

DE RIGO S.p.A.

Registered office: Zona Industriale Villanova, 12 - 32013 Longarone (BL)
Share capital €10,968,535.24 fully paid up

Management Report on the separate and consolidated financial statements for the year ended 31 December 2025

In accordance with the provisions of Legislative Decree No. 32 of 2 February 2007, Article 1(c), the company avails itself of the option to present the consolidated management report () and the company management report () in a single document, included within the consolidated financial statements, giving greater prominence, where appropriate, to matters that are relevant to the group of companies included in the consolidation.

It should therefore be noted that this Consolidated Management Report also contains all the information required by Article 2428 of the Italian Civil Code, with reference to the financial statements of De Rigo S.p.A..

Corporate Bodies

The Board of Directors of the parent company consists of 5 members:

Ennio De Rigo Piter	Chairman
Emiliana De Meio	Vice-Chair
Massimo De Rigo Piter	Vice-President with responsibility for
Maurizio Dessolis	Executive Vice-President
Michele Aracri	Managing Director

The Board of Directors remains in office until the approval of the financial statements as at 31 December 2026.

By resolution of 3 June 2024, the Chairman assumes the broadest powers of ordinary and extraordinary administration, whilst the Vice-Chairmen Massimo De Rigo Piter and Maurizio Dessolis and the Managing Director Michele Aracri have powers limited to ordinary administration.

The Board of Statutory Auditors consists of 3 standing members and 2 alternate members:

Paolo Giosuè Bifulco	Chairman
Alessandro Bampo	Auditor
Gianfilippo Cattelan	Auditor
Federica Monti	Alternate Auditor
Stefano Lodolo	Alternate Auditor

The Board of Statutory Auditors remains in office until the approval of the financial statements as at 31 December 2027.

Group organisational structure



Shareholding

As at 31 December 2025, the shareholding structure of De Rigo S.p.A. consisted of:

De Rigo Holding S.p.A.	97.84%
Ennio De Rigo Piter	2.06% of which 0.14% through his company Time Value S.r.l.
Others	0.10%

As at 31 December 2025, De Rigo S.p.A.'s securities consisted solely of ordinary shares not listed on an official market.

At the balance sheet date, De Rigo S.p.A. held no treasury shares in its portfolio. The subsidiaries do not hold, either directly or indirectly, any shares in the parent company.

Operating conditions and business development

Dear Shareholders,

The major macroeconomic changes that took place across the globe in 2025 had a significant impact on our Group's results.

Despite all this, the 2025 results confirmed the Group's established position amongst the world leaders in the sector, whilst showing some difficulty in maintaining the growth trend of recent years. The positive outlook leads us, however, to forecast medium-term growth for the sector of over 3% globally.

The introduction of new US tariffs has created a series of disruptions to our sales processes, significantly slowing down the export of our products to the US market. Although business returned to near-normal levels in the second half of the year, this did not allow the Group to recoup some of the ground lost.

Macroeconomic outlook

Global GDP growth stood at 3.2%, a slight decline from 3.3% in 2024, with advanced economies growing by around 1.5% and emerging and developing economies by just over 4%. The global economy showed greater-than-expected resilience in the face of trade tensions, with growth in 2025 in line with estimates made a year earlier.

Among the geographical areas, the eurozone was a positive surprise with growth of 1.5% for 2025, driven mainly by a solid labour market and domestic consumption.

Disinflation continued globally, but with divergent trends. Inflation in the eurozone averaged 1.9% in 2025, returning close to the ECB's target as early as the spring. In the US, the path was more tortuous: inflation never returned to 2% during 2025, largely due to the impact of tariffs. The December 2025 CPI had shown annual inflation at 2.7%, an improvement on the 3% recorded in September but still far from the target.

For much of the year, the US central bank remained on hold, waiting to assess the effect of tariffs on inflation and employment. In Europe, the ECB had already cut rates several times, reaching a level very different from the previous restrictive peak. Overall, global central banks eased policy in 2025.

2025 was marked by four major shocks. The Trump administration's historically high tariffs reshaped global trade flows, leading to massive front-loading in the first quarter. In 2025, the trend of using economic ties and supply chain vulnerabilities as tools of geopolitical coercion became entrenched: China imposed restrictions on exports of rare earths, drone components and chips. On the energy front, the Israel-Iran conflict in June 2025 pushed WTI from \$67 to \$76 a barrel, before returning to pre-conflict levels following the ceasefire on 24 June. The conflict in the Middle East represented the fourth major shock to the post-pandemic global economy, following COVID, the Russia-Ukraine war and US tariffs.

The overall picture is that of a resilient global economy but one under structural stress: growth is holding up, inflation is falling, but trade fragmentation and the proliferation of geopolitical conflicts are permanently reshaping supply chains and national economic policies.

Unfortunately, during 2026, a further shock (particularly in the energy sector) arose in connection with the new Iran-US-Israel conflict.

The consequence of these events has further reinforced the emergence of a widespread climate of economic uncertainty, to the detriment of consumer propensity to purchase.

Analysis of the Group's consolidated economic and financial position

Consolidated income statement of the Group

Based on the reclassified income statement, reproduced below, consolidated turnover for the 2025 financial year stood at €520.1 million, compared with €538.3 million in 2024 – a decrease of 3.4%. Currency fluctuations had a significant impact on the Group, accounting for a -2.7% impact on consolidated turnover. In fact, at constant exchange rates, the decrease compared to the consolidated turnover of 2024 would have been only -0.7%.

Revenue for the *Wholesale* division fell by 8.7% to €268.1 million from €293.5 million in 2024. At constant exchange rates, the decrease in revenue compared to 2024 would have been 6.4%.

Revenue for the *Retail* division increased by +2.5% to €266.6 million, compared with €260.1 million in 2024. At constant exchange rates, revenue growth compared with 2024 would have been +5.7%.

EBITDA, calculated by adding depreciation and amortisation for the year to operating profit, fell by 4.6% to €43.2 million, compared with €45.3 million in 2024, and represented 8.3% of turnover. For the Wholesale division, the decline in EBITDA reflects the deterioration in market conditions; however, the commercial measures taken and cost-cutting initiatives made it possible to limit the division's EBITDA decline to -4.8%. The Retail division's EBITDA was primarily impacted by the results of the Turkish subsidiary Opmar Optik.

Despite the positive accounting effect arising from the revaluation of balance sheet items for hyperinflationary economies, it recorded a positive EBITDA of €526, compared to €3.5 million in the previous financial year.

Operating profit stood at €28.3 million, compared with €34.9 million recorded in 2024, and represented 5.5% of turnover, down from 6.5% in the previous financial year.

Extraordinary and financial items made a positive contribution of €9.9 million, up from the €7.9 million contribution in 2024. In particular, the main factors can be grouped as follows:

- i) Net financial expenses decreased by €783,000 compared with the previous year, as interest on the €60 million syndicated loan taken out in 2023 fell by €770,000, reflecting both the trend in reference interest rates in Europe during 2025 and the reduction in bank debt.
- ii) In 2025, the Boots Opticians chain distributed a dividend to the Group of €5.9 million, down from €12.3 million in 2024; alongside the dividend, a revaluation of the investment in Boots Opticians was carried out for a further €6.2 million.
- iii) During 2025, the subsidiary European Vision Limited received interest on cash management of €720,000; in 2024, this income had been €346,000. Following the recapitalisation of the Turkish retail subsidiary Opmar Optik, the provision for risks set aside in previous financial years was released to the income statement, with a total positive impact of €3.4 million.
- iv) The net impact of foreign exchange losses was -€5.0 million, compared with a loss of -€2.6 million in 2024.

The final result is a net profit of €29.2 million, compared with the profit of €35.0 million recorded in 2024.

As at 31 December 2025, the Group's net financial position stood at a positive €56.9 million, a significant improvement on the €32.9 million recorded as at 31 December 2024.

This result is mainly attributable to the Group's ability to generate new cash flows of €15.4 million, whilst at the same time enabling it to partially repay the syndicated loan taken out in 2023 in the amount of €9 million.

As at 31 December 2025, the Group's UK pension fund had a surplus of €10.7 million, an improvement on the surplus of €9.5 million recorded as at 31 December 2024. Nevertheless, this benefit is not reflected in the consolidated income statement as there is no certainty that any surplus will be repaid to the Group, and in any case this can only occur at the end of the period for the completion of pension liability payments.

The key summary figures for economic activity are presented in the consolidated income statement (in thousands of euros), reclassified to facilitate the interpretation of operating performance:

	2025	2024	% change
NET SALES REVENUE	520,142	538,264	-3.4
Cost of goods sold	(203,774)	(221,014)	-7.8
GROSS PROFIT	316,368	317,250	-0.3%
Advertising and promotional costs	(37,335)	(40,224)	-7.2%
Cost of sales	(209,978)	(201,673)	4.1%
General and administrative expenses	(40,707)	(40,492)	0.5
OPERATING COSTS	(288,020)	(282,389)	2.0%
OPERATING PROFIT	28,348	34,861	-18.7%
Interest income	3,249	2,087	55.7%
Interest expense	(3,795)	(4,578)	-17.1
Provision for pension fund deficit	-	-	0.0
Other extraordinary income and expenses	10,541	10,362	1.7%
OTHER INCOME (EXPENSES)	9,995	7,871	27.0%
PROFIT BEFORE TAX	38,343	42,732	-10.3%
TAX FOR THE YEAR	(9,043)	(7,638)	18.4
NET PROFIT/LOSS BEFORE MINORITY INTERESTS	29,300	35,094	-16.5%
MINORITY INTERESTS	(59)	(59)	-0.0%
NET PROFIT	29,241	35,035	-16.5

In order to provide a clearer presentation of the operating result, the income statement has isolated the effect of non-recurring and extraordinary costs and revenues realised during the financial year and relating to unconsolidated investments, extraordinary write-downs of investments following impairment tests, as well as the usual impacts of exchange rate fluctuations.

Group consolidated revenue by geographical area

The Group achieved the following results by geographical area:

- turnover in Europe stood at €414.8 million, an increase of +1.7%. The markets that contributed most to the positive result in Europe were the United Kingdom, Italy, Spain and Turkey.
- Turnover in the Americas fell by 25.3% to €50.5 million, compared with €67.7 million in 2024. The decline is mainly attributable to the impact of the new tariff policy on the US market, whilst Brazil recorded a slight dip. At constant exchange rates, the decline would have been 21.5%.
- Turnover in the rest of the world fell by 8.4% to €48.1 million, mainly due to the decline in the Middle Eastern market. At constant exchange rates, turnover in the rest of the world would have been €49.8 million, a decrease of 5% compared to 2024; the currencies that had the greatest impact on sales in this region were the Japanese yen and the Hong Kong dollar.
- Other income consists mainly of royalties received by the Group from licences granted to third parties for the Police brand in categories other than eyewear; it also includes rental income from the subsidiary European Vision Limited, which was affected by the disposal of properties carried out in the previous financial year.

Sales by geographical area	2025	2024	Change	% change
Europe (including Italy)	414.8	408.1	6.7	1.7%
America	50.5	67.7	(17.2)	-25.3%
Rest of the world	48.1	52.4	(4.3)	-8.4%
Total	513.4	528.2	(14.8)	-2.8%
Other revenue	6.7	10.1	(3.4)	-33.1%
Consolidated revenue	520.1	538.3	(18.2)	-3.4%

Group consolidated revenue by business division

The following table summarises the main results of the two divisions in 2025 and 2024 in millions of euros:

Group divisions	REVENUE FROM PRODUCTION AND SERVICES			GROSS OPERATING MARGIN			OPERATING PROFIT		
	2025	2024	% Change	2025	2024	% change	2025	2024	% change
Production and wholesale distribution	268.1	293.5	-8.7%	17.9	18.8	-4.8%	14.7	15.7	-6.4%
Retail trade	266.6	260.1	2.5%	25.2	27.1	-7.0%	17.5	19.8	-11.6%
<i>Intra-group eliminations</i>	<i>-14.6</i>	<i>-15.3</i>	<i>-5.2%</i>	<i>0.1</i>	<i>-0.6</i>	<i>-116.7%</i>	<i>-3.9</i>	<i>-0.6</i>	<i>550.0%</i>
Total	520.1	538.3	-3.4%	43.2	45.3	-4.6%	28.3	34.9	-18.9%

Production and wholesale

Revenue for the *Wholesale* division fell by 8.7% to €268.1 million, compared with €293.5 million in 2024. Many of the division's markets remained stable compared with the previous year, whilst the markets that saw a decline were the USA, the Middle East and Australia.

The Vista collections recorded an 8.0% year-on-year decline in sales value, whilst Sole sales fell by 6.1%. Overall, premium brands such as Philipp Plein, Chopard and Roberto Cavalli struggled, whilst brands such as Zadig & Voltaire, Mulberry and John Varvatos posted positive results.

Sales of House Brands were down slightly compared to 2024, with the exception of Lozza, which reported growth over the course of the year.

Retail

As at 31 December 2025, the Group's *retail* network comprised the following outlets:

	Owned stores			Franchised stores			Total		
	2025	2024	Change	2025	2024	Change	2025	2024	Change
General Optica	230	227	3	97	97	0	327	324	3
Opmar Optik	68	67	1	0	0	0	68	67	1
Boots Opticians*	370	373	-3	166	164	2	536	537	-1
Total	668	667	1	263	261	2	931	928	3

The Group's chain store network comprises: *General Optica*, the leading optical retail chain in the Spanish market and also owner of the *Mais Optica* brand, one of the leading chains in Portugal; the *Opmar Optik* chain, Turkey's second-largest retailer; *Boots Optical Investment Holdings Limited*, the second-largest optical retail chain in the UK market, in which the Group holds a 42% stake and which is indirectly consolidated using the equity method.

Revenue for the retail division stood at €266.6 million, representing an increase of +2.5% compared to the €260.1 million achieved in 2024. At constant exchange rates, the Retail division's turnover would have been approximately €8.5 million higher (+5.8% compared to 2024), excluding the depreciation of the Turkish lira.

Consolidated costs

The main costs by nature relating to operating activities show the following changes (as per the financial statements in thousands of euros):

Description	2025	2024	% change
Staff costs	156,906	160,324	-2.1
Cost of raw materials, ancillary materials, consumables and goods, adjusted for the change in inventories of raw materials, ancillary materials, consumables and goods, and the change in inventories of work in progress, semi-finished and finished products	176,567	193,665	-8.8
Cost of services	87,088	86,688	0.5
Cost of use of third-party assets;	53,752	51,757	3.9%
Depreciation, amortisation and write-downs	15,759	11,152	41.3%
Provisions for risks, other provisions and miscellaneous operating expenses	7,771	6,406	21.3
TOTAL PRODUCTION COSTS ADJUSTED FOR CHANGES IN INVENTORIES	497,843	509,992	-2.4

The changes in operating costs by nature are due to:

Labour costs: -2.1%, mainly due to the restructuring of the workforce at the De Rigo REM and De Rigo DACH branches carried out during the year.

Cost of raw materials and changes in inventories: -8.8%, mainly reflecting the decline in sales volumes, the strategy implemented during the financial year to reduce stock levels, as well as slight savings on purchases due to the strengthening of the euro against the main currencies.

Cost of services: +0.5%; the increase in service costs relates mainly to the production subsidiary De Rigo Vision S.p.A., where transport costs for goods sold rose by €2.4 million, partially offset by a reduction in marketing expenditure of €1 million. During the financial year, the logistics service of the American subsidiary De Rigo REM was also outsourced, with a cost of €636,000 for the year.

Costs for the use of third-party assets: +3.9%, mainly due to the increase in rents caused by high inflation.

Depreciation, amortisation and write-downs: +41.3%; the significant increase in depreciation, amortisation and write-downs is attributable to an accounting effect recorded in the financial statements of General Optica SA. The Group's main retail subsidiary was subject to a fair value adjustment of the shops recorded in the company's balance sheet, resulting in an increase in depreciation and amortisation in the income statement of €3.9 million.

Provisions for risks, other provisions and miscellaneous operating expenses: +21.3%. The increase in this item is mainly due to an extraordinary provision made by the Brazilian subsidiary following a recent ruling by the local court. The ruling will result in a total outlay of approximately €1 million for the Group. Furthermore, in the General Optica retail subsidiary, the increase in provisions is attributable to the discounting of provisions relating to guarantees and liabilities, mainly connected with commercial guarantees, as well as to the improvement in margins recorded during the financial year.

During the financial year, the Group had the following dealings with related parties:

Description	Financial receivables	Trade receivables	Other receivables	Financial payables	Other liabilities	Revenue	Costs	Financial expenses (income)
De Rigo Immobiliare	-	12	-	-	-	12	67	-
De Rigo Refrigeration Ltd	-	-	-	-	-	1	-	-
Amsterdam Properties S.L.	-	-	0	-	-	-	251	-
BOOTS OPTICIANS*	-	825	3,777	-	117	3,402	56	(5,910)
Total	-	837	3,777	-	117	3,415	374	(5,910)

* The Boots Opticians chain has an agreement in place with BBGR Ltd. for the supply, fitting of lenses and management of logistics. As a result of this agreement, De Rigo Vision invoices the majority of orders received from the Boots Opticians chain to BBGR Ltd., which, once the requested service has been provided, in turn invoices the Boots Opticians chain. Therefore, in order to provide a more accurate representation for the reader, the items relating to BBGR have been aggregated with those of Boots Opticians.

The Group is currently involved in a number of tax disputes in various countries.

During the periods 2013, 2017 and 2020–2021, certain Italian companies were subject to inspections by the Italian Revenue Agency – Veneto Regional Directorate covering the tax years 2008–2011, 2012–2014 and 2015–2017, resulting in the issuance of assessment notices for a total additional tax liability of approximately €9.4 million, largely arising from transfer pricing disputes.

The Group, believing that it has always acted correctly and in full compliance with current regulations, has lodged an appeal against each of the assessment notices received with the competent Tax Commission and has also initiated separate mutual agreement procedures with the International Relations Directorate – Department of Finance of the Ministry of Economy and Finance, primarily with regard to EU countries, pursuant to existing double taxation conventions (“MAP”).

Following the MAP agreements concluded by the Revenue Agency’s Advance Pricing Agreements and International Disputes Office, the outstanding claims relating to increases in taxable income have fallen to a total of approximately €3.3 million.

In pursuing its defence strategy regarding transfer pricing, during the three-year period 2017–2019 the Group also submitted applications for the activation of bilateral advance pricing agreements (BAPAs) between Italy and Spain, France and Germany, where its most significant European subsidiaries are located.

The Group considers that the provision for risks recorded as at 31 December 2025 is adequate to cover any liabilities and expenses that may arise in relation to tax matters.

Non-recurring, financial and consolidated investment items

Extraordinary and financial items contributed positively by €9.9 million, compared with €7.9 million in the previous financial year.

This change is mainly linked to the reduction in financial expenses relating to the loan taken out by the parent company and the higher return on cash held by the subsidiary European Vision Limited.

The negative impact of net foreign exchange gains and losses amounted to a loss of €5.0 million, compared with a net loss of €2.6 million in 2024.

The Group's net financial position, in thousands of euros, at the end of the year is as follows:

	2025	2024	Change
Bank deposits	102,899	87,483	15,416
Cash and other cash equivalents	475	566	(91)
Derivative assets	-	-	-
Cash and cash equivalents	103,374	88,049	15,325
Bonds and convertible bonds (due within 12 months)	-	-	-
Loans from shareholders (due within 12 months)	0	0	-
Bank borrowings (due within 12 months)	(8,869)	(8,797)	(72)
Payables to other lenders (due within 12 months)	(2)	(1)	(1)
Advances for foreign payments	-	-	-
Short-term portion of loans	-	-	-
Short-term financial liabilities	(8,871)	(8,798)	(73)
Net short-term financial position	94,503	79,251	15,252
Bonds and convertible bonds (over 12 months)	-	-	-
Loans from shareholders (over 12 months)	-	-	-
Bank borrowings (over 12 months)	(37,299)	(46,082)	8,783
Payables to other lenders (over 12 months)	(286)	(318)	32
Advances for foreign payments	-	-	-
Long-term share of loans	-	-	-
Financial receivables	0	0	-
Net medium- and long-term financial position	(37,585)	(46,400)	8,815
Net financial position	56,918	32,851	24,067

At the end of 2025, the Group's net financial position stood at a positive €56.9 million, an improvement on the previous year's positive balance of €32.9 million. Operating activities generated a positive cash flow of €57.7 million in 2025, down from €59.7 million in 2024, whilst working capital management generated €17.4 million, an increase compared to the negative €2.2 million in the previous financial year. The Group made investments of €20.7 million, compared with €12.5 million in the previous financial year, primarily for the refurbishment of existing retail outlets and the upgrading of the Group's IT systems. During the same period, the Group disposed of fixed assets with a total value of €2.5 million.

During the year, the group received dividends from its subsidiary Boots Opticians amounting to €5.9 million, compared with €12.3 million in the previous financial year. In the same financial year, contributions of €1.5 million were paid into the UK pension fund, whilst in 2024 the contribution amounted to €2.7 million.

In 2025, the parent company De Rigo SpA repaid two principal instalments of the syndicated loan taken out in 2023, amounting to €9 million.

The following table shows the balance sheet reclassified to net invested capital, in thousands of euros:

	2025	2024	Change
Trade receivables	59,511	71,746	(12,235)
Other receivables	45,917	50,946	(5,029)
Inventories	93,978	109,416	(15,438)
Short-term non-financial payables	(100,590)	(114,220)	13,630
A) Working capital	98,816	117,888	(19,072)
Net tangible and intangible fixed assets	71,559	69,295	2,264
Financial assets	159	307	(148)
Investments	33,704	29,078	4,626
Medium- and long-term provisions and non-financial liabilities	(51,778)	(54,863)	3,085
B) Net fixed assets	53,644	43,817	9,827
A+B = Net invested capital	152,460	161,705	(9,245)
C) Net financial debt	(56,918)	(32,851)	(24,067)
Opening equity	179,138	158,451	20,687
Treasury shares	-	-	-
Minority interests	999	1,070	(71)
Profit for the year	29,241	35,035	(5,794)
D) Shareholders' equity at the end of the financial year	209,378	194,556	14,822
C+D = Total Financial Liabilities (Cash and Cash Equivalents) and Shareholders' equity	152,460	161,705	(9,245)

Trade receivables have decreased compared with the previous financial year, mainly due to the decline in sales recorded during 2025.

During the year, inventories decreased by €15.4 million. This decline is due to a more efficient procurement policy compared to previous years, as well as a slowdown in orders during 2025.

The decrease in short-term non-financial liabilities is mainly due to a reduction in trade payables of €14.4 million.

The item 'Medium- and long-term provisions and non-financial liabilities' decreased by €3.1 million compared with 2024; this change is mainly due to the release of the provision for risks relating to the recapitalisation of the Turkish subsidiary Opmar Optik, amounting to €3.4 million.

Other receivables decreased mainly due to the utilisation of tax credits owed by a company associated with the Boots Opticians Group, and in particular the receivable due to the subsidiary European Vision LTD relating to the recovery of tax credits under the UK Consortium Tax Relief scheme; during 2025, this decreased from €8.1 million at the end of 2024 to €3.8 million as at 31 December 2025.

The main financial indicators are as follows (amounts in millions of euros):

Debt coverage ratio

	2025	2024
Net Financial Position	56.9	32.9
EBITDA	43.2	45.3
Debt coverage ratio	Positive NFP	Positive NFP

In 2025, the Net Financial Position was positive at €56.9 million. See the comment in the previous paragraph.

Return on sales (ROS):

	2025	2024
Operating profit	28.3	34.9
Revenue	520.1	538.3
ROS %	5.5%	6.5%

Return on investment (ROI):

	2025	2024
Operating profit	28.3	34.9
Net invested capital	152.5	161.7
ROI %	18.6%	21.6%

Return on equity (ROE):

	2025	2024
Net profit	29.2	35.0
Equity	209.4	194.6
ROE %	14.0%	19.0%

Consolidated tax rate

The Group recorded an average effective tax rate of 22.5%, compared with 17.8% in the previous year. For further information, please refer to the notes to the financial statements.

Social, political and trade union climate

During 2025, the Group carried out restructuring measures in its branches in Germany and the USA; at the same time, the Italian company De Rigo Vision S.p.A. completed its retirement support scheme, with some of the departing staff being replaced by new recruits as part of the normal process of selecting and integrating new employees into the workforce to manage staff turnover. Finally, the retail division saw an increase in staff numbers. The net result of all these factors is a reduction of approximately 96 employees. The difficulty in finding the profiles required by the group to fill vacant positions, combined with inflationary pressures, will certainly lead to increases in labour costs in future financial years.

Information on staff

The Group's average workforce as at 31 December 2025 and 2024, broken down by category and in full-time equivalent units, is summarised in the table below:

	2025	2024	Changes
Senior management	45	45	-
Clerical staff	2,647	2,630	17
Workers	469	529	(60)
Other	171	224	(53)
Total staff	3,332	3,428	(96)

Other information

Pursuant to Article 2428(2), it is hereby noted that:

Research and development

With the increased complexity of the brand portfolio managed, the Group has established four design and product development centres in Italy, Germany, the United States and Japan, increasing the resources dedicated to product research and development.

IT investments continue to play a very important role within our Group. Ongoing investments and adaptations enable the Group to operate in most markets using a centralised SAP system.

The Group has always invested in bringing its production processes up to the most advanced technological standards. However, the limited technological innovations that have appeared on the market in recent times and the stability of the processes carried out in the Group's plants have not necessitated significant industrial investments.

The intensive research and development activity in the production sector has not resulted in any capitalisation of costs, as these relate largely to individual product models, for which the benefit is limited to the model's production period and is generally concentrated over a period of less than a year, or to improvements to plant and machinery for which such activities are carried out externally and included in the purchase cost of the asset. The Group has not capitalised internal costs relating to the development and adaptation of information systems.

Information pursuant to Article 2428, paragraph 2, point 6-bis, of the Italian Civil Code

Pursuant to Article 2428, paragraph 2, point 6-bis of the Italian Civil Code, the following information is provided regarding the use of financial instruments, as it is relevant for the assessment of the financial position and results of operations.

The company's management has set itself the objective of hedging business risks by utilising any available, cost-effective instrument to ensure that exchange rate, interest rate and price risks can be managed effectively. Where risks can be hedged through insurance policies, the Group has taken steps to take out the necessary policies. With regard to exchange rate risk, the company routinely hedges its currency surpluses/deficits in order to minimise the financial impact.

In particular:

Credit risk

Credit risk arising from the Group's normal operations with commercial counterparties is managed and monitored as part of the procedures for credit approval and monitoring of customers' credit standing. *Credit management* activities are coordinated through reporting and regular meetings involving all Group companies.

The amount and valuation criteria of the provision for doubtful debts at the balance sheet date are set out in the notes to the financial statements.

At the balance sheet date, any significant concentrations of credit risk were monitored, with appropriate provisions set aside where necessary. However, the recent pandemic emergency has created an economic environment that is difficult to predict, thereby rendering the valuations expressed in the financial statements vulnerable. The Group has stepped up the monitoring of receivables with a view to anticipating any insolvencies that might become apparent in the face of this emergency.

As at the date of approval of the financial statements, the Group notes that its customers are meeting their contractual payment terms as normal. This has not led to a significant increase in the level of risk. Nor can it be ruled out that the persistence of an inflationary environment, with high interest rates and potential wider effects of the crisis in the Middle East, could lead to a higher rate of insolvency among the Group's customers than that considered in the assessments made by management, with a view to providing the company with adequate resources to cope with late or even non-payment.

Over the last two years, the Group has made greater use of credit insurance policies for its customers with the aim of mitigating any impact should significant insolvency cases arise.

Liquidity risk and risk of changes in cash flows

Most of the Group's receivables are due in the short term. With the exception of certain receivables for which late payment has been judged to be an indicator of potential insolvency and for which the Group has already set aside provisions for the related risk. At the end of the financial year, the Group does not consider that it has significant exposures that could compromise its liquidity.

Furthermore, it should be noted that:

- debt instruments or other credit facilities are available to meet liquidity requirements;
- there are various sources of funding;
- there are no significant concentrations of liquidity risk, either in terms of financial assets or sources of funding.

Should the effects of the Covid-19 pandemic recur, it cannot be ruled out that the liquidity impacts on the Group's operational management could be significant.

Market risk

The following provides an indication of sensitivity as at the balance sheet date, showing the effects of possible changes on the income statement in relation to the relevant risk variables, for each of the following components:

- **Interest rate risk:** the Group has exposure to interest rate risk arising from the limited financial debt incurred with credit institutions. As this debt is indexed to the Euribor rate, any fluctuation in this rate results in a positive or negative impact on the income statement. Management considers that the exposure to this risk is marginal relative to the scale of the business generated.
- **exchange rate risk** (or currency risk): the Group carries out commercial transactions (purchases and sales of goods) in currencies other than the Euro (primarily the US Dollar, British Pound, Brazilian Real, Turkish Lira, Chinese Renminbi and Japanese Yen). The foreign exchange risk hedging policy therefore aims to minimise the differences arising between the budgeted exchange rate and the settlement rate for commercial transactions involving the purchase or sale of goods and services in foreign currencies (receipts or payments). Sudden devaluations may, however, affect foreign currency balances not hedged against exchange rate fluctuations, particularly in those countries where the cost of hedging makes it difficult to implement a continuous foreign exchange risk hedging policy. The derivative instruments used by the company to hedge foreign exchange risk are primarily options and forward contracts.
- **Price risk:** there are few raw materials used by the company whose prices have historically shown significant fluctuations. Such fluctuations do not have a significant impact on the income statement.
- **Commercial risk:** inflationary pressures in various markets, combined with rising interest rates, have had a direct impact on consumption levels in various markets. Should these effects persist for several months, they will inevitably have a significant impact on consumption of the products distributed by our group, leading both to a reduction in purchasing needs – with a consequent lengthening of the repurchase cycle – and to a decline in volumes due to the practical difficulty of reaching retail outlets whilst these regulations are in force.

Environmental Disclosure

The Group has always operated in compliance with environmental regulations, implementing all necessary measures to align its production standards with the requirements of the relevant legislation.

In particular, with regard to the production process, this has involved the introduction of new eco-friendly materials, such as bioplastics, recycled polymers and bio-based materials. Recycled materials and polymers of natural origin have also been adopted for packaging.

This focus on the environment has also led to improvements in waste sorting, increasing the types of waste collected separately and reducing the volume of unsorted waste.

Finally, it should be noted that, thanks to the plant's photovoltaic system, energy consumption has been improved by generating energy on-site, enhancing efficiency and monitoring usage. As a result, significant targets for reducing CO2 emissions have been achieved.

Significant events since the end of the financial year and expected business outlook

In the early months of 2026, the outbreak of a new conflict in the Middle East introduced a further element of uncertainty, this time with the potential for widespread repercussions. The conflict between Iran, the US and Israel has not only undermined consumer confidence but has directly threatened the purchasing power of consumers in economies most dependent on energy sources, where oil and gas prices are rising rapidly.

The conflict has also caused significant disruption to the flow of goods and people between Asia and Europe, as well as a severe disruption to freight traffic between the Middle East and the rest of the world. The first observable consequences are a decline in tourist numbers, rising transport costs and difficulties in securing energy supplies for customers in that region.

The high level of uncertainty still prevailing in the markets makes it difficult to proceed swiftly with the investment plans as envisaged last year and calls into question the markets' ability to respond to the stimulus measures the group had implemented through marketing initiatives.

Economic and financial situation of the parent company De Rigo S.p.A.

Income statement of the parent company

The parent company's turnover stood at €6.6 million, compared to €7.4 million in the previous financial year, primarily due to a decline in sales by certain Police brand licensees during the financial year.

Operating profit amounted to €4.2 million compared to €5.1 million in the previous financial year, mainly due to an increase in costs related to non-deductible VAT; at the same time, 2024 recorded extraordinary income of €180,000 following a favourable court ruling.

The net profit stands at €21.8 million, an improvement on the €9.2 million recorded in 2024; this difference is primarily attributable to dividends received from subsidiaries within the Retail division. Specifically, this refers to the €12 million dividend from General Optica and the €9.3 million dividend from European Vision Limited.

The key summary figures for the economic performance of the parent company, De Rigo S.p.A., are presented in the income statement, which has been reclassified (in thousands of euros) to facilitate the interpretation of operational performance:

	2025	2024	% change
NET SALES REVENUE	6,636	7,387	-10.2%
Cost of goods sold	(222)	(278)	-20.1%
GROSS PROFIT	6,414	7,109	-9.8%
Advertising and promotional costs	(135)	(95)	42.1
Cost of sales	(8)	(12)	-33.3%
General and administrative expenses	(2,092)	(1,872)	11.8
OPERATING COSTS	(2,235)	(1,979)	12.9%
OPERATING PROFIT	4,179	5,130	-18.5%
Interest income	5,117	5,862	-12.7%
Interest expense	(2,612)	(3,382)	-22.8
Other non-operating income (expenses)	16,854	3,765	347.6
OTHER INCOME (EXPENSES)	19,359	6,245	210.0%
PROFIT BEFORE TAX	23,538	11,375	106.9%
TAX FOR THE YEAR	(1,751)	(2,209)	-20.7%
NET PROFIT	21,787	9,166	137.7%

Parent company costs

The main costs by nature relating to operating activities show the following changes (as per the financial statements in thousands of euros):

Description	2025	2024	% change
Staff costs	0	0	0.00%
Cost of raw materials, ancillary materials, consumables and goods, adjusted for changes in inventories of raw materials, ancillary materials, consumables and goods, and changes in inventories of work in progress, semi-finished and finished products	0	1	-89.4%
Cost of services	1,988	2,049	-3.0%
Cost of use of third-party assets;	-	-	
Depreciation, amortisation and write-downs	463	368	25.8%
Provisions for risks, other provisions and miscellaneous operating expenses	242	222	9.0%
TOTAL PRODUCTION COSTS ADJUSTED FOR CHANGES IN INVENTORIES	2,693	2,640	2.0%

The item 'Depreciation, amortisation and write-downs' increased by 25.7% compared with the previous year due to a provision for bad debts.

The item 'Provisions for risks, other provisions and miscellaneous operating expenses' increased by 9.0% compared with the previous financial year, mainly due to non-deductible taxes.

During the financial year, the company had the following dealings with related parties:

	Trade receivables	Trade payables	Financial receivables	Sales	Purchases	Financial Expenses (Income)
De Rigo Vision S.p.A.	913	298	-	3,120	298	(1,248)
General Optica Internacional S.A.	-	-	-	-	-	(12,000)
Derigo Ve Opmar Optik Ticaret Anonim Sirketi	1,673	-	-	-	-	(3,661)
De Rigo Holding Srl	-	-	-	-	-	-
General Optica Sa	5	-	-	18	-	-
European Vision Ltd	-	-	-	-	-	(9,299)
Totals	2,591	298	-	3,138	298	(26,208)

Financial management and investments of the parent company De Rigo S.p.A

Financial management closed with net financial income of €2.5 million, in line with the €2.5 million recorded in 2024. The result reflects the substantial alignment, during the financial year, between interest income and interest expense, the latter relating to charges on bank loans and the former accrued in respect of the subsidiaries De Rigo Vision S.p.A. and Opmar Optik.

The item 'Other non-operating income and expenses' in 2025 mainly includes dividends from General Optica of €12 million and European Vision Limited of €9.3 million. In 2024, a dividend was distributed solely by European Vision Limited, amounting to €4.7 million.

As at 31 December 2025, De Rigo S.p.A.'s financial position was positive by €11.2 million, an improvement compared with the previous year's negative balance of €186,000.

The following table shows the balance sheet reclassified to net invested capital, in thousands of euros:

	2025	2024	Change
Bank deposits	13,879	13,770	109
Cash and other cash equivalents	1	1	(0)
Treasury shares	-	-	-
Cash and cash equivalents	13,880	13,771	109
Bonds and convertible bonds (due within 12 months)	0	-	-
Loans from shareholders (due within 12 months)	-	-	-
Bank borrowings (due within 12 months)	(8,809)	(8,729)	(80)
Payables to subsidiaries (due within 12 months)	(298)	(298)	(0)
Financial receivables from parent company	-	-	-
Current portion of loans	-	-	-
Loans and advances to subsidiaries	43,684	41,152	2,532
Short-term financial receivables (payables)	34,577	32,125	2,452
Net short-term financial position	48,457	45,896	2,561
Bonds and convertible bonds (over 12 months)	-	-	-
Loans from shareholders (over 12 months)	-	-	-
Bank borrowings (over 12 months)	(37,299)	(46,082)	8,783
Payables to other lenders (over 12 months)	-	-	-
Advances for foreign payments	-	-	-
Long-term share of loans	-	-	-
Financial receivables	-	-	-
Net medium- and long-term financial position	(37,299)	(46,082)	8,783
Net financial position	11,158	(186)	11,344

	2025	2024	Change
Trade receivables	1,826	2,157	(331)
Other receivables	3,385	4,800	(1,415)
Inventory	-	-	-
Short-term non-financial payables	(974)	(638)	(336)
A) Working capital	4,237	6,319	(2,082)
Net tangible and intangible fixed assets	1,449	1,722	(273)
Financial assets	-	7,410	(7,410)
Investments	218,174	206,618	11,556
Provisions and non-financial medium- and long-term liabilities	(320)	(535)	215
B) Net fixed assets	219,303	215,215	4,088
A+B = Net invested capital	223,540	221,534	2,006
C) Net financial debt	(11,158)	186	(11,344)
Opening equity	212,911	212,182	729
Treasury shares	-	-	-
Minority interests	-	-	-
Profit for the year	21,787	9,166	12,621
D) Shareholders' equity at the end of the financial year	234,698	221,348	13,350
C+D = Total Financial Liabilities (Cash and Cash Equivalents) and Shareholders' equity	223,540	221,534	2,006

Please refer to the notes to the financial statements for further details.

The main financial indicators are as follows (amounts in millions of euros):

Debt coverage ratio

	2025	2024
Net Financial Position	11.2	(0.2)
EBITDA	4.5	5.5
Debt coverage ratio	Positive net financial position	3.4%

Return on sales (ROS)

	2025	2024
Operating profit	4.2	5.1
Revenue	6.6	7.4
ROS %	63.0%	69.4%

Return on investment (ROI)

	2025	2024
Operating profit	4.2	5.1
Net invested capital	223.5	221.5
ROI %	1.9%	2.3%

Return on equity (ROE):

	2025	2024
Profit	21.8	9.2
Equity	234.7	221.3
ROE %	9.3%	4.1%

Taxation of the parent company

The company recorded an average effective tax rate of 7.4% compared with 19.4% in the previous year, mainly due to the different tax treatment of the dividend received.

Information on staff

The company had no employees in the financial years 2025 and 2024.

Processing of personal data

The Company, supported by external consultants, has substantially completed its project to align with the new European General Data Protection Regulation (GDPR – Regulation 2016/679), which came into force on 26 May 2018.

Further information

There were no transactions with related parties of an atypical or unusual nature. With regard to any shareholdings held by directors, statutory auditors and general managers, please refer to the notes to the financial statements.

It is considered that the information provided constitutes a fair, balanced and comprehensive analysis of the company's situation and of the performance and results of its operations, both as a whole and in the various sectors in which it has operated, including through subsidiaries.

Proposal for the approval of the financial statements and the allocation of profits

It is proposed to the Shareholders' Meeting that the profit of the parent company De Rigo S.p.A., amounting to €21.8 million, be allocated to the payment of a dividend of €0.24 per share, totalling €10.1 million, and that the difference of €11.7 million be allocated to the extraordinary reserve.

The Chairman of the Board of Directors
Ennio De Rigo Piter

I, the undersigned, ENNIO DE RIGO PITER, Chairman of the Board of Directors of De Rigo S.p.A., hereby declare that this electronic document is consistent with the version recorded and signed in the company's books.