BRUNELLO CUCINELLI

HALF-YEAR FINANCIAL REPORT AS AT 30 JUNE 2024

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CORPORATE DETAILS

Registered office of the Parent Company

Brunello Cucinelli S.p.A.
Viale Parco dell'Industria, 5, Solomeo hamlet
Corciano - Perugia

Legal data of the Parent Company

Approved share capital €13,600,000
Subscribed and paid-up share capital €13,600,000
Perugia Business Registry no. 01886120540.

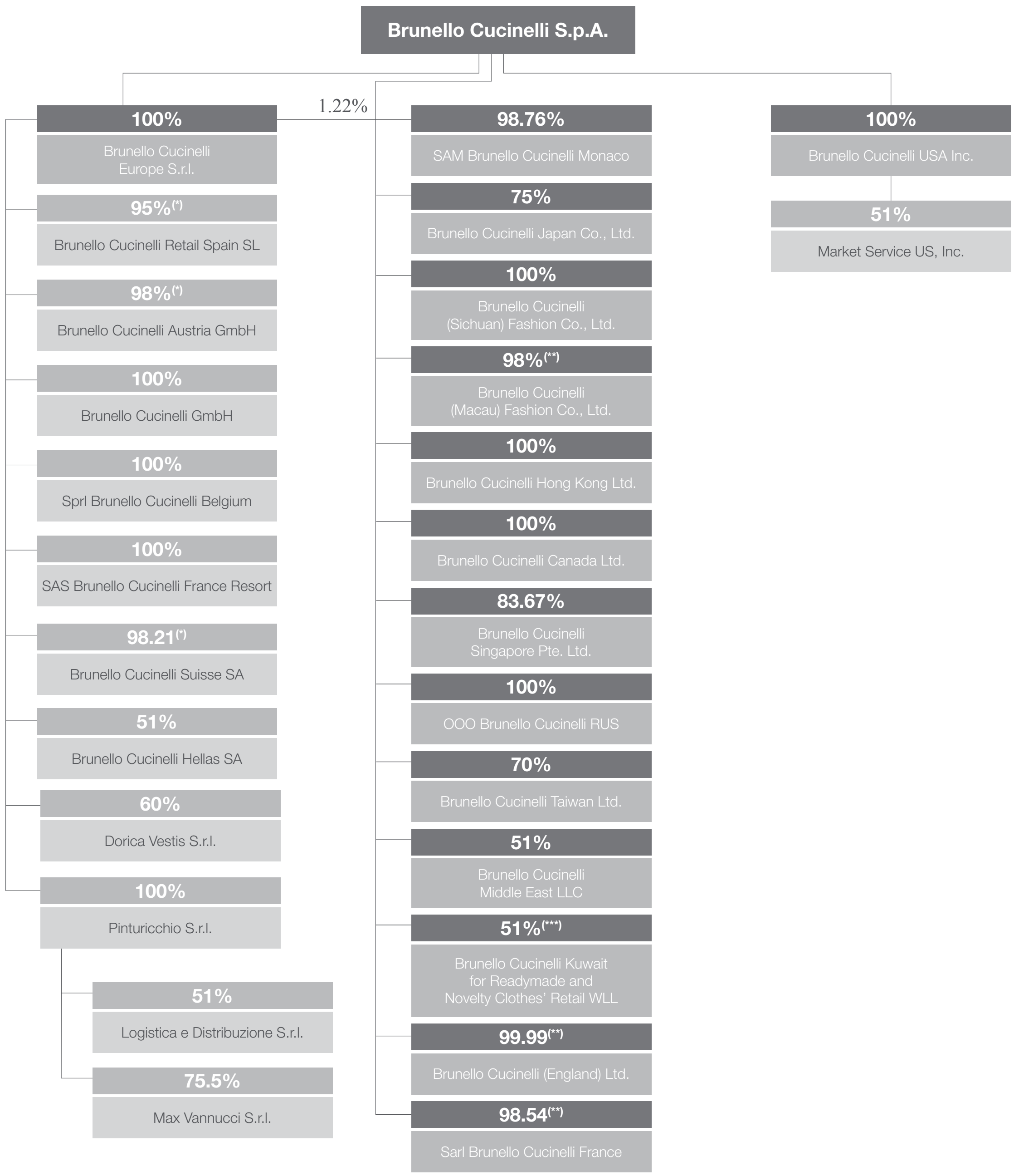
Corporate website: http://investor.brunellocucinelli.com/eng/

CORPORATE GOVERNANCE BODIES AS AT 30 JUNE 2024

Board of Directors[(1)]	Brunello Cucinelli	Chairman
	Riccardo Stefanelli	Managing Director and CEO
	Luca Lisandroni	Managing Director and CEO
	Camilla Cucinelli[(2)]	Executive director and Vice-president
	Carolina Cucinelli[(2)]	Executive director and Vice-president
	Alessio Piastrelli	Director
	Giovanna Manfredi	Director
	Andrea Pontremoli	Director
	Ramin Arani	Independent Director
	Maria Cecilia La Manna	Independent Director
	Stefano Domenicali	Independent Director
	Guido Barilla	Independent Director
	Chiara Dorigotti	Independent Director
	Katia Riva[(3)]	Independent Director
Lead Independent Director	Maria Cecilia La Manna	
Control and Risks Committee	Maria Cecilia La Manna	Chairperson
	Chiara Dorigotti	
	Katia Riva[(3)]	
Remuneration and Appointments Committee	Chiara Dorigotti	Chairperson
	Ramin Arani	
	Katia Riva[(3)]	
Board of Statutory Auditors[(1)]	Paolo Prandi	Chairperson
	Dante Valobra	Standing Auditor
	Anna Maria Fellegara	Standing Auditor
	Isabella Ippolita Soldani	Alternate auditor
	Myriam Amato	Alternate auditor
External auditors	PricewaterhouseCoopers S.p.A.	
Financial Reporting Officer	Dario Pipitone	

(1) Appointed at the ordinary shareholders' meeting of 27 April 2023; will remain in office until the shareholders' meeting called to approve the financial statements for the year ending 31 December 2025.
(2) Vice-president designate by the Board of Directors at its meeting of 11 July 2024, following changes to the Articles of Association approved by the Extraordinary Shareholders' Meeting of 23 April 2024.
(3) Co-opted by the Board of Directors at its meeting of 11 July 2024 to replace the independent and non-executive Director, Emanuela Bonadiman, who tendered her resignation on 13 June 2024.

THE BRUNELLO CUCINELLI GROUP AS AT 30 JUNE 2024



(*) The remaining percentage is held by BRUNELLO CUCINELLI S.p.A.
(**) The remaining percentage is held by BRUNELLO CUCINELLI EUROPE S.r.l.
(***) Percentage of ownership held by virtue of voting agreements with the minority shareholder.

GROUP STRUCTURE AS AT 30 JUNE 2024

Company name	Location
Brunello Cucinelli S.p.A.	Corciano, Solomeo hamlet (PG) – Italy
Brunello Cucinelli Europe S.r.l.	Corciano, Solomeo hamlet (PG) – Italy
Dorica Vestis S.r.l.	Corciano, Solomeo hamlet (PG) – Italy
Pinturicchio S.r.l.	Corciano, Solomeo hamlet (PG) – Italy
Max Vannucci S.r.l.	Corciano (PG) – Italy
Logistica e Distribuzione S.r.l.	Milan – Italy
Brunello Cucinelli Austria GmbH	Vienna – Austria
Sprl Brunello Cucinelli Belgium	Brussels – Belgium
Brunello Cucinelli (England) Ltd.	London – United Kingdom
Sarl Brunello Cucinelli France	Paris – France
SAS Brunello Cucinelli France Resort	Paris – France
Brunello Cucinelli GmbH	Dusseldorf – Germany
Brunello Cucinelli Hellas SA	Athens – Greece
SAM Brunello Cucinelli Monaco	Principality of Monaco
OOO Brunello Cucinelli RUS	Moscow – Russia
Brunello Cucinelli Retail Spain SL	Madrid – Spain
Brunello Cucinelli Suisse SA	Lugano – Switzerland
Brunello Cucinelli Canada Ltd.	Vancouver – Canada
Brunello Cucinelli USA Inc.	Ardsley (NY) – USA
Market Service US, Inc.	New York – USA
Brunello Cucinelli (Sichuan) Fashion Co., Ltd.	Chengdu – China
Brunello Cucinelli Hong Kong Ltd.	Hong Kong – China
Brunello Cucinelli (Macau) Fashion Co., Ltd.	Macao – China
Brunello Cucinelli Japan Co., Ltd.	Tokyo – Japan
Brunello Cucinelli Singapore Pte. Ltd.	Singapore
Brunello Cucinelli Taiwan Ltd.	Taipei – China
Brunello Cucinelli Middle East LLC	Dubai – United Arab Emirates
Brunello Cucinelli Kuwait for Readymade and Novelty Clothes' Retail WLL	Kuwait City – Kuwait

DISTRIBUTION NETWORK

The Group offers its products on the market through a number of different distribution channels.

From the standpoint of the end customer the Group is present on the market through:

– the **retail distribution channel**, i.e., the distribution channel with which the Group sells directly to the end customer through directly operated stores, so-called DOS (Directly Operated Stores) and hard shops, i.e., spaces located inside department stores and managed under the Group's responsibility and with directly employed staff.
  At 30 June 2024, the directly operated stores (DOS) numbered 126, along with 49 *hard shops* within department stores.

– The **wholesale distribution channel**, i.e., the distribution channel through which the Group sells to independent partners, with the result that in this case these resellers are the Group's customers (and not the end customer). This channel therefore includes both single-brand stores operated by third parties under commercial distribution agreements (single-brand wholesale), independent multi-brand points of sale and dedicated shop-in-shops in department stores (multi-brand wholesale). The Group avails of a network of agents and distributors for sales to a number of single-brand and multi-brand wholesale customers.
  At 30 June 2024 there were 27 single-brand wholesale boutiques.

A summary is provided below of the Brunello Cucinelli Group's single-brand sales network at 30 June 2024 compared to the situation at 30 June 2023:

Distribution channel	30 June 2024	30 June 2023
RETAIL	126	124
WHOLESALE	27	27

The following table sets out existing sales points at 30 June 2024 by geographical area:

	Italy	Europe	Americas	Asia	Total
Total Brunello Cucinelli stores	13	46	36	58	**153**

INTERIM REPORT ON OPERATIONS OF THE BOARD OF DIRECTORS AS AT 30 JUNE 2024

COMPANY INFORMATION

Brunello Cucinelli S.p.A. is a Casa di Moda and Company incorporated under Italian law with registered office in Solomeo, (Viale Parco dell'Industria 5), and listed on the Euronext Milan Stock Exchange of Borsa Italiana.

The business of the Casa di Moda is focused on the creation, production and sale of Brunello Cucinelli branded clothing, accessories and lifestyle which make up **Women's, Men's and Children's total look collections**, which are always conceived as an expression of the ethical and human values cultivated in the hamlet of Solomeo. The brand is internationally recognised as a benchmark of **Made in Italy** excellence and a point of reference in the **luxury** goods sector, with the ability to combine the timeless qualities derived from the **selection of the finest materials**, **craftsmanship** and **exclusivity** with **contemporary creativity** that is attentive to market trends and technological innovations.

The company, based on the founding values of respect for **human dignity** and the **beauty of Creation**, pursues **growth in line with the principles of balance, harmony** and **sustainability**, with constant attention to the rhythms of mankind and of nature. The Brunello Cucinelli Casa di Moda is universally recognised as a prime example of **"Humanistic Capitalism"**, combining the **safeguarding of traditions**, appreciation of the **"thinking souls**" who work for the greater good of the company, and promotion of important projects aimed at **beautifying Creation and the legacy left to future generations**.

OUR FIRST SIX MONTHS OF THE YEAR

We achieved excellent results in the **first six months of 2024** and our gratitude for this goes to our clients, partners and human resources. The Group's turnover amounted to **€620.7 million**, an increase of **+14.1**% (at current exchange rates, +14.7% at constant exchange rates) compared to the first six months of 2023. The significant growth in sales enabled us to achieve revenues of **€312 million** in the **second quarter**, up on the **€309 million** reported for **the first quarter**. These encouraging figures represent a clear signal of the **sustainability** and **concreteness** of our **plans for growth in 2024**, which we expect to be at **around +10%**.

We believe that these outstanding results clearly demonstrate how, in all geographical areas, our **Casa di Moda** is not simply **a clothing company**, but also the standard-bearer of a unique idea of **lifestyle**. Indeed, the company devotes great and unwavering attention to **maintaining the exclusive and contemporary character of the spaces** where it presents itself to the World, including all sales channels, both retail and wholesale, which display great dynamism, a profound sense of loyalty and strong ties to our brand.

We believe that customers for luxury goods, when they comment that prices and profits are not always justified, are paying **more and more attention** to companies' **behaviour**, to their **manufacturing practices**, to the **conditions for blue-collar workers** from a moral perspective, to **wage levels** and to **conditions in the workplace**, issues that we envisage will be the focus of increasing attention in the future. These aspects **underpin** the concepts of **Humanistic Capitalism and Human Sustainability** promoted by the company since its foundation, which we believe allows customers inspired by this new sensibility to appreciate how it is reflected in the history and present-day operations of the brand.

Furthermore, another development we are pleased to note is the increasingly widespread, conscious and attentive quest for a **special** and **exclusive** type of product, with a constant increase in demand for **rare products** of **exquisite craftsmanship**. Creating unique goods of the finest artisanal quality, whose value endures over time, has always been one of the key objectives of our Casa di Moda, and naturally we find the growing demand for this type of product highly satisfying.

These concepts, as Brunello Cucinelli has pointed out, fully reflect our idea of **“Gentle Luxury”**, which consists of beauty according to its own measure of elegance that does not go overboard, but rather expresses itself in a conscious and respectful authenticity.

THE DYNAMICS OF THE MARKETS AND THE COLLECTIONS

Constant praise from **new customers**, coupled with the essential contribution of **customers already loyal** to the brand, boosted the structural increase in demand for **exclusive**, **special and contemporary** products, **evenly distributed** across all the markets: Americas, Asia, Europe. In addition to the importance of **local customers** is the positive contribution of **tourism**, characterised in the first 6 months of 2024 by a more diverse mix of nationalities. Especially in Europe, regular visits have been noted from US customers, as well as an increase in Asian customers.

A solid and **balanced** contribution was therefore made in all geographical areas (**Americas +19.4%**, **Europe +7.8%**, **Asia +14.3%, Italy +11.8%**) and distribution channels (**Retail +14.7%**, **Wholesale +13.1%**).

The **digital channel** showed perfect complementarity with the physical sales world, confirming the synergy between the two. The digital medium now increasingly represents a window on the world of the brand and its lifestyle concept, of paramount importance for all customers and often used as a source of inspiration and a model.

Extremely positive sell-outs of the **Spring-Summer 2024** collection, with large deliveries at the start of the year and restocking over the course of the season, were reported for both the retail and the wholesale channel, indicating how the brand is successfully intercepting the growing and widespread demand for fresh, contemporary proposals. The new **Fall-Winter 2024** collections are also returning highly encouraging results, making a positive contribution to the results for the second quarter of 2024.

BRUNELLO CUCINELLI: CONTEMPORARY LIFESTYLE BRAND

We believe that the excellent results achieved vouch for the brand's recognised role as champion of a distinctive **lifestyle**, characterised by a clearly recognisable taste and based on an idea of elegance that is always contemporary, understated, refined, and of exquisite quality as it is based on high levels of craftsmanship and unwavering passion for stylistic research.

This reference universe is today even more complete thanks to the introduction of new **“contemporary licences”** relating to the product categories of **eyewear** and **fragrances,** which for us represent an integration of our **looks** and our **lifestyle**.

The partnership agreement signed with **EssilorLuxottica**, which came into force on 1st January 2023, is even more valuable thanks to important collaborations with leading specialised stores and opticians' who, together with the brand's boutiques, presented **the first exclusive Eyewear collection** bearing the Brunello Cucinelli brand in the first quarter of 2024.

The great joint endeavour of the creative teams of Solomeo and Agordo consolidates the respectful and fruitful understanding between the two manufacturers, stemming from the mutual esteem and fondness that brought Brunello Cucinelli and Leonardo Del Vecchio together. The men's good-natured, kindly friendship led to a painstaking research and development project, conducted in complete harmony and synergy and aimed at producing creations representing "well-made in Italy". Brunello Cucinelli had this to say at the launch of the Eyewear collection last March:

"Leonardo del Vecchio confessed to me one day: "Dear Brunello, I don't know whether the glasses we make are beautiful, but I do know that I really like them, and that without a doubt they're crafted in the best way possible"! As I observed the impressive outcome of our collaboration with EssilorLuxottica during the launch of our new Eyewear Collection, I couldn't help but reflect on those remarks. Leonardo possessed the ability to inspire enthusiasm in his colleagues, including his highly esteemed friend Francesco Milleri, who, with his exceptional compassion, fostered a connection of mutual respect and friendliness amongst our teams. Plato said: 'Beauty is the splendour of truth', which is why I anticipate that the eyeglasses resulting from this heartfelt partnership will be valued for the principles of truth and beauty that motivated their design. I find it intriguing to consider how these ideals offer a unique interpretation of the worldwide concept of 'Gentle Luxury', which represents beauty in moderation. This concept embodies an elegance that is not excessive, but rather manifests itself through deliberate and respectful authenticity".

SECOND UNIVERSAL SYMPOSIUM ON SOUL AND ECONOMICS IN SOLOMEO

From 23 to 25 May this year, the **Second Universal Symposium on Soul and Economics** took place in Solomeo, in continuity with the first edition held in May 2019.

The three-day Symposium provided the opportunity to reflect at length on the great existential themes of modern civilisation, like the relationship between **ethics** and **Artificial Intelligence**, between **humanism** and **technology**.

The event was attended by a large number of leading **international experts** in Artificial Intelligence and other fields such as humanism, art, science, and nature.

Guests included Reid Hoffman, a world-renowned entrepreneur acknowledged as one of the founding fathers of Generative Artificial Intelligence, who was awarded an honorary PhD in Human Sciences by the University of Perugia for his *"seminal contribution to the development of this new technological frontier of humanity"*.

We are profoundly grateful for the commendable contribution of all attendees to the fruitful discussion, including Laurene Powell Jobs (US philanthropist, founder and president of Emerson Collective), Nicholas Thompson (CEO of The Atlantic), James Manyika (SVP Google Technology and Society), Fei-Fei Li (co-director of the Stanford Institute for Human-Centered Artificial Intelligence), Refik Anadol (world-renowned artist), Michael Evans (President of Alibaba), Arvind Krishna (CEO of IBM), Uzodinma Iweala (prominent African writer), Kevin Scott (CTO of Microsoft), Pieter Van der Does (CEO of Adyen), Jacqueline Novogratz (prominent US philanthropist, CEO of Acumen).

Brunello Cucinelli commented on the event as follows:

"The three-day "Second Universal Symposium on Soul and Economics in Solomeo" was a memorable experience. Our beloved hamlet hosted some of the top international experts in AI and other fields such as humanism, art, science and nature, such as Laurene Powell Jobs, who we welcomed as a kind of godmother of the Symposium, and many other esteemed friends including Nicholas Thompson, Reid Hoffman, James Manyika, Fei-Fei Li, Refik Anadol, Michael Evans, Arvind Krishna, Uzodinma Iweala, Kevin Scott, Pieter van der Does and Jacqueline Novogratz. I believe that these days will be remembered forever by all attendees as an experience fostering their human and spiritual growth; and I hope that this Symposium will enlighten those who will read the Charter summarising its contributions. As often reiterated, technological innovation is a blessing from Creation, and if we know how to combine it with humanistic values, I think it will help us to increase the fruitfulness of the expressions of human creative genius".

THE DIGNITY OF LABOUR AND ITS CENTRALITY IN COMPANY VALUES

Humanistic values have always been at the core of all the choices made and activities undertaken by the company. These values translate first and foremost into the continuous protection of the **dignity of labour** and, more broadly, of every human being. The deep respect for our **Human Resources** goes hand in hand with the pursuit of sustainable development, which never loses sight of the **centrality of people**.

Our Casa di Moda has always strongly believed in the **proper recognition of work**, with particular attention to all those **manual and craft trades** that form the basis of products **Made in Italy**, which are appreciated worldwide as examples of **excellence** of the highest level.

One of the company's goals is to **make manual work appear relevant and attractive**, especially to younger age groups entering the workplace today or in the coming years. At this particular moment in time, restoring **moral and economic dignity** to blue-collar work is, to our minds, an essential requisite for an Italian company operating in the manufacturing sector; this sector represents the benchmark of product excellence around the world, thanks to the superb quality of the manual skills of our artisans and workers.

In this context, we believe that wages represent a noble means of pursuing an equally noble end, just as protection of the dignity of work is essentially expressed also through **careful attention devoted to workplaces**.

INVESTMENT PROJECTS IN THE HANDICRAFT INDUSTRY

The company believes it is vital that **medium-long term growth plans** dovetail with a further increase in **artisan production**, to be delivered through **major investments in the 2024-2025 two-year period.** These investments will guarantee **manufacturing capacity** for the **next decade**, supporting plans aimed at **doubling turnover** by **2030**.

The company embraces the principle that in order to produce double the number of garments, double the number of workers are needed. For this reason, it firmly believes that manufacturing and artisan production must pursue mutual enhancement. It thus supports a handicraft industry, where production efficiency and technological innovation go hand in hand with the values and techniques of traditional craftsmanship. The company wishes to act as custodian of a production model that enhances uniqueness and handcrafted quality, expressing itself through a human approach, the beauty of imperfection and the richness of variety.

Taking on and training new staff specialised in production of the highest quality is seen as essential in order to tackle the long-term balanced growth plan with integrity and from a solid footing. This approach allows the company to maintain the essential traits for which it wishes to be recognised: great attention to quality, to craftsmanship, and to taste.

Capital expenditure in the handicraft industry is concentrated in three main areas:
- The enlargement of the Solomeo factory.
- The opening of new manufacturing facilities in Italy.
- Ongoing investment in relationships with artisan companies, small craft enterprises.

Together, these three pillars will allow the company to support its medium-long term growth plans with a solid project that will not only allow it to double the size of the factory in Solomeo, but also to significantly expand artisan production.

THE ENLARGEMENT OF THE SOLOMEO FACTORY AND THE OPENING OF NEW MANUFACTURING FACILITIES IN ITALY: THE “BEAUTIFUL FACTORIES” OF PENNE AND GUBBIO

Investment projects rolled out by the company consist, first of all, in the **doubling in size** of the **factory** in **Solomeo,** with the addition of a new complex totalling approximately 35,000 m², situated on the outskirts of the hamlet. The facility will be built on the site of a former industrial complex which has been fully reclaimed and redeveloped, in line with the company’s long-standing preference for improving and enhancing existing structures. This major restoration project will avoid the use of undeveloped land, in line with the Casa di Moda’s vision of preserving the environment and protecting the landscape, while strengthening its relationship with the community.

Further major investment is directed towards the opening of **new manufacturing facilities** in Italy for the production of **men's outerwear and tailored suits**, within districts specialised in fine artisan tailoring: the “belle fabbriche” (beautiful factories) in **Penne the Abruzzo region** and **Gubbio in Umbria**.

In our opinion, taking on new staff specialised in production of the highest quality is essential in order to tackle our long-term balanced growth plan with integrity and from a solid footing, while maintaining the essential traits that we believe distinguish us on the market: great attention to **quality**, **craftsmanship** and **taste**.

The **new factory** in **Penne** will occupy an area of around 4,500 m² and will be designed to accommodate up to around 350 specialised artisans, who will be able to enjoy views of the spectacular Gran Sasso mountain on one side and the Maiella massif on the other. While we wait for the new facility to be completed, the company has leased a site that can currently host up to 100 artisans.

The **new factory** under construction in **Gubbio**, a few dozen kilometres from Solomeo, will cover an area of approximately 2,500 m² and will provide space for up to 150 artisans. Currently, as we wait for the works to be completed, around 80 tailors and seamstresses are already working in rented premises to create tailored garments, carrying on the important legacy of the Gubbio outerwear district.

Brunello Cucinelli commented on the new factory project as follows:

"…in Gubbio, we are now also building a small facility with a magnificent panoramic view of the medieval citadel, where we can work in harmony with Creation. I am very confident in the value of beautiful, well-made garments made in Italy that we can leave as our legacy. Perhaps in the times to come the theme will not be to whom we sell these special garments, but rather whose masterful hands will be making these little masterpieces".

RELATIONS WITH PARTNERS AND THE ITALIAN SUPPLY CHAIN

The investments in **artisan production** highlight the absolute importance and fundamental role that the Casa di Moda has always attributed to **Italy**, home to approximately **400 artisan workshops (*small craft enterprises*)** which, together with **directly managed manufacturing units**, contribute to the production of our various collections.

By enhancing the creativity of the product, the quality of the goods, and the reliability and timeliness of deliveries, these artisan workshops contribute to achieving a **content of around 60%** genuine **manual skills** in our collections (with needle, thread and scissors), which has increased even further in recent years.

Our small craft enterprises are true corporate partners, fully integrated into our manufacturing process, with the ability to breathe life into the **collections developed in-house with our team of creatives and workers.**

In recent months, we have further strengthened this manufacturing capacity by means of **dimensional growth** of the workshops we currently collaborate with, by **increasing the amount of time** small craft enterprises work for us, given that they have multiple clients, and finally thanks to the highly specialised **workshops** that have newly started to support us.

As highlighted in the most recent NFS – Non-Financial Statement, the number of small craft enterprise working for us had already increased from 382 at 31 December 2022 to 393 artisan companies at 31 December 2023, while the number of artisans employed by these small companies rose from 6,200 to 7,100 in the same period. The average employee age in these companies is 43.5 years old, while the average age of the owners is 51 years of age; in 50% of these companies, the younger generation has already joined the workforce, indicating a generational turnover in full swing. Around 75% of these companies are located in Umbria, with the remaining 25% in the other leading manufacturing districts in Italy, specific to the particular type of work.

THE SCHOOL OF ARTS AND CRAFTS

One aspect to which the company has always devoted special attention is **training**, through dedicated arts and crafts schools. In keeping with our Humanistic Philosophy, we strongly believe in **young people** and their **ability to learn traditions**, while **stimulating new creativity**. Thanks to their fresh energy and lively sensibilities, we have the opportunity to devote new attention to detail, to look with fresh eyes at the criteria of our work, and to teach the values we have cultivated so that they can be passed on.

These were the principles behind the establishment several years ago of the School of Contemporary High Craftsmanship and Arts in Solomeo, whose main aim **is to restore dignity to these skilled jobs**, ensuring apprentices are trained by **highly qualified teachers** in **beautifully designed spaces**, and offering them a fair "**remuneration**".

The company considers the school a true **investment in the future**, a great long-term projects designed for **future artisans** who, learning now, will go on to play the valuable role of skilled **custodians of manual creativity**. The fruits that the company has reaped from this work are irreplaceable and a source of great pride.

The company believes that, just as we can only express our thoughts if we have the words to do so, in the same way we can only create unique garments if we first master the relevant artisan techniques. The school allows us to continue cultivating this craftsmanship tradition, considered an essential part of the Italian identity. The school of arts and crafts is attended by the many young people, now part of our workforce, who are flanked by expert teachers every day as they learn the art of skilled manual work, which comes only from listening and watching.

RETAIL SPACES AND THE SPECIAL RELATIONSHIP WITH CUSTOMERS

As with our products, our boutiques too, and indeed all spaces where the brand presents itself to the world, reflect its founding human values. Prominent among these is a distinctive idea of **hospitality**, intended as **respectful attention** to our **customers**, with whom we wish to establish a relaxed and familiar relationship, and to whom we always strive to offer **a "unique and dedicated**" experience.

The serene, welcoming atmosphere that characterises the prestigious single-brand boutiques and our spaces inside multibrand and luxury stores constitutes a key element of this unique, exclusive experience. Over the years the company has dedicated **special attention** and **major investments** to the enhancement and continuous refurbishment of its **network of boutiques**, which are all located in the **most exclusive shopping streets of major international locations** and represent **windows on of the ideals of Solomeo**. Inside the boutiques, the **natural colours** and **warm atmosphere** that are so typically Italian beautifully complement **carefully curated spaces, with a contemporary take on the traditional features specific to the culture of place** of that particular location. The result is the creation of a familiar yet modern space, designed to **enhance the aesthetic perception of the collections** while at the same time conveying the brand philosophy.

The decision to ensure that even smaller boutiques include spaces not strictly connected to the act of selling, is perfectly in keeping with **an idea of warm, welcoming hospitality**. The **small café bar service** offered in these spaces represents a special level of customer care and a celebration of the joy of encounters, in keeping with the most spontaneous customs that are part of quintessential Italian lifestyle.

Sharing is the core value that we endeavour to preserve through these choices and it is also the guiding principle of the special places we call **Casa Cucinelli**, already present in **Solomeo, Milan, Paris, New York, London, Tokyo, and Hong Kong**. Casa Cucinelli first emerged in 2020 as a "digital hospitality" space during the months of lockdown, and later evolved into **a familiar space that reworks the concept of an Italian home in harmony with the culture of the top fashion cities around the world**. The library with foreign language books, the kitchen where enticing flavours mingle, the large convivial lounge area, and the quiet study space constitute universal places of the soul, designed to host guests and employees, intimate events and larger social gatherings, in a continuous **enhancement of the experience of time** and the same **feelings of kindness and friendship that prevail in the hamlet of Solomeo**.

Every activity linked to the Casa di Moda revolves around human beings, and **the relationship we hope to establish with every customer does not end at the moment of purchase** but endures over time through **the respectful and discreet use of the brand's communication channels and the organisation of exclusive activities and events**. Guided tours of Solomeo, dedicated events at "Casa Cucinelli", viewings of the collections, private tours to selected places and art cities, small concerts and private vernissages are just some of the experiences we offer our customers and friends in a bid to share with them our daily life, our culture, values and the creative artisan process. These activities constitute **veritable moments of emotional and personal connection**, which is why the company prefers to organise numerous events with a limited number of people, rather than a few grand events with a huge guest list. Each relationship is unique, and it is only by dedicating attention to every single person that **the meeting with customers and friends of the brand becomes a "unique, dedicated" moment** that constitutes the fruit of a true relationship.

COLLECTIONS

The **gradual addition of new lines** (most recently **the two fragrances distributed in 2023 and the new Eyewear collection produced under licence by Luxottica**) to the **Ready-To-Wear proposal** recently helped to **expand our increasingly comprehensive lifestyle offering** and to meet the growing and varied needs of the market. The new lines that have been added represent a major step towards completing the **total look proposal for Men and Women**, a core concept of the brand's vision.

The cornerstones of every collection remain the development of **a type of elegance that is always understated and balanced**, **harmoniously combining contemporary taste with a timeless aesthetic based on exquisite tailoring and craftsmanship.** This research is accompanied by the formulation of a **relaxed and comfortable style**, obtained through the careful selection of raw materials and the design of versatile products. The gradual drift away from the casual, laid-back dressing that characterised the pandemic years, in favour of more refined and elegant clothing, in no way implies that modern customers no longer **need the flexibility and versatility typically required of modern life**. The point of encounter between indoor and outdoor, between work and free time, remains the focus of attention and the goal of our creative team's stylistic research, aimed at renewing classic and iconic elements through **fine materials and state-of-the-art techniques**.

Thanks to this process, **the latest sector trends are reworked in line with the brand's stylistic and qualitative principles** in a wholly natural and harmonious way, and the varied nature of the collections means that there is an ideal solution for every moment of the day, from formal meetings to leisure time, from gatherings with friends to special occasions.

The prestigious **awards and praise** recently **accorded to the brand by operators of the highest level and leading sector magazines** are on the one hand a source of great pride, and on the other confirmation of the soundness of the choices made by the company over the years in its bid to hone a distinctive, chic and highly recognisable style in the absolute luxury segment.

The **Men’s Fall-Winter 2024 Collection** focuses on the charm of a male style in its purest, most defined and essential form. Revisiting elements that have been iconic in the history of elegance from a more contemporary point of view is the common thread that guarantees the lasting recognisability of the brand throughout its collections, and at the same time it is what projects the 2024 Fall-Winter collection towards the future. The important, vigorous forms typical of 1980s tailoring inspire an attentive and generous taste that is clean and fluid at the same time, with the authentic spirit of Brunello Cucinelli.

The **Women's Fall-Winter 2024 Collection** rediscovers the allure of a deliberate simplicity, based on the pursuit of the authentic character of each element. The tradition is renewed to give life to an updated female taste that is also iconic, able to express a harmonic and welcoming naturalness. The design of the garments is based on texture, proportions and essential colours, and the stylistic research selects a few distinct elements to offer an elegant and relaxed collection. The fabrics and tailored forms often evoke male taste, expertly balance with the relaxed and enveloping attitude of the most refined aspects and sophisticated details that enrich and complete the garments. A major role is played by some key words such as *double*, *bonded* and *padded*, processes that offer a new interpretation of classic fabrics and the natural appearance of leathers.

For summer months, the men's **High Summer capsule** collection particularly expresses the essence of a Mediterranean summer, prioritising lightness and comfort. Setting the scene are greens enriched by shades of grey juxtaposed with natural hues, while *Ocean* and *Navy* blues conjure up the relaxing presence of the Mediterranean sea. The choice of materials and blends of precious fibres are carefully studied to offer comfort and design a sophisticated style to accompany the hottest months of the year. As in every Brunello Cucinelli collection, specifically studied pairings update retro elements with a contemporary touch.

Iconic colour stories enhance the women's **High Summer capsule collection** by combining dynamic notes of *denim blue* with the timeless charm of the brand's signature neutrals. The result is a versatile wardrobe where stripes, prints and open knits capture the feel of summer, all in keeping with the distinctive Brunello Cucinelli taste. The textures and composition of the materials offer lightness and comfort and are elevated by the delicate feminine touch afforded by embroidered sequins, lamé effects and discreet monile details.

The **Boys' and Girls' Collections** represent a natural extension of the Women's and Men's collections, whose distinctive characters and models have been redesigned in a mini-me version, also adding a number of specific elements that reinterpret the Brunello Cucinelli taste for younger wearers. The quality of the materials and workmanship is perfectly in line with the main collections, while the constructions and details meet the requirements of comfort, dynamism and ease of use ideal for children. In the Boys' collection, iconic elements of 1980s smart-casual style constitute the chosen starting point for the creation of comfortable yet at the same time sophisticated garments, while the Girls' collection offers a balanced sensory journey through modern forms and clean lines, harmoniously mixed with bon ton touches and nods to the world of sport.

An important integration of the Men's and Women's Collections, the **Fall-Winter 2024 Lifestyle Collection** celebrates the brand's heritage and its territory through a harmonious combination of traditional craftsmanship and new technologies. Shades of *medium grey*, *brown* and *panama* enhance the identity of materials, which are able to express discreet luxury in an understated and refined daily context, while renewed fabric processing and original blends characterise proposals for the table and for leisure time. Soft leathers, the warm touch of walnut wood, the steel finishes and stone surfaces unite the spirit of tradition with the exclusivity of sophisticated technologies, expressing a welcoming and familiar spirit, celebrate a precious yet authentic lifestyle.

Launched in 2021, the new **Eyewear Collection** is an expression of the brand's distinctive characteristics: aesthetics in harmony with the style of the Men's and Women's collections, and pursuit of the highest standards in materials and craftsmanship. New models, new details, and new lines come together for a large and varied collection, and a closer look at the details clearly instantly reveals the value of every single frame. The distinctive characteristics of the collection include: the lightness of frames, which mirror the pursuit of lightness in clothing, enhanced especially by frames in titanium; the careful development of colours, in harmony with the distinctive signature shades of the brand; the refinement of sophisticated details, which are both identifying elements and signs of exclusivity.

INTRODUCTION

This Half-Year Financial Report as at 30 June 2024 was prepared according to Legislative Decree 58/1998 and as amended, as well as the Consob Issuers' Regulation. This Half-Year Financial Report has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union and has been drawn up in accordance with IAS 34 Interim Financial Reporting, applying the same accounting standards as those used to prepare the Consolidated Financial Statements as at 31 December 2023.

SUMMARY DATA AS AT 30 JUNE 2024

The tables below show (i) the consolidated summary economic data as at 30 June 2024, compared with the corresponding previous half year; (ii) a consolidated statement of financial position reclassified by sources and applications at 30 June 2024 with comparative figures as at 31 December 2023 and 30 June 2023; and (iii) cash flows from operating activities, investment activities and financing activities, as well as the amount incurred for investments at 30 June 2024, with comparative figures at 30 June 2023.

Summary Consolidated Income Statement

(Euro/000)	30 June 2024	% of revenues	30 June 2023	% of revenues	Change	% change
Revenues	620,662	100.0%	543,942	100.0%	76,720	+14.1%
EBITDA	177,754	28.6%	154,808	28.5%	22,946	+14.8%
EBITDA excluding IFRS 16	120,337	19.4%	104,775	19.3%	15,562	+14.9%
Operating Income	104,587	16.9%	87,693	16.1%	16,894	+19.3%
Profit before taxes	95,247	15.3%	85,264	15.7%	9,983	+11.7%
Profit for the period	66,077	10.6%	66,687	12.3%	(610)	-0.9%

Consolidated statement of financial position reclassified by sources and applications:

(Euro/000)	30 June 2024	% proportion	31 December 2023	% proportion	30 June 2023	% proportion
Net working capital	200,588	17.3%	178,330	17.6%	174,808	17.8%
Fixed assets	879,078	76.0%	773,784	76.3%	748,891	76.2%
Other non-current assets/(liabilities)	76,997	6.7%	62,586	6.2%	59,659	6.0%
Net invested capital	**1,156,663**	**100.0%**	**1,014,700**	**100.0%**	**983,358**	**100.0%**
Net financial debt	68,676	5.9%	6,146	0.6%	38,572	3.9%
Financial lease liabilities	638,785	55.2%	554,941	54.7%	541,401	55.1%
Shareholders' equity	449,202	38.8%	453,613	44.7%	403,385	41.0%
Sources of financing	**1,156,663**	**100.0%**	**1,014,700**	**100.0%**	**983,358**	**100.0%**

Other summary data:

(Euro/000)	Situation at			
	30 June 2024	30 June 2023	Change	% change
Net cash flow generated/(used) in operating activities	102,168	79,597	22,571	+28.4%
Net cash flow generated/(used) in investment activities	(45,731)	(9,150)	(36,581)	>+100.0%
Net cash flow generated/(used) in financing activities	(77,900)	(94,081)	16,181	-17.2%
Total cash flow	**(21,463)**	**(23,634)**	**2,171**	**-9.2%**
Total Investments	**44,750**	**34,862**	**9,888**	**+28.4%**

ALTERNATIVE PERFORMANCE INDICATORS

In order to allow for a better assessment of management performance, the Brunello Cucinelli Group uses some alternative performance indicators that are not identified as accounting measures under IFRS. These indicators are determined in accordance with the provisions of the Guidelines on Alternative Performance Indicators issued by ESMA/2015/1415 and adopted by CONSOB with communication no. 92543 of 3 December 2015.

The definition of alternative performance indicators used in this Financial Report is as follows:

- **EBITDA**: this is represented by the *Operating Profit* before *Depreciation and Amortisation*.

- **EBITDA *excluding IFRS 16***: this is the *Operating Profit* calculated using the accounting standards in force prior to the introduction of IFRS 16 before *Depreciation and Amortisation* calculated using the accounting standards in force prior to the introduction of IFRS 16.

- **Commercial net working capital**: calculated as the sum of the *Inventories* and *Trade receivables* net of *Trade payables*.

- **Net Working Capital**: calculated as the sum of the Commercial net working capital and the balance (positive or negative) of all the other balance sheet items classified as *Current asset*s or *Current liabilities*, with the exclusion of financial items.

- **Net Invested Capital**: this is the total of *Non-current assets* and *Current assets*, less *Non-current liabilities* and *Current liabilities*, excluding items of a financial nature that are included in the balance of Net financial debt (*Other current financial assets, Cash and cash equivalents, Current and non-current payables to banks*, *Current and non-current financial payables, Current financial lease receivables, Current lease liabilities* and Non-current lease liabilities).

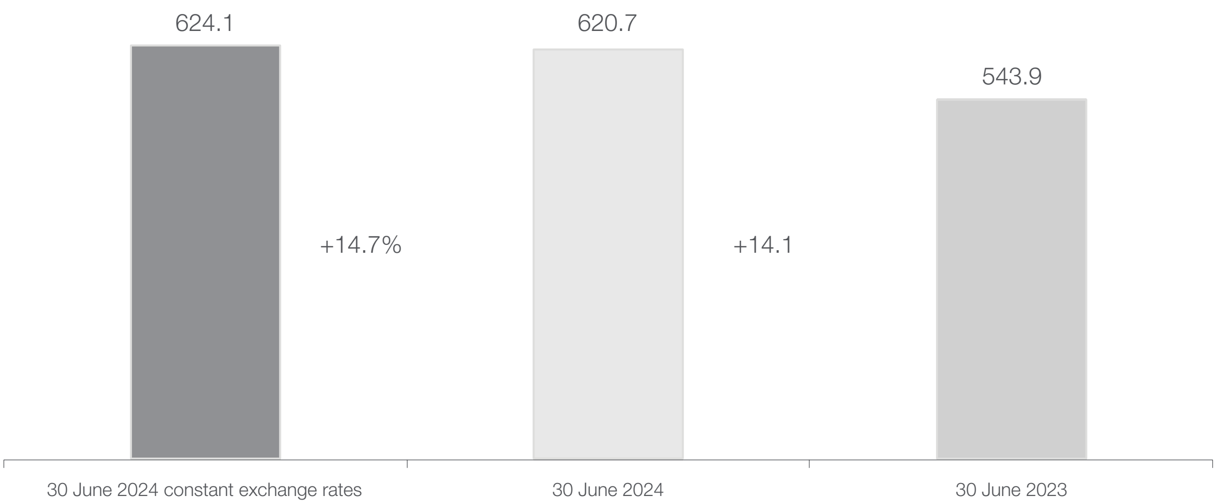
- **Net Financial Indebtedness**: is calculated in accordance with Consob Reminder No. 51/21 of 29 April 2021.

- **Investments**: refer to gross increases in *Intangible Assets* (including *Key Money*)*, in Property, plant and equipment, in Investment property and net increases* in *Other non-current financial assets.*

THE GROUP'S RESULTS FOR THE FIRST HALF OF 2024

ANALYSIS OF REVENUES

The Group's consolidated turnover for the first half of 2024 amounted to €620,662 thousand, an increase of +14.1% over the same period in 2023. At constant exchange rates, meaning using the same average exchange rates as those used in 2023, revenues would have been €624,114 thousand, equal to +14.7%.



Recall that the results of individual quarters are impacted by the dynamics of collection delivery between the end of one quarter and the beginning of the next. In fact, while not subject to significant seasonal or cyclical changes in total annual sales, during the various quarters of the year, the Group's activities suffer from a lack of perfect uniformity in the flow of revenues based on sales calendars and related shipment times. For this reason, an analysis thereof during the year cannot be considered fully representative, and it would therefore be erroneous to consider the indicators of the period as a proportionate share of the entire year.

The first half of 2024 ended with extremely positive results with a solid and balanced contribution from all geographical areas and distribution channels.

REVENUES BY GEOGRAPHICAL AREA

The first half of 2024 showed very positive growth in all geographical areas (Europe +7.8%, Italy +11.8%, Americas +19.4%, Asia +14.3%).
We believe we can say that these excellent results are a clear confirmation of how our Casa di Moda is perceived in all regions as not only a clothing company, but also a lifestyle company, with a positioning at the highest end of

the luxury sector, and an exclusive offer that satisfies the demand for rare, top-quality products.
We are honoured by customers', journalists' and multi-brands' appreciation of our concept of *"gentle luxury, a symbol of beauty according to measure"*, which we attempt to infuse into all our creations, from ready-to-wear lines to accessories, seeking a balance of style between contemporaneity and understatement.
We have found a growing appreciation from new customers who, together with those already loyal to the brand, have contributed to the structural increase in demand for exclusive, special, contemporary products, with balanced distribution in all markets: Europe, Italy, the Americas and Asia.

The revenues divided by geographical area as at 30 June 2024 are shown below in comparison to the previous period:

(Euro/000)	Half-year period ended 30 June					
	2024	**% of revenues**	**2023**	**% of revenues**	**Change**	**% change**
Europe	152,959	24.6%	141,881	26.1%	11,078	+7.8%
Italy	68,093	11.0%	60,888	11.2%	7,205	+11.8%
Americas	225,616	36.4%	189,007	34.7%	36,609	+19.4%
Asia	173,994	28.0%	152,166	28.0%	21,828	+14.3%
Total	**620,662**	**100.0%**	**543,942**	**100.0%**	**76,720**	**+14.1%**

The following is an analysis of the increase in revenues by geographical area:

Europe

In the European market, revenues amounted to €152,959 thousand, an increase of 7.8% compared to the first half of 2023, with a relative weight of 24.6%.

All markets in **Europe** show very solid demand for top-end luxury, with regular visits from **local customers** and **tourists**, both **American** and **Asian**, taking place both in **the main luxury capitals** and in the **most exclusive resort locations**.

At 30 June 2024, the single-brand network (direct and single-brand wholesale) consisted of 46 boutiques.

Italy

The Italian market recorded a turnover of €68,093 thousand, up 11.8% compared to the first half of 2023, with a relative weight of 11.0%.

In **Italy**, there was the important grand opening of the **new location** of **our boutique** in **Venice**, within the splendid backdrop of the historic Palazzo della Borsa and Chamber of Commerce, a space designed to create a stimulating dialogue between the timeless taste of art and the contemporary elegance of our brand's style.

At 30 June 2024, the single-brand network (direct and single-brand wholesale) consisted of 13 boutiques.

Americas

The turnover for the American market amounted to €225,616 thousand, an increase of 19.4% compared to the first half of 2023, accounting for 36.4% of sales.

The dynamics throughout North America – one of the reference markets for our brand – were very positive, with confirmation of the rising demand for **exclusive** products, of great **quality** and a **very high level of craftsmanship**.

We have noted this increasing trend in the **major cities** of the continent, but also in **resort locations** and **provincial cities**, where the uptick in customer numbers in the exclusive Luxury Departments in which we hold concessions stand out most of all.

At 30 June 2024, the single-brand network (direct and single-brand wholesale) consisted of 36 boutiques.

Asia

In the Asian market, revenues amounted to €173,994 thousand, an increase of 14.3% compared to the first half of 2023, with a relative weight of 28.0%.

The half-year result throughout the Asian market was highly significant, with **very solid results** in all areas, including **China**, **Japan**, **South Korea** and the **Middle East**.

There has been impressive confirmation of the growth trend in **China**, from one period to the next increasingly establishing itself as an important market with very high potential for our Casa di Moda. We are proud to note rising loyalty among local customers to the brand's taste and identity, strengthening a bond that increasingly confirms the identification of the Brunello Cucinelli style with the exclusive positioning in the highest end of the market.

At 30 June 2024, the single-brand network (direct and single-brand wholesale) consisted of 58 boutiques.

REVENUES BY DISTRIBUTION CHANNEL

The following table sets out the revenues earned by the Group in the first half of 2024 and 2023, analysed by distribution channel:

(Euro/000)	**Half-year period ended 30 June**					
	2024	**% of revenues**	**2023**	**% of revenues**	**Change**	**% change**
Retail	395,184	63.7%	344,648	63.4%	50,536	+14.7%
Wholesale	225,478	36.3%	199,294	36.6%	26,184	+13.1%
Total	**620,662**	**100.0%**	**543,942**	**100.0%**	**76,720**	**+14.1%**

Retail

The retail channel grew by 14.7% with respect to the first half of 2023, which accounted for 63.7% of sales, an increase as compared to 63.4% for the first six months of 2023.

The retail channel saw **positive results** in **all geographical areas**in the first half of the year.

The sell-outs of the **Spring-Summer 2024** collections were very positive, with major deliveries at the beginning of the year and restocking during the season, which affected both the retail and wholesale channels.

The number of retail boutiques on 30 June 2024 was 126, compared to 125 on 31 December 2023, with a major opening in the **Miami Design District** in May (there were 124 boutiques on 30 June 2023).
The number of **hard shops** as at 30 June 2024 was 49, unchanged from 31 December 2023 (42 hard shops as at 30 June 2023).

Wholesale

The wholesale channel grew 13.1% compared to the first half of 2023, with a relative weight of 36.3%.

There were very interesting sales results in the entire half year, with a positive contribution in the second quarter of the **re-assortments** and **sell-outs** of the **Spring-Summer 2024** collections, which added to the significant sales in the period in question.

The response from multi-brand partners for the **Fall-Winter 2024** season was very favourable, with significant **delivery** requests for **garments** and **initial sell-outs** highlighting the appreciation of the end customer.

The presentation of the **Spring-Summer 2025** collection, during **Pitti Uomo** in June and the subsequent Men's Fashion Week in Milan, drew very positive comments from the industry press, anticipating a highly successful wholesale campaign.

REVENUES BY PRODUCT LINE AND END CUSTOMER

The following is a presentation of the Brunello Cucinelli Group's revenues as at 30 June 2024, 31 December 2023 and 30 June 2023, analysed by end customer and product line:

	30 June 2024	31 December 2023	30 June 2023
Men (%)	44.4%	44.8%	42.9%
Women (%)	55.6%	55.2%	57.1%
	100.0%	**100.0%**	**100.0%**

	30 June 2024	31 December 2023	30 June 2023
Apparel (%)	83.3%	84.2%	83.9%
Accessories (%)	16.7%	15.8%	16.1%
	100.0%	**100.0%**	**100.0%**

ANALYSIS OF THE CONSOLIDATED INCOME STATEMENT

The following table provides a summary of the financial data as at 30 June 2024 and 30 June 2023:

(Euro/000)	Half-year period ended 30 June					
	2024	% of revenues	2023	% of revenues	Change	% change
Revenues	**620,662**	**100.0%**	**543,942**	**100.0%**	**76,720**	**+14.1%**
Costs of raw materials and consumables	(39,276)	-6.3%	(54,000)	-9.9%	14,724	-27.3%
Costs for services	(281,505)	-45.4%	(227,840)	-41.9%	(53,665)	+23.6%
Payroll costs	(113,197)	-18.2%	(93,333)	-17.2%	(19,864)	+21.3%
Other operating (costs)/revenues	(8,930)	-1.4%	(13,961)	-2.6%	5,031	-36.0%
EBITDA	**177,754**	**28.6%**	**154,808**	**28.5%**	**22,946**	**+14.8%**
Depreciation and amortisation	(73,167)	-11.8%	(67,115)	-12.3%	(6,052)	+9.0%
Operating Income	**104,587**	**16.9%**	**87,693**	**16.1%**	**16,894**	**+19.3%**
Net financial income/(expenses) and from equity investments	(9,340)	-1.5%	(2,429)	-0.4%	(6,911)	>+100.0%
Profit before taxes	**95,247**	**15.3%**	**85,264**	**15.7%**	**9,983**	**+11.7%**
Tax	(29,170)	-4.7%	(18,577)	-3.4%	(10,593)	+57.0%
Profit for the period	**66,077**	**10.6%**	**66,687**	**12.3%**	**(610)**	**-0.9%**
EBITDA excluding IFRS16	120,337	19.4%	104,775	19.3%	15,562	+14.9%

EBITDA AND RESULTS

As at 30 June 2024:

– **EBITDA** amounted to €177,754 thousand, equal to **28.6%** of revenues (€154,808 thousand as at 30 June 2023 equal to 28.5% of revenues).

– **EBITDA excluding IFRS 16** amounted to €120,337 thousand, equal to **19.4%** of revenues (€104,775 thousand as at 30 June 2023, equal to 19.3% of revenues).

– The **Operating income** amounted to €104,587 thousand, equal to **16.9%** of revenues (€87,693 thousand as at 30 June 2023, equal to 16.1% of revenues).

– **Profit before taxes**[1] amounted to €95,247 thousand, equal to **15.3%** of revenues (€85,264 thousand as at 30 June 2023, equal to 15.7% of revenues).

– The **Result for the period**[1] amounted to €66,077 thousand, equal to **10.6%** of revenues (€66,687 thousand as at 30 June 2023, equal to 12.3% of revenues).

1 It should be noted that the Profit before taxes and the Result for the period as at 30 June 2023 benefited from the important contribution of the capital gain related to the sale of a minority stake in the associated company Cariaggi Lanificio S.p.A..

OPERATING COSTS

The percentage of **production costs** (costs of raw materials and consumables and cost for outsourced work) were down, amounting to 25.5% and 28.5% as at 30 June 2024 and 30 June 2023, respectively (27.5% as at 31 December 2023).

(Euro/000)	Half-year period ended 30 June					
	2024	% of revenues	2023	% of revenues	Change	% change
Costs of raw materials and consumables	89,663	14.4%	81,380	15.0%	8,283	+10.2%
Change in inventories	(50,387)	-8.1%	(27,380)	-5.0%	(23,007)	+84.0%
Outsourced work	119,177	19.2%	100,902	18.6%	18,275	+18.1%
Total	**158,453**	**25.5%**	**154,902**	**28.5%**	**3,551**	**+2.3%**

As a result, our first margin as at 30 June 2024 was €462,209 thousand, compared to €389,040 thousand as at 30 June 2023, an increase in absolute value of €73,169 thousand, or +18.8%, thanks also to the evolution of our sales mix (channels, areas, products) and the opening of new production facilities in Italy for the production of men's outerwear and tailored suits, within districts of excellence in artisan tailoring. With reference to this process of internalisation of certain processes for the production of exclusive, top-quality garments, we would like to point out that the lower incidence of production costs nevertheless entails the incurring of higher other operating costs, mainly for staff.

Concurrent with the evolution of the network, the development of new commercial initiatives and the consolidation of operations, operating costs.

The percentage of **payroll costs** as at 30 June 2024 amounted to 18.2% of revenues, up from 17.2% as at 30 June 2023.
Payroll costs as at 30 June 2024 amounted to €113,197 thousand, an increase in absolute value as compared to the figure for the previous half of the previous year amounting to €19,864 thousand.

(Euro/000)	Half-year period ended 30 June					
	2024	% of revenues	2023	% of revenues	Change	% change
Payroll costs	113,197	18.2%	93,333	17.2%	19,864	+21.3%

The increase in payroll costs is mainly attributable to the development of our Human Resources structure and the cost accrued with reference to the 2022-2024 Stock Grant Plan and the 2024-2026 Stock Grant Plan. The FTE (Full Time Equivalent) amounts to 3,021.1 as at 30 June 2024 compared to 2,531.1 as at 30 June 2023 (+490.0), which includes an increase in production workers as part of the project to expand our artisan structure in connection with the opening of new production facilities in Italy for the production of men's outerwear and tailored suits.

	Half-year period ended 30 June		
	2024	2023	Change
Executives and managers	112.2	91.3	20.9
Office and sales staff	1,998.2	1,773.4	224.8
Blue-collar workers	910.7	666.4	244.3
Total workforce	**3,021.1**	**2,531.1**	**490.0**

The following table provides a summary of the main Income statement items for the first six months of 2024 and the first six months of 2023 as they relate to revenues:

(Euro/000)	Half-year period ended 30 June					
	2024	% of revenues	2023	% of revenues	Change	% change
Lease expense	29,213	4.7%	22,807	4.2%	6,406	+28.1%
Advertising and other marketing costs	44,633	7.2%	36,256	6.7%	8,377	+23.1%
Transport and duties	27,884	4.5%	23,446	4.3%	4,438	+18.9%
Commissions and accessory charges	5,596	0.9%	4,408	0.8%	1,188	+27.0%
Credit card charges	8,724	1.4%	7,557	1.4%	1,167	+15.4%

Below is a brief commentary on the dynamics that characterised the operating costs described above:

– **Costs for leases** amounted to €29,213 thousand as at 30 June 2024 compared to €22,807 thousand as at 30 June 2023.
  This item mainly refers to lease contracts with variable consideration (and as such not included in the scope of IFRS 16).
  Details are provided below for lease expense and the cost for leases relative to the lease contracts included in the scope of IFRS 16 for the first half of 2024 compared with the corresponding period in 2023:

(Euro/000)	Half-year period ended 30 June					
	2024	% of revenues	2023	% of revenues	Change	% change
Lease expense	29,213	4.7%	22,807	4.2%	6,406	+28.1%
Cost for leases included in IFRS 16	57,995	9.3%	50,620	9.3%	7,375	+14.6%
Total	**87,208**	**14.1%**	**73,427**	**13.5%**	**13,781**	**+18.8%**

Excluding therefore the effects of the application of IFRS 16, the balance of rental costs as at 30 June 2024 amounted to €87,208 thousand (equal to 14.1% of revenues) compared to €73,427 thousand (equal to 13.5% of revenues) as at 30 June 2023: the growth is related to both new openings and relocations, including the Miami Design District in May and the inauguration of the new location of our boutique in Venice, as well as the important extensions of some of our existing surfaces. It is worth mentioning the presence in our network of boutiques of hospitality spaces such as small bars of different formats and bookshops in the boutiques, and the "Casa Cucinelli" spaces, areas for meeting with customers, partners, journalists, analysts and investors where we attempt to fully express our lifestyle ideas.

– **Advertising and other commercial expenses** of €44,633 thousand (7.2% of revenues) as at 30 June 2024 compared to €36,256 thousand (6.7% of revenues) as at 30 June 2023.
We continue to attach great importance, following on from the previous year, to investments in communication, which we believe benefit the allure of the brand, consolidate our positioning in the segment of absolute luxury and reinforce those relationships we like to define as "special" and "unique" with the clients and "friends" of the brand.

– **Transport and duties**, equal to €27,884 thousand as at 30 June 2024 (4.5% of revenues) compared to €23,446 thousand as at 30 June 2023 (4.3% of revenues).
This item showed a slight increase as a percentage of revenues in the first half of 2024 compared to the previous period, mainly due to the effect of the duties component as a result of the growth in turnover in the various geographical areas, where applicable.

– **Commissions and accessory charges**, related to the remuneration paid to the agent networks, whose percentage of revenues is stable (0.9% as at 30 June 2024 and 0.8% as at 30 June 2023).

– **Commissions on the use of credit cards**, amounting to €8,724 thousand as at 30 June 2024 compared to €7,557 thousand as at 30 June 2023, were substantially stable in terms of percentage incidence on revenues (1.4% of revenues in both periods).

With regard to the remaining Income statement items, the following aspects should be noted:

– Other items included in "Costs for services" amounted to a total of €46,278 thousand as at 30 June 2024 compared to €32,464 thousand as at 30 June 2023.
The increase of €13,814 thousand (+42.6% compared to 30 June 2023) is mainly due to structural aspects: the increase in spaces where business is carried out, with increasing costs for maintenance and security, the significant increase in costs inherent to the development of digital activities, the increase in expenses for outsourced services and miscellaneous consultancy and international travel of our people for development, creativity and implementation of management.

– The item "Other operating (costs)/revenues" has a negative balance amounting to €8,930 thousand as at 30 June 2024 compared to a negative balance amounting to €13,961 thousand as at 30 June 2023, recording a substantial balance in terms of percentage of turnover in the considered periods (1.4% of revenues for the half year ended 30 June 2024 compared to 2.6% of revenues for the half year ended 30 June 2023). This item mainly includes non-income taxes and fees, social benefit and charitable charges, the provision to adjust the allowance to cover expected losses on receivables, and other miscellaneous operating expenses.

DEPRECIATION, AMORTISATION, NET FINANCIAL EXPENSE AND NET PROFIT

Depreciation and amortisation as at 30 June 2024 amounted to €73,167 thousand, up €6,052 thousand compared to €67,115 thousand in the first half of 2023, mainly due to new leases.

Amortisation of Rights of Use amounted to €51,603 thousand, including amortisation of key money of €1,650 thousand. As at 30 June 2023 depreciation and amortisation amounted to €46,570 thousand, of which €2,039 thousand relating to key money.

The details of the depreciation and amortisation and the effects inherent to that item deriving from the application of IFRS 16 to leasing contracts as at 30 June 2024 and 30 June 2023 are provided below:

(Euro/000)	Half-year period ended 30 June					
	2024	**% of revenues**	**2023**	**% of revenues**	**Change**	**% change**
Depreciation and amortisation	73,167	11.8%	67,115	12.3%	6,052	+9.0%
Exclusion of the effects of IFRS 16 application	(49,843)	-8.0%	(44,386)	-8.1%	(5,457)	+12.3%
Total	**23,324**	**3.8%**	**22,729**	**4.2%**	**595**	**+2.6%**

As shown in the above table, excluding the effects of the application of IFRS 16 relating to lease contracts, depreciation and amortisation amounted to €23,324 thousand (3.8% of revenues), compared to €22,729 thousand (4.2% of revenues) in 2023.

Net financial expense as at 30 June 2024 amounted to €9,340 thousand compared to €2,429 thousand in 2023, up €6,911 thousand.
For completeness of information, it should be noted that the first half of 2023 was positively impacted by the capital gain realised on the sale of a minority interest.

Referring also to the notes to these Consolidated condensed interim financial statements for a separate statement of financial income and expense and for further details, the following table shows the result of financial management, detailing both the breakdown of financial income and expense of ordinary management (therefore related to loans and the management of bank accounts, both income and expenses) and the effect of the application of IFRS 16, currency exchange rates, as well as the fair value of derivative contracts and financial effects deriving from the valuation of company assets, as well as the effects of the financial income and expenses from equity investments.

(Euro/000)	Half-year period ended 30 June					
	2024	% of revenues	2023	% of revenues	Change	% change
Loan interest expense	1,510	0.2%	897	0.2%	613	+68.3%
Other net (income)/expense	1,700	0.3%	1,589	0.3%	111	+7.0%
Financial charges/(income) from ordinary operations	**3,210**	**0.5%**	**2,486**	**0.5%**	**724**	**+29.1%**
Lease financial charges/(income)	9,157	1.5%	5,949	1.1%	3,208	+53.9%
Foreign exchange losses/(gains) on leases	(2,031)	-0.3%	6,670	1.2%	(8,701)	>-100.0%
Financial charges/(income) from lease operations	**7,126**	**1.2%**	**12,619**	**2.3%**	**(5,493)**	**-43.5%**
Foreign exchange losses/(gains)	(202)	-0.0%	2,705	0.4%	(2,907)	>-100.0%
(Gain)/Loss from Participations	(1,651)	-0.3%	(17,590)	-3.2%	15,939	-90.6%
Financial expenses/(income) for adjustment of derivatives to fair value	857	0.1%	2,209	0.4%	(1,352)	-61.2%
Total net financial expense/(income)	**9,340**	**1.5%**	**2,429**	**0.4%**	**6,911**	**>+100.0%**

At 30 June 2024, financial expenses from ordinary operations amounted to €3,210 thousand, compared to €2,486 thousand in the first half of 2023, recording an increase of +29.1%, mainly due to the progressive rise in the level of interest rates recorded in the previous year related to the higher net financial debt to support significant capital expenditure.

The financial expenses/(income) for leasing are €9,157 thousand as at 30 June 2024 compared to €5,949 thousand as at 30 June 2023, recording an increase of €3,208 thousand. This item represents the ordinary and recurring financial component that includes payable and receivable interest, each determined based on the leasing liabilities and assets. The increase in this item mainly reflects the effect of new leases for both new openings and renewals of the existing boutique network, as well as the gradual increase in the level of interest rates.

As instead regards the item foreign exchange losses/(gains) for leasing, it is mainly comprised of unrealized gains and losses on exchange rates deriving from the conversion into Euro at the current exchange rate at the end of the year of the financial liabilities for leases expressed in currency and, therefore, reflects the trend of the foreign currencies with respect to the Euro.

With regard to the result of foreign exchange management, a net positive value of foreign exchange gains of €202 thousand was recorded compared to a net negative value of foreign exchange gains of €2,705 thousand as at 30 June 2023.
This change is mainly due to the net effect of realised and unrealised gains and losses resulting from the performance of the Euro, which as at 30 June 2024 showed a slight weakening against the main foreign currencies with which the Group operates, both compared to 31 December 2023 and 30 June 2023.
Due to its nature, this item is strongly conditioned by the dynamics of exchange rates managed by the Group in order to limit the oscillation risk, also through the stipulation of derivatives contracts.

For more details, reference should be made to the paragraph Financial risk management of the notes to these Consolidated condensed interim financial statements.
Therefore please note that as previously commented with reference to foreign exchange losses/(gains) on leases, the prospective economic effects of this item will be a direct consequence of the Euro situation evaluated at the individual dates of reference.

The balance of the item (Gain)/loss from equity investments as at 30 June 2024 relates to the valuation of investments in associates using the equity method.
At 30 June 2023, this item included the capital gain realised on the sale of a minority interest held in Cariaggi Lanificio S.p.A..

Finally, we note the impact of the charges deriving from interest rate and exchange rate hedging transactions, which amounted to €857 thousand as at 30 June 2024 compared to €2,209 thousand in the previous interim period. These are mainly financial expenses determined by the fair value adjustment of exchange rate derivatives, the valuation of which is also influenced by short- and medium-term expectations expressed by the exchange rate curves used, and therefore by their nature subject to fluctuations between individual periods.

In light of the above, **Profit before taxes** as at 30 June 2024 amounted to €95,247 thousand compared to the result recorded as at 30 June 2023 (€85,264 thousand).

The **Net profit** for the period amounted to €66,077 thousand, corresponding to 10.6% of revenues.

Below is the breakdown of the Result for the period between Group and minority interest for the period ended 30 June 2024 compared to the figure for 30 June 2023:

(Euro/000)	**30 June 2024**	**30 June 2023**
Net profit attributable to parent company shareholders	60,939	61,782
Net profit attributable to non-controlling interests	5,138	4,905
Profit for the period	**66,077**	**66,687**

ANALYSIS OF BALANCE SHEET AND FINANCIAL ITEMS

Provided below are comments on the main items of the Group's consolidated statement of financial position as at 30 June 2024 reclassified by sources and applications, with comparative figures as at 31 December 2023 and 30 June 2023.

NET WORKING CAPITAL

The following table provides an analysis of the net working capital of the Brunello Cucinelli Group as at 30 June 2024, as at 31 December 2023 and as at 30 June 2023:

(Euro/000)	**30 June 2024**	**31 December 2023**	**30 June 2023**
Trade receivables	83,342	78,170	75,195
Inventories	341,427	287,291	262,758
Trade payables	(162,017)	(166,244)	(141,507)
Commercial net working capital	**262,752**	**199,217**	**196,446**
Other current assets/(liabilities), net	(62,164)	(20,887)	(21,638)
Net working capital	**200,588**	**178,330**	**174,808**

Commercial net working capital as at 30 June 2024 increased €63,535 thousand compared to the figure as at 31 December 2023.

This change is due to a variety of factors as follows:

– The balance of **Trade receivables** increased as compared to 31 December 2023 for an amount equal to €5,172 thousand (+6.6%).
  Trade receivables as a percentage of turnover for the last 12 months remained constant as at 30 June 2024 compared to 31 December 2023 (6.9% in both periods), while they decreased compared to the figure as at 30 June 2023 when they amounted to 7.2% of turnover for the last 12 months, reflecting an extremely healthy situation despite a significant increase in revenues in the first half of 2024, with the wholesale channel growing by 13.1%.
  We consider our receivables to be sound and payable without particular problems, and have prudently set aside a provision for write-downs of €762 thousand, in the period recording very few losses on receivables in the Income statement and use of the provision (a total of €97 thousand, equal to 0.02 % of revenues). At 30 June 2024 the provision for bad debts was €5,705 thousand (€5,017 thousand as at 31 December 2023), an amount we consider suitable in order to cover the expected losses on receivables.

– the amount of **Inventory** equal to €341,427 thousand that, due to the effect of the considerable increase in business, which rose organically both as compared to 31 December 2023 (€287,291 thousand) as well as compared to 30 June 2023 (€262,758 thousand).
  As at 30 June 2024, Inventories accounted for 28.1% of sales over the last 12 months, returning to a level considered ordinary for our Group after reflecting a reduction in previous periods (25.2% as at 31 December 2023, 25.1% as at 30 June 2023) due to extraordinary sales performance.

The following table breaks down the Inventories of the Brunello Cucinelli Group as at 30 June 2024, as at 31 December 2023 and as at 30 June 2023:

(Euro/000)	30 June 2024	31 December 2023	30 June 2023
Raw materials	58,770	61,358	52,238
Finished and semi-finished goods	371,075	304,344	280,653
Inventory write-down provision	(88,418)	(78,411)	(70,133)
Inventories	**341,427**	**287,291**	**262,758**

– the balance of **Trade payables**, equal to €162,017 thousand as at 30 June 2024 compared to €166,244 thousand as at 31 December 2023, with a decrease equal to €4,227 thousand.
  Note that also during the first half of 2024 the Group did not change its payment terms towards its suppliers, collaborators and consultants.

Other net current assets/(liabilities) had a negative balance as at 30 June 2024 of approximately €62,164 thousand, compared to a negative balance of approximately €20,887 thousand as at 31 December 2023. The changes are mainly attributable to the balances of income tax receivables and payables and the fair value of derivative instruments hedging currency risk. For more details, refer to the comments in the notes to these Consolidated condensed interim financial statements.

FIXED ASSETS AND OTHER NON-CURRENT ASSETS/(LIABILITIES)

The following table provides an analysis of fixed assets and other non-current assets/(liabilities) as at 30 June 2024, as at 31 December 2023 and as at 30 June 2023:

(Euro/000)	30 June 2024	31 December 2023	30 June 2023
Intangible Assets	15,242	13,824	14,186
Right-of-use	582,482	501,051	494,947
Property, plant and equipment	231,298	213,036	196,568
Non-current financial assets for leases	2,895	3,272	4,560
Other non-current financial assets	35,845	32,529	30,373
Investment property	11,316	10,072	8,257
Other net non-current assets/(liabilities)	76,997	62,586	59,659
Fixed assets and other net non-current assets/(liabilities)	**956,075**	**836,370**	**808,550**

Fixed assets and other non-current assets/(liabilities) amounted to €956,075 thousand as at 30 June 2024 compared to €836,370 thousand as at 31 December 2023, representing a net increase of €119,705 thousand, or 14.3%.

For details on the changes in the individual items shown in the table during the period see the Notes to these Consolidated condensed interim financial statements.

The main changes are noted here:

– a net increase in the balance of the item “Right of Use” of €81,431 thousand compared to 31 December 2023, amounting to €582,482 thousand as at 30 June 2024, mainly due to the expansion of the retail network and the renewal of lease contracts for certain boutiques;

– net increase in “Property, plant and equipment”, up €18,262 thousand compared to 31 December 2023, amounting to €231,298 thousand as at 30 June 2024. The main increases are attributable to the progress of the project to double the Solomeo factory, which will be built on the outskirts of the hamlet in a former industrial complex that has been entirely reclaimed and redeveloped; to investments dedicated to the opening of new production facilities in Italy for the production of men’s outerwear and tailored suits within districts of excellence in artisan tailoring; to works and furnishings related to the opening and expansion of both directly operated and wholesale shops; and to improvements made to existing boutiques, showrooms around the world, and “Casa Cucinelli” spaces;

– increase of €14,411 thousand compared to 31 December 2023 under “Other net non-current assets/(liabilities)”, mainly attributable to the variation in the balances of deferred tax assets and deferred tax liabilities.

INVESTMENTS

During the half-year ended 30 June 2024, the Group made investments in intangible assets amounting to €4,524 thousand, in Property, plant and equipment amounting to €35,821, in investments in non-current financial assets amounting to €1,327 thousand while the net increases in Other non-current financial assets amounted to €3,078 thousand.

The following table shows the investments by type and category made by the Group as at 30 June 2024, 31 December 2023 and 30 June 2023:

(Euro/000)	**30 June 2024**	**31 December 2023**	**30 June 2023**
Investments in intangible assets (*)	4,524	7,116	3,422
Investments in Property, plant and equipment	35,821	66,417	29,515
Investment property	1,327	2,994	1,106
Investments in other non-current financial assets (**)	3,078	2,549	819
Total Investments	**44,750**	**79,076**	**34,862**

(*) This item also includes investments for key money paid, which as at 1 January 2019 are classified under the item “Right of use” in accordance with IFRS 16.
(**) Other net non-current financial assets (balance of payments made net of repayments received).

As shown in the table, investments in the first six months of 2024 amounted to €44,750 thousand.

Of these, €20.1 million is attributable to commercial investments, €23.4 million to investments in production, logistics and IT/Digital, and €1.3 million to investments in investment property.

Following are the investments made by the Group during the first half of 2024, during 2023 and the first half of 2023, broken down by type as described above:

(Euro/000)	**30 June 2024**	**31 December 2023**	**30 June 2023**
Commercial Investments	20,062	31,272	16,316
Investments in production and logistics	18,280	36,525	12,919
Investments in IT/Digital	5,081	8,285	4,521
Investment property	1,327	2,994	1,106
Total Investments	**44,750**	**79,076**	**34,862**

Commercial investments equal to €20,062 support selected openings and some major expansions of prestigious bouquets, contributing to the growth of sales areas in the network of single-brand stores, dedicated spaces in *Luxury Department Stores* and the renewal and expansion of our showrooms worldwide, in addition to supporting development initiatives in multi-brand stores.

Investments in production and logistics equal to €18,280 thousand support the top-quality craftsmanship of our products thanks to the constant renewal of production equipment which is kept constantly up-to-date by combining innovation in processes with superb handiwork, and make suitable logistical structures available for managing the related activities, with constant attention to maintaining comfortable work environments.
These investments in technical fixed assets include the continuation of the project to double the Solomeo factory, to be built on the outskirts of the hamlet in a former industrial complex that has been completely reclaimed and redeveloped, and the investments focused on opening new production facilities in Italy for the production of men's outerwear and tailored suits within districts of excellence in tailoring.

The investments in IT and Digital (also with specific platforms in evolving markets) are assuming increasing importance and as at 30 June 2024 amounted to €5,081 thousand.

The investments in non-current financial assets relate to property complexes as well as building land in Solomeo being managed with the aim of being restored and subsequently leased.

NET FINANCIAL DEBT

The net financial debt required by Consob Reminder no. 5/21 of 29 April 2021 "Compliance with ESMA Guidelines on disclosure obligations pursuant to the prospectus regulation" is as follows:

(Euro/000)	**30 June 2024**	**31 December 2023**	**30 June 2023**
A. Cash and cash equivalents	(86,597)	(106,944)	(91,261)
B. Means equivalent to cash and cash equivalents	-	-	-
C.1. Other current financial assets	(2,564)	(883)	(144)
C.2. Other current financial assets for leases	(2,434)	(2,954)	(2,854)
D. Cash and cash equivalents (A+B+C)	**(91,595)**	**(110,781)**	**(94,259)**
E.1. Current financial debt	29,443	64,782	56,398
E.2. Current financial debt for leases	100,117	97,498	96,511
F. Current portion of non-current financial debt	45,360	24,259	36,185
G. Current financial debt (E+F)	**174,920**	**186,539**	**189,094**
H. Net current financial debt (G+D)	**83,325**	**75,758**	**94,835**
I.1. Non-current financial debt	83,034	24,932	37,394
I.2. Non-current financial debt for leases	541,102	460,397	447,744
J. Debt instruments	-	-	-
K. Trade payables and other non-current payables	-	-	-
L. Non-current financial debt (I+J+K)	**624,136**	**485,329**	**485,138**
M. Total financial debt (H+L)	**707,461**	**561,087**	**579,973**
of which:			
Net financial debt for the core business	*68,676*	*6,146*	*38,572*
Payables for leases	*638,785*	*554,941*	*541,401*

At 30 June 2024, the financial debt of the Brunello Cucinelli Group amounted to €707,461 thousand, of which €638,785 thousand related to debt generated by the accounting of lease contracts pursuant to IFRS 16.
At 30 June 2023 financial debt amounted to €579,973 thousand, (of which €541,401 thousand relating to lease contracts).

Excluding the balances due to the application of IFRS 16, financial debt as at 30 June 2024 equalled €68,676 thousand, a slight improvement as compared to €38,572 thousand as at 30 June 2023, thanks to the positive economic result of the last twelve months, even with the important investment plan of €44.8 million and the dividend payment for a total of €66.1 million.

During the first half of 2024, the Group took out new medium-/long-term loans for a total of €86,000 thousand, repaying a total of €14,539 thousand according to ordinary amortisation schedules.

Note that item "I.1 Non-current financial debt" also includes the debt for loans to minority shareholders in subsidiaries (amounting to €2,089 thousand).

SHAREHOLDERS' EQUITY

The following table provides details of Shareholders' equity as at 30 June 2024, 31 December 2023 and as at 30 June 2023:

(Euro/000)	**30 June 2024**	**31 December 2023**	**30 June 2023**
Share Capital	13,600	13,600	13,600
Reserves	361,439	313,574	315,370
Net profit attributable to parent company shareholders	60,939	114,617	61,782
Shareholders' equity attributable to parent company shareholders	**435,978**	**441,791**	**390,752**
Shareholders' equity attributable to non-controlling interests	13,224	11,822	12,633
Shareholders' Equity	**449,202**	**453,613**	**403,385**

The share capital of the Parent Company as at 30 June 2024 amounted to €13,600 thousand, fully paid, consisting of 68,000,000 ordinary shares.

The shareholding structure of Brunello Cucinelli S.p.A. as at 30 June 2024 as compiled from the communications sent to the Company and Consob and from other communications to the market is set out below:

Shareholder	**% of ordinary capital**
Foro delle Arti S.r.l.	50.05%
FMR LLC	9.48%
Other shareholders	40.47%
Total	**100.00%**

For a description of the changes in shareholders' equity, refer to the balance sheet and what is indicated in Note 14 of the notes to these Consolidated condensed interim financial statements.

INFORMATION ON CORPORATE GOVERNANCE

Pursuant to article 123-bis of the Consolidated Law on Finance (TUF), the Company is required to prepare an annual report on corporate governance and ownership structures containing a general description of the governance system adopted by the Brunello Cucinelli Group and its ownership structure, including the main governance practices applied and the characteristics of its risk management and internal control system in relation to its financial reporting process.

This report related to the year ended on 31 December 2023, approved by the Board of Directors at its meeting of 14 March 2024, can be consulted in the *Corporate governance* section of the Company's website at **http://investor.brunellocucinelli.com/en.**

SIGNIFICANT EVENTS DURING THE FIRST HALF OF 2024

Purchase and assignment of treasury shares in performance of the 2022-2024 Stock Grant Plan
On 29 August 2023 the Board of Directors of the Parent Company, in implementation of the resolution approved by the Shareholders' Meeting held on 27 April 2023 concerning the 2022-2024 Stock Grant Plan granted a mandate to Mediobanca – Banca di Credito Finanziario S.p.A. to start a program for the purchase of treasury shares on behalf of the Parent Company, in an independent manner, in compliance with the applicable regulations and what was dictated by the resolution approved by the Shareholders' Meeting.
The program for purchasing treasury shares was carried out, making use of the *safe harbour* pursuant to art. 5 of Regulation (EU) no. 596/2014.
The program was completed with the total purchase of 47,250 treasury shares by the Parent Company in March 2024.
as at the date of this half-year financial report, all of these shares were assigned free of charge to the executive directors and employees in top positions of the company and its subsidiaries, in execution of the 2022-2024 Stock Grant Plan.

2024-2026 Stock Grant Plan
On 14 March 2024 the Board of Directors of Brunello Cucinelli S.p.A. approved the 2024-2026 Stock Grant Plan submitted for subsequent approval by the Ordinary Shareholders' Meeting on 23 April 2024. The Plan provides for the free allocation of Company shares to executive directors and employees of the Company and its subsidiaries if certain performance targets are achieved.

Co-opting of a new Director and additions to the membership of the Control and Risks Committee and Remuneration and Appointments Committee
On 11 July 2024, the Board of Directors of Brunello Cucinelli S.p.A., with the favourable opinion of the Remuneration and Appointments Committee and with a resolution approved by the Board of Statutory Auditors, pursuant to Art. 2386 of the Italian Civil Code and the Articles of Association and with regard to the gender quotas, has co-opted Katia Riva as the Company's new non-executive Director, to replace the independent non-executive Director Emanuela Bonadiman who resigned on 13 June 2024. It should be noted that, on the occasion of the renewal of the Board of Directors by resolution of the Shareholders' Meeting of 27 April 2023, Emanuela Bonadiman was taken from the minority slate presented by a number of institutional investors under the aegis of Assogestioni.

With the appointment of Katia Riva, the Company's Board of Directors accepted the invitation formulated by the Assogestioni Managers' Committee, which, by letter dated 1 July 2024, submitted the relevant nomination for its independent evaluation.
The Board of Directors has ascertained that there are no grounds for the ineligibility or incompatibility of Katia Riva and that she meets the requirements of integrity and independence laid down in current legislation and in the Corporate Governance Code. It was also ascertained that Katia Riva possessed adequate knowledge and experience in remuneration policies and in financial and risk management matters.
Katia Riva has accepted the appointment and will remain in office until the next Shareholders' Meeting.
In addition, following the resignation of Emanuela Bonadiman (former Chair of the Remuneration and Appointments Committee, and a former member of the Control and Risks Committee), the Board of Directors of Brunello Cucinelli S.p.A., with the support of the Remuneration and Appointments Committee, appointed Katia Riva as a member of the Control and Risks Committee and of the Remuneration and Appointments Committee; Ms Chiara Dorigotti was also appointed as Chair of the Remuneration and Appointments Committee.

RELATED PARTY TRANSACTIONS

Reference should be made to the notes to this Consolidated condensed interim financial statements for a detailed description of related party transactions carried out in the first half of 2024.

Pursuant to Consob Resolution No. 17221 of 12 March 2010, it is acknowledged that in the first half of 2024 the Group did not enter into major or material transactions with related parties that significantly affected the Group's capital or profit or loss for the period.

FINANCIAL RISK MANAGEMENT

Full details on financial risk management are provided in the section "Other information" of the notes, to which reference is made.

SIGNIFICANT EVENTS AFTER 30 JUNE 2024

Appointment of Vice-Presidents of the Board of Directors
On 11 July 2024,, the Board of Directors, following the amendments to the Articles of Association approved by resolution of the Extraordinary Shareholders' Meeting of 23 April 2024, appointed Camilla Cucinelli and Carolina Cucinelli as Vice-Presidents of the Board of Directors, granting them the powers set out in the Articles of Association.

OUTLOOK

The high quality of the **revenues** in the **first half of the year**, the **business performance**, the very decent sales we are reporting, and the punctuality of shipments mean we can fully confirm our planned **revenue growth for 2024** of approximately **10%**, with **healthy** and **balanced profits**.

The expected growth takes into account for the second part of the year the **beautiful growths** already reported last year, and the decidedly favourable feedback from multi-brand partners for the Fall-Winter 2024 season, with significant requests for delivery of garments in the first part of 2024.

The **sales campaign** for the **Spring-Summer 2025 Men's** collections is already completed with **outstanding results**, confirming the appreciation from the specialist press and multi-brand clients at the presentation in early June at Pitti Uomo in Florence and at the subsequent Milan Fashion Week.

With respect to the **Spring-Summer 2025 Women's** collections presented over the last few weeks, we highlight equally positive results in the order collection, which is close to completing, and particularly positive feedback regarding the style.

Considering portfolio orders, we can confirm **healthy growth of approximately 10%** again for **2025**; for the long term, we reiterate our forecast of **doubling** 2023 **turnover by 2030**.

Our plans are accompanied by a significant investment plan to support growth and to expand artisan production facilities, with **increasing investments** focusing on **doubling the size** of our **Solomeo factory** and on **new manufacturing facilities** in Italy, guaranteeing production capacity for the next decade.

Solomeo, 28 August 2024

Luca Lisandroni	**Brunello Cucinelli**	**Riccardo Stefanelli**
Chief Executive Officer Markets Area	Chairman of the Board of Directors	Chief Executive Officer Product and Operations Area

FINANCIAL STATEMENTS AS AT 30 JUNE 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

(Euro/000)	**NOTES**	**30 June 2024**	***of which with related parties***	**31 December 2023**	***of which with related parties***	**30 June 2023**	***of which with related parties***
NON-CURRENT ASSETS							
Right of use	1	582,482	1,351	501,051	1,515	494,947	3,939
Intangible assets	2	15,242		13,824		14,186	
Property, plant and equipment	3	231,298	18,658	213,036	19,161	196,568	13,193
Investment property	4	11,316		10,072		8,257	
Non-current financial lease receivables	5	2,895		3,272		4,560	
Other non-current financial assets	6	35,845	15,027	32,529	13,990	30,373	13,476
Deferred tax asset	26	92,585		79,503		77,580	
Non-current derivative financial assets	13	-		243		701	
TOTAL NON-CURRENT ASSETS		**971,663**		**853,530**		**827,172**	
CURRENT ASSETS							
Inventories	7	341,427		287,291		262,758	
Trade receivables	8	83,342	167	78,170	179	75,195	168
Tax receivables	9	172		290		519	
Other receivables and other current assets	10	44,784		41,107		32,331	
Current financial lease receivables	5	2,434		2,954		2,854	
Other current financial assets	11	2,564	1,529	883		144	
Cash and cash equivalents	12	86,597		106,944		91,261	
Current derivative financial assets	13	2,881		8,711		10,383	
TOTAL CURRENT ASSETS		**564,201**		**526,350**		**475,445**	
TOTAL ASSETS		**1,535,864**		**1,379,880**		**1,302,617**	

(Euro/000)	NOTES	30 June 2024	of which with related parties	31 December 2023	of which with related parties	30 June 2023	of which with related parties
SHAREHOLDERS' EQUITY							
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS							
Share capital	14	13,600		13,600		13,600	
Share-premium Reserve	14	57,915		57,915		57,915	
Other reserves	14	303,524		255,659		257,455	
Net profit attributable to parent company shareholders	14	60,939		114,617		61,782	
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		**435,978**		**441,791**		**390,752**	
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTEREST							
Capital and reserves attributable to non-controlling interests	14	8,086		2,630		7,728	
Net profit attributable to non-controlling interests	14	5,138		9,192		4,905	
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTEREST		**13,224**		**11,822**		**12,633**	
TOTAL SHAREHOLDERS' EQUITY		**449,202**		**453,613**		**403,385**	
NON-CURRENT LIABILITIES							
Employee benefit liabilities	15	3,517		3,672		3,010	
Provisions for risks and charges	16	2,998		3,023		2,719	
Non-current payables towards banks	17	79,703		22,160		33,951	
Non-current financial lease liabilities	18	541,102	1,147	460,397	1,325	447,744	3,821
Non-current financial liabilities	19	3,102		2,772		3,443	
Other non-current liabilities	20	173		209		137	
Deferred Tax liabilities	26	8,900		10,256		12,756	
Non-current derivative financial liabilities	13	229		-		-	
TOTAL NON-CURRENT LIABILITIES		**639,724**		**502,489**		**503,760**	
CURRENT LIABILITIES							
Trade payables	21	162,017	8,474	166,244	11,638	141,507	8,878
Current payables towards banks	22	72,092		86,943		90,295	
Current financial lease liabilities	18	100,117	351	97,498	350	96,511	572
Current financial liabilities	23	2,711		2,098		2,288	
Income tax payables	24	47,115		14,367		8,114	
Other current liabilities	25	59,080	2,809	55,641	995	55,549	695
Current derivative financial liabilities	13	3,806		987		1,208	
TOTAL CURRENT LIABILITIES		**446,938**		**423,778**		**395,472**	
TOTAL LIABILITIES		**1,086,662**		**926,267**		**899,232**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,535,864**		**1,379,880**		**1,302,617**	

CONSOLIDATED INCOME STATEMENT AS AT 30 JUNE 2024

(Euro/000)	NOTES	30 June 2024	*of which with related parties*	30 June 2023	*of which with related parties*
Revenues	**27**	**620,662**	**141**	**543,942**	**80**
Costs of raw materials and consumables	28	(39,276)	(8,290)	(54,000)	(9,320)
Costs for services	29	(281,505)	(5,335)	(227,840)	(2,030)
Payroll costs	30	(113,197)	(5,330)	(93,333)	(2,927)
Other operating expenses	31	(10,613)		(13,581)	
Other operating income	32	1,767	48	983	49
Costs capitalized	33	789		762	
Depreciation and amortisation	34	(73,167)		(67,115)	
Impairment of assets and other accruals	35	(873)		(2,125)	
Total operating costs		**(516,075)**		**(456,249)**	
Operating Income		**104,587**		**87,693**	
Financial expenses	36	(28,606)		(49,067)	
Financial income	37	19,266	1,651	46,638	1,556
Profit before taxes		**95,247**		**85,264**	
Income taxes	26	(29,170)		(18,577)	
Net profit		**66,077**		**66,687**	
Net profit attributable to parent company shareholders		60,939		61,782	
Net profit attributable to non-controlling interests		5,138		4,905	
Basic earnings per share (Euro per share)	38	0.89625		0.90880	
Diluted earnings per share (Euro per share)	38	0.89625		0.90880	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2024

(Euro/000)		Half-year period ended 30 June	
	NOTES	2024	2023
Net profit (A)		**66,077**	**66,687**
Other items of comprehensive income:			
Other items of comprehensive income that will later be reclassified on the income statement		**(4,064)**	**(5,176)**
Cash flow hedge		(8,218)	857
Tax effect		1,978	(239)
Effect of changes in cash flow hedge reserve	**14**	**(6,240)**	**618**
Translation differences on foreign financial statements		2,959	(3,352)
Profit / (Losses) on net investment in a foreign operation		(1,030)	(3,213)
Tax effect		247	771
Other items of comprehensive income that will not later be reclassified on the income statement:	**14**	**618**	**27**
Remeasurement of defined benefit plans (IAS 19)		813	35
Tax effect		(195)	(8)
Total other comprehensive income, net of tax (B)		**(3,446)**	**(5,149)**
Total comprehensive income net of tax (A) + (B)		**62,631**	**61,538**
Attributable to:			
Parent company shareholders		57,345	56,816
Non-controlling interests		5,286	4,722

CONSOLIDATED CASH FLOWS STATEMENT AS AT 30 JUNE 2024

(Euro/000)		Half-year period ended 30 June	
	NOTES	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit		66,077	66,687
Adjustments to reconcile net income for the period to the cash flows generated by (used in) operating activities:			
Income tax	26	29,170	18,577
Depreciation and amortisation	34	73,167	67,115
Provisions for Employee benefit liabilities	15	195	83
Provisions for risks and charges/bad debts and impairment of assets		760	2,142
Change in other non-current liabilities		(36)	(249)
(Gain)/Loss on disposal of fixed assets		30	8
(Gain)/Loss from participations		(1,014)	(16,904)
Other non-monetary items IFRS 16		(2,296)	6,669
Interest expense	36	3,444	2,542
Interest on lease liabilities	36	9,189	5,988
Interest income	37	(479)	(271)
Interest on lease assets	37	(32)	(39)
Payment of Employee benefit liabilities	15	(97)	(89)
Payments of Provisions for risks and charges	16	-	(178)
Net change in Deferred tax assets and liabilities	26	(12,123)	(11,992)
Change in fair value of financial instruments	13	879	(5,123)
Changes in operating assets and liabilities:			
Change in Trade receivables	8	(5,044)	(749)
Change in Inventories	7	(50,385)	(27,399)
Change in Trade payables	21	(7,474)	9,960
Interest expense paid		(3,464)	(2,509)
Interest on lease liabilities paid		(9,189)	(5,988)
Interest income received		479	271
Interest on lease assets received		32	39
Income taxes paid		(6,106)	(51,327)
Change in Other current assets and liabilities		16,485	22,333
NET CASH FLOW PROVIDED BY / (USED IN) OPERATING ACTIVITIES (A)		**102,168**	**79,597**

(Euro/000)		Half-year period ended 30 June	
	NOTES	2024	2023
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in Property, plant and equipment	3	(34,975)	(29,515)
Investments in Intangible assets	2	(4,153)	(3,422)
Investments in Other non-current financial assets	6	(3,051)	(1,128)
Investment property	4	(1,327)	(1,106)
Changes in the scope of consolidation		(2,457)	-
Disinvestments in Non-current financial assets		-	25,900
Disposal of Property, plant and equipment		232	121
NET CASH FLOW PROVIDED BY / (USED IN) INVESTING ACTIVITIES (B)		**(45,731)**	**(9,150)**
CASH FLOW FROM FINANCING ACTIVITIES			
Long-term loans received	17	86,000	-
Repayment of long-term loans	17	(14,539)	(17,433)
Net change in short-term financial debt		(30,044)	19,187
Net change in long-term financial debt		267	1,282
Lease liabilities payments		(49,538)	(47,067)
Lease receivables collections		1,018	1,421
Dividends paid		(66,102)	(48,139)
Purchase of treasury shares		(4,962)	(3,332)
NET CASH FLOW PROVIDED BY / (USED IN) FINANCING ACTIVITIES (C)		**(77,900)**	**(94,081)**
TOTAL CASH FLOW FOR THE PERIOD (D=A+B+C)		**(21,463)**	**(23,634)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (E)		**1,116**	**(2,505)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (F)	**12**	**106,944**	**117,400**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	**12**	**86,597**	**91,261**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 30 JUNE 2024

(Euro/000)	NOTES	Share capital	Legal reserve	Additional paid-in capital	Translation reserve	Other reserves	Profit for the period	Total shareholders' equity attributable to parent company shareholders	Total shareholders' equity attributable to non-controlling interests	Total shareholders' equity
Balance at 1 January 2024	**14**	**13,600**	**2,720**	**57,915**	**(4,865)**	**257,804**	**114,617**	**441,791**	**11,822**	**453,613**
Profit for the period							60,939	60,939	5,138	66,077
Other items of comprehensive income					2,125	(5,719)		(3,594)	148	(3,446)
Total comprehensive result		**-**	**-**	**-**	**2,125**	**(5,719)**	**60,939**	**57,345**	**5,286**	**62,631**
Allocation of the profit for the year	14					114,617	(114,617)	-		-
Dividends paid	14					(61,880)		(61,880)	(4,222)	(66,102)
Stock grant reserve	14					3,792		3,792		3,792
Assignment of treasury shares	14					(4,962)		(4,962)		(4,962)
Other changes						(108)		(108)	338	230
Balance as at 30 June 2024	**14**	**13,600**	**2,720**	**57,915**	**(2,740)**	**303,544**	**60,939**	**435,978**	**13,224**	**449,202**

(Euro/000)	NOTES	Share capital	Legal reserve	Additional paid-in capital	Translation reserve	Other reserves	Profit for the period	Total shareholders' equity attributable to parent company shareholders	Total shareholders' equity attributable to non-controlling interests	Total shareholders' equity
Balance at 1 January 2023	**14**	**13,600**	**2,720**	**57,915**	**2,339**	**225,370**	**80,599**	**382,543**	**10,433**	**392,976**
Profit for the period							61,782	61,782	4,905	66,687
Other items of comprehensive income					(5,606)	640		(4,966)	(183)	(5,149)
Total comprehensive result		**-**	**-**	**-**	**(5,606)**	**640**	**61,782**	**56,816**	**4,722**	**61,538**
Allocation of the profit for the year	14					80,599	(80,599)	-		-
Dividends paid	14					(44,200)		(44,200)	(3,939)	(48,139)
Deconsolidation of Brunello Cucinelli Denmark ApS						(61)		(61)		(61)
Stock grant reserve	14					2,036		2,036		2,036
Assignment of treasury shares	14					(3,332)		(3,332)		(3,332)
Other changes						(3,050)		(3,050)	1,417	(1,633)
Balance as at 30 June 2023	**14**	**13,600**	**2,720**	**57,915**	**(3,267)**	**258,002**	**61,782**	**390,752**	**12,633**	**403,385**

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

1.1 CONTENT AND FORMAT OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

These Consolidated condensed interim financial statements have been prepared on the basis of art. 154-ter of Italian Leg. Decree dated 24 February 1998, no. 58 of the Consolidated Law on Finance (TUF) and as amended.

The Consolidated condensed interim financial statements as at 30 June 2024 comprise the consolidated statement of financial position, the consolidated Income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in shareholders' equity and these Notes.

The Consolidated condensed interim financial statements are presented in Euro, the currency used by the Parent Company Brunello Cucinelli S.p.A., and all figures are rounded to thousands of Euro, unless otherwise indicated.

The items in the consolidated statement of financial position are presented in order of liquidity, where:
– Non-current assets consist of items that are expected to be recovered after more than 12 months.
– Current assets consist of items that are expected to be recovered after no more than 12 months.
– Non-current liabilities consist of items that are expected to be settled after more than twelve months, including provisions for risks and charges and employees termination indemnities;
– Current liabilities include payables that are expected to be settled in the Group's normal operating cycle or in the 12 months following the end of the reporting period.

The format for the consolidated Income statement classifies revenues and costs by nature.

The consolidated cash flow statement has been prepared using the indirect method and is presented in accordance with IAS 7, classifying cash flows into operating activities, investment activities and financing activities.
Note that with reference to Consob Resolution No. 15519 of 27 July 2006 and Communication No. DEM6064293 of 28 July 2006, the financial statements present information on significant related party transactions in order to provide a more complete disclosure, and income and expense arising from non-recurring events or transactions, if significant, are shown separately in the comments provided by management and in the financial disclosures.

These Consolidated condensed interim financial statements are subject to a limited audit by PricewaterhouseCoopers S.p.A.

1.2 STATEMENT OF IFRS COMPLIANCE

The Consolidated condensed interim financial statements as at 30 June 2024 have been prepared in accordance with the international accounting standard on half-year financial reporting (IAS 34 Interim Financial Reporting). The Consolidated condensed interim financial statements do not include all the disclosures required to be included in the annual financial statements, and accordingly they should be read together with the Group's consolidated annual financial statements for the year ended 31 December 2023 published on the institutional website www.brunellocucinelli.com Investor Relations, Financial Reports section.

2. SCOPE OF CONSOLIDATION

The Consolidated condensed interim financial statements present the financial position, results and cash flows of the parent company Brunello Cucinelli S.p.A. and its Italian and foreign subsidiaries, together identified as the Brunello Cucinelli Group, as at and for the six months ended 30 June 2024.

These Consolidated condensed interim financial statements were prepared on the basis of the accounting situations of the Company and its subsidiaries, suitably adjusted to comply with IFRSs.

As at 30 June 2024, the Brunello Cucinelli Group does not have any stakes in joint ventures (defined as a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, pursuant to IFRS 11).
As far as equity investments in associate companies are concerned (companies in which the Group holds at least 20% of the voting rights or exercises significant influence over financial and operating policies, but not control or joint control), as at the date of these Consolidated condensed interim financial statements, the Group holds a 24.5% equity investment in the share capital of Cariaggi Lanificio S.p.A. (with registered office in Cagli (PU) - Italy and share capital of €7,000 thousand).

The following table provides summary information on the Company's subsidiaries and associate companies as at 30 June 2024, consisting of the company's name and registered office and the percentage of share capital held directly and indirectly by the Brunello Cucinelli Group:

Company name	Location	Currency	Capital unit of currency	Controlling interest	
				Direct	Indirect
Equity investments in subsidiaries					
Brunello Cucinelli Europe S.r.l.	Corciano, Solomeo hamlet (PG) – Italy	Euro	100,000	100.00%	
Max Vannucci S.r.l.	Corciano (PG) – Italy	Euro	118,000		75.50%
Pinturicchio S.r.l.	Corciano, Solomeo hamlet (PG) - Italy	Euro	1,000,000		100.00%
Logistica e Distribuzione S.r.l.	Milan – Italy	Euro	100,000		51.00%
Dorica Vestis S.r.l.	Corciano, Solomeo hamlet (PG) – Italy	Euro	50,000		60.00%
Brunello Cucinelli Austria GmbH	Vienna – Austria	Euro	35,000	2.00%	98.00%
Sprl Brunello Cucinelli Belgium	Brussels – Belgium	Euro	20,000		100.00%
Brunello Cucinelli (England) Ltd.	London – United Kingdom	Pound sterling	12,600,700	99.99%	0.01%
Sarl Brunello Cucinelli France	Paris – France	Euro	13,400,000	98.54%	1.46%
SAS Brunello Cucinelli France Resort	Paris – France	Euro	100,000		100.00%
Brunello Cucinelli GmbH	Düsseldorf – Germany	Euro	200,000		100.00%
Brunello Cucinelli Hellas SA	Athens – Greece	Euro	25,200		51.00%
SAM Brunello Cucinelli Monaco	Principality of Monaco	Euro	12,054,000	98.76%	1.22%
OOO Brunello Cucinelli RUS	Moscow – Russia	Rouble	15,000,000	100.00%	
Brunello Cucinelli Retail Spain SL	Madrid – Spain	Euro	200,000	5.00%	95.00%
Brunello Cucinelli Suisse SA	Lugano – Switzerland	Swiss franc	223,000	1.79%	98.21%
Brunello Cucinelli Canada Ltd.	Vancouver – Canada	Canadian dollar	10,445,100	100.00%	
Brunello Cucinelli USA Inc.	Ardsley (NY) – USA	US dollar	1,500	100.00%	
Market Service US, Inc.	New York – USA	US dollar	50,000		51.00%
Brunello Cucinelli (Sichuan) Fashion Co., Ltd.	Chengdu – China	Renminbi	200,000,000	100.00%	
Brunello Cucinelli Hong Kong Ltd.	Hong Kong – China	Hong Kong dollar	2,000,000	100.00%	
Brunello Cucinelli (Macau) Fashion Co., Ltd.	Macao – China	MOP/Hong Kong dollar	22,847,312	98.00%	2.00%
Brunello Cucinelli Japan Co., Ltd.	Tokyo – Japan	Japanese yen	330,000,000	75.00%	
Brunello Cucinelli Singapore Pte. Ltd.	Singapore	Singapore dollar	300,000	83.67%	
Brunello Cucinelli Taiwan Ltd.	Taipei - China	Taiwan dollar	100,000	70.00%	
Brunello Cucinelli Middle East LLC	Dubai – United Arab Emirates	Dirham	300,000	51.00%	
Brunello Cucinelli Kuwait for Readymade and Novelty Clothes' Retail WLL	Kuwait City – Kuwait	Kuwaiti dinar	100,000	51.00%*	
Equity investments in associate companies					
Cariaggi Lanificio S.p.A.	Cagli – Italy	Euro	7,000,000	24.50%	

* Percentage of ownership held by virtue of contractual agreements with the minority shareholder.

During the first half of 2024, the scope of consolidation saw the entry of Dorica Vestis S.r.l., a small workshop of about 30 craftsmen, in which the Group holds a 60% stake.

For the sake of completeness, it should be noted that the company Raffaello S.r.l. was merged by incorporation into the company Pinturicchio S.r.l..

3. ACCOUNTING STANDARDS

3.1 INTRODUCTION

The Consolidated condensed interim financial statements as at 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and were approved by the Board of Directors on 28 August 2024.

3.2 GENERAL BASIS OF PREPARATION

The Consolidated condensed interim financial statements as at 30 June 2024 prepared on the basis of art. 154-ter of Italian Leg. Decree 58/1998 as amended and the Consob Issuers' Regulations, have been prepared in accordance with the International Accounting Standards (IAS/IFRS) adopted by the European Union and in particular in accordance with IAS 34 Interim Financial Reporting.

In preparing this half-year financial report, the same accounting standards, recognition and measurement criteria were applied, as well as consolidation criteria adopted in preparing the consolidated financial statements as at 31 December 2023 and the half-year financial report as at 30 June 2023.

3.3 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The Group has not early adopted any new standard, interpretation or amendment that has been issued but is not yet effective.

Various changes were applied for the first time in 2024 but did not have impact on the Group's Consolidated condensed interim financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Supplementary Information*, to clarify the characteristics of reverse factoring agreements and request further disclosure of such agreements. The disclosure requirements included in the amendments are intended to assist users of financial statements in understanding the effects on an entity's liabilities, cash flows and exposure to liquidity risk of reverse factoring arrangements.
The transition requirements clarify that an entity does not have to provide disclosures in interim financial statements for the first year of application of the amendments. Subsequently, the changes did not have any impact on the Group's Consolidated condensed interim financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued an amendment to IFRS 16 to specify the requirements that a selling lessor uses in measuring the lease liability arising from a sale and leaseback transaction, to ensure that the selling lessor does not recognise gains or losses with respect to the right of use retained by the lessor.
The changes did not have any impact on the Group's Consolidated condensed interim financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB published amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The changes clarify:
– What is meant by a right of postponement of maturity;
– That the right of subordination must exist at the close of the financial year;
– The classification is not impacted by the likelihood that the entity will exercise its subordination right;
– Only if a derivative embedded in a convertible liability is itself an equity instrument does the maturity of the liability have no impact on its classification.

In addition, a requirement has been introduced to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to subordination is conditional on compliance with covenants within twelve months.
The changes did not have any impact on the Group's Consolidated condensed interim financial statements.

International Tax Reform – Pillar Two Model Rules – Amendments of IAS 12

On 20 December 2021, Organisation for Economic Co-operation and Development (OECD) published the document *Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two)* which regulates the reform of international taxation rules, which has the objective of introducing a minimum tax equal to 15% of profits realised by multinational groups.
On 14 December 2022 the Council of the European Union adopted EU Directive 2022/2523 in order to incorporate the *GloBE Rules*. The member states are required to incorporate the *Pillar Two* directive in their guidelines with a gradual application of the measures starting in 2024.
The changes to IAS 12 were introduced in response to the above-cited BEPS *Pillar Two rules* regulations of the OECD and include:
– a temporary mandatory exemption from recognition and disclosure requirements for deferred taxes that deriving from the implementation in the jurisdictions of the regulations of the *Pillar Two rules*; and
– disclosure requirements for the involved entities to help the users of the financial statements better understand the impacts on income taxes that derive from this legislation, in particular prior to the effective date of entry into force.

Taking into account the inspiring values of legality, transparency, fairness and honesty that distinguish the Group, its current structure with the concentration of all of its production activities in Italy and considering the current nominal tax rates, as well as on the basis of the analyses carried out so far, it is believed that the Group will be able to apply the so-called *Transitional CbCR Safe Harbour* temporary simplification measure in the main jurisdictions where the Group operates.
Consequently, the Group's exposure to any taxes arising from the legislation in question, at the date of these Consolidated condensed interim financial statements, was assessed as not significant.

3.4 ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

There are no significant accounting standards, amendments or interpretations that have been issued but are not yet effective which might have a significant effect on these Consolidated condensed interim financial statements or the next set of annual financial statements.

3.5 DISCRETIONAL ASSESSMENTS AND SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Consolidated condensed interim financial statements requires the directors of the Parent Company to make subjective measurements, estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. The actual results could differ from these estimates.

With regard to the accounting estimates and significant judgements made by the Company Management, of the Parent Company, reference should be made to the Annual Financial Report as at 31 December 2023.

3.6 TRANSLATION OF FINANCIAL STATEMENTS IN A CURRENCY OTHER THAN THE EURO AND TRANSLATION OF FOREIGN CURRENCY ITEMS

The Consolidated condensed interim financial statements are presented in Euros, the functional and presentation currency adopted by the Company. As required by IAS 1, the amounts were represented in thousands of Euros.

Each Group entity establishes its own functional currency which it uses to measure the items included in the individual financial statements. Transactions in foreign currency are initially recognised at the exchange rate (referring to the functional currency) at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate ruling at the balance sheet date.

All exchange differences are recognised in the Income statement.

Non-monetary items, measured at historic cost in foreign currency, are translated at the exchange rates at the date of the initial recognition of the transaction.

The financial statements of foreign companies being consolidated are translated into Euros using the current exchange rate method, under which the exchange rate at the balance sheet date is used for the translation of the balance sheet items, the historical exchange rates for the shareholders' equity items and the average exchange rate of the period for the Income statement items.

Translation differences are recognised directly in shareholders' equity and presented in a separate reserve. On the sale of a foreign company the cumulative exchange differences in shareholders' equity are recognised in the Income statement.

The following table shows the exchange rates used for calculating the amounts in Euro that are expressed in foreign currency in the financial statements of subsidiaries (currency amount per Euro):

	Average exchange rates		Closing exchange rates		
	30 June 2024	30 June 2023	30 June 2024	31 December 2023	30 June 2023
US dollar	1.0813	1.0807	1.0705	1.105	1.0866
Swiss franc	0.9615	0.9856	0.9634	0.926	0.9788
Japanese yen	164.4613	145.7604	171.94	156.33	157.16
Renminbi	7.8011	7.4894	7.7748	7.8509	7.8983
Pound sterling	0.85465	0.87638	0.84638	0.86905	0.85828
Hong Kong dollar	8.454	8.4709	8.3594	8.6314	8.5157
Canadian dollar	1.4685	1.4565	1.467	1.4642	1.4415
Rouble	98.1508	83.76808	92.0674	100.215	97.1175
Singapore dollar	1.4561	1.444	1.4513	1.4591	1.4732
Taiwan dollar	34.4763	33.0264	34.797	33.874	33.8158
Dirham	3.9709	3.9687	3.9314	4.0581	3.9905
Kuwaiti dinar	0.3324	0.3313	0.3284	0.3396	0.3342

3.7 SEASONAL OR CYCLICAL ASPECTS OF INTERIM TRANSACTIONS

While not subject to significant seasonal or cyclical changes in total annual sales, during the various quarters of the year, the Group's activities suffer from a lack of perfect uniformity in the flow of revenues and costs deriving mainly from its businesses.
Furthermore, the luxury market which the Group operates in is characterised at the level of sales channels by seasonal factors that have an impact on economic results.
A first phenomenon of seasonality is related to the sales patterns of wholesale distribution channels, which result in greater revenues in the first and third quarters of each financial year. In fact, shipments determine greater sales in the months of January-March for the Spring-Summer collection and in the months of July-September for the Fall-Winter collection, although international customers usually require shipments of the latter during the second quarter as well.
As far as the retail channel is concerned, the Group's revenues are mainly concentrated in the last quarter of each financial year, a period characterised by the sale of those products with a higher unit value.

For these reasons an analysis of the half-yearly results or operating and financial indicators should not be considered to be entirely representative, and it would be erroneous to consider benchmark figures for the half year as strictly proportional to the full year. Reference should also be made to the Interim Report on Operations of the Board of Directors as at 30 June 2024 for a further description of the "seasonality" phenomena.

3.8 OPERATING SEGMENTS

For the purposes of IFRS 8 Operating Segments the Group's business is conducted in a single operating segment.

4. COMMENTS ON THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

INTRODUCTION

During the first half of 2024, in compliance with paragraphs 9 and 12 of IAS 36 and internal procedures, suitable evaluations were carried out to determine if an asset could have been impaired.
The dynamics of the business recorded in the period under examination and the updates to future trends are improvements with respect to the assumptions made for verifying the recoverability of values carried out when preparing the consolidated financial statement as at 31 December 2023.
Therefore no indicators of possible loss of value were identified and therefore no specific impairment tests were carried out for assets entered in the financial statements.

Note 1. Right of use

The composition of right-of-use assets as at 30 June 2024 with comparative figures as at 31 December 2023 is as follows:

(Euro/000)	30 June 2024	31 December 2023	Change
Right of use property	581,683	500,252	81,431
Right to use equipment	161	181	(20)
Right to use other tangible fixed assets	638	618	20
Total right of use assets	**582,482**	**501,051**	**81,431**

Details of cost, accumulated depreciation and net book value of right-of-use assets as at 30 June 2024 with comparative figures as at 31 December 2023 are as follows:

(Euro/000)	30 June 2024			31 December 2023		
	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value
Right of use property	1,083,030	(501,347)	581,683	958,469	(458,217)	500,252
Right to use equipment	281	(120)	161	281	(100)	181
Right to use other tangible fixed assets	1,160	(522)	638	1,123	(505)	618
Total right of use assets	**1,084,471**	**(501,989)**	**582,482**	**959,873**	**(458,822)**	**501,051**

Right-of-use assets as at 30 June 2024 amounted to €582,482 thousand and mainly relate to leases for spaces in the Group’s boutiques and showrooms, and to a residual extent to leases for offices and logistics, equipment and other assets. This item also includes Key Money paid by the Group as it is classified as an initial direct cost of leases according to IFRS 16.

The following table sets out changes in the net book value of intangible assets for the six months ended 30 June 2024:

(Euro/000)	Right of use property	Right to use equipment	Right to use other tangible fixed assets	Total right of use assets
Balance at 1 January 2024	**500,252**	**181**	**618**	**501,051**
Increases	126,566	-	263	126,829
Net decreases	(2,356)	-	(31)	(2,387)
Translation differences	8,233	-	3	8,236
Changes in the scope of consolidation	356	-	-	356
Depreciation and amortisation	(51,368)	(20)	(215)	(51,603)
Balance as at 30 June 2024	**581,683**	**161**	**638**	**582,482**

The main increases recognised during the first half of 2024 relate to new lease agreements signed during the period for the expansion of the retail network and the renewal of lease agreements for certain single-brand boutiques.

Note 2. Intangible assets

The composition of intangible assets as at 30 June 2024 with comparative figures as at 31 December 2023 is as follows:

(Euro/000)	30 June 2024	31 December 2023	Change
Concessions, licences, trademarks and similar rights	10,656	10,854	(198)
Fixed assets under construction and advances	4,586	2,970	1,616
Total intangible assets	**15,242**	**13,824**	**1,418**

Details of cost, accumulated depreciation and net book value of intangible assets as at 30 June 2024 with comparative figures as at 31 December 2023 are as follows:

(Euro/000)	30 June 2024			31 December 2023		
	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value
Concessions, licences, trademarks and similar rights	51,463	(40,807)	10,656	48,820	(37,966)	10,854
Other intangible fixed assets	1,721	(1,721)	-	1,721	(1,721)	-
Fixed assets under construction and advances	4,586	-	4,586	2,970	-	2,970
Total intangible assets	**57,770**	**(42,528)**	**15,242**	**53,511**	**(39,687)**	**13,824**

Intangible assets amounted to €15,242 thousand as at 30 June 2024 and consisted principally of concessions, licenses, trademarks and similar rights for software used in IT and Digital activities to support the business through the renovation and modernisation of the Group’s technological platforms, in particular those for the e-commerce website and for digital sales.

The following table sets out changes in the net book value of intangible assets for the six months ended 30 June 2024:

(Euro/000)	Concessions, licences, trademarks and similar rights	Fixed assets under construction and advances	Total intangible assets
Balance at 1 January 2024	**10,854**	**2,970**	**13,824**
Increases	2,479	1,674	4,153
Translation differences	26	(2)	24
Reclassifications	49	(56)	(7)
Depreciation and amortisation	(2,752)	-	(2,752)
Balance as at 30 June 2024	**10,656**	**4,586**	**15,242**

Capital expenditures for the first half of 2024 amounted to €4,153 thousand, of which €3,999 thousand relating to the project to upgrade the information technology and IT/Digital systems, accounted for as to €2,325 thousand under the items "Concessions, licenses, trademarks and similar rights" and as to €1,674 thousand under the items "Fixed assets under construction and advances".

Note 3. Property, plant and equipment

The composition of Property, plant and equipment as at 30 June 2024 with comparative figures as at 31 December 2023 is as follows:

(Euro/000)	30 June 2024	31 December 2023	Change
Land	23,383	22,138	1,245
Buildings	54,730	54,339	391
Leasehold improvements	77,933	74,968	2,965
Plant and machinery	6,696	5,918	778
Industrial and commercial equipment	2,693	2,426	267
Other assets	39,167	38,668	499
Fixed assets under construction and advances	26,696	14,579	12,117
Total property, plant and equipment	**231,298**	**213,036**	**18,262**

Details of historical cost, accumulated depreciation and the net book value of property, plant and equipment as at 30 June 2024 with comparative figures as at 31 December 2023 are as follows:

(Euro/000)	30 June 2024			31 December 2023		
	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value
Land	23,383	-	23,383	22,138	-	22,138
Buildings	72,916	(18,186)	54,730	71,493	(17,154)	54,339
Leasehold improvements	198,888	(120,955)	77,933	185,505	(110,537)	74,968
Plant and machinery	21,917	(15,221)	6,696	19,743	(13,825)	5,918
Industrial and commercial equipment	7,973	(5,280)	2,693	7,682	(5,256)	2,426
Other assets	93,923	(54,756)	39,167	87,027	(48,359)	38,668
Fixed assets under construction and advances	26,696	-	26,696	14,579	-	14,579
Total property, plant and equipment	**445,696**	**(214,398)**	**231,298**	**408,167**	**(195,131)**	**213,036**

Property, plant and equipment as at 30 June 2024 amounted to €231,298 thousand and is mainly comprised of the value of buildings used for production and the logistics for the main office, the improvements made to leased stores as well as equipment, plants and machinery useful for production and logistics and store furnishings.

The following table sets out the changes in the net book value of property, plant and equipment for the six months ended 30 June 2024:

(Euro/000)	Land	Buildings	Leasehold improvements	Plant and machinery	Industrial and commercial equipment	Other assets	Fixed assets under construction and advances	Total property, plant and equipment
Balance at 1 January 2024	**22,138**	**54,339**	**74,968**	**5,918**	**2,426**	**38,668**	**14,579**	**213,036**
Increases	1,245	1,423	9,294	866	640	5,043	16,464	34,975
Net decreases	-	-	(90)	(20)	(1)	(151)	-	(262)
Translation differences	-	-	904	43	-	519	120	1,586
Value adjustments	-	-	(73)	-	-	(88)	-	(161)
Reclassifications	-	-	3,053	29	-	1,392	(4,467)	7
Changes in the scope of consolidation	-	-	54	726	27	39	-	846
Depreciation and amortisation	-	(1,032)	(10,177)	(866)	(399)	(6,255)	-	(18,729)
Balance as at 30 June 2024	**23,383**	**54,730**	**77,933**	**6,696**	**2,693**	**39,167**	**26,696**	**231,298**

In the first half of 2024 the Brunello Cucinelli Group made investments in property, plant and equipment of €34,975 thousand consisting of the following:

– investments for a total of €2,668 thousand in the items "Land" and "Buildings", mainly related to the purchase of land in the area surrounding the hamlet of Solomeo, the purchase of the land where we will build the new production facility for the production of men's outerwear and tailoring suits in Gubbio, a district of excellence for artisan tailoring, as well as improvements made to other buildings owned;
– €9,294 thousand in "Leasehold improvements", principally due to the openings and expansion of DOS and wholesale points of sale and improvements to existing boutiques and showrooms throughout the world;
– €6,549 thousand, of which €866 thousand recognised under "Plant and machinery" (mainly referring to new machinery for production), €640 thousand under "Industrial and commercial equipment" (mainly for investments made at sales points and at Solomeo headquarters), €5,043 thousand under "Other assets" (mainly referring to investments in furniture and furnishings at sales points as well as for ordinary development and upgrading activities for furniture and furnishings, vehicles and equipment and the "historic collection" at the headquarters in Solomeo);
– additional investments recorded under "Fixed assets under construction and advances" for €16,464 thousand, including the continuation of the project to double the Solomeo factory, which will be built on the outskirts of the hamlet in a former industrial complex that has been entirely reclaimed and upgraded, and investments dedicated to the opening of new production facilities in Italy for the manufacture of men's outerwear and tailored suits within districts of excellence in the artisan tailoring industry.

Investments in IT/Digital amounted to €1,082 thousand in the first half of 2024 and refer to Property, plant and equipment.

Note 4. Investment property

The composition of investments in non-current financial assets as at 30 June 2024 with comparative figures as at 31 December 2023 is as follows:

(Euro/000)	30 June 2024	31 December 2023	Change
Investment property	11,316	10,072	1,244
Total investment property	**11,316**	**10,072**	**1,244**

This item, amounting to €11,316 thousand, relates to property complexes and building land located in Solomeo, also managed with the aim of being subsequently leased.

The table below shows changes in the net book value of investments in non-current financial assets for the first half of 2024:

(Euro/000)	Total investment property
Balance at 1 January 2024	**10,072**
Increases	1,327
Depreciation and amortisation	(83)
Balance as at 30 June 2024	**11,316**

Note 5. Current and non-current financial assets for leases

This item includes active subleases identified as “financial leases” that have been classified and accounted for as financial assets for investment.

This item was as follows as at 30 June 2024:

(Euro/000)	Non-current	Current	Total as at 30 June 2024
Financial assets for leases	2,895	2,434	5,329
Total financial assets for leases	**2,895**	**2,434**	**5,329**

Changes in the first half of 2024 are shown below:

(Euro/000)	Total financial assets for leases
Balance at 1 January 2024	**6,226**
Increases for new leases	121
Increases for interest income	32
Decreases for payments received	(1,050)
Balance as at 30 June 2024	**5,329**

Note 6. Other non-current financial assets

The composition of other non-current financial assets as at 30 June 2024 with comparative figures as at 31 December 2023 is as follows:

(Euro/000)	30 June 2024	31 December 2023	Change
Guarantee deposits and other financial receivables	20,850	18,571	2,279
Equity investments in associate companies	14,995	13,958	1,037
Total other non-current financial assets	**35,845**	**32,529**	**3,316**

Other non-current financial assets were equal to €35,845 thousand as at 30 June 2024. The balance mainly refers to guarantee deposits related to the sums paid by the Brunello Cucinelli Group in connection with the stipulation of lease agreements for single-brand shops, which increased due to new lease agreements.

Note 7. Inventories

The composition of inventories as at 30 June 2024 with comparative figures as at 31 December 2023 is as follows:

(Euro/000)	**30 June 2024**	**31 December 2023**	**Change**
Raw materials and consumables	58,770	61,358	(2,588)
Work in progress and semi-finished goods	12,785	14,270	(1,485)
Finished goods and merchandise	358,290	290,074	68,216
Inventory write-down provision	(88,418)	(78,411)	(10,007)
Total inventories	**341,427**	**287,291**	**54,136**

For more information on this item, reference should be made to the Interim Report on Operations of the Board of Directors as at 30 June 2024.

Note 8. Trade receivables

Trade receivables as at 30 June 2024 amounted to €83,342 thousand compared with €78,170 thousand as at 31 December 2023. For a comment on the changes in Net Working Capital, see the Interim Report on Operations of the Board of Directors as at 30 June 2024.

Trade receivables represent amounts due for the supply of goods and services and are all collectible in the short term, which means that their carrying amount is effectively their fair value at the date of preparation of these Consolidated condensed interim financial statements.
The amount by which receivables in the financial statements have been written down is a reasonable estimate of the impairment arising from the specific non-collectability risk identified in these receivables, as well as the expected loss in value.

Changes in the allowance for bad and doubtful debts during the period ended 30 June 2024, compared with the year ended 31 December 2023, are as follows:

(Euro/000)	**30 June 2024**	**31 December 2023**
Value at 1 January	**5,017**	**3,586**
Allocations	762	2,071
Uses	(92)	(637)
Changes in the scope of consolidation	18	-
Exchange differences	-	(3)
Value at the end of the period	**5,705**	**5,017**

Allocations for the period are included under the item "Value adjustments to assets and other provisions" in the Income statement.

During the first half of 2024, losses were recorded on receivables in the Income statement for a total of €5 thousand, which together with the uses of the provision for bad debts represented 0.02 % of period revenues.

The situation regarding overdue balances is illustrated in the usual ageing table:

(Euro/000) Overdue by:	30 June 2024	31 December 2023	30 June 2023
0-90 days	8,865	7,284	7,647
91-180 days	1,024	3,199	1,932
More than 180 days	868	786	928
TOTAL	**10,757**	**11,269**	**10,507**

Trade receivables as a percentage of turnover for the last 12 months remained constant as at 30 June 2024 compared to 31 December 2023 (6.9% in both periods), while they decreased compared to the figure as at 30 June 2023 when they amounted to 7.2% of turnover for the last 12 months, reflecting an extremely healthy situation despite a significant increase in revenues in the first half of 2024, with the wholesale channel growing by 13.1%.

Note 9. Tax receivables

The composition of tax receivables as at 30 June 2024 with comparative figures as at 31 December 2023 is as follows:

(Euro/000)	30 June 2024	31 December 2023	Change
IRES regional production tax receivables	-	10	(10)
IRAP regional production tax receivables	14	-	14
Other tax receivables	158	280	(122)
Total tax receivables	**172**	**290**	**(118)**

The item Tax receivables amounted to €172 thousand as at 30 June 2024. The balance refers to tax receivables for income taxes recorded by the Group's foreign companies.

Note 10. Other receivables and other current assets

The composition of other receivables and other current assets as at 30 June 2024 with comparative figures as at 31 December 2023 is as follows:

(Euro/000)	**30 June 2024**	**31 December 2023**	**Change**
Tax receivables	13,244	13,152	92
Credit card receivables	10,449	11,594	(1,145)
Accrued income and prepaid expenses	14,686	10,954	3,732
Advances to suppliers	2,412	1,812	600
Other receivables	3,993	3,595	398
Total other receivables and current assets	**44,784**	**41,107**	**3,677**

Tax receivables amounted to €13,244 thousand as at 30 June 2024 compared to €13,152 thousand as at 31 December 2023.
The item refers mainly to the VAT credit recorded by the parent company and by subsidiaries.

Credit card receivables amounted to €10,449 thousand as at 30 June 2024 compared to €11,594 thousand as at 31 December 2023. The amount refers to payments received through credit cards, which occurred before the end of the period but have not yet been credited to current accounts.

Accrued income and prepaid expenses are attributable to various types of prepayments, which can be summarised in the following types: prepaid costs for the production of catalogues for the Fall-Winter collection, which will be distributed in the second half of the year, prepaid rent for rentals not included in the scope of IFRS 16, utilities, insurance premiums and, increasingly important, fees for IT/digital management. Concerning the latter, advance fees amounted to €5,711 thousand as at 30 June 2024, continuously increasing.

Advances to suppliers mainly refer to down payments made to providers of services related to important brand events and to the production chain, with particular regard to small craft enterprises, in connection with external processing carried out on Group products.

Note 11. Other current financial assets

Other current financial assets amounted to €2,564 thousand as at 30 June 2024, whereas it equalled €883 thousand as at 31 December 2023. This refers to short-term financial assets, including receivables of a financial nature and, residually, to accrued interest income.

Note 12. Cash and cash equivalents

The composition of cash and cash equivalents as at 30 June 2024 with comparative figures as at 31 December 2023 is as follows:

(Euro/000)	30 June 2024	31 December 2023	Change
Bank and postal deposits	85,369	104,826	(19,457)
Cash in hand	760	1,209	(449)
Cheques	468	909	(441)
Total cash and cash equivalents	**86,597**	**106,944**	**(20,347)**

The above amounts can be readily converted into cash, they are not liable to constraints or restrictions and are subject to an insignificant risk of change in value. The Brunello Cucinelli Group believes that the credit risk related to cash and cash equivalents is limited because this item mostly refers to deposits in various leading domestic and foreign banks.

For details of the sources and uses of cash and cash equivalents in the first half of 2024, reference should be made to the Consolidated Cash Flow Statement.

Note 13. Derivative financial instruments

The Brunello Cucinelli Group enters certain derivative contracts to hedge the interest rate risk on its medium- to long-term bank debt and the exchange risk on sales made in currencies other than the Euro.

The Parent Company only takes out these contracts for hedging purposes as the Group's financial management policy does not permit trading in financial instruments for speculative purposes. Derivative financial instruments meeting the requirements of international accounting standards are accounted for using hedge accounting. Changes in the fair value of derivative financial instruments not qualifying for hedge accounting under international accounting standards are recognised in the Income statement in the relevant reporting period.

The interest rate and currency derivatives used by the Company are over the counter (OTC) instruments, meaning those negotiated bilaterally with market counterparties, and the determination of the relative current value is based on valuation techniques that use input parameters (such as rate curves, foreign exchange rates, etc.) observable on the market (level 2 of the fair value hierarchy envisaged by IFRS 7).

The following is noted for outstanding financial instruments as at 30 June 2024:
– all financial instruments measured at fair value are included in Level 2 (identical situation in 2023);
– during the first half of 2024, there were no transfers from Level 1 to Level 2 or vice versa;
– during the first half of 2024, there were no transfers from Level 3 to other levels or vice versa.

Derivatives are measured by taking as a reference the interest rates and yield curves observable at commonly quoted intervals.

Details of the composition of Current and non-current derivative financial assets and Current and non-current derivative financial liabilities as at 30 June 2024 are set out below, with comparative figures as at 31 December 2023:

(Euro/000)	**30 June 2024**	**31 December 2023**	**Change**
Current assets for derivative instruments hedging currency risk	2,027	7,939	(5,912)
Current assets for derivative instruments hedging interest rate risk:			
- Current assets for derivative instruments hedging interest rate risk accounted for using hedge accounting	854	772	82
- Current assets for derivative instruments hedging interest rate risk: not accounted for using hedge accounting	-	-	-
Total current derivative financial assets	**2,881**	**8,711**	**(5,830)**
Non-current assets for derivative instruments hedging currency risk	-	-	-
Non-current assets for derivative instruments hedging interest rate risk:			
- Non-current assets for derivative instruments hedging interest rate risk accounted for using hedge accounting	-	243	(243)
- Non-current assets for derivative instruments hedging interest rate risk not accounted for using hedge accounting	-	-	-
Total non-current derivative financial assets	**-**	**243**	**(243)**
Current liabilities for derivative instruments hedging currency risk	(3,806)	(987)	(2,819)
Current liabilities for derivative instruments hedging interest rate risk:			
- Current liabilities for derivative instruments hedging interest rate accounted for using hedge accounting	-	-	-
- Current liabilities for derivative instruments hedging interest rate not accounted for using hedge accounting	-	-	-
Total current derivative financial liabilities	**(3,806)**	**(987)**	**(2,819)**
Non-current liabilities for derivative instruments hedging currency risk	-	-	-
Non-current liabilities for derivative instruments hedging interest rate risk:			
- Non-current liabilities for derivative instruments hedging interest risk accounted for using hedge accounting	(229)	-	(229)
- Non-current liabilities for derivative instruments hedging interest rate risk not accounted for using hedge accounting	-	-	-
Total non-current derivative financial liabilities	**(229)**	**-**	**(229)**

The contractual characteristics of derivative financial instruments used to hedge interest risk and their relative fair values as at 30 June 2024 and 31 December 2023 are as follows:

(Euro/000)	**30 June 2024**		**31 December 2023**	
	current portion	**non-current portion**	**current portion**	**non-current portion**
Derivative assets/(liabilities)	854	(229)	772	243
Total fair value of IRS	**854**	**(229)**	**772**	**243**

The contractual characteristics of derivative financial instruments used to hedge currency risk and their relative fair value as at 30 June 2024 and 31 December 2023 are as follows:

(Euro/000)	Negative fair value		Positive fair value	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Derivative assets/(liabilities)	(3,806)	(987)	2,027	7,939
Total fair value foreign currency forward contracts	**(3,806)**	**(987)**	**2,027**	**7,939**

As required by IFRS 13, a calculation was made of the credit value adjustment and debit value adjustment for the outstanding derivative financial instruments but the result obtained was not material in terms of recognising the effects in these Consolidated condensed interim financial statements.

Note 14. Capital and reserves

Share capital as at 30 June 2024 amounted to €13,600 thousand, fully paid, consisting of 68,000,000 ordinary shares.

Shareholders' equity as at 30 June 2024 was €449,202 thousand, a decrease of €4,411 thousand compared to 31 December 2023, mainly due to the payment of dividends totalling €66,102 thousand.

Details of changes in Shareholders' equity for the periods ended 30 June 2024 and 30 June 2023 can be found in the Consolidated statement of changes in shareholders' equity.

The share-premium reserve amounts to €57,915 and is stated net of the listing costs incurred in 2012, which were deducted from shareholders' equity pro rata to the ratio between the number of new shares issued and the number of shares in existence following the IPO, in accordance with IAS 32.

Other equity reserves as at 30 June 2024 with comparative figures as at 31 December 2023 were as follows:

(Euro/000)	30 June 2024	31 December 2023	Change
Legal reserve	2,720	2,720	-
Extraordinary reserve	359,177	317,676	41,501
Revaluation reserve	3,060	3,060	-
Cash flow hedge reserve	327	6,567	(6,240)
IFRS first-time adoption reserve	(782)	(782)	-
Reserve for effects of IAS19	(451)	(972)	521
Translation reserve	(2,740)	(4,865)	2,125
Stock Grant Plan	13,024	9,232	3,792
Consolidated retained profits/(losses)	(70,811)	(76,977)	6,166
Total other reserves	**303,524**	**255,659**	**47,865**

The change in the "Extraordinary reserve", equalling €41,501 thousand, is mainly attributed to the destination of the previous year's profits, as approved by the Shareholders' Meeting on 27 April 2023, as well as the value of the treasury shares that were purchased during the period by the Parent Company, all of which were assigned free of charge to executive directors and employees of the company and its subsidiaries, in execution of the 2022-2024 Stock Grant Plan. For more details refer to the following paragraph "Significant events during the first half of 2024" in the Interim Report on Operations of the Board of Directors as at 30 June 2024.

The change in the cash flow hedge reserve of €6,240 thousand reflects the items presented in the Consolidated statement of comprehensive income.

The "Translation reserve" consists of the accumulated exchange differences arising from the translation of foreign financial statements expressed in a currency other than the Euro, as well as the exchange differences generated by intercompany loans for which settlement is not planned nor likely to occur in the foreseeable future. As such it is classified and recognised initially in a separate component of shareholders' equity in accordance with paragraph 15 of IAS 21 "Net Investment in a Foreign Operation".

With regard to the Stock Grant Plan, it should be noted that on 10 March 2022 the Board of Directors of Brunello Cucinelli S.p.A. approved the 2022-2024 Stock Grant Plan submitted for subsequent approval by the Ordinary Shareholders' Meeting on 27 April 2022.
The 2022-2024 Stock Grant Plan provides for the free allocation of shares to executive directors and employees of the Company and its subsidiaries if certain performance targets are achieved.
During the first half of 2024, the total purchase of 47,250 treasury shares by the Parent Company based on the mandate granted to Mediobanca - Banca di Credito Finanziario S.p.A. by the Parent Company's Board of Directors on 29 August 2023, in implementation of the shareholders' resolution of 27 April 2023.
as at the date of this Half-Year Financial Report, all of these shares were assigned free of charge to the executive directors and employees in top positions of the company and its subsidiaries, in execution of the 2022-2024 Stock Grant Plan.
On 14 March 2024 the Board of Directors of Brunello Cucinelli S.p.A. approved the 2024-2026 Stock Grant Plan submitted for subsequent approval by the Ordinary Shareholders' Meeting on 23 April 2024. The Plan provides for the free allocation of Company shares to executive directors and employees of the Company and its subsidiaries if certain performance targets are achieved.
As required by IFRS 2, the equity-settled Stock Grant Plans are measured at fair value and recognised in the Income statement among the costs over the period of the provision of the services by the beneficiaries and offset by a shareholders' equity reserve. The determination of the fair value of stock grants is made on the grant date, reflecting the market conditions existing on that date.

For information about the informational documents regarding the Plan, refer to the company website **www.brunellocucinelli.it** in the section "*Governance*".

Minority interest shareholders' equity attributable to non-controlling interests equalled €13,224 thousand as at 30 June 2024 compared to €11,822 thousand as at 31 December 2023 and represents non-controlling interests in the Group's subsidiaries.

Note 15. Employees termination indemnities

This item consists of the termination indemnity due to employees of the Group's Italian companies. The liability is set aside by law and discounted to present value by the means described in IAS 19.

The table below shows changes in liabilities for employee benefits for the as at 30 June 2024, compared with changes as at 31 December 2023:

(Euro/000)	30 June 2024	31 December 2023
Current value of the obligation at 1 January	**3,672**	**3,060**
Revaluation of employee termination indemnity	170	154
Benefits paid	(97)	(122)
Changes in the scope of consolidation	569	-
Financial (income)/expense	25	39
Exchange differences	(9)	(10)
Remeasurement of defined benefit plans (IAS19)	(813)	551
Current value of the obligation at the end of the period	**3,517**	**3,672**

The item "Remeasurement of defined benefit plans (IAS 19)" reflects the items presented in the consolidated statement of comprehensive income.

The main assumptions used in the calculation of the present value of the Italian employees' termination indemnity were as follows:

Financial assumptions

	30 June 2024	31 December 2023
Annual discount rate	2.36%	2.06%
Inflation rate	2.30%	4.00%
Expected staff turnover rate	8.80%	8.80%
Advances rate	1.00%	1.00%

Demographic assumptions

	30 June 2024	31 December 2023
Mortality	TABLE RG48	
Retirement age	65 years	

Turnover rate and termination severance indemnity (TFR) advances

	30 June 2024	31 December 2023
Advance rate %	1.00%	1.00%
Turnover rate %	8.80%	8.80%

Note that the Group performed a sensitivity analysis on the actuarial assumptions used to determine the liability as at 30 June 2024. Specifically, under the same conditions, a change of +10% in the discount rate used would result in a decrease in the balance of the liability equal to €128 thousand, while a change of -10% would result in an increase in the balance of the liability equal to €136 thousand.

Workforce

The following table sets out the average number of employees by category, expressed in terms of full time equivalent:

	30 June 2024	31 December 2023
Executives and managers	112.2	93.0
Office and sales staff	1,998.2	1,833.6
Blue-collar workers	910.7	696.7
Total workforce	**3,021.1**	**2,623.3**

Note 16. Provisions for risks and charges

Provisions for risks and charges mainly relate to the agents' supplementary termination indemnity provision, calculated in accordance with Italian legislation (article 1751-bis of the Italian civil code) and discounted to present value as required by IAS 37.

The following table sets out the changes in provisions for risks and charges for the period ended 30 June 2024 with comparative figures for the year ended 31 December 2023:

(Euro/000)	30 June 2024	31 December 2023
Agents' supplementary termination indemnity - value at 1 January	**2,180**	**1,960**
Allocations	249	263
Actuarial losses/(gains)	(300)	(43)
Agents' supplementary termination indemnity - balance at end of period	**2,129**	**2,180**
Other provisions for risks - value at 1 January	**843**	**1,055**
Exchange differences	26	(35)
Uses	-	(177)
Other provisions for risks - value at period end	**869**	**843**
Total provisions for risks and charges	**2,998**	**3,023**

The change in the first half of 2024 to the Agents' supplementary termination indemnity refers to the adjustment of the indemnity for the contractual relationships in force.

The discount rate used in the actuarial calculation of the provision for agents' severance indemnity as at 30 June 2024 was 2.39%, compared to 2.09% on 31 December 2023.

Note 17. Non-current payables towards banks

Non-current payables towards banks consists of long-term loans.

The following table provides details of the Brunello Cucinelli Group's outstanding loans as at 30 June 2024, showing the portion due within 12 months, between 1 and 5 years and after 5 years:

(Euro/000)	**Residue as at 30 June 2024**	**Share within subsequent year**	**Share within 5 years**	**Share after 5 years**
Total medium long-term loans	125,063	45,360	79,703	-
Total non-current payables towards banks	**79,703**			

These are calculated on an annual basis by making reference to the Consolidated financial statements of Brunello Cucinelli S.p.A.

Finally note that the payables specified are not encumbered by collateral on company assets.

Note 18. Current and non-current lease liabilities

The application of the IFRS 16 accounting standard has led to the recognition of a financial liability consisting of the present value of residual future payments. The balance as at 30 June 2024 breaks down as follows:

(Euro/000)	**Non-current**	**Current**	**Total as at 30 June 2024**
Financial liabilities for leases	541,102	100,117	641,219
Total financial liabilities for leases	**541,102**	**100,117**	**641,219**

Changes in the six months ended 30 June 2024 were as follows:

(Euro/000)	**Total financial liabilities for leases**
Balance at 1 January 2024	**557,895**
Increases for new leases	126,947
Decreases for early termination of leases	(2,431)
Change in the scope of consolidation and related balance	356
Increases for interest expense	9,189
Decreases for payments made	(58,727)
Foreign exchange gains/(losses)	(2,271)
Translation differences	10,261
Balance as at 30 June 2024	**641,219**

Net financial debt

The following table provides details of the structure of the net financial debt of the Brunello Cucinelli Group as at 30 June 2024 compared to the situation as at 31 December 2023, restated in accordance with the format required by Consob reminder No. 5/21 of 29 April 2021 “Compliance with ESMA Guidelines on disclosure obligations pursuant to the prospectus regulation”.

(Euro/000)	**30 June 2024**	**31 December 2023**
A. Cash and cash equivalents	(86,597)	(106,944)
B. Means equivalent to cash and cash equivalents	-	-
C.1. Other current financial assets	(2,564)	(883)
C.2. Other current financial assets for leases	(2,434)	(2,954)
D. Cash and cash equivalents (A+B+C)	**(91,595)**	**(110,781)**
E.1. Current financial debt	29,443	64,782
E.2. Current financial debt for leases	100,117	97,498
F. Current portion of non-current financial debt	45,360	24,259
G. Current financial debt (E+F)	**174,920**	**186,539**
H. Net current financial debt (G+D)	**83,325**	**75,758**
I.1. Non-current financial debt	83,034	24,932
I.2. Non-current financial debt for leases	541,102	460,397
J. Debt instruments	-	-
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I+J+K)	**624,136**	**485,329**
M. Total financial debt (H+L)	**707,461**	**561,087**
of which:		
Net financial debt for the core business	*68,676*	*6,146*
Payables for leases	*638,785*	*554,941*

For a comment, see the Interim Report on Operations of the Board of Directors as at 30 June 2024.

As required by IAS 7 Statement of Cash Flows the following table sets out changes in liabilities deriving from financing activities:

(Euro/000)			Non-monetary flows			
	31 December 2023	Monetary flows	Exchange rate changes	Changes in Fair Value	Other	30 June 2024
Non-current bank debt	22,160	71,461	-	-	(13,918)	79,703
Other non-current financial liabilities	2,772	-	35	229	295	3,331
Current portion of non-current debt	24,259	-	-	-	21,101	45,360
Current and non-current lease liabilities	557,895	(58,727)	(2,271)	-	144,322	641,219
Other current financial payables	64,782	(29,777)	25	-	(5,587)	29,443
Current financial assets	(883)	-	-	-	(1,681)	(2,564)
Current financial liabilities for leases	(2,954)	1,050	-	-	(530)	(2,434)
Cash and cash equivalents	(106,944)	21,463	(1,116)	-	-	(86,597)
Net financial debt	**561,087**	**5,470**	**(3,327)**	**229**	**144,002**	**707,461**

It should be noted that the column "Monetary flows" indicates the flows of the consolidated cash flow statement, while the column "Other" mainly refers to the effects of reclassification from the "non-current" portion to the "current" portion of outstanding loans, as well as, with respect to the row "Current and non-current financial liabilities for leases", to the amount generated by the effects of increases, decreases and discounted interest relating to contracts falling within the scope of IFRS 16.

Note 19. Non-current financial liabilities

The item Non-current financial liabilities, amounting to €3,102 thousand as at 30 June 2024, refers to the loan payable, for its share, by the shareholder Al Tayer to the subsidiary Brunello Cucinelli Kuwait for Readymade and Novelty Clothes' Retail WLL, a loan that for the proportional part was made by the Group itself.

(Euro/000)	30 June 2024	31 December 2023	Change
Non-current financial liabilities	3,102	2,772	330
Total non-current financial payables	**3,102**	**2,772**	**330**

Note 20. Other non-current liabilities

Other non-current liabilities amounted to €173 thousand as at 30 June 2024 compared to €209 thousand as at 31 December 2023. The balance refers completely to the rediscount of the tax credit for investment in capital goods entered by the Parent Company.

(Euro/000)	30 June 2024	31 December 2023	Change
Non current deferred income	173	209	(36)
Total other non-current liabilities	**173**	**209**	**(36)**

Note 21. Trade payables

The composition of trade payables as at 30 June 2024 with comparative figures as at 31 December 2023 is as follows:

(Euro/000)	30 June 2024	31 December 2023	Change
Trade payables to third-party suppliers	162,017	166,244	(4,227)
Total trade payables	**162,017**	**166,244**	**(4,227)**

Trade payables represent amounts due for the supply of goods and services.
For the comment on the changes in Net Working Capital, see the Interim Report on Operations of the Board of Directors as at 30 June 2024.

Note 22. Current payables towards banks

The composition of current bank debt as at 30 June 2024 with comparative figures as at 31 December 2023 is as follows:

(Euro/000)	30 June 2024	31 December 2023	Change
Current portion of medium/long-term loans	45,360	24,259	21,101
Bank advances received and invoices	26,732	62,684	(35,952)
Total current bank debt	**72,092**	**86,943**	**(14,851)**

The current portion of medium/long-term loans refers to the portion of bank loans falling due within 12 months.

Amounts due to banks for advances relate to advances on trade receivables for financing operations.

Reference should be made to the Interim Report on Operations of the Board of Directors as at 30 June 2024 for further details.

Note 23. Current financial liabilities

Current financial payables as at 30 June 2024 amounted to €2,711 thousand, compared to €2,098 thousand as at 31 December 2023.

(Euro/000)	30 June 2024	31 December 2023	Change
Current financial liabilities	2,711	2,098	613
Total current financial payables	**2,711**	**2,098**	**613**

Note 24. Income tax payables

Income tax payables as at 30 June 2024 amounted to €47,115 thousand, compared to €14,367 thousand as at 31 December 2023.

The item mainly includes the IRES and IRAP tax payables of the Parent Company and the current tax payable contributed to the consolidation by the subsidiaries.

(Euro/000)	30 June 2024	31 December 2023	Change
Current IRES regional production tax payables	32,407	10,234	22,173
Current IRAP regional production tax payables	6,458	2,084	4,374
Other income tax payables	8,250	2,049	6,201
Total income tax payables	**47,115**	**14,367**	**32,748**

Note 25. Other current liabilities

The composition of other current liabilities as at 30 June 2024 with comparative figures as at 31 December 2023 is as follows:

(Euro/000)	30 June 2024	31 December 2023	Change
Payables to agents	1,982	2,281	(299)
Payables to employees	23,277	17,810	5,467
Social security payables	6,032	7,154	(1,122)
Payables of Italian companies for withholding tax (IRPEF, withholdings)	3,746	5,340	(1,594)
Payables for current taxes not on income	339	347	(8)
VAT payables	5,187	7,031	(1,844)
Accrued expenses and deferred income	531	936	(405)
Advances from customers	9,872	9,198	674
Other payables	8,114	5,544	2,570
Total other current liabilities	**59,080**	**55,641**	**3,439**

Amounts due to agents relate to accrued commissions payable by the Brunello Cucinelli Group to its agents but not yet paid at the balance sheet date.

Payables to employees include those for June salaries paid
in the first days of July and the debt relating to accrued and untaken holidays and deferred remuneration
(such as the 13th month's salary), while social security payables refer to contributions on salaries paid in June and on salaries entered on an accrual basis in June and paid in early July.

Taxes withheld by the Italian companies consist of end of period balances for IRPEF and withholding taxes paid in July.

VAT payables relate mainly to the balances of the Group's foreign companies.

Advances from customers refer to advances that Group companies receive before the shipment of goods from some customers, both retail and wholesale, mainly foreign.

Note 26. Tax

DEFERRED TAX ASSETS AND LIABILITIES

The composition of deferred tax assets and liabilities as at 30 June 2024 with comparative figures as at 31 December 2023 is as follows:

(Euro/000)	**30 June 2024**	**31 December 2023**	**Change**
Deferred tax assets	92,585	79,503	13,082
Deferred Tax liabilities	(8,900)	(10,256)	1,356

The balance of deferred tax assets is mainly attributable to the tax effect related to the elimination of intercompany margins on inventories, the recognition of deferred tax assets on the write-down reserve for inventory and the deferred taxation recorded on temporary differences generated by the accounting of rents and losses on foreign exchange from valuation.

Deferred tax assets are recognised to the extent that it is probable that sufficient future taxable profit will be available against which temporary deductible differences and carried forward tax assets and liabilities can be utilised.

INCOME TAXES

The composition of the item Income Taxes resulting from the Consolidated Income Statement for the first half year ended 30 June 2024 and for the first half year ended 30 June 2023 is shown below:

(Euro/000)	30 June 2024	30 June 2023	Change
Current taxes	41,280	30,588	10,692
Net deferred taxes	(12,123)	(11,990)	(133)
Prior year taxes	13	(21)	34
Total income taxes in the consolidated Income statement	**29,170**	**18,577**	**10,593**
Income taxes in the consolidated statement of comprehensive income	(2,030)	(524)	(1,506)
Total income taxes	**27,140**	**18,053**	**9,087**

Taxes are calculated using the best estimate at the balance sheet date of the expected annual tax rate.

It should be noted that the item Income Taxes as at 30 June 2023 was positively impacted by the effects of the capital gain related to the sale of a minority interest in the associated company Cariaggi Lanificio S.p.A.

5. COMMENTS ON THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

Note 27. Revenues

The composition of revenues as at 30 June 2024 with comparative figures as at 30 June 2023 is as follows:

(Euro/000)	30 June 2024	30 June 2023	Change
Revenues	620,662	543,942	76,720
Total revenues	**620,662**	**543,942**	**76,720**

Revenues are earned from the sale of clothing, accessories and the provision of services of the Brunello Cucinelli Group.
For a detailed comment, see the Interim Report on Operations of the Board of Directors as at 30 June 2024.

Revenues may be broken down by geographical area as follows:

(Euro/000)	Half-year period ended 30 June					
	2024	impact %	2023	impact %	Change	% change
Europe	152,959	24.6%	141,881	26.1%	11,078	+7.8%
Italy	68,093	11.0%	60,888	11.2%	7,205	+11.8%
Americas	225,616	36.4%	189,007	34.7%	36,609	+19.4%
Asia	173,994	28.0%	152,166	28.0%	21,828	+14.3%
Total	**620,662**	**100.0%**	**543,942**	**100.0%**	**76,720**	**+14.1%**

Revenues may be broken down by distribution channel as follows:

(Euro/000)	Half-year period ended 30 June					
	2024	impact %	2023	impact %	Change	% change
Retail	395,184	63.7%	344,648	63.4%	50,536	+14.7%
Wholesale	225,478	36.3%	199,294	36.6%	26,184	+13.1%
Total	**620,662**	**100.0%**	**543,942**	**100.0%**	**76,720**	**+14.1%**

In accordance with the accounting standard IFRS 15 the Group recognises revenues for the sale of products at a point in time.

Reference should be made to the Interim Report on Operations of the Board of Directors for comments on revenue performance as at 30 June 2024.

Note 28. Costs of raw materials and consumables

The composition of costs for raw materials and consumables as at 30 June 2024 as compared to the situation as at 30 June 2023 is as follows:

(Euro/000)	**30 June 2024**	**30 June 2023**	**Change**
Costs of raw materials and consumables	89,663	81,380	8,283
Change in inventories	(50,387)	(27,380)	(23,007)
Total costs of raw materials and consumables	**39,276**	**54,000**	**(14,724)**

Reference should be made to the Interim Report on Operations of the Board of Directors for comments on this item as at 30 June 2024.

Note 29. Costs for services

The composition of Costs for services as at 30 June 2024 with comparative figures as at 30 June 2023 is as follows:

(Euro/000)	**30 June 2024**	**30 June 2023**	**Change**
Outsourced work	119,177	100,902	18,275
Advertising and other marketing costs	44,633	36,256	8,377
Transport and duties	27,884	23,446	4,438
Lease expense	29,213	22,807	6,406
Commissions and accessory charges	5,596	4,408	1,188
Credit card charges	8,724	7,557	1,167
Outsourced services, training and miscellaneous consultancy	8,036	6,084	1,952
Maintenance and security services	7,564	5,357	2,207
Electricity, telephone, gas, water and postal expenses	3,507	3,121	386
Directors' and statutory auditors' fees	4,428	2,097	2,331
Insurance	1,315	1,121	194
IT and digital maintenance and support	9,052	5,932	3,120
Other general expenses	12,376	8,752	3,624
Total costs for services	**281,505**	**227,840**	**53,665**

The main Costs for services are commented in the Interim Report on Operations of the Board of Directors as at 30 June 2024, to which reference should be made.

Finally, note that Costs for services also include an amount of €10,251 thousand relating to expenses of an IT/Digital nature as at 30 June 2024 compared to €7,412 thousand as at 30 June 2023.

Other general expenses amount to €12,376 thousand as at 30 June 2024 compared to €8,752 thousand as at 30 June 2023. The increase of €3,624 thousand is mainly attributable to the increase in international travel of all our people for development, creativity and management implementation activities combined with a significant increase in both flight and hotel tariffs.

In addition, Outsourced services, training and miscellaneous consultancy shown in the table includes, for a residual amount equal to €90 thousand, relocation costs paid by the Parent Company and paid indirectly to the parent company Foro delle Arti S.r.l. through a company specialised in the transport sector.
As a result, given the indirect nature of the relationship, this amount was not indicated in the paragraph concerning Related party transactions in these notes to these Consolidated condensed interim financial statements.

Note 30. Payroll costs

The composition of Payroll costs as at 30 June 2024 with comparative figures as at 30 June 2023 is as follows:

(Euro/000)	**30 June 2024**	**30 June 2023**	**Change**
Wages and salaries	89,987	73,874	16,113
Social security contributions	19,084	16,125	2,959
Employee termination indemnity	2,542	2,057	485
Other payroll costs	1,584	1,277	307
Total payroll costs	**113,197**	**93,333**	**19,864**

Note that Payroll costs include the cost accrued as at 30 June 2024 (overall equal to €3,695 thousand) with respect to the 2022-2024 Stock Grant Plan and the 2024-2026 Stock Grant Plan. For more details about the aforementioned transactions, reference should be made to the section "Significant events during the first half of 2024" in the Interim Report on Operations of the Board of Directors for the six months ended 30 June 2024 and in Note 14 to these Consolidated condensed interim financial statements.

Reference should be made to the Interim Report on Operations of the Board of Directors as at 30 June 2024 for a comment regarding Payroll costs.

Note 31. Other operating expenses

The composition of Other operating costs as at 30 June 2024 with comparative figures as at 30 June 2023 is as follows:

(Euro/000)	**30 June 2024**	**30 June 2023**	**Change**
Taxes and duties	4,122	3,213	909
Losses on bad debts	5	5	-
Socially useful expenses and donations	1,236	872	364
Other operating costs	5,250	9,491	(4,241)
Total other operating costs	**10,613**	**13,581**	**(2,968)**

The item Other operating expenses amounts to €10,613 thousand as at 30 June 2024, down €2,968 thousand compared to €13,581 thousand as at 30 June 2023.

Note 32. Other operating income

The composition of Other operating revenues as at 30 June 2024 with comparative figures as at 30 June 2023 is as follows:

(Euro/000)	30 June 2024	30 June 2023	Change
Other operating income	1,767	983	784
Total other operating income	**1,767**	**983**	**784**

The Other operating revenues item equals €1,767 thousand and mainly refers to rent income for spaces used by commercial partners not included in the scope of application of IFRS 16, contributions and reimbursements received during the period.

Note 33. Costs capitalized

The increase of €789 thousand in own work capitalised mainly relates to production costs incurred to develop the historical collections, costs for the internal fit-out of the Group's boutique. The value as at 30 June 2023 amounted to €762 thousand.

Note 34. Depreciation and amortisation

The composition of Depreciation and amortisation as at 30 June 2024 with comparative figures as at 30 June 2023 is as follows:

(Euro/000)	30 June 2024	30 June 2023	Change
Depreciation of right of use assets	51,603	46,570	5,033
Amortisation of intangible assets	2,752	3,065	(313)
Depreciation of property, plant and equipment	18,729	17,408	1,321
Depreciation of investment property	83	72	11
Total depreciation and amortisation	**73,167**	**67,115**	**6,052**

The increase in the depreciation and amortisation charge is linked to the investments made by the Group.

Reference should be made to the Interim Report on Operations of the Board of Directors as at 30 June 2024 for comments on depreciation and amortisation trends.

Note 35. Impairment of assets and other accruals

The value adjustments to assets and other provisions (€873 thousand as at 30 June 2024 and €2,125 thousand as at 30 June 2023) refer to the provisions to the provision for bad debts, provisions to the supplementary termination indemnity provision and adjustments to the net residual carrying amount for tangible assets recorded upon expansion of Group boutiques.

Note 36. Financial expenses

The composition of Financial expense as at 30 June 2024 with comparative figures as at 30 June 2023 is as follows:

(Euro/000)	30 June 2024	30 June 2023	Change
Lease interest expense	9,189	5,988	3,201
Mortgage interest expense	1,510	897	613
Interest expense on advances	1,930	1,641	289
Bank interest expense	4	4	-
Realised exchange losses	7,996	21,251	(13,255)
Unrealised exchange losses	2,736	9,238	(6,502)
Exchange losses for leasing	2,835	6,670	(3,835)
Financial expense on derivatives	2,120	3,136	(1,016)
Miscellaneous financial expense	286	242	44
Total financial expenses	**28,606**	**49,067**	**(20,461)**

For a comment on the trend of the item in question, please see the Interim Report on Operations of the Board of Directors as at 30 June 2024 where the item Financial expenses is analysed together with the item Financial income and from equity investments.

Note 37. Financial income

The composition of Financial income and from equity investments as at 30 June 2024 with comparative figures for the six months ended 30 June 2023 is as follows:

(Euro/000)	30 June 2024	30 June 2023	Change
Lease interest income	32	39	(7)
Bank interest income	479	271	208
Realised exchange gains	8,605	23,342	(14,737)
Unrealised exchange gains	2,329	4,442	(2,113)
Exchange gains for leasing	4,866	-	4,866
Financial income on derivatives	1,263	927	336
Income from equity investments	1,651	17,590	(15,939)
Other income	41	27	14
Total Financial income and from equity investments	**19,266**	**46,638**	**(27,372)**

For a comment on the trend, please see the Interim Report on Operations of the Board of Directors as at 30 June 2024 where the item Financial income and from equity investments is analysed together with the item Financial expenses.

Note 38. Basic and diluted earnings per share

The basic earning per share is calculated by dividing the Result by the weighted average number of ordinary shares of the Brunello Cucinelli Group in circulation during the period, also taking into account the weighted average effect of the treasury shares held by the Company during the period of reference.

Diluted earnings per share show no difference to basic earnings per share and diluted earnings per share as there are no convertible bonds or other financial instruments with dilutive effects.

The following table shows the Result for the period attributable to the shareholders of the Parent Company and the share information used for the calculation of basic and diluted earnings per share:

	30 June 2024	30 June 2023
Profit for the period attributable to Parent Company shareholders	60,939	61,782
Number of ordinary shares at the end of the period	68,000,000	68,000,000
Weighted average number of ordinary shares used to calculate basic earnings per share	67,993,676	67,982,070
Weighted average number of ordinary shares used to calculate diluted earnings per share	67,993,676	67,982,070
Basic earnings per share (in Euro)	0.89625	0.90880
Diluted earnings per share (in Euro)	0.89625	0.90880

Note 39. Commitments and risks

As at 30 June 2024 the Group had commitments mainly attributable to leases of new points of sale for an amount of €24.6 million.

Also note assets owned by the Brunello Cucinelli Group lent to third parties and mainly related to operating machines and electronic equipment lent at no charge to workshops and outside companies which use them to produce and supply apparel and services for an amount of €302 thousand.

OTHER INFORMATION

RELATED PARTY TRANSACTIONS

The following tables provide details of transactions and balances with related parties. The companies indicated have been identified as related parties because they are directly or indirectly connected with the Brunello Cucinelli Group's shareholders of reference.

Pursuant to Consob Resolution No. 17221 of 12 March 2010, it is acknowledged that during the first half of 2024 the Group did not enter into major or material transactions with related parties that significantly affected the Group's capital or profit or loss for the period.

All transactions that are part of the normal operations of Brunello Cucinelli Group companies have been carried out in the exclusive interest of the Group, applying contractual conditions consistent with those theoretically achievable in negotiations with third parties.

Details of the Brunello Cucinelli Group's transactions and balances with related parties as at 30 June 2024 are as follows:

(Euro/000)	Revenues	Costs of raw materials and consumables	Costs for services	Payroll costs	Other operating income	Financial income	Property, plant and equipment	Other non-current financial assets	Trade receivables	Other current financial assets	Trade payables	Other current liabilities
MO.AR.R. S.n.c.	3	25	103	-	-	-	7,602	-	4	-	136	-
Cariaggi Lanificio S.p.A.	55	8,264	-	-	34	1,651	-	14,995	141	-	7,675	-
AS.VI.P.I.M. Gruppo Cucinelli	-	-	523	-	1	-	-	-	-	-	87	-
Brunello Cucinelli family	-	-	528	614	2	-	-	-	-	-	-	131
Directors and Executives with strategic responsibilities	-	-	2,648	4,716	-	-	-	-	-	1,529	-	2,678
Foro delle Arti S.r.l.	15	-	1,492	-	2	-	11,049	32	12	-	546	-
Brunello Cucinelli Foundation	68	1	3	-	5	-	-	-	9	-	3	-
Castello di Solomeo S.a.S.	-	-	38	-	3	-	7	-	1	-	27	-
S.C.R.Oratorio Interreligioso S.S.D. A.r.l.	-	-	-	-	1	-	-	-	-	-	-	-
Total related parties	**141**	**8,290**	**5,335**	**5,330**	**48**	**1,651**	**18,658**	**15,027**	**167**	**1,529**	**8,474**	**2,809**
Total consolidated financial statements	**620,662**	**39,276**	**281,505**	**113,197**	**1,767**	**19,266**	**231,298**	**35,845**	**83,342**	**2,564**	**162,017**	**59,080**
% Proportion	*0.02%*	*21.11%*	*1.90%*	*4.71%*	*2.72%*	*8.57%*	*8.07%*	*41.92%*	*0.20%*	*59.63%*	*5.23%*	*4.75%*

The following table sets out the balances as at 30 June 2024 arising from the application of the standard IFRS 16 to related party transactions:

(Euro/000)	Right-of-use	Non-current financial lease liabilities	Current financial liabilities for lease	Depreciation and amortisation	Financial expenses
Foro delle Arti S.r.l.	1,351	1,147	351	164	21
Total related parties	**1,351**	**1,147**	**351**	**164**	**21**
Total consolidated financial statements	**582,482**	**541,102**	**100,117**	**73,167**	**28,606**
% Proportion	*0.23%*	*0.21%*	*0.35%*	*0.22%*	*0.07%*

Specifically:

- MO.AR.R. S.n.c.: commercial relationships with MO.AR.R. S.n.c., of which Enzo Cucinelli, brother of Brunello Cucinelli, holds 50% of the share capital, mainly relate to the net value of investments for the furnishing of points of sale and company premises;

- Cariaggi Lanificio S.p.A.: the Parent Company has trade relations with the company Cariaggi Lanificio S.p.A. and essentially concern the purchase of yarn for production. Furthermore, based on the relationship of association between the Parent Company and Cariaggi Lanificio S.p.A. the value of the interest is recorded under Other non-current financial assets as well as financial income deriving from the valuation of the equity investment with the shareholders' equity method, as required by accounting standards IAS 28;

- AS.VI.P.I.M. Gruppo Cucinelli: this association conducts the surveillance of all of the buildings located in Solomeo and used by the Group for its business. It should be noted that Brunello Cucinelli and the Group are both associates;

- Brunello Cucinelli family: this is the remuneration deriving from the employment relationship and the fees for the office of Director of the Parent Company of Brunello Cucinelli and his family members;

- Directors and Executives with Strategic Responsibilities: includes the remuneration paid to Executives with Strategic Responsibilities for the employment relationship, the emoluments for the position of Directors of the Parent Company (including the emoluments of both CEOs) as well as the balances as at 30 June 2024 relating to the 2022-2024 Stock Grant Plan and the 2024-2026 Stock Grant Plan;

- Foro delle Arti S.r.l.: a company of which Brunello Cucinelli is Chairman and Chief Executive Officer, which holds 50.05% of the Parent Company as at 30 June 2024; the transactions mainly refer to the residual net book value of instrumental buildings acquired during previous financial years and to balances relating to contracts in force between the parties. They also refer to leases of buildings used by the Company for conducting operations in the area close to the Company's headquarters. The amounts involved and set out in the above table include the effects of applying the new accounting standard IFRS 16;

- Fondazione Brunello Cucinelli, Castello di Solomeo S.a.S. e S.C.R. Oratorio Interreligioso S.S.D. A.r.l.: this concerns insignificant amounts related mainly to expense recharges for services.

SIGNIFICANT EVENTS AFTER 30 JUNE 2024

For a comment on significant events that occurred after the date of these Consolidated condensed interim financial statements, refer to the Interim Report on Operations of the Board of Directors as at 30 June 2024.

COMPENSATION OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS

The amount of remuneration due to the members of the Board of Directors of Brunello Cucinelli S.p.A. as at 30 June 2024 is equal to a total of €3,323 thousand.
The compensation accruing to the Board of Statutory Auditors of Brunello Cucinelli S.p.A. as at 30 June 2024 amounted to €96 thousand.

ENVIRONMENTAL RISKS

The Brunello Cucinelli Groups considers the prevention and management of risks able to jeopardise the attainment of the company's objectives and its ability to continue as a going concern as a strategic priority.

Taking into account the Group's sector of operations, it is considered that its current exposure to the consequences of climate change are considered low, both in terms of probability as well as in terms of the ability to influence strategies and financial cash flows.

FINANCIAL RISK MANAGEMENT

Financial risks are managed on the basis of guidelines established by the Board of Directors. The aim is to ensure a liability structure that remains balanced with the composition of assets to maintain adequate levels of solvency.

The Brunello Cucinelli Group is exposed to various types of financial risks connected with its core business. More specifically, the Group is simultaneously exposed to market risk (interest rate risk and currency risk), liquidity risk, credit risk and tax risk.

Interest rate risk

It is the Group's policy to hedge its exposure on the medium and long-term portion of debt for market risk arising from interest rate changes. To manage such risk the Company uses derivative instruments such as interest rate swaps.

Exchange rate risk

The Brunello Cucinelli Group is exposed to exchange rate risk for the currencies in which sales are made to Group companies and third-party customers. This risk exists in the eventuality that the market value of revenues in Euro may decrease in the event of adverse fluctuations in the exchange rate, thereby preventing the desired margin from being achieved.

To limit its exposure to the currency risk deriving from its business activities the Brunello Cucinelli Group enters into derivative contracts (forward exchange contracts) that predetermine the conversion rate or a range of conversion rates at future dates.

The forward contracts are stipulated when seasonal price lists in foreign currency are defined on the basis of estimated sales, with the expiry date of the derivative set as the expected collection date of the sales invoices. In particular, the Company sets its selling prices in Euro and calculates the corresponding prices in foreign currency by applying the contracted forward exchange rate.

Liquidity risk

The Brunello Cucinelli Group manages liquidity risk by strictly controlling the items making up working capital and, in particular, receivables from customers and payables to suppliers.

The Group strives to obtain good cash generation in order to settle trade payables without jeopardising its short-term cash requirements and to avoid criticalities and strains of available cash.

Credit risks

Credit risk is the Group's exposure to potential losses arising from the failure by counterparties to meet their obligations.

The Group's exposure to commercial credit risk refers to sales to the wholesale channel. For sales to the retail channel, the risk is limited only to sales managed by the landlord, owner of the walls of the mall and direct manager of receipts within the boutiques. The remaining turnover
comes from the pure retail sales channel, with payment in cash or by credit or debit card.

The Brunello Cucinelli Group generally prefers to do business with customers with whom it has established a consolidated relationship over time. It is the Group's policy to carry out checks on the relative credit class for customers requesting extended payment terms both by using information obtainable from specialised agencies and observing and analysing customer economic-financial figures. In addition, balances are constantly monitored during the year in order to ensure timely action and reduce the risk of loss.

Tax risk

The Group is committed to applying the tax laws of the countries in which it operates, ensuring that the spirit and purpose that the regulations, or more generally the legal systems, envisage for the specific tax matter being interpreted are respected. In managing tax matters, the Group is guided by principles and approaches of prudence, simplicity and linearity. The Group adopts a reasonable and responsible interpretation of the regulations in force, and, in consideration of the significance of the case, it may seek the support of external professionals.

The Group consisted of companies located in various countries around the world. The tax risk limitation measures put in place by management to verify the adequacy and correctness of tax obligations obviously cannot completely exclude the risk of tax assessments.

The Group is characterised by the functional centralisation of risks and assets in the Parent Company Brunello Cucinelli S.p.A., while the other Group companies exclusively carry out distribution activities (mainly in the retail sector, with the exception of some companies that also operate in the wholesale sector).

BALANCES OR TRANSACTIONS DERIVING FROM ATYPICAL OR UNUSUAL OPERATIONS

Pursuant to Consob Communication No. DEM/6064293 of 28 July 2006, it should be noted that there were no atypical and/or unusual transactions, as defined in said Communication.

Solomeo, 28 August 2024

Luca Lisandroni
Chief Executive Officer
Markets Area

Brunello Cucinelli
Chairman of the Board of
Directors

Riccardo Stefanelli
Chief Executive Officer Prod-
uct and Operations Area

CERTIFICATION OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998 (CONSOLIDATED FINANCE ACT) AND ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED

1. The undersigned Luca Lisandroni, as Chief Executive Officer of the Markets Area, Riccardo Stefanelli, as Chief Executive Officer of the Product and Operations Area, and Dario Pipitone, as the Financial Reporting Officer of Brunello Cucinelli S.p.A., hereby certify, taking into account the provisions of article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of 24 February 1998:
   - their adequacy with respect to the company and
   - the effective application of the administrative and accounting procedures for the preparation of the Consolidated condensed interim financial statements during the course of the first half of 2024.

2. No significant aspects arose from applying the administrative and accounting procedures for the preparation of the Consolidated condensed interim financial statements as at and for the six months ended 30 June 2024.

3. We also certify that:

   3.1 The Consolidated condensed interim financial statements at 30 June 2024:
      a) have been prepared in accordance with the international accounting standards recognised by the European Community as per Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
      b) comply with the balances on the books of account and the accounting records;
      c) Are suitable for providing a true and fair view of the financial position, results and cash flows of the issuer as well as the set of companies included in the consolidation.

   3.2 The Interim Report on Operations of the Board of Directors includes a reliable analysis of the significant events that occurred during the first six months of the financial year and their effect on the Consolidated condensed interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The Interim Report on Operations of the Board of Directors also includes a reliable analysis of information on material transactions with related parties.

Solomeo, 28 August 2024

Luca Lisandroni
Chief Executive Officer
Markets Area

Riccardo Stefanelli
Chief Executive Officer Product and Operations Area

Dario Pipitone
Financial Reporting
of the company’s accounting documentsi

REPORT OF THE EXTERNAL AUDITORS ON THE LIMITED AUDIT OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

REVIEW REPORT

BRUNELLO CUCINELLI SPA

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2024

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REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Brunello Cucinelli SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Brunello Cucinelli SpA and its subsidiaries (Brunello Cucinelli Group) as of 30 June 2024, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity, cashflow statement and related explanatory notes.

The directors of Brunello Cucinelli Group are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Brunello Cucinelli Group as of 30 June 2024 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

PricewaterhouseCoopers SpA

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Pescara, 28 August 2024

PricewaterhouseCoopers SpA

Signed by

Stefano Amicone
(Partner)

This review 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.