LA PERLA
FASHION HOLDING N.V.

La Perla Fashion Holding N.V.
Registered office: Schiphol Boulevard 127, G4.02, 1118 BG Schiphol, the Netherlands

December 30, 2022

Interim results for the six months ended 30 June 2022

La Perla Fashion Holding N.V. ("La Perla" and together with its consolidated subsidiaries, the "Group"), a luxury fashion holding company incorporating La Perla, a leading designer, manufacturer and retailer of luxury lingerie, nightwear and swimwear, and La Perla Beauty, announces results for the six months ended 30 June 2022.

Financial Overview – Consolidated La Perla Group

€ 000 unless stated	**Six months ended 30 June 2022**	**Six months ended 30 June 2021**
	Actual	Actual
Revenue	34,106	34,241
Retail	29,951	29,618
Wholesale	3,870	4,257
Other	285	366
Gross profit	22,339	20,199
Gross profit margin (%)	*65*	*59*
Operating Expenses	(43,107)	(37,055)
EBITDA(1)	(20,768)	(16,856)
Operating profit/(loss)	(24,658)	(18,320)
Profit/(loss) for the year	(29,081)	(23,600)
Earnings (loss) per share in €	(0.3193)	(0.2508)
Net cash generated from operating activities(2)	(39,855)	(22,048)
Total non-current liabilities	329,688	286,001
Total current liabilities	79,763	59,627
Cash and cash equivalents	2,531	6,264
Net financial debt(3)	310,482	230,709
Liabilities related to IFRS 16(4)	49,064	63,482

(1) EBITDA is calculated as Operating Profit/Loss before amortization and depreciation and write-offs

(2) Lease payments of €7.0 million in HY 2022 and €4.0 million in HY 2021 are categorized under Cash flow from financing activities

(3) Net financial debt calculated as Long term borrowings plus Short term borrowings minus Cash and cash equivalents. It excludes Financial lease liabilities

(4) Refers to Financial lease liabilities

Financial review
Although management was encouraged by a continuation of the second half of 2021's positive trends, the Covid-19 crisis continued to significantly affect results during the first half of 2022, particularly in Asia, where stores and warehouses were closed for extended periods.
Revenue decreased 0%, from €34.2 million to €34.1 million. By channel:

- Retail revenue, year on year, increased 1%,
  - By region, while North America and Europe continued to recover strongly, sales in Asia were impacted by the re-introduction of Covid-19 restrictions, particularly in China
- Wholesale revenue decreased by 9%, impacted by both invoicing timing differences and Covid-19 related supply chain disruption

Gross margin increased from 59% to 65%, driven by a greater proportion of full-price sales.

Operating expenses overall increased from €37.1 million in the 2021 period to €43.1 million in 2022. This was driven by additional operating expenses of the new La Perla Beauty business.

Depreciation, amortization and write-off increased from €1.4 million in the first six months of 2021 to € 3.9 million for the same period in 2022. The reduction was primarily driven by the closure of underperforming stores.

The improvement in operating loss resulted from the above factors.

Outlook
Given the continued uncertainty around Covid-19 and the further impact on the economy and consumer spending, the Group cannot adequately determine the future effect on its business. Therefore, La Perla is currently not providing forward guidance. However, La Perla has concluded that it is appropriate to adopt the going concern basis of accounting in preparing the interim results for the six months ended 30 June 2022. Among others, La Perla's financing arrangements include a loan by Tennor Holding B.V. and La Perla Fashion Finance B.V. in the aggregate principal amount of up to €400 million. The total amount outstanding under this loan stands at €312 million as of 30 June 2021, inclusive of accrued interest and fees.

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About La Perla:
La Perla Fashion Holding N.V., a luxury fashion holding company, is the direct shareholder of La Perla Global Management (UK) Limited and its subsidiaries (the "Operating La Perla Group") and La Perla Beauty (UK). La Perla, through the Operating La Perla Group, is a leading designer, manufacturer and retailer of luxury lingerie, nightwear and swimwear. La Perla Beauty is in the initial phase of operation. The group operates under the brand "La Perla". Founded in 1954 in Bologna, Italy, the brand is renowned for its heritage and craftsmanship.

This release may contain forward-looking statements, i.e., statements that do not relate to historical facts or events. By their nature, forward-looking statements involve known and unknown risks and uncertainties, both general and specific. La Perla Fashion Holding N.V. bases these statements on its current plans, estimates, projections and expectations and they relate to events and are based on current assumptions that may not occur in the future. These forward-looking statements may not be indicative of future performance; the actual outcome of the financial condition and results of operations of La Perla Fashion Holding N.V. and its consolidated subsidiaries, and the development of economic conditions, may differ materially from, in particular be more negative than, those conditions expressly or implicitly assumed or described in such statements. Even if the actual results of the La Perla Fashion Holding N.V. or its consolidated subsidiaries, including the financial condition, results of operations and economic conditions, develop in line with the forward-looking statements contained in this press release, there can be no assurance that this will be the case in the future.

La Perla Fashion Holding N.V.
Amsterdam

Activity Report & Unaudited interim consolidated financial statements
30 June 2022

Contents

Activity Report

COVID-19 and Ukraine war impact on global economy, luxury sector and Group's performances
The scale of the financial impact generated by Covid-19 and the subsequent recovery has significantly varied by region. Consumers spending recovery in different geographic markets reflects differing local levels of severity of the health crisis and lockdown durations. Additionally, Ukraine war has affected six months 2022 performances mainly due to the restrictions applied on Russian customers across the globe.

In the first six months of 2022, economic trends have registered a recovery in EMEA area and United States although has suffered of new local lockdowns.

As with other luxury sector players during the first six months of 2022, the Group was still impacted by the effects of the pandemic both in terms of sales and business operations. The regional lockdowns had a continuing impact on the Group's revenue in the first half of 2022 determining a reduction in sales.

Despite the positive outlook and trends, the virus is still in active circulation and new variants are emerging which might affect the economic recovery. As new targeted and general lockdown measures might be implemented, it remains difficult to anticipate the trends for the second half of the year.

Business review
During the six months 2022 Group continued to focus on restructuring process and on Covid – 19 consequences on the business. Six months 2022 revenues amounted to €34.1 million (six months 2021: €34.2 million), no significant changes compared to prior year, including sales from the following channels:

	HY 2022		**HY 2021**	
	€ 000	%	€ 000	%
Continuing operations				
Net sales Boutique	18,330	54%	18,046	53%
Net sales Outlet	3,255	10%	3,675	11%
Net sales Online	8,366	25%	7,897	23%
Net sales Retail	**29,951**	**88%**	**29,618**	**86%**
Net sales Wholesale	3,761	11%	3,695	11%
Net sales Stock	109	0%	562	2%
Royalties and other income	285	1%	366	1%
	34,106	**100%**	**34,241**	**100%**

The revenues stayed constant affected by the war effects and restrictions of certain markets. Group had also to face temporary store closures due to Covid – 19 pandemic situations in Asia but also warehouses closures strongly affecting online sales. Additionally, the closure of non-performing stores has caused a drop of volumes sold through the traditional channels in the first six months 2022.

Wholesale revenues in the first six months of 2022 reached the same level of the six months 2021.

Group's gross margin registered an improvement both in % and in value, and the operating margin reached the same level of the six months 2021 as a result of a strong restructuring process that has positively impacted Group's performances.

Group net debt as at 30 June 2022 is as follows:

	30 June 2022	31 December 2021
	€ 000	€ 000
Long term borrowings	299,172	274,444
Short term borrowings	13,841	10,214
Cash and cash equivalents	(2,531)	(9,238)
	310,482	**275,420**

For additional details on loan terms please refer to Note 18 of the condensed consolidated interim financial statements.

Principal risks and uncertainties for the remaining six months of the year
The main risks and uncertainties to which the Group is exposed in the second half of 2022 are described in 2021 consolidated financial statements.

Subsequent events
There are no other significant new events of which the Group is aware of that would affect these condensed consolidated interim financial statements at 30 June 2022.

Unaudited interim condensed consolidated financial statements
For the half year ended 30 June 2022

Interim condensed consolidated statement of comprehensive income

For the half year ended 30 June 2022

	Notes	HY 2022	HY 2021
		€ 000	**€ 000**
Revenue	3	34,106	34,241
Cost of sales	4	(11,767)	(14,042)
Gross margin		**22,339**	**20,199**
Marketing and selling expenses		(20,424)	(17,285)
General and administrative expenses		(22,683)	(19,770)
Operating loss before amortisation and depreciation		**(20,768)**	**(16,856)**
Amortisation, depreciation & write off		(3,890)	(1,464)
Operating profit/(loss)		**(24,658)**	**(18,320)**
Financial income/(expenses)	7	(8,442)	(9,041)
Other income/(expenses)	8	3,997	3,687
Profit/(loss) before tax		**(29,103)**	**(23,674)**
Taxation	9	22	74
Profit/(loss) for the year		**(29,081)**	**(23,600)**
Items that will not be reclassified subsequently to the profit and loss		-	-
Actuarial gains/(losses)		-	-
Deferred taxes on actuarial gains/(losses)		-	-
Items that may be reclassified subsequently to the profit and loss		-	-
Exchange differences on translationof operations in foreign currencies		(4,477)	(2,763)
Total other gains/(losses) net of tax effect		**(4,477)**	**(2,763)**
Total comprehensive profit/(loss) for the year		**(33,558)**	**(26,363)**
Earnings per share (in euro)			
Basic, profit/(loss) for the year attributable to the equity holders of the parent		(0.3193)	(0.2508)
Total number of shares (in thousands)			
Per end of period		105,111	105,111

Interim condensed consolidated statement of financial position

For the half year ended 30 June 2022

	Notes	30 June 2022	31 December 2021
		€ 000	**€ 000**
Non-current assets			
Intangible assets	10	29,111	28,543
Right-of-use assets	11	5,683	5,784
Property, plant, and equipment	12	3,288	2,922
Other non-current assets	13	6,122	5,680
Total non-current assets		**44,204**	**42,929**
Current Assets			
Inventories and work-in-progress	14	27,375	23,766
Trade receivables	15	7,115	7,424
Other current assets	16	6,691	5,945
Cash and cash equivalents	17	2,531	7,238
Total current assets		**43,712**	**44,373**
Non-current liabilities			
Long term borrowings	18	299,172	274,444
Long term financial lease liabilities		21,170	27,721
Provisions	19	5,286	5,504
Deferred tax liabilities	20	167	165
Other non-current liabilities		3,893	3,852
Total non-current liabilities		**329,688**	**311,686**
Current liabilities			
Short term borrowings	18	13,841	10,214
Short term financial lease liabilities		27,894	25,627
Trade payables	21	18,948	11,156
Provisions	19	3,739	3,552
Other current liabilities	22	15,341	13,044
Total current liabilities		**79,763**	**63,593**
Net assets/(liabilities)		**(321,535)**	**(287,977)**
Equity			
Share capital		1,051	1,051
Share premium		21,741	21,741
Cumulative translation adjustment		(5,208)	(731)
Other reserves		(8,639)	(8,639)
Retained earnings		(330,480)	(301,399)
Total Equity		**(321,535)**	**(287,977)**

Interim condensed consolidated statement of changes in equity

For the half year ended 30 June 2022

	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Total equity
	€ 000	**€ 000**	**€ 000**	**€ 000**	**€ 000**	**€ 000**
Balance at 1 January 2021	**1,051**	**21,741**	**5,977**	**(8,651)**	**(256,072)**	**(235,954)**
Comprehensive income						
Profit/(loss) for the period	-	-	-	-	(45,327)	(45,327)
Other comprehensive income	-	-	(6,708)	12	-	(6,696)
Total comprehensive income	-	-	(6,708)	12	(45,327)	(52,023)
Balance at 31 December 2021	**1,051**	**21,741**	**(731)**	**(8,639)**	**(301,399)**	**(287,977)**
Comprehensive income						
Profit/(loss) for the period	-	-	-	-	(29,081)	(29,081)
Other comprehensive income	-	-	(4,477)	-	-	(4,477)
Total comprehensive income	-	-	(4,477)	-	(29,081)	(33,558)
Balance at 30 June 2022	**1,051**	**21,741**	**(5,208)**	**(8,639)**	**(330,480)**	**(321,535)**

Interim condensed consolidated cash flow statement

For the half year ended 30 June 2022

	HY 2022	HY 2021
	€ 000	€ 000
Cash and cash equivalent at the beginning of the year	**7,629**	**7,628**
Cash flows from operating activities		
Net income (loss) of the year	(44,599)	(23,600)
Depreciation and Amortisation	4,387	1,396
Impairment intangible assets	285	11
Impairment right of use assets	87	57
Impairment tangible assets	10	-
Loss on tangible and intangible assets disposals	(3,506)	(4)
Gain on lease contract closing and tangible assets	(11,972)	(2,927)
Interests expense	17,763	-
(Increase)/Decrease in inventories	3,592	4,699
(Increase)/Decrease in receivables	2,164	(1,199)
Increase/(Decrease) in payables	(7,864)	(2,351)
Increase/(Decrease) in provision	(1,582)	(396)
Other working capital variation	1,380	2,266
Net cash generated from operating activities	**(39,855)**	**(22,048)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(3,422)	(882)
Sale of property, plant and equipment	43	-
Purchase of right-of-use assets	(7,351)	(2,922)
Sale of right-of-use assets	-	-
Purchase of intangible assets	(3,509)	(2,301)
Investment in long term receivables	3,500	-
(Increase)/Decrease in security deposits	583	201
Net cash used in investing activities	**(10,156)**	**(5,904)**
Cash flow from financing activities		
Short term borrowing	119	-
Long term borrowing	61,314	31,945
Lease liabilities	(7,060)	(3,965)
Proceeds from issuance of shares	-	-
Net cash generated from financing activities	**54,373**	**27,980**
Effect of forex on cash	(4,760)	(1,400)
Cash and cash equivalent at the end of the period	**7,231**	**6,256**

Analysis of Net Cash

	30 June 2022	30 June 2021
Cash and cash equivalents as per Balance Sheet	7,238	6,264
Bank overdrafts	(7)	(8)
Net Cash	**7,231**	**6,256**

Notes to the interim condensed consolidated financial statements

1. Corporate information

Principal activities

La Perla Fashion Holding N.V. ("the Company") is a public company with limited liability, incorporated under the laws of The Netherlands on 9 September 2016. The Company's registered office is Schiphol Boulevard 127 1118 BG Schiphol, the Netherlands. The company is registered at the Chamber of Commerce at 66809681.

La Perla Fashion Holding N.V. and its Subsidiaries (hereinafter the "Group") operate in the markets of luxury underwear, swimwear, and make-up (hereinafter the "Business"). The activities of design, production and sale (through retail and wholesale channels) are performed by the Group through its network of subsidiaries.

The direct subsidiaries La Perla Global Management (UK) and La Perla Beauty (UK) are the Principals in all intercompany transactions, purchasing goods from the manufacturing entity of the Group and reselling those to the distributors and the commercial subsidiaries.

The interim condensed consolidated financial statements of La Perla Fashion Holding N.V. and its subsidiaries (the "Group") for the six months ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 3 January 2023.

2. Accounting policies

2.1 Structure of the financial statements and basis of preparation

The condensed consolidated interim financial statements for the half year ended 30 June 2022 have been prepared in accordance with IAS 34 – Interim Financial Reporting, which allows entities to present selected explanatory notes.

The notes do not therefore include all of the disclosures required for a complete set of annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2021.

The condensed consolidated interim financial statements are presented in euros and all values are rounded to the nearest thousand (€ 000), except when otherwise indicated.

2.2 Critical accounting judgments and key sources of estimation uncertainty

Preparation of the condensed consolidated interim financial statements in conformity with IFRS as adopted by the EU requires that management make certain judgements, estimates and assumptions that affect the reported assets and liabilities and the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from actual circumstances, the original estimate and assumptions will be updated as appropriate in the period in which the circumstances change.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Main estimates made by management in the preparation of the financial statements concern the valuations and useful lives of operating assets, property, plant and equipment, intangible assets, the valuation of trade and other receivables, the amount of inventory provision, uncertain tax positions, contingency provisions and other provisions relating to operations, and assumptions underlying the calculation of lease liabilities, obligations relating to employee benefits, deferred tax balances and financial instruments. The Group also exercises judgment to determine whether any lease extension or termination options are reasonably certain to be exercised or not.

2.3 Going Concern

For the period ended 30 June 2022, the Group reported a total loss for the half year of € 29.1 million (six months 2021: loss of € 23.6 million), shareholders' deficiency of € 321.5 million (31 December 2021: € 288.0 million) and retained earnings of € 330.5 million (31 December 2021: € 301.4 million).

The directors have considered the going concern assumption given the current trading of the Group and the funding considerations and have formed the conclusion that it is appropriate to consider that the Company will continue to operate in the foreseeable future. The Group has received a financial commitment from the parent company in writing, that the parent company will provide financial support to enable the Group to meet its financial obligations as they fall due for a period of 12 months from the date of approval of the 2021 financial statements.

In forming their judgment, the directors have also considered the following matters:

i) During 2021 and 2022, the Company received a letter of financial support from a shareholder, La Perla Fashion Finance B.V., backed by a debt facility up to € 400 million. As a result, the consolidated entity will have sufficient funding to enable it to meet its objectives and financial obligations. By the end of 2021, € 225.5 million of funding had been provided and the Directors are confident that La Perla Fashion Finance B.V. has the ability to provide all the necessary financial support. To date La Perla Fashion Finance B.V. has been able to provide financial support when required in support of this assessment.

ii) The consolidated entity reported a net operating cash outflow for the financial year ended 31 December 2021 of € 38.9 million (2020: € 57.2 million). Management expect operating costs will be reduced in the subsequent financial year as a result of restructuring its operations, which will reduce the negative operating cash flows.

iii) At the time of signing, the global impact of Covid-19 is evolving. Management has continually assessed the situation so that as the 'lock down' in Asia was introduced, measures were taken to switch the marketing focus to e-commerce and towards the European and American markets; and as the Chinese markets reopened, and the US and EMEA ones shut, the focus returned to Asia. At the same time, contingency plans, including recruitment freezes and project and investment delays, have been made and the company is able to utilize all the various government backed payroll and taxation support initiatives made available to retail companies around the world.

Although the restructuring is still ongoing and therefore includes uncertainties surrounding its implementation, the directors are confident that the reorganization process will provide positive results in a short period of time allowing the Group to continue to operate for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements.

3. Revenue

Revenues of the period include sales as follow:

	HY 2022		HY 2021	
	€ 000	%	€ 000	%
Continuing operations				
Net sales	33,821	99.2%	33,875	98.9%
Royalties and other income	285	0.8%	366	1.1%
	34,106	**100.0%**	**34,241**	**100.0%**

4. Cost of sales

	HY 2022		HY 2021	
	€ 000	%	€ 000	%
Cost of goods sold (raw materials and manufacturing costs)	(8,491)	72.2%	(11,763)	83.8%
Indirect production costs	(3,276)	27.8%	(2,279)	16.2%
	(11,767)	**100.0%**	**(14,042)**	**100.0%**

Cost of inventories included in cost of sales amounts to € 9.4 million (six months 2021: € 11.0 million) and reversal of write-downs of inventories, which were mainly the result of inventory sales of old products in 2021, amounts to € 4.1 million (six months 2021: € 0.8 million).

5. Impact of COVID-19 on condensed consolidated interim financial statements

The impacts arising from the COVID-19 pandemic were recognized in the income statement for six months 2022 and 2021 and essentially affect recurring operating income. In particular, the costs related to health measures put in place (purchases of hand sanitizer and face masks, exceptional measures for regularly disinfecting premises, etc.) have been accounted for as recurring expenses.

During the period the group benefited from different Government grants in the form of job retention scheme, personnel costs reductions, business rate relief and contributions to rents and for health measures put in place.

The rent concessions negotiated with lessors due to the consequences of the COVID-19 pandemic were immediately recognized in the income statement as negative variable lease payments rather than as an amendment to the associated leases. This accounting method complies with the simplification measures provided for in the Amendment to IFRS 16 – Leases, issued by the IASB on May 28, 2020, and adopted by the European Union on 9 October 2020.

6. Information regarding directors and employees

The average monthly number of employees (including executive and directors) was:

	HY 2022	HY 2021
	n°.	n°.
Executive	29	41
Manager & Employees	629	662
Factory workers	323	395
	981	**1,098**

The aggregate payroll costs were as follows:

	HY 2022	HY 2021
	€ 000	€ 000
Wages and salaries	(20,559)	(18,098)
Social security costs	(3,118)	(2,833)
Other personnel costs	(4,143)	(3,083)
	(27,820)	**(24,014)**

7. Financial income/(expenses)

	HY 2022	HY 2021
	€ 000	€ 000
Interest expense on bank facilities and loans	(1)	(1)
Interest expense on loan from related parties and others	(7,484)	(8,104)
Interest on financial lease liabilities	(1,885)	(1,864)
Other charges	(149)	(149)
Interest income from other non-current assets	2	2
Gain (loss) foreign exchange transaction	1,075	1,075
	(8,442)	**(9,041)**

In six months 2022 and 2021, interest on loans from related parties and others comprised interest and fees on the shareholder loans in accordance the Financing Agreement in place with La Perla Fashion Finance B.V., La Perla Fashion Holding N.V. and one of the beneficiary owners, Lars Windhorst.

8. Other income/(expenses)

	HY 2022	HY 2021
	€ 000	€ 000
Gains on assets disposal	3,697	2,931
Other revenue	300	756
	3,997	**3,687**

The increase in 2022 mainly refers to lease agreements closure occurred during the period.

9. Taxation

	HY 2022	HY 2021
	€ 000	€ 000
Corporation Tax		
Current year	6	(2)
Adjustments in respect of prior years	16	76
	22	**74**
Deferred tax	-	-
	22	**74**

10. Intangible assets

	Industrial patens & software	Concessions, licences & trademarks	Key money	Other intangibles	Assets under construction	Total
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Cost						
At 1 January 2021	5,222	35,711	3,370	787	3,304	48,394
Additions	1,334	1,001	-	221	1,323	3,879
Disposals	-	-	-	-	-	-
Currency translation	(179)	-	(800)	-	-	(979)
Impairment	10	-	97	30	-	137
Reclassification	-	208	-	-	(208)	-
At 31 December 2021	6,387	36,920	2,667	1,038	4,419	51,431
Depreciation						
At 1 January 2021	(4,853)	(9,996)	(3,370)	(579)	(3,304)	(22,102)
Charge for the year	(142)	(1,428)	-	(50)	-	(1,620)
Disposals	-	-	-	-	-	-
Currency translation	(9)	-	(97)	(29)	-	(135)
Impairment	169	-	800	-	-	969
Reclassification	-	-	-	-	-	-
At 31 December 2021	(4,835)	(11,424)	(2,667)	(658)	(3,304)	(22,888)
Net book value at 31 December 2021	**1,552**	**25,496**	**-**	**380**	**1,115**	**28,543**
Cost						
At 1 January 2022	6,387	36,920	2,667	1,038	4,419	51,431
Additions	467	-	-	-	1,423	1,890
Disposals	-	-	(97)	(10)	-	(107)
Currency translation	18	-	83	35	-	136
Impairment	-	-	-	-	-	-
Reclassification	7	-	-	-	-	7
At 30 June 2022	6,879	36,920	2,653	1,063	5,842	53,357
Depreciation						
At 1 January 2022	(4,835)	(11,424)	(2,667)	(658)	(3,304)	(22,888)
Charge for the year	(202)	(716)	-	(38)	-	(956)
Disposals	-	-	97	-	-	97
Currency translation	(4)	-	(83)	(34)	-	(121)
Impairment	(7)	-	-	-	-	(7)
Reclassification	(370)	-	-	(210)	209	(371)
At 30 June 2022	(5,418)	(12,140)	(2,653)	(940)	(3,095)	(24,246)
Net book value at 30 June 2022	**1,461**	**24,780**	**-**	**123**	**2,747**	**29,111**

11. Right-of-use assets

	Right-of-use assets
	€ 000
Cost	
At 1 January 2021	60,807
Additions	7,350
Disposals and amendments	(19,011)
Currency translation	2,229
At 31 December 2021	51,375
Amortisation	
At 1 January 2021	(60,225)
Charge for the year	(2,177)
Disposals and amendments	19,005
Impairment	(87)
Currency translation	(2,107)
At 31 December 2021	(45,591)
Net book value at 31 December 2021	**5,784**
Cost	
At 1 January 2022	51,375
Additions	1,907
Disposals and amendments	(6,425)
Currency translation	1,067
At 30 June 2022	47,924
Amortisation	
At 1 January 2022	(45,591)
Charge for the year	(2,123)
Disposals and amendments	-
Impairment	6,425
Currency translation	(952)
At 30 June 2022	(42,241)
Net book value at 30 June 2022	**5,683**

12. Property, plant, and equipment

	Land and buildings	Machinery and equipment	Fixtures and tools	Retail fixtures and fittings	Leasehold improve-ments	Con-struction in progress	Total
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Cost							
At 1 January 2021	3,163	3,385	10,452	6,198	10,418	16	33,632
Additions	-	81	515	683	2,044	-	3,323
Disposals	-	(19)	(47)	(7)	(4)	(16)	(93)
Currency translation	-	5	245	369	1,508	-	2,127
Reclasses	-	791	(4,752)	3,591	-	-	(370)
At 31 December 2021	3,163	4,243	6,413	10,834	13,966	-	38,619
Depreciation							
At 1 January 2021	(3,163)	(3,358)	(9,801)	(6,098)	(10,418)	(16)	(32,854)
Charge for the year	-	(18)	(114)	(118)	(330)	-	(580)
Disposals and write-off	-	-	39	-	3	16	58
Impairment	-	(9)	(7)	(97)	(172)	-	(285)
Currency translation	-	(5)	(243)	(362)	(1,426)	-	(2,036)
Reclasses	-	(791)	4,382	(3,591)	-	-	-
At 31 December 2021	(3,163)	(4,181)	(5,744)	(10,266)	(12,343)	-	(35,697)
Net book value At 31 December 2021	**-**	**62**	**669**	**568**	**1,623**	**-**	**2,922**
Cost							
At 1 January 2022	3,163	4,243	6,413	10,834	13,966	-	38,619
Additions	-	1	409	118	486	47	1,061
Disposals	-	(6)	(5)	(58)	(13)	-	(82)
Currency translation	-	4	11	401	1,221	-	1,637
Reclass	-	(28)	(1,211)	983	177	-	(79)
At 30 June 2022	3,163	4,214	5,617	12,278	15,837	47	41,156
Depreciation							
At 1 January 2022	(3,163)	(4,181)	(5,744)	(10,266)	(12,343)	-	(35,697)
Charge for the year	-	(13)	(130)	(133)	(354)	-	(630)
Disposals	-	3	4	58	7	-	72
Impairment losses	-	-	(6)	(100)	-	(43)	(149)
Currency translation	-	(4)	(15)	(393)	(1,131)	-	(1,543)
Reclass	-	28	1,215	(926)	(238)	-	79
At 30 June 2022	(3,163)	(4,167)	(4,676)	(11,760)	(14,059)	(43)	(37,868)
Net book value At 30 June 2022	**-**	**47**	**941**	**518**	**1,778**	**4**	**3,288**

13. Other non-current assets

Other non-current assets, amounting to € 6.1 million (31 December 2021: € 5.7 million) mainly includes guarantee deposits for store rents in various countries and for utilities.

14. Inventories and work-in-progress

	30 June 2022		31 December 2021	
	€ 000	%	€ 000	%
Raw materials and consumables	6,150	22.5%	4,654	19.6%
Work in process and semi-finished goods	1,799	6.6%	846	3.6%
Finished goods	19,138	69.9%	16,821	70.7%
Advances	288	1.0%	1,445	6.1%
	27,375	**100.0%**	**23,766**	**100.0%**

There is no material difference between the balance sheet value of stocks and their replacement cost. The amount of inventory at 30 June 2022 includes a reserve for obsolescence risk amounting to € 16.0 million made up of € 6.2 million for raw materials and €9.8 million for finished goods (31 December 2021: € 20.1 million made up of € 10.9 million for raw materials and € 9.2 million for finished goods).

At 30 June 2022 finished goods available for sale amount to € 19.1 million or 70% of the total inventory value (31 December 2021: € 16.8 million or 71% of the total inventory amount). Raw materials, work in progress and advances to suppliers relate to lines that will be available for sale in the second half of 2022.

As at 30 June 2022 total net inventory is € 27.3 million (31 December 2021: € 23.8 million) and is aligned at its fair value.

15. Trade receivables

	30 June 2022	31 December 2021
	€ 000	€ 000
Trade receivables at nominal amount	8,389	8,752
Accrual for bad debt provision	(1,274)	(1,328)
	7,115	**7,424**

The carrying value of trade receivables approximates their fair value after an accrual for bad debt provision amounting to € 1.3 million (31 December 2021: € 1.3 million). Before accepting any new customer, the Group uses an external resource to assess the potential customer's credit quality and financial reliability.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Movement in bad debt provision:

	30 June 2022	31 December 2021
	€ 000	€ 000
Opening balance	1,328	1,336
Uncollectible amounts written off	(68)	(305)
Increase in allowance recognised in the income statement	14	297
Closing balance	**1,274**	**1,328**

The bad debt provision is sufficient to cover any expected credit losses.

16. Other current assets

	30 June 2022	31 December 2021
	€ 000	€ 000
Other current assets	3,204	3,416
Accrued income and prepaid expenses	2,550	1,635
VAT receivable	937	845
	6,691	**5,896**

17. Cash and cash equivalents

The carrying amount of cash and cash equivalents is deemed to reflect its fair value.

	30 June 2022	31 December 2021
	€ 000	€ 000
Bank and postal account	2,475	7,161
Cash on hand	56	77
	2,531	**7,238**

Cash and cash equivalents of the Group are mainly composed of bank and postal accounts. The changes in liquidity are illustrated in the cash flow statement. The above amount includes € 0.1 million (31 December 2021: € 0.1 million) of cash deposits that guarantees the rent obligations under lease agreements.

18. Borrowings

	30 June 2022	31 December 2021
	€ 000	€ 000
Unsecured at amortised cost		
Loans from:		
Related parties	312,060	283,790
Banks	860	860
Bank overdraft	7	7
Total Borrowings	**312,927**	**284,657**
Non-current	299,172	274,444
Current	13,755	10,214
Total Borrowings	**312,927**	**284,658**

The loans from related parties refers to the facilities received from La Perla Fashion Finance B.V. amounting to € 272.1 million (31 December 2021: € 247.1 million), from Tennor Holding B.V. € 26.6 million (31 December 2021: € 26.6 million), and from Lars Windhorst € 13.4 million (31 December 2021: € 10.1 million).

Loan from bank was received by the Portuguese subsidiary as a measure of financial support to facilitate the cash management of the subsidiary during the pandemic situation caused by Covid-19. In 2021 the company reimbursed the Swiss subsidiary loan from bank that was received in 2020.

Changes in loan amounts incurred in six months 2022 and 2021 are the followings:

	30 June 2022	31 December 2021
	€ 000	€ 000
Total non-current loan		
At 1 January	274,444	205,025
Loans advanced from related parties during the year	12,896	51,709
Loans reclassed to current loans	(143)	-
Loans advanced from banks during the year	-	741
Reimboursment of loan to bank	-	(418)
Financial costs incurred	11,975	17,387
At period end	**299,172**	**274,444**

19. Provisions

The nature of the provisions is detailed below:

	30 June 2022	31 December 2021
	€ 000	€ 000
Provisions		
Allowance for sales return	822	829
Layoff, restructuring and other charges	1,858	1,700
Provision for restoration	3,780	3,834
Restructuring	2,201	2,275
Litigation (agents)	20	20
Litigation (employee)	163	231
Litigation (suppliers)	181	167
	9,025	**9,056**
Non-current	5,286	5,504
Current	3,739	3,552
	9,025	**9,056**

The amounts relating to layoff and other charges amounting to € 1.9 million (31 December 2021: € 1.7 million) relate mainly to potential charges of the Chinese subsidiaries.

The provision for restoration costs amounting to € 3.8 million (31 December 2021: € 3.8 million) includes the estimated cost of restoring the leased assets where required by the terms and conditions of the lease agreements.

The provision for restructuring amounting to € 2.2 million (31 December 2021: € 2.3 million) includes the costs to be incurred for the reorganisation plan of the Italian subsidiaries.

The provision for sales returns € 0.8 million (31 December 2021: € 0.8 million) refers to the expected amount of returns from clients related to goods supplied by the Group in May and June 2021. This amount has been evaluated based on historical data.

Provisions for litigation costs relate to the costs expected to be incurred in closing litigation claims existing at the period end.

20. Deferred tax liabilities

Deferred tax liabilities at 30 June 2022 amount to € 167 thousand (31 December 2021: € 165 thousand) and relates mainly to the value of unrealised exchange gains.

21. Trade payables

Trade accounts payable of the Group amounted to € 18.9 million as at 30 June 2022 (31 December 2021: € 11.2 million). The average credit period on purchases of goods and services for the Group is between 60 and 90 days.

22. Other current liabilities

Below are the details of other current liabilities as at 30 June 2022:

	30 June 2022	31 December 2021
	€ 000	€ 000
Other payables	6,524	4,921
Payables for social security	2,898	2,702
Accrued expenses and deferred income	4,015	3,692
Prepayment	3	11
VAT payable	1,901	1,718
	15,341	**13,044**

Other payables represent, mainly, wages and salaries payable.

23. Analysis and reconciliation of net debt

Group net debt at 30 June 2022 is € 315.5 million (31 December 2021: € 291.9 million). Group borrowings are almost entirely relates to La Perla Fashion Finance B.V. and Tennor Holding B.V., subsidiaries of the ultimate holding company of the Group as of 30 June 2022 and the shareholders and from Lars Windhorst € 13.4 million (31 December 2021: € 10.1 million).

	30 June 2022	31 December 2021
	€ 000	€ 000
Long term borrowings	299,172	274,444
Short term borrowings	13,841	10,214
Cash and cash equivalents	2,531	7,238
Net debt	**315,544**	**291,896**

24. Financial commitments

The Group provided bank guarantees of € 0.1 million as at 30 June 2022 (31 December 2021: € 0.1 million).

25. Subsequent events

There are no other significant new events of which the Company is aware of that would affect these 30 June 2022 half year financial statements.

26. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Trading transaction

During the year, group entities did not enter into trading transactions with related parties that are not members of the Group.

Loans to/from related parties

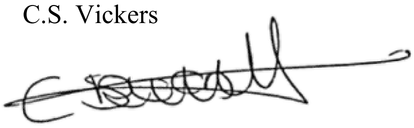
The Group has not provided any loans to related parties or to its key management personnel, while it has received loans from related parties as described in Note 18 Borrowings.

27. Adoption of financial accounts

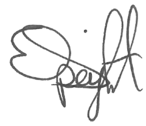
These annual accounts have not yet been adopted by the general meeting of shareholders.

Approved by the Board of Managing Directors on 3 January 2023 and is signed on its behalf by:

C.S. Vickers



Approved by the Supervisory Board on 3 January 2023 and is signed on its behalf by:



E. Speight