
DKK v/EUR	7,500	1,009	7.43	3	0
GBP v/EUR	27,200	31,073	0.88	281	(59)
HKD v/EUR	112,100	12,567	8.92	359	(9)
MXN v/EUR	87,200	3,743	23.30	0	(219)
NOK v/EUR	15,800	1,340	11.79	20	0
SEK v/EUR	26,600	2,409	11.04	0	(51)
USD v/EUR	3,800	3,319	1.15	119	(15)
KRW v/EUR	17,000,000	10,656	1,595.32	646	(15)
Total outright sales				3,067	(541)
Outright purchases:					
CHF v/EUR	3,600	3,905	0.92	0	(20)
CHF v/CNY	60,000	7,678	7.81	0	(384)
DKK v/EUR	12,100	1,623	7.46	0	0
GBP v/EUR	11,500	13,113	0.88	0	(7)
HKD v/EUR	38,500	4,203	9.16	0	(2)
NOK v/EUR	4,800	403	11.91	0	0
SEK v/EUR	9,200	847	10.86	4	0
SGD v/EUR	1,200	796	1.51	3	0
USD v/EUR	29,400	24,896	1.18	0	(6)
USD v/JPY	3,101	428,000	138.07	302	0
Total outright purchases				309	(421)
Swap sales:					
CAD v/EUR	6,000	3,717	1.61	12	0
JPY v/EUR	6,400,000	34,728	184.29	74	0
Total swap sales				92	0
Swap purchases:					
CHF v/EUR	10,900	11,714	0.93	0	(6)
CNY v/EUR	502,700	60,715	8.28	0	(405)
DKK v/EUR	3,600	482	7.47	0	0
GBP v/EUR	23,500	26,743	0.88	0	(156)
HKD v/EUR	179,000	19,593	9.14	28	0
MXN v/EUR	38,500	1,814	21.23	0	(3)
USD v/EUR	18,800	16,514	1.14	533	0
Total swap purchases				561	(574)
Call/Put options					
CNY v/EUR	85,000	10,220	8.32	127	(245)
JPY v/EUR	30,500,000	188,678	161.65	22,004	(579)
USD v/JPY	1,243	177,000	142.52	98	(6)
Total Call/Put options				22,229	(830)
Total derivative instruments				26,258	(2,366)

The impact of derivative instruments outstanding at the end of the year is shown in the table below:

<i>(in thousands of euro)</i>	31.12.2025
Assets for derivative financial instruments	26,258
Liabilities for derivative financial instruments	(2,366)
Derivative financial instrument (net)	23,892
<i>of which:</i>	
Hedging reserve	18,001
Cost of hedging reserve	(1,920)
Equity effect	16,081
Cash flow hedge Revenues/(Purchases) adjustment	6,262
Exchange gains /(losses)	1,874
Cost of hedging	(325)
Effect on profit or loss	7,811
Total effect	23,892

27. GUARANTEES GIVEN AND OTHER COMMITMENTS

Guarantees given and received are shown below:

<i>(in thousands of euro)</i>	Description	Beneficiaries	31.12.2025	31.12.2024
Guarantees given:				
	Bank guarantees	Third parties	10,310	11,388
	Other guarantees	Third parties	136,979	157,588
	Total guarantees given		147,289	168,976
Guarantees received:				
	Bank guarantees	Third parties	9,143	11,219
	Other guarantees	Third parties	1,246	332
	Letters of credit	Clients	23,417	21,843
	Total guarantees received		33,806	33,394

Other guarantees consist of Euro 112,434 thousand in payment obligations issued by the parent OTB S.p.A. to the benefit of the tax authorities in their own interest in order to guarantee the VAT credits accrued and claimed for reimbursement. The consolidated financial statements show equity exceeding Euro 250,000 thousand. Consequently, OTB S.p.A. can guarantee itself in the aforementioned reimbursement claims. Euro 35,219 thousand refers to 2022, Euro 50,502 thousand refers to 2023, Euro 18,161 thousand refers to 2024 and Euro 8,552 thousand refers to 2025.

Euro 24,099 thousand consists of sureties issued to the benefit of the tax authorities, in the interest of:

- Diesel S.p.A. to guarantee the VAT claimed for reimbursement for 2022 (Euro 7,215 thousand), for 2023 (Euro 4,240 thousand) and for 2024 (Euro 2,120 thousand);
- Diesel S.p.A. to guarantee the VAT claimed for reimbursement for 2023 (Euro 742 thousand) and for 2023 (Euro 1,060 thousand);
- Margiela S.a.s.u. (Italian branch) to guarantee the VAT claimed for reimbursement for 2023 (Euro 4,231 thousand) and for 2024 (Euro 4,491 thousand).

NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The main changes in the main items of the consolidated statement of profit or loss are shown in the notes which follow. More comprehensive comments on trends in the Group's results are contained in the directors' report.

28. REVENUE

Revenue from sales and services amounts to Euro 1,610,108 thousand (Euro 1,732,229 thousand in 2024), down 7.0% on the prior year. Revenue from sales is stated net of returns and discounts.

The breakdown is as follows:

<i>(in thousands of euro)</i>	2025	2024	change
Revenue from sales of products and services	1,561,890	1,683,236	(121,346)
Revenue from sales of other materials	6,943	8,058	(1,115)
Revenues from sales	1,568,833	1,691,294	(122,461)
Royalties	41,275	40,935	340
Revenues from sales and services	1,610,108	1,732,229	(122,121)

The breakdown of revenue by geographical segment is shown below:

<i>(in millions of euro)</i>	Italy	Rest of Europe	APAC (excl. India)	Japan	America	Rest of world (incl. India)	Total
Revenue	287.0	384.8	212.8	429.9	192.5	103.1	1,610.1
% of revenue	17.8%	23.9%	13.2%	26.7%	12.0%	6.4%	100.0%

29. OTHER OPERATING INCOME

Other operating income amounts to Euro 21,884 thousand and consists of the following:

<i>(in thousands of euro)</i>	2025	2024	change
Sundry revenue and income	9,459	8,789	670
Recoveries of costs and compensation for damage	10,547	12,797	(2,250)
Lease income	241	102	139
Impairment gains on right-of-use assets	0	0	0
Gains on disposals of non-current assets	1,637	494	1,143
Total other operating income	21,884	22,182	(298)

Sundry revenue and income refer for Euro 2,099 to contributions paid to licensees and for Euro 1,890 thousand to sundry revenue from the Group's brand cafés.

Recoveries of costs and compensation for damage include Euro 1,266 thousand (Euro 1,541 thousand in 2024) for the tax credit for research and development, technological innovation, design and aesthetic conception, activities carried out in the year, pursuant to Art. 1, paragraphs 198 to 208 of Law no. 160 of 27 December 2019.

As required by Law no. 124/2017, as amended, the following table shows the grants received by the Group during the year:

Disbursing entity <i>(in thousands of euro)</i>	Area of intervention	2025
Fondimpresa/Fondirigenti/For.te/INPS	Training	152
Total		152



30. CHANGE IN INVENTORIES

The change in inventories of raw materials, semi-finished products and finished goods is negative at Euro 50,523 thousand (positive at Euro 56,303 thousand in 2024). Change in raw materials, semi-finished products and finished goods includes non-recurring costs of €21,352 thousand relating to increased write-downs of raw materials and finished goods following the change of the creative directors at the Marni and Jil Sander brands. Reference should be made to note (9) of these Notes for details on the changes in inventories.

31. PURCHASES

The breakdown of purchases in 2025 and 2024 is as follows:

<i>(in thousands of euro)</i>	2025	2024	change
Finished goods	320,334	321,373	(1,039)
Raw materials	71,295	78,472	(7,177)
Consumables	6,126	5,565	561
Total purchases	397,755	405,410	(7,655)

"Finished goods" include non-recurring costs relating to the renewal of the licence with Dsquared2 amounting to €839 thousand.

32. LEASE AND RENTAL COST

The breakdown of this item in 2025 and 2024 is as follows:

<i>(in thousands of euro)</i>	2025	2024	change
Royalties on trademarks and licences	11,621	13,249	(1,628)
Variable rental expense	65,697	73,006	(7,309)
Other rental expense	26,728	22,218	4,510
Hire and rental costs	12,098	10,140	1,958
Lease and rental costs	116,144	118,613	(2,469)

33. SERVICES

The breakdown of services received in 2025 and 2024 is as follows:

<i>(in thousands of euro)</i>	2025	2024 restated	change
Business and technical services	107,740	122,613	(14,873)
Logistics and distribution	40,500	45,360	(4,860)
Sales commissions	30,361	29,182	1,179
Commercial services	7,283	7,538	(255)
Advertising and communication services	84,747	92,101	(7,354)
Legal, tax and administrative consultants	7,662	6,179	1,483
Maintenance services	18,013	17,350	663
Financial services	17,893	16,958	935
Insurance services	3,392	3,389	3
General services	23,512	24,432	(920)
Employee services	21,694	22,120	(426)
Fees of company officers	12,823	13,016	(193)
Other services	56,381	62,184	(5,803)
Total services	432,001	462,422	(30,421)

In order to ensure comparability between financial statements figures, the 31 December 2024 balance of Other services has been decreased by Euro 801 thousand as a result of the voluntary change in the accounting treatment of costs for design services, as described in the accounting policies section of these notes.

"Business and technical services" decreased as a result of lower production volumes.

"Advertising and communication services" include non-recurring costs of €1,026 thousand relating to the renewal of the licence with Dsquared2.

"Legal, tax and administrative consultants" include non-recurring costs of €873 thousand relating to the renewal of the licence with Dsquared2.

"Other services" include non-recurring costs relating to the renewal of the licence with Dsquared2, amounting to €53 thousand.

"Fees of company officers" include directors' fees of Euro 11,244 thousand, statutory auditors' fees of Euro 306 thousand and audit fees for the entire group of Euro 1,273 thousand.

The audit fees of the parent OTB S.p.A. are detailed in the table below:

<i>(in thousands of euro)</i>	2025
Statutory audit of the parent OTB S.p.A. – financial statements and consolidated financial statements	62
Statutory audit of subsidiaries	299
Audit of the consolidation reporting packages of certain subsidiaries	387
Other audit services	42
Other services provided by the PwC network to the OTB Group	44
Total	834

34. PERSONNEL EXPENSES

The breakdown of personnel expenses in 2025 and 2024 is as follows:

<i>(in thousands of euro)</i>	2025	2024	change
Wages and salaries	290,165	288,906	1,259
Social security contributions	64,881	65,066	(185)
Pension costs, indemnities and post-employment benefits	13,311	16,009	(2,698)
Other personnel expenses	6,372	5,828	544
Personnel expenses	374,729	375,809	(1,080)

Personnel expenses include non-recurring costs relating to corporate reorganisation amounting to Euro 1,190 thousand.

Employee numbers at 31.12.2025 and 31.12.2024 are set out below.

	31.12.2025	31.12.2024	change
no. of employees	6,825	6,875	(50)

35. OTHER OPERATING EXPENSES

The breakdown of other operating expenses in 2025 and 2024 is as follows:

<i>(in thousands of euro)</i>	2025	2024 restated	change
Advertising material	13,476	11,752	1,724
Consumable materials	9,867	11,446	(1,579)
Taxation on rental costs	4,457	4,226	231
Other tax and duties	6,338	7,207	(869)
Contributions for corners and flagship stores	1,313	1,091	222
Loss on disposal of non-current assets	1,494	48	1,446
Other costs	5,912	18,862	(12,950)
Total other operating expenses	42,857	54,632	(11,775)



In order to ensure comparability between financial statements figures, the 2024 balance of Consumables has been increased by Euro 29 thousand as a result of the voluntary change in the accounting treatment of costs for design services, as described in the accounting policies section of these notes.

The decrease in Other operating expenses is due, for Euro 6,294 thousand, to higher costs incurred in the previous year as a result of the participation of certain Italian group companies in the tax amnesty scheme for research and development tax credits provided for by DL 146/2021. For further details, reference should be made to note (23).

Other operating expenses include non-recurring costs relating to the restructuring of the retail network (Euro 107 thousand).

36. AMORTISATION/DEPRECIATION

The breakdown of depreciation and amortisation in 2025 and 2024 is as follows:

<i>(in thousands of euro)</i>	2025	2024	Change
Depreciation	53,257	52,277	980
Amortisation	23,536	24,131	(595)
Depreciation of right-of-use assets	150,709	154,164	(3,455)
Total depreciation and amortisation	227,502	230,572	(3,070)

For details of depreciation and amortisation, reference should be made to notes (1) and (3) which analyse the changes in these two items in detail.





The depreciation of right-of-use assets refers to assets underlying leases. For further details, reference should be made to note (2) and to the sections on the new accounting standards in these notes.

37. PROVISIONS AND IMPAIRMENT LOSSES

The breakdown of provisions and impairment losses in 2025 and 2024 is as follows:

<i>(in thousands of euro)</i>	2025	2024	change
Provisions for risks and charges	2,386	1,884	502
Provision /(Releases) of loss allowance	3,544	2,357	1,187
Impairment losses on non-current assets	30,495	1,777	28,718
Total depreciation, amortisation and impairment losses	36,425	6,018	30,407

Provisions for risks and charges relate to provisions recognised by some group companies for risks at 31 December 2025 and for future charges.

Impairment losses on non-current assets relate entirely to non-recurring expense, of which Euro 19,462 thousand relates to the goodwill allocated to the Marni Business World cash-generating unit, determined following the impairment carried out, as disclosed in note (1), to which reference should be made for further details. The remaining Euro 11,033 thousand relates to the impairment loss on the assets at certain Marni and Jil Sander stores, mainly located in the United States, which primarily affected leasehold improvements and right-of-use assets, as described in note (3), to which reference should be made for further details.

38. FINANCIAL INCOME

The breakdown of financial income in 2025 and 2024 is as follows:

<i>(in thousands of euro)</i>	2025	2024	change
Bank interest	1,325	1,688	(363)
Other interest income	538	257	281
Interest on lease assets	37	0	37
Other financial income	1,504	970	534
Total financial income	3,404	2,915	489

39. EQUITY-INVESTMENTS MEASURED USING THE EQUITY METHOD

The breakdown of this item in 2025 and 2024 is as follows:

<i>(in thousands of euro)</i>	2025	2024	change
Equity-investments measured using the equity method	(2,968)	(3,087)	119
Total equity-investments measured using the equity method	(2,968)	(3,087)	119

For further details, reference should be made to note (4).

40. FINANCIAL EXPENSES

The breakdown of financial expenses in 2025 and 2024 is as follows:

<i>(in thousands of euro)</i>	2025	2024	change
Bank interest expense	4,587	6,358	(1,771)
Interest on lease liabilities	17,133	16,601	532
Other interest expense	839	166	673
Other financial expenses	1,329	2,886	(1,557)
Total financial expenses	23,888	26,011	(2,123)

Interest on lease liabilities refers to interest accruing on lease liabilities. For further details, reference should be made to the accounting policies section of these notes.

41. EXCHANGE GAINS (LOSSES)

The breakdown of Exchange gains /(losses) in 2025 and 2024 is as follows:

<i>(in thousands of euro)</i>	2025	2024	change
Realised exchange gains	79,486	51,304	28,182
Unrealised exchange gains	26,571	11,131	15,440
Exchange gains	106,057	62,435	43,622
Realised exchange losses	(65,401)	(43,186)	(22,215)
Unrealised exchange losses	(48,328)	(17,400)	(30,928)
Exchange losses	(113,729)	(60,586)	(53,143)
Exchange gains (losses)	(7,672)	1,849	(9,521)

42. INCOME TAX

The breakdown of income taxes in 2025 and 2024 is as follows:

<i>(in thousands of euro)</i>	2025	2024 restated	change
IRES	(25)	2,630	(2,655)
IRAP (Regional Business Tax)	906	2,010	(1,104)
Other income taxes	27,017	14,638	12,379
Total current taxes	27,898	19,278	8,620
Change in deferred tax liabilities	335	(808)	1,143
Prior year taxation	1,151	(2,723)	3,874
Total deferred and prior year taxation	1,486	(3,531)	5,017
Total income taxes	29,384	15,747	13,637

"Deferred taxes" include the taxes calculated on the temporary differences between the carrying amounts of recognised assets and liabilities and the corresponding tax values.

Set out below is a reconciliation of the tax charge:

<i>(in thousands of euro)</i>	2025	% 2024 restated	%
Profit/(loss) before tax	(77,068)	20,298	
<i>Increases:</i>			
Impairment loss on Marni's goodwill	19,462		
Change in CNM policy – failure to recognise income from Italian subsidiaries	117,724		
Subsidiaries with a loss before tax and no DTA allocation	43,932	34,027	
Profit before tax, after increases	104,050	100.0%	54,325
Theoretical taxes	24,972	24.0%	13,038
Effect of different rates in force in other countries	2,717	2.61%	2,576
IRAP (Regional Business Tax)	1,695	1.63%	133
Effective taxes	29,384	28.2%	15,747
			28.99%

The main increases relate to:

- the impairment loss on the goodwill of Marni BW;
- the amendment to the global tax consolidation agreement between OTB S.p.A. and its Italian subsidiaries, introduced in 2025, provides that income from tax consolidation is recognised only when the individual companies can demonstrate in the short term that they are able to utilise their tax losses;
- the failure to recognise deferred tax assets in respect of foreign subsidiaries is due to the absence of a recovery plan for them in the near future.

In the context of the new OECD Pillar 2 regulations, it is certified that these provisions apply to the OTB Group.

Based on current legislation, the Group is not liable to pay any Top-Up Tax in the jurisdictions in which it operates in 2025, complying with the minimum taxation requirements of the legislation. During the year, the OTB Group was subject to a number of tax inspections by the Italian and foreign tax authorities.

The ongoing tax inspection covering the subsidiary Staff International S.p.A. has resulted in a recovery notice served during the year for the 2017, 2018, 2019 and 2020 tax years, and concerning the alleged improper offsetting of non-existent tax credits for R&D investments in the 2017, 2018, 2019 and 2020 tax years, amounting to Euro 3,940 thousand, plus penalties and interest. The company has filed an appeal with the Venice Tax Court of First Instance against the Veneto Regional Office of the Italian tax authorities. The claimant, Staff International S.p.A., is maintaining its position, which is consistent with the stance it took when deciding not to participate in the amnesty.

The competent tax authorities are currently investigating other group companies, such as Diesel S.p.A., Marni France SAS and Marni Deutschland GmbH. These inspections have not resulted in any specific, final objections from the relevant authorities.

Marni Group S.r.l. underwent a tax inspection during 2025 which ended with no adverse findings. Finally, the subsidiaries OTB Korea LTD and Margiela Shanghai Trading Co. LTD are currently under investigation by customs authorities in their respective countries. These investigations have not yet produced any quantitative risk findings.

In addition, the subsidiary Diesel S.p.A. filed an application during the year to renew the Bilateral Advance Pricing Agreement (BAPA) in relation to transactions with the Japanese subsidiary Diesel Japan. This application refers to the five-year period 2025-2029 and is part of the prior agreement procedures between the tax authorities of the two countries, aimed at defining shared transfer pricing methods. The procedure has not yet reached its final stage.

Given the general state of the procedures, the verification processes and the absence of specific and quantifiable objections by the tax authorities, the taxpayers concerned do not believe that there are any significant elements that would affect the consolidated financial statements of the OTB Group.

OTHER INFORMATION

Related party transactions

The table below provides details of related party transactions and balances. The companies indicated have been identified as related parties because they are linked directly or indirectly to the majority shareholders of OTB Group or to key managers of the Group.

Details of OTB Group's balances with related parties at 31 December 2025 and transactions for the year then ended are provided below:

<i>(in thousands of euro)</i>	Name/Role	Fee	Sales	Purchases of goods and services	
Members of the Board of Directors	Total directors	11,244			
	Directors (Viktor&Rolf BV)		-	1,943	
	Stefano Bertollo (CEO of Stephen S.r.l.)		-	191	
Companies associated with Group companies:	Reliance Brands Limited/JV Partners		677	809	
	Reliance Retail Limited/Reliance Brands Holding Limited		-	-	
Companies related to shareholders and persons holding management positions and/or positions on the boards of directors and statutory auditors in OTB Group companies:	BBSVR		74	35	
	Sporting 55 S.r.l.		3	198	
	Lardi & Partners SA		-	110	
	Brave Wine Società Agricola S.r.l.		12	136	
	IL PROGETTO SRL		-	206	
	HOTEL ANCORA SRL		140	-	
	VILLA BRASINI GROUP SRL		2	-	
	COMPAGNIA SIDERURGICA S.p.A.		2	4	
	B-WALL Ltd.		-	-	
	ADACTA ADVISORY SPA		-	13	
	SICURECO VENETO SRL		-	57	
	DENIM SERVICE SRL		11	208	
	FIETTA plc		3	-	
	INTERNATIONAL JET MANAGEMENT GmbH		-	3,152	
	MELEGATTI SPA		3	-	
	POLITECNICO DI MILANO		-	10	
	Matilde S.r.l.		-	1	
	Markus S.r.l.		-	4	
	SOGIFI S.r.l.		-	362	
	VIGO HOLDING S.r.l.		52	-	
	RETROSUPERFUTURE S.R.L.		80	60	
	Red Circle S.r.l.		14	267	
	Red Circle Fly High S.r.l.		1	-	
	Totale			1,074	7,766

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Variable rents	Receivables at 31/12/2025	Payables at 31/12/2025	Right-of-use assets at 31/12/2025	Lease liabilities as at 31/12/2025
-			-	-
-			-	-
-	3	245	-	-
-	-	-		
-	46	2	-	-
-	3	5	-	-
-	-	26	-	-
-	4	20	-	-
-	-	-	-	-
-	88	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	1,338	1,384
-	-	-	-	-
-	-	12	-	-
-	77	-	-	-
-	-	-	-	-
-	-	240	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	2,368	2,778
-	-	-	-	-
-	-	-	-	-
-	322	6	-	-
-	16	59	51,979	59,504
-	-	-	-	-
-	559	615	55,685	63,666

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CONSOLIDATED FINANCIAL STATEMENTS 2025

Significant events subsequent to 31 December 2025

After 31 December 2025, the international geopolitical situation deteriorated amid the outbreak of conflict in the Gulf region. This has created a climate of significant geopolitical and economic uncertainty, with potential repercussions for the global economy, particularly for the fashion and luxury sector in which the OTB Group operates.

Continued conflict could affect tourist flows, consumer confidence and demand patterns in directly or indirectly involved markets, as well as disrupting supply chains and potentially putting pressure on energy, logistics and insurance costs.

Some international and local operators in the sector have already taken steps to temporarily close their stores in high-risk areas.

The OTB Group is monitoring the situation closely and is prepared to implement the necessary measures promptly to protect its staff, assets and business continuity. At the preparation date of these financial statements, it was not possible to estimate the potential financial impacts of the developing conflict with any reasonable certainty.

During the Milan Fashion Week in February 2026, Marni's new creative direction under Meryll Rogge's leadership made its catwalk debut.

In January 2026, Diesel announced the appointment of Andrea Rigogliosi as CEO of the brand. The new edition of Scuola dei Mestieri will be launched in March 2026. Designed to train the next generation of Made in Italy talent, the in-house academy of Staff International, further confirms the value and success of the initiative.

Finally, a deed of merger of B.V.X. S.r.l. into its parent OTB S.p.A. was signed on 3 February 2026, with retroactive accounting and tax effects from 1 January 2026, and statutory effects from 1 March 2026.

Going concern

Based on the analyses carried out, which included an examination of the financial results of the year, budget forecasts and the Company's financial structure and operational and financial position within the OTB Group, the directors believe that there are no uncertainties which may affect the going concern assumption on which these draft financial statements are based.

Other information

In compliance with the regulations on the transparency of public funding introduced by article 1, paragraphs 125–129 of Law no. 124/2017 and subsequently supplemented by the 'security' decree law (no. 113/2018) and the 'simplification' decree law (no. 135/2018), express reference is made to the national register of state aid for more details on the public funding which the Italian companies of the OTB Group benefited from during the year.

Breganze, 17 March 2026

OTB S.p.A.

The Chairman of the Board of Directors

Renzo Rosso

**INDEPENDENT AUDITOR'S
REPORT**



OTB

BILANCIO FINANZIARIO 2025



Independent auditor's report in accordance with article 14 of Legislative Decree 39/2010

To the Shareholders of
OTB SpA

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of OTB Group (the "Group"), which comprise the consolidated statement of financial position as of 31 December 2025, the consolidated statement of profit and loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2025, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and adopted by the European Union.

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 this report. We are independent of the Company OTB SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers SpA

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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 IFRS Accounting Standards issued by the International Accounting Standards Board and adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate OTB SpA or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed 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 the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive



to those risks; we obtained 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.

- We obtained 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.
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- We concluded on the appropriateness of the directors' 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.
- We evaluated 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.
- We obtained 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 communicated 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 identified during our audit.



Report on compliance with other laws and regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree 39/2010

The directors of OTB SpA are responsible for preparing a report on operations of OTB group as of 31 December 2025, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations;
- issue a statement on material misstatements, if any, in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of OTB group as of 31 December 2025.

Moreover, in our opinion, the report on operation is prepared in compliance with the law.



With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Bologna, 2 April 2026

PricewaterhouseCoopers SpA

Signed by
Roberto Sollevanti
(Partner)

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.



Share Capital: EUR 25,000,000 fully paid up

Vicenza Companies Register no. 01242510269

Vicenza Economic Administrative Repertory no. 170.761

Tax Code 01242510269

VAT Number 01571110244

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