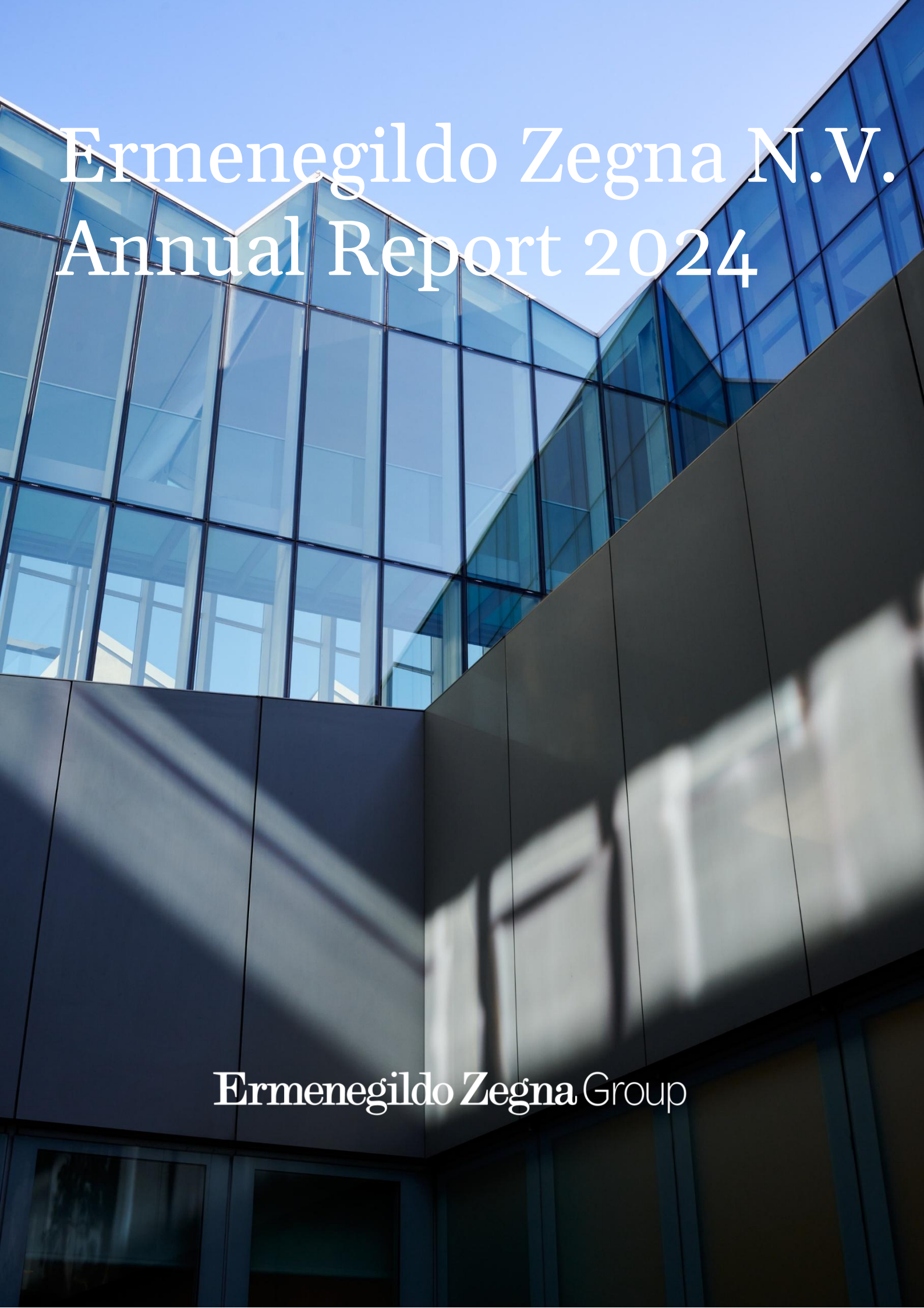
Ermenegildo Zegna N.V. Annual Report 2024



Ermenegildo Zegna Group

Ermenegildo Zegna N.V.

Annual report for the year ended December 31, 2024

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LETTER FROM THE CHAIRMAN



Dear Shareholders,

2024 has been a challenging, yet transformative year for our Group.

Persistent inflationary pressures, ongoing wars, and rising geopolitical tensions continued to weigh on the global outlook for all companies. The prospect of rising tariffs and trade barriers added further uncertainty, leading to questions about the pace and consistency of growth for our sector.

But amid this complexity, we remained focused on reinforcing the Group for the long term, and we used this moment to take bold decisions, even if some of these caused short-term challenges. We believe these changes were necessary to set us on a stronger path towards the future.

In 2024 the Group's revenues reached €1.95 billion, a 2% increase from 2023. Adjusted EBIT was €184 million, with an adjusted EBIT margin of 9.5%, while profits reached €91 million. During the year, we invested €126 million in CAPEX to further develop our retail network, reinforcing the Group's IT infrastructure, and strengthening our state-of-the-art *Filiera* (our integrated supply chain).

Our eponymous brand, **ZEGNA**, which is at the heart of our Group, generated €1.16 billion in revenues, up 5%, contributing 60% of the Group's total revenues. During the year, we continued to reinforce ZEGNA's leadership in the timeless luxury menswear segment. We launched VILLA ZEGNA, an immersive experience, to engage key clients around the brand's legacy and core values. Starting in Milan in April, VILLA ZEGNA traveled to Shanghai in May and to New York in September, acting as a testament to the brand's journey. The successful launch of *Vellus Aureum* – the finest, rarest, and highest-quality wool in the world – in early 2025 is further proof of the strength of the brand: a relentless pursuit of ultimate quality, innovation, and customer centricity. This commitment continues to be ZEGNA brand vision and our promise for the future.

Next, I'd like to talk about **Thom Browne**. Following five years of impressive growth, 2024 was a year of realignment for the brand in which we decided to

streamline the wholesale business and accelerate the brand's shift towards DTC. In this context, the brand was exposed to the industry-wide slowdown in the luxury segment in China. Combined, these factors led to 2024 revenues declining 17% from 2023 to €315 million. While wholesale consolidation will continue in 2025, we are confident that our long-term strategy for Thom Browne will bolster the brand's future growth and profitability.

On **TOM FORD FASHION**, an iconic business that we added to the Group in 2023 and that, in its first fully consolidated twelve-month period, reached revenues of €315 million. 2024 was a milestone year for the brand, in September, we – alongside The Estée Lauder Companies – welcomed Haider Ackermann as TOM FORD new creative director. Haider is renowned for his sophisticated and modern touch characterized by elegant tailoring and innovative use of materials and colors. His first show in Paris was unanimously acclaimed as one of the most outstanding of the Fall/Winter 2025 fashion calendar, receiving praise from the media and industry insiders alike. On the operational side, we continued to strengthen the TOM FORD FASHION team and enhance our IT infrastructure to ensure that we are well prepared to meet our ambitious goals for the brand.

Finally, on our ***Filiera***, the Group's one-of-a-kind in-house supply chain. In 2024, we continued to strengthen our internal production capacity and know-how. The important shoe factory project in Parma is progressing well. Additionally, our *Accademia dei Maestri*, the internal school established to preserve and transmit the Group's invaluable skills across generations, proudly nominated its first 20 *Maestri*. These esteemed teachers, custodians of unique knowledge, will be dedicated to conveying it to future generations.

2024 was also a challenging year for the luxury sector on the equity markets, including our Group. In this context, Monterubello – the Group's holding company owned by members of the Zegna family – acquired three million additional shares, based on the firm belief that the best investment our family could make was to invest in our Group. This is also a testament to our commitment to the ongoing development of the company, which our family has led for three generations, with the fourth already in leadership positions, and which we want to continue to grow for generations to come.

Looking Ahead

The macroeconomic challenges and geopolitical tensions that shaped 2024 are expected to continue in 2025. Against this backdrop, our vision remains clear, based on three fundamental principles:

1. **Protect the authenticity of each of our brands**. Our values and legacy are our most valuable assets. It is crucial that we protect and strengthen them, and that remains our top priority.

2. **Prioritize our work**. We will continue to focus on key priorities that will shape the long-term success of our brands.

3. **Remain agile**. We believe that we need to be as flexible as possible on our path to reaching our long-term goals. We are ready to adapt, work on efficiencies, and take advantage of synergies wherever we can find them.

As the custodian of three authentic brands, as well as of an unparalleled *Filiera*, I firmly believe that building a luxury Group is a journey that takes time and patience; but it also requires swift and decisive execution. I know that the actions we took in 2024 and those we are poised to take in 2025 will further reinforce our position in the luxury industry.

Let me conclude by expressing my deepest appreciation to our whole team and everyone involved in the Group. Their passion and dedication are my greatest reward, every day I feel proud to be the Chairman and CEO of this Group. I would also like to thank the members of our Board of Directors for their valuable insights, and our investors for their ongoing thoughtful collaboration and support in this volatile market.

Together, with steadfast determination and our shared vision, we will continue to build on our legacy, shaping an even stronger Group step by step.

Ermenegildo "Gildo" Zegna, Chairman and CEO

Milan, May 20, 2025

PART I: BOARD REPORT

1. INTRODUCTION

1.1. Preparation of the report

This annual report has been prepared by Ermenegildo Zegna N.V.'s management and has been approved by Ermenegildo Zegna N.V.'s board of directors. It contains, inter alia, (i) the board report pursuant to Section 2:391 of the Dutch Civil Code ("**DCC**"), (ii) information to be added pursuant to the Dutch Corporate Governance Code ("**DCGC**") (which includes the Non-Executive Directors Report), (iii) Ermenegildo Zegna N.V.'s Dutch statutory annual accounts as defined in Section 2:361(1) DCC and (iv) the information to be added pursuant to Section 2:392 DCC (to the extent relevant). The financial statements included in sections 10 and 11 of this board report have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Commission ("**EU IFRS**") and Part 9 of Book 2 of the DCC. The report of Ermenegildo Zegna N.V.'s independent auditor, Deloitte Accountants B.V., is included in section 13 of this annual report.

Ermenegildo Zegna N.V. (the "**Company**") results from a cross-border conversion whereby on December 17, 2021, the Italian limited company Ermenegildo Zegna Holditalia S.p.A., by means of the execution of a Dutch notarial deed of cross-border conversion and amendment of its articles of association, converted into a Dutch public limited liability company (*naamloze vennootschap*) and transferred its legal seat from Italy to the Netherlands and amended its articles of association, upon which the Company changed its name to Ermenegildo Zegna N.V. (the "**Conversion**").

1.2. Certain defined terms

In this report, the terms *"Zegna"* and the *"Company"* refer to Ermenegildo Zegna N.V., a Dutch public limited liability company (naamloze vennootschap); the terms *"Ermenegildo Zegna Group"* and the *"Group"* refer to the Company together with its consolidated subsidiaries. Unless otherwise specified, the terms *"we," "our"* and *"us,"* refer to the Group or the Company, as the context may require.

In this report:

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlled" and "controlling" have meanings correlative thereto.

"Articles of Association" means the articles of association of the Company.

"Audit Committee" means the audit committee of the Board.

"Board" means the Company's board of directors.

"Board Regulations" means the regulations of the Board, as amended or supplemented from time to time.

"Business Combination" means the business combination between the Company and IIAC, which was completed on December 17, 2021.

"Business Combination Agreement" means that certain Business Combination Agreement, dated as of July 18, 2021, by and among IIAC, the Company, and Zegna Merger Sub, as amended or supplemented from time to time.

"Closing" means the closing of the Business Combination.

"Closing Date" means December 17, 2021.

"Compensation Committee" means the compensation committee of the Board.

"Conversion" means the cross-border conversion whereby, on December 17, 2021, the Company, by means of the execution of a Dutch notarial deed of cross-border conversion and amendment of its articles of association, converted into a Dutch public limited liability company (naamloze vennootschap) and transferred its legal seat from Italy to the Netherlands and amended its articles of association, as a result of which the Company assumed its current legal name "Ermenegildo Zegna N.V."

"DCC" means the Dutch Civil Code (Burgerlijk Wetboek).

"DCGC" means the Dutch Corporate Governance Code.

"Director" means an Executive Director or a Non-Executive Director.

"Disposition" has the meaning set forth in section *"3.2.2. Trends, Uncertainties and Opportunities—Disposition of certain businesses."*

"DOSs" means directly operated stores.

"DTC" means direct-to-consumer, it refers to the retail channel which includes directly managed full price boutiques, outlets and the online business.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

"Executive Director" means an executive member of the Board.

"General Meeting" means the corporate body that consists of the shareholders of the Company and all other Persons with meeting rights and also the meeting in which shareholders of the Company and all other Persons with meeting rights assemble, as the case may be.

"Governance and Sustainability Committee" means the governance and sustainability committee of the Board.

"Hedged Positions" means the hedging positions and arrangements that effectively transfer the economic interest of any member of the Sponsor Group in the Company to a third party (e.g., forward sale contracts); provided, that the definition of "Hedged Positions" shall not include hedging positions and arrangements (a) in which the economic interest of any member of the Sponsor Group in the Company is retained (e.g., pledges and margin loans), (b) that minimize exposure to certain risks independent of the business operations of the Company (e.g., currency exchange swaps) or (c) that marginally cap or limit the upside/downside risk of any member of the Sponsor Group while maintaining material economic exposure (e.g., puts, calls and collars), as determined in good faith by the Board and such member of the Sponsor Group.

"IIAC" means Investindustrial Acquisition Corp., a Cayman Islands exempted company.

"IIAC Sponsor" means Investindustrial Acquisition Corp. L.P., a limited partnership incorporated in England and Wales.

"Lead Non-Executive Director" means the Director serving as lead non-executive director.

"Loyalty Register" means the separate part of the Company's shareholder register instrumental to the Company's loyalty voting structure.

"Minimum Holding Requirement" means the beneficial ownership (as such term is defined in Rule 13d-3 under the Exchange Act) by the Sponsor Group, of at least 5% of the issued and outstanding Ordinary Shares, excluding any Hedged Positions as evidenced by the IIAC Sponsor in writing.

"Monterubello" means Monterubello s.s., an Italian società semplice.

"Non-Executive Director" means a non-executive member of the Board.

"NYSE" means the New York Stock Exchange.

"Ordinary Shares" means the ordinary shares, nominal value €0.02 per share, of the Company.

"Person" means an individual, partnership, corporation, limited liability company, joint stock company, unincorporated organization or association, trust, joint venture or other similar entity, whether or not a legal entity.

"Sarbanes-Oxley Act" means the Sarbanes-Oxley Act of 2002, as amended.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Senior Management Team" means the Group's senior management.

"Special Voting Shares" means, collectively, the Special Voting Shares A, the Special Voting Shares B and the Special Voting Shares C.

"Special Voting Shares A" means the special voting shares class A, nominal value of €0.02 per share, of the Company.

"Special Voting Shares B" means the special voting shares class B, nominal value of €0.08 per share, of the Company.

"Special Voting Shares C" means the special voting shares class C, nominal value of €0.18 per share, of the Company.

"Sponsor Group" means the IIAC Sponsor together with its Affiliates.

"Sponsor Nominee" means the Non-Executive Director to be nominated by the IIAC Sponsor in accordance with the Articles of Association.

"Terms and Conditions of the Special Voting Shares" means the terms and conditions that apply to the issuance, allocation, acquisition, conversion, sale, holding, repurchase and transfer of the Special Voting Shares and certain aspects of the registration of the Ordinary Shares in the Loyalty Register.

"TFI Acquisition" means the acquisition of Tom Ford International ("TFI"), as further described in section *"2.1. History and Development of the Company"*.

"Zegna Merger Sub" means EZ Cayman, a Cayman Islands exempted company.

1.3. Cautionary note regarding forward looking statements

This report contains forward-looking statements. Forward-looking statements provide the current expectations or forecasts of future events of the Company. Forward-looking statements include statements about the Company's expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "objective," "ongoing," "plan," "potential," "predict," "project," "should," "will" and "would," or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. Examples of forward-looking statements in this report include, but are not limited to, statements regarding the Group's operations, cash flows, financial position and dividend policy.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. The risks and uncertainties include, but are not limited to:

- the ability of the Group to safeguard the recognition, integrity and reputation of its brands and to identify and respond to new and changing customer preferences;
- the impact of public health crises, such as the COVID-19 pandemic, on the Group's business;
- disruptions arising from political, social and economic instability, geopolitical tensions or civil unrest, including the current conflict in Ukraine and sanctions imposed onto Russia;
- the ability of the Group to successfully implement its strategy, including with respect to the newly acquired TOM FORD FASHION business;
- the ability of the Group to achieve the expected benefits of businesses we may acquire;
- disruptions to the Group's manufacturing and logistics facilities, as well as DOSs;
- risks related to the operation of the Group's DOSs, including as a result of difficulties in renewing the existing lease agreements, an increase in rental charges or a decline in sales, and the operation of points of sale by third parties in the wholesale channel;
- the ability of the Group to accurately forecast consumer demand;
- fluctuations in the price or quality of, or disruptions in the availability of, raw materials used by the Group for its products or of commodities such as energy, which could cause the Group to incur increased costs, disrupt its manufacturing processes or prevent or delay the Group from meeting its customers' demand;
- the ability of the Group to negotiate, maintain or renew license or co-branding agreements with high end third party brands;
- shifts in travel patterns or declines in travel volumes;
- the ability to attract and retain key senior and skilled personnel and preserve craftsmanship skills;
- the Group's ability to protect its intellectual property rights;
- disruptions or breaches in the Group's information technology systems compromising the Group's business operations or the personal information of the Group's customers, including as a result of cybercrimes;
- the fact that the market price of the Company's securities may be volatile due to a variety of factors;
- the ability to develop and maintain effective internal controls;

- the Company has identified material weaknesses in its internal control over financial reporting; if the Company fails to remediate these material weaknesses or maintain an effective system of internal controls, this could result in a material misstatement in the Company's consolidated financial statements and may subject us to adverse regulatory consequences and affect investor confidence in us and, as a result, the price of our securities and our ability to access the capital markets and other forms of financing in the future may be impaired;

- changes in local economic, business, regulatory, social and political conditions, as well as changes in general economic conditions (such as significant inflation) and in demand for luxury goods;

- the imposition of new trade restrictions or the tightening of existing restrictions;

- exchange rate fluctuations, interest rate changes, credit risk and other market risks;

- the high levels of competition in the luxury goods market;

- compliance with laws, including laws and regulation related to intellectual property, competition, product safety, packaging and labeling, import and processing of certain raw materials and finished goods, data protection and privacy, limits on cash payments, sanctions, workers' health and safety, human rights and the environment;

- risks related to climate change and other environmental impacts, as well as an increased focus by regulators and stakeholders on environmental, social and governance matters;

- changes in trade policy, the imposition of tariffs, the enactment of tax reforms and other changes in laws and regulations; and

- other factors discussed elsewhere in this report in the section *"4.2. Risk Factors."*

Actual results could differ materially from those anticipated in forward-looking statements for many reasons, including the factors described in the section *"4.2. Risk Factors"* of this report. Accordingly, you should not rely on such forward-looking statements, which speak only at the date of this report. The Company undertakes no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this report or to reflect the occurrence of unanticipated events.

Although the Company believes the expectations reflected in the forward-looking statements were reasonable at the time made, it cannot guarantee future results, level of activity, performance or achievements. Moreover, neither the Company, nor any other person assumes responsibility for the accuracy or completeness of such forward-looking statements. You should carefully consider the cautionary statements contained or referred to in this section in connection with the forward-looking statements contained in this report and any subsequent written or oral forward-looking statements that may be issued by the Company or persons acting on its behalf.

2. COMPANY AND BUSINESS OVERVIEW

2.1. History and Development of the Company

Ermenegildo Zegna N.V. is a Dutch public limited liability company (*naamloze vennootschap*) and is the parent company of the Ermenegildo Zegna Group. The company results from the cross-border conversion of Ermenegildo Zegna Holditalia S.p.A., an Italian joint stock company (società per azioni) which, on December 17, 2021, transferred its legal seat from Italy to the Netherlands and amended its articles of association.

The Ermenegildo Zegna Group, named after its founder Ermenegildo Zegna — the grandfather of the Group's current Chairman and Chief Executive Officer — was established in 1910 in Trivero (Biella), Northern Italy. The Group was born from a vision: not only to weave the world's finest fabrics but to create a future where craftsmanship, community, and nature coexist in perfect harmony. With this vision, at the beginning of the twentieth century, Ermenegildo built not only a world-class wool mill but also a thriving community, schools, a hospital and gym facilities for his employees and their families. He carved roads through the mountains to connect people to opportunities and long before sustainability became a necessity, he began reforesting a barren landscape, transforming it into the lush and vibrant Oasi Zegna, a living testament to his deep respect for nature.

For 115 years, the Group's business has been guided by his commitment to entrepreneurship, quality, and responsibility. More than a century later, this spirit endures. The Ermenegildo Zegna Group is not just custodian of three authentic brands and a unique Italian Filiera (integrated supply chain), we are also custodians of a greater purpose: to preserve the environment and enhance the world around us. At Ermenegildo Zegna Group, in fact, we believe that true luxury is not just about what we create, but how we create it, with integrity, care, and a promise to give back.

The business model adopted within the Group is committed to both vertical integration and a widening span of activities within our industry. A bold vision and a quest for innovation and beauty underpin our expansion. By investing in a culture of beauty we promote knowledge and skills acquisition (human capital), social capital of trust, as well as symbolic capital of identity and recognition (intellectual capital, social and relationship capital). Our commitment inspires everything we do, from the technology we use to create our products to the constant dialogue we have with our customers, our suppliers, our shareholders and all other stakeholders.

This mission has been carried forward through three generations of the Zegna family, who have led the Group since the foundation of the small wool mill in Trivero in 1910.

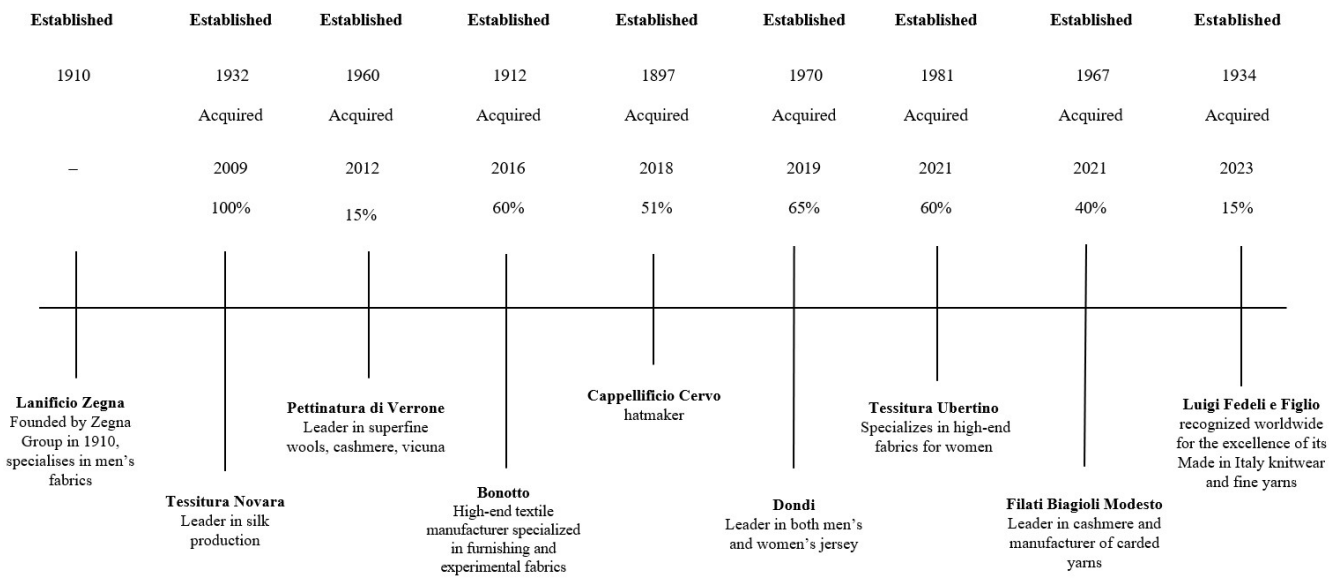
In the 1980s, ZEGNA internationalization strategy continued with the opening of the first boutique in Paris (1980), followed by boutiques in Milan (1985), New York (1985), London (1987), Tokyo (1989), Beijing (1991) and Hong Kong (1993), making Ermenegildo Zegna one of the first luxury brands to establish a presence in Greater China.

The Company was incorporated as an Italian joint stock company (with the name Ermenegildo Zegna Holditalia S.p.A.) in 1984, being the conversion of a limited partnership called Ermenegildo Zegna e Figli S.a.s.

Between 1979 and the 1990s, the third generation of the Zegna family entered the business. In 1998, Angelo's son, Ermenegildo (Gildo) Zegna, and Aldo's son, Paolo, became the co-Chief Executive Officers. In 2006, Gildo Zegna became the sole Chief Executive Office and Paolo Zegna was elected Chairman. Under the CEO's leadership, the Company began a strategy of brand extension, both organically and through strategic acquisitions, as well as full verticalization of its supply chain.

Over the years, the Group acquired equity interests in a number of specialized textiles manufacturers as illustrated in the image below, thus creating its "Made in Italy Luxury Textiles Platform" and enhancing control over its textile supply chain (the percentages indicated in the image refer to the equity interests acquired).

The Made in Italy Luxury Textiles Platform Acquisitions



The Group's expansion continued with the acquisition of Thom Browne and, more recently, TOM FORD FASHION business.

In 2018 the Group acquired an 85% interest in Thom Browne, a leading and fast-growing luxury brand focused on high-end menswear and womenswear that was founded by Mr. Thom Browne in 2003 and is based in New York. In June 2021, the Company acquired an additional 5% interest in Thom Browne and in June 2024 Mr. Thom Browne exercised a put option to sell to the Company an additional 2% of Thom Browne Inc. (the parent company of the Thom Browne group), for total consideration of $25 million (€22,752 thousand), following which the Group holds 92% of the Thom Browne group.

On April 28, 2023, the Company completed the acquisition of Tom Ford International ("TFI") (the "TFI Acquisition"), through which it acquired the company that owns and operates the TOM FORD FASHION business, as part of a transaction in which sole ownership of the TOM FORD brand, its trademarks, and other intellectual property rights have been acquired by The Estée Lauder Companies Inc. ("ELC") and TFI has become a long-term licensee of ELC for all TOM FORD men's and women's fashion as well as accessories and underwear, fine jewelry, childrenswear, textile, and home design products, by virtue of a long-term licensing and collaboration agreement with ELC for 20 years subject to renewal at TFI's option for one further 10-year period subject to certain minimum performance conditions. The Group will be in charge of the end-to-end TOM FORD FASHION business, from collection creation and development to production and merchandising, as well as retail and wholesale distribution. The TOM FORD FASHION business, under the Group, operates a network of 64 directly operated stores globally at December 31, 2024.

Before the completion of the TFI Acquisition, the Group already owned 15% of TFI, through its fully owned subsidiary EZ US Holding Inc., and, through the TFI Acquisition it acquired the remaining 85% equity interest. The transaction implied a value for the acquired 85% stake of TFI at $150 million in cash, on a cash-free and debt-free basis and assuming a normalized working capital. For information relating to the purchase price allocation of the TFI Acquisition, see *Note 39 — Business combinations* to the Consolidated Financial Statements included elsewhere within this annual report.

As a result of the TFI Acquisition, the Group also obtained 100% of Tizeta S.r.l. ("Tizeta"), for which it previously held a 50% interest and accounted for the investment using the equity method, with the remaining 50% interest owned by TFI and being acquired by the Group through the TFI Acquisition.

The New York Stock Exchange Listing

On July 18, 2021, the Company entered into the Business Combination Agreement and certain other agreements in connection with the Business Combination. The Business Combination was consummated on December 17, 2021, as a result of which, on December 20, 2021, the Company's Ordinary Shares started trading on NYSE.

Immediately prior to the consummation of the Business Combination, on the Closing Date, the Company (at the time Ermenegildo Zegna Holditalia S.p.A., an Italian joint stock company) implemented the Conversion and became a Dutch public limited liability company (*naamloze vennootschap*), upon which it changed its name to Ermenegildo Zegna N.V. and underwent a share split.

Warrant Redemption

Immediately following the Business Combination, the Company had public warrants outstanding and private placement warrants outstanding. On January 26, 2023, the Company announced a redemption of all warrants, following which 19,322,846 warrants were exercised on a cashless basis and 408,667 warrants were exercised for cash, resulting in the issuance of an aggregate of 5,761,067 Ordinary Shares. The 385,123 remaining outstanding warrants were redeemed on February 27, 2023.

2.2. Business Overview

The Ermenegildo Zegna Group is a global luxury player, leader in the high-end menswear business and internationally recognized for its unique supply chain, the so-called *Filiera*, made up of some of the finest Italian textile producers, fully integrated with the Group's unique luxury manufacturing capabilities.

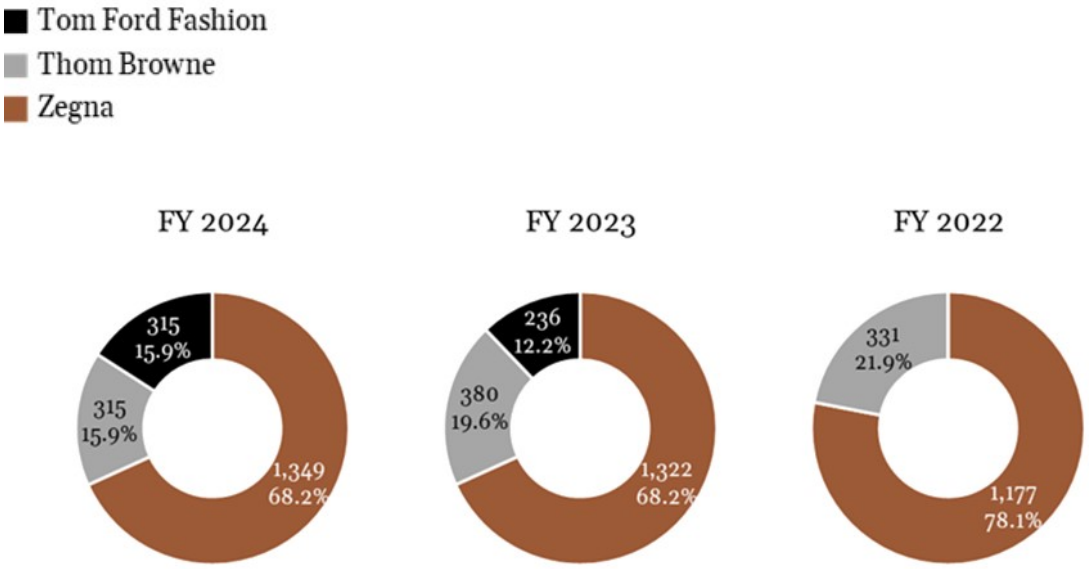
Grounded in a centenary thoughtful vision and a spirit to think and act inclusively and responsibly, Ermenegildo Zegna Group over the years has continued to uphold its legacy - be a true innovator with an uncompromising focus on quality – while caring for the protection of the environment and nurturing the communities around its business.

Heritage, Italian craftsmanship, quality and innovation are key ingredients of its three complementary brands: ZEGNA, Thom Browne and TOM FORD FASHION. Through them, the Group's reach expands to touch different communities, from the absolute iconic luxury, with its eponymous brand ZEGNA, to modern tailoring, with Thom Browne, to luxury glamour, with TOM FORD FASHION. Through its brands, the Group designs, produces, markets and distributes luxury menswear, footwear, leather goods and other accessories, luxury womenswear (under the Thom Browne and TOM FORD FASHION brands) and children's clothing (under the Thom Browne brand). The three brands also have selected third-party license agreements for specific product categories. Thanks to its *Filiera*, the Group covers the entire value chain from the production of the finest raw materials - under the brands Lanificio Ermenegildo Zegna, Dondi, Bonotto, Tessitura di Novara, Tessitura Ubertino, as well as the minority-owned Filati Biagioli Modesto and Luigi Fedeli e Figlio - to the finished products realized in its luxury manufacturing facilities.

The Group operates in three segments: the Zegna segment (comprising three product lines: ZEGNA brand, Textile and Other, which mainly relates to agreements with third party brands), the Thom Browne segment and, following the TFI Acquisition in 2023, the Tom Ford Fashion segment.

The following charts show consolidated revenues by segment for the years ended December 31, 2024, 2023 and 2022.

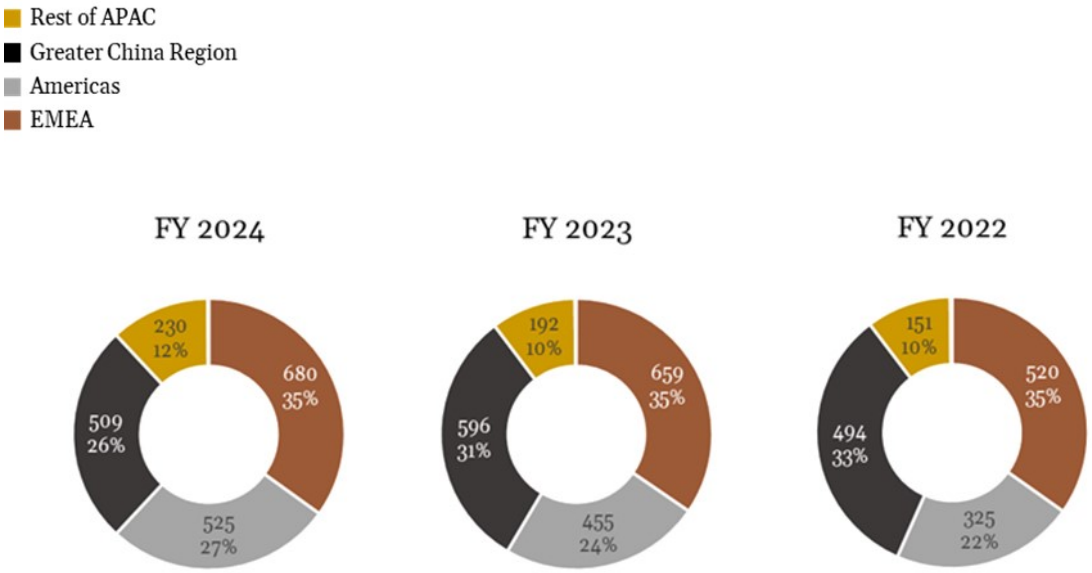
Consolidated revenues by segment and by geographic area (€ millions, except percentages)



Note: Revenues excluding intercompany eliminations, which were equal to €31.5 million in 2024, €33.3 million in 2023 and €14.8 million in 2022.

The Group distributes its products world-wide and has a well-balanced presence among all its regions.

The following charts provide a breakdown of consolidated revenues by geographic area for the years ended December 31, 2024, 2023 and 2022.



Note: EMEA comprises Europe, the Middle East and Africa.
Americas includes the United States of America, Canada, Mexico, Brazil and other Central and South American countries.
Rest of APAC includes Japan, South Korea, Singapore, Thailand, Malaysia, Vietnam, Indonesia, Philippines, Australia, New Zealand, India and other Southeast Asian countries.
Revenues excludes "other revenues", mainly royalties, for €2,343 thousand in 2024, €2,958 thousand in 2023 and €3,237 thousand in 2022.

Industry

Industry information contained in this section is based on the Bain-Altagamma Luxury Goods Worldwide Market Study, Fall 2024 (the "Bain-Altagamma Study"), unless otherwise indicated.

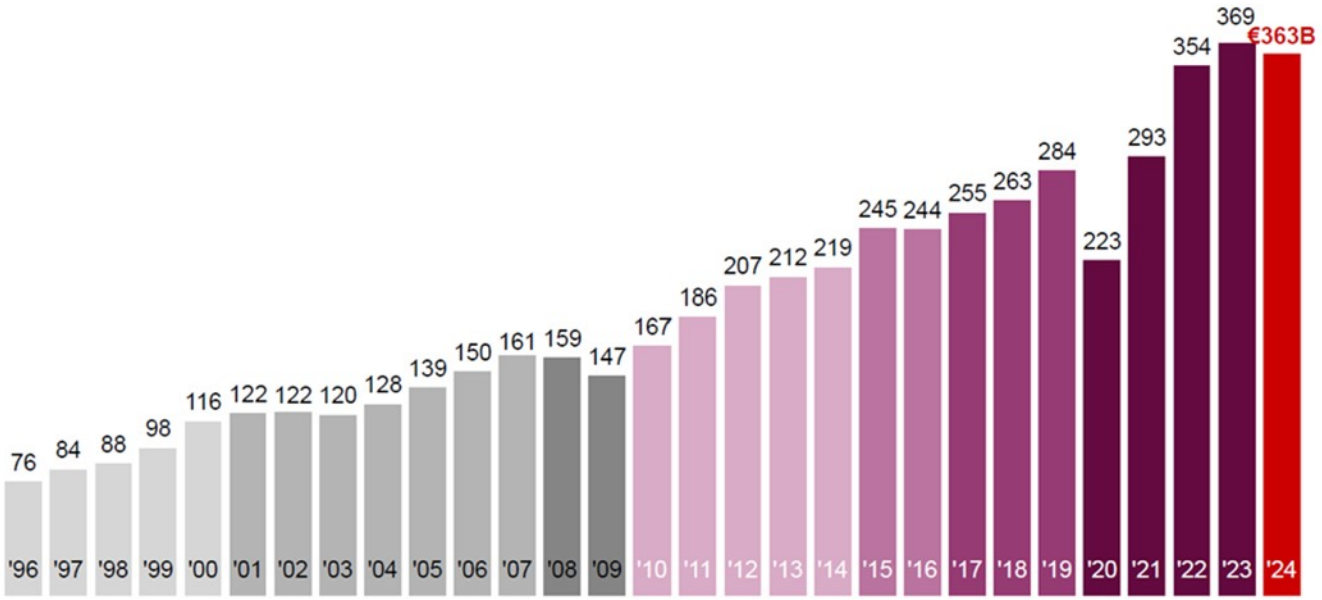
The Ermenegildo Zegna Group operates in the personal luxury goods market, which includes the following product segments: accessories, jewelry, beauty, apparel and watches. By product, we primarily focus on the apparel and accessories segments of the personal luxury goods market. The luxury textiles market, which accounts for less than 10% of the Group's consolidated revenues after eliminations, is not discussed in this section.

Demand in the personal luxury goods market, especially in the absolute luxury segment, is characterized by a low price-sensitivity. Instead, demand is more likely driven by tangible and intangible factors which fuel brand equity and desirability. Brand equity is made of several important components, including heritage, exclusivity, recognizability, quality, and experience.

According to the Bain-Altagamma Study, the global personal luxury goods market had a total estimated value for the year 2024 of approximately €363 billion. After a steady growth for about two decades with a compound annual growth rate ("CAGR") of 6% from 1996 to 2019, and after the 2021-2022 V shaped rebound that followed the Covid-19 pandemic and which led to continued growth in 2023, for the first time in 15 years since the 2009 crisis (excluding the decline caused by the Covid- 19 pandemic) the personal luxury goods market in 2024 is expected to report a decrease of 2% versus 2023, at current exchange rates.

The chart below sets forth the evolution of sales in the global personal luxury goods market from 1996 to 2024 (the data for 2024 being an estimate).

Personal Luxury Goods Market Evolution – €bn



Source: Bain-Altagamma Luxury Goods Worldwide Market Study, Fall 2024, dated November 14, 2024.

The Bain-Altagamma Study estimates the personal luxury goods market to reach the range between €363-375bn in 2025 with a growth of 0-4% at constant exchange rates compared 2024, with China and the rest of Asia (excluding China and Japan) leading the growth with an expected 4.6% YoY and 4.7% respectively.

In addition, the Bain-Altagamma Study estimates the market to reach €460-500bn in 2030 with a growth of 4-6% at constant exchange rates compared to the estimated 2024 level, with the online channel being the main driver representing about one-third of the total (compared to approximately 20% in 2024). The growing addressable market paired with the growing polarization of wealth is expected to be the main driver of growth of the sector.

The personal luxury goods market is characterized by significant barriers to entry, such as, among others: (i) brand heritage, which is embodied by unreplaceable assets like a brand's history, values and DNA; (ii) brand equity, which is the perception of the uniqueness and high reputation of a brand, built over time with, among the others, important investments in advertising; (iii) know-how, characterized by many aspects of the "saper fare" (savoir faire) starting from the design and innovation capacity through the ability to provide products with a superior quality and an utmost experience for clients; and (iv) a high-end distribution network, which embraces prime locations in the most important, highly competitive, luxury streets and malls.

Competitive Strengths

As Ermenegildo Zegna Group, we operate in the personal luxury goods market. Although in this arena we compete with other global companies, we believe we have unique advantages to successfully compete and further strengthen its presence and leading position. Heritage, Italian craftsmanship, undisputed legacy along with a portfolio of complementary brands with significant untapped growth potentials represent strong and prime assets for the Group.

We believe that the following key competitive strengths have been the primary drivers of the Group's historic success and continue to be pillars of its future growth strategy.

Heritage

Since the foundation of Lanificio Ermenegildo Zegna e Figli S.p.A. ("Lanificio" or "Lanificio Ermenegildo Zegna") at the beginning of the past century, the name Zegna has been synonymous with quality, style and innovation for men's fashion. This has been and continues to be true for the ZEGNA brand and the Ermenegildo Zegna Group.

Luxury Menswear Leadership

The Ermenegildo Zegna Group has a consolidated leadership position in luxury menswear, rooted on its 115-years of history. This undisputed legacy, along with a portfolio of unique and complementary brands, constitutes the Group's main competitive strength. ZEGNA has evolved from being one of the most recognized brands in men's tailoring to become an icon brand in the men's timeless luxury segment with a top-class retail network in the most important luxury streets and shopping malls. The addition of Thom Browne in 2018 and TOM FORD FASHION in 2023 has further strengthened the Group's leadership by capturing distinctive and complementary segments of clientele, while leveraging on the Group's textile and manufacturing know-how.

Luxury Filiera

The Ermenegildo Zegna Group controls an integrated luxury textiles and manufacturing chain, vertically integrated from the sourcing of the finest raw material to the production of high-quality garments. Through the historical Lanificio Ermenegildo Zegna as well as the more recent acquisitions of Dondi, Bonotto, Tessitura Ubertino, and the minority interests in Filati Biagioli Modesto, the Group has built an in-house textiles platform that provides a unique competitive hedge in term of innovation capacity and research of the finest and highest performing fabrics with the best quality. The importance of innovation is also testified by our over 325 employees dedicated to research and development activities.

The textile platform, integrated with state-of-the-art manufacturing capabilities, represents a key competitive advantage that the Group can offer to the brands in its portfolio. It also offers significant barrier to entry in the strategic Made-to-Measure business. The Group offers personalized products through its Made-to-Measure (*Su Misura*) and bespoke services (that take customization to a higher level) for its three brands with a best-in-class lead time that goes from 2 weeks (in some key stores) up to 4 or 6 weeks. Management believes that the breadth of the offering and the lead times, as well as the service quality and the experience provided to customers, are setting the standards in the industry. These services enable us to cultivate meaningful client relationships, develop a loyal customer base and drive new customer engagement.

Complementary Portfolio of Uniquely Positioned Luxury Brands

Ermenegildo Zegna Group is made of three brands complementary across styles, occasions of use, and aesthetic.

ZEGNA, the Group's eponym brand, is a leading brand in the men's timeless luxury segment. Authenticity represents the brand's core and true value. The brand's authenticity stands not only on more than 115 years of unique heritage but also in a responsible vision which started since its foundation and has been passed down through the generations, ensuring that giving back, responsibility towards the environment and community well-being remain key values for the brand. An expression of this vision is a freely accessible natural reserve covering approximately 100 square kilometers from the small village of Trivero, where the Group originated, to the peaks of the Biella Alps in Italy. This area was created by the Group's founder over 100 years ago and rebranded "Oasi Zegna" in 1993. Oasi Zegna has been and continues to be an important source of inspiration for the ZEGNA brand's collections and for the brand iconic products.

Thom Browne. Distinctive craftsmanship, undisputed tailoring know-how and proud community are the key ingredients of the brand success in both men and womenswear. Thom Browne has a wide range of luxury and fashion clients that appreciate the unique design and quality.

TOM FORD FASHION. Added to the Group in 2023, TOM FORD FASHION completes the Group's offering delivering an alluringly modern aesthetic for a client who pursues recognition, product excellence and impeccable fit.

All three brands have untapped growth potential in terms of products, countries and channels to be exploited in their respective reference markets. In particular, Thom Browne and TOM FORD FASHION also give us exposure to the womenswear and leather goods luxury markets.

World-Class Customer Relationship Management (CRM) Capabilities.

The Group's clienteling business model puts the customer at the center. We believe that only a controlled distribution network, along with a unique CRM expertise, can provide a distinctive, world class experience to its clients. Over recent years, the Group, leveraging on an undisputed clienteling know-how, has developed highly sophisticated and innovative CRM tools, able to connect with clients across multiple touchpoints, offering an expanded range of services, allowing to reach a wider, younger, and increasingly diverse audience while reinforcing the identity, history and values of the brands and aimed at meeting the growing challenges that the luxury market is facing. Our DTC network is essential to implement successfully our clienteling strategy while embracing a unique client journey. The Group has developed a strong, well balanced, international network of 461 Directly Operated Stores (DOSs) in 34 countries around the world as of December 31, 2024, accounting for 71% of consolidated revenues in 2024. The Group's strengthening of the DTC channels will continue to remain a significant pillar of its future growth strategy for all its brands, ZEGNA being the most advanced in this journey.

Potential Aggregator in the Luxury Goods Market.

While our brands maintain their own identity and unique design flair, the Group has the skills and the experience to act as a long-term industrial partner and as an aggregator of leading luxury brands. The Group's in-house laboratory platform and manufacturing know-how, its capable management team led by the Zegna family, the extensive knowledge of the global luxury market in term of, among the others, real estate development and retail expertise, allow the Group to add value to the businesses it partners with.

Strategy

Ermenegildo Zegna Group intends to reinforce and extend its leading position in the luxury market by continuing to develop its three brands in their unique and highly complementary reference markets, strengthening its one of a kind *Filiera*, while always seeking to respect the planet and foster its community. In particular, the Group intends to:

a. Continue nourishing ZEGNA as a reference brand in the timeless luxury menswear business;

b. Support the rebalance of Thom Browne's distribution channels, focusing on strengthening its DTC presence, while fostering the brand's global business expansion, in particular in North America, and developing further the womenswear collections and leather goods accessories business, always respecting the Brand's authenticity and unique DNA;

c. Continue to work on aligning the business of TOM FORD FASHION to the brand's world-wide awareness and allure in the luxury sector and support the new creative designer's brand vision, while completing the reinforcement of the organization structure both centrally and at regional level;

d. Consistently pursue a sustainable development of the Group's business, leveraging on its superior Made in Italy integrated know-how. Respect for the planet, community and diversity support and traceability are some of the most important pillars for the Group's future growth. In addition, the Group aims at investing in its directly controlled Made in Italy luxury textiles and manufacturing platform, which represents a strategic competitive advantage fueling quality, speed, and innovation capacity.

ZEGNA brand Strategy

One Brand. With the Fall/Winter 2022 season, Ermenegildo Zegna, Z Zegna, and Ermenegildo Zegna XXX brands have been consolidated into a single brand, ZEGNA, characterized by a new logo and a distinctive signifier. The new brand, logo, and signifier are designed to be iconic and immediately recognizable. This strategy keeps proving to be successful both with new and existing customers. The One Brand strategy, together with the evolution of the collections, as described below, has enabled the brand to enrich its sales mix towards the higher end of the luxury goods pyramid and has offered additional opportunities for a successful brand amplification allowing ZEGNA to expand its reach to a broader and younger client base.

Collections evolution. In recent years, as part of the One Brand Strategy, ZEGNA's collections have evolved from primarily pure formalwear to a new definition of the men's style that we call "luxury leisurewear": a new, understated, versatile wardrobe in which the utmost ZEGNA quality is combined with performance and comfort, designed to meet the

changing preferences of customers and their demand for greater comfort, modern aesthetic, excellent quality and product and style durability. In the meantime, management has also pursued the creation of iconic timeless products, such as in the shoes segment with the Triple Stitch family. We believe that there are significant opportunities to capitalize on the brand recognition iconizing our products.

Along with this evolution, management intends to continue to protect and further elevate the leadership of ZEGNA in the formalwear to capitalize on formalwear's broadening occasions of use, from office to social life, through an increasing elevation of products and customer services including the offering of unique Made to Measure and bespoke services and through innovative forms of tailoring such as the case of chore jackets. The vertical integration of the Group's supply chain represents a unique enabler for the evolution of ZEGNA collections.

Client-centricity and experience. Management intends to continue to develop a uniquely recognizable ZEGNA retail experience, fully designed around the customers' needs and able to convey the brand's values and unique legacy. The ZEGNA clienteling journey under the One Brand Strategy evolved from engaging with clients only during purchase transactions to creating relations and providing immersive experiences for them to engage with the brand. An ultimate expression of this journey is represented by the VILLA ZEGNA project. This started with the launch of the Oasi Zegna book in April 2024 in Milan, then moved to Shanghai in May and to New York City in September 2024 and now is expected to travel around the world providing an exclusive and intimate shopping experience along with dedicated and personalized collections is the new frontier of the brand's clienteling approach.

Thom Browne brand Strategy

A distinctive and innovative brand. Thom Browne's brand is distinctive, innovative and well established among luxury designer brands. It has a loyal and authentic customer base, proud to be part of the Thom Browne community. It has expanded its products offering across menswear, womenswear, and accessories. While more established in Asia, it is now strengthening its presence and increasing penetration in Europe and the Americas.

Growth Strategy. The Group intends to continue leveraging on the brand's unique proposition strengthening its brand equity in menswear and, even more, in womenswear and leather goods, continuing to develop iconic styles while maintaining a creative, thought-provoking design style with strong tailoring aesthetics and an innovative communication approach.

The brand has five main growth levers:

- Protect its unique and distinctive style while expanding its community;
- Reinforce a DTC-driven organization;
- Enhance brand awareness in key regions and in particular in the United States;
- Boost expansion in unpenetrated categories, in particular in womenswear, shoes and leather goods;
- Maintain a highly selective presence in the wholesale distribution channel with the aim of developing long-term valuable partnership with tier 1 wholesalers.

TOM FORD FASHION Strategy

Alluringly modern aesthetic brand. TOM FORD is an iconic brand, perceived as an influential voice in the global luxury industry. The TOM FORD FASHION collections enjoy a glamour luxury positioning characterized by absolute product excellence and impeccable fit.

In September 2024, TOM FORD announced the appointment of Haider Ackermann as Creative Director. In his new role, Ackermann assumed the creative leadership across all TOM FORD fashion categories, including menswear, womenswear and accessories, and guides the creative vision for the overall brand.

Fashion business strategy. The Group ambition is to create collections that blend innovation with artisan craftsmanship, with the aim of aligning the fashion business to its extraordinary global recognition. The Group intends to grow the TOM FORD FASHION business by pursuing the following strategies:

- Support the new creative designer in amplifying the brand's positioning in the glamour luxury space;
- Enhance the retail experience by focusing on improving productivity of the existing network, while selectively expanding;
- Enhance CRM/clienteling tools, leveraging on the Group's know-how and infrastructure;
- Leverage geographic expansion by fulfilling untapped potentials in markets where the brand has strong recognition, while starting to penetrate underexplored markets;
- Diversify product merchandising by rebalancing the gender mix with the goal of further increasing the contribution of womenswear collections, leather goods accessories and shoes;
- Optimize the supply chain by leveraging on the Group's platform and best practices.

Ermenegildo Zegna Group Business Model

The Group carries out its business activities through three operating segments: the Zegna segment, the Thom Browne segment and the Tom Ford Fashion segment. Prior to the TFI Acquisition (completed on April 28, 2023), the Ermenegildo Zegna Group was organized in two segments: the Zegna segment and the Thom Browne segment.

The Zegna segment consists of three product lines: the ZEGNA brand, the Textile, and "Other" which mainly consists of Third Party Brand's revenues.

The Thom Browne segment corresponds to the Thom Browne business headed by the Company's majority-owned subsidiary Thom Browne Inc.

The Tom Ford Fashion segment corresponds to the fashion business of the TOM FORD FASHION brand, which became part of the Group following the TFI Acquisition. The Tom Ford Fashion segment includes all activities related to TOM FORD FASHION, from collection creation and development to merchandising, through to production, as well as retail and wholesale distribution.

Zegna segment

ZEGNA brand Product Line

For the years ended December 31, 2024, 2023 and 2022, the ZEGNA brand generated revenues equal to €1,163,722 thousand, €1,109,491 thousand, and €923,942 thousand, respectively, representing 59.8%, 58.3% and 61.9% of our revenues after eliminations. The ZEGNA brand includes luxury leisurewear, formalwear, leather accessories and other ZEGNA brand products.

ZEGNA offers pre-collections and main collections organized in two seasons (Fall/Winter and Spring/Summer). ZEGNA collections include both seasonal products (which change from season to season) and continuative products (called "Essentials") which are generally cross-season models. Essentials collections increasingly include iconic products, which are highly distinctive and easily recognizable.

In 2024, the brand moved from a traditional approach with seasonal deliveries in store to the offer of monthly drops with a 360 degree activation among all touch points, from communication, windows, and clienteling actions.

ZEGNA brand collections include:

- Luxury Leisurewear. In recent years, ZEGNA's menswear collections have shifted towards a new definition of menswear style, commonly referred to as "luxury leisurewear": a new, versatile wardrobe that builds on our tradition

of excellence yet designed to face the needs of a man living in a fast-paced world and define the way a modern man should dress for different occasions. ZEGNA luxury leisurewear ranges from knitwear to jeans, jersey and shirts, fabric and leather outerwear and accessories.

- Tailoring. ZEGNA is historically known for being at the forefront of men's tailoring with its iconic suits and tuxedos. The ZEGNA formalwear offering ranges from formal suits to tuxedos, shirts, blazers, formal coats, accessories up to new evolutions of formalwear represented by chore jackets.

- Made to Measure. Our offer for both luxury leisurewear and formalwear also includes the Made to Measure (*Su Misura*) service, whereby customers may, following a meeting with a style advisor, order their custom-made garments with their fabric, style and finish of choice. This service is available not only for suits, but also for shoes, outerwear, shirts, pants, knitwear, denim and jersey. On top of the Made to Measure services, ZEGNA offers also bespoke services that take customization to a higher level including the full experience of putting together a unique piece, from the sketches and design to the choice of the fabrics. Each piece is made specifically for the customer by our tailors in our ateliers in Milan and in Paris, or during some exclusive, upon-invitation only events like, as an example, the VILLA ZEGNA, Suite Zegna or trunk shows, where top clients experience a dedicated service crafted around their needs and characteristics.

- Leather Accessories. Leather accessories comprise shoes (sneakers and other shoes), bags, belts and small leather accessories. Our shoes' offer has in recent years shifted from a prevalence of more formal shoes towards the increasing importance of certain highly recognizable luxury casual sneaker (such as the Triple Stitch family). Our shoes are made in Italy, like most other leather accessories. We also provide our customers with the possibility to customize their preferred shoes through our Made to Measure service.

- Other ZEGNA brand products. ZEGNA licenses its brand to third parties for the manufacturing and distribution of eyewear, cufflinks and jewelry, beachwear, underwear and fragrances. All licensed products are generally sold by ZEGNA through its DTC channel and by the licensing partners to wholesale customers and to other prestigious retailers. The table below shows the product categories for which we license the ZEGNA brand as of the date of this report.

Product category	Licensee	Start Date
Eyewear	Marcolin Group	Since 2013
Cufflinks/Jewelry	Tateossian	Since 1999
Underwear and Beachwear	Isaseta	Since 2016 for Underwear Since 2017 for Beachwear
Fragrances	Give Back Beauty	Since July 26, 2023[(1)]

(1) In 2023, ZEGNA signed the license agreement while products are expected to launch in 2025.

All the agreements governing licensed products provide for obligations for our licensees to comply with high quality standards, to ensure that our licensed products are available at selected prestigious points of sale and that they are timely delivered to the distribution network. The agreements have a fixed term and do not contain an automatic renewal mechanism. See section *"4.2. Risk Factors—Risk factors relating to the Group's business, strategy and operations—We could be adversely affected if we are unable to negotiate, maintain or renew our license or co-branding agreements with high end third party brands."*

As part of its activities, ZEGNA has also entered into strategic partnerships for co-branding projects in order to strengthen the link with other luxury brands and mutually enhance the respective brands' value. The co-branding agreements set forth the terms for the production of certain selected co-branded products and the relevant co-marketing activities. Co-branded products are sold through our DTC channel or through the monobrand stores and distribution networks of our co-branding partners.

Textile Product Line

For the years ended December 31, 2024, 2023 and 2022, the Textile product line generated revenues after eliminations equal to €138,153 thousand, €150,986 thousand and €136,769 thousand, respectively, representing 7.1%, 7.9% and 9.2% of our revenues after eliminations. The Textile product line is engaged in the design, manufacturing and sale of luxury fabrics under the brands Lanificio Ermenegildo Zegna, Dondi, Bonotto, Tessitura di Novara, Tessitura Ubertino. We believe that the exceptional quality of the textiles used in our garments is one of the principal reasons for the success of the Group through the years. The Group also holds a minority interest in Filati Biagioli Modesto (45%) and acquired a 15% interest in Luigi Fedeli e Figlio S.r.l., the world-renowned maker of fine Italian knitwear and yarns.

The activities of the Textile product line are focused on the research and development of excellence in all of our fabrics, in terms of product quality, style, design, and technical features.

Some of the fabrics are developed exclusively for the ZEGNA brand, including those used for the Oasi Cashmere and Oasi Lino collections. We otherwise sell our fabrics both to other product lines of the Zegna segment or to the Thom Browne and Tom Ford Fashion segments, and to third party customers, which include other luxury brands, specialized players or tailoring businesses. We regularly take part in textile fairs and exhibitions to market the products of our Textile product line to the industry's specialized players. In addition, we have a global network of sales representatives that assist us with the marketing of such products to tailors worldwide.

Lanificio Ermenegildo Zegna, the wool mill founded in 1910 in Trivero, Italy, has been the backbone of the Company's success and is renowned internationally for its fine textiles. Three generations of the Zegna family have led textile success by carefully balancing science with nature and craftsmanship with technology. As a result, Lanificio Ermenegildo Zegna has pioneered sophisticated men's fabrics that are lighter, smoother, more refined, and with improved performance and functionality.

Bonotto (in which we acquired a 60% interest in 2016) is a textile manufacturer based in Molvena, Italy, that was originally founded in 1912. The brand focuses on handcraftsmanship and traditional techniques and is characterized by the creative and experimental dimensions of its fabrics, which take inspiration from the art world. Bonotto is premised on the philosophy of the "slow factory," which rejects the concepts of industrial standardization and mass production at low cost, in favor of traditional but innovative production techniques that create exquisite, precious fabrics.

Dondi (in which we acquired a 65% interest in 2019) is a leader in manufacturing high-quality jersey fabrics for men and women, all Made in Italy. Dondi's production cycle covers the phases from fabric design to distribution. Dondi counts among its customers not only the Group's companies, but also some of the most prestigious brands in the fashion world. Dondi's production facilities are based in Carpi, Italy.

Tessitura Ubertino (in which we acquired a 60% interest in June 2021) is a boutique weaving mill based in Pratrivero, Italy. Founded in 1981 by Adalgiso Ubertino, Tessitura Ubertino has been creating premium quality fabrics for women, such as tweed and jacquard, for over 30 years and today it supplies fabrics to major fashion brands.

Other Product Line

For the years ended December 31, 2024, 2023 and 2022, the Other product line generated revenues after eliminations equal to €15,546 thousand, €30,131 thousand and €102,115 thousand, respectively, representing 0.8%, 1.6% and 6.8% of our revenues after eliminations. The Other product line is primarily engaged in the manufacturing and the supply of apparel for men to Dunhill and Gucci. Until the closing of the TFI Acquisition, the Other product line was also involved in the manufacturing (and until the Fall Winter 2022 collection also distribution) of menswear under the TOM FORD brand.

TOM FORD. We acted as an exclusive licensee for the manufacturing and distribution of menswear under the TOM FORD brand from 2004 until the Fall/Winter 2022 collection. In connection with the closing of the TFI Acquisition, the Ermenegildo Zegna Group has become a long-term licensee of The Estée Lauder Companies for all TOM FORD men's and women's fashion as well as accessories and underwear, fine jewelry, childrenswear, textile, and home design products, by virtue of a long-term licensing and collaboration agreement with ELC for 20 years subject to renewal at TFI's option for one further 10 year period subject to certain minimum performance conditions. As a result, as of April 29, 2023 TOM FORD FASHION business is reported as a separate operating segment of the Group (prior to the TFI Acquisition, it was reported within the Other product line (previously referred to as Third Party Brands) within the Zegna segment).

Dunhill. We have acted as a manufacturer and supplier of suits, jackets, blazers and formal overcoats under the Dunhill brand since 1998. Under the relevant agreement, we are required to comply with the designs and specifications supplied by Alfred Dunhill Ltd., as well as certain other restrictions relating to intellectual property and confidentiality. The agreement with Alfred Dunhill Ltd. does not provide for an express expiration date.

Gucci. We have acted as a manufacturer and supplier of jackets and formal overcoats, slacks and knitwear (both ready-to-wear and made to measure) under the Gucci brand since 1990. Under the relevant agreement, we are required to comply with the designs and specifications supplied by Gucci, as well as certain other restrictions relating to intellectual property, sustainability and confidentiality. Gucci has agreed, on a best-effort basis, to place a minimum number of orders for each season for jackets and formal overcoats and granted us exclusivity for made-to-measure products. The agreement with Gucci is set to expire upon completion of the Spring/Summer 2028 collection, unless a renewal is agreed upon between the parties.

Thom Browne segment

For the years ended December 31, 2024, 2023 and 2022, the Thom Browne segment generated revenues after eliminations equal to €314,712 thousand, €378,410 thousand and €330,014 thousand, respectively, representing 16.2%, 19.9% and 22.1% and of our revenues, respectively, after eliminations.

Thom Browne is a renowned luxury brand founded by Mr. Thom Browne in 2003 in New York. In 2018, the Group completed the acquisition of an 85% shareholding of Thom Browne Inc., the holding company of the Thom Browne business. In June 2021, we acquired an additional 5% equity interest in Thom Browne Inc and on June 6, 2024, Mr. Thom Browne exercised his put option to sell to the Group an additional 2% of Thom Browne Inc., for total consideration of $25 million (€22.8 million), following which the Group holds 92% of the share capital of Thom Browne Inc. Under a put option agreement between Ermenegildo Zegna Group and Mr. Thom Browne, Mr. Thom Browne has the right, but not the obligation, to sell to the Company the remaining 8% of the share capital of Thom Browne Inc. not owned by the Group, in two tranches representing 5% and 3% that are based on the 2028 and 2030 EBITDA of the Thom Browne group, respectively (subject to potential deferral until 2032).

Each year Thom Browne offers pre-collections and main collections, organized into two seasons (Fall/Winter and Spring/Summer) for each of men, women and children.

Mr. Browne started designing clothes for friends and family in the early 2000s, and his popularity as a fashion designer has grown ever since. Thom Browne's signature line of grey suits redefined the concept of the male silhouette, and his collections lean heavily on two main colors: grey and navy. The brand uses the highest quality materials to obtain garments that are beautiful, classic, and durable. Its distinctive traits are the absence of any form of a bold logo, the cropped silhouette of the garments, and the use of visual identifiers as trademarks, such as the four white horizontal bands (uniquely located on the left upper sleeve and/or upper pant leg) and/or a grosgrain ribbon or tab in White, Red, White, Blue, White (also uniquely positioned on the garments). Each Thom Browne piece is designed to be aesthetically perfect, classic and long-lasting, inspired by Mr. Browne's philosophy that something beautifully made will never be out of fashion.

Tom Ford Fashion segment

For the years ended December 31, 2024 and 2023, the Tom Ford Fashion segment generated revenues after eliminations equal to €314,514 thousand and €235,531 thousand (since the consolidation in April 29, 2023) respectively representing 16.2% and 12.4% of our Group's revenues, after eliminations.

The TOM FORD brand was founded in 2005 and partnerships were established with The Estée Lauder Companies Inc. and Marcolin to develop TOM FORD beauty and eyewear products. In 2008 and 2010 respectively, TOM FORD launched menswear, in collaboration with the Ermenegildo Zegna Group, and womenswear. On April 28, 2023, the Estée Lauder Companies Inc. completed the acquisition of the TOM FORD brand, its trademarks, and other intellectual property rights. On the same day, the Ermenegildo Zegna Group completed the TFI Acquisition. TFI is consolidated in the Group's results since April 29, 2023. The Group is now in charge of the end-to-end TOM FORD FASHION business, from collection creation and development to merchandising, through to production, as well as retail and wholesale distribution. In addition, by virtue of a long-term licensing and collaboration agreement with ELC (for a duration of 20 years, with an automatic renewal for one further 10-year period subject to certain minimum performance conditions), the Ermenegildo Zegna Group

has become a long-term licensee of ELC for all TOM FORD men's and women's fashion as well as accessories and underwear, fine jewelry, childrenswear, textile, and home design products.

Building on the TOM FORD DNA of confidence, modern luxury glamour, refined elegance and mysterious allure, TOM FORD FASHION has all the cards to be positioned as a global luxury lifestyle house that blends innovation with artisan craftsmanship, delivering an alluringly modern aesthetic across diverse yet unified offerings that prioritize luxury, product excellence, and impeccable fit.

On September 4, 2024, TOM FORD announced the appointment of Haider Ackermann as its new Creative Director. In his role, Ackermann assumed the creative leadership across all TOM FORD fashion categories, including menswear, womenswear, accessories and eyewear, and guide the creative vision for the overall brand.

Ermenegildo Zegna Group Activities

The Group's primary activities consist in designing, manufacturing, and distribute ready to wear, shoes and leather goods collections for its three brands.

Activities can be divided into the following major stages, each of which is overseen by dedicated functions, operating independently at the brand level: (i) design; (ii) product development; (iii) sales campaign; (iv) procurement; (v) manufacturing; (vi) logistics; (vii) marketing and advertising; and (viii) distribution. Procurement and manufacturing needs from each brand are partially met through the Textile product line and the Group's manufacturing facilities.

From the first sketch to in-the-store delivery, the preparation of each collection takes approximately 12 months.

The activities of the Textile product line and of the Third-Party Brands product line follow their own operational phases and logics.

Design, Merchandising and Product Development

New collections are created by the Design team of each brand, considering each brand's identity, market analyses and seasonal fashion trends. When developing collections, the Design team works in close coordination with the Merchandising team to make sure that the offer is complete with a congruent price structure and in line with the needs and trends of the market.

The Design and Merchandising teams then work closely with the product developers and modelers, who transform sketches into models and prototypes. This is a key phase because of our production process, as it allows the Design and Product teams to assess the look, feel and functionality of the products and to possibly anticipate any issues that may arise during the manufacturing process. Once the prototypes are approved, we develop sample collections.

Sales Campaign

Once ready, the sample collections are presented to wholesale customers and retail buyers at ZEGNA's, Thom Browne's and TOM FORD FASHION's respective showrooms. During the sales campaign, retail buyers and wholesalers place orders on the basis of the brand buying guidelines.

During the sales campaign, the Merchandising and the Supply Chain teams regularly share information on the evolution of the order portfolio to align the initial forecasts for raw material procurement and production planning.

Procurement

Based on forecasts and on the order portfolio, each brand sources the necessary raw materials, trimmings and finished goods through its network of selected suppliers. While the initial purchases are based on forecasts, they adjust and supplement such purchases based on actual orders as the sales campaign progresses.

Based on the proposition that the very best garments can only come from the best natural resources, the Group has dedicated its efforts through the years to the research of only the finest raw materials and fabrics. A crucial role in this

context is played by the Textile product line. For instance, each brand sources a portion of its requirements of fabrics from Lanificio, jersey from Dondi, printed fabrics from Bonotto and cashmere from Biagioli.

Manufacturing and Logistics

While the sales campaign is still ongoing, each brand starts planning for its own manufacturing activities. Production quantities are continuously refined based on the results of the sales campaign. A distinctive feature of our manufacturing is that Made in Italy represents the large majority of the overall production of all our brands' products. A portion of such products is manufactured internally at our facilities. ZEGNA is currently the brand with the highest incidence of in-house production.

The Group's production facilities are located in Verrone, Italy, for knitwear; San Pietro Mosezzo, Italy for formal jackets and suits; Parma, Italy, for outerwear and leather accessories; Mendrisio, Switzerland, for jackets, suits, shirts; and Turkey, for shirts. Each facility produces both ready to wear and Made to Measure products. For products or categories that are not manufactured internally, each brand relies on a selected network of external long-standing suppliers, largely based in Italy. Each sourcing team is committed to carefully selecting all suppliers and managing the relationships with suppliers for their entire duration, aiming to ensure that quality and ESG standards are aligned to the Group's requirements and that timing of deliveries is adequately met.

The Group's outsourced products are manufactured using two different approaches. The most common is the *façon* manufacturing (or *third-parties* production); the second is the "full package" manufacturing process. When using the façon manufacturing model, the brand outsources to external manufacturers the confection stage (i.e. the *Cut-Make-Trim* phase including cutting, sewing, washing and pressing), while remains responsible for providing the designs, product specifications and raw materials. Alternatively, in the "full package" approach, the brand outsources the entire production process.

Once produced internally or through our partners, products are delivered to our distribution centers to be transferred to each brand's monobrand stores and to their wholesale customers. The logistics department of each brand is responsible for organizing and managing the distribution of the finished products, as well as the management of warehouses.

The Group has several logistics centers in Italy, Switzerland, North America, China, Japan and South Korea.

Marketing and Advertising

Advertising and promotional activities are critical for luxury companies like us to enhance the brand recognizability, influence purchase selection, and encourage brand loyalty over time. The Group invests significant resources in advertising, communication and marketing, which include a full set of activities ranging from pure digital and social media marketing initiatives to events like fashion shows, product collaborations and co-marketing projects. In 2024, 2023 and 2022, marketing expenses amounted to €121,384 thousand, €114,802 thousand and €85,147 thousand, respectively.

ZEGNA's marketing strategy is based on an all-round approach with the customer at its center and a more sophisticated one-to-few approach. We manage the relationship with our customers from an omni-channel perspective, enhancing the interaction between the digital and physical dimensions. Our customers shop across different channels, and through digital tools we directly and regularly inform them about new campaigns, products, and collaborations using original content we develop and produce for a specific project or collection. We aim to provide tailored content and messages to our customers and, through our presence on social media, we translate our craft and products into a narrative aimed at attracting our customers through inspiration. All of our marketing campaigns focus on storytelling to strategically solidify our values and unique legacy in our customers' minds. Our One Brand strategy and repositioning have provided enhanced opportunities for brand amplification, including advertising campaigns focusing on our iconic products such as the Triple Stitch or our Oasi Cashmere and Oasi Lino collections.

Since our founding in 1910, we have inspired men to define their style identity, ensuring their character can be found in every detail of their outfits. The ZEGNA brand can count many leaders of business, sports, entertainment, design and culture as friends. Some have even become part of our extended family over the years, acting as ambassadors for our brands. We also conduct targeted product placement activities on key opinion leaders, celebrities and influencers.

With respect to the Thom Browne segment, Thom Browne presents its seasonal collections in New York or Paris through spectacular, theatrical and conceptual fashion shows during the men's and women's fashion weeks. These shows

contribute to positioning the brand at the pinnacle of fashion and creativity, are the source of the narrative for each season and help generate significant editorial coverage in fashion, art and culture publications, both on paper and online. This innovative approach makes Thom Browne the brand of choice for a number of VIPs and celebrities worldwide. From highly successful actors and musicians, to athletes, actors and musicians of worldwide fame, the brand has proven to have a very strong appeal.

We are seeking to strengthen the historical customer loyalty enjoyed by the Thom Browne brand, through reinforced customer relationship management tools and initiatives, while addressing the marketing message to a wider audience.

TOM FORD FASHION aims at creating consistent storytelling through lookbooks, editorial and campaign assets, and runway shows that create a unified narrative across men's, women's, eyewear and beauty offerings with the goal of establishing the brand as a true global lifestyle icon.

Seasonal collections are unveiled during sophisticated, elegant, and modern fashion shows that empower the brand to position itself as the pinnacle of true luxury, create engaging content, indulge and entertain top clients and partners, as well as to develop a carefully curated list of VIP attendees that encompass the TOM FORD FASHION man and woman.

Each segment has internal teams dedicated to marketing and advertising activities, each following slightly different marketing strategies depending on the brand. To better reach a wide but selected consumer target, we use various communication tools, from organic institutional and product press coverage to media partnerships, a varied media-mix including digital marketing, digital media campaign, print, billboards, direct marketing and ad hoc initiatives in our boutiques where visual merchandising and windows displays are conceived to consistently adhere to the seasonal marketing strategy plan.

Distribution Channels

Our sales teams bring our customers into our community, sharing with them our creativity and craft, as well as our story and the journey of each item. These relationships are nurtured in-store with respect to our DTC channel and in our showrooms with respect to our wholesale channel, with the aim to deliver a consistent and unique customer experience.

We distribute and sell our products in over 80 countries worldwide through a well-established network comprised of our DTC and wholesale distribution channels.

Our monobrand presence includes our DOSs (which are divided into full-price boutiques and outlets), directly managed online boutiques and our franchisees' monobrand stores. Our multi-brand presence includes department stores, specialty stores and e-tailers.

Zegna segment

For the year ended December 31, 2024, €1,004.3 million of ZEGNA brand revenues (equal to 86% of total revenues of the product line) were generated through the DTC channel and €159.4 million were generated through the wholesale distribution channel and royalties.

DTC Channel

As of December 31, 2024, ZEGNA operated 281 DOSs, of which 76 were in EMEA, 72 were in the Americas, 78 were in the Greater China Region, and 55 were in Rest of APAC. For the year ended December 31, 2024, the DTC channel generated revenues representing 86% of the ZEGNA brand revenues. ZEGNA DTC channel is distributed throughout the main markets in which the brand operates. ZEGNA focuses on maintaining a presence in prestigious and strategic locations, and in certain cases it enters into joint ventures with local partners in jurisdictions where ZEGNA would not be able to operate directly without a local partner or where the presence of a local partner is beneficial due to its knowledge of the local market and regulations. As an example, ZEGNA entered into joint ventures in the United Arab Emirates, Vietnam and India (all controlled by the Group and consolidated on a line-by-line basis for accounting purposes).

The aesthetics and customer experience of our DOSs are carefully planned and designed by ZEGNA Artistic Direction team. Once opened, an internal staff of architects and visual merchandisers who are supported by external professional firms constantly maintain and restyle our DOSs as required. In addition, ZEGNA management has in place specific training programs dedicated to sales staff, focusing on product knowledge, outreach/clienteling and customer service.

The DTC channel also includes an e-commerce shop operated directly through *www.zegna.com* website, outlets, concessions within department stores around the world, certain travel retail stores directly operated by the brand and other e-commerce platforms where the brand operates directly through e-concessions (such as TMall Luxury Pavilion, Farfetch and WeChat), whose sales systems are integrated with ZEGNA's sales and warehouse management systems.

Wholesale Channel

As of December 31, 2024, ZEGNA monobrand distribution network included 118 points of sale operated by wholesale partners, of which 44 were in EMEA, 59 were in the Americas, 11 were in the Greater China Region, and 4 were in Rest of APAC. For the year ended December 31, 2024, the wholesale channel, including multibrand stores and royalties, generated revenues representing 14% of the ZEGNA brand revenues.

Our wholesale distribution channel has developed different types of agreements with wholesale customers, including in particular:

- Franchisees, which operate monobrand stores exclusively under the ZEGNA brand, in exchange for the payment of royalty fees to ZEGNA based on sales volumes. The franchising agreements governing these relationships typically have a medium term (providing for an automatic renewal or a renegotiation period prior to the term expiry). The contractual arrangements may also provide for minimum purchase obligations by the franchisee, and for the obligation by ZEGNA and/or the franchisee to invest certain amounts in marketing activities. Starting from January 1, 2024 ZEGNA has internalized its franchising operation in South Korea, which is now operated via DOSs.

- Department stores and multibrand specialty stores, which purchase ZEGNA products for resale in their stores, sometimes in specific ZEGNA branded wall units. The contractual arrangements with this type of customer vary based on the relevant store's standard terms.

- Online multibrand stores. ZEGNA brand are also sold via prestigious online multi-brand stores such as SSENSE, Mr. Porter and JD.

As with the DTC channel, ZEGNA carefully manages and, if necessary, customizes its distribution policies for wholesale customers.

We believe that a very selected wholesale presence is still strategic as it provides constant benchmarking opportunities and external feedback hence allowing a constant monitoring of the positioning of ZEGNA brand and products vis-à-vis those of our competitors.

Thom Browne segment

For the year ended December 31, 2024, €186.1 million of the Thom Browne segment's revenues was generated through its DTC channel (equal to 59% of total revenues of the product line) and €128.6 million were generated through the points of sale operated by Thom Browne's wholesale distribution channel and royalties.

DTC Channel

As of December 31, 2024, Thom Browne operated 116 DOSs, of which 9 were in EMEA, 28 were in the Americas, 40 were in the Greater China Region, and 39 were in Rest of APAC.

As of July 1, 2023, Thom Browne began directly operating its business in South Korea and its network of 17 stores. The business is now wholly owned through our subsidiary Thom Browne Korea, and will be operated in the region with external support from the former franchise partner.

Unlike other luxury fashion brands (including ZEGNA), Thom Browne, leveraging its customers' awareness of the brand and presence in the main digital channels, has DOS locations of comparatively smaller size, which are usually destination stores with highly-trained staff. This allows for more flexibility in negotiations with landlords and alleviates pressure on rental charges, while Thom Browne still benefits from the inflow of loyal customers. Thom Browne's strategy puts an emphasis on developing customer relationships rather than on positioning in key streets, while actively working to

increase the visibility of its DOSs to attract new customers and to establish specific training programs for its DOS staff in order to ensure a consistent and high quality retail experience in the various geographies.

Thom Browne's DOSs also include an e-commerce shop operated directly through the website *www.thombrowne.com* and carefully selected directly operated outlet sale locations.

Wholesale Channel

As of December 31, 2024, Thom Browne's monobrand distribution network included 21 points of sale, of which 5 were in EMEA, 1 were in the Americas, 10 were in the Greater China Region, and 5 were in Rest of APAC.

On top of the wholesale monobrand stores, the Thom Browne segment's wholesale distribution channel also consists of selected multibrand department and specialty stores globally and e-tailers.

Tom Ford Fashion segment

For the year ended December 31, 2024, €200.3 million of the Tom Ford Fashion segment revenues was generated through its DTC channel (equal to 64% of total revenues of the product line) and €114.2 million were generated through the wholesale distribution channel and royalties.

DTC Channel

As of December 31, 2024, TOM FORD FASHION business operated 64 DOSs, of which 11 were in EMEA, 13 were in the Americas, 12 were in the Greater China Region, and 28 were in Rest of APAC.

Wholesale Channel

As of December 31, 2024, TOM FORD FASHION's monobrand distribution network included 64 points of sale, of which operated 16 were in EMEA, 46 were in the Americas, 0 were in the Greater China Region, and 2 were in Rest of APAC.

The TOM FORD FASHION wholesale distribution channel also consists of a presence in a selected number of wholesale multibrand stores globally.

Intellectual Property

Zegna segment

As of the date of this report, and with an overall trademark portfolio including more than 3,800 registrations, the principal owned trademarks or trade names that we use in the Zegna segment's business are "Zegna," and the new logo "232 Brand Mark" as well as trademarks protecting certain products and the main marketing projects such as our capsule collections, which we have filed or registered in all the relevant products and services classes and in all of the countries in which we operate in the logo version and/or in the word/standard characters version or in versions which are adapted to various local alphabets or ideographs (e.g., Zegna written in Japanese, Katakana syllabary, in Chinese ideographs, Thai characters, or in the Arabic or Georgian alphabet).

Additionally, we have a portfolio of more than 630 domain names, including (i) registrations in all the countries in which we operate, (ii) the most common Zegna and Ermenegildo Zegna typos and (iii) early and basic protection for our main business and marketing projects.

Besides trademarks, we invest significant resources in protecting other aspects of our brands' uniqueness. With more than 500 design and 9 copyright registrations covering several countries including the European Union, China and the United States, every season we select the most relevant and original products, patterns and, to the extent necessary, protect our rights, labels, and take action to protect their design and defend them against counterfeiting. In addition, we own 15 patents and one copyright for engineering work (thanks to special protections available in Italy), which are a result of our solid roots in fabric making and our pioneering efforts to improve performance and functionality in our products.

We devote significant resources to the protection and enhancement of our intellectual property assets and actively monitor the market, offline and online, for infringements or abuses of our trademarks, domain names and product designs. We are also active in enforcing our rights against third party infringements, including through judicial actions. In addition, we monitor third party applications for registration of trademarks that could be confused with our trademarks, and file oppositions against the applications for, or the registration of such trademarks in accordance with the laws and regulations of the relevant jurisdictions and cooperate with competent authorities worldwide to fight the counterfeiting of our products.

Thanks to the long-standing efforts discussed above, judicial and/or administrative decision in countries including China, Turkey, Mexico, Brazil and India have recognized our trademarks as well known and famous, giving Zegna the ability to benefit from a cross-class protection.

Thom Browne segment

As at the date of this report, Thom Browne Inc. and its subsidiary Thom Browne Japan, Inc. own or control approximately 300 trademark registrations worldwide, with a number of additional applications pending. The principal owned trademarks or trade names that are used by Thom Browne are THOM BROWNE, a four-band design, a grosgrain ribbon in White, Red, White, Blue, White, and THOM GREY, which have been registered or for which applications for registration have been submitted, in text form or design form, in virtually all the jurisdictions in which Thom Browne operates.

In addition, the design marks shown as location marks, such as a tab on the back of a collar on a shirt or jacket, have been registered, or an application for registration has been submitted, including in the native language of certain important markets.

Thom Browne has also registered certain other marks used on its products and in its main marketing projects and maintains an ongoing program to constantly review and update filings and protections to extend the registrations to classes of goods for which new products are introduced from time to time.

In addition, Thom Browne has a portfolio of domain names, including a number of domain names featuring the "Thom Browne" name, such as *ThomBrowne.com*, *Thombrowne.uk* and similar domain names in the jurisdictions in which Thom Browne operates.

Thom Browne devotes significant resources to the protection of its intellectual property assets worldwide through a highly specialized brand protection program. In-house and outside specialists monitor all major markets as well as global social media and websites for misuse of Thom Browne's intellectual property. To the extent infringements are detected, adequate enforcement steps are taken, including in cooperation with the relevant authorities.

Tom Ford Fashion segment

As of the date of this report, TFI and its subsidiaries operating the TOM FORD FASHION business do not generally maintain trademarks, copyrights, patents, or domain names in their own name. Rather, pursuant to the TFF License with The Estée Lauder Companies, TFI is licensed to use the TOM FORD FASHION intellectual property for men's and women's fashion as well as accessories and underwear, fine jewelry, childrenswear, textile, and home design products worldwide.

TOM FORD FASHION cooperates closely with The Estée Lauder Companies to protect against misuse of the licensed TOM FORD FASHION intellectual property. To the extent counterfeiting activities or infringements of the licensed TOM FORD FASHION intellectual property are detected, TOM FORD FASHION cooperates with The Estée Lauder Companies in its enforcement efforts, including in cooperation with the relevant authorities.

Research and Development

Our competitiveness depends on, among other things, our ability to anticipate trends and to identify and respond to new and changing consumer preferences. We therefore devote significant resources to various research and development activities to design, create and develop new products for our collections. As of the date of this report, over 325 of our employees were involved in our research and development activities across the Zegna, Thom Browne and Tom Ford Fashion segments.

Our research and development activities mainly relate to the development of new patterns and designs for our fabrics, the research of innovative and technological materials with specific features, the design, modeling and development of new products and the creation of prototypes.

In recent years, our research and development efforts have been dedicated to creating iconic products with high visibility and strong growth potential, designing catwalk collections and selective drops, and developing innovative materials — such as Vellus Aureum, an exclusive high-end fabric crafted from the finest and rarest Merino wool.

Regulatory Environment

We are required to comply with the laws and regulations applying to our products and operations in the various jurisdictions in which we operate, particularly in relation to the protection of intellectual property rights, competition, product safety, packaging and labeling, import and processing of certain raw materials and finished goods, including materials of animal origin, data protection, limits on cash payments, worker health and safety, environment and economic sanctions. We also use certain rare raw materials, such as vicuña yarns, which are only available in a very limited quantity and subject to strict export and processing regulations. Virtually all of our imported products are subject to custom duties and other taxes, which may impact the price of such products. We maintain compliance procedures and policies to assist in managing our import and export activities and ensure compliance with the laws and regulations of the jurisdictions where we operate.

2.3. Property, Plants and Equipment

We operate through manufacturing facilities, corporate offices, showrooms, warehouses, stores, land and other buildings around the world, which are in part owned by us and in part leased from third parties.

We lease part of the real estate assets used in the Group's business operations from EZ Real Estate S.r.l. ("EZ Real Estate") and Alan Real Estate S.A., both subsidiaries of the Company until November 2021. These real estate assets include buildings that host our manufacturing facilities, corporate offices, showrooms, warehouses, land and other buildings, including our main manufacturing plants and offices in Italy (such as the Group's headquarter offices in Milan, the manufacturing facility in Parma, San Pietro Mosezzo, Verrone and Oleggio, as well as part of the building located in Valdilana mostly occupied by us) and Switzerland (including the offices in Stabio and the manufacturing plant in Mendrisio) and certain ZEGNA stores, namely in Sandigliano and Oleggio (Italy) and London (United Kingdom).

We also own certain real estate assets (manufacturing facilities, warehouses and offices) used by Cappellificio Cervo in Sagliano Micca (Italy) and Dondi in Fossoli di Carpi (Italy) and Novi di Modena (Italy).

Our manufacturing facilities currently have capacity to increase production volumes if necessary to meet higher demand.

The following table sets forth information relating to owned real estate assets used in the conduct of our business at the date of this report.

Location	Use	Approximate Square Meters
Italy, Sagliano Micca, Via della Libertà 16	Factory, storage and offices	5,500
Italy, Fossoli di Carpi, Italy, via Budrione Migliarina 2/A	Factory, storage and offices	11,470
Italy, Novi di Modena, fraz. Rovereto sul Secchia, via Foscolo 11	Factory, storage and offices	975
Italy, Valdilana, via Diagonale 327	Factory, storage and offices	2,500

In addition, we lease space from third-parties, mainly related to our DOSs and other direct points of sale around the world, as well as for warehouses, offices and housing for our personnel. At December 31, 2024, we directly operated 461 DOSs, totaling approximately 100,000 square meters of gross area, pursuant to lease agreements.

On February 8, 2024, the Group announced plans to open a new luxury footwear and leather goods production facility in Sala Baganza (Parma, Italy). The facility is currently expected to be completed by the end of 2026 and will expand the Group's production capacity, focusing mainly on men's footwear and leather goods. The new facility will also act as research and development center and is expected to employ over 300 employees at full capacity in 2027. In 2024, the Group purchased plots of land in Sala Baganza (94,441 square meters) and Collecchio (2,631 square meters) on which the new facility will be built for an aggregate amount of €8.8 million. The Group also made additional investments of €3.3 million in

2024 for the ongoing construction of the facility (which were capitalized to property, plant and equipment in the consolidated statement of financial position at December 31, 2024 included elsewhere in this document).

The total carrying value of our property, plant and equipment at December 31, 2024 was €204,806 thousand compared to €159,608 thousand at December 31, 2023.

For information on our principal expenditures on property, plant and equipment, see section *"3.2.4. Liquidity and Capital Resources—C. Capital Expenditure."*

2.4. Employees

We are vertically integrated, in that much of our value chain is not outsourced but is part of the Group. Our workforce, with its artisanal and craftsmanship excellence, adds value to our brands (contributing to intellectual capital), while we are committed to improving their lives and the lives of those in the communities whence they come (contributing to human capital, social and relationship capital and guaranteeing human rights).

At December 31, 2024, 2023 and 2022, respectively, we had the following number of employees, divided into the categories of activity and geographic locations as outlined in the tables below.

	At December 31,		
	2024	**2023**	**2022**
White Collars	4,997	4,734	3,953
Blue Collars	2,188	2,191	2,077
Temporary employees	210	276	226
Total	**7,395**	**7,201**	**6,256**

	At December 31,		
	2024	**2023**	**2022**
EMEA	4,800	4,664	4,159
North America	620	597	420
Latin America	123	121	118
APAC	1,852	1,819	1,559
Total	**7,395**	**7,201**	**6,256**

The Group reported a 3.8% increase in the number of employees excluding temporary staff, rising from 6,925 at the end of 2023 to 7,185 at the end of 2024. This growth was primarily driven by:

(i) the strengthening of Tom Ford Fashion's organization at their Headquarters, the opening of new TOM FORD FASHION stores (Rome, Sandigliano, Taormina, Rinascente, and China), and the expansion of the leather goods division (Tizeta);

(ii) the opening of new Thom Browne stores in APAC (China, Macau, and Japan);

(iii) the expansion of the Zegna retail network with new store openings in Monaco and Saudi Arabia;

(iv) the hiring of additional personnel to reinforce the Group IT team and the Zegna Brand marketing functions, reflecting the Group's commitment to operational excellence and the enhancement of the Zegna Brand and Client Engagement Strategy.

By region, the number of employees saw an increase by 136 people in EMEA, 33 in APAC and 25 in the Americas.

External temporary employees reduced in Italian production plants by 66, from 276 at December 31, 2023, to 210 at December 31, 2024.

The Group continues to have good labor relationships with our employees and we are committed to maintaining a positive and constructive relationship with them. In the past, we have not experienced any material job action or labor stoppage that has had a material impact on our business.

2.5. Sustainability

Sustainability has been part of our ethos since inception. It is as much part of our DNA and history as the quality of our clothes. This carries over into everything that we do, from the technology we use to create our products to the constant dialogue we have with our customers and suppliers, shareholders, potential shareholders, analysts and other stakeholders.

Conscious of the role we play in the economy and in communities near our operations, the Group recognizes the key role stakeholders hold in the Group's success and the importance of engaging with stakeholders in a transparent, consistent, and ethical manner. In this regard, in January 2024, the Board adopted a Stakeholder Engagement Policy and amended the existing Policy on Bilateral Contacts with Shareholders; both Policies are available on the corporate website.

In 2024, the Group proceeded to update its materiality analysis in compliance with the 2021 GRI Universal Standards. The analysis was aimed at either confirming or identifying new material topics with respect to the previous analysis conducted in 2022 and confirmed for 2023.

The first step for the identification of new material topics consisted in a desk analysis of the Group's main activities and the design of its value chain to better identify the impacts the Group has or might have on the economy, the environment and people and its contribution to a sustainable long-term value creation. The main impacts of the fashion industry were also considered through the consultation of official sources (e.g. The Fashion Pact, Textile Exchange, Fashion Transparency Index), as well as the sustainability reports of the Group's main competitors. The analysis led to the identification of 21 impacts, both actual and potential, positive and negative. To assess the significance of the impacts, these were prioritized based on the following parameters, according to the GRI Standards:

- Scale: how grave the impact is;
- Scope: how widespread the impact is;
- Irremediable character: how hard it is to remedy to the impact generated.

The combination of the three parameters defines the severity of the impact, which has been assessed together with the probability of its occurring (for potential impacts only). Finally, a threshold was determined to define material impacts. This resulted in the definition of 16 material impacts, spread across 9 material topics that are considered pivotal to value creation, or destruction, for the Group over the short to long-term period.

The Group unveiled its ESG strategy during the Capital Markets Day of May 17, 2022. The strategy consists of 3 commitments, defined in 27 goals. Three years later, we reached all the goals with deadlines in 2022, 2023 and 2024.

In particular:

- We adopted the most recognized international reported standards and frameworks (GRI, SASB, TCFD) for our voluntary third-party audited Group ESG reporting;
- We introduced an ESG-linked metric in the variable remuneration of top executives (Long-Term Incentive program);
- We adopted a DE&I strategy, delivering several implementation initiatives including a DE&I policy, extended parental leave, started the gender parity certification process for Italian entities of the Group;
- We adopted SBTi-approved Group emission reduction targets, re-baselined in February 2025 to include Tom Ford Fashion segment and FLAG (Forest, Land, Agriculture) targets;
- We reached 100% of renewable electricity sourcing for European and US operations;
- Through the innovative and open digital platform adopted in 2023, we engaged 100+ suppliers to collect their energy, water, chemical and waste data (with a response rate >75%).

Other ESG commitments are still in progress in 2024 and includeg the following:

- By 2026, over 50% of the Top Priority raw materials used in Group products will be traceable to their point of origin, exceeding 95% by 2030;
- By 2027, the Group aims to have 100% of electricity from renewable sources (scope 2) at Group level;
- Impact investing on wool, cashmere & cotton raw material sources with regenerative agriculture and carbon sequestration initiatives.

In 2024, we also achieved important milestones across different areas, among which:

Governance

- Expansion of Group Policies and update of the Supplier Code of Conduct;
- Creation of a Group ESG Committee and Brand ESG Committees.

Social

- Launch of the first People Engagement Survey, with a participation rate of over 75% at Group level;
- Group Parental leave policy implementation;
- Over 150 employees dedicating one day to volunteering initiatives in Italy and Switzerland.

Environment

- Definition of a Group Water Strategy and adoption of water-related targets, aligned with Science Based Targets Network (SBTN) evolution;
- 33% of traceable & lower-impact top priority raw materials (35% like-for-like, excluding Tom Ford Fashion segment).

Also, during 2024 the Group upheld the validity of the assessment of the financial impact of specific climate-related risks and opportunities carried out in 2023, conforming to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). See also section "*4.2. Risk Factors—Risk factors relating to the industry in which the Group operates*".

The Group's 2024 Sustainability Report, prepared in accordance with GRI and SASB standards, describes detailed information about the Group ESG commitments, goals and performance, including governance, strategy and risk assessment under the TCFD framework.

In relation to best practice provision 1.1.4 of the DCGC, reference is made to this section "—*Sustainability*" and the Group's 2024 Sustainability Report, which is available on our corporate website.

3. FINANCIAL OVERVIEW

3.1. Selected consolidated financial data

The selected consolidated financial data for the year ended December 31, 2024 as compared to for the year ended December 31, 2023, and for the year ended December 31, 2023 as compared to for the year ended December 31, 2022 have been derived from our audited consolidated financial statements and notes thereto set forth in section 9 of this annual report.

The following selected consolidated financial data should be read in conjunction with section "*3.2. Management's discussion and analysis of financial condition and results of operations*" and our consolidated financial statements and related notes appearing elsewhere in this annual report. Our financial statements included herein are prepared in accordance with EU IFRS and with Part 9 of Book 2 of the DCC.

3.1.1 Results of operations

The following is a discussion of the Group's results of operations for the year ended December 31, 2024 as compared to the year ended December 31, 2023, and for the year ended December 31, 2023 as compared to the year ended December 31, 2022.

	For the years ended December 31,					
(€ thousands, except percentages)	**2024**	**Percentage of revenues**	**2023**	**Percentage of revenues**	**2022**	**Percentage of revenues**
Revenues	1,946,647	100.0%	1,904,549	100.0%	1,492,840	100.0%
Cost of sales	(650,087)	(33.4%)	(680,235)	(35.7%)	(564,832)	(37.8%)
Gross profit	**1,296,560**	**66.6%**	**1,224,314**	**64.3%**	**928,008**	**62.2%**
Selling, general and administrative	(1,008,324)	(51.8%)	(901,364)	(47.3%)	(695,084)	(46.6%)
Marketing expenses	(121,384)	(6.2%)	(114,802)	(6.0%)	(85,147)	(5.7%)
Operating profit	**166,852**	**8.6%**	**208,148**	**10.9%**	**147,777**	**9.9%**
Financial income	26,028	1.3%	37,282	2.0%	13,320	0.9%
Financial expenses	(51,995)	(2.7%)	(68,121)	(3.6%)	(54,346)	(3.6%)
Foreign exchange losses	(11,338)	(0.6%)	(5,262)	(0.3%)	(7,869)	(0.5%)
Result from investments accounted for using the equity method	1,061	0.1%	(2,953)	(0.2%)	2,199	0.1%
Profit before taxes	**130,608**	**6.7%**	**169,094**	**8.9%**	**101,081**	**6.8%**
Income taxes	(39,747)	(2.0%)	(33,433)	(1.8%)	(35,802)	(2.4%)
Profit	**90,861**	**4.7%**	**135,661**	**7.1%**	**65,279**	**4.4%**

For additional information relating to constant currency information, see section "*3.2.3. Results of Operations—L. Non-IFRS Financial Measures—Constant Currency Information.*"

Cash Flows

The following table summarizes the cash flows from or used in operating, investing and financing activities for each of the years ended December 31, 2024, 2023 and 2022. For additional information relating to the Group's cash flows refer to the consolidated cash flow statement and accompanying notes to the Consolidated Financial Statements included elsewhere in this annual report.

	For the years ended December 31			Increase/(Decrease)	
(€ thousands)	**2024**	**2023**	**2022**	**2024 vs 2023**	**2023 vs 2022**
Net cash flows from operating activities	279,129	275,382	146,398	3,747	128,984
Net cash flows (used in)/from investing activities	(126,014)	21,786	(57,335)	(147,800)	79,121
Net cash flows used in financing activities	(234,534)	(250,494)	(296,997)	15,960	46,503
Effects of exchange rate changes on cash and cash equivalents	4,270	(4,716)	2,464	8,986	(7,180)
Net (decrease)/increase in cash and cash equivalents	**(77,149)**	**41,958**	**(205,470)**	**(119,107)**	**247,428**
Cash and cash equivalents at the beginning of the year	296,279	254,321	459,791	41,958	(205,470)
Cash and cash equivalents at the end of the year	219,130	296,279	254,321	(77,149)	41,958

3.2. Management's discussion and analysis of financial condition and results of operations

Cautionary note

The following discussion of our financial condition and results of operations should be read together with the rest of this document, including the information included under "Note on Presentation," section "2. Company and Business Overview" and the Consolidated Financial Statements included elsewhere in this document. This discussion includes forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described under section "1.3. Cautionary note regarding forward-looking statements" and section "4.2. Risk Factors." Actual results may differ materially from those contained in any forward looking statements.

3.2.1. Overview

Ermenegildo Zegna N.V. is a Dutch public limited liability company (*naamloze vennootschap*) and its ordinary shares are listed on the New York Stock Exchange under the "ZGN" ticker.

The Ermenegildo Zegna Group is a global luxury player, with a leading position in the high-end menswear business, internationally recognized for its unique textile and manufacturing platform. Heritage, Italian craftsmanship, quality and innovation are the key ingredients of its three complementary brands: ZEGNA, Thom Browne and TOM FORD FASHION, through which the Group reaches different communities, from ZEGNA's absolute luxury, to the modern tailoring of Thom Browne, to luxury glamour with TOM FORD FASHION. Thanks to Thom Browne and TOM FORD FASHION, the Group can also play an important, and growing, role in the luxury womenswear and leather goods segment.

The Group was founded in 1910 in Northern Italy, in the town of Trivero, as a wool mill by Ermenegildo Zegna (the grandfather of the Group's current Chairman and Chief Executive Officer) with the dream of creating the most beautiful and luxurious fabrics in the world. In the 60ies the Company moved from textile into men's ready-to-wear while in the 80ies it expanded its business internationally with the opening of the first monobrand boutique in Paris in 1980 marking the beginning of an extensive retail network development at worldwide level. In 2018 it acquired 85% of Thom Browne Inc. (the Group owns 92% of Thom Browne Inc. at December 31, 2024) and on April 28, 2023, following the completion of the acquisition of Tom Ford International ("TFI") (the "TFI Acquisition"), the Group became a long-term licensee of the Estée Lauder Companies Inc. ("ELC") for the TOM FORD brand for men's and women's fashion and accessories business.

The Group's Filiera, the unique supply chain composed by some of the finest Italian high-end textile producers fully integrated in the Group's luxury manufacturing capabilities, represents an undeniable competitive advantage for all the Group's brands.

The Group controls the most important phases of the value chain, from designing to manufacturing, and to distribution. Over the years, the Group has reached a significant international presence through the direct-to-consumer retail channel, as well as through selected wholesale customers. The Group and its brands are led by a world-class management team.

The Group operates its business in three segments: (i) the Zegna segment, comprising three product lines: ZEGNA brand, Textile and Other (which mainly relates to agreements with third party brands), (ii) the Thom Browne segment and (iii) the Tom Ford Fashion segment.

The following table presents the Group's revenues, Profit, Adjusted EBIT and Adjusted Profit for the years 2024, 2023 and 2022. For additional information regarding Adjusted EBIT and Adjusted Profit, which are non-IFRS financial measures, including a reconciliation of Adjusted EBIT and Adjusted Profit to Profit, see section *"3.2.3. Results of Operation —L. Non-IFRS Financial Measures."*

	For the years ended December 31,		
(€ thousands)	**2024**	**2023**	**2022**
Revenues	1,946,647	1,904,549	1,492,840
Profit	90,861	135,661	65,279
Adjusted EBIT	184,020	220,212	157,729
Adjusted Profit	97,776	145,235	73,629

The Group primarily operates via its worldwide direct-to-consumer ("DTC") distribution channel through a network of 281 ZEGNA, 116 Thom Browne and 64 TOM FORD FASHION DOSs at December 31, 2024 (253 ZEGNA, 86 Thom Browne and 51 TOM FORD FASHION DOSs at December 31, 2023), including boutiques and outlets, as well as concessions with department stores. The DTC channel also includes a multibrand e-commerce marketplace. The Group also distributes its products worldwide through monobrand or multibrand points of sale operated by its wholesale customers, including franchisees, department stores, multibrand specialty stores and online multi-brand e-tailers. Taking into account both the DTC and the wholesale distribution channels, the Group is present in over 80 countries worldwide. The activities of the Textile product line, which is included within the Zegna segment, follows its own operational phases and logics. The Textile product line designs, manufactures and sells luxury fabrics under various brands to third party customers, as well as to other product lines within the Group, and the Other product line is primarily engaged in the manufacturing and supply of apparel for men to third party fashion brands, as well as to Thom Browne and TOM FORD FASHION.

3.2.2. Trends, Uncertainties and Opportunities

The main trends, uncertainties and opportunities affecting the Group are summarized below:

General economic conditions, macro events and international tourism

Purchases of the Group's products tend to be discretionary and therefore sales may be highly volatile, particularly during periods of economic slowdown, and are influenced by, among other factors, general economic conditions, consumer confidence and disposable consumer income, as well as levels of international travel and tourism. A significant amount of the Group's sales is generated by customers who purchase products while traveling. In times of economic growth, consumers tend to have more disposable income and travel more frequently, which may increase demand for the Group's products. Conversely, when economic growth is stagnant or negative, consumers may delay or avoid discretionary spending, which may result in reduced demand for the Group's products.

In addition to adverse economic conditions, global political developments, social and geopolitical sources of unrest, natural disasters, travel restrictions imposed by governments (such as those imposed in response to the COVID-19 pandemic) and other events may also result in a shift in travel patterns or a decline in travel volumes, which have had in the past, and may have in the future, an adverse effect on the Group's business, financial position, results of operations and cash flows. For example, consumer trends and global trade conditions that originated during the COVID-19 pandemic have led to shifts in tourism patterns in recent years and the emergence of new tourist destinations, which have influenced the geographical landscape of our store and distribution network. These shifts have resulted in increased expenditure associated with the physical and logistical expansion of our distribution network, as well as the need to adjust distribution strategies and logistics. Moreover, continued remote working arrangements may result in lower luxury purchases.

In recent years, economies around the world have experienced significant inflationary pressures, coupled with government measures to combat inflation and prevent or mitigate economic recession. In 2022 and 2023, the Group experienced a significant increase in the price of energy and certain raw materials used in production, as well as higher prices for transportation and logistics activities and higher costs for labor and outsourced production. Despite these increases in costs, the effects on our margins were substantially offset by the price impacts of implementing our One Brand strategy in the Zegna segment and passing on a portion of the increase in costs to our customers, as well as actions implemented to improve production processes and efficiencies and lower per unit energy costs. Although the effects of inflation were less significant in 2024, if inflation remains at elevated levels, or increases again in the future, the Group could face further increases in costs for energy, raw materials or other production costs and services, which could adversely affect the Group's business and results of operations if we are not able to pass on the increased costs to our customers or successfully implement other mitigating actions. As a result of the recent inflation, many central banks have increased interest rates, and may continue to do so, which in turn may increase our borrowing costs. Additionally, increasing costs and rising interest rates impact consumer spending power and could result in a decline in our sales.

Due to the ongoing conflict in Ukraine and resulting geopolitical tensions, many governments around the world, including those of the United States, the European Union and other jurisdictions, have imposed of a variety of sanctions on certain industries and parties in Russia and the Ukrainian regions of Donetsk and Luhansk, as well as enhanced export controls on certain industries and products and the exclusion of certain Russian financial institutions from the SWIFT system. In March 2022, the President of the United States issued an executive order prohibiting exports to Russia of luxury goods (including, inter alia, apparel, footwear and certain accessories with a per unit wholesale price of $1,000 or more) and the Council of the European Union imposed sanctions on Russia prohibiting the export of luxury goods having a value in excess

of €300 per item (including clothing, footwear, leather and fashion accessories). The Group suspended production starting with the Fall/Winter 2022 collection for items ordered by our Russian franchisees and distributors and redirected any products ordered by Russian franchises and distributors for the Fall/Winter 2022 collection to our DOSs or franchisees and distributors in other countries. Since then our revenues in Russia have been residual and represented less than 0.1% of our total revenues for the period from 2022 to 2024.

Acquisitions

In addition to the organic growth of our operations, our growth strategy may, from time to time, include strategic acquisitions and investments designed to strengthen our vertical integration and expand into new market segments and/or product categories. The economic and financial outcomes of any such transactions may present uncertainties. See section *"4.2. Risk Factors—Risk factors relating to the Group's business, strategy and operations—We are exposed to risks relating to recent and potential future acquisitions."*

The following paragraphs describe acquisitions made by the Group for the years ended December 31, 2024, 2023 and 2022. For additional information relating to the purchase price allocation and other disclosures relating to business acquisitions, see *Note 39 — Business combinations* to the Consolidated Financial Statements included elsewhere in this annual report.

TFI Acquisition

On April 28, 2023, the Group completed the TFI Acquisition, through which it acquired TFI, the company that owns and operates the TOM FORD FASHION business, as part of a transaction in which sole ownership of the TOM FORD brand, its trademarks, and other intellectual property rights were acquired by ELC and TFI has become a long-term licensee of ELC for all TOM FORD men's and women's fashion as well as accessories and underwear, fine jewelry, childrenswear, textile, and home design products, by virtue of a long-term licensing and collaboration agreement with ELC for 20 years with an automatic renewal for one further 10 year period subject to certain minimum performance conditions. The Group is in charge of the end-to-end TOM FORD FASHION business, from collection creation and development to production and merchandising, as well as retail and wholesale distribution. TOM FORD FASHION, under the Group, operates a network of 64 directly operated TOM FORD FASHION stores globally at December 31, 2024 (51 directly operated stores at December 31, 2023). The TOM FORD FASHION business has been identified as one of the Group's three operating and reportable segments.

Before the completion of the TFI Acquisition, the Group already owned 15% of TFI, through its wholly owned subsidiary EZ US Holding Inc., and, through the TFI Acquisition it acquired the remaining 85% equity interest. The transaction implied a value for the acquired 85% stake of TFI of $150 million, on a cash-free and debt-free basis and assuming a normalized working capital. No contingent consideration arrangements were agreed as part of the transaction. As a result of the TFI Acquisition, the Group also obtained 100% of Tizeta S.r.l. ("Tizeta"), of which it previously held a 50% interest. Tizeta, which was previously accounted for using the equity method, is consolidated by the Group following the closing of the TFI Acquisition.

Other acquisitions

On January 1, 2024, the Group acquired a 100% interest in Ermenegildo Zegna Korea Co. Ltd for purchase consideration of €11,510 thousand (including cash consideration of €8,970 thousand and €2,540 thousand through the settlement of pre-existing intercompany balances), following which the Group began directly operating its ZEGNA business in South Korea and its network of 16 ZEGNA retail stores, which were converted to direct-to-consumer points of sale after previously being managed under franchising arrangements.

On September 5, 2023, Ermenegildo Zegna Group and Prada Group completed the previously announced acquisition of a 30% interest in Luigi Fedeli e Figlio S.r.l., the world-renowned maker of fine Italian knitwear and yarns, with each group acquiring 15% of the company. The Group paid consideration of €4.7 million for 15% of the company.

On July 1, 2023, the Group acquired the Thom Browne business in South Korea and began directly operating the Thom Browne business in South Korea, with its network of 17 stores. The business is now wholly owned through Thom Browne Korea Ltd., a newly formed and wholly owned subsidiary, and will be operated with external support from the former franchise partner. The Group paid cash consideration of €7,991 thousand and recognized deferred consideration of

€18,583 thousand at the acquisition date. In 2024 the Group paid two tranches of the deferred consideration for €4,881 thousand and €4,699 thousand in January and July, respectively, and at December 31, 2024, the remaining deferred consideration, which is expected to be paid in two tranches in January and July 2025, amounted to €9,066 thousand and was classified within current liabilities.

On March 31, 2023, the Group completed the acquisition of a 25% interest in Canadian technical trail-running shoe company Norda Run Inc. for consideration of $7.1 million, with the option to gradually increase its stake over the following nine years. The luxury outdoor space continues to be an area of focus for the Group, and Norda Run, which uses the finest materials on the planet to produce the world's best-performing all-weather footwear, aligns perfectly with the Group's values of creating the best products from the best materials. The agreement secures the possibility of accelerating the brand's growth through a strong industrial and commercial partnership.

Transaction costs of €33 thousand, €6,001 thousand and €2,289 thousand in 2024, 2023 and 2022, respectively, primarily for consultancy and legal fees relating to the TFI Acquisition, were presented as an adjusting item in the calculation of Adjusted EBIT, Adjusted EBITDA, Adjusted Profit, Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share. See also section *"3.2.3. Results of Operation—L. Non-IFRS Financial Measures."*

Increased focus on the DTC distribution channel, including expansion of the DTC store network and investments made to reinforce retail operations

The strengthening of our Direct-to-Consumer (DTC) distribution channel is and will continue to remain a significant pillar of our future growth strategy for all of our brands. Our DTC network is essential to successfully implement our clienteling strategy while embracing a unique client experience, and consists of 461 Directly Operated Stores (DOSs), which include full price freestanding stores (boutique), outlet stores, and shop-in-shop within department stores also managed by us (concessions). In addition, the DTC channel includes a directly managed online boutique and other e-commerce platforms through which we sell directly to our customers. In the period from 2022 to 2024, the Group has developed a strong, well balanced international network in 34 countries around the world growing from 302 DOSs at the end of 2022 (when TOM FORD FASHION was not yet part of the Group) to 461 DOSs at the end of 2024 (of which 64 related to TOM FORD FASHION).

The following table presents the Group's DOSs network by segment and geography at December 31, 2024, 2023 and 2022.

	At December 31,										
	2024				2023				2022		
# Stores	ZEGNA	Thom Browne	TOM FORD FASHION	Group	ZEGNA	Thom Browne	TOM FORD FASHION	Group	ZEGNA	Thom Browne	Group
EMEA	76	9	11	96	71	9	4	84	65	10	75
Americas	72	28	13	113	59	7	12	78	53	7	60
Rest of APAC	55	39	28	122	44	37	25	106	43	16	59
Greater China Region	78	40	12	130	79	33	10	122	78	30	108
Total Direct to Customer (DTC)	**281**	**116**	**64**	**461**	**253**	**86**	**51**	**390**	**239**	**63**	**302**

The expansion of the DTC store network has been executed primarily through the following actions:

- the opening of selected new stores;
- the conversion of wholesale stores to DOSs, including:
  - for the Zegna brand:
    - the conversion on January 1, 2024 of 16 stores following the acquisition of the ZEGNA business in South Korea;
    - the conversion in 2024 of 9 Harry Rosen stores in Canada;
  - for the Thom Browne brand:

    - the conversion in the second half of 2023 of 17 stores following the acquisition of the Thom Browne business in South Korea;
    - the conversion in 2024 of 13 Nordstrom stores in the United States and 6 Holt Renfrew stores in Canada, the majority of which are significantly smaller than the average store size in the brand's DTC network;
- the addition of the TOM FORD FASHION network of stores following the completion of the TFI Acquisition in April 2023.

Our focus on the DTC channel and the expansion of the DTC store network have resulted in higher overall revenues and a higher proportion of DTC sales compared to wholesale sales over the period from 2022 to 2024. As a percentage of revenues from branded products, which include DTC and wholesale, DTC increased from 73.2% in 2022 to 73.4% in 2023 and to 77.6% in 2024. This increase in the proportion of DTC sales, which have higher gross margins compared to wholesale sales, has driven a higher gross profit as a percentage of revenues over this period (together with other factors), increasing from 62.2% in 2022 to 64.3% in 2023 and to 66.6% in 2024.

However, despite higher gross margins, the DTC channel normally carries a higher level of fixed costs compared to the wholesale channel. In addition, new stores generally require a start-up period before they achieve the expected levels of revenues and profitability, which, based on historical experience, typically extends for up to three years following the date of opening. During this time, the new stores may operate at profit margins that are below those of the rest of the Group. When stores are converted from wholesale to DTC, we may repurchase the related inventory from the wholesaler, which results in a buyback obligation and additional costs in the current or preceding period.

Furthermore, our focus on the DTC channel and the expansion of the DTC store network have required significant investments in capital expenditure for property, plant and equipment, mainly in relation to new store openings, and an increase in payments for lease liabilities for our stores, resulting in a decrease in Free Cash Flow in 2024 compared to 2023 (for additional information relating to Free Cash Flow, which is a non-IFRS financial measure, see section "*3.2.3. Results of operations—L. Non-IFRS Financial Measures*"), as well as cash outflows for the acquisitions of the ZEGNA and Thom Browne businesses in South Korea in 2024 and 2023, respectively, and the resulting conversion of stores from wholesale to DTC.

Additionally, we have incurred significant operating costs during 2024 to:

- support the expansion of the DTC store network and invest in our customers' experience and connectivity with our brands;
- reinforce our retail and clienteling operations;
- develop our talents and organization; and
- continuously renew and remodel our stores in order to enhance our customers' experience.

This has contributed to downward pressure on our operating profit, operating profit margin, profit and profit margin in 2024 compared to 2023, however we believe that these investments are necessary in order to lay the foundation for the sustainable future growth of the Group.

Fluctuations in the price of raw materials

The Group requires high quality raw materials for its products, which primarily include fibers and yarns of wool, silk, cotton, linen, cashmere and fabrics of the same composition, as well as leather and rare raw materials such as Vellus Aureum and vicuña. The Group's cost of sales and profitability are impacted by fluctuations in the price of these and other raw materials, which may be driven by several factors, including, among others, natural elements such as weather conditions and diseases of livestock, inflation and trade restrictions, tariffs or similar government measures that may limit or increase the cost of importing or exporting these raw materials.

The market price of wool is often volatile and subject to significant fluctuations. For example, the average price of Australian merino wool, one of our key raw materials, more than doubled from 2016 to 2018, declined significantly in the 2019-2020 period and increased again in 2021. Prices then decreased over the period from 2022 to 2024, with 2024 being characterized by relatively stable prices compared to previous periods. The Group seeks to mitigate the risk of price increases for wool and other materials through a procurement policy that tends to spread purchases over time and in advance of actual requirements in order to average out purchase costs, although the Group remains exposed to fluctuations in their prices.

Fluctuations in exchange rates

A large portion of the Group's operations is in international markets outside the Eurozone, where the Group records revenues and expenses in various currencies other than the Euro (which is the Group's functional currency), mainly the Chinese Renminbi and the U.S. Dollar, as well as various other currencies. In particular, revenues generated in currencies other than the Euro represented 74%, 68% and 65% of the Group's revenues in 2024, 2023 and 2022, respectively (see the table presented below for additional details relating to the Group's revenues by currency of origin). While the Group's revenues are denominated mainly in the local currencies of the respective markets, a significant portion of the Group's costs are denominated in Euro, mainly related to production and corporate headquarters and related functions. As a result, the Group's results are affected by fluctuations in foreign currency exchange rates through (i) the translation of foreign currency financial statements into Euro upon consolidation of the Group's subsidiaries with functional currencies other than Euro (translation impact), and (ii) transactions by Group entities in currencies other than their own functional currencies (transaction impact). Generally, an appreciation of the Chinese Renminbi, U.S. Dollar or the other currencies in which the Group operates compared to the Euro would have a positive impact on the Group's revenues and results of operations, while a depreciation of those currencies compared to the Euro would have a negative impact. An appreciation of the U.S. Dollar against the Euro may also adversely affect the Group's results of operations due to certain significant liabilities of the Group that are denominated in U.S. Dollars, such as the liability for the written put option on non-controlling interests in the Thom Browne group, which is remeasured at fair value and recognized through profit or loss at the end of each reporting period based on the present value of the exercise price of the option in U.S. Dollars.

The following table sets forth the Group's revenues by currency of origin for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,					
	2024		**2023**		**2022**	
(€ thousands, except percentages)	**Revenues**	**% of Revenues**	**Revenues**	**% of Revenues**	**Revenues**	**% of Revenues**
Euro	496,450	25.5%	612,394	32.2%	518,818	34.8%
U.S. Dollar	460,606	23.7%	391,654	20.6%	275,550	18.5%
Chinese Renminbi	404,272	20.8%	474,987	24.9%	414,579	27.8%
United Arab Emirates Dirham	152,218	7.8%	62,493	3.3%	49,324	3.3%
Japanese Yen	88,793	4.6%	80,096	4.2%	57,918	3.9%
Pound Sterling	71,400	3.7%	62,649	3.3%	45,834	3.1%
South Korean Won	70,833	3.6%	30,751	1.6%	922	0.1%
Hong Kong Dollar	45,201	2.3%	44,184	2.3%	17,272	1.2%
Other currencies	156,874	8.1%	145,341	7.6%	112,623	7.5%
Total revenues	**1,946,647**	**100.0%**	**1,904,549**	**100.0%**	**1,492,840**	**100.0%**

The last three years have been characterized by volatility in exchange rates. For example, based on average exchange rates, the Chinese Renminbi and the U.S. Dollar (which are the two main non-Euro currencies in which the Group generated revenues as evidenced in the table above) depreciated against the Euro over the period from 2022 to 2024 (primarily in 2023), although when considering the year end spot exchange rates, the depreciation of the Chinese Renminbi was less than half in percentage terms and the U.S. Dollar actually appreciated compared to the Euro over that time, driven by a strong 2024.

The table below shows the exchange rates of the main foreign currencies used by the Group compared to the Euro.

	2024		2023		2022	
	At December 31	Average	At December 31	Average	At December 31	Average
U.S. Dollar	1.039	1.082	1.105	1.081	1.067	1.053
Chinese Renminbi	7.583	7.787	7.851	7.660	7.358	7.079
United Arab Emirates Dirham	3.815	3.975	4.058	3.971	3.917	3.867
Japanese Yen	163.060	163.852	156.330	151.990	140.660	138.027
Pound Sterling	0.829	0.847	0.869	0.870	0.887	0.853
South Korean Won	1,532.150	1,475.404	1,433.660	1,412.880	1,344.090	1,358.073
Hong Kong Dollar	8.069	8.445	8.631	8.465	8.316	8.245
Swiss Franc	0.941	0.953	0.926	0.972	0.985	1.005

The Group seeks to mitigate the effects of its currency exposure by entering into derivative contracts (generally forward contracts for the sale of foreign currencies) in order to either fix exchange rates in advance or to determine a predefined range of exchange rates at a future date. For the Zegna and the Tom Ford Fashion segments, the Group initially defines sales prices in Euro and then sets the corresponding prices in other currencies by applying exchange rates selected by management based on reasonable expectations and assumptions. Forward sales contracts are made when the seasonal price lists in a given currency are set in order to mitigate the impact of any divergence between actual exchange rates and the expected exchange rates used by management, based on estimated revenues and setting the hedge contract maturity in line with the planned date of payment by customers. Additional hedging transactions may be entered into during the relevant season depending on actual developments in exchange rates. Where considered appropriate, the Group may also implement similar hedging policies within the Thom Browne segment, which has become more exposed to currency impact as it expands into international markets. For information relating to the market risks that the Group is exposed to, see *Note 35 — Qualitative and quantitative information on financial risks* to the Consolidated Financial Statements included within this report.

Funding strategy

With the aim of reducing the cost of financing while continuing to ensure the Group has adequate access to liquidity to meet its financial commitments and guarantee flexibility for its operations and any expansion programs, starting in 2022 the Group has replaced a portion of its short term debt maturities with new bilateral committed revolving credit facilities that may be drawn down by the Group at any time during the relevant term. As a result, the Group has reduced its financial borrowings, primarily in 2023 through the use of cash and the disposal of certain financial investments held by the Group.

For additional information see *"3.2.4. Liquidity and Capital Resources—E. Net Financial Indebtedness/(Cash Surplus)."*

Tax obligations and changes in tax laws, estimates, treaties and regulations

The Group is subject to taxation in Italy, the United States and China, as well as various other jurisdictions, with the applicable tax rates varying by jurisdiction. As a result, the Group's overall effective tax rate is affected by the proportion of earnings from the various tax jurisdictions and by the ability to generate sufficient and suitable future taxable profits from which the reversal of any deferred tax assets can be deducted. The Group recognizes tax expenses in multiple tax jurisdictions based on (i) the estimates of taxable income, (ii) the required reserves for uncertain tax positions, (iii) deductible temporary differences, tax loss carry-forwards and tax credits to the extent that their future offset is probable, (iv) withholding taxes on unremitted earnings, and (v) the way in which the Group intends to recover or settle the carrying amount of deferred tax assets and liabilities. At any given time, there are multiple tax years that are subject to examinations by various tax authorities.

Additionally, the Group is subject to duties applicable to the importation of our products in various countries in which we operate, which may impact the cost of those products. Moreover, countries to which the Group ships its products may impose safeguard quotas to limit the quantity of products that may be imported. The Group relies on free trade agreements and other supply chain initiatives in order to maximize efficiencies relating to the importation of the Group's products.

Seasonality

The luxury apparel market in which the Group operates is subject to seasonal fluctuations in sales. The Group's sales are usually higher in the months of the year in which wholesale customers concentrate their purchases. For example, deliveries of seasonal goods to wholesale customers tend to concentrate from November to February for the Spring/Summer collection and from June to September for the Fall/Winter collection.

With regard to retail sales at the Group's DOSs, sales tend to be higher in the last quarter of the year, driven by the holiday shopping season, and in January and February, in correspondence with the Chinese New Year celebrations. However, several other events may also affect retail sales, including adverse weather conditions or other macroeconomic and external events.

Operating costs, in contrast, do not generally experience significant seasonal fluctuations, except for certain increases in the months of November and December due to the variable costs associated with sales commissions and variable leases, as well as for marketing activities, including events that the Group hosts or participates in, which may not occur evenly throughout the year or between periods.

As a result of the foregoing, the financial results for interim periods may not be indicative of results for the entire fiscal year. Management expects such seasonal trends to continue.

3.2.3. Results of operations

The following is a discussion of the Group's results of operations for the year ended December 31, 2024 as compared to the year ended December 31, 2023, and for the year ended December 31, 2023 as compared to the year ended December 31, 2022.

	For the years ended December 31,					
(€ thousands, except percentages)	**2024**	**Percentage of revenues**	**2023**	**Percentage of revenues**	**2022**	**Percentage of revenues**
Revenues	1,946,647	100.0%	1,904,549	100.0%	1,492,840	100.0%
Cost of sales	(650,087)	(33.4%)	(680,235)	(35.7%)	(564,832)	(37.8%)
Gross profit	**1,296,560**	**66.6%**	**1,224,314**	**64.3%**	**928,008**	**62.2%**
Selling, general and administrative	(1,008,324)	(51.8%)	(901,364)	(47.3%)	(695,084)	(46.6%)
Marketing expenses	(121,384)	(6.2%)	(114,802)	(6.0%)	(85,147)	(5.7%)
Operating profit	**166,852**	**8.6%**	**208,148**	**10.9%**	**147,777**	**9.9%**
Financial income	26,028	1.3%	37,282	2.0%	13,320	0.9%
Financial expenses	(51,995)	(2.7%)	(68,121)	(3.6%)	(54,346)	(3.6%)
Foreign exchange losses	(11,338)	(0.6%)	(5,262)	(0.3%)	(7,869)	(0.5%)
Result from investments accounted for using the equity method	1,061	0.1%	(2,953)	(0.2%)	2,199	0.1%
Profit before taxes	**130,608**	**6.7%**	**169,094**	**8.9%**	**101,081**	**6.8%**
Income taxes	(39,747)	(2.0%)	(33,433)	(1.8%)	(35,802)	(2.4%)
Profit	**90,861**	**4.7%**	**135,661**	**7.1%**	**65,279**	**4.4%**

A. Revenues

The Group generates revenues from the sale of its products and services, as well as from royalties received from licensees and other third parties. Revenues are recognized net of returns and discounts.

In addition to presenting our revenues on a current currency basis, the following analysis of revenues includes the change in revenues on an organic basis, which we refer to as "Organic". The change in revenues on an organic basis is a non-IFRS financial measure. See *"—L. Non-IFRS Financial Measures"* for additional information relating to this measure and for the reconciliations of revenue growth to Organic.

2024 compared to 2023

Revenues for the year ended December 31, 2024 amounted to €1,946,647 thousand, an increase of €42,098 thousand or +2.2% (-1.9% Organic) compared to €1,904,549 thousand for the year ended December 31, 2023, driven by (i) the positive performance of the Zegna segment mainly due to the ZEGNA brand, as well as (ii) the Tom Ford Fashion segment, which benefited from a full year contribution in 2024 compared to eight months and two days in 2023 following completion of the TFI Acquisition on April 28, 2023, partially offset by (iii) a decrease in the Thom Browne segment.

2023 compared to 2022

Revenues for the year ended December 31, 2023 amounted to €1,904,549 thousand, an increase of €411,709 thousand or +27.6% (+19.3% Organic) compared to €1,492,840 thousand for the year ended December 31, 2022, driven by double-digit growth in the Zegna and Thom Browne segments (including on an Organic basis), as well as the revenues contributed by the Tom Ford Fashion segment following completion of the TFI acquisition on April 28, 2023.

The following discussion presents an analysis of revenues by (i) brand and product line, (ii) distribution channel and (iii) geographical area. For further details relating to the revenues of each of the Group's operating segments, see *"—J. Results by Segment"* below.

Revenues by brand and product line

The following table sets forth a breakdown of revenues by brand and product line for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,			Increase/(Decrease)					
(€ thousands, except percentages)	2024	2023	2022	2024 vs 2023	%	Organic	2023 vs 2022	%	Organic
ZEGNA brand	1,163,722	1,109,491	923,942	54,231	4.9%	5.5%	185,549	20.1%	22.3%
Thom Browne	314,712	378,410	330,014	(63,698)	(16.8%)	(20.5%)	48,396	14.7%	17.5%
TOM FORD FASHION	314,514	235,531	—	78,983	33.5%	(0.7%)	235,531	n.m. (1)	n.m.
Textile	138,153	150,986	136,769	(12,833)	(8.5%)	(7.5%)	14,217	10.4%	9.5%
Other (2)	15,546	30,131	102,115	(14,585)	(48.4%)	(32.1%)	(71,984)	(70.5%)	(12.1%)
Total revenues	**1,946,647**	**1,904,549**	**1,492,840**	**42,098**	**2.2%**	**(1.9%)**	**411,709**	**27.6%**	**19.3%**

(1) Throughout this document "n.m." means not meaningful.
(2) Other mainly includes revenues from agreements with third party brands.

2024 compared to 2023

By brand and product line, the increase in revenues was mainly attributable to:

(i) an increase in TOM FORD FASHION of €78,983 thousand or +33.5% (-0.7% Organic), which benefited from a full year contribution in 2024 compared to eight months and two days in 2023 following completion of the TFI Acquisition on April 28, 2023. Revenues for the period from April 29, 2024 to December 31, 2024 were substantially in line with the corresponding period in 2023 (when TFI was part of the Group) with Organic Growth of -0.7% driven by a decrease in the wholesale business which offset the increase in the DTC channel; and

(ii) an increase in ZEGNA brand of €54,231 thousand or +4.9% (+5.5% Organic[1]), primarily attributable to the continued positive performance of both luxury leisurewear and footwear, as well as our personalization offerings, while performance of formalwear was substantially in line with 2023. Additionally, the ZEGNA brand benefited from a higher average unit retail (AUR) in 2024, primarily driven by a mix of higher value products sold.

partially offset by:

(iii) a decrease in Thom Browne of €63,698 thousand or -16.8% (-20.5% Organic[2]), driven by a decrease in the Thom Browne wholesale channel of €66,342 thousand and reflecting the impact of the decision to streamline the wholesale business during the year, which primarily impacted the EMEA region, as well as negative double-digit performance in the Greater China Region which continues to be impacted by challenging conditions for the luxury sector, only partially offset by positive performance of the DTC channel of €2,644 thousand, reflecting growth in Japan and the conversion of 17 stores from wholesale to DTC following the acquisition of the Thom Browne business in South Korea in the second half of 2023;

(iv) a decrease in Other revenues, which mainly include revenues from third-party brands, of €14,585 thousand or -48.4% (-32.1% Organic), reflecting the impact of revenues recognized in the prior year from the supply agreement with TFI prior to the TFI Acquisition on April 28, 2023, following which revenues with TFI are reported as intercompany revenues and eliminated from the Group's consolidated results, as well as lower orders for third-party brands; and

(v) a decrease in Textile of €12,833 thousand or -8.5% (-7.5% Organic), driven by lower orders for new collections compared to the previous year across several textile brands, reflecting challenges and uncertainties

[1] *Excludes foreign exchange impact and revenues in South Korea, both DTC and wholesale for each period, since the Group purchased the ZEGNA business in South Korea on January 1, 2024.*
[2] *Excludes foreign exchange impact and revenues in South Korea, both DTC and wholesale from January 1 to June 30 each period, since the Group purchased the Thom Browne business in South Korea on July 1, 2023.*

currently affecting the luxury sector.

2023 compared to 2022

By brand and product line, the increase in revenues was mainly attributable to:

(i) an increase in ZEGNA brand of €185,549 thousand or +20.1% (+22.3% Organic), primarily driven by the continued positive performance of both luxury leisurewear and footwear, which represented 50% and 13% of revenues from ZEGNA brand during the year, respectively, as well as our Tailoring and Made-to-Measure businesses;

(ii) an increase in Thom Browne of €48,396 thousand or +14.7% (+17.5% Organic), driven by the growth across all lines and in particular womenswear;

(iii) revenues of €235,531 thousand from TOM FORD FASHION following completion of the TFI Acquisition on April 28, 2023; and

(iv) an increase of €14,217 thousand or +10.4% (+9.5% Organic) in Textile, primarily attributable to double-digit growth of Lanificio Ermenegildo Zegna;

partially offset by:

(v) a decrease in Other revenues of €71,984 thousand or -70.5% (-12.1% Organic), reflecting the end of the previous TFI distribution license agreement for menswear with the deliveries of the Fall/Winter 2022 collection and the start of a supply agreement to act as the exclusive supplier for certain TOM FORD menswear products with the Spring/Summer 2023 collection. Following the completion of the TFI Acquisition on April 28, 2023, the revenues from the supply agreement with TFI are reported as intercompany revenues and eliminated from the Group's consolidated results.

Revenues by distribution channel

The following table sets forth a breakdown of revenues by distribution channel for the years ended December 31, 2024, 2023 and 2022.

(€ thousands, except percentages)	For the years ended December 31,			Increase/(Decrease)					
	2024	**2023**	**2022**	**2024 vs 2023**	**%**	**Organic**	**2023 vs 2022**	**%**	**Organic**
Direct to Consumer (DTC)									
ZEGNA brand	1,004,308	945,313	772,505	58,995	6.2%	6.1%	172,808	22.4%	25.4%
Thom Browne	186,066	183,422	145,702	2,644	1.4%	(7.6%)	37,720	25.9%	19.7%
TOM FORD FASHION	200,302	136,291	—	64,011	47.0%	5.1%	136,291	n.m.	n.m.
Total Direct to Consumer (DTC)	**1,390,676**	**1,265,026**	**918,207**	**125,650**	**9.9%**	**4.0%**	**346,819**	**37.8%**	**24.5%**
As a percentage of branded products [(1)]	*77.6%*	*73.4%*	*73.2%*						
Wholesale branded									
ZEGNA brand	159,414	164,178	151,437	(4,764)	(2.9%)	2.5%	12,741	8.4%	7.0%
Thom Browne	128,646	194,988	184,312	(66,342)	(34.0%)	(32.6%)	10,676	5.8%	15.7%
TOM FORD FASHION	114,212	99,240	—	14,972	15.1%	(8.5%)	99,240	n.m	n.m.
Total Wholesale branded	**402,272**	**458,406**	**335,749**	**(56,134)**	**(12.2%)**	**(15.0%)**	**122,657**	**36.5%**	**11.5%**
As a percentage of branded products [(1)]	*22.4%*	*26.6%*	*26.8%*						
Textile	**138,153**	**150,986**	**136,769**	**(12,833)**	**(8.5%)**	**(7.5%)**	**14,217**	**10.4%**	**9.5%**
Other [(2)]	**15,546**	**30,131**	**102,115**	**(14,585)**	**(48.4%)**	**(32.1%)**	**(71,984)**	**(70.5%)**	**(12.1%)**
Total revenues	**1,946,647**	**1,904,549**	**1,492,840**	**42,098**	**2.2%**	**(1.9%)**	**411,709**	**27.6%**	**19.3%**

(1) Branded products refer to the products sold under the three brands that the Group operates, through the DTC or wholesale branded distribution channels.
(2) Other mainly includes revenues from agreements with third party brands.

2024 compared to 2023

By distribution channel, the increase in branded revenues was mainly attributable to:

(i) an increase in the DTC channel of €125,650 thousand or +9.9% (+4.0% Organic), composed of:

(a) an increase in the TOM FORD FASHION DTC channel of €64,011 thousand or +47.0% (+5.1% Organic), primarily benefiting from a full year contribution in 2024 compared to eight months and two days in 2023 following completion of the TFI Acquisition on April 28, 2023, and +5.1% Organic Growth driven by positive performance in the United States and EMEA, as well as the expansion of the DTC store network with 13 net store openings (64 DTC stores at December 31, 2024 compared to 51 DTC stores at December 31, 2023);

(b) an increase in the ZEGNA brand DTC channel of €58,995 thousand or +6.2% (+6.1% Organic), reflecting growth in EMEA (including strong performance in the Middle East), the Americas (primarily the United States) and Japan, as well as an expansion of the store network with 28 net DTC store openings, including the conversion from wholesale to DTC of 16 stores in South Korea starting from January 1, 2024 and 9 Harry Rosen stores in Canada in the second half of 2024 (281 DOSs at December 31, 2024 compared to 253 DOSs at December 31, 2023), partially offset by the performance in the Greater China Region which continues to be impacted by challenges for the luxury sector; and

(c) an increase in Thom Browne of €2,644 thousand or +1.4% (-7.6% Organic), driven by strong performance in Japan, an increase of €21,785 thousand from the Thom Browne business in South Korea, which was acquired in the second half of 2023 and its 17 stores were subsequently converted from wholesale to DTC following an agreement with the former franchise partner, as well as an expansion of

the store network with 30 net DTC store openings (116 DOSs at December 31, 2024 compared to 86 DOSs at December 31, 2023, which included the conversion from wholesale to DTC of the Saks Fifth Avenue store in New York, as well as the conversion of 13 Nordstrom stores in the United States and 6 Holt Renfrew stores in Canada, the majority of which are significantly smaller than the average store size in the brand's DTC network), partially offset by performance in the Greater China Region which continues to be impacted by challenging conditions for the luxury sector;

(ii) a decrease in the wholesale branded channel of €56,134 thousand or -12.2% (-15.0% Organic) due to the combined effects of:

(a) a decrease in Thom Browne wholesale revenues of €66,342 thousand or -34.0% (-32.6% Organic), primarily reflecting the impact of the decision to streamline the wholesale business and, to a lesser extent, the aforementioned conversion of 17 stores from wholesale to DTC in South Korea following an agreement with the former franchise partner; and

(b) a decrease in ZEGNA brand wholesale revenues of €4,764 thousand or -2.9% (+2.5% Organic), primarily reflecting the aforementioned conversion from wholesale to DTC of 16 stores in South Korea starting from January 1, 2024 and 9 Harry Rosen stores in Canada in the second half of 2024, partially offset by the positive performance in Rest of APAC, EMEA and the United States;

partially offset by:

(c) an increase in TOM FORD FASHION wholesale revenues of €14,972 thousand or +15.1% (-8.5% Organic), primarily benefiting from a full year contribution in 2024 compared to eight months and two days in 2023 following completion of the TFI Acquisition on April 28, 2023, while Organic Growth was -8.5% primarily due to the conversion of two wholesale stores into retail in the third quarter of 2024 (Harrods in London (men) and Saks Fifth Avenue in New York (women)), as well as lower shipments for the Fall/ Winter 2024 collection ahead of the new collection revealed in March 2025 by the new creative director, Haider Ackermann.

2023 compared to 2022

By distribution channel, the increase in branded revenues was mainly attributable to:

(i) an increase in the DTC channel of €346,819 thousand or +37.8% (+24.5% Organic) composed of:

(a) an increase in ZEGNA brand DTC of €172,808 thousand or +22.4% (+25.4% Organic), driven by double-digit growth in all regions and reflecting higher average sales prices and increased store traffic, as well as selected DTC store openings (253 DTC stores at December 31, 2023 compared to 239 DTC stores at December 31, 2022);

(b) an increase in Thom Browne DTC of €37,720 thousand or +25.9% (+19.7% Organic), driven by the expansion of the store network through 23 net store openings (86 DTC stores at December 31, 2023 compared to 63 DTC stores at December 31, 2022), mainly in APAC and including the conversion of 17 stores in South Korea from wholesale to DTC following an agreement with the former franchise partner, as well as the performance of existing stores in Japan; and

(c) DTC revenues of €136,291 thousand generated by the TOM FORD FASHION DTC network (which consisted of 51 DTC stores at December 31, 2023) following completion of the TFI Acquisition on April 28, 2023;

(ii) an increase in the wholesale branded channel of €122,657 thousand or +36.5% (+11.5% Organic), mainly due to:

(a) an increase in ZEGNA brand of €12,741 thousand or +8.4% (+7.0% Organic) driven by positive performance, particularly in EMEA, partially offset by the effects of a planned change in merchandising

strategy whereby a portion of the Spring/Summer 2024 deliveries were intentionally shifted from the fourth quarter of 2023 to the first quarter of 2024;

(b) an increase in Thom Browne of €10,676 thousand or +5.8% (+15.7% Organic) driven by double-digit growth in EMEA, partially offset by lower deliveries to the South Korean market ahead of a change in the business from wholesale to DTC starting in the third quarter of 2023 following an agreement with the former franchise partner; and

(c) wholesale revenues of €99,240 thousand from TOM FORD FASHION following completion of the TFI Acquisition on April 28, 2023.

Revenues by geographic area

The following table sets forth a breakdown of revenues by geographic area for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,			Increase/(Decrease)					
(€ thousands, except percentages)	**2024**	**2023**	**2022**	**2024 vs 2023**	**%**	**Organic**	**2023 vs 2022**	**%**	**Organic**
EMEA [(1)]	680,259	658,694	520,226	21,565	3.3%	0.4%	138,468	26.6%	18.8%
Americas [(2)]	524,790	454,890	324,575	69,900	15.4%	6.8%	130,315	40.1%	11.9%
Greater China Region	509,378	595,515	494,110	(86,137)	(14.5%)	(13.7%)	101,405	20.5%	24.2%
Rest of APAC [(3)]	229,877	192,492	150,692	37,385	19.4%	6.9%	41,800	27.7%	21.5%
Other [(4)]	2,343	2,958	3,237	(615)	(20.8%)	(25.7%)	(279)	(8.6%)	(25.6%)
Total revenues	**1,946,647**	**1,904,549**	**1,492,840**	**42,098**	**2.2%**	**(1.9%)**	**411,709**	**27.6%**	**19.3%**

(1) EMEA includes Europe, the Middle East and Africa.
(2) Americas includes the United States of America, Canada, Mexico, Brazil and other Central and South American countries.
(3) Rest of APAC includes Japan, South Korea, Singapore, Thailand, Malaysia, Vietnam, Indonesia, Philippines, Australia, New Zealand, India and other Southeast Asian countries.
(4) Other revenues mainly include royalties.

2024 compared to 2023

By geographic area, the increase in revenues was mainly attributable to:

(i) an increase in Americas of €69,900 thousand or +15.4% (+6.8% Organic) driven by double-digit growth of the ZEGNA brand DTC channel in the United States, Mexico and Brazil, as well as a full year contribution in 2024 from TOM FORD FASHION;

(ii) an increase in Rest of APAC of €37,385 thousand or +19.4% (+6.9% Organic) driven by the aforementioned conversion of Thom Browne and ZEGNA brand stores from wholesale to DTC in South Korea, strong performance in Japan, mainly for Thom Browne and ZEGNA brand, which both benefited from tourist customers and the depreciation of the Japanese Yen;

(iii) an increase in EMEA of €21,565 thousand or +3.3% (+0.4% Organic) primarily attributable to double-digit growth of the ZEGNA brand driven by the DTC channel and including strong performance in the Middle East, as well as a full year contribution in 2024 from TOM FORD FASHION, including new store openings (including Rome, London Harrods men, Madrid and Taormina), partially offset by Thom Browne, mainly reflecting the decision to streamline the wholesale business;

partially offset by:

(iv) a decrease in the Greater China Region of €86,137 thousand or -14.5% (-13.7% Organic), reflecting challenging conditions for the luxury sector in the region, in particular in Mainland China, and impacting all the Group's brands.

2023 compared to 2022

By geographic area, the increase in revenues was attributable to growth in all regions, including:

(i) an increase in EMEA of €138,468 thousand or +26.6% (+18.8% Organic) driven by the ZEGNA brand DTC channel in Europe and the United Arab Emirates ("UAE"), which benefited from both domestic and tourist customers, as well as an increase in the wholesale channel driven by ZEGNA brand, Thom Browne and Textile, partially offset by the effects of a planned change in merchandising strategy whereby a portion of the Spring/Summer 2024 deliveries were intentionally shifted from the fourth quarter of 2023 to the first quarter of 2024;

(ii) an increase in Americas of €130,315 thousand or +40.1% (+11.9% Organic) driven by the United States, including the contribution of the Tom Ford Fashion segment's 12 directly operated stores following completion of the TFI Acquisition on April 28, 2023, as well as double-digit revenue growth in the ZEGNA brand DTC channel, partially offset by the impact of the aforementioned shift in wholesale deliveries, as well as the conversion of the Saks Fifth Avenue store in New York from wholesale to DTC;

(iii) an increase in Greater China Region of €101,405 thousand or +20.5% (+24.2% Organic) driven by the growth in the Greater China Region, particularly in the ZEGNA brand DTC channel. The comparison is also impacted by the adverse effects on revenues in the prior year due to COVID-19-related restrictions in the Greater China Region, which were substantially reversed in 2023;

(iv) an increase in Rest of APAC of €41,800 thousand or +27.7% (+21.5% Organic).

For further details relating to the revenues of each of the Group's operating segments, see *"—J. Results by Segment"* below.

B. Cost of Sales

Cost of sales comprises costs directly related to the production, procurement and the supply of goods and services, including direct labor costs, costs for raw materials and components used to manufacture the Group's products (such as fibers and yarns of wool, silk, cotton, linen, cashmere and fabrics of the same composition, as well as leather), costs for semi-finished products, finished goods, consumables and outsourced manufacturing from third parties. Cost of sales also includes depreciation, amortization and impairment of assets, lease expenses, maintenance, write-downs of inventory, freight and duty, and other production-related costs, including manufacturing overhead.

The following table sets forth cost of sales for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,			(Increase)/Decrease			
(€ thousands, except percentages)	**2024**	**2023**	**2022**	**2024 vs 2023**	**%**	**2023 vs 2022**	**%**
Cost of sales	(650,087)	(680,235)	(564,832)	30,148	4.4%	(115,403)	(20.4%)
Cost of sales as % of revenues	(33.4%)	(35.7%)	(37.8%)				

2024 compared to 2023

Cost of sales for the year ended December 31, 2024 amounted to €650,087 thousand, a decrease of €30,148 thousand or +4.4%, compared to €680,235 thousand for the year ended December 31, 2023, and as a percentage of revenues, cost of sales decreased from +35.7% in 2023 to +33.4% in 2024, primarily driven by a change in distribution channel mix, as further described in *"—C. Gross profit"* below.

The decrease in cost of sales was primarily attributable to (i) lower sales volumes in the Thom Browne segment, (for which revenues decreased by €63,698 thousand in 2024 compared to 2023), (ii) a decrease in inventory write-downs of €6,105 thousand (€25,745 thousand in 2024 compared to €31,850 thousand in 2023), driven by improved inventory management and primarily in the Thom Browne segment, and (iii) lower costs for duties and freight of €3,052 thousand, mainly due to improved inventory management in the Thom Browne segment which resulted in lower relative purchase

volumes of finished goods, partially offset by (iv) higher costs for TOM FORD FASHION driven by an increase in revenues of €78,983 thousand and primarily reflecting a full year in 2024 compared to eight months and two days in 2023, and despite lower costs of €11,964 thousand relating to the acquisition method of accounting for the TFI Acquisition (€3,587 thousand in 2024 compared to €15,551 thousand in 2023, including €14,368 thousand related to the purchase price step up of the fair value of the acquired TFI inventory that was sold subsequent to the acquisition and €1,183 thousand related to the order backlog).

2023 compared to 2022

Cost of sales for the year ended December 31, 2023 amounted to €680,235 thousand, an increase of €115,403 thousand or +20.4%, compared to €564,832 thousand for the years ended December 31, 2022.

The increase in cost of sales was primarily attributable to (i) the impact of TOM FORD FASHION, which was acquired through the TFI Acquisition on April 28, 2023, including the effects of the acquisition method of accounting for the business acquisition, comprising €14,368 thousand related to the purchase price step up of the fair value of the acquired TFI inventory that was sold subsequent to the acquisition and €1,183 thousand related to the order backlog, and (ii) higher sales volumes in ZEGNA brand, Thom Browne and Textile.

C. Gross Profit

The following table sets forth gross profit for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,			Increase/(Decrease)			
(€ thousands, except percentages)	**2024**	**2023**	**2022**	**2024 vs 2023**	**%**	**2023 vs 2022**	**%**
Gross profit	1,296,560	1,224,314	928,008	72,246	5.9%	296,306	31.9%
Gross profit as % of revenues	66.6%	64.3%	62.2%				

2024 compared to 2023

Gross profit for the year ended December 31, 2024 amounted to €1,296,560 thousand, an increase of €72,246 thousand or +5.9%, compared to €1,224,314 thousand for the year ended December 31, 2023.

Gross profit as a percentage of revenues increased from 64.3% in 2023 to 66.6% in 2024, primarily driven by (i) a higher proportion of DTC sales compared to wholesale sales (DTC sales, which have higher margins compared to wholesale sales, represented 71.4% of total sales in 2024 compared to 66.4% of total sales in 2023), (ii) lower write-downs of inventory of €6,105 thousand (€25,745 thousand in 2024 compared to €31,850 thousand in 2023), driven by improved inventory management and primarily in the Thom Browne segment, (iii) lower costs for duties and freight of €3,052 thousand, mainly due to improved inventory management in the Thom Browne segment which resulted in lower purchase volumes of finished goods, and (iv) lower costs of €11,964 thousand relating to the acquisition method of accounting for the TFI Acquisition (€3,587 thousand in 2024 compared to €15,551 thousand in 2023, including €14,368 thousand related to the purchase price step up of the fair value of the acquired TFI inventory that was sold subsequent to the acquisition and €1,183 thousand related to the order backlog).

2023 compared to 2022

Gross profit for the year ended December 31, 2023 amounted to €1,224,314 thousand, an increase of €296,306 thousand or +31.9%, compared to €928,008 thousand for the year ended December 31, 2022.

Gross profit as a percentage of revenues increased from 62.2% for the year ended December 31, 2022 to 64.3% for the year ended December 31, 2023, primarily driven by (i) a higher proportion of DTC sales compared to wholesale sales (DTC sales, which have higher margins compared to wholesale sales, represented 66.4% of total sales for the year ended December 31, 2023 compared to 61.5% for the year ended December 31, 2022), (ii) the effects of price increases, price repositioning and the reduction of the end-of-season sales as part of the ZEGNA One Brand strategy, which started with the rollout of the Fall/Winter 2022 collection in the prior year, (iii) higher absorption of fixed costs in the supply chain, and (iv)

higher proportion of sales from Essentials collections compared to seasonal collections in line with the ZEGNA One Brand strategy, which resulted in proportionately lower provisions for slow moving and obsolete inventory.

D. Selling, general and administrative expenses

Selling, general and administrative expenses primarily include costs for sales and administrative personnel, selling expenses, fees for corporate bodies, consultancies and accounting services, royalties and amortization in relation to the TOM FORD FASHION license, and other administrative and general expenses, as well as depreciation, amortization and impairment of assets used for selling and administrative activities.

The following table sets forth selling, general and administrative expenses for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,			(Increase)/Decrease			
(€ thousands, except percentages)	**2024**	**2023**	**2022**	**2024 vs 2023**	**%**	**2023 vs 2022**	**%**
Selling, general and administrative expenses	(1,008,324)	(901,364)	(695,084)	(106,960)	(11.9%)	(206,280)	(29.7%)
Selling, general and administrative expenses as % of revenues	(51.8%)	(47.3%)	(46.6%)				

2024 compared to 2023

Selling, general and administrative expenses for the year ended December 31, 2024 amounted to €1,008,324 thousand, an increase of €106,960 thousand or 11.9%, compared to €901,364 thousand for the year ended December 31, 2023, and as a percentage of revenues, selling, general and administrative expenses increased from 47.3% in 2023 to 51.8% in 2024.

The increase in selling, general and administrative expenses was primarily attributable to:

(i) an increase of €65,543 thousand related to TOM FORD FASHION, reflecting (a) a full year contribution in 2024 compared to eight months and two days in 2023 and (b) additional costs for integration, business expansion (13 net DTC store openings), and to reinforce corporate governance, retail and other business functions, as well as to increase personnel subsequent to the TFI Acquisition in April 2023;

(ii) higher costs to support the expansion of the ZEGNA brand and the Thom Browne DTC network with (a) 28 net store openings for the ZEGNA brand at December 31, 2024 compared to December 31, 2023, including costs to convert 16 stores in South Korea from wholesale to DTC starting from January 1, 2024, and (b) 30 net store openings for Thom Browne at December 31, 2024 compared to December 31, 2023, including costs to convert 17 stores in South Korea from wholesale to DTC starting from July 1, 2023;

(iii) an increase in net impairment of leased and owned stores of €9,414 thousand (€11,196 thousand in 2024 compared to €1,782 thousand in 2023); impairment charges in 2024 primarily related to leased stores in: (a) Europe and United States that are part of the Thom Browne segment, (b) the Greater China Region and South Korea that are part of the Tom Ford Fashion segment, and (c) the United States, EMEA and the Greater China Region that are part of the Zegna segment; and

(iv) costs related to a global retail convention for ZEGNA DTC sales management which was held in Milan in the first half of 2024 (no such event was held in 2023);

partially offset by:

(v) lower costs relating to long-term incentives to management (including equity-settled share-based payments) of €11,308 thousand (€8,472 thousand in 2024 compared to €19,780 thousand in 2023);

(vi) lower transaction costs of €5,968 thousand (€33 thousand in 2024 compared to €6,001 thousand in 2023, which primarily related to consultancy and legal fees related to the TFI Acquisition completed in 2023); and

(vii) net income related to lease agreements of €4,129 thousand recognized in 2023 (and not repeated in 2024) related to the derecognition of lease liabilities following a change in terms of a lease agreement in Hong Kong.

Selling, general and administrative expenses for the years ended December 31, 2024 and 2023 included €17,168 thousand and €11,958 thousand relating to adjusting items in the presentation of Adjusted EBIT as management considers these items not reflective of underlying operating activities. For additional information please refer to *"—L. Non-IFRS Financial Measures—Adjusted EBIT"*.

2023 compared to 2022

Selling, general and administrative expenses the year ended December 31, 2023 amounted to €901,364 thousand, an increase of €206,280 thousand or +29.7%, compared to €695,084 thousand for the year ended December 31, 2022.

The increase in selling, general and administrative expenses was primarily attributable to (i) €123,650 thousand related to TOM FORD FASHION, which was acquired through the TFI Acquisition on April 28, 2023 (including royalties relating to the TFF License as well as €2,241 thousand related to amortization of the TFF License, which was recognized at fair value at the acquisition date as part of the acquisition method of accounting of the TFI Acquisition), (ii) higher personnel costs (excluding TOM FORD FASHION), of €42,328 thousand (€313,173 thousand for the year ended December 31, 2023 compared to €270,845 thousand for the year ended December 31, 2022), mainly to reinforce the Group's corporate governance as a result of becoming a public company, as well as to support new store openings, (iii) transaction costs of €6,001 thousand in 2023, primarily for consultancy and legal fees related to the TFI Acquisition and, to a lesser extent, the acquisition of the Thom Browne business in South Korea and a 25% interest in Norda Run, (iv) an increase of €13,392 thousand in variable rents (excluding TOM FORD FASHION) as a result of higher revenues, and (v) management fees related to the Thom Browne business in South Korea following the agreement signed on July 1, 2023.

Selling, general and administrative expenses as a percentage of revenues increased from 46.6% for the year ended December 31, 2022 to 47.3% for the year ended December 31, 2023.

Selling, general and administrative expenses for the years ended December 31, 2023 and 2022 included €11,958 thousand and €9,914 thousand relating to adjusting items in the presentation of Adjusted EBIT as management considers these items not reflective of underlying operating activities. For additional information please refer to *"—L. Non-IFRS Financial Measures—Adjusted EBIT"*.

E. Marketing expenses

Marketing expenses primarily include costs related to advertising and marketing activities, including personnel costs and costs for advertising, communications, media and events, such as fashion shows, store windows and displays. Marketing expenses also include depreciation, amortization and impairment of assets used in advertising and marketing activities.

The following table sets forth marketing expenses for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,			(Increase)/Decrease			
(€ thousands, except percentages)	**2024**	**2023**	**2022**	**2024 vs 2023**	**%**	**2023 vs 2022**	**%**
Marketing expenses	(121,384)	(114,802)	(85,147)	(6,582)	(5.7%)	(29,655)	(34.8%)
Marketing expenses as % of revenues	(6.2%)	(6.0%)	(5.7%)				

2024 compared to 2023

Marketing expenses for the year ended December 31, 2024 amounted to €121,384 thousand, an increase of €6,582 thousand or 5.7%, compared to €114,802 thousand for the year ended December 31, 2023, and as a percentage of revenues, marketing expenses increased from 6.0% in 2023 to 6.2% in 2024.

The increase in marketing expenses was driven by the impact of a full year contribution of TOM FORD FASHION in 2024 compared to eight months and two days in 2023 following the TFI Acquisition, resulting in higher marketing expenses of €7,104 thousand.

Aligned with its brand strategy, the Group continued investing significantly in marketing activities in 2024, with a particular focus on enhancing the brand experience and engagement for the ZEGNA brand.

Below is a summary of the most significant initiatives for each of the Group's three brands.

ZEGNA brand

(i) Milan Design Week 2024 – Salone del Mobile. During the Milan Design Week, ZEGNA significantly enhanced its brand presence and visibility by hosting an immersive exhibition at its headquarters and unveiling the new flowerbeds in Piazza del Duomo. This initiative is part of ZEGNA's role as the official curator of the iconic Piazza Duomo flowerbeds for the next three years;

(ii) the launch of the special edition BORN IN OASI ZEGNA book which recalls over 100 years of the brand's heritage;

(iii) two VILLA ZEGNA events, in Shanghai and New York, reflecting ZEGNA's new approach to interacting with customers by offering immersive experiences connected with the brand.

Thom Browne

(i) During the Milan Design Week, Thom Browne hosted a unique installation to announce the launch of its home furnishing collection through a collaboration with Frette, a 160-year-old Italian label;

(ii) Fashion shows – In 2024, Thom Browne presented two Fashion shows, the first during the New York Fashion week and the second during the Fall Couture week in Paris, with an immersive experience centered on the muslin fabric and with influences of the Olympic games.

TOM FORD FASHION

(i) Fashion shows – In February 2024, TOM FORD hosted a fashion show in Milan, during the Milan fashion week;

(ii) Events – Throughout the year, TOM FORD FASHION hosted various in-store events to celebrate key openings.

2023 compared to 2022

Marketing expenses for the year ended December 31, 2023 amounted to €114,802 thousand, an increase of €29,655 thousand or +34.8%, compared to €85,147 thousand for the year ended December 31, 2022.

The increase in marketing expenses was primarily attributable to (i) an increase of €19,421 thousand in expenses for ZEGNA and Thom Browne (excluding costs for personnel and depreciation, amortization and impairment of assets), in line with the Group's marketing strategy announced at its Capital Markets Day in May 2022, including costs for the presentation of ZEGNA collections during men's fashion week in Milan, Thom Browne at the Met Gala in New York and the debut of the Thom Browne Haute Couture collection in Paris, as well as (ii) €8,338 thousand related to TOM FORD FASHION, which was acquired through the TFI Acquisition on April 28, 2023, (iii) higher costs for personnel of €1,280 thousand and (iv) higher depreciation, amortization and impairment of assets of €616 thousand.

Marketing expenses as a percentage of revenues increased from 5.7% for the year ended December 31, 2022 to 6.0% for the year ended December 31, 2023.

F. Financial income and financial expenses

Financial income and financial expenses include the effects of fair value changes on liabilities relating to put options owned by non-controlling interests in the Group's investments in Thom Browne, Inc. and Gruppo Dondi S.p.A., as well as income and expenses relating to the Group's financial assets and liabilities, including interest and the costs of hedging

transactions. Until the completion of the warrant redemption in the first quarter of 2023 (as further described below), financial income and financial expenses also included the fair value changes in liability-classified warrants.

The following table sets forth financial income for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,			Increase/(Decrease)			
(€ thousands, except percentages)	**2024**	**2023**	**2022**	**2024 vs 2023**	**%**	**2023 vs 2022**	**%**
Financial income	26,028	37,282	13,320	(11,254)	(30.2%)	23,962	179.9%
Financial income as a % of revenues	1.3%	2.0%	0.9%				

2024 compared to 2023

Financial income for the year ended December 31, 2024 amounted to €26,028 thousand, a decrease of €11,254 thousand or -30.2%, compared to €37,282 thousand for the year ended December 31, 2023.

The decrease in financial income was primarily attributable to (i) lower gains of €14,048 thousand from the fair value remeasurement of liabilities for put options held by non-controlling interests (a gain of €744 thousand in 2024 relating to the Dondi non-controlling interest put option compared to gains of €14,792 thousand in 2023, of which €11,587 thousand relating to the Thom Browne non-controlling interest put option and €3,205 thousand relating to the Dondi non-controlling interest put option), (ii) lower gains of €3,533 thousand from securities held by the Group (a gain of €5,119 thousand in 2024 compared to a gain of €8,652 thousand in 2023) driven by fewer disposals of securities, and (iii) lower gains of €3,170 thousand from derivative financial instruments, partially offset by a (iv) gain of €7,582 thousand recognized in 2024 from the disposal of a 45% interest in Sharmoon.EZ.Garments Co. Ltd, following which the Group continues to own a 5% interest in the Company and account for the investment at fair value, and (v) higher gains of €1,684 thousand from other hedging operations.

2023 compared to 2022

Financial income for the year ended December 31, 2023 amounted to €37,282 thousand, an increase of €23,962 thousand or +179.9%, compared to €13,320 thousand for the year ended December 31, 2022.

The increase in financial income was primarily attributable to (i) higher gains from the change in fair value of the Thom Browne and Dondi put options of €14,322 thousand (a gain of €11,587 thousand for the Thom Browne put option in 2023 compared to a loss in 2022 and a gain of €3,205 thousand for the Dondi put option in 2023 compared to a gain of €470 thousand in 2022), (ii) higher gains on derivative financial instruments of €5,745 thousand and (iii) higher income from interest on financial assets and hedging operations of €4,208 thousand.

The following table sets forth financial expenses for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,			(Increase)/Decrease			
(€ thousands, except percentages)	**2024**	**2023**	**2022**	**2024 vs 2023**	**%**	**2023 vs 2022**	**%**
Financial expenses	(51,995)	(68,121)	(54,346)	16,126	23.7%	(13,775)	(25.3%)
Financial expenses as % of revenues	(2.7%)	(3.6%)	(3.6%)				

2024 compared to 2023

Financial expenses for the year ended December 31, 2024 amounted to €51,995 thousand, a decrease of €16,126 thousand or +23.7%, compared to €68,121 thousand for the year ended December 31, 2023.

The decrease in financial expenses was primarily attributable to (i) €22,909 thousand recognized in the prior year relating to warrant liabilities mainly due to the exercise and redemption of warrants in the first quarter of 2023 (following which there are no remaining public or private placement warrants outstanding), (ii) lower losses of €2,526 thousand from securities held by the Group, driven by the performance of the financial markets (a loss of €1,886 thousand in 2024 compared to a loss of €4,412 thousand in 2023), and (iii) a decrease of €1,868 thousand relating to hedging costs, partially offset by (iv)

an increase of €6,629 thousand in interest and financial charges for lease liabilities (including an increase of €2,582 thousand related to TOM FORD FASHION reflecting a full year contribution in 2024 compared to eight months and two days in 2023) driven by an expansion of the leased store network, (v) higher losses of €3,496 thousand from the fair value remeasurement of the Thom Browne non-controlling interest put option liability (a loss of €3,496 thousand in 2024 a compared to gain in 2023), and (vi) an increase of €2,159 thousand in interest expenses on bank loans and overdrafts driven by higher interest rates.

2023 compared to 2022

Financial expenses for the year ended December 31, 2023 amounted to €68,121 thousand, an increase of €13,775 thousand or +25.3%, compared to €54,346 thousand for the year ended December 31, 2022. The increase in financial expenses was primarily attributable to (i) higher losses of €21,738 thousand from warrant liabilities (a loss of €22,909 thousand in 2023 compared to a loss of €1,171 thousand in 2022) driven by the exercise and redemption of warrants in the first quarter of 2023 (See *Note 28 — Other current and non-current financial liabilities* to the Consolidated Financial Statements included elsewhere in this annual report for additional information), (ii) an increase of €8,576 thousand in interest on bank loans and overdrafts driven by higher interest rates, and (iii) an increase of €7,148 thousand in interest and financial charges for lease liabilities (including €5,632 thousand related to TOM FORD FASHION), partially offset by (iv) lower losses from the fair value remeasurement of the Thom Browne non-controlling interest put option liability of €11,426 thousand (a gain in 2023 compared to a loss of €11,426 thousand in 2022), (v) lower losses of €9,014 thousand from securities held by the Group, driven by the performance of the financial markets (a loss of €4,412 thousand in 2023 compared to a loss of €13,426 thousand in 2022), and (vi) a decrease of €4,965 thousand relating to hedging costs.

G. Foreign exchange losses

Foreign exchange losses include realized gains and losses on exchange differences and on fair value adjustments of derivatives and the effects of exchange rates from the remeasurement of options and warrant liabilities.

The following table sets forth exchange losses for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,			(Increase)/Decrease			
(€ thousands, except percentages)	**2024**	**2023**	**2022**	**2024 vs 2023**	**%**	**2023 vs 2022**	**%**
Foreign exchange losses	(11,338)	(5,262)	(7,869)	(6,076)	(115.5%)	2,607	33.1%
Foreign exchange losses as % of revenues	(0.6%)	(0.3%)	(0.5%)				

2024 compared to 2023

Foreign exchange losses for the year ended December 31, 2024 amounted to €11,338 thousand, an increase of €6,076 thousand compared to foreign exchange losses of €5,262 thousand for the year ended December 31, 2023.

The increase in foreign exchange losses was driven by (i) unfavorable foreign exchange impact of €13,176 thousand related to the Thom Browne non-controlling interest put option liability (foreign currency losses of €7,770 thousand in 2024, primarily unrealized, compared to unrealized foreign currency gains of €5,406 thousand in 2023), partially offset by (ii) a decrease of €2,798 thousand in cumulative translation losses reclassified from other comprehensive income to profit (€1,907 thousand in 2024 following the Group's sale of its 100% interest in Ezesa Argentina S.A. compared to €4,705 thousand in 2023 related to the investment held in TFI prior to the TFI Acquisition), (iii) €1,877 thousand related to securities held by the Group (foreign exchange gains of €1,022 thousand in 2024 compared to foreign exchange losses of €855 thousand in 2023), (iv) €1,520 thousand related to lease liabilities (foreign exchange gains of €66 thousand in 2024 compared to foreign exchange losses of €1,454 thousand in 2023), and (v) €905 thousand from lower other foreign exchange losses primarily related to transactions in foreign currencies.

2023 compared to 2022

Foreign exchange losses for the year ended December 31, 2023 amounted to €5,262 thousand, a decrease of €2,607 thousand or -33.1% compared to €7,869 thousand for the year ended December 31, 2022.

The decrease in foreign exchange losses was driven by favorable foreign exchange impact of (i) €13,805 thousand related to the Thom Browne non-controlling interest put option liability (unrealized foreign currency gains of €5,406 thousand in 2023 compared to unrealized foreign currency losses of €8,399 thousand in 2022), partially offset by unfavorable foreign exchange impact of (ii) €4,705 thousand from the reclassification of cumulative translation losses related to the investment held in TFI from other comprehensive income to profit and loss at the date of the TFI Acquisition, (iii) €2,306 thousand related to securities held by the Group (foreign exchange losses of €855 thousand in 2023 compared to foreign exchange gains of €1,451 thousand in 2022), (iv) €585 thousand related to lease liabilities (foreign exchange losses of €1,454 thousand in 2023 compared to foreign exchange losses of €869 thousand in 2022), and (v) €3,602 thousand from higher other foreign exchange losses primarily related to transactions in foreign currencies.

H. Result from investments accounted for using the equity method

Result from investments accounted for using the equity method includes the Group's share of income and loss related to our investments in associates and joint arrangements accounted for using the equity method.

The following tables set forth result from investments accounted for using the equity method for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,			Increase/(Decrease)			
(€ thousands, except percentages)	**2024**	**2023**	**2022**	**2024 vs 2023**	**%**	**2023 vs 2022**	**%**
Result from investments accounted for using the equity method	1,061	(2,953)	2,199	4,014	135.9%	(5,152)	(234.3%)
Result from investments accounted for using the equity method as % of revenues	0.1%	(0.2%)	0.1%				

2024 compared to 2023

Result from investments accounted for using the equity method for the year ended December 31, 2024 amounted to a profit of €1,061 thousand, an improvement of €4,014 thousand compared to a loss of €2,953 thousand for the year ended December 31, 2023, and primarily related to a gain of €900 thousand in 2024 relating to the Group's investment in Filati Biagioli Modesto S.p.A. including the effects of an increase in the interest owned by the Group from 40% to 45% following the conversion of a previous equity contribution into share capital, compared to a loss of €712 thousand in 2023, as well as a loss of €2,587 thousand in 2023 relating to the Group's 15% interest in TFI prior to the TFI Acquisition (including transaction costs incurred by TFI prior to the closing of the TFI Acquisition).

2023 compared to 2022

Result from investments accounted for using the equity method for the years ended December 31, 2023 amounted to a loss of €2,953 thousand, a change of €5,152 thousand compared to a profit of €2,199 thousand for the years ended December 31, 2022, and primarily related to (i) the Group's 15% interest in TFI prior to the TFI Acquisition for €2,663 thousand, reflecting a loss of €2,587 thousand in 2023 prior to the TFI Acquisition (which includes transaction costs incurred by TFI prior to the closing of the TFI Acquisition) compared to a gain of €76 thousand for the year ended December 31, 2022, (ii) Filati Biagioli Modesto S.p.A. for €1,543 thousand (a loss of €712 thousand in 2023 compared to a gain of €831 thousand in 2022), and (iii) Tizeta S.r.l. for €942 thousand (a gain of €350 thousand in 2023 compared to a gain of €1,292 thousand in 2022). Following completion of the TFI Acquisition on April 28, 2023, TFI and Tizeta S.r.l. (which was previously owned 50% by the Group and 50% by TFI) are consolidated by the Group.

I. Income Taxes

Income taxes include the current taxes on the results of the Group's operations and any changes in deferred income taxes.

The following table sets forth income taxes for the years ended December 31, 2024, 2023 and 2022.

(€ thousands, except percentages)	For the years ended December 31, 2024	2023	2022	(Increase)/Decrease 2024 vs 2023	%	2023 vs 2022	%
Income taxes	(39,747)	(33,433)	(35,802)	(6,314)	(18.9%)	2,369	6.6%
Income taxes as % of revenues	(2.0%)	(1.8%)	(2.4%)				

2024 compared to 2023

Income taxes for the year ended December 31, 2024 amounted to €39,747 thousand compared to €33,433 thousand for the year ended December 31, 2023, of which €37,821 thousand and €28,943 thousand, respectively, related to general corporate income taxes in Italy (the Italian Corporate Income Tax ("IRES")) and other countries in which the Group operates and €1,926 thousand and €4,490 thousand, respectively, related to the Italian Regional Income Tax ("IRAP"), which is calculated on a measure of income defined by the Italian Civil Code as the difference between operating revenues and costs, before financial income and expense, the cost of fixed term employees, credit losses and any interest included in lease payments.

The effective tax rate was 30.4% for the year ended December 31, 2024 compared to 19.8% for the year ended December 31, 2023 (the effective tax rate net of IRAP was 29.0% for the year ended December 31, 2024 compared to 17.1% for the year ended December 31, 2023). The increase in the effective tax rate in 2024 compared to 2023 was primarily driven by (i) lower non-taxable income recognized in 2024 from the remeasurement of the put option liabilities on non-controlling interests of Thom Browne and Dondi, (ii) a higher proportion of taxable income in jurisdictions with higher tax rates compared to the previous year, including the effects of certain jurisdictions raising corporate tax rates in response to Pillar Two tax rules which aim to raise the minimum level of tax applicable to companies, and (iii) higher deferred tax assets not recognized in 2024 compared to 2023, partially offset by (iv) higher deferred tax assets recognized from previous years.

2023 compared to 2022

Income taxes for the year ended December 31, 2023 amounted to €33,433 thousand compared to €35,802 thousand for the year ended December 31, 2022, of which €28,943 thousand and €32,206 thousand, respectively, related to general corporate income taxes in Italy IRES and other countries in which the Group operates and €4,490 thousand and €3,596 thousand, respectively, related to IRAP, which is calculated on a measure of income defined by the Italian Civil Code as the difference between operating revenues and costs, before financial income and expense, the cost of fixed term employees, credit losses and any interest included in lease payments.

The effective tax rate was +19.8% for the year ended December 31, 2023 compared to 35.4% for the year ended December 31, 2022 (the effective tax rate net of IRAP was +17.1% for the year ended December 31, 2023 compared to 31.9% for the year ended December 31, 2022). The decrease in the effective tax rate in 2023 compared to 2022 was primarily driven by non-taxable income recognized in 2023 from the remeasurement of the put option liability on non-controlling interests of Thom Browne and Dondi, as well as deferred taxes recognized from previous years.

J. Results by Segment

The following tables set forth revenues (before intersegment eliminations), Adjusted EBIT and Adjusted EBIT Margin by segment for the years ended December 31, 2024, 2023 and 2022.

(€ thousands, except percentages)	For the years ended December 31,			Increase/(Decrease)					
	2024	**2023**	**2022**	**2024 vs 2023**	**%**	**Organic**	**2023 vs 2022**	**%**	**Organic**
Revenues									
Zegna	1,348,839	1,322,045	1,176,706	26,794	2.0%	2.5%	145,339	12.4%	19.5%
Thom Browne	314,818	380,287	330,891	(65,469)	(17.2%)	(20.8%)	49,396	14.9%	17.8%
Tom Ford Fashion	314,514	235,544	—	78,970	33.5%	(0.7%)	235,544	n.m.	n.m.
Intersegment eliminations	(31,524)	(33,327)	(14,757)	1,803	n.m.	n.m.	(18,570)	n.m.	n.m.
Total revenues	**1,946,647**	**1,904,549**	**1,492,840**	**42,098**	**2.2%**	**(1.9%)**	**411,709**	**27.6%**	**19.3%**

(€ thousands, except percentages)	For the years ended December 31,			Increase/(Decrease)			
	2024	**2023**	**2022**	**2024 vs 2023**	**%**	**2023 vs 2022**	**%**
Adjusted EBIT							
Zegna	187,598	193,466	141,513	(5,868)	(3.0%)	51,953	36.7%
Thom Browne	27,319	58,969	48,077	(31,650)	(53.7%)	10,892	22.7%
Tom Ford Fashion	(10,116)	(1,741)	—	(8,375)	n.m.	(1,741)	—%
Corporate	(19,977)	(30,423)	(31,861)	10,446	(34.3%)	1,438	(4.5%)
Intersegment eliminations	(804)	(59)	—	(745)	n.m.	(59)	n.m.
Total	**184,020**	**220,212**	**157,729**	**(36,192)**	**(16.4%)**	**62,483**	**39.6%**
Adjusted EBIT Margin							
Zegna	13.9%	14.6%	12.0%				
Thom Browne	8.7%	15.5%	14.5%				
Tom Ford Fashion	(3.2%)	(0.7%)	n.m.				

For additional information relating to Adjusted EBIT and Adjusted EBIT Margin, which are non-IFRS financial measures, see *"—L. Non-IFRS Financial Measures—Adjusted EBIT and Adjusted EBIT Margin."*

The following is a discussion of revenues, Adjusted EBIT and Adjusted EBIT Margin for each segment for the year ended December 31, 2024 as compared to the year ended December 31, 2023, and for the year ended December 31, 2023 as compared to the year ended December 31, 2022.

Zegna segment

The following table sets forth revenues, Adjusted EBIT and Adjusted EBIT Margin of the Zegna segment for the years ended December 31, 2024, 2023 and 2022 (before intersegment eliminations).

(€ thousands, except percentages)	For the years ended December 31,			Increase/(Decrease)			
	2024	2023	2022	2024 vs 2023	%	2023 vs 2022	%
Revenues (before intersegment eliminations)	1,348,839	1,322,045	1,176,706	26,794	2.0%	145,339	12.4%
Adjusted EBIT	187,598	193,466	141,513	(5,868)	(3.0%)	51,953	36.7%
Adjusted EBIT Margin	13.9%	14.6%	12.0%				

Revenues

2024 compared to 2023

Revenues (before intersegment eliminations) for the Zegna segment for the year ended December 31, 2024 amounted to €1,348,839 thousand, an increase of €26,794 thousand or +2.0% (+2.5% Organic), compared to €1,322,045 thousand for the year ended December 31, 2023.

The increase in revenues (before intersegment eliminations) for the Zegna segment was primarily attributable to:

(i) an increase in the ZEGNA brand DTC channel of €58,995 thousand or +6.2% (+6.1% Organic), reflecting growth in EMEA (including strong performance in the Middle East), the Americas (primarily the United States) and Japan, as well as an expansion of the store network with 28 net DTC store openings, including the conversion from wholesale to DTC of 16 stores in South Korea starting from January 1, 2024 and 9 Harry Rosen stores in Canada in the second half of 2024 (281 DOSs at December 31, 2024 compared to 253 DOSs at December 31, 2023), partially offset by the performance in the Greater China Region which continues to be impacted by challenges for the luxury sector;

partially offset by:

(ii) a decrease in the ZEGNA brand wholesale branded channel of €4,764 thousand or -2.9% (+2.5% Organic) primarily reflecting the aforementioned conversion from wholesale to DTC of 16 stores in South Korea starting from January 1, 2024 and 9 Harry Rosen stores in Canada in the second half of 2024, partially offset by the positive performance in Rest of APAC, EMEA and the United States;

(iii) a decrease in Textile of €12,936 thousand or -8.6%, driven by lower orders for new collections compared to the previous year across several textile brands, reflecting challenges and uncertainties currently affecting the luxury sector; and

(iv) a decrease in Other revenues of €14,501 thousand or -23.6%, primarily due to lower orders for third-party brands, as well as fewer purchases from the Thom Browne segment, partially offset by higher orders from the Tom Ford Fashion segment.

2023 *compared to* 2022

Revenues (before intersegment eliminations) for the Zegna segment for the year ended December 31, 2023 amounted to €1,322,045 thousand, an increase of €145,339 thousand or +12.4% (+19.5% Organic), compared to €1,176,706 thousand for the year ended December 31, 2022.

The increase in revenues (before intersegment eliminations) for the Zegna segment was primarily attributable to:

(i) an increase in ZEGNA brand of €185,549 thousand or +20.1% comprised of:

(a) an increase in the DTC channel of €172,808 thousand or +22.4%, driven by the continued positive performance of both luxury leisurewear and footwear, which represented 50% and 13% of revenues from ZEGNA branded products during the year, respectively, as well as our Tailoring Made-to-Measure businesses, and reflecting double-digit growth in all regions, higher average sales prices and increased store traffic, as well as selected DTC store openings (253 DTC stores at December 31, 2023 compared to 239 DTC stores at December 31, 2022); and

(b) an increase in the wholesale branded channel of €12,741 thousand or +8.4%, driven by positive performance, particularly in EMEA, partially offset by the effects of a planned change in merchandising strategy whereby a portion of the Spring/Summer 2024 deliveries were intentionally shifted from the fourth quarter of 2023 to the first quarter of 2024;

(ii) an increase in Textile of €14,454 thousand or +10.6%, primarily attributable to the positive of the Lanificio Ermenegildo Zegna;

partially offset by:

(iii) a decrease in Other revenues of €54,664 thousand or -47,1%, reflecting the end of the previous TFI distribution license agreement for menswear with the deliveries of the Fall/Winter 2022 collection and the start of a supply agreement to act as the exclusive supplier for certain TOM FORD menswear products with the Spring/Summer 2023 collection (following the completion of the TFI Acquisition on April 28, 2023, the revenues from the supply agreement with TFI are reported as intercompany revenues and eliminated from the Group's consolidated results), partially offset by the contribution of Tizeta, for which the Group acquired the 50% interest held by TFI as part of the TFI Acquisition, bringing its interest in Tizeta to 100%.

Adjusted EBIT and Adjusted EBIT Margin

2024 compared to 2023

Adjusted EBIT for the Zegna segment amounted to €187,598 thousand for the year ended December 31, 2024, a decrease of €5,868 thousand or -3.0% compared to €193,466 thousand for the year ended December 31, 2023. Adjusted EBIT Margin was 13.9% and 14.6%, respectively.

The decrease in Adjusted EBIT for the Zegna segment was primarily attributable to:

(i) an increase in selling, general and administrative expenses driven by (a) higher costs to support the expansion of the ZEGNA brand with 28 net store openings at December 31, 2024 compared to December 31, 2023, including costs to convert 16 stores in South Korea from wholesale to DTC starting from January 1, 2024 and (b) costs incurred for business and organizational development, including hiring new personnel and a global retail convention for ZEGNA DTC sales personnel that was held in Milan in the first half of 2024 (no such event was held in 2023), as well as investments in information technology and digital transformation projects; and

partially offset by:

(ii) higher revenues of €26,794 thousand as further described above; and

(iii) an improved gross profit margin due to a higher proportion of DTC sales, which have higher margins compared to wholesale.

Aligned with its brand strategy, the Zegna segment continued investing significantly in marketing activities in 2024, with a particular focus on enhancing the brand experience and engagement for the ZEGNA brand. Selected initiatives during 2024 included the following:

(i) Milan Design Week 2024 – Salone del Mobile. During the Milan Design Week, ZEGNA significantly enhanced its brand presence and visibility by hosting an immersive exhibition at its headquarters and unveiling the new flowerbeds in Piazza del Duomo. This initiative is part of ZEGNA's role as the official curator of the iconic Piazza Duomo flowerbeds for the next three years;

(ii) the launch of the special edition BORN IN OASI ZEGNA book which recalls over 100 years of the brand's heritage; and

(iii) two VILLA ZEGNA events, in Shanghai and New York, reflecting ZEGNA's new approach to interacting with customers by offering immersive experiences connected with the brand.

2023 compared to 2022

Adjusted EBIT for the Zegna segment amounted to €193,466 thousand for the years ended December 31, 2023, an increase of €51,953 thousand or +36.7% compared to €141,513 thousand, for the year ended December 31, 2022. Adjusted EBIT Margin was 14.6% and 12.0%, respectively.

The increase in Adjusted EBIT was primarily attributable to:

(i) higher revenues of €145,339 thousand as further described above, including the effects of higher average sales prices; and

(ii) improved profitability driven by (a) a higher proportion of DTC sales compared to wholesale sales, (b) improved retail store productivity including the effects of store right-sizing, (c) higher absorption of fixed costs in the supply chain, (d) price increases and a reduction of the end-of-season sales as part of the ZEGNA One Brand strategy, and (e) higher proportion of sales from Essentials collections compared to seasonal collections and proportionately lower provisions for slow moving and obsolete inventory;

partially offset by:

(iii) an increase in selling, general and administrative expenses driven by growth of the business and new resources to reinforce the corporate governance and certain functions within the Zegna segment; and

(iv) higher advertising and marketing expenses, in line with the Group's marketing strategy for the brand.

Thom Browne segment

The following table sets forth revenues, Adjusted EBIT and Adjusted EBIT Margin of the Thom Browne segment for the years ended December 31, 2024, 2023 and 2022 (before intersegment eliminations).

	For the years ended December 31,			Increase/(Decrease)			
(€ thousands, except percentages)	**2024**	**2023**	**2022**	**2024 vs 2023**	**%**	**2023 vs 2022**	**%**
Revenues (before intersegment eliminations)	314,818	380,287	330,891	(65,469)	(17.2%)	49,396	14.9%
Adjusted EBIT	27,319	58,969	48,077	(31,650)	(53.7%)	10,892	22.7%
Adjusted EBIT Margin	8.7%	15.5%	14.5%				

Revenues

2024 compared to 2023

Revenues (before intersegment eliminations) for the Thom Browne segment for the year ended December 31, 2024 amounted to €314,818 thousand, a decrease of €65,469 thousand or -17.2% (-20.8% Organic), compared to €380,287 thousand for the year ended December 31, 2023.

The decrease in revenues (before intersegment eliminations) for the Thom Browne segment was primarily attribute to:

(i) a decrease in the wholesale branded channel of €68,113 thousand or -34.6% (-33.2% Organic), primarily reflecting the decision to streamline the wholesale business and the conversion of 17 stores from wholesale to DTC following the acquisition of the Thom Browne business in South Korea in the second half of 2023;

partially offset by:

(ii) an increase in the DTC channel of €2,644 thousand or +1.4% (-7.6% Organic), driven by strong performance in Japan, an increase of €21,785 thousand from the Thom Browne business in South Korea, which was acquired in the

second half of 2023 and its 17 stores were subsequently converted from wholesale to DTC following an agreement with the former franchise partner, as well as an expansion of the store network with 30 net DTC store openings (116 DOSs at December 31, 2024 compared to 86 DOSs at December 31, 2023, which included the conversion from wholesale to DTC of the Saks Fifth Avenue store in New York, as well as the conversion of 13 Nordstrom stores in the United States and 6 Holt Renfrew stores in Canada, the majority of which are significantly smaller than the average store size in the brand's DTC network), partially offset by performance in the Greater China Region which continues to be impacted by challenging conditions for the luxury sector.

2023 compared to 2022

Revenues (before intersegment eliminations) for the Thom Browne segment for the year ended December 31, 2023 amounted to €380,287 thousand, an increase of €49,396 thousand or +14.9% (+17.8% Organic), compared to €330,891 thousand for the year ended December 31, 2022.

The increase in revenues (before intersegment eliminations) for the Thom Browne segment reflects growth across all lines (in particular womenswear and childrenswear) and comprises:

(i) an increase in the DTC channel of €37,720 thousand or +25.9% driven by the expansion of the store network through 23 net store openings (86 DTC stores at December 31, 2023 compared to 63 DTC stores at December 31, 2022), mainly in APAC and including the conversion of 17 stores in South Korea from wholesale to DTC following an agreement with the former franchise partner, as well as the performance of existing stores in Japan and Macau; and

(ii) an increase in the wholesale branded channel of €11,676 thousand or +6.3% driven by double-digit growth in EMEA, partially offset by lower deliveries to the South Korean market ahead of a change in the business from wholesale to DTC starting in the third quarter of 2023 following an agreement with the former franchise partner.

Adjusted EBIT and Adjusted EBIT Margin

2024 compared to 2023

Adjusted EBIT for the Thom Browne segment amounted to €27,319 thousand for the years ended December 31, 2024, a decrease of €31,650 thousand or -53.7% compared to €58,969 thousand for the year ended December 31, 2023. Adjusted EBIT Margin was 8.7% and 15.5%, respectively.

The decrease in Adjusted EBIT for the Thom Browne segment was primarily attributable to:

(i) lower revenues of €65,469 thousand as further described above;

(ii) higher selling, general and administrative expenses to support the expansion of the DTC network with 30 net store openings at December 31, 2024 compared to December 31, 2023, including costs for the aforementioned conversion of 17 stores from wholesale to DTC in the second half of 2023 following the acquisition of the Thom Browne business in South Korea and the conversion in 2024 of the Saks Fifth Avenue store in New York, as well as 13 Nordstrom stores in the United States and 6 Holt Renfrew stores in Canada, and

(iii) a marginal increase in marketing expenses. Selected marketing-related initiatives during 2024 included the following:

(a) Milan Design Week 2024 – Thom Browne hosted a unique installation to announce the launch of its home furnishing collection through a collaboration with Frette, a 160-year-old Italian label; and

(b) Fashion shows – In 2024, Thom Browne presented two Fashion shows, the first during the New York Fashion week and the second during the Fall Couture week in Paris, with an immersive experience centered on the muslin fabric and with influences of the Olympic games.

partially offset by:

(iv) lower write-downs of inventory driven by improved inventory management; and

(v) lower costs for long-term incentives to management and variable remuneration.

2023 compared to 2022

Adjusted EBIT for the Thom Browne segment amounted to €58,969 thousand for the years ended December 31, 2023, an increase of €10,892 thousand or +22.7% compared to €48,077 thousand for the year ended December 31, 2022. Adjusted EBIT Margin was 15.5% and 14.5%, respectively.

The increase in Adjusted EBIT for the Thom Browne segment was primarily attributable to:

(i) higher revenues of €49,396 thousand as further described above;

partially offset by:

(ii) costs related to the expansion of the DTC store network with 23 net store openings (86 DTC stores at December 31, 2023 compared to 63 DTC stores at December 31, 2022), including the conversion of 17 stores in South Korea from wholesale to DTC starting from July 1, 2023; and

(iii) an increase in personnel costs driven by growth of the business and new resources to reinforce certain functions within the Thom Browne segment.

Tom Ford Fashion segment

The following table sets forth revenues, Adjusted EBIT and Adjusted EBIT Margin of the Tom Ford Fashion segment for the years ended December 31, 2024, 2023 and 2022 (before intersegment eliminations).

	For the years ended December 31,			Increase/(Decrease)			
(€ thousands, except percentages)	**2024**	**2023**	**2022**	**2024 vs 2023**	**%**	**2023 vs 2022**	**%**
Revenues (before intersegment eliminations)	314,514	235,544	—	78,970	33.5%	235,544	—%
Adjusted EBIT	(10,116)	(1,741)	—	(8,375)	481.0%	(1,741)	—%
Adjusted EBIT Margin	(3.2%)	(0.7%)	n.m.				

Revenues

2024 compared to 2023

Revenues (before intersegment eliminations) for the Tom Ford Fashion segment amounted to €314,514 thousand for the year ended December 31, 2024, an increase of €78,970 thousand or +33.5% (-0.7% Organic), compared to €235,544 thousand for the years ended December 31, 2023.

The increase in revenues (before intersegment eliminations) for the Tom Ford Fashion segment was primarily attributable to:

(i) an increase in the DTC channel of €64,011 thousand or +47.0% (+5.1% Organic), primarily benefiting from a full year contribution in 2024 compared to eight months and two days in 2023 following completion of the TFI Acquisition on April 28, 2023, and +5.1% Organic Growth driven by positive performance in the United States and EMEA, as well as the expansion of the DTC store network with 13 net store openings (64 DTC stores at December 31, 2024 compared to 51 DTC stores at December 31, 2023); and

(ii) an increase in the wholesale branded channel of €14,959 thousand or +15.1% (-8.5% Organic), primarily benefiting from a full year contribution in 2024 compared to eight months and two days in 2023 following completion of the TFI Acquisition on April 28, 2023, while Organic Growth was -8.5% primarily due to the conversion of two

wholesale stores into retail in the third quarter of 2024 (Harrods in London (men) and Saks Fifth Avenue in New York (women)), as well as lower shipments for the Fall/Winter 2024 collection ahead of the new collection revealed in March 2025 by the new creative director, Haider Ackermann.

2023 compared to 2022

The Tom Ford Fashion segment, which was acquired through the TFI Acquisition on April 28, 2023, contributed revenues (before intersegment eliminations) of €235,544 thousand, including €136,291 thousand in the DTC channel and €99,240 thousand in the wholesale channel.

Adjusted EBIT and Adjusted EBIT Margin

2024 compared to 2023

Adjusted EBIT for the Tom Ford Fashion segment amounted to €(10,116) thousand for the years ended December 31, 2024, a decrease of €8,375 thousand compared to €(1,741) thousand for the year ended December 31, 2023. Adjusted EBIT Margin was (3.2%) and (0.7%), respectively.

The decrease in Adjusted EBIT for the Tom Ford Fashion segment was primarily attributable to:

(i) an increase in selling, general and administrative expenses reflecting (a) a full year contribution in 2024 compared to eight months and two days in 2023 and (b) additional costs for integration, business expansion (13 net DTC store openings, partially offset by 6 net wholesale store closures), and to reinforce corporate governance, retail and other business functions, as well as to increase personnel subsequent to the TFI Acquisition in April 2023; and

(ii) higher marketing expenses reflecting a full year contribution in 2024 compared to eight months and two days in 2023. Selected marketing-related initiatives during 2024 included the following:

(a) Fashion shows – In February 2024, TOM FORD hosted a fashion show in Milan, during the Milan fashion week; and

(b) Events – Throughout the year, TOM FORD FASHION hosted various in-store events to celebrate key openings, including the October event for the launch of the China World Chinese flagship.

partially offset by:

(iii) higher revenues of €78,970 thousand as further described above.

2023 compared to 2022

Following completion of the TFI Acquisition on April 28, 2023, the Tom Ford Fashion segment contributed Adjusted EBIT of €(1,741) thousand with an Adjusted EBIT Margin of (0.7%). Adjusted EBIT was negatively impacted by (i) costs of €17,793 thousand relating to the effects of the acquisition method of accounting for the business acquisition, comprising €14,368 thousand related to the purchase price step up of the fair value of the acquired TFI inventory that was sold subsequent to the acquisition, €2,241 thousand related to amortization of the license agreement (which is being amortized for 30 years) and €1,183 thousand of amortization of the intangible asset recognized in relation to the order backlog, and (ii) royalties relating to the TFF License.

Corporate

Corporate includes costs for certain central corporate functions that are not directly attributable to the Group's operating segments. These corporate costs amounted to €19,977 thousand, €30,423 thousand and €31,861 thousand for the years ended December 31, 2024, 2023 and 2022. The decrease in corporate costs in 2024 compared to 2023 is mainly due to lower costs for short-term and long-term remuneration.

Corporate costs primarily relate to the compensation of the Group's Board of Directors and costs for functions that are managed centrally on behalf of the entire Group, including general counsel, central finance, internal audit, investor relations, insurance coverage for directors and officers, compliance and certain other centralized activities, such as those related to being a public company, for which the costs are not allocated to the segments. Certain other costs to reinforce the corporate governance and certain functions within the Group are directly attributable to individual segments and were allocated accordingly to the operating segments, as further described in *"—Zegna segment", "—Thom Browne segment"* and *"—Tom Ford Fashion segment"* above.

K. Critical Accounting Estimates

Please refer to *Note 4 — Key sources of estimation uncertainty, use of estimates and critical accounting judgments —Use of estimates* to the Consolidated Financial Statements included elsewhere in this annual report for information relating to the critical accounting estimates applicable to the Group.

L. Non-IFRS Financial Measures

The Group's management monitors and evaluates operating and financial performance using several non-IFRS financial measures including: adjusted earnings before interest and taxes ("Adjusted EBIT"), Adjusted EBIT Margin, adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), Adjusted Profit, Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share, Net Financial Indebtedness/(Cash Surplus), Trade Working Capital, Free Cash Flow, revenues on a constant currency basis (Constant Currency) and revenues on an organic growth basis (Organic or Organic Growth). The Group's management believes that these non-IFRS financial measures provide useful and relevant information regarding the Group's financial performance and financial condition, and improve the ability of management and investors to assess and compare the financial performance and financial position of the Group with those of other companies. They also provide comparable measures that facilitate management's ability to identify operational trends, as well as make decisions regarding future spending, resource allocations and other strategic and operational decisions. While similar measures are widely used in the industry in which the Group operates, the financial measures that the Group uses may not be comparable to other similarly named measures used by other companies nor are they intended to be substitutes for measures of financial performance or financial position as prepared in accordance with IFRS Accounting Standards. A definition, explanation of relevance and a reconciliation of each non-IFRS financial measure to the most directly comparable measure calculated and presented in accordance with IFRS Accounting Standards are set out below.

Adjusted EBIT and Adjusted EBIT Margin

Adjusted EBIT is defined as profit or loss before income taxes plus financial income, financial expenses, foreign exchange losses and the result from investments accounted for using the equity method, adjusted for income and costs which are significant in nature and that management considers not reflective of underlying operating activities, including, for one or all of the periods presented and as further described below, net impairment of leased and owned stores, severance indemnities and provisions for severance expenses, legal costs for trademark dispute, transaction costs related to acquisitions, costs related to the Business Combination, special donations for social responsibility and net income related to lease agreements.

Adjusted EBIT Margin is defined as Adjusted EBIT divided by revenues of the applicable period.

The Group's management uses Adjusted EBIT and Adjusted EBIT Margin for internal reporting to assess performance and as part of the forecasting, budgeting and decision-making processes as they provide additional transparency regarding the Group's underlying operating performance. The Group's management believes these non-IFRS financial measures are useful because they exclude items that management believes are not indicative of the Group's underlying operating performance and allow management to view operating trends, perform analytical comparisons and benchmark performance between periods and among segments. The Group's management also believes that Adjusted EBIT and Adjusted EBIT Margin are useful for investors and analysts to better understand how management assesses the Group's underlying operating performance on a consistent basis and to compare the Group's performance with that of other companies. Accordingly, management believes that Adjusted EBIT and Adjusted EBIT Margin provide useful information to third party stakeholders in understanding and evaluating the Group's operating results.

The following table presents a reconciliation of Profit to Adjusted EBIT and the calculation of the Profit Margin and the Adjusted EBIT Margin for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,		
(€ thousands, except percentages)	**2024**	**2023**	**2022**
Profit	**90,861**	**135,661**	**65,279**
Income taxes	39,747	33,433	35,802
Financial income	(26,028)	(37,282)	(13,320)
Financial expenses	51,995	68,121	54,346
Foreign exchange losses	11,338	5,262	7,869
Result from investments accounted for using the equity method	(1,061)	2,953	(2,199)
Operating profit	**166,852**	**208,148**	**147,777**
Adjustments:			
Net impairment of leased and owned stores [(1)]	11,196	1,782	1,639
Severance indemnities and provisions for severance expenses [(2)]	4,878	4,002	2,199
Legal costs for trademark dispute [(3)]	1,061	2,168	7,532
Transaction costs related to acquisitions [(4)]	33	6,001	2,289
Costs related to the Business Combination [(5)]	—	2,140	2,137
Special donations for social responsibility [(6)]	—	100	1,000
Net income related to lease agreements [(7)]	—	(4,129)	(6,844)
Adjusted EBIT	**184,020**	**220,212**	**157,729**
Revenues	1,946,647	1,904,549	1,492,840
Profit Margin (Profit / Revenues)	**4.7%**	**7.1%**	**4.4%**
Adjusted EBIT Margin (Adjusted EBIT / Revenues)	**9.5%**	**11.6%**	**10.6%**

(1) Net impairment of leased and owned stores for 2024, 2023, 2022 includes:

	For the years ended December 31,		
(€ thousands)	**2024**	**2023**	**2022**
Right-of-use assets	7,905	832	2,369
Property, plant and equipment	3,233	915	(756)
Intangible assets	58	35	26
Total	**11,196**	**1,782**	**1,639**

(2) Relates to severance indemnities of €4,878 thousand, €4,002 thousand and €2,199 thousand in 2024, 2023 and 2022, respectively.

(3) Relates to legal costs of €1,061 thousand (net of reimbursements), €2,168 thousand and €7,532 thousand in 2024, 2023 and 2022 respectively, in connection with a legal dispute between Adidas AG ("adidas") and Thom Browne, primarily in relation to the use of trademarks.

(4) Relates to transaction costs of €33 thousand, €6,001 thousand and €2,289 thousand in 2024, 2023 and 2022, respectively, primarily for consultancy and legal fees related to the Group's acquisition of the ZEGNA business in South Korea (2024 and 2023), the acquisition of the Thom Browne business in South Korea (2023), the TFI Acquisition (2023 and 2022) and the acquisition of a 25% interest in Norda (2023 and 2022).

(5) Costs related to the Business Combination of €2,140 thousand and €2,137 thousand in 2023 and 2022, respectively, relate to the grant of equity awards to management in 2021 with vesting subject to the public listing of the Company's shares and certain other performance and/or service conditions.

(6) Relates to donations to support initiatives related to humanitarian emergencies in Turkey in 2023 (€100 thousand) and in Ukraine in 2022 (€1,000 thousand).

(7) Net income related to lease agreements of €4,129 thousand in 2023 relates to the derecognition of lease liabilities following a change in terms of a lease agreement in Hong Kong. In 2022 net income related to lease agreements include: (i) proceeds of €6,500 thousand received from new tenants in order for the Group to withdraw from existing lease agreements of commercial properties and (ii) €950 thousand for reversals of previously recognized provisions in respect of a legal claim related to a lease agreement in the U.S., partially offset by (iii) €606 thousand for losses related to a sublease agreement in the U.S.

Adjusted EBITDA

Adjusted EBITDA is defined as profit or loss before income taxes plus financial income, financial expenses, foreign exchange losses, depreciation, amortization and impairment of assets and the result from investments accounted for using the equity method, adjusted for income and costs which are significant in nature and that management considers not reflective of underlying operating activities, including, for one or all of the periods presented and as further described below, severance indemnities and provisions for severance expenses, legal costs for trademark dispute, transaction costs related to acquisitions, costs related to the Business Combination, special donations for social responsibility and net income related to lease agreements.

The Group's management uses Adjusted EBITDA to understand and evaluate the Group's underlying operating performance. The Group's management believes this non-IFRS financial measure is useful because it excludes items that management believes are not indicative of the Group's underlying operating performance and allows management to view operating trends, perform analytical comparisons and benchmark performance between periods. The Group's management also believes that Adjusted EBITDA is useful for investors and analysts to better understand how management assesses the Group's underlying operating performance on a consistent basis and to compare the Group's performance with that of other companies. Accordingly, management believes that Adjusted EBITDA provides useful information to third party stakeholders in understanding and evaluating the Group's operating result.

The following table presents a reconciliation of Profit to Adjusted EBITDA for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,		
(€ thousands)	**2024**	**2023**	**2022**
Profit	**90,861**	**135,661**	**65,279**
Income taxes	39,747	33,433	35,802
Financial income	(26,028)	(37,282)	(13,320)
Financial expenses	51,995	68,121	54,346
Foreign exchange losses	11,338	5,262	7,869
Depreciation, amortization and impairment of assets	235,950	194,952	173,521
Result from investments accounted for using the equity method	(1,061)	2,953	(2,199)
Severance indemnities and provisions for severance expenses [(1)]	4,878	4,002	2,199
Legal costs for trademark dispute [(2)]	1,061	2,168	7,532
Transaction costs related to acquisitions [(3)]	33	6,001	2,289
Costs related to the Business Combination [(4)]	—	2,140	2,137
Special donations for social responsibility [(5)]	—	100	1,000
Net income related to lease agreements [(6)]	—	(4,129)	(6,844)
Adjusted EBITDA	**408,774**	**413,382**	**329,611**

(1) Relates to severance indemnities of €4,878 thousand, €4,002 thousand and €2,199 thousand in 2024, 2023 and 2022, respectively.

(2) Relates to legal costs of €1,061 thousand (net of reimbursements), €2,168 thousand and €7,532 thousand in 2024, 2023 and 2022 respectively, in connection with a legal dispute between Adidas AG ("adidas") and Thom Browne, primarily in relation to the use of trademarks.

(3) Relates to transaction costs of €33 thousand, €6,001 thousand and €2,289 thousand in 2024, 2023 and 2022, respectively, primarily for consultancy and legal fees related to the Group's acquisition of the ZEGNA business in South Korea (2024 and 2023), the acquisition of the Thom Browne business in South Korea (2023), the TFI Acquisition (2023 and 2022) and the acquisition of a 25% interest in Norda (2023 and 2022).

(4) Costs related to the Business Combination of €2,140 thousand and €2,137 thousand in 2023 and 2022, respectively, relate to the grant of equity awards to management in 2021 with vesting subject to the public listing of the Company's shares and certain other performance and/or service conditions.

(5) Relates to donations to support initiatives related to humanitarian emergencies in Turkey in 2023 (€100 thousand) and in Ukraine in 2022 (€1,000 thousand).

(6) Net income related to lease agreements of €4,129 thousand in 2023 relates to the derecognition of lease liabilities following a change in terms of a lease agreement in Hong Kong. In 2022 net income related to lease agreements

include: (i) proceeds of €6,500 thousand received from new tenants in order for the Group to withdraw from existing lease agreements of commercial properties and (ii) €950 thousand for reversals of previously recognized provisions in respect of a legal claim related to a lease agreement in the U.S., partially offset by (iii) €606 thousand for losses related to a sublease agreement in the U.S.

Adjusted Profit

Adjusted Profit is defined as Profit adjusted for income and costs (net of related tax effects) which are significant in nature and that management considers not reflective of underlying activities, including, for one or all of the periods presented and as further described below, net impairment of leased and owned stores, severance indemnities and provisions for severance expenses, legal costs for trademark dispute, transaction costs related to acquisitions, costs related to the Business Combination, special donations for social responsibility, net income related to lease agreements and a gain on disposal of investment, as well as the tax effects of the adjusting items.

The Group's management uses Adjusted Profit to understand and evaluate the Group's underlying performance. The Group's management believes this non-IFRS financial measure is useful because it excludes items that management believes are not indicative of the Group's underlying performance and allows management to view performance trends, perform analytical comparisons and benchmark performance between periods. The Group's management also believes that Adjusted Profit is useful for investors and analysts to better understand how management assesses the Group's underlying performance on a consistent basis and to compare the Group's performance with that of other companies. Accordingly, management believes that Adjusted Profit provides useful information to third party stakeholders in understanding and evaluating the Group's results.

The following table presents a reconciliation of Profit to Adjusted Profit for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,		
(€ thousands)	**2024**	**2023**	**2022**
Profit	**90,861**	**135,661**	**65,279**
Net impairment of leased and owned stores [(1)]	11,196	1,782	1,639
Severance indemnities and provisions for severance expenses [(2)]	4,878	4,002	2,199
Legal costs for trademark dispute [(3)]	1,061	2,168	7,532
Transaction costs related to acquisitions [(4)]	33	6,001	2,289
Costs related to the Business Combination [(5)]	—	2,140	2,137
Special donations for social responsibility [(6)]	—	100	1,000
Net income related to lease agreements [(7)]	—	(4,129)	(6,844)
Gain on disposal of investment [(8)]	(7,582)	—	—
Tax effects on adjusting items [(9)]	(2,671)	(2,490)	(1,602)
Adjusted Profit	**97,776**	**145,235**	**73,629**

(1) Net impairment of leased and owned stores for 2024, 2023, 2022 includes:

	For the years ended December 31,		
(€ thousands)	**2024**	**2023**	**2022**
Right-of-use assets	7,905	832	2,369
Property, plant and equipment	3,233	915	(756)
Intangible assets	58	35	26
Total	**11,196**	**1,782**	**1,639**

(2) Relates to severance indemnities of €4,878 thousand, €4,002 thousand and €2,199 thousand in 2024, 2023 and 2022, respectively.

(3) Relates to legal costs of €1,061 thousand (net of reimbursements), €2,168 thousand and €7,532 thousand in 2024, 2023 and 2022, respectively, in connection with a legal dispute between Adidas AG ("adidas") and Thom Browne, primarily in relation to the use of trademarks.

(4) Relates to transaction costs of €33 thousand, €6,001 thousand and €2,289 thousand in 2024, 2023 and 2022, respectively, primarily for consultancy and legal fees related to the Group's acquisition of the ZEGNA business in

South Korea (2024 and 2023), the acquisition of the Thom Browne business in South Korea (2023), the TFI Acquisition (2023 and 2022) and the acquisition of a 25% interest in Norda (2023 and 2022).

(5) Costs related to the Business Combination of €2,140 thousand and €2,137 thousand in 2023 and 2022, respectively, relate to the grant of equity awards to management in 2021 with vesting subject to the public listing of the Company's shares and certain other performance and/or service conditions.

(6) Relates to donations to support initiatives related to humanitarian emergencies in Turkey in 2023 (€100 thousand) and in Ukraine in 2022 (€1,000 thousand)

(7) Net income related to lease agreements of in 2023 of €4,129 thousand relates to the derecognition of lease liabilities following a change in terms of a lease agreement in Hong Kong. In 2022 net income related to lease agreements include: (i) proceeds of €6,500 thousand received from new tenants in order for the Group to withdraw from existing lease agreements of commercial properties and (ii) €950 thousand for reversals of previously recognized provisions in respect of a legal claim related to a lease agreement in the U.S., partially offset by (iii) €606 thousand for losses related to a sublease agreement in the U.S.

(8) Relates to a gain of €7,582 thousand from the disposal of a 45% interest in Sharmoon.EZ.Garments Co. Ltd, which was previously fully impaired by the Group due to a dispute with the other shareholder.

(9) Includes the tax effects of the aforementioned adjustments, calculated as the current and deferred tax effects of pre-tax items excluded from Adjusted Profit using the statutory tax rates related to the jurisdiction that was impacted by the adjustment, after considering if such items are deductible or taxable, the impact of any temporary differences and the ultimate recoverability of deferred tax assets, if applicable.

Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share

Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share are defined as basic earnings per share and diluted earnings per share adjusted for income and costs (net of related tax effects) which are significant in nature and that management considers not reflective of underlying activities, including, for one or all of the periods presented and as further described below, net impairment of leased and owned stores, severance indemnities and provisions for severance expenses, legal costs for trademark dispute, transaction costs related to acquisitions, costs related to the Business Combination, special donations for social responsibility, net income related to lease agreements and a gain on disposal of investment, as well as the tax effects of the adjusting items and excluding the impact of non-controlling interests on the adjusting items.

The Group's management uses Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share to understand and evaluate the Group's underlying performance. The Group's management believes this non-IFRS financial measure is useful because it excludes items that it does not believe are indicative of its underlying performance and allows it to view operating trends, perform analytical comparisons and benchmark performance between periods. Accordingly, management believes that Adjusted Basic and Diluted Earnings per Share provides useful information to third party stakeholders in understanding and evaluating the Group's results.

The following table presents a reconciliation of Profit to Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,		
(€ thousands, except per share data)	**2024**	**2023**	**2022**
Profit	**90,861**	**135,661**	**65,279**
Net impairment of leased and owned stores [(1)]	11,196	1,782	1,639
Severance indemnities and provisions for severance expenses [(2)]	4,878	4,002	2,199
Legal costs for trademark dispute [(3)]	1,061	2,168	7,532
Transaction costs related to acquisitions [(4)]	33	6,001	2,289
Costs related to the Business Combination [(5)]	—	2,140	2,137
Special donations for social responsibility [(6)]	—	100	1,000
Net income related to lease agreements [(7)]	—	(4,129)	(6,844)
Gain on disposal of investment [(8)]	(7,582)	—	—
Tax effects on adjusting items [(9)]	(2,671)	(2,490)	(1,602)
Adjusted Profit	**97,776**	**145,235**	**73,629**
Impact of non-controlling interests [(10)]	14,199	14,327	14,460
Adjusted Profit attributable to shareholders of the Parent Company	**83,577**	**130,908**	**59,169**
Weighted average number of shares for basic earnings per share	251,531,105	247,015,882	237,545,736
Basic earnings per share in €	**0.31**	**0.49**	**0.22**
Adjusted Basic Earnings per Share in €	**0.33**	**0.53**	**0.25**
Weighted average number of shares for diluted earnings per share	254,239,096	252,363,769	240,647,513
Diluted earnings per share in €	**0.30**	**0.48**	**0.21**
Adjusted Diluted Earnings per Share in €	**0.33**	**0.52**	**0.25**

(1) Net impairment of leased and owned stores for 2024, 2023, 2022 includes

	For the years ended December 31,		
(€ thousands)	**2024**	**2023**	**2022**
Right-of-use assets	7,905	832	2,369
Property, plant and equipment	3,233	915	(756)
Intangible assets	58	35	26
Total	**11,196**	**1,782**	**1,639**

(2) Relates to severance indemnities of €4,878 thousand, €4,002 thousand and €2,199 thousand in 2024, 2023 and 2022, respectively.

(3) Relates to legal costs of €1,061 thousand, €2,168 thousand and €7,532 thousand in 2024, 2023 and 2022 respectively, in connection with a legal dispute between adidas and Thom Browne, primarily in relation to the use of trademarks.

(4) Relates to transaction costs of €33 thousand, €6,001 thousand and €2,289 thousand in 2024, 2023 and 2022, respectively, primarily for consultancy and legal fees related to the Group's acquisition of the ZEGNA business in South Korea (2024 and 2023), the TFI Acquisition (2023 and 2022) and the acquisition of a 25% interest in Norda (2023 and 2022).

(5) Costs related to the Business Combination of €2,140 thousand and €2,137 thousand in 2023 and 2022, respectively, relate to the grant of equity awards to management in 2021 with vesting subject to the public listing of the Company's shares and certain other performance and/or service conditions.

(6) Relates to donations to support initiatives related to humanitarian emergencies in Turkey in 2023 (€100 thousand) and in Ukraine in 2022 (€1,000 thousand);

(7) Net income related to lease agreements of in 2023 of €4,129 thousand relates to the derecognition of lease liabilities following a change in terms of a lease agreement in Hong Kong. In 2022 net income related to lease agreements include: (i) proceeds of €6,500 thousand received from new tenants in order for the Group to withdraw from existing lease agreements of commercial properties and (ii) €950 thousand for reversals of previously recognized provisions in respect of a legal claim related to a lease agreement in the U.S., partially offset by (iii) €606 thousand for losses related to a sublease agreement in the U.S.;

(8) Relates to a gain of €7,582 thousand from the disposal of a 45% interest in Sharmoon.EZ.Garments Co. Ltd, which was previously fully impaired by the Group due to a dispute with the other shareholder.

(9) Includes the tax effects of the aforementioned adjustments, calculated as the current and deferred tax effects of pre-tax items excluded from Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share using the statutory tax rates related to the jurisdiction that was impacted by the adjustment, after considering if such items are deductible or taxable, the impact of any temporary differences and the ultimate recoverability of deferred tax assets, if applicable.

(10) Represents the Profit attributable to non-controlling interests plus the impact of non-controlling interests on the adjusting items.

Net Financial Indebtedness/(Cash Surplus)

Net Financial Indebtedness/(Cash Surplus) is defined as the sum of financial borrowings (current and non-current) and derivative financial instrument liabilities, net of cash and cash equivalents, derivative financial instrument assets, securities (recorded within other current financial assets in the consolidated statement of financial position).

The Group's management believes that Net Financial Indebtedness/(Cash Surplus) is useful to monitor the level of net liquidity and financial resources available to the Group. The Group's management believes this non-IFRS financial measure aids management, investors and analysts to analyze the Group's financial position and financial resources available, and to compare the Group's financial position and financial resources available with that of other companies.

The following table sets forth the calculation of Net Financial Indebtedness/(Cash Surplus) at December 31, 2024 and 2023.

	At December 31,	
(€ thousands)	**2024**	**2023**
Non-current borrowings	196,401	113,285
Current borrowings	177,166	289,337
Derivative financial instruments — Liabilities	15,138	897
Total borrowings, other financial liabilities and derivatives	**388,705**	**403,519**
Cash and cash equivalents	(219,130)	(296,279)
Derivative financial instruments — Assets	(1,711)	(11,110)
Other current financial assets (Securities)	(73,639)	(85,320)
Total cash and cash equivalents, other current financial assets and derivatives	**(294,480)**	**(392,709)**
Net Financial Indebtedness/(Cash Surplus)	**94,225**	**10,810**

For additional details relating to Net Financial Indebtedness/(Cash Surplus) see section *"3.2.4. Liquidity and Capital Resources—E. Net Financial Indebtedness/(Cash Surplus)."*

Trade Working Capital

Trade Working Capital is defined as current assets less current liabilities adjusted for derivative assets and liabilities, tax receivables and liabilities, cash and cash equivalents, borrowings, lease liabilities, and certain other current assets and liabilities.

The Group's management uses Trade Working Capital to understand and evaluate the Group's liquidity generation/absorption. The Group's management believes this non-IFRS financial measure is important supplemental information for investors in evaluating liquidity in that it provides insight into the availability of net current resources to fund our ongoing operations. Trade Working Capital is a measure used by management in internal evaluations of cash availability and operational performance.

The following table sets forth the calculation of Trade Working Capital at December 31, 2024 and 2023.

	At December 31,	
(€ thousands)	**2024**	**2023**
Current assets	1,206,162	1,287,636
Current liabilities	(852,885)	(1,012,123)
Working capital	**353,277**	**275,513**
Less:		
Derivative financial instruments - Assets	1,711	11,110
Tax receivables	32,505	31,024
Other current financial assets	77,269	90,917
Other current assets	105,742	95,260
Cash and cash equivalents	219,130	296,279
Current borrowings	(177,166)	(289,337)
Current lease liabilities	(142,957)	(122,642)
Derivative financial instruments - Liabilities	(15,138)	(897)
Other current financial liabilities	—	(22,102)
Current provisions for risks and charges	(16,792)	(16,019)
Tax liabilities	(32,389)	(41,976)
Other current liabilities	(158,672)	(205,013)
Trade Working Capital	**460,034**	**448,909**
of which trade receivables	*248,790*	*240,457*
of which inventories	*521,015*	*522,589*
of which trade payables and customer advances	*(309,771)*	*(314,137)*

Trade Working Capital at December 31, 2024 was positively influenced by improved inventory management (with inventory remaining substantially in line with the previous year), while the slightly higher trade receivables were only partially counterbalanced by a decrease in payables.

Free Cash Flow

Free Cash Flow is defined as net cash flows from operating activities less payments for property, plant and equipment (net of proceeds from disposals), intangible assets and lease liabilities.

The Group's management believes that Free Cash Flow is a useful metric for management, investors and analysts to evaluate and monitor the Group's ability to generate cash, including in comparison to other companies. Free Cash Flow is not representative of residual cash flows available for discretionary purposes.

The following table sets forth the Free Cash Flow for the years ended December 31, 2024, 2023 and 2022:

	For the years ended December 31,		
(€ thousands)	**2024**	**2023**	**2022**
Net cash flows from operating activities	279,129	275,382	146,398
Payments for property, plant and equipment	(100,104)	(57,034)	(49,114)
Payments for intangible assets	(25,425)	(20,843)	(24,185)
Payments of lease liabilities	(143,549)	(125,732)	(121,633)
Free Cash Flow	**10,051**	**71,773**	**(48,534)**

For an explanation of the drivers in Free Cash Flow see section *"3.2.4. Liquidity and Capital Resources—B. Cash Flows"*.

Revenues on a constant currency basis (Constant Currency)

In addition to presenting our revenues on a current currency basis, we also present certain revenue information on a constant currency basis (Constant Currency), which excludes the effects of foreign currency translation from our subsidiaries with functional currencies different from the Euro.

We calculate Constant Currency revenues by applying the current period average foreign currency exchange rates to translate prior period revenues of foreign subsidiaries expressed in local functional currencies different than the Euro.

We use revenues on a Constant Currency basis to analyze how our underlying revenues have changed between periods independent of the effects of foreign currency translation.

Revenues on a Constant Currency basis are not a substitute for revenues on a current currency basis or any IFRS-related measures, however we believe that revenues excluding the impact of foreign currency translation provide additional useful information to management and to investors in analyzing and evaluating our revenues and operating performance.

Revenues on an organic growth basis (Organic or Organic Growth)

In addition to presenting our revenues on a current currency basis, we also present certain revenue information on an organic growth basis (Organic or Organic Growth). Organic Growth is calculated as the change in revenues from period to period, excluding the effects of (a) foreign exchange, (b) acquisitions and disposals and (c) changes in license agreements where the Group operates as a licensee.

In calculating Organic performance, the following adjustments are made to revenues:

(a) Foreign exchange – Current period average foreign currency exchange rates are used to translate prior period revenues of foreign subsidiaries expressed in local functional currencies different than the Euro.
(b) Acquisitions and disposals – Revenues generated by businesses and operations acquired in the current year are excluded. Revenues generated by businesses and operations acquired in the prior year are excluded from the current year for the same period that corresponds to the pre-acquisition period in the prior year. Additionally, where a business or operation was a customer prior to an acquisition, the related pre-acquisition revenues are excluded from the current and prior periods. Revenues generated by businesses and operations disposed of in the current year or prior year are excluded from both periods as applicable.
(c) Changes in license agreements where the Group operates as a licensee – Revenues generated from license agreements where the Group operates as a licensee that are new or terminated in the current year or prior year are excluded from both periods (except if the effects are already included in acquisitions and disposals). Additionally, revenues generated from license agreements where the Group operates as a licensee that experienced a structural change in the scope or perimeter in the current year or prior year are excluded from both periods, including changes to product categories, distribution channels or geographies of the underlying license agreements.

We believe the presentation of revenues on an Organic basis is useful to better understand and analyze the underlying change in the Group's revenues from period to period on a consistent perimeter and constant currency basis.

Revenues on an Organic basis are not a substitute for revenues on a current currency basis or any IFRS-related measures, however we believe that revenues excluding the effects of (a) foreign exchange, (b) acquisitions and disposals and (c) changes in license agreements where the Group operates as a licensee provide additional useful information to management and to investors in analyzing and evaluating our revenues and operating performance.

The tables below show a reconciliation of reported revenue performance to Constant Currency, excluding the effects of foreign exchange, and to Organic performance, which excludes also acquisitions and disposals and changes in license agreements where the Group operates as a licensee, by segment, by brand and product line, by distribution channel and by geographic area for the year ended December 31, 2024 compared to the year ended December 31, 2023 (FY 2024 vs FY 2023) and for the year ended December 31, 2023 compared to the year ended December 31, 2022 (FY 2023 vs FY 2022).

Segment

	FY 2024 vs FY 2023					
	Revenues Growth	*less Foreign exchange*	**Constant Currency**	*less Acquisitions and disposals*	*less Changes in license agreements where the Group operates as a licensee*	**Organic**
Zegna	2.0%	*(1.4%)*	3.4%	*0.7%*	*0.2%*	2.5%
Thom Browne	(17.2%)	*(0.8%)*	(16.4%)	*4.4%*	*—%*	(20.8%)
Tom Ford Fashion	33.5%	*(0.8%)*	34.3%	*35.0%*	*—%*	(0.7%)
Total	**2.2%**	***(1.2%)***	**3.4%**	***5.7%***	***(0.4%)***	**(1.9%)**

	FY 2023 vs FY 2022					
	Revenues Growth	*less Foreign exchange*	**Constant Currency**	*less Acquisitions and disposals*	*less Changes in license agreements where the Group operates as a licensee*	**Organic**
Zegna	12.4%	*(1.4%)*	13.8%	*—%*	*(5.7%)*	19.5%
Thom Browne	14.9%	*(3.4%)*	18.3%	*0.5%*	*—%*	17.8%
Tom Ford Fashion [(*)]	n.m.	*n.m.*	n.m.	*n.m.*	*n.m.*	n.m.
Total	**27.6%**	***(2.1%)***	**29.7%**	***16.2%***	***(5.8%)***	**19.3%**

(*) Not meaningful (n.m.) as the Group began operating the Tom Ford Fashion segment following the TFI Acquisition, which was completed on April 28, 2023, therefore there is no comparison figure for the period.

Brand and product line

	FY 2024 vs FY 2023					
	Revenues Growth	*less Foreign exchange*	**Constant Currency**	*less Acquisitions and disposals*	*less Changes in license agreements where the Group operates as a licensee*	**Organic**
ZEGNA brand	4.9%	*(1.5%)*	6.4%	*0.9%*	*—%*	5.5%
Thom Browne brand	(16.8%)	*(0.8%)*	(16.0%)	*4.5%*	*—%*	(20.5%)
TOM FORD FASHION	33.5%	*(0.8%)*	34.3%	*35.0%*	*—%*	(0.7%)
Textile	(8.5%)	*(1.0%)*	(7.5%)	*—%*	*—%*	(7.5%)
Other [(1)]	(48.4%)	*(0.2%)*	(48.2%)	*(0.1%)*	*(16.0%)*	(32.1%)
Total	**2.2%**	***(1.2%)***	**3.4%**	***5.7%***	***(0.4%)***	**(1.9%)**

	FY 2023 vs FY 2022					
	Revenues Growth	*less Foreign exchange*	**Constant Currency**	*less Acquisitions and disposals*	*less Changes in license agreements where the Group operates as a licensee*	**Organic**
ZEGNA brand	20.1%	*(2.2%)*	22.3%	*—%*	*—%*	22.3%
Thom Browne brand	14.7%	*(3.3%)*	18.0%	*0.5%*	*—%*	17.5%
TOM FORD FASHION	n.m.	*n.m.*	n.m.	*n.m.*	*n.m.*	n.m.
Textile	10.4%	*1.0%*	9.4%	*(0.1%)*	*—%*	9.5%
Other [(1)]	(70.5%)	*0.1%*	(70.6%)	*(0.2%)*	*(58.3%)*	(12.1%)
Total	**27.6%**	***(2.1%)***	**29.7%**	***16.2%***	***(5.8%)***	**19.3%**

(1) Other mainly includes revenues from agreements with third party brands.

Distribution channel

	FY 2024 vs FY 2023					
	Revenues Growth	*less Foreign exchange*	**Constant Currency**	*less Acquisitions and disposals*	*less Changes in license agreements where the Group operates as a licensee*	**Organic**
Direct to Consumer (DTC)						
ZEGNA brand	6.2%	*(1.5%)*	7.7%	*1.6%*	*—%*	6.1%
Thom Browne brand	1.4%	*(2.2%)*	3.6%	*11.2%*	*—%*	(7.6%)
TOM FORD FASHION	47.0%	*(1.2%)*	48.2%	*43.1%*	*—%*	5.1%
Total Direct to Consumer (DTC)	**9.9%**	***(1.6%)***	**11.5%**	***7.5%***	***—%***	**4.0%**
Wholesale branded						
ZEGNA brand	(2.9%)	*(1.5%)*	(1.4%)	*(3.9%)*	*—%*	2.5%
Thom Browne brand	(34.0%)	*—%*	(34.0%)	*(1.4%)*	*—%*	(32.6%)
TOM FORD FASHION	15.1%	*(0.2%)*	15.3%	*23.8%*	*—%*	(8.5%)
Total Wholesale branded	**(12.2%)**	***(0.5%)***	**(11.7%)**	***3.3%***	***—%***	**(15.0%)**
Textile	(8.5%)	*(1.0%)*	(7.5%)	*—%*	*—%*	(7.5%)
Other [(1)]	**(48.4%)**	***(0.2%)***	**(48.2%)**	***(0.1%)***	***(16.0%)***	**(32.1%)**
Total	**2.2%**	***(1.2%)***	**3.4%**	***5.7%***	***(0.4%)***	**(1.9%)**

	FY 2023 vs FY 2022					
	Revenues Growth	*less Foreign exchange*	**Constant Currency**	*less Acquisitions and disposals*	*less Changes in license agreements where the Group operates as a licensee*	**Organic**
Direct to Consumer (DTC)						
ZEGNA brand	22.4%	*(3.0%)*	25.4%	*—%*	*—%*	25.4%
Thom Browne	25.9%	*(8.2%)*	34.1%	*14.4%*	*—%*	19.7%
TOM FORD FASHION	n.m.	*n.m.*	n.m.	*n.m.*	*n.m.*	n.m.
Total Direct to Consumer (DTC)	**37.8%**	***(4.3%)***	**42.1%**	***17.6%***	***—%***	**24.5%**
Wholesale branded						
ZEGNA brand	8.4%	*1.4%*	7.0%	*—%*	*—%*	7.0%
Thom Browne	5.8%	*(0.2%)*	6.0%	*(9.7%)*	*—%*	15.7%
TOM FORD FASHION	n.m.	*n.m.*	n.m.	*n.m.*	*—%*	n.m.
Total Wholesale branded	**36.5%**	***0.5%***	**36.0%**	***24.5%***	***—%***	**11.5%**
Textile	10.4%	*1.0%*	9.4%	*(0.1%)*	*—%*	9.5%
Other [1]	**(70.5%)**	***0.1%***	**(70.6%)**	***(0.2%)***	***(58.3%)***	**(12.1%)**
Total	**27.6%**	***(2.1%)***	**29.7%**	***16.2%***	***(5.8%)***	**19.3%**

(1) Other mainly includes revenues from agreements with third party brands.

Geographic area

	FY 2024 vs FY 2023					
	Revenues Growth	*less Foreign exchange*	**Constant Currency**	*less Acquisitions and disposals*	*less Changes in license agreements where the Group operates as a licensee*	**Organic**
EMEA [1]	3.3%	*—%*	3.3%	*3.4%*	*(0.5%)*	0.4%
Americas [2]	15.4%	*(1.0%)*	16.4%	*10.3%*	*(0.7%)*	6.8%
Greater China Region	(14.5%)	*(1.5%)*	(13.0%)	*0.7%*	*—%*	(13.7%)
Rest of APAC [3]	19.4%	*(5.2%)*	24.6%	*18.1%*	*(0.4%)*	6.9%
Other [4]	(20.8%)	*—%*	(20.8%)	*4.9%*	*—%*	(25.7%)
Total	**2.2%**	***(1.2%)***	**3.4%**	***5.7%***	***(0.4%)***	**(1.9%)**

	FY 2023 vs FY 2022					
	Revenues Growth	*less Foreign exchange*	**Constant Currency**	*less Acquisitions and disposals*	*less Changes in license agreements where the Group operates as a licensee*	**Organic**
EMEA [1]	26.6%	*(1.1%)*	27.7%	*15.4%*	*(6.5%)*	18.8%
Americas [2]	40.1%	*2.1%*	38.0%	*37.2%*	*(11.1%)*	11.9 %
Greater China Region	20.5%	*(5.2%)*	25.7%	*2.1%*	*(0.6%)*	24.2%
Rest of APAC [3]	27.7%	*(4.9%)*	32.6%	*17.7%*	*(6.6%)*	21.5 %
Other [4]	(8.6%)	*(0.3%)*	(8.3%)	*17.3%*	*—%*	(25.6%)
Total	**27.6%**	***(2.1%)***	**29.7%**	***16.2%***	***(5.8%)***	**19.3%**

(1) EMEA includes Europe, the Middle East and Africa.

(2) Americas includes the United States of America, Canada, Mexico, Brazil and other Central and South American countries.

(3) Rest of APAC includes Japan, South Korea, Singapore, Thailand, Malaysia, Vietnam, Indonesia, Philippines, Australia, New Zealand, India and other Southeast Asian countries.

(4) Other revenues mainly include royalties.

3.2.4. Liquidity and Capital Resources

A. Overview

The Group's principal sources of liquidity are cash flows from operations, borrowings available under bank credit lines and other forms of indebtedness, as well as available cash and cash equivalents. The Group requires liquidity in order to meet its obligations and fund its business. Short-term liquidity is required to fund ongoing cash requirements, including to purchase raw materials, consumables and goods for production, to pay personnel costs, as well as to fund costs for services and other expenses. In addition to its general working capital and operational needs, the Group uses cash for the following purposes: (i) capital expenditures to support its existing and future commercial network and production facilities, (ii) principal and interest payments under its financial obligations, (iii) acquisitions, and (iv) returns of capital to shareholders, primarily through dividends. The Group makes capital investments primarily for the opening of new stores or the renovation of existing stores, as well as for initiatives to enhance and adapt production facilities to new technologies and emerging needs and to upgrade information technology systems. The Group believes its cash generation together with its available liquidity will be sufficient to meet its short-term and long-term liquidity requirements, including for obligations and to fund its business and capital expenditures for the foreseeable future.

Starting in 2022 the Group has implemented a funding strategy with the aim of reducing the cost of financing while continuing to ensure the Group has adequate access to liquidity to meet its financial commitments and guarantee flexibility for its operations and any expansion initiatives. In line with this strategy, the Group has replaced a portion of its short-term debt maturities with new bilateral committed revolving credit facilities that may be drawn down by the Group at any time during the relevant term. Additionally, the Group has disposed of a significant portion of its financial asset securities holdings. In particular, in 2023 the Group disposed of securities (primarily investments in insurance contracts, fixed income and hedge funds) amounting to €267,826 thousand for proceeds of €270,317 thousand that the Group primarily used to finalize the TFI Acquisition and for capital expenditures, as well as to repay borrowings.

B. Cash Flows

Net cash flows from operating activities

2024 compared to 2023

Net cash flows from operating activities amounted to €279,129 thousand in 2024 compared to €275,382 thousand in 2023. The positive change of €3,747 thousand between periods was primarily attributable to the combined effects of:

(i) €80,556 thousand from a positive change in cash flows used by inventories, trade receivables and trade payables (cash absorbed of €31,566 thousand in 2024 compared to €112,122 thousand in 2023), primarily driven by improved inventory management in 2024 and actions taken in the prior year to build up raw materials and finished products in order to support the growth of the business, including inventory of the Essentials collections in line with the Zegna One Brand strategy and the classic collections of Thom Browne;

(ii) lower taxes paid of €1,216 thousand (€52,772 thousand in 2024 compared to €53,988 thousand in 2023).

partially offset by:

(i) €56,608 thousand from a negative change in cash flow from other operating assets and liabilities (cash absorbed of €86,373 thousand in 2024 compared to cash absorbed of €29,765 thousand in 2023), including bonuses earned by key management in previous years that were paid in 2024;

(ii) a decrease in profit excluding non-cash items of €12,443 thousand (€487,980 thousand in 2024 compared to €500,423 thousand in 2023); and

(iii) higher interest paid of €8,974 thousand (€38,140 thousand in 2024 compared to €29,166 thousand in 2023).

2023 compared to 2022

Net cash flows from operating activities amounted to €275,382 thousand in 2023 compared to €146,398 thousand in 2022. The positive change of €128,984 thousand between periods was primarily attributable to the combined effects of:

(i) an increase in profit excluding non-cash items of €128,611 thousand (€500,423 thousand in 2023 compared to €371,812 thousand in 2022);

(ii) €17,737 thousand from a positive change in cash flow from other operating assets and liabilities (cash used of €20,479 thousand in 2023 compared to cash used of €38,216 thousand in 2022); and

(iii) €22,382 thousand relating to the positive change in current and non-current provisions for risks and charges, which was primarily due to payments of €27,980 thousand in 2022 to settle claims relating to lease agreements;

partially offset by:

(i) €36,898 thousand from a negative change in cash flows used by inventories, trade receivables and trade payables and customer advances, including the effects of TFI following the TFI Acquisition (cash absorbed of €112,122 thousand in 2023 compared to €75,224 thousand in 2022). In 2023, cash used in inventories, trade receivables and trade payables of €112,122 thousand includes (a) €72,770 thousand relating to inventories (reflecting also higher raw materials and finished products in order to support the growth of the business, including the build up of inventory of the Essentials collections in line with the ZEGNA One Brand strategy and the classic collections of Thom Browne), and (b) €51,022 thousand relating to an increase in trade receivables, partially offset by (c) €11,670 thousand relating to an increase in trade payables and customer advances; and

(ii) higher taxes paid of €4,730 thousand (€53,988 thousand in 2023 compared to €49,258 thousand in 2022).

Net cash flows (used in)/from investing activities

2024 compared to 2023

Net cash flows used in investing activities amounted to €126,014 thousand in 2024 compared to net cash flows from investing activities of €21,786 thousand in 2023. The negative change of €147,800 thousand between periods was primarily attributable to the combined effects of:

(i) lower proceeds from disposals of current financial assets and derivative instruments of €228,896 thousand (proceeds of €41,421 thousand in 2024 compared to proceeds of €270,317 thousand in 2023) in line with actions taken in 2023 by the Group to dispose of financial asset securities holdings primarily to fund the TFI Acquisition and capital expenditures, as well as to repay borrowings;

(ii) higher payments for investments in property, plant and equipment of €43,070 thousand (€100,104 thousand in 2024 compared to €57,034 thousand in 2023. For additional information relating to the Group's investments see *"—C. Capital Expenditure"*; and

(iii) higher payments for investments in intangible assets of €4,582 thousand (€25,425 thousand in 2024 compared to €20,843 thousand in 2023. For additional information relating to the Group's investments see *"—C. Capital Expenditure"*;

partially offset by:

(i) lower net cash outflows from business combinations (net of cash acquired) of €98,379 thousand (€19,307 thousand in 2024 (of which €9,727 thousand related to the acquisition of the ZEGNA business in South Korea and €9,580 thousand related to deferred consideration paid for the prior year acquisition of the Thom Browne business in South Korea) compared to €117,686 thousand in 2023, of which €109,110 thousand for the TFI Acquisition completed on April 28, 2023 and €7,991 thousand paid for the acquisition of the Thom Browne business in South Korea);

(ii) payments in 2023 for the acquisition of investments accounted for using the equity method, including €6,580 thousand for the acquisition of a 25% interest in Norda Run Inc. ("Norda"), €4,656 thousand for the acquisition of a

15% interest in Luigi Fedeli e Figlio S.r.l. and €4,500 thousand for a capital contribution to Filati Biagioli Modesto S.p.A. For additional information relating to these transactions, see *Note 17 — Investments accounted for using the equity method* within the Consolidated Financial Statements included elsewhere in this annual report;

(iii) lower payments for acquisitions of current financial assets and derivative instruments of €10,615 thousand (payments of €26,341 thousand in 2024 compared to payments of €36,956 thousand in 2023; and

(iv) cash proceeds of €7,582 thousand from the sale of a 45% interest in Sharmoon.EZ.Garments Co. Ltd.

2023 compared to 2022

Net cash flows from investing activities amounted to €21,786 thousand in 2023 compared to €57,335 thousand in 2022. The positive change of €79,121 thousand between periods was primarily attributable to the combined effects of:

(i) higher proceeds from disposals of current financial assets and derivative instruments of €223,830 thousand (proceeds of €270,317 thousand in 2023 compared to proceeds of €46,487 thousand in 2022) in line with actions taken by the Group to dispose of financial asset securities holdings primarily to fund the TFI Acquisition and capital expenditures, as well as repay borrowings; and

(ii) lower payments for investments in intangible assets of €3,342 thousand (€20,843 thousand in 2023 compared to €24,185 thousand in 2022. For additional information relating to the Group's investments see *"—C. Capital Expenditure"*;

partially offset by:

(i) net cash outflows of €109,110 thousand related to the TFI Acquisition which was completed on April 28, 2023, €7,991 thousand related to the acquisition of the Thom Browne business in South Korea which was completed on July 1, 2023 and €585 thousand related to the earn-out payment for the acquisition of Tessitura Ubertino. For additional information relating to the these acquisitions, see *Note 39 — Business combinations* within the Consolidated Financial Statements included elsewhere in this annual report;

(ii) payments in 2023 for the acquisition of investments accounted for using the equity method, including €6,580 thousand for the acquisition of a 25% interest in Norda Run Inc. ("Norda"), €4,656 thousand for the acquisition of a 15% interest in Luigi Fedeli e Figlio S.r.l. and €4,500 thousand for a capital contribution to Filati Biagioli Modesto S.p.A.. For additional information relating to the these transactions, see *Note 17 — Investments accounted for using the equity method* within the Consolidated Financial Statements included elsewhere in this annual report;

(iii) higher payments for investments in property, plant and equipment of €7,920 thousand (€57,034 thousand in 2023 compared to €49,114 thousand in 2022. For additional information relating to the Group's investments see *"—C. Capital Expenditure"*; and

(iv) higher payments for acquisitions of current financial assets and derivative instruments of €4,544 thousand (payments of €36,956 thousand in 2023 compared to payments of €32,412 thousand in 2022.

Net cash flows used in financing activities

2024 compared to 2023

Net cash flows used in financing activities amounted to €234,534 thousand in 2024 compared to €250,494 thousand in 2023. The positive change of €15,960 thousand between periods was primarily attributable to the combined effects of:

(i) lower net repayments of borrowings of €70,665 thousand (repayments of borrowings net of proceeds of €31,061 thousand in 2024 compared to €101,726 thousand in 2023), primarily reflecting actions taken in 2023 to repay borrowings, primarily with cash proceeds from the disposal of certain financial investments held by the Group;

partially offset by:

(i) payments of €23,502 thousand for the acquisition of non-controlling interests in 2024, including €22,752 thousand for the acquisition of an additional 2% of the Thom Browne group as a result of Mr. Thom Browne exercising a put option and €750 thousand for the acquisition of the remaining 30% interest in Ermenegildo Zegna Madrid S.A. not previously owned by the Group;

(ii) higher payments of lease liabilities of €17,817 thousand (€143,549 thousand in 2024 compared to €125,732 thousand in 2023);

(iii) cash proceeds received in 2023 that did not repeat in 2024: (a) €4,409 thousand from warrant holders exercising 408,667 warrants at an exercise price of $11.50 per ordinary share exchanged, and (b) €3,654 thousand from sales of shares held in treasury; and

(iv) higher dividends paid to owners of the parent of €5,259 thousand (€30,290 thousand in 2024 compared to €25,031 thousand in 2023).

2023 compared to 2022

Net cash flows used in financing activities amounted to €250,494 thousand in 2023 compared to €296,997 thousand in 2022. The positive change of €46,503 thousand between periods was primarily attributable to the combined effects of:

(i) lower net repayments of borrowings of €57,993 thousand (net repayments of €101,726 thousand in 2023 compared to €159,719 thousand in 2022).

(ii) €4,409 thousand of proceeds in 2023 from warrant holders exercising 408,667 warrants at an exercise price of $11.50 per ordinary share exchanged;

partially offset by:

(i) higher payments of lease liabilities of €4,099 thousand (€125,732 thousand in 2023 compared to €121,633 thousand in 2022) primarily driven by lease contracts for new store openings, including the contribution of TOM FORD FASHION, partially offset by the termination of certain lease contracts in APAC; and

(ii) lower capital contributions as a result of €10,923 thousand received in 2022 from the reimbursement to the Group by Monterubello of a special gift to all employees of the Group, as a result of the Company's listing completed on December 20, 2021;

(iii) higher dividends paid to owners of the parent of €3,179 thousand (€25,031 thousand in 2023 compared to €21,852 thousand in 2022); and

(iv) higher dividends paid to non-controlling interests of €1,881 thousand (€6,068 thousand in 2023 compared to €4,187 thousand in 2022).

C. Capital Expenditure

Capital expenditure is defined as the sum of cash outflows that result in additions to property, plant and equipment and intangible assets.

The following table shows a breakdown of capital expenditure by category for the years ended December 31, 2024, 2023 and 2022:

	For the years ended December 31,		
(€ thousands)	**2024**	**2023**	**2022**
Payments for property, plant and equipment	100,104	57,034	49,114
Payments for intangible assets	25,425	20,843	24,185
Capital expenditure	**125,529**	**77,877**	**73,299**

The Group's main capital expenditure primarily relates to investments in our store network (new store openings, store renewals or relocations, remodeling or franchising contributions), which amounted to €77 million, €48 million and €43 million for the years ended December 31, 2024, 2023 and 2022, respectively, and primarily related to the Zegna segment. Other relevant investments for the periods presented mainly related to (i) production activities for both apparel and textile for €25 million, €10 million and €8 million for the years ended December 31, 2024, 2023 and 2022, respectively, (including investments in 2024 for the new luxury footwear and leather goods production facility in Sala Baganza, Parma, Italy), and (ii) information technology for €14 million, €13 million, €16 million for the years ended December 31, 2024, 2023 and 2022, respectively, and primarily for intangible assets related to digital and business transformation projects.

Store network

The following table presents capital expenditure to develop our store network split by segment:

	For the years ended December 31,		
(€ millions)	**2024**	**2023**	**2022**
Zegna	55	41	35
Thom Browne	9	6	8
Tom Ford Fashion	13	1	n.a.(*)
Capital expenditure related to the store network	**77**	**48**	**43**

(*) "n.a." as the Group began operating the Tom Ford Fashion segment following the TFI Acquisition, which was completed on April 28, 2023.

Zegna segment

The main new store openings in the Zegna segment are presented below:

- in 2024:
  - EMEA - Monte Carlo, Riyadh (Saudi Arabia), Astir Marina (Greece), Taormina (Italy), Puerto Banus (Spain), Paris (France), Fiumicino Airport (Italy) and Zurich Airport (Switzerland);
  - Americas - New York Meatpacking District, Honolulu and Miramar (United States);
  - Greater China Region - Nanchang, Nanjing, Shanghai Airport, Wuhan and Hong Kong;
  - Rest of APAC - Kuala Lumpur (Malaysia) and Changi Airport (Singapore).
- in 2023:
  - EMEA - Porto (Portugal), St.Moritz (Switzerland), Courchevel (France), Copenhagen (Denmark), Dubai (UAE) and Kuwait City (Kuwait);
  - Americas - New York (three stores, including East Hampton), Beverly Hills and Atlanta (United States);
  - Greater China Region - Beijing, Nanjing, Wuhan, Nanning and Taipei.
- in 2022:
  - EMEA - Madrid (Spain);
  - Americas - Palm Beach (United States);
  - Greater China Region - Chengdu, Jinan, Fuzhou, and Lanzhou;
  - Rest of APAC - Tokyo (Japan).

Thom Browne segment

The main new store openings in the Thom Browne segment are presented below:

- in 2024:
  - Greater China Region - Beijing, Wuhan, Shenyang, Kunming and Macau;
  - Rest of APAC - Kobe (Japan) and Daejeon (South Korea);
  - Americas - New York Saks 5th Avenue (United States).
- in 2023:
  - Greater China Region - Wuhan, Shenzhen, Harbin and Jinan;
  - Rest of APAC - Nagoya and Yokohama (Japan).

- in 2022:
    - Greater China Region - Shanghai, Beijing, Guangzhou, Tianjin, Nanjing, Chengdu, Chongqing and Zhengzhou.

Tom Ford Fashion segment

The main new store openings in the Tom Ford Fashion segment are presented below:

- in 2024:
    - EMEA - Milan, Rome and Taormina (Italy); Madrid (Spain) and London Harrods (United Kingdom);
    - Greater China Region - Beijing, Shanghai, Nanjing and Hangzhou;
    - Rest of APAC - Fukuoka and Kobe (Japan) and Singapore.

  in 2023:
    - Americas - New York (United States);
    - Rest of APAC - Seoul (South Korea).

D. Contractual Obligations

For information on our significant contractual commitments at December 31, 2024 and 2023, see *Note 27 — Borrowings* and *Note 35 — Qualitative and quantitative information on financial risks* to the Consolidated Financial Statements included elsewhere in this annual report.

E. Net Financial Indebtedness / (Cash Surplus)

Net Financial Indebtedness/(Cash Surplus) is defined as the sum of financial borrowings (current and non-current), and derivative financial instrument liabilities, net of cash and cash equivalents, derivative financial instrument assets and securities (recorded within other current financial assets in the consolidated statement of financial position). Net Financial Indebtedness/(Cash Surplus) is a non-IFRS financial measure. See *"3.2.3. Results of Operations—L. Non-IFRS Financial Measures"* for important information relating to non-IFRS financial measures.

The Group's management believes that Net Financial Indebtedness/(Cash Surplus) is useful to monitor the level of net liquidity and financial resources available to the Group and that it aids management, investors and analysts to analyze the Group's financial position and financial resources available, as well as to compare the Group's financial position and financial resources available with that of other companies.

The following table sets forth the calculation of Net Financial Indebtedness/(Cash Surplus) at December 31, 2024 and 2023:

	At December 31,	
(€ thousands)	**2024**	**2023**
Non-current borrowings	196,401	113,285
Current borrowings	177,166	289,337
Derivative financial instruments — Liabilities	15,138	897
Total borrowings, other financial liabilities and derivatives	**388,705**	**403,519**
Cash and cash equivalents	(219,130)	(296,279)
Derivative financial instruments — Assets	(1,711)	(11,110)
Other current financial assets (Securities)	(73,639)	(85,320)
Total cash and cash equivalents, other current financial assets and derivatives	**(294,480)**	**(392,709)**
Net Financial Indebtedness/(Cash Surplus)	**94,225**	**10,810**

Net Financial Indebtedness/(Cash Surplus) amounted to €94,225 thousand at December 31, 2024 compared to €10,810 thousand at December 31, 2023, primarily reflecting the combined effects of (i) positive Free Cash Flow of €10,051

thousand, (ii) cash proceeds of €7,582 thousand from the sale of a 45% interest in Sharmoon.EZ.Garments Co. Ltd, and cash used for (iii) business combinations (net of cash acquired) of €19,307 thousand (including deferred consideration paid in 2024 for the acquisition of the Thom Browne business in South Korea in 2023), (iv) acquisitions of non-controlling interests of €23,502 thousand, (v) dividends to owners of the parent of €30,290 thousand and (vi) dividends to non-controlling interests of €6,132 thousand, as well as (vii) a change in fair value of derivative financial instruments of €23,640 thousand. For additional information relating to the change in cash and cash equivalents see *"—B. Cash Flow",* for additional information and definition of the Free Cash Flow see *"3.2.3. Results of operations—L. Non-IFRS Financial Measures—Free Cash Flow*".

The main components of Net Financial Indebtedness/(Cash Surplus) are further explained below.

Borrowings

The Group enters into and manages debt facilities centrally in order to satisfy the short and medium-term needs of each of its subsidiaries based on criteria of efficiency and cost-effectiveness. The Group enters into and maintains bilateral committed credit lines with a diversified pool of lenders for a total amount that is considered consistent with the Group's overall needs and to ensure adequate liquidity is available at any time to satisfy and comply with all of its financial obligations and commitments, as well as guarantee a suitable level of operational flexibility for any expansion programs. During 2024, the Group extended the average maturity of its debt by repaying existing borrowings and obtaining new borrowings with longer average maturities.

The key interest rate terms of the Group's borrowings and the amount outstanding at December 31, 2024 and 2023 are presented in the tables below based on their maturity dates.

(€ thousands, except percentages)	**Interest rates (bps)**	**Amount**	**Within 1 year**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 4 years**	**Beyond 4 years**
Fixed	0.74% - 2.32%	49,441	36,689	4,669	4,031	4,052	—
Variable	0.77% - 3.90%[(1)]	324,126	140,477	79,013	95,232	4,702	4,702
Total at December 31, 2024		**373,567**	**177,166**	**83,682**	**99,263**	**8,754**	**4,702**

(1) Represents the spread over the variable component of the interest rate, which is generally based on Euribor.

(€ thousands, except percentages)	**Interest rates (bps)**	**Amount**	**Within 1 year**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 4 years**	**Beyond 4 years**
Fixed	0.73% - 4.05%	120,734	73,123	34,859	4,669	4,031	4,052
Variable	0.05% - 3.09%[(1)]	281,888	216,214	50,118	15,001	555	
Total at December 31, 2023		**402,622**	**289,337**	**84,977**	**19,670**	**4,586**	**4,052**

(1) Represents the spread over the variable component of the interest rate, which is generally based on Euribor.

At December 31, 2024, the Group has committed revolving lines amounting to an aggregate of €335 million with a maturity ranging between 4 to 6 years (€335 million at December 31, 2023 with a maturity ranging between 5 to 7 years). The lines were drawn down for €40 million at December 31, 2024 (€40 million at December 31, 2023). Certain committed revolving lines have interest rates linked to the following two important Environment, Social and Governance ("ESG") targets previously disclosed by the Group: (i) at least 50% of top priority raw materials are traced to their geography of origin

and from lower-impact sources by 2026; and (ii) 100% of the electricity is from renewable sources in Europe and the United States by 2024. These lines amounted to €190 million at December 31, 2024 and 2023 and were undrawn.

For additional information see *Note 27 — Borrowings* to the Consolidated Financial Statements included elsewhere in this annual report.

Debt covenants

Certain of the Group's borrowings and revolving lines are subject to financial covenants requiring the Group to maintain a ratio of Net Financial Indebtedness to adjusted EBITDA equal or lower than 3.0x (calculated on an annual basis based on a definition of adjusted EBITDA specified in the related agreements, which may differ from the similarly named non-IFRS financial measure included elsewhere in this annual report), as well as negative pledges, pari passu, cross-default and change of control clauses. Failure to comply with these covenants may require the Group to fully repay the outstanding amounts on demand. At December 31, 2024 and December 31, 2023, the Group had Net Financial Indebtedness/(Cash Surplus) of €94,225 thousand and €10,810 thousand, respectively, resulting in a ratio of Net Financial Indebtedness to adjusted EBITDA of 0.40x and 0.04x, respectively, therefore the Group was in compliance with the covenants.

Derivative financial instruments

The Group enters into certain derivative contracts in the course of its risk management activities, primarily to hedge the interest rate risk on its bank debt and the currency risk on sales made in currencies other than the Euro. The Group only enters into 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 hedge requirements of IFRS 9 — *Financial Instruments* ("*IFRS 9*") are accounted for using hedge accounting. Changes in the fair value of derivative financial instruments not qualifying for hedge accounting are recognized in profit or loss in the relevant reporting period. The interest rate and currency derivatives used by the Group are over the counter ("*OTC*") instruments, meaning those negotiated bilaterally with market counterparties, and the determination of their current value is based on valuation techniques that use input parameters (such as interest rate curves, foreign exchange rates, etc.) observable on the market (level 2 of the fair value hierarchy defined in IFRS 13 — *Fair Value Measurement*). Derivatives are measured at fair value each reporting date by taking as a reference the applicable foreign currency exchange rates or the interest rates and yield curves observable at commonly quoted intervals.

The following table sets forth the Group's outstanding hedges at December 31, 2024 and 2023.

	At December 31,					
	2024			2023		
(€ thousands)	Notional Amount	Positive Fair Value	Negative Fair Value	Notional Amount	Positive Fair Value	Negative Fair Value
Foreign currency exchange risk						
Foreign currency derivatives	756,316	1,596	(14,699)	595,819	6,371	(897)
Interest rate risk						
Interest rate swaps	82,631	115	(439)	133,962	4,739	—
Total derivatives instruments - Asset/(Liabilities)	**838,947**	**1,711**	**(15,138)**	**729,781**	**11,110**	**(897)**

For additional information relating to derivative financial instruments see *Note 21 — Derivative financial instruments* to the Consolidated Financial Statements, included elsewhere in this annual report.

Cash and cash equivalents

The table below sets forth the breakdown of the Group's cash and cash equivalents at December 31, 2024 and 2023.

(€ thousands, except percentages)	At December 31,		Increase/(Decrease)	
	2024	**2023**	**2024 vs 2023**	**%**
Cash on hand	2,465	3,275	(810)	(24.7%)
Bank balances	216,665	293,004	(76,339)	(26.1%)
Cash and cash equivalents	**219,130**	**296,279**	**(77,149)**	**(26.0%)**

The Group may be subject to restrictions which limit its ability to use cash. In particular, cash held in China is subject to certain repatriation restrictions and may only be repatriated as dividends. The Group does not believe that such transfer restrictions have any adverse impacts on its ability to meet liquidity requirements. Cash held in China at December 31, 2024 amounted to €22,105 thousand (€22,549 thousand at December 31, 2023).

Other current financial assets (Securities)

The table below sets forth the breakdown of the Group's securities included within Net Financial Indebtedness/ (Cash Surplus), which are recorded within other current financial assets, at December 31, 2024 and 2023.

(€ thousands, except percentages)	At December 31,		Increase/(Decrease)	
	2024	**2023**	**2024 vs 2023**	**%**
Fair value through profit and loss				
Private equity	23,954	22,399	1,555	6.9%
Private debt	10,395	10,106	289	2.9%
Hedge funds	10,285	8,995	1,290	14.3%
Real estate funds	9,713	12,146	(2,433)	(20.0%)
Money market funds	3,864	2,093	1,771	84.6%
Equity	3,204	1,141	2,063	180.8%
Total fair value through profit and loss	**61,415**	**56,880**	**4,535**	**8.0%**
Fair value through other comprehensive income/(loss)				
Fixed income	6,439	11,748	(5,309)	(45.2%)
Floating income	5,785	16,692	(10,907)	(65.3%)
Total fair value through other comprehensive income/(loss)	**12,224**	**28,440**	**(16,216)**	**(57.0%)**
Securities (recorded within other current financial assets)	**73,639**	**85,320**	**(11,681)**	**(13.7%)**

For additional information relating to the Group's securities see *Note 22 — Other current financial assets* to the Consolidated Financial Statements, included elsewhere in this annual report.

Off-Balance Sheet Arrangements

As part of the TFI Acquisition, the Group has become a long-term licensee for all TOM FORD men's and women's fashion as well as accessories and underwear, fine jewelry, childrenswear, textile, and home design products for 20 years with an automatic renewal for one additional 10 year period subject to certain minimum performance conditions (TFF License). As part of the TFF License, the Group is required to pay minimum annual guaranteed royalties for the first 10 years of the TFF License, which at December 31, 2024 amounted to an aggregate of $193.9 million (€186.7 million) (undiscounted). For the remaining term of the TFF License the minimum annual guaranteed royalties to be paid by the Group will be calculated based on a percentage of the net sales of the preceding annual period. The TFF License also requires the Group to make minimum investments for marketing activities as a percentage of net sales of the licensed products as per customary market practices. For additional information relating to the TFI Acquisition and the TFF License, see *Note 39 — Business combinations* within the Consolidated Financial Statements included elsewhere within this annual report.

In 2020, the Group provided a financial guarantee to TFI (which prior to the TFI Acquisition, the Group held a 15% interest in was an associate of the Group) for an amount of $7,500 thousand in relation to its payment obligations under a bank loan issued to TFI. The financial guarantee was subsequently reduced to $6,875 thousand in 2022 and closed in 2023 as part of the transactions contemplated by the TFI Acquisition. No amounts were claimed under the guarantee.

Recent Developments

See *Note 40 — Subsequent events* to the Consolidated Financial Statements included elsewhere in this annual report.

3.3. Outlook

The Group has updated its medium-term targets on March 27th, 2025, in the context of the 2024 financial results release, stating that in 2027, the Group expects to reach revenues in the range of €2,200-€2,400 million and Adjusted EBIT of €250-€300 million.

4. RISK MANAGEMENT AND RISK FACTORS

4.1. Risk management, risk appetite and control framework

The management and the Board are responsible for identifying the risks associated with the Group's strategy and activities and reviewing the Company's risk management and control systems in relation to the financial reporting of the Group.

The Board has entrusted its Audit Committee with the responsibility to assist and advise the Board in the oversight of, among others: (i) the integrity of the Group's financial statements, including any published interim reports; (ii) the adequacy and effectiveness of the Group's internal control over financial reporting, financial reporting procedures and disclosure controls and procedures; (iii) the Group's policy on tax planning; (iv) the Group's policy on reservations and dividends; (v) the Group's financing; (vi) the Group's application of information and communication technology; (vii) the systems of internal controls that management and/or the Board have established; (viii) the Group's compliance with legal and regulatory requirements; (ix) the Group's compliance with recommendations and observations of internal and independent auditors; (x) the open and ongoing communications regarding the Group's financial position and results of operations between the Board, the independent auditors, the Group's management and internal audit department; (xi) the Group's policies and procedures for addressing certain actual or perceived conflicts of interest; (xii) the qualifications, independence, oversight and remuneration of the independent auditors and any non-audit services provided to the Group by the independent auditors; (xiii) determining the process for selecting the external auditor or the audit firm (and/or the independent registered public accounting firm), if applicable, and the nomination to extend the assignment to carry out the statutory audit; (xiv) the performance of the Group's internal auditors and of the independent auditors; (xv) the design and operation of the internal risk management and control system, risk assessment guidelines and policies including major financial risk exposure (whether strategic, financial, operating, sustainability, cybersecurity, compliance related or otherwise), and the steps taken to monitor and control such risks; and (xvi) the implementation and effectiveness of the Group's ethics and compliance program.

Our business performance depends on our ability to identify opportunities while assessing and maintaining an appropriate risk appetite. Our approach to risk management ("Enterprise Risk Management" or "ERM") embraces the entire organization in all the dimensions of the business and our operations in a dynamic mode with a long-term strategic view. The ERM system consists of identifying, assessing and managing a variety of risks and it is formalized in the ERM guidelines, which are based on the main international best practices (COSO ERM). The ERM process involves the entire organization and governance bodies, each within their scope of competence, and includes several stages, including the identification of risks from a detailed risk catalog, as well as the analysis and evaluation of these risks, the planning of mitigation measures, and ongoing monitoring to ensure effective risk management. To ensure the effective implementation of this process, our ERM system is structured along three lines. The first line consists of operational teams that act as risk owners, managing the risks in day-to-day activities, implementing controls and ensuring operational effectiveness. The second line consists of the Group Compliance and Risk Management function, which provides oversight and support, ensures that risk management objectives are met and monitors controls. This function also assists risk owners in setting target risk exposures twice a year, and reports risk-related information throughout the organization. The third line is the Group Internal Audit Function, which provides independent assurance that policies are followed, and processes are carried out in line with management's risk strategy. This risk management framework and the key global risks identified as significant are discussed with our Senior Management and the Audit Committee.

The risks in the catalog are those related to: (i) external factors such as local economic, regulatory, social and political conditions, as well as climate change and other environmental impacts (ii) our business and strategy, (iii) financial resources, holding of our Ordinary Shares and exposure to fluctuations in financial market variables, (iv) management of human resources, (v) day-to-day operations and processes including supply chain management, product pricing and quality, business interruption, (vi) information technology and systems such as the risks related to cybersecurity breaches, system disruption, unauthorized access, (vii) financial reporting and tax matters, (ix) compliance with laws and regulations applicable to the Group, including environmental and/or social regulations.

Within each category of risk, we have included risk factors in section "*4.2. Risk Factors*" that contain a summary of the principal risk factors that could have a material adverse effect on our business, results of operations and financial condition.

Our approach to risk management is to protect the Group from potential financial losses, damage to reputation, and other negative impacts. Furthermore, the risk management process helps management define the appropriate strategies to mitigate the identified risks. These strategies may include implementing or reinforcing internal controls, ensuring certain risks are managed, or changing the way business is managed. Additionally, the Group is committed to constantly monitoring the effectiveness of risk management measures and making any necessary adjustments. This process is crucial to ensuring the continuity of our business operations and to protecting the Group's interests.

Our risk appetite reflects in our strategy, our ethical principles and our corporate culture, for it is an integral part of corporate decision-making levels. Specific aspects of our risk appetite are further described in various chapters of this report, including in sections "*3.2.2. Trends, Uncertainties and Opportunities*" and with respect to Financial risk management, in the "*Note 38 — Qualitative and quantitative information on financial risks*" to the Consolidated Financial Statements included elsewhere in this annual report.

A. Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed in the Group's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Disclosure controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives.

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures at December 31, 2024. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective at the reasonable assurance level at December 31, 2024, due to the material weaknesses reported below under the section "Management's Annual Report on Internal Control over Financial Reporting".

After considering these material weaknesses, along with additional analyses and procedures conducted to ensure the compliance of our consolidated financial statements included in this annual report with generally accepted accounting principles, our management concluded that our consolidated financial statements present fairly, in all material aspects, our financial position, results of operations, and cash flows for the disclosed period in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

B. Previously Disclosed Material Weaknesses

For the year ended December 31, 2023, our management identified deficiencies in our internal control over financial reporting that constituted material weaknesses. For the year ended December 31, 2023, the Group identified a material weakness in the principles associated with the Control Activities component, mainly caused by ineffective segregation of duties, that consequently resulted in inadequate design, implementation or operating effectiveness of control activities, including management review controls, across a significant number of financial statement account balances and disclosures.

As a result of the aforementioned material weakness, the Group identified a material weakness in the Information and Communication component of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), specifically related to the principle associated with the inability to generate and provide quality information and communication necessary to support the functioning of internal control.

In addition, the Group identified a material weakness in the Monitoring component of the COSO, specifically related to the timely performance of control testing and communication of internal control deficiencies to those parties responsible for taking corrective action in a timely manner to allow for remediation.

Remediation Activities

During 2024, under the oversight of the Audit Committee of the Board of Directors, the Group continued to implement a remediation plan to address the material weaknesses identified at December 31, 2023, as noted below.

Management has conducted specific actions aimed to remediate previously disclosed deficiencies, including the completion of a significant and structured multi-year project initiated in 2022, involving both IT and organizational areas, which included organizational re-design, risk assessment, clean-up of user profiles, and the design and implementation of new control activities.

These actions appropriately addressed segregation of duties risks and improved the ability to generate and provide quality information and communication necessary to support the functioning of internal control. In addition, management has designed and implemented new controls, improved the level of documentation of controls and provided awareness sessions on internal control practices and procedures to new control owners. These actions contributed to improving the control framework.

At Tom Ford Fashion, management has implemented adequate controls for the financial closing, leases and treasury processes based on the internal control system over financial reporting established at Group level and partially implemented controls for other business processes. However, the design and implementation of some core business processes are still ongoing and will require a longer period of time to complete.

Despite the progress discussed above, the material weaknesses associated with the Control Activities and the Information and Communication components of COSO still remain unremediated at December 31, 2024.

At December 31, 2024, management executed timely monitoring activities, including Tom Ford Fashion, to allow for prompt identification and communication of internal control deficiencies to those parties responsible for taking corrective action.

These actions allowed for the remediation of the material weakness identified in 2023 associated with the Monitoring component of the COSO.

C. Management's Annual Report on Internal Control over Financial Reporting

Our management, including our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined by Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS and includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that our receipts and expenditures are being made only in accordance with the authorizations of our management and directors of the Group; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management has evaluated the effectiveness of internal control over financial reporting at December 31, 2024 based on the criteria established in Internal Control Integrated Framework (2013) issued by the COSO. Based on this assessment, our management has concluded that our internal control over financial reporting was not effective at December 31, 2024, due to the material weaknesses described below.

Material Weaknesses in Internal Control over Financial Reporting

A material weakness is a deficiency, or combination of control deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group's annual or interim financial statements will not be prevented or detected on a timely basis.

During our evaluation of the effectiveness of the Group's internal control over financial reporting at December 31, 2024, we have identified deficiencies that, either individually or in the aggregate, rise to the level of material weaknesses.

The Group continued to identify a material weakness in the principles associated with the Control Activities component, substantially affecting Tom Ford Fashion, specifically relating to segregation of duties and inadequate design, implementation or operating effectiveness of control activities, across a multiple number of financial statement account balances and disclosures.

As a result of the aforementioned material weakness, the Group identified a material weakness in the Information and Communication component of COSO, specifically related to the principle associated with the inability to generate and provide quality information and communication necessary to support the functioning of internal control.

Additionally, these material weaknesses could result in material misstatements of the interim or annual consolidated financial statements and disclosures that would not be prevented or detected.

Planned Remediation Activities for Fiscal Year 2025

Management's remediation plan to address the material weaknesses existing at December 31, 2024, consists of continuing to design missing controls and implement control activities, including segregation of duties at Tom Ford Fashion, across specific business processes and financial statement account balances and disclosures. These actions will also improve the ability to generate and provide quality information and communication necessary to support the functioning of internal control.

We cannot give assurance that the measures we are taking to remediate the material weaknesses will be sufficient or that they will prevent future material weaknesses.

As management continues to evaluate and work to improve our internal control over financial reporting, we may determine it necessary to take additional measures or modify the remediation plan described above. The material weaknesses cannot be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Changes in Internal Control over Financial Reporting

Except for the changes described above, there have been no changes in the Group's internal control over financial reporting that have occurred during the period covered by this annual report, that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Statement by the Board of Directors

Based on the assessment performed, the Board of Directors believes that (i) the Board Report provides sufficient insights into any material weakness in the effectiveness of the internal risk management and control systems, (ii) the internal control over financial reporting was not effective as of December 31, 2024 due to the existence of the material weaknesses described above and that, notwithstanding such material weaknesses the consolidated financial statements and related financial information included in this annual report fairly present in all material respects the Company's financial condition, results of operations and cash flows as of the dates presented, and for the periods ended on such dates, in conformity with IFRS, (iii) based on the current state of affairs, it is justified that the Consolidated and the Company's financial reporting is prepared on a going concern basis, and (iv) the Board Report states those material risks and uncertainties that are, in the Board of Director's judgment, relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the Board Report (please refer to Section "*4.2. Risk Factors*" below).

4.2. Risk Factors

Summary of Risk Factors

The following is a summary of the principal risk factors that could have a material adverse effect on our business, results of operations and financial condition. Please carefully consider all of the information discussed in this *"4.2. Risk Factors"* for a detailed description of such risks.

- Our business depends on the recognition, integrity and reputation of our brands and on our ability to identify and respond to new and changing customer preferences.

- Pandemics or other public health crises may materially and adversely affect our business.

- Disruptions arising from political, social and economic instability, geopolitical tensions or civil unrest, including the current conflict in Ukraine and sanctions imposed onto Russia, may adversely affect our business.

- We may not be able to successfully implement our strategy, including the further strengthening of the ZEGNA brand, the successful expansion of the TOM FORD FASHION business and reinforcement of the Thom Browne DTC channel.

- Disruptions to our manufacturing and logistics facilities, as well as to our stores, may adversely affect our business.

- The sale of our products through our DTC channel is subject to certain risks, including as a result of difficulties in renewing the existing lease agreements, increases in rental charges or declines in sales, which may adversely affect our business.

- In the wholesale channel, we are subject to certain risks arising from points of sale operated by third parties, including credit risk, and we are dependent on our local partners to sell products in certain markets.

- Fluctuations in the price or quality of, or disruptions in the availability of, raw materials used in our products or of commodities such as energy, could cause us to incur increased costs, disrupt our manufacturing processes or prevent or delay us from meeting our customers' demands.

- We could be adversely affected if we are unable to negotiate, maintain or renew our license or co-branding agreements.

- The loss or unavailability of certain key senior personnel as well as skilled personnel could adversely affect our business.

- We could be adversely affected by fluctuations in exchange rates.

Risk factors relating to the Group's business, strategy and operations

Our business depends on the recognition, integrity and reputation of our brands.

We design, manufacture, promote and sell luxury goods under a number of brands, including ZEGNA and Thom Browne. Pursuant to a long-term license agreement with The Estée Lauder Companies, we also operate the TOM FORD FASHION ("TFF") business. Our sales and our ability to achieve premium pricing depend on the perception, recognition and reputation of our brands, which, in turn, depend on factors such as product design, the distinctive character and the quality of our products and customer service and experience, the image of our stores and those of our franchisees and other wholesale customers, the success of our advertising and communication activities and our general corporate profile.

The recognition, integrity and reputation of our brands are among our most valuable assets, which are influenced by several factors, some of which are outside of our control. Factors that may adversely affect our brands' image include our inability to respond adequately to the needs and expectations of our customers with regard to the quality, style, creative vision and design, as well as the social and environmental sustainability, of our products, the service we provide in our stores, the dissemination by third parties of information that is untrue or defamatory, the commencement of litigation proceedings against us, as well as factors attributable to the parallel distribution and counterfeiting of our products. Brand appeal is closely tied to the creative vision and expression of its leadership. As we strive to align our brands' creative output with evolving market demands, we may face difficulties in maintaining such brands' identity and appeal. Changes in the creative director's expression of talent can significantly influence how consumers perceive our brands. If the brand's creative output fails to resonate with the target audience, that could lead to a loss of brand appeal.

As we expand into new marketing channels, we may pursue new collaborations with designers, artists, promoters and influencers to attract new customers and drive engagement with existing customers. Such collaborators could engage in

behavior, make statements or use their platforms in a manner that reflects poorly on our brand or otherwise adversely affect us. We may be unable prevent such actions, and the actions we take to address them may not be effective in all cases. Any of the foregoing factors could harm the recognition, appeal, integrity and reputation of our brands, causing us to lose existing customers or fail to attract new customers, or otherwise having a material adverse effect on our business, results of operations and financial condition.

Our reputation may also suffer as a result of factors or actions attributable to our suppliers. While we closely monitor our suppliers to ensure that they comply with all applicable laws and regulations, if suppliers fail to comply with applicable law and contractual standards, including those relating to labor, social security, health and safety, and human rights, or if they deliver products that are defective or differ from our specifications or quality standards or do not comply with applicable law, this could have adverse effects on our production cycle and cause delays in product deliveries to our customers, and could damage our reputation, with possible adverse effects on our business, results of operations and financial condition.

Our success depends on our ability to anticipate trends and to identify and respond to new and changing consumer preferences.

Our continued success depends in part on our ability to set and define product and fashion trends, and in part on our ability to identify and respond to changing consumer preferences in a timely manner. We recognize the importance of adapting to the evolving expectations of new generations of consumers and elevating our brand within the luxury market. This includes continuing to embrace digital innovations and sustainability practices. Our products must appeal to an evolving customer base whose preferences cannot be predicted with certainty and are subject to increasingly rapid change, while preserving the image and recognition of our brands. Although we dedicate considerable resources to market analysis and the identification of new fashion trends, we may not be able to promptly anticipate fashion trends or to quickly adapt to these trends during the design and manufacturing stages. If we fail to identify or promptly respond to new trends or changing consumer preferences, including concerns or perceptions regarding the sustainability and environmental impact of our products, our brands' reputation may be affected, which could result in unsold products, a decline in sales to customers as well as a worsening of our luxury positioning, and could have a material adverse effect on our business, results of operations and financial condition.

Our financial condition and results of operations may be adversely affected by the occurrence of a global pandemic or other health crises.

A significant outbreak, epidemic or pandemic of a contagious disease, such as COVID-19, in any geographic area in which we operate or we plan to operate could result in a health crisis adversely affecting the economy, consumer spending and behavior, tourism, overall demand for our products, supply chain and financial markets in such areas. Any preventative or protective government-mandated restrictive measures and the responsive actions adopted by the private sector and individual consumers in response to any such health crisis, such as travel restrictions, quarantines, or site closures, may adversely impact our business operations, store traffic, employee availability, supply chain, financial condition, liquidity and cash flows. Any of the foregoing events could adversely affect our business, results of operations and financial condition.

Some global trade conditions and consumer trends that originated during the COVID-19 pandemic continue to have an effect and may also have long-lasting adverse impacts on our business independently of the progress of the pandemic. For instance, the pandemic has led to shifts in tourism patterns and the emerging of new tourist destinations, thus reshaping the geographical landscape of our store and distribution network. These shifts have resulted in increased expenditure associated with the physical and logistical expansion of our distribution network, as well as the need to adjust distribution strategies and logistics. Moreover, continued remote working arrangements may result in lower luxury purchases.

In addition, any widespread public health crisis may also exacerbate other risks disclosed in this *"4.2. Risk Factors,"* including, but not limited to, our competitiveness, demand for our products, shifting consumer preferences, exchange rate fluctuations, and availability and price of raw materials.

We operate in many countries around the world and, accordingly, we are exposed to various international business, regulatory, social and political risks.

We operate in over 80 countries worldwide through a direct and indirect distribution network. For the year ended December 31, 2024, 35% of our revenues were generated in EMEA, 27% were generated in the Americas, 26% were generated in the Greater China Region, and 12% were generated in Rest of APAC.

Our operations in various international markets expose us to various risks, including those arising from: competition with local competitors (which may have greater resources and/or more favorable market positions); the diversity of consumers' tastes and preferences and our ability to anticipate or respond to such tastes and preferences; the appetite to spend and level of wealth: changes or deterioration in the political, social and economic environments in the countries where we operate; changes in regulations, including tax regulations, the imposition of new tariffs, duties or other protectionist measures, and financial sanctions; strict regulations affecting the import and processing of certain raw materials and finished goods; the occurrence of acts of terrorism or similar events, conflicts, geopolitical tensions, civil unrest or situations of political instability; parallel imports of goods at terms inconsistent with our guidelines and distribution of our products, in violation of exclusive territorial rights granted to other importers and licensees (the so-called "gray market"), which may force us to reposition our pricing in certain countries and erode our profitability. These or other factors may harm our business in international markets or cause us to incur significant costs in these markets, and we may be unable to pass such costs on to our customers. Any of the foregoing factors could have a material adverse effect on our business, results of operations and financial condition.

Developments in Greater China and other growth and emerging markets may adversely affect our business.

We operate in a number of growth and emerging markets, both directly and through our distribution partners. In particular, a significant proportion of our sales are in the Greater China Region (which for our reporting purposes includes the Chinese mainland, Hong Kong S.A.R., Macau S.A.R. and Taiwan), representing 26%, 31% and 33% of our revenues in 2024, 2023 and 2022, respectively, where we have had a direct retail presence since 1991. While these markets presented sustained economic growth and growth in personal income and wealth in recent years, demand for luxury products slowed in 2024 due to challenging consumer confidence. This downturn is influenced by several factors, including economic uncertainty, a decline in the real estate market, and shifts in consumer behavior towards overseas shopping. This phenomenon may continue in the future. Rising geopolitical tensions and further slowdown in the rate of growth there and in other emerging markets could cause a decline in our sales there, or limit the opportunity for us to increase sales of our products and revenues in those regions in the near term. For example, any increase in tensions around Taiwan, including threats of military actions or escalation of military activities, as well as the rising of protests, could adversely affect our sales in the Greater China Region.

Economic and political developments in emerging markets, including economic crises, political instability or geopolitical tensions, have had and could have in the future material adverse effects on our business, results of operations and financial condition. Government actions such as tax changes, measures aimed at limiting the import of foreign goods or the active discouragement of luxury purchases, or measures aimed at regulating excessively high incomes may also impact the market for luxury goods in these markets. Such regulatory action and related statements by governmental authorities may also affect the social acceptability of spending on luxury goods. Consumer spending habits in these markets may also change due to other factors that are outside of our control.

Maintaining our position in these growth and emerging markets is a key component of our global strategy. However, initiatives from several global luxury goods manufacturers have increased competitive pressures for luxury goods in several emerging markets. As these markets continue to grow, we anticipate that additional competitors, both international and domestic, will seek to enter these markets and that existing market participants will try to aggressively protect or increase their sales. Increased competition may result in pricing pressure, reduced margins and our inability to increase or maintain our sales levels, which could have a material adverse effect on our results of operations and financial condition. See also *"—Risk factors relating to the industry in which the Group operates—The markets in which we operate are highly competitive."*

The conflict in Ukraine and sanctions imposed onto Russia may adversely affect our business.

The ongoing conflict in Ukraine and resulting geopolitical tensions have had an abrupt impact on the global economy resulting in a sharp increase in energy prices and higher prices for certain raw materials and goods and services, which in turn have contributed to higher inflation around the world. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could be material and adverse. Many governments around the world, including those of the United States, the European Union, the United Kingdom and other jurisdictions, have announced the imposition of sanctions on certain industries and parties in Russia, Belarus and the Ukrainian regions of Donetsk and Luhansk, as well as export controls on certain industries and products, including luxury goods, and the exclusion

of certain Russian financial institutions from the SWIFT system. On March 11, 2022, the President of the United States issued an executive order prohibiting exports to Russia of luxury goods (including, inter alia, apparel, footwear and certain accessories with a per unit wholesale price of $1,000 or more). On March 15, 2022, the Council of the European Union imposed new sanctions on Russia prohibiting the export of luxury goods having a value in excess of €300 per item (including clothing, footwear, leather and fashion accessories). These and any additional sanctions or export controls, as well as any counter responses by the governments of Russia or other countries, are adversely affecting, and will continue to adversely affect, directly or indirectly, our supply chain and customers, as well as the global financial markets and financial services industry.

Prior to the onset of the conflict, our business operations in the Russian market used to be conducted through franchisees and distribution partners. Pursuant to the aforementioned sanctions, we suspended indefinitely deliveries to our franchisees and distributors in Russia. Accordingly, we either suspended production of products starting with the Fall/Winter 2022 collection ordered by our Russian franchisees and distributors or redirected any products ordered by Russian franchises and distributors for the Fall/Winter 2022 collection to our DOSs in other regions or to other franchisees and distributors. It is uncertain whether and when we will be able to resume such production. Since then our revenues in Russia have been residual and represented less than 0.1% of our total revenues for the period from 2022 to 2024.

In general, the banking, economic and monetary crisis, as well as the escalating energy prices triggered by the conflict may reduce customers' interest for, and financial ability to buy, luxury products. An expansion of the conflict to other European countries, the United States or other parts of the world, or the worsening of the world economic situation in terms of inflation, energy prices and purchase power, is likely to translate into a lower propensity to spend on luxury good products and potentially impact our business.

Failure to implement our strategy could adversely affect our results of operations.

Our ability to increase our revenues, pursue growth and development objectives and generate profits and cash flows depends, in part, upon our success in carrying out our strategic plan. As part of our strategy, we are pursuing, among other things, the further strengthening of the ZEGNA brand into the timeless luxury segment, the successful evolution and growth of the TOM FORD FASHION and Thom Browne businesses. See section *"2.2. Business Overview—Strategy"* for a description of our strategy.

As a result of the ZEGNA brand strategy focusing on developing iconic products, we could become significantly exposed to certain specific products and, should they lose their appeal, it may be difficult to replace the revenues generated therefrom. Our brands pursue ambitious growth strategies that require alignment of creative efforts with broader business objectives. If our investments in marketing campaigns or product development do not resonate with consumers' demand and expectations, that may lead to inefficient use of time and financial resources, resulting in missed opportunities for sales and growth, which could affect our business and results of operations.

Our initiatives to grow the direct to consumers channel through the opening of new stores involve significant investments and the selection of the appropriate locations and personnel. If the execution of the stores roll-out plan is not successful we may not realize the return on investment or the growth and profitability that we anticipate.

Our initiatives to develop an increasingly sustainable business and leverage on our Made in Italy textiles and manufacturing platform involve significant investments and possible operational changes. If the implementation of such initiatives is not successful, or we do not realize the return on our investments in these initiatives that we anticipate, our results of operations could be adversely affected.

Our strategy is premised upon certain assumptions about the global economy and the evolution of demand for luxury goods in various regions of the world in which we operate or seek to operate, our competitive position and the ability of our management team to carry out our strategic plan. If we fail to implement our strategic plan, if our assumptions prove to be incorrect or if the geopolitical situation triggers an economic crisis or a conflict situation in the regions where we operate, our ability to increase our revenues and profitability could be affected, which could have a material adverse effect on our business, results of operations and financial condition.

We are exposed to risks relating to recent and potential future acquisitions.

Our growth strategy may, from time to time, include acquisitions. Such acquisitions may cause us to face uncertainties concerning the economic and financial outcomes of such transactions. With respect to both past and future acquisitions (including the TFI Acquisition which closed on April 28, 2023), we may be exposed to liabilities (including tax liabilities) not detected during the due diligence process or not covered by contractual provisions. Furthermore, other assessments of the acquired business made at the time of the initial investment could prove to be incorrect. The achievement of the anticipated benefits of an acquisition is subject to a number of uncertainties, including general competitive factors in the marketplace, our ability to integrate the businesses in an efficient and effective manner and establish and implement effective operational principles and procedures. We may also encounter unexpected difficulties and costs if we are unable to retain certain key employees and achieve minimal unplanned attrition, which could increase our hiring and training costs and disrupt our business, or in connection with hiring new senior managers. The process of coordinating and integrating businesses acquired by the Group has required and will continue to require significant management and financial resources that may otherwise have been focused on the ordinary course management of our activities. The integration process also requires the application of financial reporting and management control systems to the acquired companies, as well as the integration of IT systems, compliance and risk management policies (which may apply different standards, procedures and tools), and the training of new personnel. Each of these needs could require considerable resources from us, entailing significant costs. If we incur liabilities as a result of acquisitions and these liabilities exceed the contractual indemnification caps, or if indemnification is not available for any other reason, this could have a material adverse effect. Furthermore, we are exposed to the risk that the evaluations and assumptions underlying investment decisions could turn out to be incorrect, which could lead to unexpected difficulties in the process of integrating the acquired assets or companies with our business, or costs and other unforeseen liabilities for the Group, and we may not obtain the benefits and synergies expected from such transactions. Any of the above circumstances could have adverse effects on our business, results of operations and financial condition.

We depend on our manufacturing and logistics facilities, which are subject to disruption.

We operate manufacturing and logistics facilities in Italy, Switzerland and Turkey and logistics facilities in the People's Republic of China, Hong Kong, Japan, South Korea, and the United States, as well as minor logistics facilities other countries. These facilities are subject to operational risks, including mechanical and information technology system failure, work stoppage, civil unrest, increases in transportation costs, natural disasters, fire, government imposed shutdowns and disruption to supplies of raw materials or of commodities such as energy. Any interruption of activity in our manufacturing or logistics facilities due to these or other similar events outside of our control could result in disruption to our operations and a reduction in sales, which could have an adverse effect on our business, results of operations and financial condition. See *"— Our financial condition and results of operations may be adversely affected by the occurrence of a global pandemic or other health crises."*

We are subject to certain risks related to the sale of our products through our DTC channel and in particular our directly operated stores.

In our distribution model, the DTC channel consists of full price mono-brand stores (boutique) managed directly by us, or outlets managed by us and concessions with department stores, as well as a directly managed online boutique and other e-commerce platforms through which we sell directly to our customers. At December 31, 2024, we operated 281 ZEGNA, 116 Thom Browne and 64 TOM FORD FASHION DOSs (253 ZEGNA, 86 Thom Browne and 51 TOM FORD FASHION DOSs at December 31, 2023). The DTC channel generated revenues of €1,390.7 million in 2024 (or 78% of our consolidated revenues from branded products). The risks related to managing currently existing DOSs mainly relate to possible difficulties in renewing the existing lease agreements, an increase in rental charges and a decline in sales.

Our DOSs are all located in properties that we lease from third parties. There is significant competition among retail operators in our industry to obtain commercial spaces in prestigious locations in major cities, towns and resort destinations worldwide. Accordingly, to find prime locations for new stores or to renew our lease agreements, we may have to compete with other operators, including those in our same industry, some of which have greater economic and financial resources than us or otherwise more bargaining power. If we are unable to renew our lease agreements with economic terms consistent or more beneficial than those currently applicable, or if we are forced to accept rental charges which are substantially higher than the existing ones, this could have a material adverse effect on our business, results of operations and financial condition.

Our DOSs have a high level of fixed costs. A decrease in revenues from the retail channel could, in light of the high level of fixed costs, have a material adverse effect on our business, results of operations and financial condition.

We analyze the performance of each of our DOSs and market trends in order to assess whether to open new DOSs (or move DOSs to a different location), renew existing leases, or close DOSs that are underperforming. If our analysis is inadequate or based on the wrong assumptions, we could select sub-optimal locations for our stores, or keep or open underperforming stores, which could have a material adverse effect on our business, results of operations and financial condition. In the event we decide to close an underperforming DOS, the terms of the lease may not allow us to terminate the lease without significant penalties (such as payment of rent until the expiry of the contractual term).

In addition, although we have adopted internal policies and training initiatives to ensure that the staff in our DOSs operate in a manner consistent with the image and prestige of our brands, there can be no assurance that such staff will abide by such policies or that inappropriate or illicit behavior by certain employees will not occur. If there is any allegation brought against us as a result of negligence or other impermissible conduct by our DOS staff, we may be exposed to legal or other proceedings or increased public scrutiny, which may result in substantial costs, diversion of resources and management's attention and potential harm to our reputation.

The operations of our retail channel and DOSs are also subject to risks such as information technology system failure, work stoppage, wars, conflicts, civil unrest, natural disasters, fire and government imposed shutdowns. Any interruption of activity in our retail channel and DOSs due to these or other similar events out of our control could result in disruption to our operations and a reduction in sales, which could have an adverse effect on our business, results of operations and financial condition.

Failure to accurately forecast consumer demand could lead to excess inventories or inventory shortages.

To meet anticipated demand for our products in the DTC channel, we forecast inventory needs and arrange manufacturing activities based on our estimates of future demand for particular products. Our ability to accurately forecast demand for our products could be affected by several factors, including an increase or decrease in customer demand for our products or for products of our competitors, changing consumer preferences, changing product trends, our failure to accurately forecast consumer acceptance of new products, product introductions by competitors, unanticipated changes in general market conditions and weakening of economic conditions or consumer confidence in future economic conditions. If we fail to accurately forecast consumer demand, we may experience excess inventory levels or a shortage of products available for sale in our stores or for delivery to customers.

Inventory levels in excess of customer demand may result in an increase in inventory obsolescence, leading to inventory write-downs or write-offs and the sale of excess inventory at discounted prices, any of which could cause our gross margin to suffer, impair the strength and exclusivity of our brands, and have an adverse effect on our results of operations, financial condition, and cash flows.

Conversely, if we underestimate customer demand for our products and fail to arrange sufficient manufacturing capacities in advance, then we may not be able to deliver products to meet our requirements and we may experience inventory shortages. Inventory shortages in our stores or third-party distribution centers could result in delayed shipments to customers, lost sales, a negative customer experience, lower brand loyalty, and damage to our reputation and customer relationships, any of which could have an adverse effect on our results of operations, financial condition, and cash flows.

In the wholesale channel, we are subject to certain risks arising from points of sale operated by third parties, and we are dependent on our local partners to sell our products in certain markets.

In the wholesale channel, we sell our products to franchisees, specialty stores, department stores and online retailers. For the year ended December 31, 2024, revenues attributable to the wholesale channel for ZEGNA brand, Thom Browne and TOM FORD FASHION amounted to €402.3 million (or 22% of our consolidated revenues from branded products). The termination or loss of existing commercial relationships with our primary wholesale customers, the failure to develop new commercial relationships on economically favorable terms (or at all) or a significant decrease in wholesale channel revenues could have a material adverse effect on our business, results of operation and financial condition. In addition, any failure by retailers not directly operated by us to manage their stores, or by our local partners to act, in a manner consistent with the image and prestige of our brands or in line with any agreed contractual commitments (including in terms of sale prices), or failure by online retailers to comply with consumer protection laws or provide accurate product descriptions, could damage

the competitive position and image of our brand, with potential material adverse effects on our business, results of operations and financial condition. See *"—Our business depends on the recognition, integrity and reputation of our brands."*

In certain of the geographic markets in which we operate, the distribution of our products is carried out, sometimes exclusively, through franchising agreements with local operators. Although we generally have not experienced significant problems in the past with such wholesale customers, the loss of one or more important commercial relationships with, or the occurrence of material disagreements with, our distribution partners or a failure to renew or develop commercial relationships on economically favorable terms (or at all) with them could have a material adverse effect on our business, results of operations and financial condition.

Furthermore, the possibility of parallel markets developing through wholesalers poses additional risks. These parallel markets arise when products are sold outside official distribution channels, often at lower prices. This may undermine our pricing strategy, brand equity and customer loyalty. In addition, any actions taken against parallel markets may result in a decline in sales that may be not be offset by an increase in sales through official channels.

Our operations are also subject to the risk of insolvency of our wholesale customers. This includes potential debt restructuring or other actions taken by third parties that may jeopardize our ability to collect the full amount of credit in a timely manner. Despite our efforts to mitigate such risk, there can be no assurance that we will be able to do so successfully, and our business, results of operations and financial condition could be materially adversely affected.

Fluctuations in the price or quality of, or disruptions in the availability of, raw materials used in our products could cause us to incur increased costs, disrupt our manufacturing processes or prevent or delay us from meeting our customers' demands.

We require high quality raw materials in order to produce our products. The market price of the raw materials that we require for our production depends on many factors that are largely out of our control and which are difficult to predict. The primary raw materials we use are fibers and yarns of wool, silk, cotton, linen, cashmere and fabrics of the same composition, as well as leather. The availability of wool and silk depends on unpredictable factors which are outside our control, including weather conditions in the areas where these raw materials originate (mainly Australia and New Zealand for wool, Greater China and Mongolia for cashmere, Turkey, Egypt and the United States for cotton, Europe and the Caribbean for linen and Greater China for silk), as well as diseases and pests affecting livestock and plants and, as a result, fiber quality. We also use rare raw materials, such as Vellus Aureum and vicuna and other fine yarns, fabrics and specially selected calf leather, which are only available in a very limited quantity and subject to strict export and processing regulations, which may change. Possible legislative, political and economic developments, potential social instability or the introduction of export restrictions or tariffs in the countries in which our suppliers operate, or the introduction of import restrictions on products from such countries, could have a negative impact on our procurement activities. These and other factors could affect the availability and price of the raw materials required for our production. For instance, the price of cashmere rose significantly over the last three years; and fine linen fiber prices continued to grow as a result of various factors, including droughts that reduced the available quantity of high quality flax. The price of other raw materials has also been affected by the high inflationary environment globally.

If the supply of such raw materials decreases (including due to shortages or to a decrease in the number of producers or suppliers of raw materials), we may face difficulties in obtaining sufficient supplies of high-quality raw materials, and the relevant prices may increase. Thus, we could face supply shortages in the medium term and rising costs of purchasing, which we may be unable to pass on to our customers. In addition, our suppliers could cancel or delay the delivery of raw materials to us, may fail to provide raw materials that meet our high-quality standards or may fail to comply with our increasingly stringent sustainability and traceability requirements. This could delay our manufacturing process or cause us to incur increased costs to obtain raw materials of the quality we require. Any of the foregoing factors could have a material adverse effect on our business, results of operations or financial condition. Suppliers' actions may also damage our reputation. See *"—Our business depends on the recognition, integrity and reputation of our brands"*.

We could be adversely affected if we are unable to negotiate, maintain or renew our license or co-branding agreements with high end third party brands.

We are a party to various agreements with third party brands, as licensee or supplier, and license agreements, as licensor and licensee.

In accordance with the definitive agreements for the acquisition of TFI, which closed on April 28, 2023, TFI entered into a license agreement, pursuant to which TFI is the licensee of The Estée Lauder Companies for all TOM FORD men's and women's fashion as well as accessories and underwear, fine jewelry, childrenswear, textile and home design products, for a term of 20 years, subject to renewal at TFI's option for one further 10-year period subject to certain minimum performance conditions (the "TFF License"). Under the TFF License, we are required to pay royalties to the licensor. If we are unable to run the licensed business efficiently (considering the royalties and other costs), our profitability may be adversely affected. In addition, the TFF License provides for certain minimum guaranteed royalties payable to The Estée Lauder Companies regardless of the level of sales actually achieved.

We are also party to certain license agreements whereby we grant, for a certain period of time, the use of our brand to third parties for the production of products in adjacent luxury sectors (including fragrances, glasses and sunglasses, cufflinks, and beachwear and underwear). For the year ended December 31, 2024, royalties relating to these arrangements were €2.3 million. If any of these licensees were not to perform their obligations towards the Group (including by failing to ensure the required quality, sustainability or traceability standards, not complying with our directions with respect to distribution channels and after sale services, breaching obligations related to our intellectual property rights, or failing to comply with the timeline for product launches), we may be unable, in a commercially reasonable time, to replace such licensee with another producer capable of ensuring equivalent quality and production standards, or procure its services upon the same or substantially the same financial terms. Our inability to maintain a presence in these adjacent luxury sectors or to provide products in these sectors of a quality comparable to that of our other products may reflect negatively on the reputation and integrity of our brands.

From time to time, we enter into co-branding projects with different brands for the design, production and sale of certain selected co-branded products. We also enter into collaborations with other brands to offer new products lines (as we did with Norda, Baccarat and Frette). If we fail to negotiate, enter into or renew such relationships in a mutually satisfactory manner for both brands, in particular with respect to the distribution of the co-branded products and the ownership and protection of the intellectual property rights related to these projects, we may be unable to replace the revenues generated in the past from these collaborations.

If any of the foregoing licensing agreements or co-branding projects with third party brands are terminated for any reason, not renewed upon their expiration or renewed but with less favorable terms and conditions, this could have a material adverse effect on our business, results of operations and financial condition.

Our business depends on tourist traffic and demand.

A significant amount of our sales is generated by customers who purchase products while travelling. Consequently, adverse economic conditions (such as financial crises or exchange rate volatility), global political developments, other social and geopolitical tensions, instability, disorders, riots, civil wars or military conflicts, natural disasters such as fire, floods, blizzards, global pandemics, such as the COVID-19 pandemic, and earthquakes or other events, as well as travel restrictions imposed by governments, which result in a shift in travel patterns or a decline in travel volumes, have had in the past, and may have in the future, an adverse effect on our business, results of operations and financial condition. See also *"—Our financial condition and results of operations may be adversely affected by the occurrence of a global pandemic or other health crises.", "—Global economic conditions and macro events may adversely affect us." and "—The conflict in Ukraine and sanctions imposed onto Russia may adversely affect our business."*

Our business success depends on certain key senior personnel as well as skilled personnel, and their loss or unavailability could adversely affect our business.

The performance of our business depends significantly on the efforts and abilities of some key senior personnel, including, without limitation, our Chairperson and Chief Executive Officer, Ermenegildo (Gildo) Zegna. Such key personnel have substantial experience and expertise in the luxury goods business and have made significant contributions to the success of our business.

Although we have a succession planning process in place for certain key roles, if any key personnel were to leave us abruptly, or become otherwise unable or unwilling to continue in their roles, we may not be able to replace them in a timely fashion or with individuals of equivalent experience and capabilities. This includes a potential departure of a Creative Director, which could lead to a period of uncertainty that significantly impacts our brand's image and reputation. In addition, the replacement of key personnel generates significant hiring costs. The failure to retain or replace such key personnel with

other skilled personnel capable of integrating into our operations efficiently could lead to delays in the development of collections, inefficiencies in management of our business, and, accordingly, could have a material adverse effect on our business, results of operations and financial condition.

In addition, our future success depends on our ability to continue to attract, retain and motivate skilled employees, and to develop internal talent that will step into key roles. Competition for employees is becoming more intense. The ability to attract, hire and retain skilled personnel depends on our ability to provide meaningful work at competitive compensation. The inability to do so effectively would constrain our ability to timely complete certain projects, which could adversely affect our business, results of operations and financial condition.

We depend on highly specialized craftsmanship and skills.

One of the distinguishing features of certain of our products is the highly specialized craftsmanship involved in their manufacturing, which is also a result of the experience that our specialized employees have acquired over the course of the years.

Although we try to preserve these craftsmanship skills and ensure that they are passed on to the next generations, the number of our specialized employees may decrease in the future and their craftsmanship skills may no longer be readily available. If this were to occur, it could affect our ability to ensure the distinctive quality of certain of our products in the future, which in turn could have a material adverse effect on our business, results of operations and financial condition.

We depend on the protection of our intellectual property rights.

We believe that our intellectual property is essential to the success of our products and to our competitive position. We dedicate significant resources to the protection of our intellectual property assets (including trademarks, designs, production processes and technologies, utility patents and other distinctive marks) in the jurisdictions in which we operate. There can be no assurance, however, that we will succeed in protecting our intellectual property rights.

With respect to designs in particular, design rights do not prevent our competitors from developing products that are substantially equivalent to or better than our products, while not infringing our intellectual property rights. Moreover, any actions we take to establish and protect our designs, trademarks, patents, and other intellectual property rights may not be adequate to prevent counterfeiting, imitation of our products by competitors or other third parties or to prevent these persons from asserting rights in, or ownership of, our brand trademarks and other intellectual property rights. We may therefore be forced to spend significant resources to defend our intellectual property from infringement or from third party claims. In addition, should third parties register intellectual property rights which overlap with ours, or should we attempt to enter new markets where third parties have registered intellectual property rights which are similar to those which we would wish to register, we may be constrained from developing our business in such markets or we may have to spend more resources to support our registration. In addition, applications to register intellectual property may face objections from the trademark offices we seek to register them in and may not mature into registrations. If we were to face judicial or administrative challenges involving our registered intellectual property rights, for instance requesting cancellation on grounds of non-use, we may not be able to successfully resolve these types of conflicts to our satisfaction. Each of the above could have a material adverse effect on our business, results of operations and financial condition. In addition, the laws of certain countries may not protect trademarks, designs, copyrights and other intellectual property rights to the same extent as the laws of the United States or the European Union.

Third parties could make claims or bring legal action against us for an alleged infringement of such third parties' intellectual property rights. As a result, we may be required to discontinue the sale of certain products, pay damages, incur licensing costs, modify our production processes and/or products, or have the scope or validity of our intellectual property rights determined in court in order to be authorized to sell such products.

For instance, on June 28, 2021 Adidas AG ("adidas") commenced an action against Thom Browne, Inc. in the Southern District of New York, for, among other things, trademark infringement, unfair competition, dilution and various state claims, in connection with the use of Thom Browne's five color grosgrain ribbon and the four bars on sleeves and pants on its sporting goods, sportswear and athletic wear, allegedly infringing the three stripe marks of adidas. The case was assigned to a jury trial and, on January 12, 2023, the jury found that at no time did Thom Browne, Inc. infringe on any of adidas's trademarks. Adidas' appeal was denied. In addition, based on evidence submitted in another trial against Thom

Browne Inc., adidas has filed a motion requesting a new trial based on discovery flaws. Such motion was denied, and adidas has appealed the lower Court's denial of its motion. The oral argument in this appeal is expected late spring 2025.

Meanwhile, the opposition filed by adidas against several trademarks which Thom Browne, Inc. filed for registration in the European Union was substantially denied, and although adidas appealed the decision, Thom Browne, Inc. is now able to register its trademarks. Thom Browne, Inc. has also commenced cancellation proceedings in the European Union as well as in the UK against a number of adidas's trademarks that could be used to restrain access of Thom Browne Inc.'s products to these markets. As a result, adidas has filed counterclaims in the High Court of Justice in London, UK alleging infringement of those marks by Thom Browne Inc.'s use of its grosgrain ribbon signature as well as the four bar design. On November 22, 2024, the High Court of Justice in London dismissed adidas' claims of trademark infringement and invalidated several of adidas' trademarks registrations. Adidas asked for and received permission to appeal the decision invalidating its trademarks but did not appeal the decision denying its claims of trademark infringement, which is now final.

In addition, in 2022 adidas commenced a lawsuit before the Nuremberg-Furth District Court in Germany against Thom Browne, Inc. and Thom Browne Retail Italy S.r.l., alleging Thom Browne's four-bar signature infringed adidas's three stripe mark. In first instance, the Court rejected adidas' claims for infringement. Adidas appealed the decision and the case is pending.

Thom Browne intends to continue to vigorously defend its position in all the aforementioned proceedings.

These or any other such events may entail significant losses in addition to legal costs, with possible adverse effects on our business, results of operations and financial condition. For information on legal costs incurred in connection with this matter up to December 31, 2024, see *"3.2.3. Results of Operations—L. Non-IFRS Financial Measures"* and *Note 5 — Segment reporting* to the Consolidated Financial Statements included elsewhere in this document.

A disruption in our information technology, including as a result of cybercrimes, could disrupt our business operations and compromise confidential and sensitive information.

We depend on our information technology and data processing systems to operate our business, and a significant malfunction or disruption in the operation of our systems, human error, interruption to power supply, or a security breach that compromises the confidential and sensitive information stored in those systems, could disrupt our business and adversely impact our ability to operate. Our ability to keep our business operating effectively depends on the functional and efficient operation by us and our third-party service providers of our information, data processing and telecommunications systems, including our product design, manufacturing, distribution, sales and marketing, billing and payment systems. We rely on these systems to enable a number of business processes and help us make a variety of day-to-day business decisions as well as to track operations, billings, payments and inventory. Recently, we have also been enhancing our solutions for advanced analytics and customer experience, furthering use of artificial intelligence and machine learning ("AI") for areas such as marketing, product recommendation and matching, learning customer preferences, customer profiling and segmentation. Generative AI is being introduced to augment creative and content creation processes. The legal and regulatory environment relating to AI in the jurisdictions where we operate is uncertain and rapidly evolving, and includes laws and regulations targeted specifically at AI as well as provisions in intellectual property, privacy, consumer protection, employment and other laws applicable to the use of AI. These evolving laws and regulations could require changes in our use of AI and increase our compliance costs and the risk of non-compliance.

Our use of AI could also lead to novel and urgent cybersecurity risks, including new or enhanced governmental or regulatory scrutiny, litigation, confidentiality or security risks, ethical concerns or other complications that could adversely affect our reputation, business, results of operations and financial condition.

All of our systems are susceptible to malfunctions and interruptions due to equipment damage, power outages, connection interruption, and a range of other hardware, software and network problems. Those systems are also susceptible to cybercrime, or threats of intentional disruption, which are increasing in terms of sophistication (including through the use of AI technologies) and frequency, with the consequence that such cyber incidents may remain undetected. In addition, the transition of part of our workforce to a hybrid work environment, where our employees are often working remotely, could also increase our vulnerability to risks related to our hardware and software systems, including risks of phishing and other cybersecurity attacks.

For any of the foregoing reasons, we may experience system malfunctions or interruptions. For example, in August 2021 we were subject to a ransomware attack that impacted the majority of the Group's IT systems. As we refused to engage in discussions relating to the payment of the ransom, the responsible parties published certain accounting materials extracted from our IT systems. We publicly announced the IT systems breach and gradually restored our IT systems from secure back up servers during the weeks following the breach.

Although our systems are diversified, including multiple server locations, third party cloud providers and a range of software applications for different regions and functions, and we periodically assess and implement actions to ameliorate risks to our systems, a significant or large scale malfunction or interruption of our systems could adversely affect our ability to manage and keep our operations running efficiently, and damage our reputation if we are unable to track transactions and deliver products to our customers. A malfunction that results in a wider or sustained disruption to our business could have a material adverse effect on our business, results of operations and financial condition. In addition, our recently acquired businesses may use different information technology and data processing systems than those used at a broader group level, which could make it more complex to prevent or timely address any of the foregoing events.

In addition to supporting our operations, we use our systems to collect and store confidential and sensitive data, including information about our business, our customers and our employees. Any unauthorized access to our information systems may compromise the privacy of such data and expose us to claims as well as reputational damage. Ultimately, any significant violation of the integrity of our data security could have a material adverse effect on our business, results of operations and financial condition. See *"—We are exposed to the risk that personal information of our customers, employees and other parties collected in the course of our operations may be damaged, lost, stolen, divulged or processed for unauthorized purposes."*

We are exposed to the risk that personal information of our customers, employees and other parties collected in the course of our operations may be damaged, lost, stolen, divulged or processed for unauthorized purposes.

In carrying out our business, we collect, store and process personal data of our customers, employees and other parties with whom we deal, including data we gather for product development and marketing purposes. Therefore we are subject to a variety of strict and ever-changing data protection and privacy laws on a global basis, including the EU General Data Protection Regulation, the Personal Information Protection Law of the People's Republic of China and the California Invasion of Privacy Act. These laws are complex and subject to continuously evolving interpretations, including as a result of the use of information technology. As a result, we may be subject to claims and investigations with respect to our interpretation and application of such laws.

We are exposed to the risk that personal data we store and use may be damaged or lost, stolen, divulged or treated or processed for unauthorized purposes by the individuals responsible for data management or by unauthorized individuals (including third parties and the Group's employees). The destruction, damage to or loss of personal data, as well as its theft, unauthorized treatment or processing or dissemination, could significantly impair our reputation and impact our operations; it could also lead to governmental investigations and the imposition of fines by competent authorities, with possible adverse effects on our business, results of operations and financial condition. See also *"—A disruption in our information technology, including as a result of cybercrimes, could disrupt our business operations and compromise confidential and sensitive information."*

We are subject to certain risks related to related party transactions.

We have engaged, and continue to engage, in relationships of a commercial nature with related parties. These relationships consist mainly in the provision of industrial services, licensing agreements, financial guarantees and collaterals , the purchase of raw materials, and certain contributions to Fondazione Zegna. In addition, we lease certain real estate properties from related parties. See section *"8. Major Shareholders and Related Party Transactions."*

We believe that the terms and conditions of our transactions with related parties are at arm's length and on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved. However, there can be no assurance that if such transactions had been concluded between or with third parties, such parties would have negotiated or entered into agreements or carried out such transactions under the same or substantially similar terms and conditions. In addition, there is no assurance that we will be able to renew these agreements at the end of their term at the same terms and conditions.

We are exposed to currency related risks.

We operate in numerous markets worldwide and are exposed to market risks stemming from fluctuations in currency exchange rates. In particular, changes in exchange rates between the Euro and the main foreign currencies in which we operate affect our revenues and results of operations. The exposure to currency risk is mainly linked to the differences in geographic distribution of our sourcing and manufacturing activities from those in our commercial activities, as a result of which our cash flows from sales are denominated in currencies different from those related to purchases or production activities. In particular, we incur a large portion of our capital and operating expenses in Euro while we receive the majority of our revenues in currencies other than Euro (mainly in Chinese Renminbi, U.S. Dollars, Japanese Yen, Hong Kong Dollars and British Pound). Therefore, our results may be adversely affected if these currencies depreciate against the Euro, which has been the trend in the first months of 2025. Such risk is heightened given the extended time period between the moment when the sale prices of a collection are set and the moment when revenues are converted into Euro, which may extend up to 18 months. In addition, foreign exchange fluctuations might also negatively affect the relative purchasing power of our clients, which could also have an adverse effect on our results of operations. See section *"3.2.2. Trend, Uncertainties and Opportunities"*.

An appreciation of the U.S. Dollar against the Euro may adversely affect our results of operations due to certain significant liabilities on our Consolidated Statement of Financial Position which are originally denominated in U.S. Dollars. In particular, we recognize a financial liability corresponding to the present value of the exercise price in U.S. Dollars of the put option granted to the non-controlling interest in our investment in the Thom Browne group, which is remeasured at fair value at the end of each period. The remeasurement of the liability at each reporting date is recognized through profit or loss based on the latest available information. For additional information refer to *Note 28 — Other current and non-current financial liabilities* to the Consolidated Financial Statements included elsewhere in this document. Any appreciation or depreciation in the U.S. Dollar against the Euro results in a corresponding unrealized loss or gain in the Consolidated Statement of Profit and Loss foreign exchange line item. In 2024, the U.S. Dollar appreciation against the Euro resulted in an unrealized loss of €7.4 million for the year ended December 31, 2024. The first months of 2025 were characterized by significant currency volatility.

Exchange rate fluctuation may also adversely affect our competitive position as compared to other operators in the luxury goods market, who may incur costs in other currencies with more favorable exchange rates relative to the currencies of our principal markets.

In the Zegna segment and the Tom Ford Fashion segment, we seek to manage risks associated with fluctuations in currency through financial hedging instruments, mainly forward contracts or collar (plain vanilla zero cost option) for the sale of foreign currencies. For the Thom Browne segment, we have undertaken, and we may continue to undertake, steps to gradually align with similar hedging policies where considered appropriate. However, there can be no assurance that we will be able to hedge currency related risks successfully, and our business, results of operations and financial condition could nevertheless be adversely affected by fluctuations in market rates, particularly if such fluctuations are extended over time.

In addition, because the Euro is the functional currency used in our consolidated financial statements, fluctuations in exchange rates used to translate figures in our subsidiaries' financial statements that were originally expressed in a foreign currency could have a significant impact on results, net financial indebtedness, and consolidated net shareholders' equity as expressed in Euro in our consolidated financial statements.

We are exposed to risks relating to fluctuations in interest rates and other market risks.

We have entered into Euro-denominated financing agreements and revolving credit facilities providing for a floating interest rate. As of December 31, 2024, floating rate loans represented approximately 87% of our total borrowings, for a financed amount of approximately €325.8 million. In addition, we also have undrawn Euro-denominated revolving, floating rate credit facilities available. Although we have entered into derivative financial instruments to hedge part of our exposure to interest rate risk, an increase in interest rates during the term of such financing agreements, which would result in higher interest payments thereunder, could have a material adverse effect on our business, results of operations and financial condition. In addition, an increase in the interest rate in different countries could have a material impact on the hedging cost related to derivatives instruments to hedge our exposure in foreign currencies. See *"—We are exposed to currency related risks."*

As of December 31, 2024, we had approximately €73.6 million of securities invested in listed and unlisted financial instruments (recorded within other current financial assets). We do not enter into investments for trading or speculative purposes. The primary objective of our investment activities is to preserve principal while maximizing the income that we receive from our investments without significantly increasing risk of loss. In connection with our investment activities, we may be exposed to market risk, i.e. the risk of loss related to changes in market prices, volatility, counterparty and liquidity of financial instruments, which could have a material adverse effect on our business, results of operations and financial condition.

Risk factors relating to the industry in which the Group operates

The markets in which we operate are highly competitive.

The markets for our products are characterized by high levels of competition and the presence of a number of established operators and new entrants, some of which have significant financial resources or well-known and fashionable brands. To succeed, we must interpret and anticipate the tastes, preferences and lifestyles of our customers and anticipate changes in those tastes, preferences and lifestyles, as well as identify fashion and luxury market trends, while producing high quality, desirable luxury products and exceptional customer experiences. Our competitors may be more successful in interpreting market trends or may be able to produce their products at lower costs. In particular, our larger competitors may be better equipped to changing conditions that affect the competitive market, including transformation in the customer experience supply chain operations and the use of new digital technologies and artificial intelligence in the business, heightening customer expectations. In addition, newer entrants may be viewed as more desirable by fashion-conscious consumers. Our failure to compete effectively in our chosen markets, including through a failure to identify and respond to new and changing trends and consumer preferences, or through a failure to successfully invest in innovative initiatives, could have a material adverse effect on our business, results of operations and financial condition.

Global economic conditions and macro events may adversely affect us.

Our sales volumes and revenues may be affected by overall general economic conditions within the different countries in which we operate. Deteriorating general economic conditions may affect disposable incomes and reduce consumer wealth impacting client demand, particularly for luxury goods, which may negatively impact our profitability and put downward pressure on our prices and volumes. Furthermore, during recessionary periods, social acceptability of luxury purchases may decrease and higher taxes may be more likely to be imposed on certain luxury goods including our products, which may affect our sales.

We sell our products throughout the world. In particular, we conduct our business in EMEA, North and Latin America and APAC, with a majority of our current sales in Greater China and the United States. Our presence in various international markets exposes us to the risks connected, among other things, with the geopolitical and macroeconomic conditions of the countries in which we operate. Sales could be affected by various events, such as, for example, market instability, terrorism, war, natural disasters or socio-political upheavals. Therefore, slowing economic conditions in any of the regions in which we operate may adversely affect our revenues and results of operations in those regions. We have also made investments to expand our direct operations in the Middle East. Any macroeconomic, socio-political, natural or other events in such regions could adversely affect our revenues and results of operations. See also *"—Risk factors relating to the Group's business, strategy and operations—Developments in Greater China and other growth and emerging markets may adversely affect our business"* and *"—Risk factors relating to the Group's business, strategy and operations—The conflict in Ukraine and sanctions imposed onto Russia may adversely affect our business."*

If these events, which are difficult to predict, occur, this could have an adverse effect on the demand for luxury goods in a specific country or could cause a contraction in tourist flow, and may have a material adverse effect on our business, results of operations and financial condition.

Significant inflation could adversely affect our results of operations and financial condition.

In recent years, economies around the world have experienced significant inflationary pressures, coupled with government measures to fight inflation and prevent or mitigate economic recessions. If inflation increases in the future, we could face further increases in costs for raw materials, energy costs, labor costs or other production costs, which could adversely affect our business and results of operations if we are not able to pass on the increased costs to our customers, or successfully implement other mitigating actions. The foregoing could reduce our profit margins, with a material adverse

effect on our results of operations and financial condition. Additionally, many central banks have increased, and may increase further, interest rates as a result of the recent inflation, which in turn may increase our borrowing costs.

In addition, significant increases in the costs of other products required by consumers, as well as a raise in interest rates may affect consumer spending power and result in overall reduced spending. A significant increase in the price of our products as a result of inflationary pressure could result in a decline in our sales.

If new trade restrictions are imposed or existing restrictions become more burdensome, we may be unable to sell our products profitably in certain countries.

We purchase raw materials and finished goods from several countries and we import our products into all the regions in which we operate. Substantially all of our import operations are subject to complex trade and customs laws, regulations and tax requirements such as sanctions orders or tariffs set by governments through mutual agreements or unilateral actions. In addition, the countries in which our products are manufactured or imported may from time to time impose additional duties, tariffs or other restrictions or regulations, or adversely modify existing restrictions or tariff levels. Following the recent elections in the United States and Europe, and of upcoming elections globally, there is heightened global uncertainty regarding the potential imposition of tariffs and other trade barriers or protectionist industrial policies by the United States, China and the European Union. Governments may turn to trade barriers to protect their domestic industries against foreign imports or retaliate against protective trade measures imposed by other countries. It is unknown whether and to what extent new tariffs will be adopted, or the effect that any such actions would have on our business, financial condition and results of operations, as well as on our industry, or on the purchase ability of consumers globally.

If there is an escalation in tariff or duty activity, or other protectionist industrial policies, among the major global economies, it could negatively impact global economic activity, our global supply chain and/or demand for our products, each of which could materially and adversely affect our business, results of operations and financial condition.

We are subject to legal and regulatory risk.

We are required to comply with the laws and regulations applying to our products and operations in the various jurisdictions in which we operate, particularly in relation to the protection of intellectual property rights, competition, product safety and traceability, packaging and labeling, import and processing of certain raw materials and finished goods, data protection and privacy, limits on cash payments, sanctions, workers' health and safety, human rights and the environment (such as laws and regulations related to water usage or carbon emissions). New legislation (or amendments to existing legislation) may require us to adopt stricter standards, which could lead to increased costs for adapting product characteristics, performing due diligence across the supply chain and reporting thereon, requiring us to collect external data on which we have little or no control. It could also lead us to change our suppliers or limit our operations, which may have a material adverse effect on our business, results of operations and financial condition. If our suppliers are unable to provide the certificates of origin demanded by the Group in a timely manner, our supply chain and in turn, our deliveries in the United States, could be adversely impacted. See also *"—Risk factors relating to the Group's business, strategy and operations—We are exposed to the risk that personal information of our customers, employees and other parties collected in the course of our operations may be damaged, lost, stolen, divulged or processed for unauthorized purposes"* with regards to risks relating to laws on data protection and privacy.

In addition, we are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, and other anti-bribery, anti-corruption and anti-money laundering laws in the countries in which we conduct activities. We and our distribution partners may have direct or indirect interactions with officials and employees of government agencies or state owned or affiliated entities and other third parties where we may be held liable for corrupt or other illegal activities, even if we do not explicitly authorize them. We are also subject to sanctions legislation, which may lead to commercial and economic sanctions, prohibitions and other restrictive measures imposed by the different authorities and governments involved, including the European Union, the United States, the United Nations and other international organizations. See also *"—Risk factors relating to the Group's business, strategy and operations—The conflict in Ukraine and sanctions imposed onto Russia may adversely affect our business."* From time to time, we may conduct some limited activities in countries subject to sanctions or other restrictive measures. While we believe that our activities are in compliance with the applicable laws and sanctions legislation, including embargoes, we cannot exclude the possibility that we or our distribution partners may violate such laws. Any violation of the foregoing laws could lead to regulatory and/or judicial proceedings and sanctions (including civil penalties, denial of export privileges, injunctions, asset seizures and revocations or restrictions of licenses, as well as

criminal fines and imprisonment), which may have a material adverse effect on our reputation, business, results of operations and financial condition.

We are subject to risks associated with climate change and other environmental impacts.

Our business is subject to the risks associated with climate change. The widespread impact of climate-related effects can lead to reduced availability or quality of our core raw materials, with consequent possible increases in price or in available volumes for selected top-quality specimen thereby adversely affecting our financial performance. Additionally, the increased frequency and intensity of extreme physical events (including storms and floods) due to climate change could also lead to business interruptions in our production processes or at our production facilities, supply chain disruption, scarcity of raw materials and more frequent closures of DOSs or lost sales as customers prioritize basic needs or may not be able to reach our points of sale. Finally, the increasing introduction of new national and international laws and regulations with the aim to reduce the potential impacts of climate change may hinder our efforts to enter specific markets and may cause increased costs and complexity to comply with new and evolving climate change regulatory requirements and obligations. Any failure on our part to comply with such laws and regulations could lead to adverse consumer actions and investment decisions by investors, as well as expose us to government enforcement action and private litigation. Each of the foregoing factors could have a material adverse effect on our business, results of operations and financial condition.

We are subject to risks associated with increased focus by stakeholders on environment, social and governance matters.

In recent years, companies across all industries are subject to increased scrutiny from a variety of stakeholders, including consumers, employees, investors, proxy advisory firms, media, environment activists, ESG rating agencies and NGOs on corporate responsibility (including environmental, social and and governance ("ESG") matters, such as traceability and transparency, sustainability claims and product labeling requirements, carbon emissions, responsible sourcing, animal welfare, deforestation, the use of energy and water, the recyclability or recoverability of products, packaging and raw materials, human rights, labor rights and diversity, equality and inclusion practices). If we do not adapt to or comply with investor or other stakeholder expectations and standards on ESG matters (or meet sustainability goals and targets that we have set), as they continue to evolve, or if we are perceived to have not responded appropriately or quickly enough to growing concern for ESG and sustainability issues, regardless of whether there is a regulatory or legal requirement to do so, we may face increased litigation risk, reputational damage and our business, results of operations and financial condition could be materially and adversely affected. Various global and national organizations including ESG rating agencies, research analysts, and disclosure and standards organizations evaluate our disclosures of ESG data. These organizations have developed ratings processes for evaluating companies on their approach to ESG matters, and the results of these ratings are publicly available. Any negative score could adversely impact our reputation and brand value, investor sentiment, and the trust placed in us by our stakeholders, which could have an adverse impact, among other things, on our share price and cost of capital.

There are social and environmental impacts associated with how the raw materials essential to our business are obtained. The labor practices involved in the sourcing and the manufacturing processes of such raw materials may raise issues such as inadequate wages, poor working conditions, and the use of forced or child labor. Certain sourcing and manufacturing processes can lead to environmental degradation, including loss of biodiversity, pollution, and resource depletion. In addition, the conditions under which certain raw materials are sourced raise concerns about animal welfare and social acceptability. If our suppliers' sourcing practices are perceived as harmful to animals or the environment, that may lead to public backlash and diminished consumer trust. If we fail to develop a robust network of suppliers that meet our qualification criteria or if we fail adequately monitor such suppliers' compliance with our standards, we may struggle to ensure the quality and sustainability of our raw materials, ultimately impacting our ability to meet consumer expectations and maintain our competitive position. If any of our suppliers fails to comply with our requirements on traceability of raw materials or sourcing methods, we may be unable, in a commercially reasonable time, to replace such supplier with another supplier capable of ensuring equivalent quality and quantitative standards, and we may be unable to procure the relevant raw materials on similar or more favorable commercial terms. Any of these factors may result in disruption to our supply chain, delays in our production activities, increased costs and reputational damage. Furthermore, our supplier's failure to meet our requirements may affect also our ability to complete the calculation and disclosure of our progress against our sustainability strategy and ESG goals, which could potentially have an adverse impact on the ESG ratings we receive from ESG rating agencies.

We have announced and plan to announce our progress and accomplishments on sustainability strategy and ESG goals, as well as possibly add new aspirations and commitments. There can be no assurance that our stakeholders will agree

with our strategy or will be satisfied with our disclosures, or that we will be successful in achieving our goals. If our ESG practices do not meet our stakeholders' expectations and standards, or if we fail (or are perceived to fail) to implement our strategy or achieve our goals, our reputation could be damaged, causing our investors or consumers to lose confidence in us and our brands, negatively impacting our employee retention and our business, and having a negative effect on our sales and results of operations. In addition, implementing our ESG strategy and pursuing our ESG goals involves costs and investments which could adversely affect our results of operations.

Risk factors relating to Tax Matters

Changes in tax, tariff or fiscal policies could adversely affect demand for our products.

Imposition of any additional taxes and levies on our products could adversely affect the demand for our products and our results of operations. Changes in corporate and other taxation policies as well as changes in export and other incentives given by various governments, or import or tariff policies, could also adversely affect our results of operations. Considerable uncertainty surrounds the introduction and scope of tariffs by countries around the world, as well as the potential for trade actions, and the imposition of tariffs and trade restrictions as a result of international trade disputes or changes in trade policies may adversely affect our sales and profitability. See also *"—Risk factors relating to the industry in which the Group operates—If new trade restrictions are imposed or existing restrictions become more burdensome, we may be unable to sell our products profitably in certain countries"*. The occurrence of any of the above may have a material adverse effect on our business, results of operations and financial condition.

Changes to taxation or the interpretation or application of tax laws could have an adverse impact on our results of operations and financial condition.

Our business is subject to various taxes in different jurisdictions (mainly Italy), which include, among others, the Italian corporate income tax (*"IRES"*), regional trade tax (*"IRAP"*), value added tax (*"VAT"*), excise duty, registration tax and other indirect taxes. Our business outside of Italy is subject to corporate income taxes in every country where we do business, through our subsidiaries and/or branches; remittances from those subsidiaries back to Italy may be subject to withholding taxes. We are exposed to the risk that our overall tax burden may increase in the future.

Changes in tax laws or regulations, or in the position of the relevant Italian and non-Italian authorities regarding the application, administration or interpretation of these laws or regulations, particularly if applied retrospectively, could have a material adverse effect on our business, results of operations and financial condition. These changes include the introduction of a global minimum tax at a rate of 15% under the Two-Pillar Solution to Address the Tax Challenges of the Digitalisation of the Economy, agreed upon by over 130 jurisdictions under the Organisation for Economic Co-operation and Development/ G20 Inclusive Framework on Base Erosion and Profit Shifting (the "OECD/G20 Inclusive Framework"). Pursuant to Council Directive (EU) 2022/2523 (the "Pillar Two Directive"), on December 27, 2023, Italian Legislative Decree No.209/2023 adopted a tax reform in international taxation, including the implementation into Italian domestic law of the Pillar Two legislation. Under the reform, in-scope multinational enterprise groups are subject to a top-up tax of at least 15% via two interlocking global anti-base erosion rules:

(i) the Income Inclusion Rule (*Imposta Minima Integrativa - IIR*), applying to fiscal years beginning on or after December 31, 2023; and

(ii) the Under Taxed Profits Rule (*Imposta Minima Suppletiva - UTPR*), applying to fiscal years beginning on or after December 31, 2024.

Additionally, Italy has implemented a Qualified Domestic Minimum Top-up Tax (*Imposta Minima Nazionale - QDMTT*), applying to fiscal years beginning on or after December 31, 2023 which is intended to meet the requirements for the qualified domestic minimum top-up tax safe harbor. More detailed implementation rules of the QDMTT are set forth in Ministerial Decree of 1 July 2024.

The OECD/G20 Inclusive Framework has also agreed upon a number of safe harbor provisions, including the Transitional- CbCR- Safe Harbor (i.e.de minimis test, simplified ETR test and routine profits test), the transitional UTPR safe harbor and the QDMTT safe harbor (mentioned above). These provisions are not included in, but are referred to from, the OECD Model Rules and the Pillar Two Directive Italy implemented the safe harbor provisions in line with those illustrated in the documents made available by the OECD (articles 21 and 39 of Legislative Decree No.209/2023). More detailed

implementation rules are set forth in Ministerial Decree of 20 May 2024 (Transitional- CbCR- Safe Harbor and transtitional UTPR safe harbor) and Ministerial Decree of 1 July 2024 (QDMTT safe harbor). In light of the current state of regulations in the countries in which the Group is located, and subject to future regulatory specifications, we do not currently expect the Italian legislation implementing the Pillar Two Directive to lead to significant adverse tax consequences for us, however it may have an adverse effect on our tax compliance burden.

Tax laws are complex and subject to subjective valuations and interpretive decisions, and we periodically may be subject to tax audits aimed at assessing our compliance with direct and indirect taxes. The tax authorities may not agree with the positions that we have taken or intend to take on tax laws applicable to our ordinary activities and extraordinary transactions. In case of challenges by the tax authorities to our interpretations, we could face long tax proceedings that could result in the payment of additional tax and penalties, with potential material adverse effects on our business, results of operations and financial conditions.

Passive Foreign Investment Company tax considerations for US holders

A non U.S. corporation is treated as a "passive foreign investment company," or a "PFIC," for U.S. federal income tax purposes with respect to a U.S. holder if for any taxable year in which such U.S. holder held shares of our stock, after the application of applicable "look-through rules" (i) 75 percent or more of our gross income for the taxable year consists of "passive income" (including dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations), or (ii) at least 50 percent of our assets for the taxable year (averaged over the year and determined based upon value) produce or are held for the production of "passive income." U.S. persons who directly own, or are treated as indirectly owning, shares of a PFIC are generally subject to annual reporting requirements and potentially disadvantageous U.S. federal income tax treatment with respect to any distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition (directly or indirectly) of their shares in the PFIC.

While we believe that shares of our stock are not stock of a PFIC for U.S. federal income tax purposes during the reporting period, this conclusion is based on a factual determination made annually and thus is subject to change. Moreover, our common shares may become stock of a PFIC in future taxable years if there were to be changes in our assets, income or operations.

We intend to be treated exclusively as a resident of the Republic of Italy for tax purposes, but other tax authorities may seek to treat us as a tax resident of another jurisdiction as a result of which we could be subject to increased and/or different taxes.

We intend to maintain our management and organizational structure in such a manner that (i) our place of effective management would be in Italy and we should be regarded as a tax resident of Italy for Italian domestic law purposes; (ii) we should be considered to be exclusively tax resident in Italy for purposes of the applicable tax treaties, including the Convention between the Kingdom of the Netherlands and the Republic of Italy for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital (the *"Italy-Netherlands Tax Treaty"*); and (iii) we should not be regarded as a tax resident of any jurisdiction other than Italy for purposes of the domestic tax laws of such jurisdiction or for the purposes of any applicable tax treaty. However, the determination of our tax residency depends primarily upon our place of effective management, which is largely a question of fact, based on all relevant circumstances. Therefore, no assurance can be given regarding the final determination of our tax residency by tax authorities. In addition, changes to applicable laws and income tax treaties, including a change to the provisional reservation made by Italy under the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the *"MLI"*) made at the time of signing the MLI with respect to Article 4 (Dual Resident Entities) of the MLI, or interpretations thereof and changes to applicable facts and circumstances (e.g., a change of board members or the place where board meetings take place), may have a bearing on the determination of our tax residency and the consequent tax treatment.

If the competent tax authorities of a jurisdiction other than Italy take the position that we should be treated as (exclusively) tax resident of that jurisdiction for purposes of an applicable tax treaty, we would be subject to corporation tax and all distributions made by us to our shareholders would be subject to any applicable dividend withholding tax in such other jurisdiction(s) as well as in Italy. To resolve any dual tax residency issue, we may have access to a mutual agreement procedure and/or dispute resolution mechanisms under an applicable tax treaty and the dispute resolution mechanism under the EU Arbitration Directive (if it is an EU jurisdiction), or we could submit our case for judicial review by the relevant

courts. These procedures would require substantial time, costs and efforts, and it is not certain that double taxation issues can be resolved in all circumstances.

Our dividends are generally subject to Italian dividend withholding tax. We believe that our dividends are not subject to Dutch dividend withholding tax, regardless to whom they are made, because the rule based on which a company incorporated under Dutch law is deemed to be a Dutch tax resident should not apply to a company incorporated under Italian law and converted into a Dutch company, such as the Company. This view has been confirmed by the Dutch tax authorities in a tax ruling, which was obtained in September 2022 and covers the tax years from January 1, 2022 to December 31, 2026.

The consequences of the loyalty voting program are uncertain.

No statutory, judicial or administrative authority directly discusses how the receipt, ownership or disposition of Special Voting Shares under the Company's loyalty voting program implemented in connection with the Business Combination should be treated for Italian or U.S. tax purposes and, as a result, the tax consequences in those jurisdictions are uncertain.

The fair market value of the Special Voting Shares, which may be relevant for tax purposes, is a factual determination and is not governed by any guidance that directly addresses such a situation. Because, among other things, the Special Voting Shares will not be transferable (other than, in very limited circumstances, together with the associated Ordinary Shares) and a shareholder will receive amounts in respect of the Special Voting Shares only if the Company is liquidated, we expect to take the position that the fair market value of each Special Voting Share is minimal. However, the relevant tax authorities could assert that the value of the Special Voting Shares as determined by the Company is incorrect.

The tax treatment of the loyalty voting program implemented in connection with Business Combination is unclear and shareholders are urged to consult their tax advisors in respect of the consequences of acquiring, owning and disposing of Special Voting Shares.

We benefit or seek to benefit from certain special tax regimes, which may not be available in the future.

We currently calculate taxes due in Italy based, among other things, on certain tax incentives recognized by Italian tax regulations for research and development expenses.

In addition, we benefit from the measures introduced in Italy by art. 110 of Law Decree no. 104/2020, converted into Law no. 126/2020, which re-opened the voluntary step-up of tangible assets, with the application of a 3% substitutive tax rate.

Furthermore, Italian Law no. 190/2014, as subsequently amended and supplemented, introduced an optional Patent Box regime in the Italian tax system. The Patent Box regime is a tax exemption related to, among others, the use of intellectual property assets. Business income derived from the use of each qualified intangible asset is partially exempted from taxation for both IRES and IRAP purposes. We have applied the Patent Box tax regime for the period from 2015 to 2021, in line with applicable tax regulations in Italy. The amount of the related tax benefits that we have received from the tax regime remains subject to limited uncertainty.

The Patent Box tax regime has been revised and the current regime no longer provides for a partial exemption of the business income derived from the use of qualified intangible assets. Under the new regime, the amount of qualifying expenses, relevant for both IRES and IRAP purposes, is increased by 110%. Specific rules regulate the transition from the old Patent Box regime to the new one.

Special tax regimes and tax incentives may allow us to mitigate our tax burden in Italy. Significant changes in regulations or interpretation thereof might adversely affect the availability of such exemptions and result in higher tax charges, which may result in a material adverse effect on our business, results of operations and financial condition.

We are subject to risks related to the complexity and uncertainty in interpretation of transfer pricing rules.

We operate in over 80 countries worldwide with integrated industrial, commercial, stylist and communication functions, trademarks used in different jurisdictions and are subject to taxation in Italy and in other foreign countries in which

our subsidiaries are located. Within the Group, transactions between related parties located in different countries are carried out in the ordinary course of business and are mainly related to the purchase and sale of goods and the provision of services.

These transactions are subject to transfer pricing rules defined globally by the Organization for Economic Co-operation and Development (*"OECD"*) and local tax laws. In this respect, our intercompany prices are set up consistently with the guidance provided by the OECD Transfer Pricing Guidelines and we and our subsidiaries prepare specific transfer pricing documentation with respect to such transactions.

Although we believe that our transfer pricing is compliant with the international tax laws, due to the complexity of these rules and the uncertainties in their interpretation, the tax authorities might challenge the prices of certain of our intercompany transactions and propose transfer pricing adjustments. Consequently, such adjustments may increase the related taxes and impose penalties and late payment interests, which may result in a material adverse effect on our business, results of operations and financial condition.

Risk factors relating to holding our Ordinary Shares

An active and liquid trading market for our Ordinary Shares may not be maintained, the market price may be volatile and investors may suffer a loss.

Our Ordinary Shares are listed on the NYSE under the ticker "ZGN". However, there can be no assurance that an active and liquid trading market for our Ordinary Shares will be maintained. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. The actual market price of the Ordinary Shares may fluctuate because of several factors, including those described in this section *"4.2. Risk Factors*,*"* and including low liquidity, as a result of which the price of our Ordinary Shares may not reflect our actual operating performance and may be lower than the price investors paid to purchase the Ordinary Shares.

The price of the Ordinary Shares may be volatile.

The price of Ordinary Shares may fluctuate due to a variety of factors, including: variations in our operating performance and the performance of our competitors in general; actual or anticipated fluctuations in our annual or interim operating results; publication of research reports by securities analysts about us or our competitors or our industry; the public's reaction to our press releases, other public announcements and filings with the SEC; our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market; the impact of global health crises on the global economy; additions and departures of key personnel; changes in laws and regulations affecting our business; commencement of, or involvement in, litigation involving us; mergers, acquisitions or significant corporate restructurings; harm to our reputation, including due to dissemination by third parties of information that is untrue or defamatory; changes in our capital structure, such as future issuances of securities or the incurrence of additional debt; changes in investors' market risk premium and resulting potential changes in their asset allocation strategies; the volume of Ordinary Shares available for public sale; general economic and political conditions such as recessions, interest rates, fuel prices, foreign currency fluctuations, inflation, international tariffs, social, political and economic risks and acts of war or terrorism; and the other factors described in this section "*4.2. Risk Factors."* These market and industry factors may materially reduce the market price of Ordinary Shares regardless of our operating performance.

In addition, the price of our Ordinary Shares may be depressed in case of substantial sales of our Ordinary Shares by shareholders or the anticipation by the market of a possible sale.

Reports published by analysts, including projections in those reports that differ from our actual results, could adversely affect the price and trading volume of our shares.

Securities research analysts may establish and publish their own periodic projections for the Company. These projections may vary widely and may not accurately predict the results we actually achieve. Our share price may decline if our actual results do not match the projections of these securities research analysts. Similarly, if one or more of the analysts who write reports on us downgrades our stock or publishes inaccurate or unfavorable research about our business, our share price could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, our share price or trading volume could decline.

The loyalty voting program may affect the liquidity of the Ordinary Shares and reduce share price.

The implementation of the Company's loyalty voting program could reduce the trading liquidity and adversely affect the trading prices of the Ordinary Shares. The loyalty voting program is intended to reward shareholders for maintaining long-term share ownership by granting persons holding Ordinary Shares continuously for at least two years the option to elect to receive Special Voting Shares. Special Voting Shares cannot be transferred (except in very limited circumstances) and, if Ordinary Shares participating in the loyalty voting program are transferred they must be deregistered from the Loyalty Register and any corresponding Special Voting Shares transferred to us for no consideration (*om niet*). This loyalty voting program is designed to encourage a stable shareholder base and, conversely, it may deter trading by shareholders that may be interested in participating in the loyalty voting program. Therefore, the loyalty voting program may reduce liquidity in Ordinary Shares and adversely affect their trading price.

Our majority shareholders exercise control over the Company, which may limit other shareholders' ability to influence corporate matters and could delay or prevent a change in corporate control. The interests of our majority shareholders may differ from those of our other shareholders.

At March 14, 2025, Monterubello held approximately 60.50% of the Ordinary Shares issued and outstanding and 74.2% of our voting power. Please see section *"8. Major Shareholders and Related Party Transactions"*. As a result, Monterubello is able to influence our management and affairs and control the outcome of matters submitted to our shareholder meetings for approval, including the election of directors and any sale, merger, consolidation, or sale of all or substantially all of our assets. In addition, the loyalty voting program established by the Articles of Association may make it more difficult for a third party to acquire, or attempt to acquire, control of the Company, even if a change of control were considered favorably by shareholders holding a majority of Ordinary Shares. As a result of Monterubello's ownership and the loyalty voting program, a relatively large proportion of the voting power in the Company could be concentrated in a relatively small number of shareholders who would have significant influence over the Company. Monterubello and other shareholders participating in the loyalty voting program may have the power effectively to prevent or delay change of control or other transactions that may otherwise benefit the Company's shareholders, which may also prevent or discourage shareholder initiatives aimed at changing the Company's management or strategy or otherwise exerting influence over the Company. In addition, Monterubello will exercise its voting power in its own interest, which may not be in line or even be in conflict with the interests of the remaining shareholders.

The Company is a Dutch public company with limited liability, and its shareholders may have rights different to those of shareholders of companies organized in the United States.

The rights of the shareholders of the Company may be different from the rights of shareholders of companies governed by the laws of U.S. jurisdictions. the Company is a Dutch public company with limited liability (*naamloze vennootschap*). Its corporate affairs are governed by the Articles of Association, the Board Regulations and Dutch law. The rights of the Company's shareholders and the responsibilities of members of the Board may be different from the rights of shareholders and the responsibilities of members of board of directors of companies governed by the laws of other jurisdictions including the United States. The responsibilities of the Executive Directors and Non-Executive Directors may be different from the rights and obligations of board members in companies governed by the laws of U.S. jurisdictions. In the performance of its duties, the Board is required by Dutch law to consider the Company's interests and the interests of its shareholders, employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties have interests that are different from, or in addition to, the interests of shareholders. There can be no assurance that Dutch law will not change in the future or that it will serve to protect investors in a similar fashion afforded under corporate law principles in the U.S., which could adversely affect the rights of investors.

The Company is a "foreign private issuer" under the rules and regulations of the SEC and, thus, is exempt from a number of rules under the Exchange Act and permitted to file less information with the SEC than a company incorporated in the United States.

As a "foreign private issuer" the Company is exempt from rules under the Exchange Act, that impose certain disclosure and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of the Ordinary Shares. Moreover, the Company is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, nor required to comply with Regulation FD, which restricts the selective disclosure of material information. Accordingly, there may be less publicly available information concerning the Company than there is for U.S. public companies.

We have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate these material weaknesses or otherwise fail to maintain an effective system of internal controls, this could result in material misstatements in our consolidated financial statements and a failure to comply with applicable laws and regulations, which may adversely affect our business and the price of our securities.

In connection with our preparation and the audit of our consolidated financial statements at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 (included elsewhere in this report), we identified material weaknesses in our internal control over financial reporting. We had also previously identified certain material weaknesses in our internal control over financial reporting as of December 31, 2023, certain of which we have been able to remedy during the course of 2024. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim consolidated financial statements will not be prevented or detected on a timely basis. For a summary of the material weaknesses identified as of December 31, 2024, and the steps that we have taken and are taking to remedy our remaining material weaknesses and control deficiencies, see section *"4.1. Risk management, risk appetite and control framework".*

Material weaknesses in our internal control over financial reporting could result in a misstatement of our accounts or disclosures, which may result in a material misstatement in our annual or interim consolidated financial statements. As a result of the material weaknesses in our internal controls over financial reporting, our management concluded that as of December 31, 2024, our disclosure controls and procedures and our internal control over financial reporting were not effective. While we have taken and are continuing to take steps to remedy these material weaknesses and control deficiencies, our remediation plan can only be accomplished over time, and we can offer no assurance that these initiatives will ultimately have the intended effects. We cannot provide assurance as to when we will be able to complete full remediation or if we will be able to avoid the identification of additional material weaknesses in the future. In addition, the process of assessing the effectiveness of our internal control over financial reporting may require the investment of significant time and resources, including by members of our Senior Management Team. As a result, this process may divert internal resources and take a substantial amount of time and effort to complete.

If we are unable to remediate the material weaknesses we have identified, or if we identify additional material weaknesses in the future or otherwise fail to develop and maintain an effective system of internal controls, we may not be able to produce timely and accurate consolidated financial statements, which may subject us to adverse regulatory consequences and adversely affect investor confidence in us and, as a result, the price of our securities and our ability to access the capital markets and other forms of financing in the future.

The Company's ability to pay dividends may be limited and the level of future dividends is subject to change.

While our dividend policy is to target a payout ratio of 25% to 30% of the profit attributable to shareholders of the Parent Company, without reducing dividends and at least maintaining or increasing dividends each year, the payment of dividends in the future will be subject to business conditions, financial conditions, earnings, cash balances, commitments, strategic plans and other factors that the Board may deem relevant at the time it recommends approval of the dividend. In addition, our dividend policy will be subject to change based on changes in statutory requirements, market trends, strategic developments, capital requirements and a number of other factors. Under the Articles of Association and Dutch law, dividends may be declared on the Ordinary Shares only if the amount of equity exceeds the paid up and called up capital plus the reserves that have to be maintained pursuant to Dutch law or the Articles of Association. Further, even if the Company is permitted under the Articles of Association and Dutch law to pay cash dividends on its shares, it may not have sufficient cash to pay dividends in cash on its shares. The Company is a holding company and its operations are carried out through its subsidiaries. As a result, the Company's ability to pay dividends will primarily depend on the ability of its subsidiaries to generate earnings and to provide the Company with the necessary financial resources.

It may be difficult to enforce U.S. judgments against us.

The Company is a company incorporated under the laws of the Netherlands, and a substantial portion of its assets are outside of the United States. Most of our Directors and members of the Senior Management Team and independent auditors are resident outside the United States, and all or a substantial portion of their respective assets may be located outside the United States. As a result, it may be difficult for U.S. investors to effect service of process within the United States upon these persons. It may also be difficult for U.S. investors to enforce within the United States judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. In addition, there is uncertainty as to whether the courts outside the United States would recognize or enforce judgments of U.S. courts obtained

against us or our directors and officers predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. Therefore, it may be difficult to enforce U.S. judgments against us, our directors and officers and independent auditors.

5. CORPORATE GOVERNANCE REPORT

5.1. Introduction

Ermenegildo Zegna N.V., a Dutch public limited liability company (*naamloze vennootschap*), results from the Conversion of Ermenegildo Zegna Holditalia S.p.A., an Italian joint stock company, into Ermenegildo Zegna N.V. on December 17, 2021. The securities of the Company are listed on the NYSE. The Company has its corporate seat in Amsterdam, the Netherlands, its address at Viale Roma 99/100, 13835 Valdilana loc. Trivero, Italy, and is registered with the Dutch Trade Register under number 84808640. The Company's place of effective management is in Italy.

In this section of the annual report, the Company describes relevant elements of its corporate governance practices and provides the information required by Dutch law and the DCGC. With respect to the DCGC, it is noted that the Company endorses the governance principles and best practice provisions of the DCGC and adheres to the DCGC apart from the deviations explained under "*Compliance with the DCGC*". The Company has made every effort to report in line with the DCGC, to the extent possible, and will continue to do so for the years that lie ahead.

The Company is governed by the laws of the Netherlands, the DCGC and by the Articles of Association. The DCGC contains governance principles and best practices for one-tier boards, executive and non-executive directors, shareholders and general meetings, financial reporting, auditors, disclosure compliance and enforcement standards. The DCGC applies on a comply-or explain basis meaning that the Company is required to disclose whether or not it is complying with the various provisions of the DCGC. If the Company does not comply with one or more of those provisions, the Company is required to explain the reasons for such non compliance.

The DCGC is publicly available on the Monitoring Commission Corporate Governance Code website at www.mccg.nl. The Articles of Association are publicly available on the Company's website at www.zegnagroup.com. In addition, given that the Company' shares trade on the NYSE, the Company is also subject to certain laws and regulations in the US.

5.2. The Board

One-tier board

The Company has a one-tier board, consisting of one or more Executive Directors having responsibility for the day-to-day management of the Company and one or more Non-Executive Directors having oversight responsibilities but not responsibility for the day-to-day management. The number of Executive Directors is determined by the Board in accordance with the Company's Articles of Association, provided that the majority of the Board consists of Non-Executive Directors. The Non-Executive Directors' duties include, among other things, the oversight of (i) the Executive Directors' performance of duties, (ii) the Company's general affairs and business, while rendering advice and direction to the Executive Directors, (iii) the effectiveness of the Company's internal risk management and control systems, (iv) the integrity and quality of the financial and sustainability reporting, as well as the performance of any duties allocated to them pursuant to Dutch law or the Articles of Association. The Executive Directors shall timely provide the Non-Executive Directors with the information they need to carry out their duties. The Board as a whole is responsible for the strategy of the Company with a focus on sustainable long-term value creation for the Company, taking into account the relevant stakeholders' interests. The Board may allocate its duties and powers among the Directors and the committees of the Board in accordance with the Board Regulations or otherwise in writing.

Pursuant to the Articles of Association, the general authority to represent the Company is vested in the Board and any Executive Director.

Composition, nomination, appointment and dismissal of the Board

The Board determines the number of Executive Directors and Non-Executive Directors, provided that the majority of the Board consists of Non-Executive Directors. The Board is currently composed of eleven members.

The Board may in its discretion grant one of the Non-Executive Directors the title Vice Chairman and may grant such additional titles as the Board deems appropriate to any Director. The Board determines which Non-Executive Director will act as Lead Non-Executive Director and chair (*voorzitter*) as referred to under Dutch law.

The Directors are appointed by the General Meeting on a binding nomination by the Board, provided that one Non-Executive Director is appointed on a binding nomination by the IIAC Sponsor if at the time of the convocation of the relevant General Meeting the Sponsor Group satisfies the Minimum Holding Requirement (*Minimum Deelnemingsvereiste*), as defined in the Articles of Association. The nomination of the Sponsor Nominee by the IIAC Sponsor is subject to the approval of the Board in its discretion if he or she has not previously served as Director.

The IIAC Sponsor's right to nominate a Non-Executive Director will lapse with immediate effect if the Sponsor Group fails to satisfy the Minimum Holding Requirement, provided that if such failure is not caused by a sale or transfer of Ordinary Shares by any member of the Sponsor Group, the IIAC Sponsor's nomination right will lapse if such failure continues for a period of 20 trading days from the date on which any member of the Sponsor Group had knowledge of such failure. Upon the termination of the nomination right, the Sponsor Nominee (or any temporary Director replacing a Sponsor Nominee) shall resign from the Board with immediate effect at the request of the Company.

The General Meeting will at all times be allowed to overrule a binding nomination for the appointment of a Director by a simple majority of the votes cast, representing more than one-third of the Company's issued share capital. If a majority of the votes are cast in favor of overruling the binding nomination, but that majority does not represent more than one third of the Company's issued share capital, a new General Meeting may be convened at which the resolution to overrule the binding nomination may be adopted by a simple majority of the votes cast, regardless of the Company's issued share capital represented by that majority.

In the event the binding nomination for the appointment of any Director other than the Sponsor Nominee is overruled, the Board is allowed to make a new binding nomination to fill the vacancy. In the event that also this binding nomination is overruled, the General Meeting shall be free to appoint a Director to fill the vacancy. In the event the binding nomination for the appointment of the Sponsor Nominee is overruled, the IIAC Sponsor may make a new binding nomination to fill the vacancy, provided that at the time of the convocation of the relevant General Meeting, the Sponsor Group satisfies the Minimum Holding Requirement.

Each Director is appointed for a term ending at the close of the first annual General Meeting following his or her appointment. Each Director may be reappointed.

The General Meeting may at all times suspend or dismiss a Director. Such resolution will require a majority of at least two-thirds of the votes cast, representing more than half of the Company's issued share capital, or, if such resolution is proposed by the Board, by a simple majority of the votes cast, representing more than half of the Company's issued share capital.

Current Board and Senior Management Team

At the date of this report, the Board is composed of eleven members as set forth the in the following table. Unless otherwise indicated, the business address of each person listed below is c/o Ermenegildo Zegna N.V., Viale Roma 99/100, 13835 Valdilana loc. Trivero, Italy.

Name	Year of Birth	Position
Mr. Ermenegildo Zegna di Monte Rubello	1955	Chairperson, Chief Executive Officer and Executive Director
Mr. Andrea C. Bonomi	1965	Non-Executive Director
Ms. Angelica Cheung	1966	Non-Executive Director
Mr. Domenico De Sole	1944	Non-Executive Director
Mr. Sergio P. Ermotti	1960	Lead Non-Executive Director and Non-Executive Director
Mr. Ronald B. Johnson	1958	Non-Executive Director
Ms. Valerie A. Mars	1959	Non-Executive Director
Mr. Michele Norsa	1948	Non-Executive Director
Mr. Henry Peter	1957	Non-Executive Director
Ms. Anna Zegna di Monte Rubello	1957	Non-Executive Director
Mr. Paolo Zegna di Monte Rubello	1956	Non-Executive Director

Mr. Andrea C. Bonomi has been nominated as the Sponsor Nominee; the other Directors have been nominated by the Board.

All current members of the Board were reappointed during the annual General Meeting held on June 26, 2024. The term of office of each member of the Board will end at the close of the next annual General Meeting. Each Director may be reappointed.

The Board has designated Mr. Ermenegildo (Gildo) Zegna di Monte Rubello, Executive Director, also as Chairperson and Chief Executive Officer and Mr. Sergio Ermotti, Non-Executive Director, as Lead Non-Executive Director, being the chair (*voorzitter*) as referred to under Dutch law.

Summary biographies of the Directors are set out below.

Ermenegildo (Gildo) Zegna di Monte Rubello (Chairperson, Chief Executive Officer and Executive Director)

Gildo Zegna is currently the Chairman and CEO of Ermenegildo Zegna Group.

A member of the Zegna family's third generation, Mr. Zegna oversees the company founded by his grandfather and namesake in 1910. In December 2021, he led the Group through its public listing on the New York Stock Exchange, making history as the first Italian luxury group listed on the world's largest stock exchange.

Mr. Zegna was born in Turin, Italy, in 1955, and graduated from the University of London in 1978. After starting his career at Bloomingdale's in New York, he joined the family business in 1982, leading the Company's business in North America and then in Spain. In 1989, he joined the company's Board of Directors and served as Co-Chief Executive Officer from 1998 to 2006.

In addition to his role at the Group, he is also Chairman of the board of directors of Monterubello, Thom Browne Inc. and, starting from 2023, of Tom Ford International LLC. He also served as a member of the board of directors of Fiat Chrysler Automobiles N.V. from 2014 to 2021. In 2021, he was appointed as Chairman of the board of Filati Biagioli Modesto S.r.l. and since 2023 he serves as a member of the board of directors of Luigi Fedeli & Figlio S.r.l.

Since 2013, he has been a member of the Strategic Committee and Advisor of Camera Nazionale della Moda Italiana (The National Chamber for Italian Fashion) and has been an active member of the Council for the United States and Italy. In 2011, Mr. Zegna was nominated Cavaliere del Lavoro by the President of the Italian Republic and, in 2016, received the Leonardo Prize, a prestigious award given to an Italian leader who has meaningfully promoted Italy's image on a global scale, from the President of the Italian Republic.

Mr. Zegna oversaw the successful acquisition and integration of Thom Browne in 2018, the rebranding of Zegna in 2021 and, more recently, the TFI Acquisition and entry into the TFF License. Prior to this, Mr. Zegna was actively involved in the Company's expansion in America and Europe, and in 1991 he oversaw the opening of the brand's first store in China.

Under his leadership, the Group – which started as a single wool mill in Trivero, Italy – has grown into a leading Italian luxury group building on a portfolio of three complementary luxury brands and encompassing a one-of-a-kind Made in Italy Luxury Textile Laboratory Platform that produces some of the world's finest textiles and fabrics.

Andrea C. Bonomi (Non-Executive Director)

Mr. Bonomi is currently a member of the Board, a position he has held since 2021.

Mr. Bonomi is Investindustrial's Founder and Chairman of the Industrial and Advisory Teams' Committees. Prior to founding Investindustrial in 1990, Mr. Bonomi was responsible for the Saffa Group (a diversified holding company) and investments in Europe and the United States. Prior to Saffa, he worked at Kleinwort Benson in London, where he was responsible for Spain and Italy, and at Lazard Frères & Co. in New York.

Mr. Bonomi has been a private equity investor for 30 years and has served as chairman or director in a number of industrial and financial companies, including BPM, RCS MediaGroup, Permasteelisa, 21 Investimenti, 21 Centrale Partners and Inversiones Ibersuizas.

He is a Trustee of the New York University, a member of the NYU President's Global Council and Private Equity Awards "Hall of Fame" (2018) inductee.

Born in New York City (USA) in 1965, Mr. Bonomi holds a B.Sc. in Business Administration from New York University.

Angelica Cheung (Non-Executive Director)

Ms. Cheung is currently a member of the Board, a position she has held since 2021, and also serves as member of the Governance and Sustainability Committee.

Ms. Cheung was the founding Editor-in-Chief of Vogue China and served as its Editor-in-Chief from 2005 to 2020.

In February 2021, Ms. Cheung joined Sequoia Capital China as Venture Partner where she focuses on investments in the fashion/lifestyle/entertainment industry, especially the new generation of Chinese innovation and international brands seeking expansion in China. Since June 2021, Ms. Cheung has served on the board of directors of SSense, a Montreal-based fashion platform. In 2022, she was appointed as a member of board of directors of AMI 9 Holding (AMI Paris), Rare Inc. (WE11DONE) and Holzweizer Oslo. She is Asia ambassador for the British Fashion Council, serves on the Advisory Board of Advance Global Alumni and is a strategic advisor to several international brands.

Born in Beijing (China) in 1966, Ms. Cheung holds degrees in law and literature from Beijing University as well as a M.B.A. from the University of South Australia.

Domenico De Sole (Non-Executive Director)

Mr. De Sole is currently a member of the Board, a position he has held since 2005, and also serves as member of the Compensation Committee.

Mr. De Sole is the co-founder of luxury retailer Tom Ford International, LLC and has been the Chairman of its board of directors from its formation in 2005 until the consummation of the TFI Acquisition. During this time, Mr. De Sole also advised private equity firms in transactions in the field of fashion business.

From 1984 to 1994, Mr. De Sole served as President and Chief Executive Officer of Gucci America, and, from 1994 to 2004, he served as the President and Chief Executive Officer of Gucci Group, which during his tenure made significant acquisitions such as YSL, Bottega Veneta and Balenciaga. Mr. De Sole has served on the board of directors of numerous public and private company, and he currently serves as director of Pirelli & C. S.p.A. and Tod's S.p.A. He formerly served as Chairman of Sotheby's, and director of Conde Nast, Bausch & Lomb Incorporated, Delta Airlines, Inc., Gap, Inc., Newell Brands Inc. and Procter & Gamble.

Born in Rome (Italy) in 1944, Mr. De Sole graduated from the University of Rome with a law degree and received a L.L.M. from Harvard Law School where he also currently serves as a member of the Dean's Advisory Board.

Sergio P. Ermotti (Non-Executive Director)

Mr. Ermotti is currently a member of the Board, a position he has held since 2021. Mr. Ermotti serves as the Chair (*voorzitter*) under the Dutch law and has been granted the title of Lead Non-Executive Director.

Mr. Ermotti is currently Group Chief Executive Officer of UBS Group AG and President of the Executive Board of UBS AG. He was previously Group Chief Executive Officer from 2011 to 2020. He re-joined UBS from Swiss Re Ltd, where he served as Chairman of the Board of Directors until April 2023. Mr. Ermotti was elected to the Board of Directors of Swiss Re Ltd.in 2020 and was Chairman of the Board of Directors from April 2021 to April 2023. At Swiss Re Ltd., he also chaired the Governance and Nomination Committee.

Prior to joining UBS in 2011, he was at UniCredit Group, where from 2007 to 2010 he served as Group Deputy Chief Executive Officer and Head of Corporate & Investment Banking and Private Banking, after having served as Head of the Markets & Investment Banking Division. Before that, he held various positions at Merrill Lynch & Co. in the areas of equity derivatives and capital markets. He became Co-Head of Global Equity Markets and a member of the Executive Management Committee for Global Markets & Investment Banking in 2001.

Born in Lugano (Switzerland) in 1960, Mr. Ermotti is a Swiss-certified banking expert and a graduate of the Advanced Management Programme at Oxford University.

Ronald B. Johnson (Non-Executive Director)

Mr. Johnson is currently a member of the Board, a position he has held since 2019, and also serves as member of the Audit Committee and the Governance and Sustainability Committee. Mr. Johnson is also a member of the board of directors of Ermenegildo Zegna Corporation, a subsidiary of the Company in the United States.

Mr. Johnson is the founder of Enjoy Technology Inc., where he served as Chief Executive Officer from 2014, through the sale of the majority of the assets of the company in 2022 and the shutdown of the remainder of the company in the same year. He also served as a member of the board of directors of Globality, Inc. and Philz Cofee Inc. and is currently member of the board of Fish Six Restaurant Corp (d/b/a The Melt).

Previously, Mr. Johnson served as Chief Executive Officer of JCPenney Company, Inc. from November 2011 to April 2013, Senior Vice President of Retail at Apple Inc. from January 2000 to October 2011, and Vice President of Merchandising at Target Corporation from September 1984 to December 1999.

Born in Minneapolis (USA) in 1958, Mr. Johnson holds a B.A. in Economics from Stanford University and a M.B.A. from Harvard Business School.

Valerie A. Mars (Non-Executive Director)

Ms. Mars is currently a member of the Board, a position she has held since 2021. Ms. Mars also serves as chairperson of the Audit Committee and member of the Compensation Committee.

Ms. Mars served as Senior Vice President & Head of Corporate Development for Mars, Incorporated, a diversified food business operating in over 120 countries, where she focused on acquisitions, joint ventures and divestitures for the company until her retirement, effective as of December 31, 2024.

Previously, Ms. Mars served as a member of the board of directors of Fiat Chrysler Automobiles N.V. from 2014 until its merger with Peugeot S.A. in 2021, Ahlstrom-Munksjo, a Finnish/Swedish listed specialty paper business, from 2018 until its delisting in 2021, and Celebrity Inc., a NASDAQ listed company, from 1994 to 2000.

Ms. Mars is also involved in a number of community and educational organizations and currently serves on the board of directors of Conservation International, where she chairs the Audit Committee.

Born in New York City (USA) in 1959, Ms. Mars holds a Bachelor of Arts degree from Yale University and a M.B.A. from the Columbia Business School.

Michele Norsa (Non-Executive Director)

Mr. Norsa is currently a member of the Board, a position he has held since 2017. He also serves as chairperson of the Governance and Sustainability Committee and member of the Audit Committee.

Until December 31, 2021, Mr. Norsa was Executive Vice Chairman of Salvatore Ferragamo S.p.A., where he previously served as Chief Executive Officer from 2006 to 2016. In 2022, he was appointed as a member of the board of directors of Palazzo Feroni Finanziaria S.p.A., engaged in the business of real estate and luxury hospitality. He is also director of Horacio Pagani S.p.A. and member of the International Advisory Board of the China Europe International Business School in Shanghai (CEIBS). Furthermore, he is a member of the board of directors of Azimut Benetti S.p.A. Since September 2023, Mr. Norsa has become Global Senior Advisor of the Boston Consulting Group. Previously, Mr. Norsa served on the board of directors of Thom Browne Inc., Rocco Forte Hotels, Oettinger Davidoff Group and Hugo Boss, and successfully led two IPOs in the luxury sector (Salvatore Ferragamo S.p.A. in 2011 and Valentino Fashion Group S.p.A. in 2005).

Mr. Norsa has extensive experience in the fashion, consumer goods and publishing sectors with Marzotto, Benetton, Sergio Tacchini, Rizzoli Editore and Mondadori Editore.

Born in Lecco (Italy) in 1948, Mr. Norsa graduated in Business and Economics from Università Cattolica del Sacro Cuore in Milan.

Henry Peter (Non-Executive Director)

Mr. Peter is currently a member of the Board, a position he has held since 2014. He also serves as chairperson of the Compensation Committee and as director of Consitex SA, a subsidiary of the Company.

Mr. Peter serves on the board of directors of Swiss Life AG (Switzerland's largest life insurance company) and, among others, of Banque Lombard Odier & Cie SA, where he chairs the Audit Committee, and is Chairman of the board of directors of Sigurd Rück AG, a captive reinsurance company of the Italian Saipem S.p.A. Group. He is also Chairman of the board of directors of Brembo Reinsurance AG, a captive reinsurance company of the Italian Group Brembo S.p.A. He was a member of the Swiss Takeover Board between 2004 and 2015 and is a member of the Sanctions Commission of the SIX Swiss Exchange since 2007.

Born in Boston (USA) in 1957, Mr. Peter holds a Ph.D. in law from the University of Geneva. Since 1988 and until 2024, Mr. Peter has been a partner in a Lugano law firm, currently Kellerhals Carrard Lugano SA, of which he is serving as "Of Counsel" starting from 2025. From 1997, he has also served as professor of business law, and from 2017 as President of the Geneva Center for Philanthropy, at the University of Geneva, until termination of his office in 2024.

Since 2001 and until 2024, Mr. Peter has been Vice-Chairman of Swiss Sports Disciplinary Chamber of the Swiss Olympic Association in charge of disciplinary cases. He also serves as Chairman or member of the board of various non-profit Foundations and Organisations.

Anna Zegna di Monte Rubello (Non-Executive Director)

Ms. Zegna is currently a member of the Board, a position she has held since 2018.

Ms. Zegna is also Sustainability Officer of Oasi Zegna, a position she has held since 2014; prior to that, she directed the Store Planning at Zegna from 1995 to 1998 and the Group Image until 2017. Ms. Zegna is a member of the board of directors of Monterubello as well as Chairman of Fondazione Zegna, where she oversees the planning and coordination of local and international humanitarian initiatives related to conservation, sustainable development and education. She is also member of the board of directors of the non-profit foundation Fondo Ambiente Italiano (FAI) and of San Patrignano Foundation.

Previously, Ms. Zegna headed the public relations department of Gianni Versace from 1982 to 1984 before joining Zegna in 1984 as Head of Corporate Advertising and External Relations Manager. In 1993, along with Laura Zegna, Ms. Zegna developed the Oasi Zegna project, which has over the years become a model of environmental sustainability. In 1998, she won a Green Globe Award for her work at the Company in support of environmental issues and was appointed to the management committee of Touring Club Italiano in 2002. In 2007, in recognition of her social commitment, she received a MarcoPolo Award from the prestigious Babson College in Boston. In 2023, she was nominated by AIDAF (the Italian Association of Family Businesses) as Ambassador of Italian Enterprise Culture.

Born in Turin (Italy) in 1957, Ms. Zegna holds a degree in Political Sciences from the University of Lausanne and did her post-graduate studies in advertising and marketing at Watford College.

Mr. Ermenegildo Zegna di Monte Rubello and Ms. Anna Zegna di Monte Rubello are siblings.

Paolo Zegna di Monte Rubello (Non-Executive Director)

Mr. Paolo Zegna is currently a member of the Board, where he has served as Chairman from 2006 until December 2021. Previously, he served as a member of the Board from 1989 to 1998 and was Co-Chief Executive Officer from 1998 to 2006.

Mr. Paolo Zegna is also Vice-Chairman of the board of directors of Monterubello and Chairman of the board of directors of Lanificio Ermenegildo Zegna e Figli S.p.A. and Achill Land Pty Ltd., and a member of the board of directors of Bonotto S.p.A., Gruppo Dondi S.p.A. and Elah Dufour S.p.A.

He has been a member of the board of Sistema Moda Italia since 2005, which represents companies of the entire supply chain and is the official interlocutor in relations with Italian and international institutions and organizations. He is also member of the Director Council of Euratex, the European Association of the Textile and Clothing State Members, as representative of the Italian Association. He also served as Vice President of the Altagamma Foundation, which is committed to gathering high-end cultural and creative companies and increasing the competitiveness of the high-end industry.

Born in Turin (Italy) in 1956, Mr. Paolo Zegna holds a degree in Economics from the University of Geneva.

Mr. Paolo Zegna di Monte Rubello is a cousin to Mr. Ermenegildo Zegna di Monte Rubello and Ms. Anna Zegna di Monte Rubello.

Senior Management Team

The Senior Management Team of the Group comprises the following individuals:

- Ermenegildo Zegna di Monte Rubello as Chairman and Chief Executive Officer;
- Gianluca Ambrogio Tagliabue as Chief Operating Officer and Chief Financial Officer;
- Alessandro Sartori as Zegna Artistic Director;
- Franco Ferraris as Head of Textiles;
- Rodrigo Bazan as Chief Executive Officer of Thom Browne;
- Thom Browne as Founder and Chief Creative Officer of Thom Browne; and
- Lelio Gavazza as Chief Executive Officer of TOM FORD FASHION.

Summary biographies of members of the Senior Management Team are set out below.

Ermenegildo (Gildo) Zegna di Monte Rubello

For the biography of Gildo Zegna, please see *"—Current Board and Senior Management Team"* in this section.

Gianluca A. Tagliabue

Mr. Tagliabue currently serves as Group Chief Financial Officer and Chief Operating Officer, positions he has held since January 2020.

Mr. Tagliabue joined the Group in January 2016 as Chief Financial Officer and Head of Business Development. Before joining the Group, Mr. Tagliabue was the Chief Financial Officer and Senior Vice President, Strategy and Shared Services of Oakley Group from 2012 to 2015, based in California, USA. Previously, he served as Group Business Development Director and International Business Development Director (Retail, Sun & Luxury) of the Luxottica Group from January 2011 to June 2012 and from June 2010 to December 2010, respectively. Mr. Tagliabue has over 10 years of experience in strategic consulting, having worked at Value Partners, in Italy and Brazil, as Partner from 2005 to 2010 and as Senior Manager from 2001 to 2005, and earlier at Gemini Consulting.

Born in Milan (Italy) in 1968, Mr. Tagliabue holds a degree in Business Administration from Bocconi University in Milan.

Alessandro Sartori

Mr. Sartori is currently the Artistic Director of ZEGNA, a position he has held since 2016, and oversees all the brands and creative functions in the ZEGNA brand product line. He started his professional career at the Company in 1989 and worked as a menswear designer for over 10 years. In 2003, Mr. Sartori was appointed Creative Director of Z Zegna.

During his eight-year tenure as Creative Director, he oversaw the launch of the brand, including its first runway show in New York City in 2007.

In 2011, Mr. Sartori joined Berluti, a Paris-based menswear brand which had become part of the LVMH group in 2003, as Artistic Director where he was responsible for developing the brand.

Born in Trivero (Italy) in 1966, Mr. Sartori studied textile and fashion design.

Franco Ferraris

Mr. Ferraris is currently the Head of Textiles, a position he has held since 1992.

Mr. Ferraris has served as the Chief Executive Officer and General Manager of Lanificio Ermenegildo Zegna e Figli S.p.A. since 1992, where he has been serving as Managing Director starting from 2022. He is also the Chairman of the board of directors of Bonotto S.p.A., Gruppo Dondi S.p.A. and Tessitura Ubertino S.r.l. Mr. Ferraris also serves on the board of directors of a number of private companies in the industrial services and real estate sector, including Finissaggio e Tintoria Ferraris S.p.A., Pettinatura di Verrone S.r.l., F2 S.r.l., Immobiliare Giulia s.s. and Immobiliare Magda s.s.

From 2015 to 2023, he served as the Chairman of Fondazione Cassa di Risparmio di Biella, which plays an active role in supporting initiatives aimed at promoting the cultural, economic and social growth of the Province of Biella.

Born in Turin (Italy) in 1956, Mr. Ferraris holds a degree in Business and Economics from the University of Ancona. Mr. Franco Ferraris is the spouse of Ms. Anna Zegna di Monte Rubello.

Rodrigo Bazan

Mr. Bazan is currently the Chief Executive Officer of Thom Browne, a position he has held since 2016. Under his leadership, Thom Browne has expanded in the DTC channel, opening directly-operated stores in North America, Europe, UK, Korea, Japan and Greater China Region, Middle East and with partners in Hong-Kong SAR and South East Asia. Mr. Bazan also led the digital retail footprint for e-business, including partnering with platforms like Farfetch and TMall.

Before joining Thom Browne, Mr. Bazan served as President at Alexander Wang from 2010 to 2016, where he oversaw merchandising, marketing and sales, finance/operations, digital, as well as the company's retail expansion. Prior to his appointment at Alexander Wang, Mr. Bazan served as Vice President and General Manager of Marc Jacobs International for Europe, the Middle East and India from 2007 to 2010. Previously, he served as the General Manager and Chief Financial Officer of Alexander McQueen from 2003 to 2007, where he oversaw both the wholesale ready-to-wear and accessories team and the retail network of flagship stores.

Since 2012, Mr. Bazan has served as a member of the CFDA/Vogue Fashion Fund business advisory committee and has been actively involved in the Fund's mentorship program. Since 2015, Mr. Bazan has been recognized by The Business of Fashion in the "BoF 500," an annual list of the most influential people who are shaping the global fashion industry.

Born in Mar del Plata (Argentina) in 1975, Mr. Bazan graduated from the Universidad Argentina de la Empresa in Buenos Aires.

Thom Browne

Mr. Browne is the Founder and Chief Creative Officer of Thom Browne, a position he has held since 2002, before the acquisition of Thom Browne by the Company in November 2018.

Mr. Browne is widely recognized for challenging and modernizing today's uniform, the suit. Mr. Browne began his eponymous business in the early 2000s with five suits in a small "by appointment" shop in New York City's West Village and, in the following years, expanded it to include complete ready-to-wear and accessories collections for both men and women. Mr. Browne has also become known for his highly conceptual runway presentations, which have gained global attention for their thought provoking and dramatic themes and settings.

In October 2022, Mr. Browne was elected chairman of the Council of Fashion Designers of America, succeeding Mr. Tom Ford starting from January 1, 2023.

Born in Allentown, Pennsylvania, in 1965, Mr. Browne holds a Bachelor of Science from the University of Notre Dame.

Lelio Gavazza

Lelio Gavazza is the Chief Executive Officer of TOM FORD FASHION, a position he has held since September 2023. He is currently responsible for the end-to-end management of the TOM FORD FASHION business, from collection development to merchandising, through production as well as retail and wholesale distribution.

Previously, he spent 14 years at Bulgari, where he consolidated his strong expertise in luxury with a focus on jewelry, watches, accessories, and perfumes in both retail and wholesale. In such role, Mr. Gavazza extensively promoted the Bulgari brand and Made in Italy in the world leveraging on the Italian DNA of the company and promoting the Italian lifestyle as a key element of differentiation. During his time at Bulgari, he covered several roles from Managing Director of Greater China to Managing Director for Europe, Middle East and Africa and to Executive Vice President Sales and Retail for Bulgari Group in 2017. Prior to Bulgari, he was Chief Executive Officer of SharMoon / Ermenegildo Zegna Garments Ltd. in China for more than two years, Chief Operations Officer of Mantero Seta S.p.A. for five years and a member of the Board of Directors of Mantero Orient, operating in Shanghai (China) from 2002 to 2007.

An engineer by background, before entering the luxury arena, Mr. Gavazza gained experience in the chemical field, focusing on activities in the supply chain, with responsibilities in different roles, and a four-year experience in Strategic Consulting.

Born in Asti (Italy) in 1965, Mr. Gavazza holds a Bachelor's degree in Chemical Engineering from Genova University.

The Board Regulations and Decision-Making

Pursuant to the Articles of Association, the Board has adopted regulations dealing with its internal organization, the manner in which decisions are taken, the place and manner in which meetings are held, the composition, the duties and organization of committees of the Board and any other matters concerning the Board, Directors and committees established by the Board.

Pursuant to the Board Regulations, the Board strives to adopt its resolutions by consensus. If this is not possible, resolutions are adopted by a majority of votes cast, unless provided otherwise by the Board Regulations. In the event of a tied vote, the proposal is rejected, unless the Board Regulations provide otherwise. Each Director shall have one vote.

Pursuant to the Board Regulations, the Board will only adopt resolutions at a meeting if the majority of the directors entitled to vote is present or represented at the meeting. If the Lead Non-Executive Director and the Chairperson believe there is an urgent situation that requires an immediate resolution by the Board, they may decide that the aforementioned quorum requirement does not apply provided that (i) at least two Directors entitled to vote are present or represented at the meeting including at least one Executive Director (provided, however, that any such Executive Director is entitled to vote on the matters being considered), and (ii) reasonable efforts have been made to involve the other Directors in the decision-making.

The Board Regulations prescribe that the Board has the powers, authorities and duties vested in it by and pursuant to Dutch law and the Articles of Association. The Board shall focus on sustainable long-term value creation for the Company and the business. To this end the Board considers, whenever relevant, the impact the actions of the Company and its affiliated enterprises have on people and environment and weights the stakeholder interests in this context. In accordance with the Board Regulations, the Board shall develop a strategy for sustainable long-term value creation by the Company and its business and shall approve, monitor and assess the implementation and execution of such strategy.

The Articles of Association and Dutch law provide that resolutions of the Board regarding an important change in the Company's identity or character or its associated business enterprise are subject to the approval of the General Meeting. Such resolutions include in any event: (i) the transfer of the business enterprise, or practically the entire business enterprise to a third party; (ii) concluding or cancelling a long-lasting cooperation of the Company or a subsidiary with another legal entity

or company or as a fully liable partner in a partnership, provided that the cooperation or cancellation is of material significance to the Company; and (iii) acquiring or disposing of a participating interest in the share capital of a company with a value of at least one-third of the Company's assets, as shown in the consolidated balance sheet with explanatory notes according to the last adopted annual accounts, by the Company or a subsidiary.

Conflicts of interest and transactions with 10% Company's shareholders

Pursuant to the Articles of Association and the Board Regulations, a Director will not participate in the deliberations and decision-making process if such Director has a direct or indirect personal conflict of interest with the Company and its associated business enterprise. The Board decides whether a Director has a conflict of interest, without such Director being present. If the Board is unable to adopt a resolution as a result of all Directors being unable to participate in the deliberations and decision-making process due to a conflict of interest, the resolution may nevertheless be adopted by the Board, disregarding the identified conflict of interests for the specific instance.

Transactions carried out during the financial year 2024 by the Group with related parties, including Directors and legal or natural persons who hold at least ten percent of the shares in the company, have been duly identified and analyzed and are reported in detail in section "*8. Related Party Disclosures*" and "*Note 36 — Related party transactions*" to the Consolidated Financial Statements (section 10). Necessary information regarding potential conflicts of interests with Directors or with the executives with strategic responsibilities and their close family have been obtained. During 2024, the Company has not entered into transactions with legal or natural persons who hold at least ten percent of the shares in the Company that are of material significance to the Company and/or to such persons, and (iii) best practice provisions 2.7.3, 2.7.4 and 2.7.5 of the DCGC have been complied with.

Committees of the Board

Pursuant to the Articles of Association, the Board has power to establish any committees and may allocate specific duties, tasks and procedures to any such committees.

The Board has established three standing committees: (i) the Audit Committee, (ii) the Compensation Committee and (iii) the Governance and Sustainability Committee.

Each standing committee is comprised of at least three Directors, a majority of whom is independent both under the NYSE listing standards and under the DCGC rules. Each of the Company's committee has a written charter, adopted by the Board. The current charters can be found on the Company's website at www.zegnagroup.com.

As of the date of this report, all members of the Company's Audit Committee and Governance and Sustainability Committee, as well as two members out of three of the Compensation Committee are considered independent both under the NYSE listing standards and under the DCGC rules.

The Audit Committee

The Audit Committee is responsible for assisting and advising the Board in the oversight of, among other things: (i) the integrity of the Company's financial statements, including any published interim reports; (ii) the adequacy and effectiveness of the Company's internal control over financial reporting, financial reporting procedures and disclosure controls and procedures; (iii) the Company's policy on tax planning; (iv) the Company's policy on reservations and dividends; (v) the Company's financing; (vi) the Company's application of information and communication technology; (vii) the systems of internal controls that management and/or the Board have established; (viii) the Company's compliance with legal and regulatory requirements; (ix) the Company's compliance with recommendations and observations of internal and independent auditors; (x) the open and ongoing communications regarding the Company's financial position and results of operations between the Board, the independent auditors, the Company's management and internal audit department; (xi) the Company's policies and procedures for addressing certain actual or perceived conflicts of interest; (xii) the qualifications, independence, oversight and remuneration of the independent auditors and any non-audit services provided to the Company by the independent auditors; (xiii) the determination of the process for selecting the external auditor or the audit firm (and/or the independent registered public accounting firm), if applicable, and the nomination to extend the assignment to carry out the statutory audit; (xiv) the performance of the Company's internal auditors and of the independent auditors; (xv) the design and operation of the internal risk management and control system, risk assessment guidelines and policies including major financial risk exposure (whether strategic, financial, operating, sustainability, cybersecurity, compliance related or otherwise),

and the steps taken to monitor and control such risks; and (xvi) the implementation and effectiveness of the Company's ethics and compliance program.

The Audit Committee is comprised of at least three Non-Executive Directors. Each member of the Audit Committee is required (i) not to have any material relationship with the Company or to serve as auditors or accountants for the Company; (ii) to be "independent," for purposes of the NYSE rules, Rule 10A-3 of the Exchange Act and the DCGC; and (iii) to be "financially literate" and have "accounting or selected financial management expertise" (as determined by the Board). At least one member of the Audit Committee must be a "financial expert" as defined by the Sarbanes- Oxley Act and the rules of the SEC. No Audit Committee member may serve on more than four audit committees for other public companies, absent a waiver from the Board which must be disclosed in the Company's annual report. Unless decided otherwise by the Audit Committee, the independent auditors of the Company, the Chief Financial Officer and the head of internal audit will attend its meetings. The Chief Executive Officer is entitled to attend meetings of the Audit Committee unless the Audit Committee determines otherwise and should attend the meetings of the Audit Committee if the Audit Committee so requires. The Audit Committee meets with the independent auditors at least once per year outside the presence of the Executive Directors and management.

In 2024, the Audit Committee comprised Valerie A. Mars (as chairperson), Ronald B. Johnson and Michele Norsa. Each of the members is independent for purposes of the NYSE rules, Rule 10A-3 of the Exchange Act and the DCGC.

In 2024, eleven (11) meetings of the Audit Committee took place, besides several decisions adopted in writing. All members of the Audit Committee at the time of each meeting, attended the meetings of the Audit Committee. External auditors attended all the meetings. Report of each meeting and decision was made to the Board. The main activities carried out by the Audit Committee in 2024 were the following:

- Review of the audited and unaudited financial statements and financial disclosures, including the review of the accounting policies and the methodology and plans used for the impairment tests;
- Review of the financial and risk sections of the annual reports in relation to the financial year 2023 and review of the filings with the SEC and of related corporate communications;
- Regular oversight of the Group's internal control over financial reporting, Enterprise Risk Management implementation, misconduct reporting and follow-up and risk management in general, including supply chain management, cybersecurity risk and relevant incident reporting, if required;
- Review of the internal audit plan and its execution, assessment of the internal audit function's organization and resources;
- Review of the external auditor's performance, fees and audit plan;
- Updates on litigation and compliance program with subsequent adoption (or amendment) of compliance policies, as required;
- Updates on sustainability-related initiatives, regulations and reporting;
- Analysis of the dividend policy and dividend proposal;
- Review and approval, under delegation by the Board, of related party transactions;
- Separate private sessions with the management, with the external independent auditor and with the head of the internal audit function;
- Self-assessment of the functioning of the Audit Committee.

The Compensation Committee

The Compensation Committee is responsible for, among other things, assisting and advising the Board in: (i) determining executive compensation consistent with the Company's remuneration policy; (ii) reviewing and approving the

remuneration structure for the Non-Executive Directors; (iii) administering equity incentive plans and deferred compensation benefit plans; (iv) discussing with management the Company's policies and practices related to compensation and issuing recommendations with respect to such compensation; and (v) preparing the remuneration report in accordance with the DCGC.

The Compensation Committee is comprised of at least three Non-Executive Directors. More than half of its members (including the chairperson) are independent under the DCGC. Unless decided otherwise by the Compensation Committee, the head of human resources of the Company or its relevant subsidiaries may be invited to attend the discussions of the Compensation Committee other than discussions relating to the compensation of Non-Executive Directors.

In 2024, the Compensation Committee comprised Henry Peter (as chairperson), Domenico De Sole and Valerie A. Mars. In 2024, each of Henry Peter and Valerie A. Mars is independent for purposes of the NYSE rules and the DCGC.

In 2024, three (3) meetings of the Compensation Committee took place, during which all members of the Compensation Committee were present. Report of each meeting was made to the Board. The Compensation Committee assisted the Non-Executive Directors in the determination of the compensation of the Executive Director for 2023, taking into consideration the relevant Pay-Ratio as well as in the setting of his compensation for 2024 after having conducted scenario analysis. The Compensation Committee also assisted the Non-Executive Directors in the setting of the compensation of Non-Executive Directors for 2023 in accordance with the Remuneration Policy adopted by the Company and reviewed the remuneration sections of the annual reports in relation to financial year 2023. The Compensation Committee advised the Board on the preparation of the new CEO Senior Executive Agreement (for more details please refer to "*7.2 Historical compensation for the year ended December 31, 2024 —New executive agreement – 2025-2027*") and on the adoption and implementation of a new long-term equity incentive plan granted to the management ("LTI Plan") as well as of a new short-term variable incentive system tailored for executives, managers and employees, to be tested and implemented gradually from 2025.

The Governance and Sustainability Committee

The Governance and Sustainability Committee is responsible for, among other things, assisting and advising the Board with: (i) recommendations on the criteria, professional and personal qualifications for candidates to serve as Directors; (ii) the periodic assessment of the size and composition of the Board; (iii) the periodic assessment of the performance of individual Directors and of the reporting on this to the Board; (iv) proposals to the Non-Executive Directors for the nomination and re-nomination of Directors to be appointed by the General Meeting; (v) the supervision of the policy on the selection and appointment criteria for senior management and on succession planning; (vi) the monitoring, evaluation and reporting on the group's sustainable development policies and practices, management standards, performance and governance globally; (vii) the review, assessment and formulation of recommendations as to strategic guidelines for sustainability-related issues; (viii) the review of the annual sustainability report, the advise on and the oversight of the integrity of the sustainability reporting and other related corporate communications.

The Governance and Sustainability Committee is comprised of at least three Non-Executive Directors. More than half of its members are independent under the DCGC.

In 2024, the Governance and Sustainability Committee comprised Michele Norsa (as chairperson), Ronald B. Johnson and Angelica Cheung, each of whom is independent for purposes of the NYSE rules and the DCGC.

In 2024, four (4) meetings of the Governance and Sustainability Committee took place, during which all members of the Governance and Sustainability Committee were present. Report of each meeting was made to the Board. In consultation with the Lead Non-Executive Director, the Governance and Sustainability Committee prepared the annual evaluation of the functioning of the Board and committees and the individual performance of the Directors. The Governance and Sustainability Committee supported the Board in carrying-out the Directors' independence analysis and the review of their continuation, both analyses being performed on an individual basis, carefully examining the impact of certain events on the Group's governance structure and the committees' composition. In the field of sustainability and jointly with the Audit Committee, the Governance and Sustainability Committee reviewed the Sustainability Report, notably in the light of applicable standards such as GRI and SASB reporting standards and TCFD framework. It also reviewed the governance sections of the annual reports. The Governance and Sustainability Committee advised the Board on the amendment of corporate governance documents following the entry into force of the 2022 DCGC, the content of the Human Rights Policy and the definition of the most relevant components of the ESG multiplier used in the variable remuneration of the management. It also reviewed and

advised on the succession planning for top management. The Governance and Sustainability Committee was regularly informed about the Group's climate strategy as well on new sustainability-related initiatives. In this regard, it supported the deployment of brand-specific strategies, designed to fit each brand's business specificity. The Committee is educated on an ongoing basis on the latest ESG requirements, the evolution of the ESG legal landscape and the Groups' readiness to face the most critical changes.

Board diversity

The Board acknowledges that a diverse board composition contributes to a better understanding of the industry and the corporate environment in which the Company and the Group operate, and in turn fosters the Company's capacity to create sustainable long-term value. The Board generally considers that its composition should attempt to reflect the geographic spread of its business as well as the strategic orientations of the Company and the Group.

Therefore, in accordance with the DCGC, the Board has adopted a diversity and inclusion policy for the Board of Directors of Ermenegildo Zegna N.V. (the "*Diversity and Inclusion Policy*") to ensure gender representation and diversity in the composition of the Board and to promote inclusiveness of its practices, in accordance with applicable law and in pursuit of best market practices.

The principles and the diversity and inclusion aspects laid down in the Diversity and Inclusion Policy aim to ensure that the Board has sufficient diversity of views and has the expertise needed for a good understanding of current affairs and longer-term risks and strategic opportunities related to the business of the Company and the Group. Diversity also helps the Board to consider the nature and complexity of the Company's business, as well as the social and environmental context in which the Company and the Group operate. The Diversity and Inclusion Policy also affirms the value of an inclusive working environment, where ideas and insights of each member are respectfully heard and considered, as a strategic advantage for the creation of sustainable long-term value.

The selection of candidates for appointment to the Board is primarily based on merit. With due regard thereof, the Board and its Governance and Sustainability Committee shall seek to fill vacancies by considering candidates that bring a diversity of (amongst others): (i) nationality/cultural background, (ii) age, (iii) gender, (iv) experience (v) competencies and (vi) educational and professional background. The Board considers each of these aspects key drivers for promoting debate, balanced decision making and operating independently and critically vis-à-vis other directors and the Company.

The Company's aim is that the Board composition reflects the geographic spread and strategic orientations of its business and, therefore, comprises directors with an Asian, European and/or North American background (nationality, working experience or otherwise) and that the group of the Non-Executive Directors comprises at least 30% male and at least 30% women members. Gender balance criteria are not applicable, as of today, to Executive Directors since Mr. Ermenegildo Zegna di Monte Rubello is the sole Executive Officer of the Company.

In 2024, the Group met these diversity targets:

- At least 30% of Non-Executive Directors are women (three out of ten Non-Executive Directors);
- Non-executive directors include directors with an Asian, European and/or North- American background (nationality, working experience or otherwise), consistent with the geographic presence of the Group's business;
- Non-executive directors have a strong and balanced diversity of skills and complementary expertise that elicits fruitful discussions and enables the Board to perform its oversight duties in the best interests of the Group.

The Company is proud that it has achieved its initial goal as set out in the diversity policy and remains committed to strengthen the diversity of the composition of the Board.

When selecting candidates for appointment to the Board, rules and generally accepted principles of non-discrimination are also taken into account.

The composition of the Board furthermore follows the profile of the Board, annexed to the Board Regulations. The profile aims to have a composition of the Board such that is a requisite mix of specific experience, qualifications and skills in

order to assure that the Board as a whole has the necessary tools to perform its functions effectively in light of the Company's structure and its business.

5.3. General Meetings

General Meetings will be held in Amsterdam, Haarlemmermeer (which includes Schiphol Airport), The Hague or Rotterdam, the Netherlands. The annual General Meeting shall be held no later than six months after the end of the financial year on the date and at the place mentioned in the convocation notice. Additional extraordinary General Meetings may also be held whenever considered appropriate by the Board. Pursuant to Dutch law, one or more shareholders, who solely or jointly represent at least 10% of the issued and outstanding share capital, may request the Board to convene a General Meeting. If the Board has not taken the steps necessary to ensure that a General Meeting is held within the relevant statutory period after the request, the requesting person(s) may, at his/her/their request, be authorized by a court in preliminary relief proceedings to convene a General Meeting.

General Meetings shall be convened by an announcement in a Dutch daily newspaper and a notice, which shall include an agenda stating the items to be discussed, including for the annual General Meeting, among other things, the discussion and adoption of the annual accounts, appropriation of the Group's profits, and proposals relating to the Board, including the appointment or re-appointment of Directors and the filling of any vacancies in the Board. In addition, the agenda shall include such items as have been included therein by the Board. One or more shareholders, alone or together, representing at least 3% of the issued and outstanding share capital may also request to include items in the agenda of a General Meeting.

Requests must be made in writing and received by the Board at least 60 days before the day of the meeting. No resolutions shall be adopted on items other than those which have been included in the agenda.

In accordance with the DCGC, a shareholder may only request the inclusion of an item on the agenda after consulting the Board in that respect. If one or more of the Company's shareholders intend to request that an item be put on the agenda for a General Meeting that may result in a change in the Company's strategy, pursuant to the DCGC, the Board may invoke a response time of a maximum of 180 days until the day of the General Meeting. In addition, if shareholders request a change to the composition of the Board or of corresponding provisions in the Articles of Association, and in the case of an unsolicited public offer, the statutory response time may be invoked by the Board, being a period of, depending on the circumstances, no more than 250 days.

The General Meeting is presided over by the Chairperson or, if the Chairperson is absent, by the Lead Non-Executive Director. If both the Chairperson and the Lead Non-Executive Director are absent, the General Meeting is chaired by one of the other Directors or any other person designated for that purpose by the Board.

The Directors may attend a General Meeting in person or by electronic means of communication. The chairperson of the meeting may decide at his or her discretion to admit other persons to the meeting.

The external auditor of the Company may attend the annual General Meeting in which the annual accounts are discussed and may be questioned by the General Meeting in relation to its report on the fairness of the Company's financial statements.

Record Date

When convening a General Meeting, the Board is allowed to determine that persons with the right to vote or attend such meeting are considered those persons who have these rights at the 28th day prior to the date of the meeting (the "Record Date") and are registered as such in a register to be designated by the Board for such purpose, regardless of whether they have these rights at the date of the meeting. In order for a person to be able to attend a General Meeting and to have the right to vote in such meeting, such person must notify the Company in writing of his or her intention to do so no later than on the day and in the manner mentioned in the convocation notice for the General Meeting.

Voting Rights and Quorum at General Meetings

Each Ordinary Share and each Special Voting Share A confers the right to cast one vote, each Special Voting Share B confers the right to cast four votes and each Special Voting Share C confers the right to cast nine votes in a General

Meeting. For more information about the Special Voting Shares, please refer to *"—5.4. Share Capital of the Company—Loyalty Voting"*. No votes may be cast at a General Meeting on shares held by the Company or the Company's subsidiaries. Nonetheless, the holders of a right of usufruct in respect of Ordinary Shares are not excluded from the right to vote on such shares, if the right of usufruct or the right of pledge was granted prior to the time such share was acquired by the Company or any of the Company's subsidiaries. The Company may not cast votes on shares in respect of which the Company or a subsidiary holds a right of usufruct or a right of pledge. Ordinary Shares which are not entitled to voting rights pursuant to the preceding sentences will not be taken into account for the purpose of determining the number of shares on which votes may be cast, or the amount of the share capital that is present or represented at a General Meeting. Unless Dutch law or the Articles of Association state otherwise, all resolutions adopted at the General Meeting are adopted with a simple majority of the votes cast.

No quorum requirements apply.

Pursuant to Dutch law, when determining the extent to which shareholders vote, are present or represented, or the extent to which the share capital is present or represented, no account shall be taken of shares in respect of which the law or the Articles of Association provide that no votes may be cast.

Meetings of Holders of Shares of a Specific Class

Meetings of holders of shares of a specific class will be held whenever the Board calls such meetings.

Meetings of holders of shares of a specific class may be convened no later than on the sixth day before the day of such meeting. The provisions applicable to General Meetings, except those concerning the frequency, notice period and the Record Date, will apply mutatis mutandis to the meetings of holders of shares of a specific class.

5.4. Share capital of the Company

General

The Company's share capital comprises Ordinary Shares, Special Voting Shares A, Special Voting Shares B and Special Voting Shares C. As described under "*Voting Rights and Quorum at General Meetings*" in this section, each Ordinary Share and Special Voting Share A entitles a holder thereof to cast one vote. A holder of a Special Voting Share B has the right to cast four votes and a holder of a Special Voting Share C has the right to cast nine votes.

At December 31, 2024, the Company's authorized share capital amounted to €18,700,000, divided into 400,000,000 Ordinary Shares, with a nominal value of €0.02 each, 200,000,000 Special Voting Shares A, with a nominal value of €0.02 each, 50,000,000 Special Voting Shares B, with a nominal value of €0.08 each and 15,000,000 Special Voting Shares C, with a nominal value of €0.18 each. In order to facilitate the Company's loyalty voting structure, the Articles of Association provide for transitional provisions to increase the authorized share capital when the Board makes the required filings with the Dutch Trade Register.

At December 31, 2024, there were 252,503,479 Ordinary Shares and 154,981,350 Special Voting Shares A issued and outstanding.

At December 31, 2024, 50,201,247 Ordinary Shares were held by the Company in treasury.

All issued and outstanding Ordinary Shares and Special Voting Shares are held in registered form. No share certificates may be issued. All issued Ordinary Shares and Special Voting Shares A have been fully paid up.

Loyalty Voting

The Company has adopted a loyalty voting structure, in order to strengthen the stability of the Company and foster the development and the continuous involvement of a stable base of long-term the Company shareholders.

The Special Voting Shares are governed by the provisions included in the Articles of Association and the Terms and Conditions of the Special Voting Shares. These documents govern the issuance, allocation, acquisition, conversion, sale,

holding, repurchase and transfer of the Special Voting Shares and certain aspects of the registration of the Ordinary Shares in the Loyalty Register.

The purpose of the loyalty voting structure is to grant long-term shareholders extra voting rights by means of granting Special Voting Shares, without entitling such shareholders to any economic rights, other than those pertaining to the Ordinary Shares. However, under Dutch law, the Special Voting Shares cannot be totally excluded from economic entitlements. As a result, pursuant to the Articles of Association, holders of Special Voting Shares will be entitled to a minimum dividend (an amount of one percent of the aggregate nominal value of all issued and outstanding Special Voting Shares), which is allocated to separate special voting shares dividend reserves. Any distribution out of a special voting shares dividend reserve or the partial or full release of any such reserve will require a prior proposal from the Board and a resolution of the meeting of holders of the relevant class of Special Voting Shares, and will be made exclusively to the holders of the relevant class of Special Voting Shares in proportion to the aggregate nominal value of the relevant class of their Special Voting Shares.

The powers to vote upon the distribution from the special voting shares dividend reserve and the cancellation of all issued Special Voting Shares of a specific class are the only powers that are granted to the meeting of holders of Special Voting Shares of the relevant class pursuant to Articles of Association.

5.5. The Group's values and compliance with the Code of Ethics

Code of Ethics

The Group has adopted a Code of Ethics that applies to all employees, officers and directors, including those officers responsible for financial reporting, and anyone who act or has business dealings with the Group. The Code of Ethics is available on the website www.zegnagroup.com. The Code of Ethics is the cornerstone of the Group governance model, aimed at disseminating and promoting across the organization the following ethical principles in which the Group strongly believes, accepts and complies with.

Legality

When carrying out activities on behalf of or in the interests of the Group, the persons subject to the Code of Ethics shall conduct themselves in full compliance with applicable laws and regulations in the countries they operate in.

Equality and impartiality

The Group promotes and protects the respect of human dignity and opposes all forms of discrimination based on age, sex, sexual orientation, personal and social condition, race, language, nationality, political opinion, trade union membership and religious belief. When carrying out the various corporate activities and making all related decisions, the persons subject to the Code of Ethics must conduct themselves in an impartial manner in the best interests of the Group. They shall make decisions professionally and objectively based on neutral and objective evaluation methods.

Transparency, correctness and reliability

All of the actions, operations, negotiations and, more generally, the conduct of those subject to the Code of Ethics shall be based on the utmost transparency, correctness and reliability.

Professionalism

The Group considers professionalism a value essential to its growth and establishment on domestic and international markets. A professional work environment is devoid of politics and requires all employees to focus on doing their very best and supporting others to produce high quality work. Accordingly, business activities take place with the professionalism, commitment and due diligence required given the nature of the duties and the responsibilities entrusted to each person.

Confidentiality

The Group considers confidentiality an essential rule for all of its actions. This means that information remains confidential, with the most rigorous compliance with applicable legislation on personal data security.

Value of human resources

Human resources are indispensable and precious to the existence and future development of the Group. Merit based assessment criteria have been adopted so as to develop the skills and abilities of all employees and equal opportunities are guaranteed to all. Human resources management aims to improve the abilities of each employee, also through training courses and development activities. Working conditions are designed to ensure that employees perform their duties in a climate of collaboration, respect and calm.

In order to guarantee full respect for the individual, the Group is involved in the fight against child labour in each of the countries it operates in and avoids all forms of exploitation of child labour. The Group respects human rights and guarantees employment founded upon principles of dignity and respect and without any form of coercion, mistreatment, abuse or corporal punishment.

Health and safety

The Group undertakes to organize and maintain safe and healthy workplaces in compliance with health and safety regulations in the countries in which it operates. It promotes a safety-oriented culture and awareness of the risks involved in workplace activities. It expects employees at all levels to act responsibly and respect the safety system adopted and the company procedures that form part of it.

Environmental protection

The Group seeks to protect the environment. All activities of the Group will seek to strike the right balance between economic growth and the creation of value with respect for and protection of the environment.

Fair competition

The Group firmly believes that fair and healthy competition makes a positive contribution to the pursuit of its corporate mission. Accordingly, it complies with competition rules in the countries it operates in and does not engage in or encourage conduct that could lead to forms of unfair competition.

These values and the Code of Ethics aim to provide essential guidance to leadership, employees, and other stakeholders, including shareholders and suppliers on how to best navigate roles in responsible and ethical manner, ensuring compliance with laws and regulation. The Group strives to an open, sustainable and transparent culture and to enable the openness and transparency.

To incorporate such principles into the day-to-day business practices, the Group has adopted specific policies, such as policies related to anti-corruption, anti-money laundering and sanctions, tax, antitrust, human rights, diversity, equity and inclusion as well as parental leave. More recently, the Group revised its Code of Conduct for Suppliers, in line with more ambitious standards, evolving industry norms and regulatory requirements, and increasing customer expectations. This revised Code of Conduct for Suppliers, formally approved in March 2025, sets out clear supplier obligations when working with the Group and reinforces the Group's efforts to promote responsible and sustainable practices throughout the supply chain.

Since it is crucial to have an adequate system of reporting and investigating any suspected breaches of the Code of Ethics, the Group has a Misconduct Reporting Policy, aimed at reporting any misconduct. By virtue of it, employees and any other third parties are required to report any suspected breaches of the Code of Ethics committed in the course of business activities. Whistleblowers are guaranteed and protected from any kind of reprisal, in accordance with the principles of transparency, traceability and confidentiality.

The Code of Ethics is brought to the attention of employees and third parties in the most appropriate manner, in English and the nine other main languages spoken in the Group. Systematic communication campaigns and regular training sessions are organized to ensure consistent application of the Code of Ethics and the policies. Employees are requested to inform third parties with whom they have business dealings about the provisions of the Code of Ethics. The Compliance & Risk Management function, with the support of Legal Affairs and Human Resources functions, monitors the effective observance of the Code of Ethics and the execution of internal training activities.

The effectiveness of and compliance with the Code of Ethics has been monitored on an ongoing basis, with the support of the Group Compliance & Risk Management function. Cases of potential non-compliance with the Code of Ethics were identified through compliance reviews, periodic and/or specific audits performed by the Group Internal Audit function and/or reports received through the internal whistleblowing channels. All potential cases of non-compliance identified in 2024 have been duly investigated and where a deviation from the Code of Ethics has occurred, appropriate and proportionated action has been taken. The Audit Committee is systematically informed on any complaint or fraud regarding accounting and internal control. It receives a regular updates on the status of misconduct reporting activities and reports thereon to the Board at the immediately following meeting.

More detailed information on the Code of Ethics can be found in the 2024 Sustainability Report.

The Group's people & culture

The Ermenegildo Zegna Group recognizes the pivotal role of our people in driving sustainable growth and fostering a positive societal impact. Our commitment to environmental, social and governance principles extends beyond mere compliance; it is an integral part of our organizational DNA. Our People Strategy is built on 6 pillars, each addressing key aspects of people management and organizational development: Talent Attraction & Acquisition, Performance & Career Management, Learning & Development, Employee Engagement & Well-being, Diversity, Equity & Inclusion, HR Digitalization & Process Optimization.

The culture within the Group is inclusive, equitable, safe, sustainable, transparent, open, authentic, innovative, and collaborative because we prioritize diversity and respect for all individuals, ensure fair treatment and opportunities for everyone, prioritize health and well-being, integrate sustainable practices into every aspect of our business, maintain clear communication and accountability in all our endeavors, foster an environment of openness, uphold honesty and integrity in all interactions, encourage innovation to drive positive change, and believe in the power of collaboration to achieve our goals.

No-one is discriminated on the basis of age, gender, sexual orientation social and personal status, race, language, nationality, political opinions, union membership and religious beliefs and all have the opportunity to improve themselves, to contribute to the Group and to thrive in their craft or profession.

Based on feedback and evaluation from stakeholders, it is currently not desired to implement significant changes to the values and culture outlined above because it aligns with our core values and has been positively received by our employees, customers, and partners. The values and culture outlined in this paragraph, and the conduct promoted within the enterprise, contribute to sustainable long-term value creation by fostering employee engagement, attracting top talent, enhancing brand reputation, building trust with stakeholders, and promoting innovation and continuous improvement to achieve our goals, maintain a positive work environment and ultimately drive business success. The following initiatives are being implemented to further enhance people engagement and performance within this cultural context: employee feedback surveys to assess culture and DE&I alignment, ongoing training and development programs to reinforce desired behaviours, and leadership-led initiatives to promote diversity, equity, and inclusion within the organization.

Diversity, Equity & Inclusion

We are grounded in the desire to embrace diversity in its many forms. We understand that there is value and cultural richness in diversity. Our brands are sold globally, and therefore we embrace how diversity can bring a global perspective to how we run our business and how we market our brands.

We respect and celebrate the unique gifts of other cultures and communities, and particularly those where we have a presence.

On April 5, 2023 the Board of Directors approved a diversity, equity and inclusion policy (the "*DE&I Policy*") setting forth the global Group approach and related measures to invite diversity, build equity and promote inclusion, where:

- *Diversity* refers to all the many ways that people differ, such as the visible forms of diversity (e.g., skin color, race and gender), those that can be both visible and invisible (e.g., age, ethnicity, nationality, culture, religion and physical ability) and those that are invisible (e.g., gender identity, hidden disabilities, sexual orientation, education, values);

- *Equity* is about creating fair access, opportunity and advancement for everyone only according to their knowledge, qualifications, competences, performance and motivation and not with regards to other personal conditions, creating an equal playing field within the Group; and
- *Inclusion* means fostering a welcoming and fair environment where we can all bring our authentic selves to work and we can all connect and contribute meaningfully. Inclusion is the fabric that holds together all the different threads, to bring more to our world. Ultimately, it's about everyone feeling that sense of belonging as part of a team as well as within Group as a whole.

Our approach is characterized by a desire to hear our people and to understand their unique needs. We believe that there is power and value in diversity, and that individuals should be seen and heard. An organization that treats its people with respect and dignity, and values them for their unique gifts, is stronger and more resilient. Human diversity is a fact; we choose to include this diversity, weaving the talents and unique expressions of our people into our organizational tapestry, whereby every voice is valued, every perspective is heard, and every individual is empowered.

The DE&I Policy set forth target measures to incentivize gender balance in Top Management positions, as *infra* defined, from 2023 onward, aiming to reach an increase of women representation in the Top Management by 30%, with an annual average linear progression of about 10%, resulting into a gender ratio 70% men vs. 30% women at the end of 2025.

For the year ended December 31, 2024, approximately 27,2% percent in Top Management positions are women (i.e. 44 persons), while as of December 31, 2023 it was approximately 24 percent.

The target of gender balance in Top Management will be achieved through initiatives targeted to the management of the Group that ultimately represents the succession pool for the Top Management such as specific gender-related targets defined as part of the Group talent acquisition strategy, team based gender representation KPI assigned to HR and Top Management, dedicated leadership development and retention plans for women talents in managerial roles, KPIs on women representation in the succession pipeline and systematic gender pay gap analysis defining a multi-year action plan to close the gap.

Top Management refers to the CEO's direct reports along with those positions mostly focused on group strategy design (e.g., CEO, Artistic Director, Group CFO, Group HR Director, Marketing Director, Head of Region etc) and Middle Management, i.e. positions responsible for executing functional strategy across the Team (e.g., HR Manager, Finance Manager, Retail Manager, etc).

For percentage of women on the Board and further details on diversity of Board composition please refer to section "*5.2 The Board — Board Diversity"* of this report for additional information.

The following table sets forth information relating to employees by gender (excluding temporary staff) as of December 31, 2024 and 2023.

EMPLOYEES BY GENDER

	At December 31, 2024					At December 31, 2023				
	Men	**Women**	**Other**	**Not disclosed**	**Total**	**Men**	**Women**	**Other**	**Not disclosed**	**Total**
Employees	2,800	4,379	—	6	**7,185**	2,705	4,210	2	8	6,925
Delta vs 2023	*3.5%*	*4.0%*	*(100%)*	*(25.0)%*	*3.8%*					
% on the total	*39.0%*	*60.9%*	*—%*	*0.1%*	*100.0%*	*39.1%*	*60.8%*	*—%*	*0.1%*	*100.0%*

In 2024, consistently with previous year, women composed about 61% of our overall headcount. The distribution share between men and women remained unchanged between 2024 and 2023 with similar ratios for both categories.

The following table gives insight into the inflow, progression and retention of employees.

EMPLOYEES NEW HIRES AND TURNOVER(*)

	At December 31, 2024	2024		At December 31, 2023
	Employees	Employees new hires	Employees Turnover	Employees
Men	2,800	777	681	2,705
Women	4,379	1,036	869	4,210
Other	0	0	2	2
Not disclosed	6	3	4	8
Total	**7,185**	**1,816**	**1,556**	**6,925**

(*) Due to updated employees' gender declarations, data on employees per gender may differ between 2024 and 2023.

In 2024 we experienced a turnover rate of 22%, accounting for 1,556 exits. These were outweighed by 1,816 new recruits, indicating strong and responsive growth in our workforce. The gender distribution among new hires remained steady compared to the previous year, with women constituting 57% of the intake.

DE&I key initiatives implemented in 2024

In 2024, we strengthened our DE&I commitments, building on the foundation of our DE&I policy, approved in April 2023. Reflecting this commitment, the new Group parental leave standards, approved in 2023, were formally implemented in the first quarter of 2024. These standards ensure that all eligible employees receive six weeks (30 working days) of fully paid parental leave for childbirth, adoption, child custody, and alternative forms of birth, in accordance with local regulations. Where the law is more favorable, no additional provisions apply. This benefit is granted regardless of gender, sexual orientation, marital or relationship status, or any other protected characteristic.

Moreover, in 2024 we continued to refine our talent acquisition and retention strategy to strengthen our Group's commitment to DE&I and progress toward our goal of becoming an equal opportunity employer, one of our key objectives. Building on the new global recruiting procedure introduced in 2023, which established a standardized and transparent framework for attracting, assessing, and selecting qualified candidates, this year we focused on training HR teams and hiring managers involved in the recruitment process. This training ensured consistency in applying the methodologies and tools defined by the procedure while also emphasizing the mitigation of unconscious biases in selection processes, such as CV analysis and interview management.

Recognizing the importance of equity, meritocracy, and performance across all HR processes, we publicly set a target for gender balance in top management. We aim to achieve this target through initiatives targeted to the management level of the Group, which represents the succession pool for top management. To enhance female representation in top management, we have implemented a monitoring system using periodic dashboards, which are shared with the HR team. These tools enable us to track turnover and new hires, while also identifying actions to improve the effectiveness of our hiring processes.

To strengthen and monitor our efforts on the improvement of gender balance measures, we have also launched a pilot phase to obtain the Gender Equality Certification including four entities in Italy, with the aim to extend the initiative to other companies of the Group over the next two to three years. Meanwhile, activities related to the creation of policies, awareness-raising, and DE&I training are ongoing.

In 2024, we also launched the "We Talk About Inclusion" initiative to foster discussion and raise awareness around DE&I topics. The initiative consisted in various in-person events, aimed at encouraging meaningful conversations, which brought together 80-100 participants per site.

Finally, discrimination monitoring within the organization is conducted through internal audits and oversight by the ethics committee, ensuring a workplace that remains free from discrimination.

5.6. Compliance with the DCGC

In 2024, the Company complied with almost all of the provisions of the DCGC and the amendments in pursuance of the new best practice provisions of 2022 DCGC were incorporated in the Group's governance documents in January 2024 and implemented in due course. For clarity purposes, the Company has listed below the remaining deviations from the DCGC and the reasons for deviating:

(a) *Best practice provision 2.1.7 / 5.1.1.* Best practice provision 2.1.7 and 2.1.8 set the composition and independence criteria for the Non-Executive Directors. Best practice provision 2.1.7. provides for certain limitations to the number of non-independent Non-Executive Directors. Out of the 10 Non-Executive Directors, three directors are non-independent due to their affiliation with a shareholder directly or indirectly holding more than 10% of the shares of the Company (Ms. Anna Zegna di Monte Rubello, Mr. Paolo Zegna di Monte Rubello and Mr. Andrea C. Bonomi). The Non-Executive Directors Ms. Anna Zegna di Monte Rubello and Mr. Paolo Zegna di Monte Rubello belong to the Zegna di Monte Rubello family, which controls Monterubello s.s. Furthermore, in 2024 Mr. Domenico De Sole and Mr. Sergio P. Ermotti do not qualify as independent directors as they have (or have had) an important business relationship with the Company. As a result thereof 5 out of 10 non-executives do not qualify as independent. As a result, Zegna does not comply with best practice provision 2.1.7 / 5.1.1. The Company believes that Zegna and all of its stakeholders benefit from both affiliates of Monterubello s.s., especially in respect of their expertise and valuable knowledge of the Company's business and the industry the Company operates in. The Company furthermore believes that Domenico De Sole, Sergio P. Ermotti and Andrea C. Bonomi's experience, as well as their strong recognition by their peers at the Board, benefit the Company, its shareholders and other stakeholders, outweighing any perceived disadvantages of them not qualifying as independent under the DCGC. For the outcome of the independence evaluation, please refer to "*6. Report of the Non-Executive Directors — Independence of the Non-Executive Directors*".

(b) *Best practice provision 2.2.4.* A sound succession planning for the CEO and sole Executive Director is in place. With respect to the succession plan of the Non-Executive Directors, since pursuant to the Articles of Association, the Directors are appointed for a term ending at the close of the first annual General Meeting following his or her appointment, the Company so far has not prepared a retirement schedule as referred to in best practice provision 2.2.4 of the DCGC.

(c) *Best practice provisions 2.3.6 / 5.1.2.* The Chief Executive Officer has also been granted the title Chairperson but does not qualify as the chairperson (*voorzitter*) within the meaning of the DCGC. In accordance with the Articles of Association and the Board Regulations the Board has granted Mr. Sergio P. Ermotti the title Lead Non-Executive Director. The Lead Non-Executive Director serves as the chairperson (*voorzitter*) of the Board under Dutch law and within the meaning of the DCGC. In view thereof, certain of the tasks set out in best practice provisions 2.3.6 and 5.1.2 are carried out by the Chief Executive Officer / Chairperson, in deviation from best practice provision 2.3.6 and 5.1.2. The Lead Non-Executive Director only chairs the meetings of the Board in absence of the Chairperson as a result of the division of tasks between the Chief Executive Officer / Chairperson and the Lead Non-Executive Directors, which are considered to be in the best interests of the Company.

(d) *Best practice provision 3.1.2.* The Board has granted or intends to grant options and/or performance shares to the Chief Executive Officer as part of his remuneration. In deviation of best practice provision 3.1.2 of the DCGC, the options may be exercised within the first three years of their grant date, and the performance shares to be awarded to the Chief Executive Officer will not be subject to a five years holding period. Although in deviation of the DCGC, the foregoing is market practice among companies listed on the NYSE.

(e) *Best practice provision 3.2.3.* The management services agreement of the Chief Executive Officer provides for (i) a severance payment in excess of one-year base salary and (ii) a severance payment if such agreement is terminated, among other things, at the initiative of the Chief Executive Officer. These severance provisions are considered consistent with US market practice, although in deviation from best practice provision 3.2.3 of the DCGC.

(f) *Best practice provision 3.3.2.* The remuneration of the Non-Executive Directors is payable 50% in cash and 50% in shares subject to a lock-up period of two years. The Non-Executive Directors may decide, based on a proposal of the Compensation Committee, to grant additional cash and/or equity awards to an individual Non-Executive Director for any given year in case of exceptional achievements of that Non-Executive Director, provided, however, that any such additional grant should not result in a significant discrepancy between the size of the award and the Company's

results and performance. The Non-Executive Directors have granted a bonus to Henry Peter in recognition of his specific contribution to the Company's public listing on the NYSE under the IPO Bonus Plan (the "IPO PSUs"), pursuant to which he was granted 50,000 performance share units giving a right to receive an equal number of Ordinary Shares upon attainment of certain performance conditions, and also subject to his continued service as of December 31, 2023. The Non-Executive Directors deemed it appropriate to conditionally grant to Henry Peter such right to acquire Ordinary Shares, given his exceptional achievements in connection with the preparation of the closing of the Business Combination. As the conditions were satisfied as of December 31, 2024, the 50,000 performance share units vested and the same number of Ordinary Shares were delivered to Henry Peter. Remuneration in the form of Ordinary Shares is in accordance with market practice among companies listed on the NYSE, although in deviation from suggested governance provision 3.3.2 of the DCGC.

(g) *Best practice provision 4.1.8.* The Executive Director and the Non-Executive Directors nominated for appointment should attend the General Meeting at which votes will be cast on their nomination pursuant to best practice provision 4.1.8 DCGC. By publishing the relevant biographical details and curriculum vitae of each nominee for (re)appointment, the Company ensures that the General Meeting is well informed in respect of the nominees for (re)appointment and, in practice, only the Chief Executive Officer will be present at the General Meeting.

(h) *Best practice provision 4.3.3.* A resolution to suspend or dismiss a Director other than at the proposal of the Board requires a two-thirds majority of the votes cast, representing more than 50% of the Company's issued share capital. Although in deviation of best practice provision 4.3.3. of the DCGC which provides that the threshold may not be higher than a simple majority of the votes cast representing more than one-third of the issued share capital, this is in line with article 2:134(2) DCC, which provides for the same majority and quorum requirements. The Board believes that this deviation provides the Board the needed stability to execute the strategy to create long term value for all stakeholders.

The General Meeting may overrule a binding nomination for the appointment of the IIAC Sponsor Nominee (as defined in the Articles of Association). If a majority of votes is cast in favour of overruling this binding nomination but such majority does not represent more than one-third of the Company's issued share capital, a new General Meeting may be convened at which meeting the same majority requirements still apply (simple majority representing more than one-third of the share capital). The latter is in deviation of best practice provision 4.3.3. of the DCGC which prescribes that if a simple majority votes in favour of overruling the binding nomination but such majority does not represent one-third of the Company's share capital, a new General Meeting may be convened at which the resolution may be passed by a simple majority of the votes cast, irrespective of the Company's share capital being represented. The Board believes that this deviation provides the Board the needed stability to execute the strategy to create sustainable long-term value for all stakeholders.

(i) *Best practice provision 5.1.3.* Sergio P. Ermotti serves as the Lead Independent Director and thereby as chairperson (*voorzitter*) of the Board under Dutch law and within the meaning of the DCGC. He also serves as CEO and President of the Group Executive Board of UBS, with whom Zegna has a lasting and significant relationship. As result, in deviation of best practice provision 5.1.3, Sergio P. Ermotti in his role as chairperson (*voorzitter*) does not qualify as independent under DCGC. However, the Company believes that Sergio P. Ermotti's educational and professional background and competences benefit the Company, its shareholders and other stakeholders when acting in his role as Lead Independent Director and outweighs any potential downside of having a non-independent chairperson (*voorzitter*).

6. REPORT OF THE NON-EXECUTIVE DIRECTORS

This is the report of the Non-Executive Directors of the Company over the financial year 2024, as referred to in best practice provision 5.1.5. DCGC and it provides further information on the performance of the Non-Executive Directors duties throughout 2024.

Board activity and involvement of the Non-Executive Directors in the establishment of the Company's strategy

In accordance with the Articles of Association, the Executive Directors and the Non-Executive Directors are jointly responsible for the strategic management of the Company. The Non-Executive Directors do not have responsibility for the day-to-day operations of the Company or the Group which is vested with the Executive Director.

The Non-Executive Directors oversee the Executive Director's performance of duties and supervise the Company's general affairs and its business. The Non-Executive Directors shall also oversee the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the financial and sustainability reporting. In discharging their duties during the financial year 2024, the Non-Executive Directors monitored the design and execution of the Group's strategy with the aim of creating sustainable long-term value for the Company's stakeholders, including its shareholders.

Throughout the entire year and on a regular basis, the Executive Director, engaged in the day-to-day management, interacted with the Non-Executive Directors to discuss and define the Group's strategic objectives across the three segments (the Zegna segment, the Thom Browne segment and the Tom Ford Fashion segment), taking into consideration the market trends, the growth levers in the main regions in which the Group operate, and the drivers of long-term value creation specific to each of the three brands. By doing so, they reviewed the main internal and external growth initiatives.

The Non-Executive Directors have reviewed and advised on budgets and mid-term plans. They have taken decisions on allocation of resources, including investments and dividend distribution. They have advised and supported management in the implementation of a new harmonized incentive system, part of the standardized compensation framework adopted in 2023 to help attract talent and incentivize performance in line with stakeholders' interests. They discussed engagement with our stakeholders, including shareholders, and advised on the corporate communication.

The Non-Executive Directors received updates on the works performed by the committees regarding, notably, internal control over financial reporting, risk management, sustainability strategy and commitments, legal and compliance matters and took them into consideration in their decisions.

The Non-Executive Directors have also been involved in the review or approval of the related party transactions, have set the objectives and compensation of the Executive Director and adopted long-term equity incentive plans. They have reviewed and assessed the pillars of the succession planning for the top management, including the Executive Director. Doing so, the Non-Executive Directors have contributed to the establishment and oversight of the implementation of the Group sustainable long-term strategy.

The Non-Executive Directors prepared, reviewed and discussed the conclusions of the annual evaluation of the Board, Committees and each Director. See also, "6 — *Evaluation of the Board, the committees and the Directors*".

Board meetings and attendance

In 2024, 7 (seven) meetings of the Board were convened.

Meetings of the Board are generally followed by an executive session, i.e. a meeting of the Non-Executive Directors chaired by the Lead Non-Executive Director who reports thereon to the Chairperson. In 2024, five (5) such executive sessions took place.

In accordance with Articles of Association and Board Regulations, Directors may attend the meetings of the Board remotely, provided that all participants can hear each other simultaneously. In 2024, the individual attendance of Directors was 97% on average, despite several meetings rescheduled at short notice.

The table below summarizes attendance rate of Directors.

Name	Board meetings	% Attendance
Ermenegildo Zegna di Monte Rubello	7/7	100%
Andrea C. Bonomi	7/7	100%
Angelica Cheung	7/7	100%
Domenico De Sole [(1)]	5/7	71%
Sergio P. Ermotti	7/7	100%
Ronald B. Johnson	7/7	100%
Valerie A. Mars	7/7	100%
Michele Norsa	7/7	100%
Henry Peter	7/7	100%
Anna Zegna di Monte Rubello	7/7	100%
Paolo Zegna di Monte Rubello	7/7	100%

(1) Absent and excused for two meetings.

Independence of the Non-Executive Directors

The Board has determined that, during fiscal year 2024, Ms. Cheung, Mr. Johnson, Ms. Mars, Mr. Norsa and Mr. Peter (five out of the ten Non-Executive Directors) were independent under best practice provisions 2.1.8 of the DCGC.

During 2024 Mr. De Sole was in the situation described under (iii) of best practice provisions 2.1.8 of the DCGC due to his involvement in the TFI Acquisition during the year preceding his appointment in June 2024, which has been considered material for both the Company and Mr. De Sole.

Upon effectiveness of his appointment as a CEO and President of the Group Executive Board of UBS effective on April 5, 2023, Mr. Ermotti has been in the situation described under (iii) of best practice provisions 2.1.8 of the DCGC in light of the lasting and significant relationship between the Company and UBS and, as a result thereof, he no longer qualifies as independent under the DCGC.

Mr. Zegna di Monte Rubello (Paolo) and Ms. Zegna di Monte Rubello are both representatives of Monterubello s.s., the majority shareholder of the Company, and are therefore not independent under the aforementioned best practice provision. Mr. Bonomi is also a representative of a shareholder holding more than ten percent of the Ordinary Shares, and does therefore also not qualify as independent under the DCGC.

Since, during 2024, Mr. De Sole and Mr. Ermotti were both in the situation described under the best practice provision 2.1.8. (iii), Mr. Zegna di Monte Rubello (Paolo) and Ms. Zegna di Monte Rubello are both representatives of the same majority shareholder of the Company and the independence criteria have been met for half of Non-Executive Directors, the Company deviated from best practice provision 2.1.7 of the DCGC.

For an explanation in respect of this deviation, please refer to "*5.6 — Compliance with the DCGC.*"

Evaluation of the Board, the committees and the Directors

In accordance with the DCGC, the Board regulations, and the charters of the three committees, the Board carries out annual evaluations of the functioning of the Board and of the three committees. This also includes evaluations of the performance of each individual director.

After two Board evaluations carried out with the support of an external expert (2022 and 2023) and no major changes to the Board composition or the Company's operational or governance structure, the 2024 Board evaluation was conducted through an online anonymous questionnaire. The questionnaire focused on Board composition, organization &

dynamics, and deepened on recommendations made during the previous evaluations. It included also the evaluation of the committees of the Board and the individual assessment of each Director.

The outcome of the assessment was analyzed by the Governance & Sustainability Committee and presented to the Board with a proposed action plan. The Non-Executive Directors discussed the findings without the Chairman and Chief Executive Officer being present. Each Committee deliberated on its own evaluation and the Lead Non-Executive Director reviewed the results of the self and peer individual reports.

The conclusion reiterated that (i) the Board's size and composition were strong, with Directors bringing extensive and relevant experience, valuable insights and engagement with the brand(s) while allowing the opportunity to bring in younger independent members, (ii) the collective leadership of the Chair and Lead Non-Executive Director was appreciated, (iii) the committees were contributing positively to the Board's overall performance and that (iv) the Board's functioning was overall effective.

The evaluations of the committees concluded that there was no immediate need to amend the size or composition of the Audit Committee, the Compensation Committee or the Governance and Sustainability Committee, nor was there any reason to amend their charters.

In pursuance of the evaluation, the Non-Executive Directors adopted an action plan containing concrete actions to improve the Board's effectiveness further. The execution of the action plan will be followed up in the next evaluation of the Board.

The Non-Executive Directors have been promptly and regularly informed by each committee on the activities carried out and, in accordance with best practice provision 2.3.5. DCGC, are in the opinion that each committee has properly carried out its duties throughout all the financial year.

For a detailed description of the composition of the Board committees, the number of meetings and the main items discussed during 2024 please refer to section "*5.2. The Board — Committees of the Board*."

7. COMPENSATION REPORT

Introduction

This section provides information related to the remuneration that was earned by the Board and the Senior Management Team for the year ended December 31, 2024.

The form and amount of remuneration received by the Board was determined in accordance with the remuneration policy (the "*Remuneration Policy*") adopted on December 17, 2021, further amended on June 28, 2022 at the General Meeting, in accordance with Dutch law and the Articles of Association.

The remuneration received by the Senior Management Team was determined consistent with the Group's prior practice, based on principles aimed to ensure talent retention and align the remuneration with the Group's strategy, the Group's performance and each individual's contribution to such performance.

The Non-Executive Directors of the Board oversee the remuneration policy, the remuneration plans and practices of the Group and recommend changes when appropriate. More than half of the members of the Compensation Committee (including the chairperson) are independent pursuant to the DCGC. The Company may from time to time amend the Remuneration Policy, subject to the General Meeting adopting such amendment with the required majority.

This compensation report consists of two sections:

- Remuneration Policy: details our current remuneration policy, available on our corporate website, which governs compensation for Executive and Non-Executive Directors.

- Historical compensation for the year ended December 31, 2024: details the remuneration features in 2024 and actual remuneration received by or awarded to each Executive and Non-Executive Director and the Senior Management Team, compared with the previous year.

7.1. Remuneration Policy

Pursuant to Section 2:135(1) DCC, the General Meeting has adopted a Remuneration Policy for our Directors.

The Remuneration Policy provides a framework for the Non-Executive Directors to determine the remuneration of the Executive Directors and the Non-Executive Directors. The Remuneration Policy provides a structure that aligns remuneration of the Board with successful delivery of the Group's long-term strategy and sustainable long-term value creation, and therefore aims to ensure that the Directors' interests are closely aligned to those of the Company's stakeholders, including its shareholders. The purpose of the Remuneration Policy is to define a competitive remuneration package, designed to attract, retain and motivate Directors who possess the necessary leadership qualities and requisite skills and experience in the relevant areas of the Group's business, while also providing appropriate flexibility to tailor remuneration practices based on specific circumstances.

While formulating the Remuneration Policy, the Non-Executive Directors have taken into consideration the Group's strategy and core values, which are focused on long-term value creation and sustainable development of the Group. Pay ratios within the Group and scenario analyses have also been considered. The Remuneration Policy is based upon the following principles:

General

1. The remuneration of the Board follows the pay-for-performance principle and incentivizes Directors to create long-term value for shareholders and other stakeholders through achievement of strategic objectives;

2. The remuneration is appropriately balanced between fixed and variable remuneration components, aiming to ensure long-term value creation and alignment of Directors' interests with the Group's strategic objectives;

3. The remuneration of the Board is competitive in relation to the market in which the Group operates, the relative size of the business, the specificity of the Group's governance structure and the duties and responsibilities of the Board resulting therefrom;

With Respect to Executive Director(s)

4. The remuneration is predominantly long-term in nature, with long-term equity incentives linked to the achievement of the Group's strategic objectives in the highly competitive industry the Group operates in;

With Respect to Non-Executive Directors

5. The remuneration of the Non-Executive Directors is designed to attract and retain Non-Executive Directors who have the talent and skills to foster the long-term value creation of the Group while respecting its core values;

6. The remuneration of the Non-Executive Directors consists of cash consideration and share-based compensation, in accordance with market practice among companies listed on the NYSE and to ensure structural alignment of the Non-Executive Directors' interests with the interests of the Company's stakeholders, including its shareholders; and

Evaluation

7. The Non-Executive Directors will evaluate the objectives and structures of the Remuneration Policy at regular intervals, to ensure the policy is fit for its intended purpose. The Non-Executive Directors will be assisted by the Compensation Committee.

Executive Director(s)

On the basis of the Remuneration Policy objectives, the compensation of Executive Director(s) consists of the elements discussed below.

Base Salary

The base salary is set at a level to attract, motivate and retain Executive Director(s).

Reimbursement of Expenses

The Group will reimburse the expenses and costs reasonably incurred in relation to the performance of the Executive Director's duties.

Short-Term Incentives

The objective of any short-term variable compensation is to incentivize the Executive Director(s) to achieve annual targets and objectives that are related to the short-term focus of the Group. The annual short-term incentive payment to be granted to an individual Executive Director will not exceed 200% of that individual Executive Director's base salary. Notwithstanding the foregoing, the Non-Executive Directors may decide, based on a proposal of the Compensation Committee, to increase the short-term incentive payable to an individual Executive Director for any given year in case of exceptional achievements of such Executive Director.

Long-Term Incentives

The objective of any long-term equity incentive is to provide a retention tool for the Executive Director and to align the long-term interests of the Executive Director with those of the Group and its stakeholders. The granting of long-term equity incentives also aims to motivate the Executive Directors to pursue and implement the Group's sustainability strategy. Furthermore, by granting a long-term incentive in the form of equity, the Executive Director participate directly in the growth of the value of the Group to which he or she contributes. The amount of equity awarded to the Executive Director will be determined by the Non-Executive Directors, taking into account the applicable performance conditions, which may include

both financial and non-financial conditions, and continuous service requirements with the intent of creating long-term shareholder value. The Non-Executive Directors may resolve, upon recommendation of the Compensation Committee, to grant equity awards in accordance with any equity incentive plan approved by the General Meeting and to be further implemented by the Board.

The Executive Director may be entitled to annually acquire Ordinary Shares up to a maximum value of his or her base salary and annual variable cash compensation awarded for the previous year, at a value per share based on an enterprise value corresponding to 12 times the Group's Adjusted EBIT of the year preceding the year in which the Executive Director wishes to acquire the Ordinary Shares.

Recoupment of Incentive Compensation (Adjustment and Clawback)

Any grant, award or actual payment in relation to the short-term and long-term incentives may during any relevant performance and/or vesting period and during a period of three years following the actual award, in the sole discretion of the Non-Executive Directors and whether or not at the instigation of the Compensation Committee:

1. Be decreased or eliminated if such grant, award or actual payment was deemed to be unacceptable according to principles of reasonableness and fairness; and

2. Clawed back if such grant, award or actual payment took place on the basis of incorrect data (including data that has been maliciously altered and therefore, is incorrect).

On September 12, 2023, the Board adopted a new clawback policy (the *"Clawback Policy"*) in accordance with the listing requirements of the New York Stock Exchange. The Clawback Policy, which became effective on December 1, 2023, provides for the recovery of certain erroneously share-based compensation from current or former Executive Director(s) of the Company in the event that the Company is required to prepare an accounting restatement.

Remuneration in the Event of Termination

The Group may pay severance compensation in accordance with the terms and conditions of the applicable services agreement of an individual Executive Director. Such severance compensation will not exceed 200% of the Executive Director's annual base salary. Severance benefits may also include outplacement services and continuation of insurance and other benefits that have been paid or made available to the Executive Director prior to the termination of service. The specific terms of the severance package of a Executive Director will be established in his or her services agreement, all in accordance with the framework provided in the Remuneration Policy.

Benefits

The Group may provide to the Executive Director customary benefits such as company cars (or a car allowance), travel expenses and work related costs, medical insurance, accident insurance, D&O insurance, tax assistance and relocation allowances. In addition, in individual cases, company housing and other benefits may also be offered, such as annual clothing allowances. Such benefits are in line with general prevailing market practice, while also providing the Non-Executive Directors with enough flexibility to tailor the remuneration and benefits practices to a specific situation.

Loans, Advances and Guarantees

The Group will not provide any loans, advances or guarantees to Executive Director(s).

Non-Executive Director(s)

On the basis of the Remuneration Policy objectives, the compensation of Non-Executive Directors consists of the elements discussed below. Each year, the Non-Executive Directors will review the remuneration levels and structure applicable to the Non-Executive Directors and consider whether any adjustment is required.

Annual Base Remuneration

The Group will pay each Non-Executive Director an annual base fee of €150,000 payable 50% in cash and 50% in Ordinary Shares, subject to a restricted stock award (*"Equity Awards"*). The Lead Non-Executive Director will be entitled to an additional fee of €15,000 for the additional duties and responsibilities related to that role, payable in cash.

The number of Equity Awards granted to the Non-Executive Directors will be established, based on the closing stock price of the last trading day of the month preceding the date of grant, converted into Euros at the reference rate published by the European Central Bank on the closing of the same day, rounded down to the nearest whole share. The date of grant for the Equity Awards will be determined by the Non-Executive Directors. The Equity Awards will vest on the second anniversary of the date of grant.

Annual Committee Fee

The Group will pay each Non-Executive Director serving on one of the Group's committees of the Board an additional fee as set forth below:

- Audit Committee – €30,000 (chairperson), €15,000 (other members)
- Compensation Committee – €20,000 (chairperson), €10,000 (other members)
- Governance and Sustainability Committee – €20,000 (chairperson), €10,000 (other members)

Additional Cash and/or Equity Awards

Notwithstanding the annual base fee and committee fees received by the Non-Executive Directors, the Non-Executive Directors may decide, based on a proposal of the Compensation Committee, to grant additional cash and/or equity awards to an individual Non-Executive Director for any given year in case of exceptional achievements of that Non-Executive Director, provided, however, that any such additional grant should not result in a significant discrepancy between the size of the award and the Group's results and performance.

Reimbursement of Expenses

The Group will reimburse the expenses and costs reasonably incurred in relation to the performance of the Non-Executive Director's duties, in accordance with the Group's expense policy, if any.

Benefits

The Group will subscribe to the benefit of the Non-Executive Directors a liability insurance with a coverage in line with the general market practice prevailing among companies similar to the Group.

Loans, Advances and Guarantees

The Group will not provide any loans, advances or guarantees to Non-Executive Directors, unless the majority of the Non-Executive Directors give prior written approval.

7.2 Historical compensation for the year ended December 31, 2024

Board of Directors — Executive Director

Base salary

The base salary earned by Gildo Zegna, Executive Director and CEO, for the year ended December 31, 2024 amounted to €2,055,232, inclusive of personal income tax (€2,003,360 for the year ended December 31, 2023). It represents all fixed compensation earned by Gildo Zegna from the Company and Group subsidiaries.

Short-term Incentive Plan

Gildo Zegna was eligible to earn short-term variable cash compensation, based on the Group's profitability. Considering the share price performance during the year, Gildo Zegna proactively suggested to significantly reduce his short-term variable cash compensation compared to the result of the arithmetic calculation that he was entitled to in accordance with the terms of the CEO's executive agreement. The Non-Executive Directors welcomed Gildo Zegna's proposal and as a result have determined that the short-term variable cash compensation earned by Gildo Zegna for the year ended December 31, 2024 will amount to €1,575,000 (€4,743,831 for the year ended December 31, 2023).

Share-based compensation

In accordance with the CEO's executive agreement, as amended and restated in July 2021 and further amended in August 2022, the Company granted the following share-based compensation benefits to Gildo Zegna.

Long-term Incentive Plan

On December 17, 2021, in connection with the completion of the Business Combination, the Board approved an equity incentive plan (the *"EIP"*), which was approved by the General Meeting on December 17, 2021. In addition, the Board adopted the CEO Long Term Incentive Plan 2022-2024 (the *"CEO LTIP"*), a sub-plan of the EIP, which sets out the modalities of the arrangements agreed upon pursuant to Gildo Zegna's executive agreement, as discussed above. In accordance with the amendment to the Remuneration Policy on June 28, 2022, the CEO LTIP was amended to include, among other measures, a non-financial performance measure linked to the sustainability strategy of the Group. Under the CEO LTIP, the Group granted to Gildo Zegna:

- Up to a maximum of 2,520,000 performance share units (*"PSUs"*) (the *"CEO 2022-2024 PSUs"*) that vest in three tranches in 2023, 2024 and 2025 based on the achievement of defined performance targets and the CEO's continued service to the Group through the date of vesting. Each of the performance targets will be measured and settled independently of the other targets and the total number of shares to be assigned upon vesting depends on the level of achievement of financial performance targets over the performance period. The achievement rate may eventually be discounted by up to 10% if certain objectives relevant for the business and reflecting the contribution to sustainable long-term value creation, such as reduction of carbon emissions, assessment of water footprint, measurement of employee satisfaction, completion of suppliers and sub-suppliers' audits, traceability of key raw materials, achievement of employee training targets ("*ESG Multiplier*"), are not achieved[3]. For the year ended December 31, 2024, the Group recognized €(451,507) as share-based compensation expense in relation to the CEO 2022-2024 PSUs (representing a credit to costs for the period) and does not reflect the value of the number of Ordinary Shares that will actually be delivered to Gildo Zegna after achievement of the performance and service conditions). For the year ended December 31, 2023, the Group accrued a share-based compensation expense of €4,265,977.
- The share purchase rights, under which Gildo Zegna is entitled to purchase Ordinary Shares at a value per share based on an enterprise value corresponding to 12 times the Group's Adjusted EBIT of the previous year, for a maximum amount corresponding to his base salary, net of personal income tax, plus short-term variable cash compensation for the previous year. Gildo Zegna did not exercise his share purchase rights in 2023 and 2024 and the Group has not incurred any costs or reversed any accruals in respect of these share purchase rights in 2023 and 2024.

[3] *On April 4, 2024, the Board determined the level of achievement of the performance conditions under the CEO 2022-2024 PSUs in 2023. As a result of such determination, 588,000 Ordinary Shares vested and were delivered to Gildo Zegna in 2024. On March 26, 2025, the Board determined the level of achievement of the performance conditions under the CEO 2022-2024 PSUs in 2024. As a result of such determination, 368,943 Ordinary Shares vested and were delivered to Gildo Zegna on May 7, 2025.*

IPO Performance Bonus

On December 17, 2021, the Board adopted an IPO bonus plan (the *"IPO Bonus Plan"*), a sub-plan of the EIP. Under the IPO Bonus Plan, Gildo Zegna was granted 600,000 PSUs related to the Company's public listing (the *"CEO IPO PSUs"*), in two tranches of respectively, 240,000 CEO IPO PSUs and 360,000 CEO IPO PSUs.

On April 5, 2023 and January 30, 2024 respectively, the Board checked and confirmed the achievement of the conditions applicable to the vesting of the first and second tranches of CEO IPO PSUs. 240,000 Ordinary Shares were delivered to Gildo Zegna in 2023, and 360,000 in May 2024.

For the year ended December 31, 2024, the Group has not incurred any costs or reversed any accruals in respect of these CEO IPO PSUs (for the year ended December 31, 2023, the Group had recognized €839,775 as share-based compensation expense in relation to the CEO IPO PSUs).

For the year ended December 31, 2024, the total compensation reported for the Chairman and CEO amounts to €4,685,292 (€13,452,893 for the year ended December 31, 2023) - see also "Historical compensation for the year ended December 31, 2024 and December 31, 2023" below.

Remuneration in the Event of Termination

For 2024, Gildo Zegna's executive agreement provided that in the event that, for any reason, he leaves his position as CEO, regardless of whether he maintains his position as Chairperson of the Board, he will be entitled to a severance payment of an amount equal to two years of his base salary, net of income taxes. For the year ended December 31, 2024, the Group recognized €159,082 as a provision for termination compensation.

New executive agreement – 2025-2027

In 2024, the Compensation Committee, with the support of an independent external expert selected by the Compensation Committee, reviewed Gildo Zegna's executive agreement and proposed a new remuneration structure. In designing such remuneration structure, the Compensation Committee took into consideration, inter alia, (i) the principles of the Remuneration Policy, in particular pay-for-performance, contribution to long-term value creation and alignment with the Company's strategic objectives, (ii) peers' practices, (iii) feedback received from stakeholders including shareholders. Upon recommendation from the Compensation Committee, the Non-Executive Directors determined the remuneration structure of Gildo Zegna for the period 2025-2027 and a new executive agreement was concluded, effective January 1, 2025.

Under the new executive agreement, the remuneration structure of Gildo Zegna for the years 2025 to 2027 will be split into three parts:

- an annual base salary representing a gross amount of €2,000,000;
- a short-term incentive in cash representing in principle maximum 200% of the annual base salary;
- a long-term equity incentive composed of three successive grants of rights to receive Ordinary Shares upon satisfaction of pre-defined performance and executive service conditions assessed over a period of three years (first grant: vesting period January 1st, 2025 – December 31st, 2027; second grant: vesting period January 1st, 2026 – December 31st, 2028; third grant: vesting period January 1st, 2027 – December 31st, 2029). Each grant at target will represent the right to receive a number of Ordinary Shares corresponding to 300% of the annual base salary and calculated by dividing this target opportunity by the average share price of the Ordinary Shares in the 30 calendar days preceding the beginning of each vesting period. For each grant, the number of shares eventually awarded shall not exceed 133% of the number of shares granted at target. The pre-defined performance conditions will be tied by 50% to shareholder return relative to a peer group, 25% to Aggregate Basic Earnings per Share and 25% to Delta Adjusted Net Financial Indebtedness / Cash surplus, and their achievement rate may be discounted by up to 10% if certain objectives of the ESG Multiplier are not achieved;
- in the event that, for any reason, Gildo Zegna leaves his position as Group CEO, regardless of whether he maintains his position as Chairperson of the Board, he will be entitled to a severance payment of an amount equal to two years of the base salary.

In setting the CEO's new remuneration package, the Non-Executive Directors applied the following principles:

- the new CEO remuneration, with 50% awarded in the form of shares and 30% of the total short-term and long-term variable components of the remuneration at target related to the stock performance, appropriately focuses on the creation of long-term value for shareholders and other stakeholders;

- the weight of variable components represents more than 80% of the total target opportunity, is subject to stringent payout curves and is designed in a manner to not reward non-performance and to strongly incentivize outperformance, in compliance with the pay-for-performance principle;

- at target, the proportion between cash and equity components is such that the remuneration is predominantly long-term in character.

While defining the new executive agreement and establishing the potential pay-out opportunity, the Board reviewed scenario analysis to verify that the degree of sensitivity of the Chairman and CEO's remuneration with the Group performance was appropriate. It took into consideration the overall Group's pay-ratio to ensure that the potential pay-out opportunity was appropriate and in the interest of the long-term value creation for the stakeholders.

Board of Directors - Non-Executive Directors

In 2024, Non-Executive Directors received an annual base fee of €150,000, paid 50% in cash and 50% in Ordinary Shares, granted pursuant to a restricted share units plan (*"RSUs"*). Non-Executive Directors acting as members of committees received an additional fee as defined by the Remuneration Policy. The aggregate amount of compensation earned by Non-Executive Directors in their role as directors of the Company for the year ended December 31, 2024 was €1,663,726, of which €905,000 related to the portion paid in cash and €758,730 related to share-based compensation[4] (€1,700,100 for the year ended December 31, 2023, of which €905,000 related to the portion paid in cash and €795,100 related to share-based compensation).

For the year ended December 31, 2024, the Group also recognized €30,000 earned by Mr. Paolo Zegna di Monte Rubello and €109,861 earned by Mr. Henry Peter, in relation to their remuneration as Directors of Group's subsidiaries (€30,000 and €107,694, respectively, for the year ended December 31, 2023).

In addition, in compliance with the remuneration policy and in recognition of his specific contribution to the listing, the Board had granted to Mr. Henry Peter, a Non-Executive Director, 50,000 PSUs related to the Company's public listing under the IPO Bonus Plan (the "IPO PSUs"), split in two tranches of 25,000 IPO PSUs each. On April 5, 2023 and January 30, 2024 respectively, the Board checked and confirmed the achievement of the conditions applicable to the vesting of the first and second tranches of IPO PSUs. 25,000 Ordinary Shares were delivered to Mr. Henry Peter in 2023, and 25,000 in May 2024.

[4] For the services rendered in 2022, each Non-Executive Director received 7,846 Ordinary Shares in June 2024. For the services rendered in 2023, each Non-Executive Director received 7,640 Ordinary Shares in February 2025. For the services rendered in 2024, each Non-Executive Director will receive 7,162 Ordinary Shares in February 2026.

Historical compensation for the year ended December 31, 2024 and December 31, 2023

The following table summarizes the compensation received by the members of the Board for the year ended December 31, 2024.

Name	Office Held	Fixed Compensation	Variable compensation in cash	Share-based compensation	Pension benefits [1]	Fringe Benefits [2]	Other Compensation [3]	Total
					in €			
Mr. Ermenegildo Zegna di Monte Rubello	Chairperson, Chief Executive Officer and Executive Director	2,055,232	1,575,000	(451,507)	1,398,910	30,000	77,657	**4,685,292**
Total – Executive Director		**2,055,232**	**1,575,000**	**(451,507)**	**1,398,910**	**30,000**	**77,657**	**4,685,292**
Mr. Andrea C. Bonomi	Non-Executive Director	75,000	—	75,873	14,088	—	—	**164,961**
Ms. Angelica Cheung	Non-Executive Director	85,000	—	75,873	19,965	—	—	**180,838**
Mr. Domenico De Sole	Non-Executive Director	85,000	—	75,873	—	—	—	**160,873**
Mr. Sergio P. Ermotti	Lead Non-Executive Director and Non-Executive Director	90,000	—	75,873	15,221	—	—	**181,094**
Mr. Ronald B. Johnson	Non-Executive Director	100,000	—	75,873	—	—	—	**175,873**
Ms. Valerie A Mars	Non-Executive Director	115,000	—	75,873	—	—	—	**190,873**
Mr. Michele Norsa	Non-Executive Director	110,000	—	75,873	—	—	—	**185,873**
Mr. Henry Peter	Non-Executive Director	204,861	—	75,873	40,787	—	—	**321,521**
Ms. Anna Zegna di Monte Rubello	Non-Executive Director	75,000	—	75,873	12,216	—	—	**163,089**
Mr. Paolo Zegna di Monte Rubello	Non-Executive Director	105,000	—	75,873	8,148	10,000	—	**199,021**
Total – Non-Executive Directors		**1,044,861**	**—**	**758,730**	**110,425**	**10,000**	**—**	**1,924,016**

(1) Relates to social contributions and provision for termination compensation.
(2) Relates to customary benefits, (e.g. clothing allowance) provided to Gildo Zegna and Mr. Paolo Zegna di Monte Rubello.
(3) Relates to the difference between the short-term variable cash compensation acknowledged in 2023 and the actual payment made in 2024.

The following table summarizes the compensation received by the members of the Board for the year ended December 31, 2023.

Name	Office Held	Fixed Compensation	Variable compensation in cash	Share-based compensation	Pension benefits [1]	Fringe Benefits [2]	Other Compensation [3]	Total
					in €			
Mr. Ermenegildo Zegna di Monte Rubello	Chairperson, Chief Executive Officer and Executive Director	2,003,360	4,743,831	5,105,752	1,523,198	30,000	46,752	**13,452,893**
Total – Executive Director		**2,003,360**	**4,743,831**	**5,105,752**	**1,523,198**	**30,000**	**46,752**	**13,452,893**
Mr. Andrea C. Bonomi	Non-Executive Director	75,000	—	79,510	6,603	—	—	**161,113**
Ms. Angelica Cheung	Non-Executive Director	85,000	—	79,510	19,957	—	—	**184,467**
Mr. Domenico De Sole	Non-Executive Director	85,000	—	79,510	—	—	—	**164,510**
Mr. Sergio P. Ermotti	Lead Non-Executive Director and Non-Executive Director	93,863	—	79,510	8,264	—	—	**181,637**
Mr. Ronald B. Johnson	Non-Executive Director	100,000	—	79,510	—	—	—	**179,510**
Ms. Valerie A Mars	Non-Executive Director	115,000	—	79,510	—	—	—	**194,510**
Mr. Michele Norsa	Non-Executive Director	106,137	—	79,510	—	—	—	**185,647**
Mr. Henry Peter	Non-Executive Director	202,694	—	155,067	28,640	—	—	**386,401**
Ms. Anna Zegna di Monte Rubello	Non-Executive Director	75,000	—	79,510	12,203	—	—	**166,713**
Mr. Paolo Zegna di Monte Rubello	Non-Executive Director	105,000	—	79,510	12,259	10,000	—	**206,769**
Total – Non-Executive Directors		**1,042,694**	**—**	**870,657**	**87,926**	**10,000**	**—**	**2,011,277**

(1) Relates to social contributions and provision for termination compensation.
(2) Relates to customary benefits, (e.g. clothing allowance) provided to Gildo Zegna and Mr. Paolo Zegna di Monte Rubello.
(3) Relates to the difference between the short-term variable cash compensation acknowledged in 2022 and the actual payment made in 2023 for €46,752.

The following table summarizes the compensation received by Mr. Ermenegildo Zegna di Monte Rubello, the Group's only Executive Director, for the years ended December 31, 2024 and 2023.

For the years ended December 31,	Fixed Compensation	Variable compensation in cash	Share-based compensation	Pension benefits	Fringe Benefits	Other Compensation	Total
2024	2,055,232	1,575,000	(451,507)	1,398,910	30,000	77,657	**4,685,292**
2023	2,003,360	4,743,831	5,105,752	1,523,198	30,000	46,752	**13,452,893**

Senior Management Team

For 2024, Zegna's senior management team consisted of:

- Ermenegildo Zegna di Monte Rubello as Chief Executive Officer;
- Gianluca Ambrogio Tagliabue as Chief Operating Officer and Chief Financial Officer;
- Alessandro Sartori as Zegna Artistic Director;
- Franco Ferraris as Head of Textiles;
- Rodrigo Bazan as Chief Executive Officer of Thom Browne;
- Thom Browne as Founder & Chief Creative Officer of Thom Browne;
- Lelio Gavazza as Chief Executive Officer of Tom Ford Fashion.

The following section provides the aggregate amount of compensation earned by the Senior Management Team (excluding the CEO, whose compensation is included in the discussion above).

For the year ended December 31, 2024, the Group recognized €8,218,026 in relation to fixed compensation, which includes base salary, consulting fees and compensation for service as Director of Group's subsidiaries (€7,344,470 for the year ended December 31, 2023).

For the year ended December 31, 2024, the Group recognized €2,796,705 in relation to short-term variable cash compensation under the Performance Management Program (the "*PMP*"), which provides eligible employees, including the Senior Management Team, with an opportunity to earn a cash incentive payment to the extent that pre-established business and individual performance goals are achieved (€2,271,988 for the year ended December 31, 2023).

For the year ended December 31, 2024, the Group recognized €7,142,686, in relation to long-term incentive plans, of which €3,392,052 was for cash-based long-term incentives and €3,750,634 was for share-based compensation (€17,384,237 for the year ended December 31, 2023, of which €9,110,061 for cash-based long-term incentives and €8,274,176 for share-based compensation). In particular:

- To further align the interests of the Senior Management Team with those of the shareholders and promote retention of senior management, in February 2022, the Board adopted a long-term incentive plan (as a sub-plan of the EIP), pursuant to which certain members of the Senior Management Team (excluding the CEO), were granted PSUs, representing 70% of the total awards granted, and retention RSUs, representing the remaining 30% of the total awards granted, each of which represents the right to receive one Ordinary Share (the *"Long-Term Incentive Awards 2022-2025"*). In particular, under the terms of the plan, PSUs vest in 2025, subject to the (i) level of achievement of financial performance targets and a multiplier that is based on the achievement of certain environmental, social and governance objectives over the performance period contributing to the creation of sustainable long-term value from 2022 to 2024 and (ii) participant's continued service through December 31, 2024. New participants in the long-term incentive plan could be designated until June 30, 2023. The RSUs vest in 2026, subject to the participant's continued service through December 31, 2025 (and good leaver provisions, in the case of an earlier termination of employment). In total, 262,500 PSUs and RSUs have been granted to certain members of Senior Management Team (excluding CEO) under this plan. For the year ended December 31, 2024, the Group

recognized €615,325 as share-based compensation expense in relation to the Long-Term Incentive Awards 2022-2025 (€531,484 for the year ended December 31, 2023).

- In September 2023, because new participants in the long-term incentive plan could no longer be designated after June 30, 2023, the Board adopted an RSU plan (the *"2023 RSU Plan"*) (as a sub-plan of the EIP). In 2023, the Group granted 170,000 RSUs, which each represent the right to receive one Ordinary Share, to Senior Management Team (excluding CEO) under the 2023 RSU Plan. For the year ended December 31, 2024, the Group recognized €1,284,094 as share-based compensation expense in relation to these awards (€498,544 for the year ended December 31, 2023).

- To further align the interests of the Senior Management Team with those of the Company's stakeholders, including its shareholders, in 2023, the Group modified the contractual terms of certain cash-based long-term incentives in order to entitle the Senior Management Team to settle a portion of the bonus in Ordinary Shares to the extent of an equivalent amount of $7,500,000 in 2024 and for the year ended December 31, 2023, recognized a share-based compensation expense of €6,564,648. In 2024, an additional bonus was awarded, of which one third will be paid in ordinary shares expected to be delivered in 2027. As a result, the Group recognized €1,601,614 in 2024 in relation to the compensation that will be settled in Ordinary Shares.

- To reinforce a meritocratic compensation approach, align with the Group's overarching strategy, and foster sustainable shareholder value over the long term, on January 30, 2024 the Zegna Board approved a new 2024-2026 Long-Term Incentive Plan ("*LTI Plan*"). This plan applies to the Zegna brand division and the rest of the Group, including the Thom Browne and Tom Ford Fashion segments. The new LTI Plan will move from the one-off Long-Term Incentive Awards 2022-2025 plan to three-year rolling plans with annual allocation cycles, each one subject to the achievement of targets defined every year for each allocation cycle. The 2024-2026 LTI Plan sets targets on the following criteria: Revenues, Adjusted EBIT, Delta Adjusted NFI, ESG Multiplier and relative total shareholder return ("TSR") (based on a selection of peers of 13 European and US companies in the luxury business listed in Europe, Asia or the U.S.A, including Zegna). The performance results for each criterion will be evaluated at the end of the three-year performance cycle, following the approval of the audited financial statement by the Zegna Board. The payout curve will ensure that only meeting the targets and overperformance are rewarded and underperformance is penalized. For the 2024-2026 allocation cycle the Group granted 210,000 rights to receive shares to members of the Senior Management Team. As a result, the Group recognized €249,601 for the year ended December 31, 2024 in relation to the LTI Plan awards to the Senior Management Team.

For the year ended December 31, 2024, the Group recognized €476,440 in relation to the pension and post-employment benefits (€1,435,587 for the year ended December 31, 2023).

For the year ended December 31, 2024, the Group recognized €41,576 in relation to fringe benefits (€22,763 for the year ended December 31, 2023).

Pay ratio

In line with the Dutch Corporate Governance Code, and as an information taken into consideration for the determination of the compensation of the Executive Director and the analysis of the executives compensation structure, the Group has calculated the pay ratio, within the Company and its affiliated enterprise.

The internal pay ratio is calculated as the ratio between (i) the total annual remuneration of the CEO and (ii) the average annual remuneration of the employees of the Company and the Group companies whose financial data the Company consolidates, where:

- the total annual remuneration of the CEO includes all remuneration components (such as fixed remuneration, variable remuneration in cash (bonus), the share-based part of the remuneration, social security contributions, pension, expense allowance, etc.), as included in the (consolidated) financial statements on an IFRS basis;

- the average annual remuneration of the employees is determined by dividing the total wage costs in the financial year (as included in the (consolidated) financial statements on an IFRS basis) by the average number of full time equivalent (FTE) during the financial year; and

- the value of the share-based remuneration is determined at the time of assignment, in line with the applicable rules under the applied reporting requirements.

The following table presents the internal pay ratio for 2024, 2023 and 2022, where only 2023 and 2024 figures include Tom Ford Fashion segment employees.

(€ thousands)	**At December 31, 2024**	**At December 31, 2023**	**At December 31, 2022**
Total Group Labor cost	**510,626**	**487,144**	**395,087**
Group Chairman and CEO's Labor cost	4,685	13,453	12,133
Total Labor cost (Net of Group Chairman and CEO)	**505,941**	**473,691**	**382,954**
FTE	7,137	6,581	5,903
Average Cost	70.90	71.98	64.87
Pay Ratio	**66.09**	**187**	**187**

Methodological note: The Group discloses the evolution of the pay ratio from 2022 onwards since the Business Combination, pursuant to which the Company's Ordinary Shares were listed on the NYSE starting from December 20, 2021, was implemented on December 17, 2021 and the pay ratio between the compensation of the Executive Director for the year ended as of December 31, 2021 and the average global employee salary for the same year would misrepresent and not give a true and fair view of the "normalized" outcome of the remuneration policy of the Company, with the risk of distorting future analysis.

Whilst in 2023 the pay ratio remained stable compared to the previous year, there was a significant drop in the pay-ratio in 2024. The Total Labor cost (Net of Group Chairman and CEO) and the workforce increased in a similar proportion, therefore the average cost remained eventually stable. On the contrary, the Group Chairman and CEO's Labor cost in 2024 was significantly reduced, which caused the subsequent decrease in the pay ratio. For more details please refer to "*7.2 Historical compensation for the year ended December 31, 2024 — Board of Directors — Executive Director*" above.

8. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

The following table sets forth information relating to the beneficial ownership of our Ordinary Shares as of March 14, 2025, based on the information in the Company's shareholder register and other sources available to us, by: each person who is known to be the beneficial owner of more than 5% of our issued and outstanding Ordinary Shares and Special Voting Shares; and each of the Directors and members of the Senior Management Team.

On December 18, 2023, 149,734,550 and 5,246,800 Special Voting Shares A were assigned, respectively, to Monterubello and to Ermenegildo (Gildo) Zegna di Monte Rubello under the terms of the loyalty voting program. Monterubello is the controlling shareholder of the Company through its 60.5% shareholding interest in the Company's issued and outstanding Ordinary Shares (as of March 14, 2025). As a result of its participation in the loyalty voting program, Monterubello's voting power is approximately 74.2% (as of March 14, 2025).

For further information on the Company's loyalty voting structure, see section "*5.4 Share capital of the Company*".

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, or has the right to acquire that security within 60 days (including through the exercise of any options or warrants).

The percentages in the table below are computed on the basis of 252,579,879 Ordinary Shares issued and outstanding and 154,981,350 Special Voting Shares A issued and outstanding as of March 14, 2025. The percentages of ownership and voting power in this report are calculated based on the number of outstanding shares (excluding shares held in treasury).

Beneficial Owner	Number of Ordinary Shares	% of Ordinary Shares	Number of Special Voting Shares A	% of Special Voting Shares A Outstanding
>5% holders				
Monterubello s.s.[(1)(2)]	152,734,550	60.5%	149,734,550	74.2%
Strategic Holding Group S.à r.l.[(3)]	30,282,195	12.1%	—	—
Directors				
Ermenegildo Zegna di Monte Rubello[(4)]	8,519,279	3.4%	5,246,800	3.4%
Andrea C. Bonomi	(*)	(*)	—	—
Angelica Cheung	(*)	(*)	—	—
Domenico De Sole	(*)	(*)	—	—
Sergio P. Ermotti	(*)	(*)	—	—
Ronald B. Johnson	(*)	(*)	—	—
Valerie A. Mars	(*)	(*)	—	—
Michele Norsa	(*)	(*)	—	—
Henry Peter	(*)	(*)	—	—
Anna Zegna di Monte Rubello	(*)	(*)	—	—
Paolo Zegna di Monte Rubello	(*)	(*)	—	—
Senior Management Team				
Gianluca Ambrogio Tagliabue	(*)	(*)	—	—
Rodrigo Bazan	(*)	(*)	—	—
Thom Browne	—	—	—	—
Franco Ferraris	(*)	(*)	—	—
Lelio Gavazza	(*)	(*)	—	—
Alessandro Sartori	(*)	(*)	—	—

(*) Less than 1% of the class of shares outstanding.

(1) Monterubello is an Italian società semplice whose quotas are currently held by members of the Zegna family. The directors of Monterubello, as of December 31, 2024, were Ermenegildo Zegna di Monte Rubello (chairman of the board of directors), Paolo Zegna di Monte Rubello (vice chairman of the board of directors), Anna Zegna di Monte Rubello, Angelo Zegna di Monte Rubello, Giovanni Schneider, Alessandro Andrea Trabaldo Togna, Franca Calcia and Riccardo Mulone. Monterubello participates in our loyalty voting program.
(2) As of March 14, 2025, Monterubello's voting power in Zegna is approximately 74.2%. Such percentage is calculated as the ratio of (i) the aggregate number of Ordinary Shares and Special Voting Shares A beneficially owned by Monterubello to (ii) 252,579,879 Ordinary Shares issued and outstanding and 154,981,350 Special Voting Shares A issued and outstanding as of March 14, 2025.
(3) Based on filings with the SEC (Schedule 13G/A filed on February 13, 2024, File No. 005-93353) (the "Schedule 13G/A"). Strategic Holding Group S.à r.l. is governed by a five-member board of managers, which at the time of the SEC filing included Kamel Aliat, Amélie Flammia, John Crostarosa Mowinckel, Marjorie Simoes and Anuj Amarshi. Action by the five-member board of managers is by simple majority vote. No individual manager on the board of managers has voting or dispositive control over the reported securities and, therefore, no individual manager has or shares beneficial ownership of such securities.
(4) Mr. Zegna participates in our loyalty voting program. As of March 14, 2025, Mr. Zegna's voting power in Zegna is approximately 3.4%. Such percentage is calculated as the ratio of (i) the aggregate number of Ordinary Shares and Special Voting Shares A beneficially owned by Ermenegildo Zegna di Monte Rubello to (ii) 252,579,879 Ordinary Shares issued and outstanding and 154,981,350 Special Voting Shares A issued and outstanding as of March 14, 2025.

Based on the information in the Company's shareholder register, as of March 14, 2025, 90,391,659 Ordinary Shares were held in the United States. At the same date, 5 record holders had registered addresses in the United States.

Transactions between the Company and 10% Company's shareholders

Pursuant to best practice provision 2.7.5 of the DCGC, all transactions between the Company and legal or natural persons who hold at least ten percent of the shares in the Company should be agreed on terms that are customary in the market. Decisions to enter into transactions with such persons that are of material significance to the Company and/or to such persons should require the approval of the Non-Executive Directors.

Since December 17, 2021, the date as of which the Company became a Dutch public limited liability company, the Company has not entered into transactions with legal or natural persons who hold at least ten percent of the shares in the Company that are of material significance to the Company and/or to such persons.

Related Party Transactions

The related parties of the Group are all entities and individuals, including their close family members, capable of exercising control, joint control or significant influence over the Group and its subsidiaries, including the Group's controlling shareholder, Monterubello, as well as other companies owned by Monterubello and its shareholders. Related parties also include the Company's associates and joint arrangements, members of the Board and executives with strategic responsibilities, as well as their families and entities controlled by them. They include transactions carrying a potential conflict of interest in the meaning of the provision 2.7.3 of the DCGC.

The Group carries out transactions with related parties on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

In accordance with its charter, the Audit Committee is responsible for reviewing and approving, ratifying or disapproving of all transactions or proposed transactions with related persons that would require disclosure pursuant to the policy. Under the related party transactions policy, transactions with related parties exceeding certain amounts shall be submitted to the Audit Committee for prior approval or ratification. In determining whether to approve or ratify or disapprove a related party transaction, the Audit Committee must take into account, among other factors it deems appropriate, whether the transaction is proposed to be undertaken in the ordinary course of business of the Company and whether it is concluded on an arm's-length basis or on terms that are comparable to the terms available to an unrelated party. As its charter permits, the Audit Committee may request the services of third-party service providers. The Audit Committee is composed of members who are all independent for purposes of the NYSE rules, Rule 10A-3 of the Exchange Act and the DCGC.

Transactions carried out by the Group with these related parties are primarily of a commercial and financial nature and mainly relate to:

Transactions with associates

- Transactions with TFI and its subsidiaries (the "TFI Group"), prior to the completion of the TFI Acquisition, related to:
    - a licensing agreement for the production and worldwide distribution of luxury men's ready to wear and made to measure clothing, footwear and accessories under the TOM FORD brand (which ended with the deliveries of the Fall/Winter 2022 collection), as well as a supply agreement to act as exclusive supplier for certain TOM FORD menswear products starting with the Spring/Summer 2023 collection (for which the supply commenced in 2022);
    - financial loans to TFI that were settled during the period; and
    - a financial guarantee provided in 2020 by the Group to TFI (which at the time was an associate of the Group) for an amount of $7,500 thousand in relation to its payment obligations under a bank loan issued to TFI. Such guarantee was subsequently reduced to $6,875 thousand in 2022 and terminated in 2023 as part of the transactions contemplated by the TFI Acquisition. No amounts were claimed under the guarantee.
- The purchase of raw materials, in particular carded yarns from Filati Biagioli Modesto;
- The purchase of finished products from Norda Run Inc. and Luigi Fedeli e Figlio S.r.l..

Transactions with Monterubello and companies controlled by Monterubello or its shareholders, our directors or members of the Senior Management Team

- The purchase of raw materials, in particular of wool, from Gruppo Schneider S.p.A. and its subsidiaries (the "Schneider Group").
- The purchase of industrial services, in particular of fabrics' finishing, from Finissaggio e Tintoria Ferraris S.p.A.
- The purchase of industrial services from Pettinatura di Verrone S.r.l.
- Transactions with PKB Bank AG relating to an interest-bearing loan amounting to €5,000 thousand which was fully repaid in the first half of 2022.
- The rental of properties from EZ Real Estate or its subsidiaries under lease agreements.
- The Group receives licensing, marketing and other sustainability-related services from Oasi Zegna.
- Support to the activities of Fondazione Zegna, a charitable organization which provides an opportunity for charitable work on the part of the Zegna family and Group employees. Fondazione Zegna supports and funds projects in cooperation with non-profit organizations operating in various fields and different parts of the world.
- Put contract entered into as part of the Group's investments in the Thom Browne group, whereby the Group has been required to, and may in the future be required to, purchase all or a portion of the remaining non-controlling interests in Thom Browne, Inc. The Group currently owns 92% of Thom Browne, Inc. For additional information relating to the Thom Browne put contract see *Note 28 — Other current and non-current financial liabilities* to the Consolidated Financial Statements.

Transactions with other related parties connected to directors and shareholders

- Transactions with UBS Group AG and its subsidiaries (together referred to as the "UBS Group AG") for borrowings, revolving credit lines and financial assets the Group holds (mainly cash and cash equivalents and other securities), as well as derivative contracts in the course of the Group's risk management activities. UBS Group AG

also provides certain financial guarantees to third parties on behalf of the Group. Following Mr. Sergio Ermotti's appointment as Group Chief Executive Officer of UBS Group AG effective April 5, 2023, UBS Group AG and its subsidiaries qualify as related parties of the Group.

Transactions carried out by the Group with these related parties have been duly identified and analyzed and are reported in detail in "*Note 36 — Related party transactions"* to the Consolidated Financial Statements included elsewhere in this annual report. Necessary information regarding potential conflicts of interests with members of Board or with the executives with strategic responsibilities and their close family have been obtained.

Best practice provisions 2.7.3 and 2.7.4 of the DCGC have been complied with.

9. RESPONSE MEASURES

Under Dutch law, various response measures for a company against takeovers are possible and permissible within the boundaries set by Dutch law and Dutch case law. The Company has not adopted any specific response measures, but there are several procedures and other requirements in place that may have the effect of making a takeover of the Company more difficult or less attractive:

(a) for a five-year period following December 17, 2021, the Board is authorized by the General Meeting to issue Ordinary Shares and to limit or exclude pre-emptive rights in that regard, which could enable the Company to dilute the holding of an acquirer by issuing Ordinary Shares to third parties and, thus, make it more difficult for a shareholder or potential acquirer to obtain control over the Company;

(b) the Articles of Association provide that Directors will be appointed upon a binding nomination, which nomination may only be overruled by the General Meeting by a simple majority of the votes cast, representing more than one-third of the Company's issued share capital;

(c) the Articles of Association provide that the dismissal of Directors, unless proposed by the Board, requires a majority of at least two-thirds of the votes cast, representing more than half of the Company's issued share capital; and

(d) the Articles of Association provide that certain matters, including the amendment of the Articles of Association, may only be resolved upon by the General Meeting at the proposal of the Board.

This annual report has been signed by:

Signed by

By: **E. Zegna di Monte Rubello**
Title: Chairperson and Chief Executive Officer

Signed by

By: **A. Zegna di Monte Rubello**
Position: Non-Executive Director

Signed by

By: **P. Zegna di Monte Rubello**
Position: Non-Executive Director

Signed by

By: **V.A. Mars**
Position: Non-Executive Director

Signed by

By: **S.P. Ermotti**
Title: Lead Non-Executive Director

Signed by

By: **A.C. Bonomi**
Position: Non-Executive Director

Signed by

By: **R.B. Johnson**
Position: Non-Executive Director

Signed by

By: **D. De Sole**
Position: Non-Executive Director

Signed by

By: **H. Peter**
Position: Non-Executive Director

Signed by

By: **A. Cheung**
Position: Non-Executive Director

Signed by

By: **M. Norsa**
Position: Non-Executive Director

PART II: FINANCIAL STATEMENTS

10. CONSOLIDATED FINANCIAL STATEMENTS

Ermenegildo Zegna N.V.
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the years ended December 31, 2024, 2023 and 2022

		For the years ended December 31,		
(€ thousands, except per share data)	**Notes**	**2024**	**2023**	**2022**
Revenues	6	1,946,647	1,904,549	1,492,840
Cost of sales	7	(650,087)	(680,235)	(564,832)
Gross profit		**1,296,560**	**1,224,314**	**928,008**
Selling, general and administrative expenses	8	(1,008,324)	(901,364)	(695,084)
Marketing expenses	9	(121,384)	(114,802)	(85,147)
Operating profit		**166,852**	**208,148**	**147,777**
Financial income	10	26,028	37,282	13,320
Financial expenses	10	(51,995)	(68,121)	(54,346)
Foreign exchange losses	10	(11,338)	(5,262)	(7,869)
Result from investments accounted for using the equity method	17	1,061	(2,953)	2,199
Profit before taxes		**130,608**	**169,094**	**101,081**
Income taxes	11	(39,747)	(33,433)	(35,802)
Profit		**90,861**	**135,661**	**65,279**
Attributable to:				
Shareholders of the Parent Company		*77,083*	*121,529*	*51,482*
Non-controlling interests		*13,778*	*14,132*	*13,797*
Basic earnings per share in €	12	0.31	0.49	0.22
Diluted earnings per share in €	12	0.30	0.48	0.21

The accompanying notes are an integral part of these Consolidated Financial Statements

Ermenegildo Zegna N.V.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND LOSS
for the years ended December 31, 2024, 2023 and 2022

(€ thousands)	Notes	For the years ended December 31, 2024	2023	2022
Profit		**90,861**	**135,661**	**65,279**
Other comprehensive (loss)/income, net of tax:				
Items that will be subsequently reclassified to the statement of profit and loss:				
Foreign currency exchange differences arising from the translation of foreign operations	10	32,448	(15,887)	10,098
Net (loss)/gain from cash flow hedges	21	(13,255)	(7,553)	21,744
Net gain/(loss) from financial instruments measured at fair value		216	635	(1,482)
Items that will not be subsequently reclassified to the statement of profit and loss:				
Net actuarial gain from defined benefit plans		408	1,025	1,092
Total other comprehensive income/(loss), net of tax:	25	**19,817**	**(21,780)**	**31,452**
Total comprehensive income		**110,678**	**113,881**	**96,731**
Attributable to:				
Shareholders of the Parent Company		*95,548*	*100,583*	*82,908*
Non-controlling interests		*15,130*	*13,298*	*13,823*

The accompanying notes are an integral part of these Consolidated Financial Statements.

Ermenegildo Zegna N.V.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at December 31, 2024 and 2023

(€ thousands)	Notes	At December 31, 2024	2023
Assets			
Non-current assets			
Intangible assets	14	614,363	572,274
Property, plant and equipment	15	204,806	159,608
Right-of-use assets	16	581,437	533,952
Investments accounted for using the equity method	17	19,690	18,765
Deferred tax assets	11	166,029	160,878
Other non-current financial assets	18	41,486	33,898
Total non-current assets		**1,627,811**	**1,479,375**
Current assets			
Inventories	19	521,015	522,589
Trade receivables	20	248,790	240,457
Derivative financial instruments	21	1,711	11,110
Tax receivables		32,505	31,024
Other current financial assets	22	77,269	90,917
Other current assets	23	105,742	95,260
Cash and cash equivalents	24	219,130	296,279
Total current assets		**1,206,162**	**1,287,636**
Total assets		**2,833,973**	**2,767,011**
Liabilities and Equity			
Equity attributable to shareholders of the Parent Company	25	916,120	840,294
Equity attributable to non-controlling interests	26	66,767	60,602
Total equity		**982,887**	**900,896**
Non-current liabilities			
Non-current borrowings	27	196,401	113,285
Other non-current financial liabilities	28	146,448	136,556
Non-current lease liabilities	29	518,728	471,083
Non-current provisions for risks and charges	30	23,550	19,849
Employee benefits	31	34,945	29,645
Deferred tax liabilities	11	78,129	73,885
Other non-current liabilities	33	—	9,689
Total non-current liabilities		**998,201**	**853,992**
Current liabilities			
Current borrowings	27	177,166	289,337
Other current financial liabilities	28	—	22,102
Current lease liabilities	29	142,957	122,642
Derivative financial instruments	21	15,138	897
Current provisions for risks and charges	30	16,792	16,019
Trade payables and customer advances	32	309,771	314,137
Tax liabilities		32,389	41,976
Other current liabilities	33	158,672	205,013
Total current liabilities		**852,885**	**1,012,123**
Total equity and liabilities		**2,833,973**	**2,767,011**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Ermenegildo Zegna N.V.
CONSOLIDATED CASH FLOW STATEMENT
for the years ended December 31, 2024, 2023 and 2022

(€ thousands)	Notes	For the years ended December 31, 2024	2023	2022
Operating activities				
Profit		90,861	135,661	65,279
Income taxes	11	39,747	33,433	35,802
Depreciation, amortization and impairment of assets	13	235,950	194,952	173,521
Financial income	10	(26,028)	(37,282)	(13,320)
Financial expenses	10	51,995	68,121	54,346
Foreign exchange losses	10	11,338	5,262	7,869
Write-downs and other provisions		8,180	(1,168)	14
Write-downs of the provision for obsolete inventory	19	25,745	31,850	28,561
Result from investments accounted for using the equity method	17	(1,061)	2,953	(2,199)
Gains arising from the disposal of fixed assets		—	—	(1,124)
Other non-cash expenses, net	38	51,253	66,641	23,063
Change in inventories		(5,896)	(72,770)	(103,112)
Change in trade receivables		(12,572)	(51,022)	(15,623)
Change in trade payables including customer advances		(13,098)	11,670	43,511
Change in other operating assets and liabilities		(86,373)	(29,765)	(75,994)
Interest paid		(38,140)	(29,166)	(24,938)
Income taxes paid		(52,772)	(53,988)	(49,258)
Net cash flows from operating activities		**279,129**	**275,382**	**146,398**
Investing activities				
Payments for property, plant and equipment		(100,104)	(57,034)	(49,114)
Payments for intangible assets		(25,425)	(20,843)	(24,185)
Proceeds from the sale of investment		7,582	—	—
Proceeds from disposals of non-current financial assets		334	2,345	2,585
Payments for purchases of non-current financial assets		(4,174)	(2,623)	(111)
Proceeds from disposals of current financial assets and derivative instruments	22	41,421	270,317	46,487
Payments for acquisitions of current financial assets and derivative instruments		(26,341)	(36,956)	(32,412)
Business combinations, net of cash acquired	39	(19,307)	(117,686)	(585)
Acquisition of investments accounted for using the equity method	17	—	(15,734)	—
Net cash flows (used in)/from investing activities		**(126,014)**	**21,786**	**(57,335)**
Financing activities				
Repayments of borrowings	27	(290,781)	(306,150)	(159,719)
Proceeds from borrowings	27	259,720	204,424	—
Payments of lease liabilities	29	(143,549)	(125,732)	(121,633)
Proceeds/(repayments) of other non-current financial liabilities	28	—	—	(3,919)
Dividends to owners of the parent		(30,290)	(25,031)	(21,852)
Dividends paid to non-controlling interests		(6,132)	(6,068)	(4,187)
Payments for acquisition of non-controlling interests		(23,502)	—	—
Proceeds from the exercise of warrants	28	—	4,409	—
Sales of shares held in treasury	25	—	3,654	3,390
Proceeds from capital contribution from Monterubello	25	—	—	10,923
Net cash flows used in financing activities		**(234,534)**	**(250,494)**	**(296,997)**
Effects of exchange rate changes on cash and cash equivalents		4,270	(4,716)	2,464
Net (decrease)/increase in cash and cash equivalents		**(77,149)**	**41,958**	**(205,470)**
Cash and cash equivalents at the beginning of the year	24	**296,279**	**254,321**	**459,791**
Cash and cash equivalents at the end of the year	24	**219,130**	**296,279**	**254,321**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Ermenegildo Zegna N.V.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the years ended December 31, 2024, 2023 and 2022

(€ thousands)	Share capital	Share premium	Legal reserves					Reserve for treasury shares	Other reserves	Retained earnings	Total equity attributable to shareholders of the Parent Company	Total equity attributable to non-controlling interests	Total equity
			Currency translation difference	Cash flow hedge reserve	Reserve for remeasurement of defined benefit plans	Financial assets at FVOCI reserve	Other legal reserves						
At January 1, 2022	**5,939**	**721,187**	**(4,928)**	**(8,365)**	**311**	**687**	**20,351**	**(455,000)**	**(178,424)**	**499,452**	**601,210**	**43,094**	**644,304**
Profit	—	—	—	—	—	—	—	—	—	51,482	51,482	13,797	65,279
Other comprehensive income/(loss)	—	—	10,223	21,744	941	(1,482)	—	—	—	—	31,426	26	31,452
Total comprehensive income	**—**	**—**	**10,223**	**21,744**	**941**	**(1,482)**	**—**	**—**	**—**	**51,482**	**82,908**	**13,823**	**96,731**
Legal reserves	—	—	—	—	—	—	4,927	—	(4,927)	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	(21,852)	(21,852)	(4,187)	(26,039)
Sale of treasury shares, net	—	—	—	—	—	—	—	3,826	—	—	3,826	—	3,826
Share-based payments	—	—	—	—	—	—	—	—	13,579	—	13,579	—	13,579
Other changes	—	—	—	—	—	—	—	—	40	(762)	(722)	642	(80)
At December 31, 2022	**5,939**	**721,187**	**5,295**	**13,379**	**1,252**	**(795)**	**25,278**	**(451,174)**	**(169,732)**	**528,320**	**678,949**	**53,372**	**732,321**
Profit	—	—	—	—	—	—	—	—	—	121,529	121,529	14,132	135,661
Other comprehensive income/(loss)	—	—	(15,151)	(7,553)	1,123	635	—	—	—	—	(20,946)	(834)	(21,780)
Total comprehensive income	**—**	**—**	**(15,151)**	**(7,553)**	**1,123**	**635**	**—**	**—**	**—**	**121,529**	**100,583**	**13,298**	**113,881**
Legal reserves	—	—	—	—	—	—	(3,145)	—	3,145	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	(25,031)	(25,031)	(6,068)	(31,099)
Sale of treasury shares, net	—	—	—	—	—	—	—	3,902	(248)	—	3,654	—	3,654
Exercise of warrants	115	64,500	—	—	—	—	—	—	(1,236)	—	63,379	—	63,379
Issuance of Special Voting Shares A	3,100	(3,100)	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	—	—	—	—	—	—	—	—	19,780	—	19,780	—	19,780
Settlement of share-based payments	—	—	—	—	—	—	—	10,650	(11,093)	443	—	—	—
Other changes	—	—	—	—	—	—	—	—	5,388	(6,408)	(1,020)	—	(1,020)
At December 31, 2023	**9,154**	**782,587**	**(9,856)**	**5,826**	**2,375**	**(160)**	**22,133**	**(436,622)**	**(153,996)**	**618,853**	**840,294**	**60,602**	**900,896**
Profit	—	—	—	—	—	—	—	—	—	77,083	77,083	13,778	90,861
Other comprehensive income/(loss)	—	—	31,138	(13,255)	367	215	—	—	—	—	18,465	1,352	19,817
Total comprehensive income	**—**	**—**	**31,138**	**(13,255)**	**367**	**215**	**—**	**—**	**—**	**77,083**	**95,548**	**15,130**	**110,678**
Legal reserves	—	—	—	—	—	—	(3,159)	—	3,159	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	31	(30,321)	(30,290)	(6,132)	(36,422)
Share-based payments	—	—	—	—	—	—	—	—	8,472	—	8,472	—	8,472
Settlement of share-based payments	—	—	—	—	—	—	—	18,277	(19,297)	1,020	—	—	—
Other changes	—	—	—	—	—	—	—	—	—	2,096	2,096	(2,833)	(737)
At December 31, 2024	**9,154**	**782,587**	**21,282**	**(7,429)**	**2,742**	**55**	**18,974**	**(418,345)**	**(161,631)**	**668,731**	**916,120**	**66,767**	**982,887**

The accompanying notes are an integral part of these Consolidated Financial Statements.

1. General information

Ermenegildo Zegna N.V. (formerly known as Ermenegildo Zegna Holditalia S.p.A., and hereinafter referred to as the "Company" or the "Parent Company" and together with its consolidated subsidiaries, or any one or more of them, as the context may require, the "Ermenegildo Zegna Group" or the "Group") is the holding company of the Group and is incorporated as a public company (*naamloze vennootschap*) under the laws of the Netherlands and its ordinary shares are listed on the New York Stock Exchange under the "ZGN" ticker. The Company is domiciled in Amsterdam, the Netherlands, and the Company's registered office is Viale Roma 99/100, Valdilana (Biella), Italy.

The Ermenegildo Zegna Group is a global luxury player, with a leading position in the high-end menswear business, internationally recognized for its unique textile and manufacturing platform. Heritage, Italian craftsmanship, quality and innovation are the key ingredients of its three complementary brands: ZEGNA, Thom Browne and TOM FORD FASHION, through which the Group reaches different communities, from ZEGNA's absolute luxury, to the modern tailoring of Thom Browne, to luxury glamour with TOM FORD FASHION. Thanks to Thom Browne and TOM FORD FASHION, the Group can also play an important, and growing, role in the luxury womenswear and leather goods segment.

The Group was founded in 1910 in Northern Italy, in the town of Trivero, as a wool mill by Ermenegildo Zegna (the grandfather of the Group's current Chairman and Chief Executive Officer) with the dream of creating the most beautiful and luxurious fabrics in the world. In the 60ies the Company moved from textile into men's ready-to-wear while in the 80ies it expanded its business internationally with the opening of the first monobrand boutique in Paris in 1980 marking the beginning of an extensive retail network development at worldwide level. In 2018 it acquired 85% of Thom Browne Inc. and on April 28, 2023, following the completion of the acquisition of Tom Ford International ("TFI") (the "TFI Acquisition"), the Group became a long-term licensee of the Estée Lauder Companies Inc. ("ELC") for the TOM FORD brand for men's and women's fashion and accessories business.

The Group's *Filiera*, the unique supply chain composed by some of the finest Italian high-end textile producers is fully integrated in the Group's luxury manufacturing capabilities.

The Group controls the most important phases of the value chain, from designing to manufacturing, and to distribution. Over the years, the Group has reached a significant international presence through the direct-to-consumer retail channel, as well as through selected wholesale customers.

2. Basis of preparation

Statement of compliance with IFRS

The financial information relating to Ermenegildo Zegna N.V. is presented in the consolidated financial statements. Accordingly, in accordance with article 2:402(1) of the Dutch Civil Code, the company financial statements only contain an abridged profit and loss account.

These consolidated financial statements of Ermenegildo Zegna N.V. have been prepared in accordance with the IFRS® Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board (the "IASB"), as well as IFRS Accounting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code. There is no effect on these consolidated financial statements resulting from differences between IFRS Accounting Standards as issued by the IASB and IFRS Accounting Standards as adopted by the European Union.

These financial statements were approved and authorized for issuance by the Board of Directors of Ermenegildo Zegna N.V. on May 20, 2025. The annual report in the form 20-F filed with the U.S. Securities and Exchange Commission was approved and authorized for issuance by the Board of Directors of Ermenegildo Zegna N.V. on March 26, 2025. The adoption of the financial statements and the adoption of the dividend are reserved for the shareholders at the Annual General Meeting of Shareholders on June 26, 2025.

Contents and structure of the Consolidated Financial Statements

The consolidated financial statements include the consolidated statement of profit and loss, the consolidated statement of comprehensive income and loss, the consolidated statement of financial position, the consolidated cash flow statement, the consolidated statement of changes in equity and the accompanying notes (collectively referred to as the "Consolidated Financial Statements").

The financial reporting formats presented by the Group have the following characteristics:

- the Group presents the consolidated statement of profit and loss by function, which is most representative of the way the Chief Operating Decision Maker and management view the business, and is consistent with international practice;

- the consolidated statement of comprehensive income and loss is presented as a separate statement and, in addition to presenting the components of profit and loss recognized directly in the consolidated statement of profit and loss during the period, presents the components of profit and loss not recognized in profit or loss as required or permitted by IFRS Accounting Standards;

- the consolidated statement of financial position presents assets and liabilities by current and non-current items. Current items are those expected to be realized within 12 months from the reporting date or to be sold or consumed in the normal operating cycle of the Group;

- the consolidated cash flow statement has been prepared using the "indirect method," as permitted by IAS 7 — *Statement of Cash Flows* ("IAS 7"), and presents cash flows by operating, investing and financing activities;

- the consolidated statement of changes in equity presents the movements in shareholder's equity;

- the notes to the consolidated financial statements comprise a summary of the material accounting policy information and other explanatory information.

The Consolidated Financial Statements are presented in Euro, which is the functional and presentation currency of the Company, and amounts are stated in thousands of Euros, unless otherwise indicated.

The Consolidated Financial Statements have been prepared on a going concern basis and applying the historical cost method, modified as required for certain financial assets and liabilities (including derivative instruments), which are measured at fair value, as further described in the accounting policy information below. Income and expenses are accounted for on an accrual basis.

3. Summary of material accounting policy information

New standards and amendments effective from January 1, 2024

The following new amendments effective from January 1, 2024 were adopted by the Group for the preparation of these Consolidated Financial Statements.

In January 2020, the IASB issued amendments to IAS 1 — *Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current* to clarify how to classify debt and other liabilities as current or non-current, and in particular how to classify liabilities with an uncertain settlement date and liabilities that may be settled by converting to equity. There was no effect from the adoption of these amendments.

In September 2022, the IASB issued amendments to IFRS 16 — *Leases: Liability in a Sale and Leaseback* to improve the requirements for sale and leaseback transactions, which specify the measurement of the liability arising in a sale

and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. There was no effect from the adoption of these amendments.

In October 2022, the IASB issued amendments to IAS 1 — *Presentation of Financial Statements: Non-current Liabilities with Covenants*, that clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. There was no effect from the adoption of these amendments.

In May 2023, the IASB issued amendments to IAS 7 — *Statement of Cash Flows and IFRS 7 — Financial Instruments: Disclosures: Supplier Finance Arrangements*, that introduce new disclosure requirements to enhance the transparency and usefulness of the information provided by entities about supplier finance arrangements and are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. These amendments are applicable for annual reporting periods beginning on or after January 1, 2024 but not for any interim periods ending on or before December 31, 2024, and include certain specific transition reliefs for the first annual reporting period. There was no effect from the adoption of these amendments.

New standards, amendments and interpretations not yet effective

The standards, amendments and interpretations issued by the IASB that will have mandatory application in 2025 or subsequent years are listed below:

In August 2023, the IASB issued amendments to IAS 21 — *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability* to clarify how an entity has to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use and the disclosures to provide. The amendments are effective on or after January 1, 2025. The Group is evaluating the potential impact from the adoption of this standard.

In April 2024, the IASB issued IFRS 18 — *Presentation and Disclosure in Financial Statements*, which introduces new concepts relating to: (i) the structure of the statement of profit or loss, (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (management-defined performance measures), and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The standard is effective on or after January 1, 2027. The Group is evaluating the potential impact from the adoption of this standard.

In May 2024, the IASB issued IFRS 19 — *Subsidiaries without Public Accountability: Disclosures*, which permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures better suited to the needs of the users of their financial statements, as well as to keep only one set of accounting records to meet the needs of both their parent company and the users of their financial statements. The standard is effective on or after January 1, 2027 and earlier application is permitted. The Group does not expect any impact from the adoption of this standard.

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments which amended IFRS 9 — *Financial Instruments* and IFRS 7 — *Financial Instruments: Disclosures*, with the aim of addressing diversity in practice by making the requirements more understandable and consistent. The amendments: (a) clarify the date of recognition and derecognition of certain financial assets and liabilities, with a new exception for certain financial liabilities settled through an electronic cash transfer system to be derecognized before the settlement date if certain criteria are met; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as certain instruments with features linked to the achievement of environment, social and governance (**"ESG"**) targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (**"FVOCI"**). The amendments are effective on or after January 1, 2026 and earlier application is permitted. The Group is evaluating the potential impact from the adoption of these amendments.

In July 2024, the IASB issued *Annual Improvements to IFRS Accounting Standards — Volume 11* which contains amendments to five standards as result of the IASB's annual improvements project. The IASB uses the annual improvements process to make necessary, but non-urgent, amendments to IFRS Accounting Standards that will not be included as part of another major project. The amended standards are: IFRS 1 — *First-time Adoption of International Financial Reporting Standards*, IFRS 7 —*Financial Instruments: Disclosures* and its accompanying Guidance on implementing IFRS 7; IFRS 9 — *Financial Instruments*; IFRS 10 — *Consolidated Financial Statements*; and IAS 7 — *Statement of Cash Flows*. The

amendments are effective on or after January 1, 2026 and earlier application is permitted. The Group is evaluating the potential impact from the adoption of these amendments.

In December 2024, IASB issued Amendments for nature-dependent electricity contracts which amended IFRS 9 — *Financial Instruments* and IFRS 7 — *Financial Instruments: Disclosures* to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs), in the light of the increased use of these contracts. The amendments are effective on or after January 1, 2026 and earlier application is permitted. The Group is evaluating the potential impact from the adoption of these amendments.

Material accounting policy information

Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Group has control. Control is achieved when the Group has the power over the investee, it is exposed, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. Subsidiaries are consolidated on a line by line basis from the date on which the Group obtains control. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are deconsolidated from the date when control ceases. When the Group ceases to have control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiaries at their carrying amounts, derecognizes the carrying amount of non-controlling interests in the former subsidiary and recognizes the fair value of any consideration received from the transaction. Any retained interest in the former subsidiary is then remeasured to its fair value.

The Group recognizes any non-controlling interests ("NCI") in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interests' share of the acquiree's identifiable net assets. Net profit or loss and each component of other comprehensive income/(loss) are attributed to the owners of the parent and to the non-controlling interests.

All intra-group balances and transactions and any unrealized gains and losses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements.

Foreign currency transactions

The functional currency of the Group's entities is the currency of their primary economic environment. Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign currency exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the consolidated statement of profit and loss.

Consolidation of foreign entities

Upon consolidation, all assets and liabilities of Group entities with a functional currency other than the Euro are translated using the closing rates at the date of the consolidated statement of financial position. Income and expenses are translated into Euro at the average foreign currency exchange rate for the period. Translation differences resulting from the application of this method are recognized within other comprehensive income/(loss) and accumulated in the currency translation reserve until the disposal of the investment, at which date the accumulated amount is reclassified to profit/(loss). Average foreign currency exchange rates for the period are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows. Goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the Euro are recognized in the Consolidated Financial Statements in the functional currency and translated at the foreign currency exchange rate at the acquisition date. These balances are translated at subsequent balance sheet dates at the relevant foreign currency exchange rate.

The following table presents the principal foreign currency exchange rates used by the Group to translate other currencies into Euro:

	2024		2023		2022	
	At December 31,	Average	At December 31,	Average	At December 31,	Average
U.S. Dollar	1.039	1.082	1.105	1.081	1.067	1.053
Swiss Franc	0.941	0.953	0.926	0.972	0.985	1.005
Chinese Renminbi	7.583	7.787	7.851	7.660	7.358	7.079
Pound Sterling	0.829	0.847	0.869	0.870	0.887	0.853
Hong Kong Dollar	8.069	8.445	8.631	8.465	8.316	8.245
Singapore Dollar	1.416	1.446	1.459	1.452	1.430	1.451
United Arab Emirates Dirham	3.815	3.975	4.058	3.971	3.917	3.867
Japanese Yen	163.060	163.852	156.330	151.990	140.660	138.027
South Korean Won	1,532.150	1,475.404	1,433.660	1,412.880	1,344.090	1,358.073

Interests in associates and in joint arrangements

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Associates and joint ventures are accounted for using the equity method of accounting, from the date significant influence or joint control is obtained, respectively.

Under the equity method, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit/(loss) and other comprehensive income/(loss) of the investee. The Group's share of the investee's profit/(loss) is recognized in the consolidated statement of profit and loss. Distributions received from an investee reduce the carrying amount of the investment. Post-acquisition movements in other comprehensive income/(loss) are recognized in other comprehensive income/(loss) with a corresponding adjustment to the carrying amount of the investment. Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When the Group's share of the losses of an associate or joint venture exceeds the carrying amount of the Group's investment, the Group discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the related investee. The Group discontinues the use of the equity method from the date the investment ceases to be an associate or joint venture, or when it is classified as available-for-sale.

Scope of consolidation

Ermenegildo Zegna N.V. is the parent company of the Group and it holds, directly or indirectly, interests in the Group's subsidiaries. The following table presents the Group's scope of consolidation at December 31, 2024 and 2023:

Company	Registered office	Share capital (functional currency)	Held directly by	% Group At December 31,	
				2024	2023
Companies consolidated on a line-by-line basis					
Parent company					
Ermenegildo Zegna N.V.	Amsterdam (Netherlands)	9,153,722			
Italian subsidiaries					
In.co. S.p.A.	Valdilana (BI)	4,050,000	Ermenegildo Zegna N.V.	100%	100%

Company	Registered office	Share capital (functional currency)	Held directly by	% Group At December 31,	
				2024	2023
Tizeta S.r.l.[10]	Sesto Fiorentino (FI)	284,278	Ermenegildo Zegna N.V. (36.4%) / Tom Ford International LLC (36.4%) / Tom Ford Distribution S.r.l. (27.2%)	100%	100%
Lanificio Ermenegildo Zegna e Figli S.p.A.	Valdilana (BI)	3,100,000	Ermenegildo Zegna N.V.	100%	100%
Ezi S.p.A.	Milan	5,750,000	Ermenegildo Zegna N.V.	100%	100%
EZ Service S.r.l.	Valdilana (BI)	500,000	Ermenegildo Zegna N.V.	100%	100%
Bonotto S.p.A.	Colceresa (VI)	1,239,600	Ermenegildo Zegna N.V.	60%	60%
Cappellificio Cervo S.r.l.	Biella	300,000	Ermenegildo Zegna N.V.	51%	51%
Thom Browne Services Italy S.r.l.	Milan	10,000	Thom Browne Trading SA	92%	90%
Thom Browne Retail Italy S.r.l.	Milan	10,000	Thom Browne Services Italy S.r.l.	92%	90%
Gruppo Dondi S.p.A.	Carpi (MO)	1,502,800	Ermenegildo Zegna N.V.	65%	65%
Tessitura Ubertino S.r.l.	Valdilana (BI)	100,000	Ermenegildo Zegna N.V.	60%	60%
Tom Ford Distribution S.r.l.	Sesto Fiorentino (FI)	117,616	Tom Ford Switzerland Sagl (85.02%) /Tom Ford International LLC (14.98%)	100%	100%
Foreign subsidiaries					
Ermenegildo Zegna Giyim Sanayi ve Tic. A. S.	Istanbul (Turkey)	118,291,439	Ermenegildo Zegna N.V.	100%	100%
Ermenegildo Zegna H.m.b.H.	Wien (Austria)	610,000	Ermenegildo Zegna N.V.	100%	100%
Société de Textiles Astrum France S.à.r.l.	Paris (France)	500,000	Ermenegildo Zegna N.V.	100%	100%
Ermenegildo Zegna GmbH	Munich (Germany)	6,577,421	Ermenegildo Zegna N.V.	100%	100%
Zegna Japan Co., LTD	Minato-Ku-Tokyo (Japan)	100,000,000	Ermenegildo Zegna N.V.	100%	100%
Fantasia (London) Limited	London (UK)	499,800	Ermenegildo Zegna N.V.	100%	100%
Ermenegildo Zegna S.A. de C.V.	Ciudad de Mexico (Mexico)	459,600,000	Ermenegildo Zegna N.V.	100%	100%
Ezeti Portugal. S.A.	Lisbon (Portugal)	800,000	Ermenegildo Zegna N.V.	100%	100%
Ermenegildo Zegna Madrid S.A. [6]	Barcelona (Spain)	901,500	Ezeti S.L.	100%	70%
Ezeti S.L.	Barcelona (Spain)	500,032	Italco S.A.	100%	100%
Italco S.A.	Sant Quirze (Spain)	1,911,300	Ermenegildo Zegna N.V.	100%	100%
Ermenegildo Zegna Czech s.r.o	Prague (Czech Republic)	1,350,000	Ermenegildo Zegna N.V.	100%	100%
Co.Ti. Service S.A.	Stabio (Switzerland)	27,940,000	Ermenegildo Zegna N.V.	100%	100%
Consitex S.A.	Stabio (Switzerland)	15,000,000	Ermenegildo Zegna N.V.	100%	100%
Ermenegildo Zegna Corporation	New York, NY	500,000	Ermenegildo Zegna N.V.	100%	100%
Zegna (China) Enterprise Management Co., Ltd.	Shanghai (China)	58,309,140	Ermenegildo Zegna N.V.	100%	100%
Ermenegildo Zegna (China) Co., LTD	Shanghai (China)	50,000,000	Ermenegildo Zegna N.V.	100%	100%
Ermenegildo Zegna Far-East Pte LTD	Singapore	21,776,432	Consitex S.A.	100%	100%
Ermenegildo Zegna Hong Kong LTD	Hong Kong	538,240,000	Ermenegildo Zegna N.V.	100%	100%
E.Z. Trading (Hong Kong) LTD	Hong Kong	82,120,000	Ermenegildo Zegna N.V.	100%	100%
Ermenegildo Zegna Canada Inc.	Toronto (Canada)	700,000	Ermenegildo Zegna N.V.	100%	100%
Ermenegildo Zegna Australia PTY LTD	Sydney (Australia)	18,000,000	Ermenegildo Zegna Far-East Pte LTD	100%	100%
E. Z. New Zealand LTD	Auckland (New Zealand)	5,800,000	Ermenegildo Zegna N.V.	100%	100%
Ezesa Argentina S.A. [2]	Buenos Aires (Argentina)	9,421,014	Ermenegildo Zegna N.V. / Italco S.A.	—%	100%
E. Z. Thai Holding Ltd	Bangkok (Thailand)	3,000,000	Ermenegildo Zegna N.V.	49%	49%
The Italian Fashion Co. LTD	Bangkok (Thailand)	16,000,000	E. Z. Thai Holding Ltd (34%)/ Ermenegildo Zegna Far-East Pte LTD (31%)	65%	65%
Zegna South Asia Private LTD	Mumbai (India)	902,316,770	Ermenegildo Zegna N.V.	51%	51%
ISMACO TEKSTİL LİMİTED ŞİRKETİ	Istanbul (Turkey)	10,000,000	Ermenegildo Zegna N.V.	100%	100%
Ezesa Brasil Participacoes LTDA	San Paolo (Brazil)	77,481,487	Ermenegildo Zegna N.V.	100%	100%

Company	Registered office	Share capital (functional currency)	Held directly by	% Group At December 31,	
				2024	2023
Ermenegildo Zegna (Macau) LTD	Kowloon Bay (Hong Kong)	4,650,000	Consitex S.A.	100%	100%
Ermenegildo Zegna Malaysia Sdn. Bhd.	Kuala Lumpur (Malaysia)	3,000,000	Ermenegildo Zegna Far-East Pte LTD	100%	100%
Ermenegildo Zegna Maroc S.A.R.L.A.U.	Casablanca (Morocco)	530,000	Ermenegildo Zegna N.V.	100%	100%
Ermenegildo Zegna Vietnam LLC	Hanoi City (Vietnam)	132,294,900,000	Ermenegildo Zegna N.V.	90%	90%
Zegna Gulf Trading LLC	Dubai (UAE)	300,000	Consitex S.A.	49%	49%
Zegna Consitex Arabia for Trading LLC (4)	Riyadh (KSA)	28,600,000	Consitex S.A.	70 %	— %
EZ US Holding Inc.	Wilmington (U.S.A.)	1,000,099	Ermenegildo Zegna N.V.	100%	100%
E.Zegna Attica Single Member Societé Anonyme	Athens (Greece)	650,000	Ermenegildo Zegna N.V.	100%	100%
Zegna for Retail of Readymade and Novelty Clothes W.L.L.	Kuwait City (Kuwait)	125,000	Zegna Gulf Trading LLC	49%	49%
Ermenelgildo Zegna Denmark ApS	Aarhus (Denmark)	400,000	Ermenegildo Zegna N.V.	100%	100%
EZ CA Holding Corp.	Toronto (Canada)	1,000	Ermenegildo Zegna N.V.	100%	100%
Ermenegildo Zegna Korea Co. Ltd. (1)	Seoul (Korea)	11,134,170,000	Ermenegildo Zegna N.V.	100%	—%
Ermenegildo Zegna Monaco S.a.r.l. (3)	Principato di Monaco	150,000	Ermenegildo Zegna N.V. (99%) / Consitex S.A. (1%)	100%	—%
Thom Browne Inc. (5)	Wilmington (U.S.A.)	5,510	Ermenegildo Zegna N.V.	92%	90%
Thom Browne Japan Inc.	Tokyo (Japan)	1,000,000	Thom Browne Inc.	92%	90%
Thom Browne Trading SA	Stabio (Switzerland)	100,000	Thom Browne Inc.	92%	90%
Thom Browne France Services	Paris (France)	50,000	Thom Browne Trading SA	92%	90%
Thom Browne UK Limited	Beckenham (UK)	1	Thom Browne Trading SA	92%	90%
Thom Browne (China) Co., Ltd.	Shanghai (China)	195,973,210	Thom Browne Trading SA	92%	90%
Thom Browne (Macau) Limited	Hong Kong	500,000	Thom Browne Trading SA	92%	90%
Thom Browne Canada	Vancouver (Canada)	100	Thom Browne Trading SA	92%	90%
Thom Browne Hong Kong Limited	Hong Kong	500,000	Thom Browne Trading SA	92%	90%
Thom Browne Eyewear (T.B.E.) SA	Stabio (Switzerland)	1,000,000	Thom Browne Trading SA	92%	90%
Thom Browne Eyewear France SAS	Paris (France)	40,000	Thom Browne Eyewear SA	92%	90%
Thom Browne Korea Ltd.	Seoul (South Korea)	100,000,000	Thom Browne Trading SA	92%	90%
Tom Ford International LLC	Delaware (U.S.A.)	10,000,000	EZ US Holding Inc	100%	100%
Tom Ford Switzerland Sagl	Stabio (Switzerland)	1,000,000	Tom Ford International LLC	100%	100%
Tom Ford Showroom Limited	London (UK)	1	Tom Ford Distribution S.r.l.	100%	100%
Tom Ford Retail UK Limited	London (UK)	1	Tom Ford International LLC	100%	100%
Tom Ford Studio Limited	London (UK)	50,000	Tom Ford International LLC	100%	100%
T.F. Property Ltd	London (UK)	1	Tom Ford International LLC	100%	100%
Tom Ford Retail LLC	New York (U.S.A.)	2,060,000	Tom Ford International LLC	100%	100%
Tom Ford Retail Hong Kong Limited	Hong Kong	1,000,000	Tom Ford International LLC	100%	100%
Tom Ford Hong Kong Limited	Hong Kong	1,000	Tom Ford International LLC	100%	100%
Tom Ford Retail Macau Limited	Macau	25,000	Tom Ford Retail Hong Kong Limited (96%) / Tom Ford Hong Kong Limited (4%)	100%	100%
Tom Ford Retail Korea (Yuhan Hoesa)	Seoul (Korea)	50,000,000	Tom Ford International LLC	100%	100%
Tom Ford Retail Japan GK (Godo Kaisha)	Tokyo (Japan)	10,000,000	Tom Ford International LLC	100%	100%
Tom Ford Clothing Retail Shanghai Company Limited	Shanghai (China)	13,900,000	Tom Ford Retail Hong Kong Limited	100%	100%
Italian associates and joint arrangements					
Filati Biagioli Modesto S.r.l. (9)	Montale (PT)	16,884,402	Ermenegildo Zegna N.V.	45%	40%
Luigi Fedeli e Figlio S.r.l.	Monza (MB)	3,358,000	Ermenegildo Zegna N.V.	15%	15%
Foreign associates and joint arrangements					
Norda Run Inc	Toronto (Canada)	9,696,528	EZ CA Holding Corp.	25%	25%
Other investments valued at fair value					

Company	Registered office	Share capital (functional currency)	Held directly by	% Group At December 31,	
				2024	2023
Acquedotto Piancone S.r.l.	Valdilana (BI)	42,000	Lanificio Ermenegildo Zegna e Figli S.p.A.	67%	67%
Pettinatura di Verrone S.r.l.	Verrone (BI)	3,000,000	Lanificio Ermenegildo Zegna e Figli S.p.A.	15%	15%
Sharmoon.EZ.Garments Co. Ltd [8]	Wenzhou (China)	100,000,000	Ermenegildo Zegna N.V.	5%	50%
F2 S.r.l.	Schio (VI)	90,000	Bonotto S.p.A.	29%	29%
Consorzio Re.Crea [7]	Milan	714,000	Ermenegildo Zegna N.V.	15.4%	15.5%

The following changes in the scope of consolidation of the Group occurred during the year ended December 31, 2024.

(1) On January 1, 2024, the Group acquired a 100% interest in Ermenegildo Zegna Korea Co. Ltd. for cash consideration of €9 million, following which the Group began directly operating its ZEGNA business in South Korea and its network of 15 stores. For additional information see *Note 39 — Business combinations;*

(2) On February 6, 2024, the Group sold its 100% interest in Ezesa Argentina S.A., following which Ezesa Argentina S.A. was deconsolidated by the Group;

(3) On March 25, 2024, Ermenegildo Zegna Monaco S.a.r.l. was incorporated by the Group, primarily to manage the Group's operating activities in the Principality of Monaco. The Group held a 100% interest in the company at June 30, 2024;

(4) On April 28, 2024, Zegna Consitex Arabia For Trading LLC, a limited liability company owned by Consitex S.A., was incorporated, primarily to manage the Group's operating activities in the Kingdom of Saudi Arabia. The Group held a 70% interest in the company at June 30, 2024;

(5) On June 6, 2024, Mr. Thom Browne exercised a put option to sell to the Group an additional 2% of Thom Browne Inc. (the parent company of the Thom Browne group), for total consideration of $25 million (€22,752 thousand), following which the Group holds 92% of Thom Browne group. As a result, the Group derecognized a portion of the liability for the written put option on non-controlling interests for an amount of €22,752 thousand. Additionally, the equity attributable to non-controlling interests was reduced by €3,697 thousand with an offsetting increase to equity attributable to shareholders of the Parent Company. For additional information relating to the put option on non-controlling interests, see *Note 28 — Other current and non-current financial liabilities*;

(6) On June 27, 2024, Ezeti S.L. acquired the remaining 30% interest in Ermenegildo Zegna Madrid S.A. not previously owned by the Group for cash consideration of €750 thousand, following which the Group owns 100% of the company;

(7) In 2024, the interest held in Consorzio Re.Crea was reduced from 15.5% at December 31, 2023 to 15.4% at December 31, 2024 due to a capital increase of the consortium.

(8) In December, 2024, the Group sold a 45% interest in Sharmoon.EZ.Garments Co. Ltd for a gain of €7,582 thousand, following which the Group continues to own a 5% interest in the company and account for the investment at fair value.

(9) On September 25, 2024, the interest held in Filati Biagioli Modesto S.p.A was increased from 40% to 45% as a following the conversion of a previous equity contribution into share capital.

(10) On October 1, 2024, Pelletteria Tizeta s.r.l., a company fully owned by the Group, changed its name to Tizeta s.r.l. and increased its share capital to €284 thousand.

Property, plant and equipment

Cost

Property, plant and equipment is initially recognized at cost, which comprises the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary to be capable of operating in the manner intended by management, capitalized borrowing costs and any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Self-constructed assets are initially recognized at their production cost, including labor costs. Subsequent costs are capitalized only if they increase the future economic benefits embodied in the related assets. All other expenditures are expensed as incurred. When parts are replaced, the carrying amount of the parts that are replaced are written off in the consolidated statement of profit and loss.

Property, plant and equipment is presented net of accumulated depreciation, calculated on the basis of the useful lives of the assets, and any impairment losses.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Category of Property, Plant and Equipment	Depreciation Rate
Buildings	3% - 10%
Plants and machinery	12.5% - 17.5%
Industrial and commercial equipment	20% - 25%
Leasehold improvements	10% - 25%
Other tangible assets	10% - 25%

Land and assets under construction are not depreciated.

If the asset being depreciated consists of separately identifiable components whose useful life differs from that of the other parts making up the asset, depreciation is charged separately for each of its component parts through application of the "component approach."

Property, plant and equipment is tested for impairment when impairment indicators are identified, such as a scheduled closure of a store or site, a redundancy plan or a downward revision of market forecasts. When an asset's recoverable amount is less than its net carrying amount, an impairment loss is recognized. Where the recoverable amount of an individual asset cannot be determined precisely, the Group determines the recoverable amount of the cash-generating unit ("CGU") or group of CGUs to which the asset belongs. Any gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

Intangible assets with an indefinite useful life

Goodwill and brands with an indefinite useful lives

Goodwill originated on acquisitions of subsidiaries and brands with an indefinite useful lives that are acquired separately are initially recognized in accordance with IFRS 3 — *Business Combinations*, as further described below, and are recorded within intangible assets. In accordance with IAS 36 — *Impairment of assets* ("IAS 36"), goodwill and brands with an indefinite useful lives are not amortized and are tested for impairment annually, or more frequently if facts or circumstances indicate that the asset may be impaired. Goodwill and brands with an indefinite useful lives are allocated to each of the Group's CGUs (or groups of CGUs) expected to benefit from the synergies of the combination. CGUs (or groups of CGUs) to which goodwill and brands with an indefinite useful lives have been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, in order to verify that the recoverable amount of the CGU (or groups of CGUs) is not less than the carrying amount of the CGU (or groups of CGUs).

The recoverable amount of all CGUs and groups of CGUs is based on a value in use calculation which uses cash flow projections based on most recent budget forecast calculations, which are prepared separately for each CGU and

approved by management. These budget and forecast calculations generally cover a period of three years. A long-term growth rate is calculated and applied to project future cash flows after the third year. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Intangible assets with a finite useful life

An identifiable non-monetary asset without physical substance, controlled by the Group and capable of producing future economic benefits is recognized as intangible assets.

Intangible assets with a finite useful life include trademarks, licenses, software, and development costs.

Concession, licenses, trademarks and patents

Concession, licenses, trademarks and patents are recognized at cost or at the value attributed upon acquisition and include the cost of trademark registration in the various countries in which the Group operates, assuming there are no risks or limitations on control over their use.

The Group's main intangible asset with a finite useful life is the license agreement entered into in 2023 as part of the TFI Acquisition, through which the Group is a long-term licensee of ELC for the TOM FORD brand for men's and women's fashion and accessories. The estimated useful life of the license agreement is 30 years, which includes the 20 guaranteed years as per the contract plus the automatic renewal period of 10 years, which is subject to certain minimum performance conditions that management believes will be satisfied based on the business plan and information currently available.

Software

Software acquired as part of recurring operations and software developed in-house by the Group which meet the relevant criteria in IAS 38 — *Intangible Assets* ("IAS 38") are capitalized and amortized on a straight-line basis over their useful lives.

Know how

As a result of the acquisition of Tessitura Ubertino in June 2021, the Group recognized intangible assets relating to know how, which were initially recognized at their fair value at the date of acquisition and will be amortized over a 5 year period.

Development costs

Development costs are recognized as an asset if, and only if, both of the following conditions in IAS 38 are met: (i) that development costs can be measured reliably and (ii) that the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process. All other research and development costs are expensed as incurred.

Intangible assets with a definite useful life are amortized on a straight-line basis at the following rates:

Category of Intangible Assets with a Finite Useful Life	**Depreciation Rate**
Concessions, licenses, trademarks and patents[(1)]	2.5% - 25.0%
Software	10% - 33%
Know how	20%
Development costs and other intangibles	10% - 33%

(1) The estimated useful life of the license agreement entered into in 2023 as part of the TFI Acquisition, through which the Group is a long-term licensee of ELC for the TOM FORD brand for men's and women's fashion and accessories, is 30 years, which includes the 20 guaranteed years as per the contract plus the automatic renewal period of 10 years, which is subject to certain minimum performance conditions that management believes will be satisfied based on the business plan and information currently available.

The Group continuously monitors its operations to assess whether there is any indication that its intangible assets with a definite useful life (including intangible assets in progress) are impaired. See *"—Impairment of non-current assets"* below for additional information**.**

Leases

The Group recognizes a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use. Each lease payment is allocated between the principal liability and finance costs. Finance costs are charged to the statement of profit and loss over the lease period using the effective interest rate method. Right-of-use assets are depreciated on a straight-line basis over the lease term or, if shorter, the useful life of the asset.

Right-of-use assets are measured at cost comprising the following: (i) the amount of the initial measurement of lease liability; (ii) any lease payments made at or before the commencement date less any lease incentives received; (iii) any initial direct costs and, if applicable, (iv) restoration costs. Payments associated with short- term leases (less than 12 months at inception) and leases of low-value assets are recognized as an expense in the statement of profit and loss on a straight-line basis.

Lease liabilities are measured at the net present value of the following: (i) fixed lease payments, (ii) variable lease payments that are based on an index or a rate and, if applicable, (iii) amounts expected to be payable by the lessee under residual value guarantees, and (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option. Lease liabilities do not include any non-lease components that may be included in the related contracts. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Variable lease payments are recognized in the statement of profit and loss in the period in which the condition that triggers those payments occurs. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The Group determines the lease term as the non-cancellable period of a lease, together with the periods covered by (i) an option to extend if the lessee is reasonably certain to extend or periods after an optional termination date if the lessee is reasonably certain not to terminate early. Management evaluates the exercise of the option if it's considered "reasonably certain" based on several factors and circumstances that create an incentive for the lessee to exercise, or not to exercise the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option.

The Group subleases certain spaces to third parties. The accounting for the right-of-use asset depends on the classification of the sublease, while the accounting for the head lease liability remains unchanged. For sublease classified as finance lease, the Group derecognizes the right-of-use asset (to the extent that it is subject to the sublease) and recognizes a lease receivable. If the sublease is classified as an operating lease, the Group continues to recognize the right-of-use asset. Operating income from the sublease is recognized on a straight-line basis over the term of the agreement

Impairment of non-current assets

The Group continuously monitors its operations to assess whether there is any indication that its non-current assets are impaired, including goodwill, brands with an indefinite useful life, intangible assets with a definite useful life (including intangible assets in progress), property, plant and equipment and right-of-use assets. Goodwill, brands with an indefinite useful life and intangible assets in progress are tested for impairment annually or more frequently, if there is an indication that they may be impaired. If impairment indicators are present, the carrying amount of the asset is reduced to its recoverable amount, which is the higher of its (i) fair value less costs of disposal and (ii) value in use. The recoverable amount is determined for the individual asset, unless the asset does not generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets, in which case the asset is tested as part of the CGU to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group identifies each DOS as a separate CGU. New DOSs require a start-up period before they achieve the expected level of profitability, which generally extends for three years following the date of each store's opening. When a DOS is in the start-up period, an operating loss is not necessarily considered to be an indicator of possible impairment. The

Group considers an operating loss to be an indicator of possible impairment if the DOSs cash flows for the start-up period are lower than the DOSs cash flows of the approved operational plan. Strategic stores are considered separate CGUs when determining whether any impairment indicators are present. If an impairment indicator is identified, it is assessed whether other stores have benefited from the strategic store. If the strategic store is determined to benefit other stores, an impairment test for the strategic store is performed as a group of CGUs at the segment level.

In assessing the value in use of an asset or CGU, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the recoverable amount is lower than the carrying amount. Where an impairment loss for assets other than goodwill subsequently no longer exists or has decreased, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. The reversal of an impairment loss is recognized in the consolidated statement of profit and loss.

Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS 3. Accordingly, the consideration transferred (acquisition price) in a business combination is measured at the fair value, which is measured at the fair value of the assets transferred, liabilities incurred by the acquirer and the equity interest issued at the date the control changed. The following items constitute an exception, which are instead valued according to their reference principle: (i) deferred tax assets and liabilities, (ii) assets and liabilities for employee benefits and (iii) assets held for sale. Acquisition-related costs are recognized in the consolidated statement of profit and loss as incurred. Goodwill is measured as the excess of the acquisition price plus the amount of any non-controlling interests in the acquiree over the net fair value of the identifiable assets acquired and liabilities assumed. If, after reassessment, it results in a negative difference, the excess is recognized immediately in the consolidated statement of profit and loss as a bargain purchase gain.

In the event that the fair values of the assets, liabilities and contingent liabilities can only be determined provisionally, the business combination is recognized using these provisional values. Any adjustments deriving from the completion of the valuation process are recognized within twelve months from the acquisition date.

If a price component is linked to the realization of future events, this component is considered in the estimate of the fair value at the time of the business combination.

Significant gains and losses, with the related tax effects, deriving from transactions carried out between fully consolidated companies not yet realized with third parties, are eliminated, except for losses that are not eliminated if the transaction provides evidence of a reduction of value of the transferred asset. The reciprocal debit and credit relationships, costs and revenues, as well as financial income and expenses are also eliminated if significant.

The purchase of further holdings in subsidiaries and the sale of shares that do not involve the loss of control are considered transactions between shareholders; as such, the accounting effects are recognized directly in the Group's equity.

Put and call agreement on non-controlling interests

In the case of put options granted to non-controlling interests, the Group recognizes a financial liability corresponding to the present value of the exercise price of the option. On initial recognition, if put option terms and conditions give the Group the access to the economic benefits of the non-controlling interests, the Group recognizes a financial liability and a reduction of equity attributable to non-controlling interests (as if the non-controlling interest had been acquired by the Group). If put option terms and conditions do not give the Group the access to the economic benefits of the non-controlling interests, the Group recognizes a financial liability and a reduction of the Group's retained earnings. The liability is subsequently remeasured at the end of each period. The liability is subsequently accreted through financial expenses up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognized with a corresponding adjustment to equity.

Financial instruments

The classification of a financial asset is based on the Group's business model for managing the related financial assets and their contractual cash flows. The Group considers whether the contractual cash flows represent solely payments of

principal and interest that are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at fair value through profit and loss.

With the exception of trade receivables that do not contain a significant financing component (or for which the Group has applied the practical expedient available under IFRS 15 — *Revenue from contracts with customers* ("IFRS 15"), which are measured at the transaction price (as defined in IFRS 15), all financial assets are initially measured at their fair value plus, in the case of financial assets not at fair value through profit and loss only, transaction costs that are directly attributable to the acquisition of the asset.

Measurement subsequent to initial recognition is based on the classification of the financial assets into one of the following categories:

1. Financial assets at amortized cost;

2. Financial assets at fair value through other comprehensive income/(loss), with subsequent recycling of cumulative gains and losses to the statement of profit and loss ("FVOCI"); or

3. Financial assets at fair value through profit and loss ("FVPL").

1. Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured using the effective interest rate method and are subject to impairment testing. Gains and losses are recognized in the statement of profit and loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost primarily include trade receivables, guarantee deposits and certain other non-current financial assets.

2. Financial assets at fair value through other comprehensive income/(loss) (FVOCI)

Financial assets at FVOCI are initially recognized at fair value and subsequent fair value changes are recognized within other comprehensive income/(loss). Interest income, foreign exchange revaluations and impairment losses or reversals are recognized in the consolidated statement of profit and loss. Upon derecognition, the cumulative reserve of fair value changes recognized within other comprehensive income/(loss) is recycled to profit and loss.

The Group's financial assets at FVOCI primarily include derivative instruments (when they qualify for hedge accounting), as well as fixed income and floating income securities.

3. Financial assets at fair value through profit and loss (FVPL)

Financial assets at FVPL are initially recognized at fair value and subsequent fair value changes are recognized in the consolidated statement of profit and loss. Financial assets at FVPL include derivative instruments and listed equity investments for which the Group has not irrevocably elected to classify the instruments at FVOCI. Dividends from listed equity investments are recognized as other income in the consolidated statement of profit and loss when the right of payment has been established.

The Group's financial assets measured at FVPL primarily include insurance contracts, equity instruments and fixed income securities, as well as investments in hedge funds and private equity private debts, money market funds, floating income and real estate funds.

Reclassification

A financial asset is only reclassified when there is a change in the contractual terms that significantly affects the previously expected cash flows or when the Group changes its business model for managing financial assets. Reclassifications are only made prospectively from the reclassification date, without restating any previously recognized gains, losses or interest.

Derecognition

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for any obligations created or retained. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit and loss. In addition, on derecognition of an investment in a debt instrument classified as FVOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve within other comprehensive income/(loss) is reclassified to profit and loss.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime expected credit losses (ECL) for trade receivables, contract assets, lease receivables and securities. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Trade receivables

Trade receivables are amounts due from clients for goods sold or services provided in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less any loss allowances.

Financial liabilities

Financial liabilities include loans, bonds, lease liabilities, trade payables and other liabilities. These instruments are recorded at fair value on initial recognition, net of any costs that can be ascribed to them. Subsequently, the financial liabilities are measured at amortized cost using the effective interest method. The Group derecognizes a financial liability when, and only when, it is extinguished, i.e. when the obligation in the contract is discharged, canceled or expired.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The resulting gain or loss is recognized immediately in profit or loss unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. A derivative is classified as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realized or settled within 12 months. Derivatives held for trading are classified as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency and interest rate risk, as fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the following hedge effectiveness requirements:

a. there is an economic relationship between the hedged item and the hedging instrument;

b. the effect of credit risk does not dominate the value changes that result from that economic relationship; and

c. the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The Group designates only the intrinsic value of option contracts as a hedged item and excludes the time value of the option. The changes in the fair value of the aligned time value of the option are recognized in other comprehensive income/(loss) and accumulated in the hedge reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time period related, then the amount accumulated in the hedge reserve is reclassified to profit or loss on a rational basis – the Group applies straight-line amortization. Those reclassified amounts are recognized in profit or loss in the same line as the related hedged item. If the hedged item is a non-financial item, then the amount accumulated in the hedge reserve is removed directly from equity and included in the initial carrying amount of the recognized non-financial item. Furthermore, if the Group expects that some or all of the loss accumulated in the hedge reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group designates certain derivatives as either:

a. hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge). Where a derivative financial instrument is designated as a hedge against the fluctuation in fair value of a recognized asset or liability (fair value hedge), the gain or loss for re-measuring the hedging instrument at fair value is recognized in the statement of profit and loss together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Consistently, the hedged items are adjusted to consider changes in fair value of the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognized in the statement of profit and loss. The gain or loss relating to the ineffective portion is recognized in the statement of profit and loss. Changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk are recognized in the statement of profit and loss. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortized to the statement of profit and loss over the period to maturity.

b. hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge). Where a derivative financial instrument is designated as a hedge of foreign exchange rate or interest rate in relation to future cash flow (cash flow hedge), the effective portion of any gain or loss on the derivative financial instrument is recognized directly in other comprehensive income/(loss) within equity. The gain or loss associated with an ineffective portion of a hedge is recognized in the statement

of profit and loss. The cumulative gain or loss is removed from equity and recognized in the statement of profit and loss at the same time in which the hedged transaction affects the statement of profit and loss (as an adjustment to the caption of the statement of profit and loss affected by the hedged cash flows). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the statement of profit and loss. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognized in the statement of profit and loss within 'revenues'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of profit and loss.

Warrant liabilities

The Group accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of share premium within equity at the time of issuance. For issued or modified warrants that do not meet all of the criteria for equity classification, the warrants are recognized as a liability at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of liability-classified warrants are recognized as a non-cash gain or loss in the statement of profit and loss. In order to determine their fair value, the Group's Public Warrants are measured at their trading price and the Group's private warrants are measured at fair value using a Monte Carlo Simulation model.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. Cash and cash equivalents are primarily held for the purpose of meeting short-term cash commitments.

To be classified as cash and cash equivalents, an asset must be readily convertible into cash, have an insignificant risk of changes in value and have a maturity period of three months or less at acquisition.

Inventories

Inventories are recognized at the lower of cost (acquisition or production) and net realizable value. Cost includes direct production costs and indirect costs that have been incurred in bringing the inventories to the location and condition necessary to be capable for their use in the production process. Cost is determined on a weighted average basis. Net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs for sale and distribution.

Inventories are presented net of provisions for slow moving and obsolete inventories.

Employee benefits

Pension plans

Defined contribution plans - Costs arising from defined contribution plans are expensed as incurred.

Defined benefit plans - The Group's net obligations are determined separately for each plan by estimating the present value of future benefits that employees have earned in the current and prior periods, and deducting the fair value of any plan assets.

The present value of defined benefit obligations is measured using actuarial techniques and benefits are attributable to periods in which the obligation to provide post-employment benefits arise by using the Projected Unit Credit Method.

Actuarial assumptions are based on management's best estimates. The components of defined benefit cost are recognized as follows:

- the service costs are recognized in the consolidated statement of profit and loss in the personnel cost line item;
- the net interest expense on the defined benefit liability is recognized in the consolidated statement of profit and loss within financial expenses;
- the remeasurement components of the net obligation, which comprise actuarial gain and losses, are recognized immediately in other comprehensive income/(loss). These remeasurement components are not reclassified in the consolidated statement of profit and loss in a subsequent period.

Post-employment benefits include the Italian employee severance indemnity ("trattamento di fine rapporto" or "TFR") obligation required under Italian Law. The amount of TFR to which each employee is entitled must be paid when the employee leaves the Group and is calculated based on the period of employment and the taxable earnings of each employee. Under certain conditions, the entitlement may be partially advanced to an employee during their working life.

The TFR scheme is classified as a defined contribution plan and the Group recognizes the associated costs over the period in which the employee renders service.

Other long-term employee benefits

The Group's obligations represent the present value of future benefits that employees have earned in return for their service during the current and prior periods. Remeasurement components on other long-term employee benefits are recognized in the consolidated statement of profit and loss in the period in which they arise.

Provisions for risks and charges

Provisions are recognized when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Provisions for the costs to restore leased plant assets to their original condition, as required by the terms and conditions of the lease, are recognized when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Treasury shares

Treasury shares are measured at purchase cost, as a reduction in shareholders' equity. The nominal value of the treasury shares held is deducted directly from share capital. Gains and losses on disposal, net of income taxes, are recognized directly to equity.

Revenue recognition

Revenue mainly comprises sales of goods, together with income from associated services, and income from royalties and operating licenses.

Revenue is recognized when control over a product or service is transferred to a customer. Revenue is measured at the transaction price which is based on the amount of consideration that the Group expects to receive in exchange for transferring the promised goods or services to the customer and excludes any sales incentives, rebates or discounts (including end of season discounts offered by the retail channel), as well as taxes collected from customers that are remitted to government authorities.

Revenues from wholesale operations and direct sales to customers, through retail stores and online channels, are recognized at a point in time when control over a product is transferred to the customers. Revenues from sales of services are recognized when the Group satisfies its performance obligation. Under the Group's standard contract terms, retail customers are entitled to a right of returns within 30 days, which enables them to receive a full or partial cash refund of the amount paid, a store coupon or another product in exchange. Exchanges of one product for another of the same type, quality, condition and price are not considered returns, unless product exchange occurs after 30 days from the original sale.

Wholesalers generally do not have a contractual right of return.

Provisions for returns are presented in the consolidated statement of financial position under liabilities with a corresponding adjustment to revenue in respect of future refunds. A corresponding asset (with an offsetting adjustment to cost of sales) representing the right to recover the goods from the client is also recognized.

The Group uses its historical experience to estimate the number of returns on a portfolio level using the expected value method.

Royalties received with respect to operating licenses are recognized in accordance with the contractual obligations specific to each agreement, which is generally when the sales occur for sales-based licensing agreements, otherwise over time as the performance obligations are satisfied for other types of licensing agreements.

Payment for retail sales is typically required at the time of purchase or within 30 days, or, on occasion, in advance. Payment terms for wholesale sales are generally longer and the Group may adopt various measures aimed at ensuring collectability of the related consideration, such as requiring customers to provide advanced payments or financial guarantees, as well as performing credit analysis of customers and obtaining insurance over receivables.

Revenues from sales to department stores on a consignment basis are recognized when the goods are ultimately sold by the department stores to the end customers.

Personnel costs

Personnel expenses primarily consist of wages and salaries, social contributions, pension plans and indemnities, share-based payments, severance indemnities and other long-term benefits, as well as costs for payroll taxes, uniforms, insurance and other benefits. Wages and salaries primarily include fixed remuneration, variable short-term remuneration plans, directors' fees, costs related to employee profit-sharing and other incentive plans, and any associated payroll taxes.

Share-based payments

Cash-settled share-based payments

Where the Group issues cash-settled share-based transactions, the cost of the cash-settled transactions is initially valued at the fair value at the date the beneficiary is informed of their allocation. This fair value is recognized in the statement of profit and loss in the period until vesting, with the recognition of a corresponding liability. Until the liability is settled, the fair value is recalculated at each year-end date and at the settlement date, charging the related changes to the statement of profit and loss.

Equity-settled share-based payments

Equity-settled share-based payments are accounted for in accordance with IFRS 2, which requires the Company to recognize share-based compensation expense based on the fair value of the awards granted. Compensation expense for the equity-settled awards containing market or non-market performance conditions, as well as for the Escrow Shares issued as part of the Business Combination (as described in *Note 1 — General information*), is measured at the grant date fair value of the award using a Monte Carlo simulation model, which requires the input of assumptions, including the expected volatility of the Company's shares, the dividend yield, interest rates and a correlation coefficient between the shares and the relevant market index. The fair value of equity awards which are conditional only on a recipient's continued service to the Company is measured using the share price at the grant date adjusted for the present value of future distributions which employees will not receive during the vesting period.

Share-based compensation expense relating to equity-settled share-based payments is recognized in the consolidated income statement over the service period with an offsetting increase to equity.

The Group recognizes the effects of modifications that increase the total fair value of share-based payment arrangements or are otherwise beneficial to the employee. If the Group modifies the terms or conditions of the awards granted in a manner that reduces the total fair value of a share-based payment arrangement, or is not otherwise beneficial to the employee (e.g. by increasing the vesting period or adding a non-market performance), the Group continues to recognize the share-based payments as if that modification had not occurred.

Income taxes

Income tax expense comprises the current and deferred tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for uncertain tax positions for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority, in accordance with IFRIC 23 — *"Uncertainty over Income Tax Treatments."*

Deferred tax

Deferred tax is calculated using the liability method on all temporary differences between the carrying amount recorded in the consolidated balance sheet and the tax value of assets and liabilities, except for goodwill that is not deductible for tax purposes and certain other exceptions. The valuation of deferred tax balances depends on the way in which the Group intends to recover or settle the carrying amount of assets and liabilities, using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are not discounted and are presented separately in the balance sheet within non-current assets and liabilities. A deferred tax asset is recognized on deductible temporary differences and for tax loss carry-forwards and tax credits to the extent that their future offset is probable. A deferred tax liability is recognized on taxable temporary differences relating to investments in subsidiaries and associates unless the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit or loss attributable to holders of the parent company, excluding treasury shares, by the weighted average number of ordinary shares outstanding, taking into account all dilutive potential ordinary shares. To calculate diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming the conversion of all potential shares with dilutive effects, and the entity's net profit is adjusted to take into account any effects, net of taxes, of the conversion.

Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, which has been identified as the chief operating decision-maker of the Group responsible for allocating resources and assessing performance of the operating segments.

Rounding

All amounts disclosed in the financial statements and notes have been rounded to the nearest thousand Euro unless otherwise stated.

4. Key sources of estimation uncertainty, use of estimates and critical accounting judgments

The preparation of the Consolidated Financial Statements in accordance with IFRS Accounting Standards requires the use of estimates and assumptions, and may involve the application of judgment in applying the Group's accounting policy information, that affect the carrying amounts of assets and liabilities (as well as the assessment of contingent assets and liabilities) and the amount of income and expenses recognized. The estimates and assumptions are based on historical experience and on any other factors that are considered to be relevant. Actual results might not fully correspond to estimates.

The estimates and underlying assumptions are reviewed continuously by the Group. The effects of any changes to accounting estimates are recognized in the consolidated statement of profit and loss in the period in which the adjustment is made, or prospectively in future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, requiring estimates for which there is a risk that a material difference may arise in respect of the carrying amounts of assets and liabilities in the future are discussed below and in the related notes.

Impairment of non-current assets with definite useful lives

Non-current assets with definite useful lives include property, plant and equipment, right-of-us assets and intangible assets. The Group periodically reviews the carrying amount of non-current assets with definite useful lives when events and circumstances indicate that an asset may be impaired. Impairment tests are performed by comparing the carrying amount and the recoverable amount of the CGU. The recoverable amount is the higher of the CGU's fair value less costs of disposal and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU. For additional information please refer to *Note 14 — Intangible assets, Note 15 — Property, plant and equipment and Note 16 — Right-of-use assets*.

Recoverability of goodwill and brands with indefinite useful life

In accordance with IAS 36 — *Impairment of Assets* ("IAS 36"), goodwill and brands with indefinite useful life are not amortized and are tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired. The impairment test is performed by comparing the carrying amount and the recoverable amount of the CGU.

The recoverable amount of the CGU is the higher of its fair value, less costs of disposal and its value in use. For additional information please refer to *Note 14 — Intangible assets.*

Use of estimates

Items requiring estimates (in addition to those described above) for which there is a risk that a material difference may arise in respect of the carrying amounts of assets and liabilities in the future are discussed below and in the related notes.

Derivatives

Fair value of derivatives not traded in an active market is determined using a mark-to-model valuation technique. Where active markets exist for its component parts, then fair value is determined on the basis of the relevant market prices for the component parts.

Financial liabilities for put options granted to non-controlling interests are measured based on the present value of the exercise price of the option. The liability is subsequently remeasured at fair value at the end of each period.

Valuation techniques that are based on significant inputs that are observable are referred to as Level 2 valuations, while those based on techniques that use significant unobservable inputs are referred to as Level 3 valuations. Estimates and assumptions are made with the support of the corporate functions and, where appropriate, of independent specialists, and are regularly reviewed. For additional information please refer to *Note 21 — Derivative financial instruments.*

Provisions for obsolete inventory

Since the Group's products are subject to market trends and changes in fashion trends, product inventories at the end of the season are subject to impairment. Specifically, the provision for obsolete inventory of finished products reflects management's estimate of the expected impairment losses on the products of the collections of previous seasons, considering the ability to sell them through the Group's various distribution channels.

Generally, impairment assumptions involve percentages of impairment that become greater the older the collections are, so as to reflect the decline in selling prices in secondary channels (mainly outlets), and on the other hand, the decrease in the probability of selling them as time goes by.

The provision for obsolete raw materials reflects management's estimates of the decline in the probability they will be used based on the calculation of slow-moving raw materials. For additional information please refer to *Note 19 — Inventories.*

Recoverability of deferred tax assets

The deferred tax assets are recognized on the premise that it is more likely than not that the Group will be able to generate sufficient and suitable future taxable profits from which the reversal of the asset can be deducted. If the Group is unable to generate sufficient taxable profits in certain jurisdictions, or if there is a significant change in the actual effective tax rates or the time period within which the underlying temporary differences become taxable or deductible, the Group could be required to write-off any deferred tax assets, resulting in an increase in its effective tax rate and an adverse impact on future operating results. For additional information please refer to *Note 11 — Income taxes*.

Provision for risks and charges

The Group recognizes a liability when facing legal and tax dispute and lawsuits if it believes it is probable that they will require an outflow of financial resources and a reliable estimate can be made of the amount of the potential losses. Given the uncertainty surrounding the outcome of these proceedings, it is hard to reliably estimate the outflow of resources that will be required to settle them, therefore the amount of the provisions for legal and tax disputes may change as a result of future developments in the outstanding proceedings. The Group monitors the status of ongoing lawsuits and proceedings and consults with its legal advisors as well as legal and tax experts. For additional information please refer to *Note 30 — Provisions for risks and charges.*

Fair value estimates

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. IFRS 13 — *Fair value measurement* ("IFRS 13") establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable. In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement. For additional information please refer to *Note 34 — Fair value measurement.*

Financial liability relating to the Group's obligation to purchase the non-controlling interest in the Thom Browne group

The Group is a party to an option agreement under which it has the obligation to purchase the remaining 8% non-controlling interest in the Thom Browne group in two tranches of 5% and 3%. The financial liability arising from this obligation is measured to fair value at each reporting date. In particular, the financial liability is measured at the present value of the expected exercise price of the option, which is calculated as the EBITDA of the Thom Browne group recorded in 2028 and 2030, multiplied by a given multiple. This requires management to estimate the future EBITDA performance of the Thom Browne group based on projections contained in the latest business plan, which cover the period from 2025 to 2027.

Critical judgments in applying the Group's accounting policies

The following are the critical judgments, apart from those involving estimations (which are presented separately above), that the Group has made in the process of applying its accounting policies and that have the most significant effect on the amounts recognized in the Consolidated Financial Statements.

For the years ended December 31, 2024 and 2023, the Group applied judgment in determining that it has significant influence over Luigi Fedeli e Figlio S.r.l., despite the Group owing 15% of the equity shares of the company. ln making its judgment, the Group determined that it had significant influence in accordance with IAS 28—*Investments in Associates and Joint Ventures* ("IAS 28") based on its representation on the board of directors of the company and its the participation in policy-making processes. As a result of this determination, the Group accounts for the investment in Luigi Fedeli e Figlio S.r.l. under the equity method.

For the year ended December 31, 2022, the Group applied judgment in determining that it had significant influence over Tom Ford International LLC ("TFI"), despite the Group owing 15% of the equity shares of TFI. In making its judgment, the Group determined that it had significant influence in accordance with IAS 28—*Investments in Associates and Joint Ventures* ("IAS 28") based on its representation on the board of directors of TFI and its the participation in policy-making processes. Furthermore, there are material transactions between the Group and TFI. As a result of this determination, the Group accounted for the investment in TFI under the equity method until the TFI Acquisition on April 28, 2023, at which point TFI was consolidated by the Group.

For additional information, see *Note 17 — Investments accounted for using the equity method*.

5. Segment reporting

The Group has determined the operating segments based on the reports reviewed by the Board of Directors, which is considered the Chief Operating Decision Maker ("CODM") as defined under IFRS 8 — *Operating Segments* ("IFRS 8"), for the purposes of allocating resources and assessing the performance of the Group.

The Group is organized in three operating and reportable segments, based on a brand perspective, as described below:

1. Zegna segment — Includes all activities related to the ZEGNA brand, Textile and Other product lines.

2. Thom Browne segment — Includes all activities related to the Thom Browne brand.

3. Tom Ford Fashion segment — Includes all activities related to the TOM FORD FASHION business.

Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT") is the key profit measure used by the CODM to assess performance and allocate resources to the Group's operating segments, as well as to analyze operating trends, perform analytical comparisons and benchmark performance between periods and among the segments. Adjusted EBIT is defined as profit or loss before income taxes plus financial income, financial expenses, foreign exchange losses and the result from investments accounted for using the equity method, adjusted for income and costs which are significant in nature and that management considers not reflective of underlying operating activities, including, for one or all of the periods presented and as further described below, net impairment of leased and owned stores, severance indemnities and provisions for severance expenses, legal costs for trademark dispute, transaction costs related to acquisitions, costs related to the Business Combination, special donations for social responsibility and net income related to lease agreements.

Transactions between segments are executed on commercial terms that are normal in the respective markets and primarily relate to intersegment sales.

No measures of assets or liabilities by segment are reported to the CODM and therefore such information is not presented.

The following tables summarize selected financial information by segment for the years ended December 31, 2024, 2023 and 2022.

	For the year ended December 31, 2024					
(€ thousands)	**Zegna**	**Thom Browne**	**Tom Ford Fashion**	**Corporate**	**Intercompany Eliminations**	**Group Consolidated**
Revenues with third parties	1,317,421	314,712	314,514	—	—	1,946,647
Inter-segment revenues	31,418	106	—	—	(31,524)	—
Revenues	**1,348,839**	**314,818**	**314,514**	**—**	**(31,524)**	**1,946,647**
Profit before taxes						**130,608**
Financial income						(26,028)
Financial expenses						51,995
Foreign exchange losses						11,338
Result from investments accounted for using the equity method						(1,061)
Operating Profit						**166,852**
Adjustments:						
Net impairments of leased and owned stores [(1)]	4,150	2,957	4,089	—	—	11,196
Severance indemnities and provisions for severance expenses [(2)]	2,688	—	1,464	726	—	4,878
Legal costs for trademark dispute [(3)]	—	1,061	—	—	—	1,061
Transaction costs related to acquisitions [(4)]	—	—	—	33	—	33
Adjusted EBIT	**187,598**	**27,319**	**(10,116)**	**(19,977)**	**(804)**	**184,020**
Depreciation and amortization	(157,482)	(28,001)	(39,198)	(73)	—	(224,754)

(1) Net impairment of leased and owned stores includes (i) impairment of €3,233 thousand related to property, plant and equipment, (ii) impairment of €7,905 thousand related to right-of-use assets and (iii) impairment of €58 thousand, related to intangible assets. These amounts are recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(2) Relates to severance indemnities of €4,878 thousand. This amount is recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(3) Relates to legal costs (net of reimbursements) of €1,061 thousand in connection with defending a legal dispute initiated by adidas alleging that Thom Browne infringed its intellectual property rights. This amount is recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(4) Relates to transaction costs of €33 thousand for consultancy and legal fees related to the acquisition of the ZEGNA business in South Korea. This amount is recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(€ thousands)	For the year ended December 31, 2023					
	Zegna	**Thom Browne**	**Tom Ford Fashion**	**Corporate**	**Intercompany Eliminations**	**Group Consolidated**
Revenues with third parties	1,290,608	378,410	235,531	—	—	1,904,549
Inter-segment revenues	31,437	1,877	13	—	(33,327)	—
Revenues	**1,322,045**	**380,287**	**235,544**	**—**	**(33,327)**	**1,904,549**
Profit before taxes						**169,094**
Financial income						(37,282)
Financial expenses						68,121
Foreign exchange losses						5,262
Result from investments accounted for using the equity method						2,953
Operating profit						**208,148**
Adjustments:						
Transaction costs related to acquisitions [(1)]	—	263	—	5,738	—	6,001
Severance indemnities and provisions for severance expenses [(2)]	1,166	—	2,836	—	—	4,002
Legal costs for trademark dispute [(3)]	—	2,168	—	—	—	2,168
Costs related to the Business Combination [(4)]	1,066	98	—	976	—	2,140
Net impairment of leased and owned stores [(5)]	854	18	910	—	—	1,782
Special donations for social responsibility (6)	—	—	—	100	—	100
Net income related to lease agreements [(7)]	(4,129)	—	—	—	—	(4,129)
Adjusted EBIT	**193,466**	**58,969**	**(1,741)**	**(30,423)**	**(59)**	**220,212**
Depreciation and amortization	(139,902)	(27,214)	(26,008)	(46)	—	(193,170)

(1) Relates to transaction costs of €6,001 thousand for consultancy and legal fees, primarily related to the TFI Acquisition and, to a lesser extent, the acquisition of the Thom Browne business in South Korea and the acquisition of a 25% interest in Norda. This amount is recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(2) Relates to severance indemnities of €4,002 thousand. This amount is recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(3) Relates to legal costs of €2,168 thousand in connection with defending a legal dispute initiated by adidas alleging that Thom Browne infringed its intellectual property rights. This amount is recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(4) Costs related to the Business Combination of €2,140 thousand relate to the grant of equity awards to management in 2021 with vesting subject to the public listing of the Company's shares and certain other performance and/or service conditions. This amount is recorded within "selling, general and administrative expenses" for €2,034 thousand and "cost of sales" for €106 thousand in the consolidated statement of profit and loss.

(5) Net impairment of leased and owned stores includes (i) impairment of €915 thousand related to property, plant and equipment, (ii) impairment of €832 thousand related to right-of-use assets and (iii) impairment of €35 thousand, related to intangible assets. These amounts are recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(6) Relates to a donation of €100 thousand to support initiatives related to humanitarian emergencies in Turkey. This amount is recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(7) Net income related to lease agreements of €4,129 thousand relates to the derecognition of lease liabilities following a change in terms of a lease agreement in Hong Kong. This amount is recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(€ thousands)	For the year ended December 31, 2022				
	Zegna	**Thom Browne**	**Corporate**	**Intercompany Eliminations**	**Group Consolidated**
Revenues with third parties	1,162,826	330,014	—	—	1,492,840
Inter-segment revenues	13,880	877	—	(14,757)	—
Revenues	**1,176,706**	**330,891**	**—**	**(14,757)**	**1,492,840**
Profit before taxes					**101,081**
Financial income					(13,320)
Financial expenses					54,346
Foreign exchange losses					7,869
Result from investments accounted for using the equity method					(2,199)
Operating profit					**147,777**
Adjustments:					
Legal costs for trademark dispute [(1)]	—	7,532	—	—	7,532
Transaction costs related to acquisitions [(2)]	—	—	2,289	—	2,289
Severance indemnities and provisions for severance expenses [(3)]	2,199	—	—	—	2,199
Costs related to the Business Combination [(4)]	1,101	98	938	—	2,137
Net impairment of leased and owned stores [(5)]	819	820	—	—	1,639
Special donations for social responsibility [(6)]	—	—	1,000	—	1,000
Net income related to lease agreements [(7)]	(6,844)	—	—	—	(6,844)
Adjusted EBIT	**141,513**	**48,077**	**(31,861)**	**—**	**157,729**
Depreciation and amortization	(148,747)	(23,129)	(6)	—	(171,882)

(1) Relates to legal costs of €7,532 thousand in connection with a legal dispute between adidas and Thom Browne, primarily in relation to the use of trademarks. This amount is recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(2) Relates to transaction costs of €2,289 thousand for consultancy and legal fees related to the TFI Acquisition and, to a lesser extent, the acquisition of a 25% interest in Norda. This amount is recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(3) Relates to severance indemnities of €2,199 thousand. This amount is recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(4) Costs related to the Business Combination of €2,137 thousand relate to the grant of equity awards to management in 2021 with vesting subject to the public listing of the Company's shares and certain other performance and/or service conditions. This amount is recorded within "selling, general and administrative expenses" for €2,099 thousand and "cost of sales" for €38 thousand in the consolidated statement of profit and loss. For additional information please refer to *Note 37 — Share-based payments*.

(5) Net impairment of leased and owned stores includes (i) impairment of €2,369 thousand related to right-of-use assets, (ii) reversals of impairment of €756 thousand related to property, plant and equipment and (iii) impairment of €26 thousand related to intangible assets. These amounts are recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(6) Relates to a donation of €1,000 thousand to the United Nations High Commissioner for Refugees (UNHCR) to support initiatives related to the humanitarian emergency in Ukraine. This amount is recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

(7) Net income related to lease agreements recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss and include (i) proceeds of €6,500 thousand received from new tenants in order for the Group to withdraw from existing lease agreements of commercial properties and (ii) €950 thousand for reversals of previously recognized provisions in respect of a legal claim related to a lease agreement in the United States, partially offset by (iii) €606 thousand for costs related to a sublease agreement in the United States.

The following table summarizes non-current assets (other than financial instruments and deferred tax assets) by geography at December 31, 2024 and 2023.

	At December 31,	
(€ thousands)	**2024**	**2023**
EMEA [(1)]	**412,902**	**359,174**
of which Italy	*236,496*	*211,394*
Americas [(2)]	**797,408**	**743,970**
of which United States	*785,584*	*730,090*
Greater China Region	**117,329**	**113,134**
Rest of APAC [(3)]	**92,657**	**68,321**
Total non-current assets (other than financial instruments and deferred tax assets)	**1,420,296**	**1,284,599**

(1) EMEA includes Europe, the Middle East and Africa.
(2) Americas includes the United States of America, Canada, Mexico, Brazil and other Central and South American countries.
(3) Rest of APAC includes Japan, South Korea, Singapore, Thailand, Malaysia, Vietnam, Indonesia, Philippines, Australia, New Zealand, India and other Southeast Asian countries.

Non-current assets (other than financial instruments and deferred tax assets) in the Netherlands, the Company's country of domicile, amounted to €538 thousand and €1,328 thousand at December 31, 2024 and 2023, respectively.

6. Revenues

The Group generates revenues primarily from the sale of its products and services, as well as from royalties received from third parties and licensees. Revenues are recognized net of returns and discounts.

The following table provides a breakdown of revenues by product line:

	For the years ended December 31,		
(€ thousands)	**2024**	**2023**	**2022**
ZEGNA brand[(1)]	1,163,722	1,109,491	923,942
Thom Browne brand	314,712	378,410	330,014
TOM FORD FASHION	314,514	235,531	—
Textile	138,153	150,986	136,769
Other[(2)]	15,546	30,131	102,115
Total revenues	**1,946,647**	**1,904,549**	**1,492,840**

(1) ZEGNA brand includes revenues from apparel, bags, shoes and small and large leather goods, as well as licensed goods and royalties.
(2) Other mainly includes revenues from agreements with third party brands.

The following table provides a breakdown of revenues by distribution channel:

	For the years ended December 31,		
(€ thousands)	**2024**	**2023**	**2022**
Direct to Consumer (DTC)			
ZEGNA brand	1,004,308	945,313	772,505
Thom Browne brand	186,066	183,422	145,702
TOM FORD FASHION	200,302	136,291	—
Total Direct to Consumer (DTC)	**1,390,676**	**1,265,026**	**918,207**
Wholesale branded			
ZEGNA brand	159,414	164,178	151,437
Thom Browne brand	128,646	194,988	184,312
TOM FORD FASHION	114,212	99,240	—
Total Wholesale branded	**402,272**	**458,406**	**335,749**
Textile	**138,153**	**150,986**	**136,769**
Other[(1)]	**15,546**	**30,131**	**102,115**
Total revenues	**1,946,647**	**1,904,549**	**1,492,840**

(1) Other mainly includes revenues from agreements with third party brands.

The following table provides a breakdown of revenues by geographic area:

	For the years ended December 31,		
(€ thousands)	**2024**	**2023**	**2022**
EMEA [(1)]	**680,259**	**658,694**	**520,226**
of which Italy	*255,527*	*281,793*	*224,342*
Americas [(2)]	**524,790**	**454,890**	**324,575**
of which United States	*452,770*	*384,544*	*270,312*
Greater China Region	**509,378**	**595,515**	**494,110**
Rest of APAC [(3)]	**229,877**	**192,492**	**150,692**
Other [(4)]	**2,343**	**2,958**	**3,237**
Total revenues	**1,946,647**	**1,904,549**	**1,492,840**

(1) EMEA includes Europe, the Middle East and Africa.
(2) Americas includes the United States of America, Canada, Mexico, Brazil and other Central and South American countries.

(3) Rest of APAC includes Japan, South Korea, Singapore, Thailand, Malaysia, Vietnam, Indonesia, Philippines, Australia, New Zealand, India and other Southeast Asian countries.

(4) Other revenues mainly include royalties.

Revenues in the Netherlands, the Company's country of domicile, amounted to €12,314 thousand, €15,505 thousand and €8,701 thousand for the years ended December 31, 2024, 2023 and 2022, respectively.

7. Cost of sales

Cost of sales in 2024, 2023 and 2022 amounted to €650,087 thousand, €680,235 thousand and €564,832 thousand, respectively, consisting of costs directly related to the production, procurement and supply of goods and services, including direct labor costs, costs for raw materials and components used to manufacture the Group's products (such as fibers and yarns of wool, silk, cotton, linen, cashmere and fabrics of the same composition, as well as leather), costs for semi-finished products, finished goods, consumables and outsourced manufacturing from third parties. Cost of sales also includes depreciation, amortization and impairment of assets used for production, lease expenses, maintenance, write-downs of inventory, freight and duty, and other production related costs, including manufacturing overhead. The remaining costs mainly include insurance and transportation costs.

8. Selling, general and administrative expenses

Selling, general and administrative expenses in 2024, 2023 and 2022 amounted to €1,008,324 thousand, €901,364 thousand and €695,084 thousand, respectively, consisting mainly of costs for sales and administrative personnel, corporate bodies, consultancy and accounting fees, as well as depreciation, amortization and impairment of assets used for selling and administrative activities. Costs related to the Business Combination amounted to €2,034 thousand, and €2,099 thousand in 2023 and 2022, respectively. There were no costs related to the Business Combination in 2024.

9. Marketing expenses

Marketing expenses in 2024, 2023 and 2022 amounted to €121,384 thousand, €114,802 thousand and €85,147 thousand, respectively, consisting mainly of costs for advertising and marketing activities, including personnel costs and costs for advertising, communications, media and events, such as fashion shows, store windows and displays. Marketing expenses also include depreciation, amortization and impairment of assets used in advertising and marketing activities.

10. Financial income, financial expenses and foreign exchange losses

The following table provides a breakdown for financial income, financial expenses and foreign exchange losses:

	For the years ended December 31,		
(€ thousands)	**2024**	**2023**	**2022**
Financial income			
Options - Changes in fair value	744	14,792	470
of which Thom Browne option	—	*11,587*	—
of which Dondi option	*744*	*3,205*	*470*
Securities	5,119	8,652	8,154
Hedging operations	4,652	2,968	241
Interest on financial other assets	1,935	2,707	1,226
Interest on financial receivables/loans	636	187	501
Interest income on interest rate swaps	3,597	6,767	1,022
Other financial income	9,345	1,209	1,706
Total financial income	**26,028**	**37,282**	**13,320**
Financial expenses			
Options - Changes in fair value	(3,496)	—	(11,426)
of which Thom Browne option	*(3,496)*	—	*(11,426)*
of which Dondi option	—	—	—
Hedging operations	(4,868)	(6,736)	(11,701)
Interest and financial charges for lease liabilities	(23,659)	(17,030)	(9,882)
Warrants - Changes in fair value	—	(22,909)	(1,171)
Securities	(1,886)	(4,412)	(13,426)
Interest on bank loans and overdrafts	(15,520)	(13,361)	(4,785)
Interest expenses on interest rate swaps	(492)	(300)	(1,356)
Other financial expenses	(2,074)	(3,373)	(599)
Total financial expenses	**(51,995)**	**(68,121)**	**(54,346)**
Foreign exchange losses	**(11,338)**	**(5,262)**	**(7,869)**

Financial income and financial expenses relating to options represent the fair value changes during the period of liabilities for put options owned by the non-controlling interests in the Group's investments in Thom Browne group and Gruppo Dondi S.p.A. ("Dondi"). See *Note 28 — Other current and non-current financial liabilities* for additional details relating to the Group's written put options on non-controlling interests.

As a result of the exercise and redemption of warrants in the first quarter of 2023, the Group remeasured the related warrant liabilities and recognized financial expenses of €22,909 thousand.

Financial income and financial expenses for securities relate to investments in securities held by the Group.

Other financial income in 2024 includes a gain of €7,582 thousand from the disposal of a 45% interest in Sharmoon.EZ.Garments Co. Ltd, following which the Group continues to own a 5% interest in the company and account for the investment at fair value.

Foreign exchange losses for the years ended December 31, 2024, 2023 and 2022 amounted to €11,338 thousand, €5,262 thousand and €7,869 thousand, respectively and include the exchange rate effects arising from the remeasurement of the put options owned by the non-controlling interests in the Group's investments. As a result of the sale of the Group's 100% interest in Ezesa Argentina S.A. in February 2024, cumulative translation losses amounting to €1,907 thousand relating to the original investment held in the company were reclassified from other comprehensive income/(loss) to foreign exchange losses within the consolidated statement of profit and loss for the year ended December 31, 2024. As a result of the acquisition of Tom Ford International in April 2023, cumulative translation losses amounting to €4,705 thousand related to the original investment held in Tom Ford International were reclassified from other comprehensive income and loss to

foreign exchange losses within the consolidated statement of profit and loss for the year ended December 31, 2023. For additional information relating to the TFI Acquisition see *Note 39 — Business combinations*.

11. Income taxes

The following table provides a breakdown for income taxes:

	For the years ended December 31,		
(€ thousands)	**2024**	**2023**	**2022**
Current taxes	(39,243)	(54,795)	(47,355)
Deferred taxes	(504)	21,362	11,553
Income taxes	**(39,747)**	**(33,433)**	**(35,802)**

The table below provides a reconciliation between actual income taxes and the theoretical income taxes, calculated on the basis of the applicable corporate tax rate in effect in Italy, which was 24.0% for each of the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,		
(€ thousands, except percentages)	**2024**	**2023**	**2022**
Profit before taxes	130,608	169,094	101,081
Theoretical income tax (expense)/benefit - tax rate 24%	**(31,346)**	**(40,583)**	**(24,259)**
Tax effect on:			
Non-taxable income/(Non-deductible costs)	4,302	11,454	(8,256)
Differences between foreign tax rates and the theoretical applicable tax rate	133	5,847	10,829
Tax benefit/(expense) relating to prior years	142	2,997	(96)
Deferred tax assets recognized from previous years	14,516	7,425	—
Deferred tax assets not recognized	(8,437)	(4,107)	1,876
Tax on dividends and earnings	(4,655)	(5,613)	(5,366)
Other tax items	(12,476)	(6,363)	(6,934)
Total tax expense, excluding IRAP	**(37,821)**	**(28,943)**	**(32,206)**
Effective tax rate, excluding IRAP	29.0%	17.1%	31.9%
Italian regional income tax expense (IRAP)	(1,926)	(4,490)	(3,596)
Total income tax	**(39,747)**	**(33,433)**	**(35,802)**
Effective tax rate	30.4%	19.8%	35.4%

In order to facilitate the understanding of the tax rate reconciliation presented above, income tax expense includes a presentation net of the Italian Regional Income Tax ("IRAP"), which is based on a measure of income defined by the Italian Civil Code as the difference between operating revenues and costs, before financial income and expense, the cost of fixed term employees, credit losses and any interest included in lease payments. The applicable IRAP rate was 5.57% for the Parent Company and 3.9% for the other Italian components, for each of the years ended December 31, 2024, 2023 and 2022.

Following the enactment of new tax legislation in Italy in 2021, the previous Patent Box tax regime was replaced with a new Patent Box tax regime under which the amount of qualifying expenses are deductible by an additional 110% (for both IRES and IRAP purposes). Specific transitional rules regulate the transition from the previous Patent Box tax regime to the new regime. In the first quarter of 2024 the Group filed for the new Patent Box tax regime and started recognizing its benefit starting in 2024.

For the year ended December 31, 2024, other tax items includes €6,600 thousand recognized for uncertain tax positions (€5,100 thousand for the year ended December 31, 2023).

The Pillar Two legislative tax framework introduced by the Organisation for Economic Co-operation and Development ("OECD"), which aims to ensure large multinational corporations pay a minimum level of tax on the income arising in each of the jurisdictions where they operate, has subsequently and progressively been enacted into local tax legislation in many countries around the world. Considering that the Group's ultimate parent Company is tax resident in Italy and the Italian tax authorities have enacted new tax legislation to implement the Pillar Two framework, the global minimum

top-up tax must be applied with respect to all subsidiaries of the Group starting from January 1, 2024. The impact of applying the Pillar Two tax rules for the Group has been limited to certain operations abroad where the Pillar Two transitional safe harbor does not apply and the Pillar Two effective tax rate is below 15 percent. The Group has applied the mandatory temporary exception for the recognition of and disclosure relating to deferred tax assets and liabilities arising from the jurisdictional implementation of the Pillar Two model rules.

Deferred tax assets and deferred tax liabilities

Deferred taxes reflect the net tax effect of temporary differences between the book value and the taxable amount of assets and liabilities. The accounting of assets for deferred taxes was duly adjusted to take account of the effective possibility to be realized.

Certain Italian entities of the Group participate in a group Italian tax consolidation (tax unity) under the Group's parent company, Ermenegildo Zegna N.V., and may therefore offset taxable income against tax losses of the companies participating in the Italian tax consolidation regime.

The following tables provide a breakdown for deferred tax assets and deferred tax liabilities:

(€ thousands)	**At December 31, 2023**	**Recognized in profit and loss**	**Recognized in comprehensive income/(loss)**	**Business Combination**	**Exchange differences and other**	**At December 31, 2024**
Deferred tax assets arising on:						
Employee benefits	6,030	224	18	—	296	6,568
Property, plant and equipment	8,583	(1,215)	—	—	(496)	6,872
Lease liabilities	103,099	333	—	—	13,167	116,599
Intangible assets	3,379	70	—	—	(233)	3,216
Provision for obsolete inventory	28,959	(1,677)	—		2,069	29,351
Elimination of intercompany margin on inventory	39,701	61	—	—	932	40,694
Provisions	2,368	(817)	—	—	803	2,354
Financial assets	1,448	—	258	—	—	1,706
Tax losses	46,366	4,196	—	—	(374)	50,188
Other	7,165	(2,149)	1,214	—	5,023	11,253
Deferred tax assets (prior to offsetting)	**247,098**	**(974)**	**1,490**	**—**	**21,187**	**268,801**
Offsetting of deferred tax assets	(86,220)					(102,772)
Total deferred tax assets	**160,878**					**166,029**
Deferred tax liabilities arising on:						
Property, plant and equipment	296	(414)	—	—	1,508	1,390
Right-of-use assets	96,615	83	—	—	12,664	109,362
Intangible assets	46,860	1,647	—	—	(1,407)	47,100
Financial assets fair value	1,817	76	(584)	—	(9)	1,300
Other	14,517	(1,862)	222	—	8,872	21,749
Deferred tax liabilities (prior to offsetting)	**160,105**	**(470)**	**(362)**	**—**	**21,628**	**180,901**
Offsetting of deferred tax liabilities	(86,220)					(102,772)
Total deferred tax liabilities	**73,885**					**78,129**

(€ thousands)	At December 31, 2022	Recognized in profit and loss	Recognized in comprehensive income/(loss)	Business Combination	Exchange differences and other	At December 31, 2023
Deferred tax assets arising on:						
Employee benefits	4,794	1,564	(297)	86	(118)	6,030
Property, plant and equipment	9,878	(1,401)	—	—	106	8,583
Lease liabilities	59,963	(4,373)	—	46,141	1,368	103,099
Intangible assets	3,229	(65)	—	—	215	3,379
Provision for obsolete inventory	27,647	2,348	—		(1,036)	28,959
Elimination of intercompany margin on inventory	28,447	8,361	—	3,439	(546)	39,701
Provisions	3,647	(223)	(47)	—	(1,009)	2,368
Financial assets	1,596	—	(148)	—	—	1,448
Tax losses	41,622	1,601	—	—	3,143	46,366
Other	503	3,051	(17)	3,091	537	7,165
Deferred tax assets (prior to offsetting)	**181,326**	**10,863**	**(509)**	**52,757**	**2,660**	**247,098**
Offsetting of deferred tax assets	(56,699)					(86,220)
Total deferred tax assets	**124,627**					**160,878**
Deferred tax liabilities arising on:						
Property, plant and equipment	448	(184)	—	—	32	296
Right-of-use assets	57,156	(7,288)	—	46,132	615	96,615
Intangible assets	45,301	1,370	—	327	(138)	46,860
Financial assets fair value	2,382	45	(210)	—	(400)	1,817
Other	11,946	(4,442)	(2,254)	4,776	4,492	14,517
Deferred tax liabilities (prior to offsetting)	**117,233**	**(10,499)**	**(2,464)**	**51,235**	**4,601**	**160,105**
Offsetting of deferred tax liabilities	(56,699)					(86,220)
Total deferred tax liabilities	**60,534**					**73,885**

The decision to recognize deferred tax assets is made for each company in the Group by assessing whether the conditions exist for the future recoverability of such assets by taking into account the basis of the most recent forecasts from budgets and business plans. Deferred tax assets and deferred tax liabilities of the individual companies are offset where they may be legally offset and management has the intention to settle them through netting.

The following table provides the details of tax losses carried forward for which no deferred tax assets were recognized:

	At December 31,	
(€ thousands)	2024	2023
Expiry within 1 year	13,462	15,265
Expiry 1-5 years	36,787	20,793
Expiry over 5 years	39,319	66,384
No expiration	177,010	328,736
Total tax losses carried forward	**266,578**	**431,178**

12. Earnings per share

Basic and diluted earnings per share are calculated as the ratio of net profit or (loss) attributable to the shareholders of the Company by the weighted average number of outstanding ordinary shares (basic and diluted) of the Company.

The following table summarizes the amounts used to calculate basic and diluted earnings per share.

(€ thousands, except per share data)	For the years ended December 31, 2024	2023	2022
Profit/(Loss) attributable to shareholders of the Parent Company	**77,083**	**121,529**	**51,482**
Weighted average number of shares for basic earnings per share	**251,531,105**	**247,015,882**	**237,545,736**
Adjustments for calculation of diluted earnings per share:			
Long-Term Incentive Awards 2024-2026 [(1)]	71,630	—	—
Long-Term Incentive Awards 2022-2025 [(2)]	1,720,596	1,775,976	946,990
CEO 2022-2024 PSUs [(3)]	368,943	1,149,273	1,031,673
CEO remuneration in shares [(4)]	344,672	1,134,108	1,081,513
IPO PSUs [(5)]	—	790,000	—
Long-term equity incentives [(6)]	—	307,242	—
Non-executive directors remuneration in shares [(7)]	142,150	149,836	41,601
2023 Restricted Stock Units Plan [(8)]	60,000	41,452	—
Weighted average number of shares for diluted earnings per share	**254,239,096**	**252,363,769**	**240,647,513**
Basic earnings per share in Euro	**0.31**	**0.49**	**0.22**
Diluted earnings per share in Euro	**0.30**	**0.48**	**0.21**

For the years ended December 31, 2024, 2023 and 2022, the diluted weighted average number of shares outstanding was increased to take into consideration the theoretical effect of the potential ordinary shares relating to equity awards granted by the Group, to the extent to which they are dilutive. All potential ordinary shares are assumed converted into ordinary shares at the beginning of the period or, if later, at the date of grant of the potential ordinary shares. The adjustments for the calculation of the weighted average number of shares for diluted earnings per share are further explained below. For additional information see also *Note 37 — Share-based payments*.

(1) Long-Term Incentive Awards 2024-2026 — Performance share units (*"PSUs"*) granted to the Group's senior management ("Senior Management Team"), which are considered to be potential ordinary shares if the performance conditions relating to Adjusted EBIT, adjusted net financial indebtedness/(cash surplus) and total shareholder return targets would have been met based on the Group's performance up to the reporting date

(2) Long-Term Incentive Awards 2022-2025 — PSUs and retention restricted share units (*"RSUs"*) granted to the Group's Senior Management Team, which in the case of the PSUs are considered to be potential ordinary shares if the performance conditions relating to Adjusted EBIT and adjusted net financial indebtedness/(cash surplus) targets would have been met based on the Group's performance up to the reporting date, and in the case of the RSUs are considered to be potential ordinary shares if the recipient was still employed by the Group at the reporting date.

(3) CEO 2022-2024 PSUs — PSUs granted to the CEO, which are considered to be potential ordinary shares if the performance conditions relating to Adjusted EBIT and adjusted net financial indebtedness/(cash surplus) targets would have been met based on the Group's performance up to the reporting date.

(4) CEO remuneration in shares — Potential ordinary shares from the exercise of the share purchase rights of all or part of the CEO's fixed remuneration.

(5) IPO PSUs — PSUs related to the Company's public listing, granted to the CEO and certain members of the Senior Management Team, which are considered to be potential ordinary shares if the performance market conditions have been met and if the recipient was still employed by the Group at the reporting date.

(6) Long-term equity incentives — Potential ordinary shares of the Company granted to the Senior Management Team equal to a value of $7,500 thousand, which are considered to be potential ordinary shares if the recipient was still employed by the Group at the reporting date.

(7) Non-executive directors remuneration in shares — Potential ordinary shares of the Company granted to the non-executive directors for 50% of their annual base remuneration for services provided in 2023 and 2024 and that will be assigned to the recipients in 2025 and 2026.

(8) 2023 Restricted Stock Units Plan — RSUs granted to the Senior Management Team, which are considered to be potential ordinary shares if the recipient was still employed by the Group at the reporting date.

13. Other information by nature

The following table provides a breakdown of depreciation and amortization and of personnel costs within the consolidated statement of profit and loss:

(€ thousands)	For the years ended December 31,					
	2024		2023		2022	
	Depreciation and amortization	**Personnel costs**	**Depreciation and amortization**	**Personnel costs**	**Depreciation and amortization**	**Personnel costs**
Cost of sales	(16,135)	(136,486)	(16,376)	(132,447)	(13,557)	(116,330)
Selling, general and administrative expenses	(205,476)	(362,262)	(174,905)	(344,421)	(157,050)	(270,845)
Marketing expenses	(3,143)	(11,878)	(1,889)	(10,276)	(1,275)	(7,912)
Total	**(224,754)**	**(510,626)**	**(193,170)**	**(487,144)**	**(171,882)**	**(395,087)**

At December 31, 2024 and 2023 the Group had 7,395 and 7,201, employees, respectively.

14. Intangible assets

The following table provides a breakdown for intangible assets:

(€ thousands)	Goodwill	Brand	Concessions, licenses, trademarks and patents	Other intangible assets	Intangible assets in progress	Total
Historical cost at January 1, 2023	**239,709**	**168,694**	**42,339**	**147,204**	**1,146**	**599,092**
Additions	—	—	1,777	21,598	633	24,008
Disposals	—	—	(369)	(431)	(166)	(966)
Business combinations	23,966	—	99,295	3,520	305	127,086
Exchange differences	(7,405)	(5,862)	(765)	(851)	(43)	(14,926)
Other movements and reclassifications	—	—	1,644	(1,000)	(1,769)	(1,125)
Balance at December 31, 2023	**256,270**	**162,832**	**143,921**	**170,040**	**106**	**733,169**
Additions	—	—	2,224	25,901	373	28,498
Disposals	—	—	(2,802)	(711)	—	(3,513)
Business combinations	8,280	—	—	—	—	8,280
Exchange differences	11,080	10,360	6,463	1,755	1	29,659
Other movements and reclassifications	—	—	3,518	(1,751)	(226)	1,541
Balance at December 31, 2024	**275,630**	**173,192**	**153,324**	**195,234**	**254**	**797,634**
Accumulated amortization at January 1, 2023	**—**	**—**	**(36,989)**	**(106,195)**	**—**	**(143,184)**
Amortization	—	—	(3,963)	(15,190)	—	(19,153)
Disposals	—	—	369	413	—	782
Impairment	—	—	—	(35)	—	(35)
Exchange differences	—	—	164	531	—	695
Other movements and reclassifications	—	—	(929)	929	—	—
Balance at December 31, 2023	**—**	**—**	**(41,348)**	**(119,547)**	**—**	**(160,895)**
Amortization	—	—	(5,466)	(16,686)	—	(22,152)
Disposals	—	—	3,029	692	—	3,721
Impairment	—	—	—	(58)	—	(58)
Exchange differences	—	—	(425)	(1,502)	—	(1,927)
Other movements and reclassifications	—	—	(3,057)	1,097	—	(1,960)
Balance at December 31, 2024	**—**	**—**	**(47,267)**	**(136,004)**	**—**	**(183,271)**
Carrying amount at:						
January 1, 2023	**239,709**	**168,694**	**5,350**	**41,009**	**1,146**	**455,908**
December 31, 2023	**256,270**	**162,832**	**102,573**	**50,493**	**106**	**572,274**
December 31, 2024	**275,630**	**173,192**	**106,057**	**59,230**	**254**	**614,363**

Goodwill of €8,280 thousand recognized during the period related to the acquisition of the ZEGNA business in South Korea. For additional information, see *Note 39 — Business combinations*.

Goodwill and brands with an indefinite useful life

Goodwill originated on acquisitions made by the Group and brands with an indefinite useful life that are acquired separately are attributable to the following operating segments:

	At December 31,	
(€ thousands)	**2024**	**2023**
ZEGNA	33,344	25,568
Thom Browne	415,478	393,534
Total goodwill and brands with an indefinite useful life	**448,822**	**419,102**

In accordance with IAS 36, goodwill and brands with an indefinite useful life are not amortized and are tested for impairment annually, or more frequently if facts or circumstances indicate that the asset may be impaired. Goodwill and brands with an indefinite useful life are allocated to each of the Group's CGUs (or groups of CGUs) and the recoverable amount of all CGUs and groups of CGUs is based on a value in use calculation, which uses cash flow projections based on the last approved budget forecast calculations, which are prepared separately for each CGU. These budget and forecast calculations generally cover a period of three years. A long-term growth rate is calculated and applied to project future cash flows after the third year. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The main assumptions to calculate the recoverable amount are the following:

- Terminal value: determined using the perpetuity method at a long-term growth rate which represents the present value, at the last year of projection, of all expected future cash flows, and the growth rate used to calculate the terminal value was 3.00% for the Zegna segment and ranged between 2.75% and 3.00% for the Thom Browne segment, which has been determined according to the diverging inflation and GDP outlook in related geographical areas;

- Discount rate: the rate used to discount cash flows was calculated using the weighted average cost of capital ("WACC") post tax. For the 2024 impairment test, the WACC used for discounting purposes ranged between 8.75% and 9.46% (between 8.81% and 9.55% for 2023). The WACC was calculated for each CGU and group of CGUs subject to impairment, considering the parameters specific to the geographical area: market risk premium and sovereign bond yield;

- EBITDA: See table below for the EBITDA compound annual growth rate (CAGR) assumptions utilized to calculate the expected future cash flows.

The calculation of the value in use for all CGUs and groups of CGUs is most sensitive to the following assumptions:

- Discount rates (WACC);

- Growth rates used to extrapolate cash flows beyond the forecast period; and

- EBITDA CAGR rate for the forecast period.

The following tables detail the sensitivity of the impairment testing to reasonably possible changes in assumptions for those CGUs that have significant goodwill and brands with an indefinite useful life allocated to them.

2024

(€ millions, except percentages and basis points)	**Headroom**	**Existing assumptions**			**Sensitivity effects on headroom**		
		WACC (bps)	**Growth rate (bps)**	**EBITDA CAGR (%) vs. 2024**	**WACC +100 bps**	**Growth rate -50 bps**	**EBITDA -500 bps**
CGU Thom Browne group	396	875	275	+31.5%	247	325	325
CGU Thom Browne Korea Ltd.	30	901	300	+28.7%	21	26	26
CGU Ermenegildo Zegna Korea Co.Ltd.	5	901	300	+52.5%	3	4	3
CGU Gruppo Dondi S.p.A.	49	946	300	+17.0%	38	44	44
CGU Bonotto S.p.A.	19	946	300	+9.1%	13	16	16
CGU In.Co. S.p.A.	83	946	300	+60.8%	53	68	69
CGU Tessitura Ubertino S.r.l.	23	946	300	+4.5%	19	21	21

2023							
		Existing assumptions			Sensitivity effects on headroom		
(€ millions, except percentages and basis points)	**Headroom**	**WACC (bps)**	**Growth rate (bps)**	**EBITDA CAGR (%) vs. 2023**	**WACC +100 bps**	**Growth rate -50 bps**	**EBITDA -500 bps**
CGU Thom Browne group	484	881	300	+15.9%	317	403	405
CGU Thom Browne Korea Ltd.	31	905	300	n.a.	22	27	25
CGU Gruppo Dondi S.p.A.	51	955	300	+15.5%	39	45	46
CGU Bonotto S.p.A.	6	955	300	-9.5%	3	5	5
CGU In.Co. S.p.A.	39	955	300	+11.2%	20	30	30
CGU Tessitura Ubertino S.r.l.	20	955	300	(2.8%)	16	18	18

Based on the analysis performed, no impairment of goodwill or brands with an indefinite useful life was recognized for the years ended December 31, 2024, 2023 and 2022.

TOM FORD FASHION license agreement

As part of the TFI Acquisition completed in April 2023, the Group became a long-term licensee for all TOM FORD men's and women's fashion as well as accessories and underwear, fine jewelry, childrenswear, textile, and home design products, and recognized the fair value of the TOM FORD FASHION license agreement within intangible assets and property, plant and equipment include for a total amount of €99,295 thousand at the acquisition date. The estimated useful life of the license agreement is 30 years. For additional information relating to the TFI Acquisition see *Note 39 — Business combinations*.

As a result of slowing demand for luxury products in 2024 due to challenging consumer confidence and conditions for the luxury sector, management performed an impairment test over the Tom Ford Fashion segment for 2024. Based on the results of the test performed, no impairment was identified.

The calculation of the value in use for the Tom Ford Fashion segment is most sensitive to the following assumptions:

- Discount rate (WACC);
- Growth rate used to extrapolate cash flows for years eleven to thirty of the license agreement; and
- EBITDA CAGR rate for the forecast period.

Sensitivity analysis

In order to ensure that the changes to the main assumptions did not significantly affect the results of the impairment test, sensitivity analyses were conducted.

The following table presents the sensitivity of the 2024 impairment test of the Tom Ford Fashion segment to reasonably possible changes in the aforementioned assumptions:

		Existing assumptions			Sensitivity effects on impairment		
(€ millions, except percentages and basis points)	**Headroom**	**WACC (%)**	**Growth rate (%)**	**EBITDA CAGR (%) vs. current year**	**WACC +100 bps**	**Growth rate -50 bps**	**EBITDA -500 bps**
Tom Ford Fashion segment	64	9.62%	3.00%	9.00%	14	55	16

The sensitivity analysis of the aforementioned assumptions (WACC and growth rate) used to determine the recoverable value of the Tom Ford Fashion segment confirmed that there was no impairment.

15. Property, plant and equipment

The following table provides a breakdown for property, plant and equipment:

(€ thousands)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Leasehold improvements	Other tangible assets	Tangible assets under construction and advances	Total
Historical cost at January 1, 2023	**8,548**	**153,863**	**147,959**	**238,190**	**7,740**	**4,999**	**561,299**
Additions	33	10,812	14,342	31,390	562	8,461	65,600
Disposals	—	(4,245)	(8,302)	(26,049)	(104)	(36)	(38,736)
Business combinations		238	6,781	12,094	1,328	158	20,599
Exchange differences	—	121	(2,515)	(10,812)	(23)	(358)	(13,587)
Reclassifications	—	966	4,235	6,752	(3,074)	(7,798)	1,081
Balance at December 31, 2023	**8,581**	**161,755**	**162,500**	**251,565**	**6,429**	**5,426**	**596,256**
Additions	8,884	8,482	22,812	47,297	376	11,971	99,822
Disposals	—	(3,876)	(16,726)	(12,941)	(86)	(21)	(33,650)
Business combinations	—	—	109	877	—	28	1,014
Exchange differences	5	(15)	4,768	9,587	16	39	14,400
Reclassifications	(77)	528	1,948	(207)	375	(6,541)	(3,974)
Balance at December 31, 2024	**17,393**	**166,874**	**175,411**	**296,178**	**7,110**	**10,902**	**673,868**
Accumulated depreciation at January 1, 2023	**(4,025)**	**(132,323)**	**(123,159)**	**(169,587)**	**(6,066)**	**—**	**(435,160)**
Depreciation	(250)	(6,454)	(13,538)	(26,558)	(278)	—	(47,078)
Disposals	—	4,101	7,840	24,677	94	—	36,712
Impairment	—	4	(406)	(513)	—	—	(915)
Exchange differences	(162)	(92)	2,195	7,834	18	—	9,793
Reclassifications	—	63	(1,844)	—	1,781	—	—
Balance at December 31, 2023	**(4,437)**	**(134,701)**	**(128,912)**	**(164,147)**	**(4,451)**	**—**	**(436,648)**
Depreciation	(239)	(6,756)	(14,666)	(31,440)	(819)	—	(53,920)
Disposals	—	3,845	16,320	12,474	188	—	32,827
Impairment	—	(108)	(1,642)	(1,483)	—	—	(3,233)
Exchange differences	(5)	7	(4,334)	(7,781)	2	—	(12,111)
Reclassifications	98	33	(1,672)	5,638	(74)	—	4,023
Balance at December 31, 2024	**(4,583)**	**(137,680)**	**(134,906)**	**(186,739)**	**(5,154)**	**—**	**(469,062)**
Carrying amount at:							
January 1, 2023	**4,523**	**21,540**	**24,800**	**68,603**	**1,674**	**4,999**	**126,139**
December 31, 2023	**4,144**	**27,054**	**33,588**	**87,418**	**1,978**	**5,426**	**159,608**
December 31, 2024	**12,810**	**29,194**	**40,505**	**109,439**	**1,956**	**10,902**	**204,806**

Impairment testing

The assets amortized or depreciated on a systematic basis are tested for impairment if there are indications of or changes to planning assumptions suggesting that the carrying amount of the assets is not recoverable. For this purpose, after preparing the annual budget plan, the Group conducts a triggering event test for each store. If defined year-on-year profitability indicators are not reached, the non-current assets of the store in question are tested for impairment.

The method used to identify the recoverable amount (value in use) of all the aforementioned CGUs, except for the brands, consisted of discounting the projected cash flows (Discounted Cash Flow) generated by the activities directly attributable to the segment to which the intangible asset or net invested capital has been assigned (CGU). Value in use was the sum of the present value of future cash flows expected from the business plan projections prepared for each CGU and the present value of the related operating activities at the end of the period (terminal value).

The business plans used to prepare the impairment test cover the last three months of 2024 and the three years from 2025 to 2027.

The rate used to discount cash flows was calculated using the weighted average cost of capital (WACC). For the year ended December 31, 2024, the WACC used for discounting purposes ranged between 8.75% and 9.46% (between 8.64% and 12.56% at December 31, 2023). The WACC was calculated for each CGU subject to impairment, considering the parameters specific to the geographical area: market risk premium and sovereign bond yield. The "g" rate of growth used to calculate the terminal value was determined according to the diverging inflation and GDP outlooks in the various countries. The growth rate was 3.00% for the Zegna segment and ranged between 2.75% and 3.00% for the Thom Browne segment.

DOSs impairment test

The impairment test of DOSs assets takes into consideration those right-of-use assets, intangible assets and property, and plant and equipment elements relating to directly operated stores of the Zegna segment, Thom Browne segment and Tom Ford Fashion segment. The result of the impairment test of DOSs on the consolidated financial statements is obtained by comparing the recoverable amount, based on the value in use, of each CGU with the carrying amount of the tangible and intangible assets allocated to the CGU, including leases (according to the IFRS 16).

The following table presents impairment and reversal of impairment by DOSs recognized in 2024, 2023 and 2022:

	For the year ended December 31, 2024		
(€ thousand)	**Property, plant and equipment**	**Right-of-use assets**	**Intangible assets**
Zegna segment DOSs			
Impairment	688	3,404	58
Total Zegna segment DOSs	**688**	**3,404**	**58**
Thom Browne segment DOSs			
Impairment	752	2,205	—
Total Thom Browne segment DOSs	**752**	**2,205**	**—**
Tom Ford Fashion segment DOSs			
Impairment	1,793	2,296	—
Total Tom Ford Fashion segment DOSs	**1,793**	**2,296**	**—**
Total for the Group	**3,233**	**7,905**	**58**

(€ thousand)	For the year ended December 31, 2023		
	Property, plant and equipment	Right-of-use assets	Intangible assets
Zegna segment DOSs			
Impairment	595	268	37
Reversal of impairment	(44)	—	(2)
Total Zegna segment DOSs	**551**	**268**	**35**
Thom Browne segment DOSs			
Impairment	18	—	—
Total Thom Browne segment DOSs	**18**	**—**	**—**
Tom Ford Fashion segment DOSs			
Impairment	346	564	—
Total Tom Ford Fashion segment DOSs	**346**	**564**	**—**
Total for the Group	**915**	**832**	**35**

(€ thousand)	For the year ended December 31, 2022		
	Property, plant and equipment	Right-of-use assets	Intangible assets
Zegna segment DOSs			
Impairment	623	3,113	28
Reversal of impairment	(1,379)	(1,564)	(2)
Total Zegna segment DOSs	**(756)**	**1,549**	**26**
Thom Browne segment DOSs			
Impairment	—	820	—
Total Thom Browne segment DOSs	**—**	**820**	**—**
Total for the Group	**(756)**	**2,369**	**26**

The calculation of value in use for these CGUs is most sensitive to the following assumptions:

- Discount rates;
- Growth rates used to extrapolate cash flows beyond the forecast period;
- Revenue compounded annual rate of growth (CAGR).

Sensitivity analysis

In order to ensure that the changes to the main assumptions did not significantly affect the results of the impairment tests, sensitivity analyses were conducted.

The following table presents the sensitivity of the 2024 and 2023 impairment tests of DOSs of the Zegna, Thom Browne and Tom Ford Fashion segments to reasonably possible changes in the aforementioned assumptions:

		Existing assumptions			Sensitivity effects on impairment		
(€ millions, except percentages and basis points)	**Impairment**	**WACC (%)**	**Growth rate (%)**	**Revenues CAGR (%) vs. current year**	**WACC +100 bps**	**Growth rate -50 bps**	**Revenues -250 bps**
Zegna segment DOSs							
2024	(4,150)	8.05% / 14.09%	1.00% / 4.00%	+6.7%	(4,734)	(4,262)	(5,084)
2023	(855)	8.64% / 12.56%	2.00% / 3.00%	+15.7%	(965)	(917)	(1,480)
Thom Browne segment DOSs							
2024	(2,957)	10.66% / 13.06%	2.50% / 3.00%	+11.1%	(3,032)	(2,969)	(3,614)
2023	(17)	11.16% / 12.56%	2.50% / 3.00%	+7.5%	(17)	(17)	(17)
Tom Ford Fashion segment DOSs							
2024	(4,089)	8.45% / 13.14%	2.00% / 3.00%	+16.9%	(4,323)	(4,140)	(4,620)
2023	(910)	11.27%/12.16%	3.00%	+18.2%	(925)	(912)	(1,029)

The sensitivity analysis of the aforementioned assumptions (WACC, growth rate and revenues CAGR) used to determine the recoverable value, carried out on the CGUs subject to impairment testing, showed that negative changes in the basic assumptions could lead to an additional impairment loss.

Corporate assets impairment test

Corporate assets are tested for impairment if facts or circumstances indicate that their carrying amount may be impaired on the basis of trigger events at the reporting segment level. There were no impairment indicators identified for corporate assets in 2024, 2023 or 2022.

16. Right-of-use assets

The following table provides a breakdown for right-of-use assets:

(€ thousands)	Land and buildings	Industrial and commercial equipment	Plant and machinery	Other right-of-use assets	Total
Historical cost at January 1, 2023	**758,923**	**524**	**168**	**5,793**	**765,408**
Additions	139,057	66	—	2,872	141,995
Disposals	(65,322)	(545)	—	(2,091)	(67,958)
Business combinations	160,659	—	—	210	160,869
Exchange differences	(22,284)	—	—	(19)	(22,303)
Balance at December 31, 2023	**971,033**	**45**	**168**	**6,765**	**978,011**
Additions	190,998	121	—	5,002	196,121
Disposals	(55,907)	(2)	(168)	(2,733)	(58,810)
Exchange differences	35,465	—	—	(23)	35,442
Balance at December 31, 2024	**1,141,589**	**164**	**—**	**9,011**	**1,150,764**
Accumulated amortization at January 1, 2023	**(385,896)**	**(486)**	**(115)**	**(3,403)**	**(389,900)**
Amortization	(125,096)	(75)	(35)	(1,733)	(126,939)
Impairments	(832)	—	—	—	(832)
Disposals	58,161	546	—	1,653	60,360
Exchange differences	13,229	—	—	23	13,252
Balance at December 31, 2023	**(440,434)**	**(15)**	**(150)**	**(3,460)**	**(444,059)**
Amortization	(146,297)	(37)	(23)	(2,325)	(148,682)
Impairments	(7,905)	—	—	—	(7,905)
Disposals	47,839	1	173	2,158	50,171
Exchange differences	(18,859)	—	—	7	(18,852)
Balance at December 31, 2024	**(565,656)**	**(51)**	**—**	**(3,620)**	**(569,327)**
Carrying amount at:					
January 1, 2023	**373,027**	**38**	**53**	**2,390**	**375,508**
December 31, 2023	**530,599**	**30**	**18**	**3,305**	**533,952**
December 31, 2024	**575,933**	**113**	**—**	**5,391**	**581,437**

The Group leases various retail stores, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 1 year to 15 years but may have extension options. Contracts may contain both lease and non-lease components. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Extension options in a range of 1 year to 10 years are included in a number of property leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. Such extension options are exercisable only by the Group and not by the respective lessor. Other tangible assets mainly refer to vehicles.

For the years ended December 31, 2024, 2023 and 2022 impairments were recognized for an amount of:

- €7,905 thousand in 2024 primarily related to leased stores in: Europe and the United States that are part of the Thom Browne segment, the Greater China Region and South Korea that are part of the Tom Ford Fashion segment, and the United States, EMEA and the Greater China Region that are part of the Zegna segment;
- €832 thousand in 2023 primarily related to leased stores in Greater China Region that are part of the Tom Ford Fashion segment and in Europe that are part of the Zegna segment, and
- €2,369 thousand in 2022 primarily related to leased stores in Greater China Region and in Europe that are part of the Thom Browne segment.

For details related to the impairment testing performed over right-of-use assets, please refer to *Note 15 — Property, plant and equipment.*

17. Investments accounted for using the equity method

The Group's ownership percentages and the carrying value of investments accounted for using the equity method were as follows:

(€ thousands, except percentages)	**Filati Biagioli Modesto S.p.A.**	**Norda Run Inc.**	**Luigi Fedeli e Figlio S.r.l.**	**Tom Ford International LLC**	**Tizeta S.r.l.**	**Total investments accounted for using the equity method**
Group's percentage interest at December 31, 2024	45%	25%	15%	100%	100%	
Group's percentage interest at December 31, 2023	40%	25%	15%	100%	100%	
At January 1, 2023	**1,515**	**—**	**—**	**16,425**	**4,708**	**22,648**
Additions	6,700	6,580	4,656	1,845	—	19,781
Disposal	(13)	—	—	—	—	(13)
Net (loss)/income	(712)	(2)	(2)	(2,587)	350	(2,953)
Translation differences	—	43	—	764	—	807
Business combinations	—	—	—	(16,447)	(5,058)	(21,505)
At December 31, 2023	**7,490**	**6,621**	**4,654**	**—**	**—**	**18,765**
Net (loss)/income	900	174	(13)	—	—	1,061
Translation differences	—	(136)	—	—	—	(136)
At December 31, 2024	**8,390**	**6,659**	**4,641**	**—**	**—**	**19,690**

As a result of the TFI Acquisition completed on April 28, 2023, the Group obtained 100% of TFI and 100% of Tizeta, which was previously 50% owned by the Group and 50% owned by TFI. The Group's previously held equity interests in TFI and Tizeta were measured at their fair value as of the acquisition date and recognized as part of the consideration transferred according to *IFRS 3 — Business Combinations* ("IFRS 3"). The cumulative translation losses related to the previously held investment in TFI, amounting to €4,705 thousand, were reclassified from other comprehensive income to profit and loss at the acquisition date as foreign exchange losses. Following completion of the TFI Acquisition, TFI and Tizeta are consolidated by the Group. For additional information relating to the TFI Acquisition see *Note 39 — Business combinations*. Prior to the TFI Acquisition, the Group accounted for its 15% interest in the equity shares of Tom Ford International LLC usingi the equity method as the following requirements of IAS 28—*Investments in Associates and Joint Ventures* ("IAS 28") were met: the representation on the board of directors and the participation in policy-making processes.

Additions for the year ended December 31, 2023 included:

(i) €6,700 thousand for the capital increase in Filati Biagioli Modesto S.p.A, of which €4,500 thousand was contributed in cash and €2,200 thousand related to a financial receivables converted to equity as a capital contribution in July 2023; in the second half of 2024 €4,450 thousand from the 2023 capital contribution were converted into share capital thus increasing the share owned by the Group from 40% to 45%;

(ii) €6,580 thousand for the acquisition of a 25% minority stake interest in Canadian technical trail running shoe company Norda which was completed on March 31, 2023;

(iii) €4,656 thousand for the acquisition of a 15% minority stake interest in Luigi Fedeli e Figlio S.r.l., the world-renowned maker of fine Italian knitwear and yarns; and

(iv) €1,845 thousand for the conversion of financial receivables from TFI into a capital contribution prior to the TFI Acquisition.

Certain financial information of companies accounted for using the equity method is provided below at and for the period from the acquisition date to December 31, 2024 or for the year ended December 31, 2024, as required by IFRS 12—*Disclosure of Interest in Other Entities* ("IFRS 12").

(€ thousands)	Norda Run Inc.	Filati Biagioli Modesto S.p.A.	Luigi Fedeli e Figlio S.r.l.
Total assets	6,024	68,646	31,048
Total liabilities	1,707	49,994	21,644
Total equity	4,317	18,652	9,404
Net revenues	10,407	44,108	27,846
Net income/(loss)	718	(428)	773

18. Other non-current financial assets

The following table provides a breakdown for other non-current financial assets:

	At December 31,	
(€ thousands)	**2024**	**2023**
Guarantee deposits	34,021	28,362
Lease receivables from sublease	1,585	1,115
Other	5,880	4,421
Total other non-current financial assets	**41,486**	**33,898**

There are no expected credit losses associated with the guarantee deposits.

Other primarily related to investments in other companies, which are measured at fair value at December 31, 2024 and 2023.

19. Inventories

The following table provides a breakdown for inventories (net of the provision for slow moving and obsolete inventories):

	At December 31,	
(€ thousands)	**2024**	**2023**
Raw materials, ancillary materials and consumables	90,461	90,460
Work-in-progress and semi-finished products	49,442	46,735
Finished goods	381,112	385,394
Total inventories	**521,015**	**522,589**

The amount of provisions for slow moving and obsolete inventories recognized for the years ended December 31, 2024, 2023 and 2022 was €48,260 thousand, €59,558 thousand and €28,561 thousand, respectively.

The following table provides the changes in the total provision for slow moving and obsolete inventories for the years ended December 31, 2024 and 2023.

	2024	**2023**
At January 1,	**(175,222)**	**(147,819)**
Provisions	(48,260)	(59,558)
Utilizations and releases	22,515	27,708
Exchange differences and other changes	(6,111)	4,447
At December 31,	**(207,078)**	**(175,222)**

20. Trade receivables

The following table provides a breakdown for trade receivables:

	At December 31,	
(€ thousands)	**2024**	**2023**
Trade receivables before loss allowance	263,380	247,138
Loss allowance	(14,590)	(6,681)
Total trade receivables	**248,790**	**240,457**

The following table provides a breakdown for the loss allowance relating to trade receivables:

	Loss allowance	
(€ thousands)	**2024**	**2023**
At January 1,	**(6,681)**	**(6,512)**
Provisions	(11,174)	(3,276)
Utilizations	353	285
Releases	3,062	2,829
Exchange differences and other	(150)	(7)
At December 31,	**(14,590)**	**(6,681)**

The Group applies the simplified approach available under IFRS 9 to always measure the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date (See Note 35 — Qualitative and quantitative information on financial risks for additional information).

The Group has recognized a loss allowance of 100% against all receivables that are greater than 180 days past due because historical experience has indicated that these receivables are generally not recoverable, except in certain cases where the receivables are covered by insurance agreements. The Group generally writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery (e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings). None of the trade receivables that have been written off are subject to enforcement activities.

The following table presents trade receivables by geographic area:

	At December 31,	
(€ thousands)	**2024**	**2023**
EMEA [(1)]	**97,619**	**102,653**
of which Italy	*58,460*	*60,174*
Americas [(2)]	**65,491**	**47,572**
of which United States	*50,294*	*33,028*
Greater China Region	**56,682**	**61,990**
Rest of APAC [(3)]	**28,998**	**28,242**
Total trade receivables	**248,790**	**240,457**

(1) EMEA includes Europe, the Middle East and Africa.

(2) Americas includes the United States of America, Canada, Mexico, Brazil and other Central and South American countries.

(3) Rest of APAC includes Japan, South Korea, Singapore, Thailand, Malaysia, Vietnam, Indonesia, Philippines, Australia, New Zealand, India and other Southeast Asian countries.

21. Derivative financial instruments

The Group enters into certain derivative contracts in the course of its risk management activities, primarily to hedge the interest rate risk on its bank debt and the currency risk on sales made in currencies other than the Euro. The Company only enters into 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 hedge requirements of IFRS 9 are accounted for using hedge accounting. Changes in the fair value of derivative financial instruments not qualifying for hedge accounting are recognized in profit or loss 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 their current value is based on valuation techniques that use input parameters (such as interest rate curves, foreign exchange rates, etc.) observable on the market (level 2 of the fair value hierarchy defined in IFRS 13 — *Fair Value Measurement*).

Derivatives are measured at fair value each reporting date by taking as a reference the applicable foreign currency exchange rates or the interest rates and yield curves observable at commonly quoted intervals.

At the reporting date, the Group had outstanding hedges as detailed in the tables below:

	At December 31, 2024			At December 31, 2023		
(€ thousands)	**Notional Amount**	**Positive Fair Value**	**Negative Fair Value**	**Notional Amount**	**Positive Fair Value**	**Negative Fair Value**
Foreign currency exchange risk						
Foreign currency derivatives	756,316	1,596	(14,699)	595,819	6,371	(897)
Interest rate risk						
Interest rate swaps	82,631	115	(439)	133,962	4,739	—
Total derivatives instruments - Notional / Assets / (Liabilities)	**838,947**	**1,711**	**(15,138)**	**729,781**	**11,110**	**(897)**

Hedging derivatives

All contracts in place at the reporting date were entered into with major financial institutions, and no counterparties are expected to default. A liquidity analysis of the derivative contract maturities is provided in the financial risks section of these notes.

The cash flows resulting from the Group's international activities are exposed to exchange rate volatility. In order to hedge this risk, the Group enters into forward sale and purchase agreements, so as to guarantee the value of identified cash flows in Euro (or in other currencies used locally). The projected future cash flows mainly relate to the collection of trade receivables, the settlement of trade payables and financial cash flows. The notional amount of foreign exchange forward contracts to hedge projected future cash flows are detailed as follows:

	For the years ended December 31,	
(€ thousands)	**2024**	**2023**
USD	278,068	206,232
CNY	255,447	201,153
GBP	53,991	54,282
JPY	42,435	34,749
HKD	34,825	31,735
Other	91,550	67,668
Total notional amount	**756,316**	**595,819**

The key features of the interest rate swap (IRS) agreements are summarized as follows:

(€ thousands, except percentages)			Notional amount at December 31,		Fair value at December 31,	
Contract	**Maturity date**	**Fixed interest rate**	**2024**	**2023**	**2024**	**2023**
IRS 1	6/30/2027	2.10%	50,000	—	49	—
IRS 2	6/14/2027	2.77%	30,000	—	(439)	—
IRS 3	9/30/2027	0.22%	2,035	2,775	57	128
IRS 4	12/31/2025	(0.15%)	596	1,187	9	41
IRS 5	4/15/2024	(0.24%)	—	80,000	—	2,190
IRS 6	12/20/2024	0.01%	—	50,000	—	2,380
Total			**82,631**	**133,962**	**(324)**	**4,739**

22. Other current financial assets

The following table provides a breakdown for other current financial assets (see *Note 34 — Fair value measurement* for a breakdown of other current financial assets by fair value level):

	At December 31,	
(€ thousands)	**2024**	**2023**
Securities	73,639	85,320
Guarantee deposits	3,360	5,431
Financial receivables	270	166
Total other current financial assets	**77,269**	**90,917**

The following tables provide a breakdown and the movements for securities:

(€ thousands)	**At December 31, 2023**	**Investments**	**Disposals**	**Fair value adjustments**	**Realized gains/ (losses)**	**Exchange rate gains/ (losses)**	**At December 31, 2024**
Fair value through profit or loss (FVPL)							
Private equity	22,399	1,799	(2,439)	1,309	35	851	23,954
Private debt	10,106	801	(423)	(68)	(21)	—	10,395
Hedge funds	8,995	—	(20)	1,234	1	75	10,285
Real estate funds	12,146	369	(2,734)	(400)	78	254	9,713
Money market funds	2,093	15,966	(14,182)	26	119	(158)	3,864
Equity	1,141	1,986	—	77	—	—	3,204
Total FVPL	**56,880**	**20,921**	**(19,798)**	**2,178**	**212**	**1,022**	**61,415**
Fair value through other comprehensive income (FVOCI)							
Fixed income	11,748	3,447	(8,875)	54	65	—	6,439
Floating income	16,692	1,508	(12,505)	124	(34)	—	5,785
Total FVOCI	**28,440**	**4,955**	**(21,380)**	**178**	**31**	**—**	**12,224**
Total securities	**85,320**	**25,876**	**(41,178)**	**2,356**	**243**	**1,022**	**73,639**

(€ thousands)	At December 31, 2022	Investments	Disposals	Fair value adjustments	Realized gains/ (losses)	Exchange rate gains/ (losses)	At December 31, 2023
Fair value through profit or loss (FVPL)							
Private equity	18,311	3,035	(802)	2,266	—	(411)	22,399
Real estate funds	12,129	2,096	—	(1,887)	—	(192)	12,146
Private debt	13,644	1,001	(4,224)	(347)	32	—	10,106
Hedge funds	46,761	4,009	(42,658)	706	264	(87)	8,995
Money market funds	2,587	18,578	(19,038)	(71)	209	(172)	2,093
Equity	14,592	997	(14,999)	(159)	703	7	1,141
Insurance contracts	114,975	—	(115,485)	545	(35)	—	—
Fixed income	64,017	—	(65,018)	—	1,001	—	—
Commodities	2,727	—	(2,601)	—	(126)	—	—
Total FVPL	**289,743**	**29,716**	**(264,825)**	**1,053**	**2,048**	**(855)**	**56,880**
Fair value through other comprehensive income (FVOCI)							
Floating income	17,742	—	(1,005)	(45)	—	—	16,692
Fixed income	9,110	3,884	(1,996)	304	446	—	11,748
Total FVOCI	**26,852**	**3,884**	**(3,001)**	**259**	**446**	**—**	**28,440**
Total securities	**316,595**	**33,600**	**(267,826)**	**1,312**	**2,494**	**(855)**	**85,320**

In line with the Group's funding strategy, during 2023 the Group disposed of securities (primarily investments in insurance contracts, fixed income and hedge funds) amounting to €267,826 thousand for proceeds of €270,317 thousand that the Group primarily used to finalize the TFI Acquisition and for capital expenditures, as well as to repay borrowings.

23. Other current assets

Other current assets amount to €105,742 thousand and €95,260 thousand at December 31, 2024 and 2023, respectively, and mainly relate to accrued income, deferred charges and indirect tax receivables.

24. Cash and cash equivalents

The following table provides a breakdown for cash and cash equivalents:

	At December 31,	
(€ thousands)	**2024**	**2023**
Cash on hand	2,465	3,275
Bank balances	216,665	293,004
Total cash and cash equivalents	**219,130**	**296,279**

The Group may be subject to restrictions which limit its ability to use cash. In particular, cash held in China is subject to certain repatriation restrictions and may only be repatriated as dividends or capital distributions, or to repay debt or other liabilities. The Group does not believe that such transfer restrictions have any adverse impacts on its ability to meet liquidity requirements. Cash held in China at December 31, 2024 amounted to €22,105 thousand (€22,549 thousand at December 31, 2023).

25. Shareholders' equity

Share capital and share premium

At December 31, 2024 and 2023 the fully paid up share capital of the Company was €9,154 thousand, consisting of 302,704,726 ordinary shares and 154,981,350 special voting shares A, all with a nominal value of €0.02.

Each ordinary share confers the right to cast one vote. Holders of ordinary shares become entitled to special voting shares upon registering their ordinary shares in the loyalty register (thereby blocking such shares from trading on the NYSE) and maintaining them registered in such register for an uninterrupted period of time as prescribed by the articles of association of the Company. Ordinary shares carry the right to receive dividends and each ordinary share carries the right to repayment of capital in the event of dissolution and liquidation, with the remaining equity, after all debts are satisfied, for the benefit of the holders of ordinary shares in proportion to the aggregate nominal value of their ordinary shares. Ordinary shares carry preemptive rights in proportion to the aggregate number of ordinary shares held upon the issuance of new ordinary shares or the granting of rights to subscribe for ordinary shares, subject to certain exceptions.

If ordinary shares have been registered in the loyalty register for an uninterrupted period of two years in the name of the same shareholder, such shares become eligible to receive Special Voting Shares A of the Company. The relevant shareholder will receive one of the Company Special Voting Share A per eligible ordinary share. Each of the Company Special Voting Share A will automatically be converted into a Special Voting Share B of the Company after holding a number of ordinary shares for an uninterrupted period of five years following the registration of such ordinary shares in the loyalty register, and each of the Company Special Voting Share B will automatically be converted into a Special Voting Share C of the Company after holding a number of ordinary shares for an uninterrupted period of ten years following the registration of such ordinary shares in the loyalty register. Each class of the Company Special Voting Shares will entitle the relevant holders to the following number of votes, in addition to the voting rights attached to each ordinary share: each Special Voting Share A of the Company confers the right to cast one vote, each Special Voting Share B of the Company confers the right to cast four votes and each Special Voting Share C of the Company confers the right to cast nine votes in the Company General Meeting. Holders of the Company Special Voting Shares will not receive any dividends in respect of the Company Special Voting Shares; however, the Company maintains a separate dividend reserve for each class of the Company Special Voting Shares for the sole purpose of the allocation of the mandatory minimum profits that accrue to the Company Special Voting Shares.

The following table summarizes the changes in the share capital, share premium and number of ordinary shares and special voting shares of the Company for the years ended December 31, 2023 and 2024:

	Share capital (€ thousand)	Share premium (€ thousand)	Outstanding ordinary shares	Ordinary shares held in treasury	Total ordinary shares	Special voting shares
At January 1, 2023	**5,939**	**721,187**	**242,802,746**	**54,140,913**	**296,943,659**	**—**
Ordinary shares issued to warrant holders [1]	115	64,500	5,761,067	—	5,761,067	—
Ordinary shares delivered under share-based payments [2]	—	—	1,746,450	(1,746,450)	—	—
Special Voting Shares A issued [3]	3,100	(3,100)	—	—	—	154,981,350
At December 31, 2023	**9,154**	**782,587**	**250,310,263**	**52,394,463**	**302,704,726**	**154,981,350**
Ordinary shares delivered under share-based payments [4]	—	—	2,193,216	(2,193,216)	—	—
At December 31, 2024	**9,154**	**782,587**	**252,503,479**	**50,201,247**	**302,704,726**	**154,981,350**

(1) On February 27, 2023, the Group completed the previously announced redemption of its outstanding public and private placement warrants to purchase ordinary shares of the Company that remained outstanding at 5:00 p.m. New York City time on February 27, 2023 (the "Redemption Date"), following which (i) 408,667 warrants were exercised by the warrant holders at an exercise price of $11.50 per ordinary share and the Group received total cash proceeds of $4.7 million in exchange for 408,667 newly issued ordinary shares, and (ii) 19,322,846 warrants were exercised by the warrant holders on a cashless basis in exchange for 0.277 ordinary shares of the Company per warrant, with the Company issuing an aggregate of 5,761,067 newly issued ordinary shares. As a result of these transactions, approximately 98% of the outstanding warrants were exercised, of which approximately 2% were exercised for cash and approximately 96% were exercised on a cashless basis. The remaining 385,123 warrants remained unexercised on the Redemption Date and were redeemed by the Company for cash at a redemption price of $0.10 per warrant in accordance with the terms of the related warrant agreements, for a total of $38.5 thousand.

(2) As a result of the vesting of certain equity incentive arrangements, ordinary shares, which were previously held in treasury, were delivered to participants of the share-based payments plans. It includes:

(a) 588,000 ordinary shares delivered to the CEO under the CEO 2022-2024 LTIP in relation to the 2022 performance period.
(b) 240,000 ordinary shares delivered to the CEO under the CEO IPO PSUs plan.
(c) 450,000 ordinary shares delivered to the directors of the Group (excluding the CEO), key executives with strategic responsibilities and other employees of the Group under the Management IPO PSUs plan.
(d) 468,450 ordinary shares delivered to the CEO under the right to convert the CEO's fixed remuneration in shares of the Company for an aggregate purchase price of €3,654 thousand.

For additional information relating to the equity incentive arrangements of the Group, see *Note 37 — Share-based payments*.

(3) On December 18, 2023, upon the fulfillment of the conditions outlined in the Company's Articles of Association 154,981,350 Special Voting Shares A were issued and delivered to Monterubello s.s. and Ermenegildo (Gildo) Zegna di Monte Rubello for no consideration.

(4) As a result of the vesting of certain equity incentive arrangements, 2,193,216 ordinary shares, which were previously held in treasury, were delivered to participants of the share-based payments plans, as further described below:
(a) 609,756 ordinary shares to the Senior Management Team to settle a portion of a bonus in ordinary shares equal to a value of $7,500 thousand as part of long-term equity incentives provided.
(b) 588,000 ordinary shares to the CEO under the CEO 2022-2024 long-term incentive plan in relation to the 2023 performance period.
(c) 360,000 ordinary shares to the CEO under the CEO IPO PSU plan.
(d) 430,000 ordinary shares to the directors of the Group, key executives with strategic responsibilities and other employees of the Group under the Management IPO PSU plan.
(e) 78,460 ordinary shares to the non-executive directors of the Group for a portion of their annual base remuneration for services provided in 2022.
(f) 127,000 ordinary shares to the Senior Management Team (excluding the CEO) under the 2023 RSU Plan in connection with the achievement of the service condition for the first installment.

For additional information relating to the equity incentive arrangements of the Group, see *Note 37 — Share-based payments*.

Legal reserves

Pursuant to Dutch law, limitations exist relating to the distribution of shareholders' equity up to at least the total amount of the legal reserve, which at December 31, 2024 and December 31, 2023 amounted to €35,624 thousand and €20,318 thousand, respectively, and included the following:

- legal reserves for subsidiaries consisting of earnings of subsidiaries and associates that are subject to restrictions on distributions to the Company and capitalized development costs recognized by subsidiaries of the Company for €18,974 thousand at December 31, 2024 (€22,133 thousand at December 31, 2023);

- a translation reserve for the translation differences arising from the consolidation of subsidiaries with a functional currency different from the Euro, amounting to €21,282 thousand at December 31, 2024 (€(9,856) thousand at December 31, 2023);

- a cash flow hedge reserve for the changes in the fair value of derivative financial instruments held by the Company designated as a hedge of the exposure to variability in currency exchange rate and interest rate risk, amounting to €(7,429) thousand at December 31, 2024 (€5,826 thousand at December 31, 2023);

- gains and losses on the remeasurement of defined benefit plans for actuarial gains and losses arising during the period which are offset against the related net defined benefit liabilities, amounting to €2,742 thousand at December 31, 2024 (€2,375 thousand at December 31, 2023);

- the financial assets at FVOCI reserve which arises from changes in the fair value of debt instruments held by the company under a hold to collect and sell business model, which will be reversed when the investment is derecognized or impaired, amounting to €55 thousand at December 31, 2024 (€(160) thousand at December 31, 2023).

Reserve for treasury shares

At December 31, 2024, the reserve for treasury shares amounted to €418,345 thousand (€436,622 thousand at December 31, 2023) and 50,201,247 ordinary shares were held in treasury (52,394,463 ordinary shares at December 31, 2023).

Other reserves

Other reserves are detailed as follows:

	At December 31,	
(€ thousands)	**2024**	**2023**
Share-based payments reserve	85,183	96,008
Non-controlling interests options reserve	(114,247)	(183,525)
Other	(132,567)	(66,479)
Other reserves	**(161,631)**	**(153,996)**

The non-controlling interests options reserve includes a reduction of equity attributable to shareholders of the Company resulting from the initial recognition of the financial liabilities at fair value (which are subsequently remeasured at the end of each period through the statement of profit and loss) relating to the put options held by non-controlling interests in Thom Browne group for €92,788 thousand and €162,066 thousand at December 31, 2024 and 2023, respectively, (originally recognized in 2018 and partially reclassified within other reserves in 2024 as a result of the first tranche of the put option being completely exercised) and Gruppo Dondi S.p.A. for €21,459 thousand at December 31, 2024 and 2023 (originally recognized in 2019). See *Note 28 — Other current and non-current financial liabilities* for additional details relating to the Group's written put options on non-controlling interests.

Retained earnings

Retained earnings include the Group's accumulated earnings, less dividends paid to equity holders and other changes, including the effects of the first-time adoption of IFRS Accounting Standards, which occurred on January 1, 2018.

At the Annual General Meeting of the Shareholders held on June 26, 2024, the shareholders approved a dividend distribution of €0.12 per ordinary share, corresponding to a total dividend of €30,321 thousand. The dividend distribution was paid on July 30, 2024 and was made from the retained earnings reserve.

At the Annual General Meeting of the Shareholders held on June 27, 2023, the shareholders approved a dividend distribution of €0.10 per ordinary share, corresponding to a total dividend of €25,031 thousand. The dividend distribution was paid on July 28, 2023 and was made from the retained earnings reserve.

At the Annual General Meeting of the Shareholders held on June 28, 2022, the shareholders approved a dividend distribution of €0.09 per ordinary share, corresponding to a total dividend of €21,852 thousand. The dividend distribution was paid on July 28, 2022 and was made from the retained earnings reserve.

26. Non-controlling interests

The following tables show the financial information of consolidated companies not entirely controlled by the Group, as required by IFRS 12. The amounts disclosed for each subsidiary are before intercompany eliminations and at and for the years ended December 31, 2024 and 2023.

	At and for the year ended December 31, 2024								
(Functional currency thousands)	**Country**	**Group's percentage interest**	**Non-controlling interest percentage**	**Functional currency**	**Total assets**	**Total equity**	**Net revenues**	**Net income / (loss)**	**Dividends paid to non-controlling shareholders**
Company									
Thom Browne group	U.S.A.	92%	8%	USD	355,531	207,277	340,753	16,891	—
Ermenegildo Zegna Vietnam LLC	Vietnam	90%	10%	VTD	42,148,803	31,181,882	42,659,395	4,158,974	—
Gruppo Dondi S.p.A.	Italy	65%	35%	EUR	39,485	24,486	42,139	3,674	(556)
E.Z. Thai Holding Ltd	Thailand	49%	51%	THB	11,914	(634)	—	(371)	—
Bonotto S.p.A.	Italy	60%	40%	EUR	25,146	12,513	24,993	2,695	(470)
Tessitura Ubertino S.r.l.	Italy	60%	40%	EUR	8,293	5,170	10,208	1,301	(400)
Cappellificio Cervo S.r.l.	Italy	51%	49%	EUR	2,552	1,058	4,002	148	(17)
Zegna South Asia Private LTD	India	51%	49%	INR	807,604	361,271	547,187	90,192	—
Zegna Gulf Trading LLC	UAE	49%	51%	AED	297,707	115,565	315,574	73,676	(17,885)
The Italian Fashion Co. LTD	Thailand	65%	35%	THB	257,950	29,800	300,398	31,632	—
Zegna for Retail of Readymade and Novelty Clothes W.L.L.	Kuwait	49%	51%	KWD	1,066	501	1,157	116	—
Zegna Consitex Arabia For Trading LLC	KSA	70%	30%	SAR	30,059	22,727	3,483	(3,293)	—

	At and for the year ended December 31, 2023								
(Functional currency thousands)	**Country**	**Group's percentage interest**	**Non-controlling interest percentage**	**Functional currency**	**Total assets**	**Total equity**	**Net revenues**	**Net income / (loss)**	**Dividends paid to non-controlling shareholders**
Company									
Thom Browne group	U.S.A.	90%	10%	USD	378,736	199,275	411,192	49,988	—
Ermenegildo Zegna Vietnam LLC	Vietnam	90%	10%	VTD	42,201,273	27,134,951	40,281,928	5,446,184	—
Ermenegildo Zegna Madrid S.A.	Spain	70%	30%	EUR	4,591	1,811	5,412	34	—
Gruppo Dondi S.p.A.	Italy	65%	35%	EUR	39,369	22,387	44,588	3,935	(708)
E. Z. Thai Holding Ltd	Thailand	49%	51%	THB	12,338	(264)	—	(283)	—
Bonotto S.p.A.	Italy	60%	40%	EUR	25,596	10,974	25,657	2,709	(451)
Tessitura Ubertino S.r.l.	Italy	60%	40%	EUR	8,404	4,863	11,051	1,479	(600)
Cappellificio Cervo S.r.l.	Italy	51%	49%	EUR	2,186	938	3,281	119	(11)
Zegna South Asia Private LTD	India	51%	49%	INR	732,458	271,079	473,553	71,215	—
Zegna Gulf Trading LLC	UAE	49%	51%	AED	193,655	79,300	250,244	60,856	(17,150)
The Italian Fashion Co. LTD	Thailand	65%	35%	THB	238,912	(2,053)	255,389	14,880	—
Zegna for Retail of Readymade and Novelty Clothes W.L.L.	Kuwait	49%	51%	KWD	1,439	384	791	(227)	—

27. Borrowings

The following table provides a breakdown for non-current and current borrowings:

(€ thousands)	2024			2023		
	Committed loans	**Other borrowings**	**Total borrowings**	**Committed loans**	**Other borrowings**	**Total borrowings**
At January 1,	**316,956**	**85,666**	**402,622**	**470,627**	**428**	**471,055**
Business combinations	—	—	—	21,258	8,632	29,890
Repayments	(205,119)	(85,662)	(290,781)	(298,256)	(7,894)	(306,150)
Proceeds	209,720	50,000	259,720	119,924	84,500	204,424
Other	2,006	—	2,006	3,403	—	3,403
At December 31,	**323,563**	**50,004**	**373,567**	**316,956**	**85,666**	**402,622**
Of which:						
Non-current	*196,401*	*—*	*196,401*	*113,244*	*41*	*113,285*
Current	*127,162*	*50,004*	*177,166*	*203,712*	*85,625*	*289,337*

During the period the Group extended the average maturity of its debt by repaying existing borrowings and obtaining new borrowings with longer average maturities.

The repayment schedule for borrowings is summarized below:

(€ thousands)	**At December 31, 2024**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5 and beyond**
Committed loans	323,563	127,162	83,682	99,263	8,754	4,702
Other borrowings	50,004	50,004	—	—	—	—
Total borrowings	**373,567**	**177,166**	**83,682**	**99,263**	**8,754**	**4,702**

(€ thousands)	**At December 31, 2023**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5 and beyond**
Committed loans	316,956	203,712	84,936	19,670	4,586	4,052
Other borrowings	85,666	85,625	41	—	—	—
Total borrowings	**402,622**	**289,337**	**84,977**	**19,670**	**4,586**	**4,052**

For information relating to the contractual cash flows of the Group's borrowings, see *Note 35 — Qualitative and quantitative information on financial risks—Liquidity risks*.

Interest on certain of the Group's borrowings is calculated based on variable rates. Management may use interest rate swaps ("IRS") or other derivative financial instruments to hedge exposure to fluctuations in interest rates associated with monetary flows and not for speculative purposes. See *Note 35 — Qualitative and quantitative information on financial risks* for additional information related to the Group's management of interest rate and other financial risks.

The following tables provide details relating to the Group's individual borrowings.

Borrower	Interest rate	Interest rate terms	Expiry date	At December 31, 2024	
				Current	Non-current
				(€ thousands)	
Ermenegildo Zegna N.V.	Variable	Euribor 1m	January 2025	35,030	—
Ermenegildo Zegna N.V.	Variable	Euribor 1m	January 2025	15,025	—
Ermenegildo Zegna N.V.	Variable	Euribor 3m + 0.80%	February 2025	40,172	—
Ermenegildo Zegna N.V.	Variable	Euribor 1m + 0.94%	May 2025	1,450	—
Ermenegildo Zegna N.V.	Variable	Euribor 6m + 0.97%	December 2025	40,002	—
Ermenegildo Zegna N.V.	Variable	Euribor 3m + 0.94%	January 2026	77	10,000
Ermenegildo Zegna N.V.	Variable	Euribor 6m + 0.90%	April 2026	275	49,977
Ermenegildo Zegna N.V.	Variable	Euribor 6m + 0.77%	December 2026	6,533	13,483
Ermenegildo Zegna N.V.	Variable	IRS + 0.90%	June 2027	790	49,925
Ermenegildo Zegna N.V.	Variable	IRS + 0.88%	June 2027	53	30,000
Ermenegildo Zegna N.V.	Variable	Euribor 3m + 0.85%	August 2027	—	10,000
Ermenegildo Zegna N.V.	Fixed	0.74%	September 2028	3,998	12,068
Ermenegildo Zegna N.V.	Variable	Euribor 3m + 0.82%	November 2029	1,238	18,808
Co.Ti Service S.A.	Fixed	0.75%	February 2025	20,000	—
Co.Ti Service S.A.	Fixed	0.75%	April 2025	10,000	—
Other borrowing facilities	Fixed Variable [(1)]	1.63% - 2.32% 1.43% - 3.90%	Up to 2027	2,523	2,140
Total				**177,166**	**196,401**
of which fixed				*35,014*	*12,752*
of which variable				*142,152*	*183,649*

(1) Represents the spread over the variable component of the interest rate, which is generally based on Euribor.

Borrower	Interest rate	Interest rate terms	Expiry date	At December 31, 2023	
				Current	Non-current
				(€ thousands)	
Ermenegildo Zegna N.V.	Variable	Euribor 3m + 0.80%	February 2024	40,234	—
Ermenegildo Zegna N.V.	Variable	Euribor 3m + 0.60%	February 2024	20,078	—
Ermenegildo Zegna N.V.	Variable	Euribor 1m + 0.05%	February 2024	19,592	—
Ermenegildo Zegna N.V.	Fixed	4.00%	February 2024	15,123	—
Ermenegildo Zegna N.V.	Fixed	4.05%	March 2024	35,122	—
Ermenegildo Zegna N.V.	Fixed	4.05%	March 2024	15,052	—
Ermenegildo Zegna N.V.	Variable	IRS + 0.81%	April 2024	81,351	—
Ermenegildo Zegna N.V.	Variable	IRS + 0.60%	December 2024	50,808	—
Ermenegildo Zegna N.V.	Variable	Euribor 1m + 0.79%	May 2025	3,331	1,494
Ermenegildo Zegna N.V.	Variable	Euribor 6m + 0.97%	December 2025	13	39,971
Ermenegildo Zegna N.V.	Variable	Euribor 6m + 0.77%	December 2026	33	19,988
Ermenegildo Zegna N.V.	Fixed	0.73%	September 2028	3,979	16,034
Co.Ti Service S.A.	Fixed	0.75%	April 2025	—	10,000
Co.Ti Service S.A.	Fixed	0.75%	August 2025	—	20,000
Other borrowing facilities	Fixed Variable [(1)]	1.35% - 2.20% 0.45% - 3.09%	Up to 2029	4,621	5,798
Total				**289,337**	**113,285**
of which fixed				*70,413*	*47,611*
of which variable				*218,924*	*65,674*

(1) Represents the spread over the variable component of the interest rate, which is generally based on Euribor.

At December 31, 2024, the Group has committed revolving lines amounting to an aggregate of €335 million with a maturity ranging between 4 to 6 years (€335 million at December 31, 2023 with a maturity ranging between 5 to 7 years). The lines were drawn down for €40 million at December 31, 2024 (€40 million at December 31, 2023). Certain committed revolving lines have interest rates linked to the following two important Environmental, Social and Governance ("ESG") targets previously disclosed by the Group: (i) at least 50% of top priority raw materials are traced to their geography of origin and from lower-impact sources by 2026; and (ii) 100% of the electricity is from renewable sources in Europe and the United States by 2024. These lines amounted to €190 million at December 31, 2024 and 2023 and were undrawn.

28. Other current and non-current financial liabilities

The following table provides a breakdown for other current and non-current financial liabilities:

	At December 31,	
(€ thousands)	**2024**	**2023**
Written put options on non-controlling interests	146,338	136,466
of which Thom Browne option	*127,072*	*116,456*
of which Dondi option	*19,266*	*20,010*
Other	110	90
Other non-current financial liabilities	**146,448**	**136,556**
Written put options on non-controlling interests	—	22,102
of which Thom Browne option	—	*22,102*
Other current financial liabilities	**—**	**22,102**
Total	**146,448**	**158,658**

Written put options on non-controlling interests

Thom Browne

The Group is party to an option agreement which provides Mr. Thom Browne a put option giving him the right to sell to the Group his remaining 8% interest in the Thom Browne group not owned by the Group, in two remaining tranches. The exercise price of the option is established as the EBITDA of the Thom Browne group recorded in 2028 and 2030, multiplied by a given multiple ("TB Exercise Formula"). The financial liability arising from the obligation of the Group to purchase the non-controlling interest in the Thom Browne group is measured at the present value of the expected exercise amount, calculated through the TB Exercise Formula as per projections contained in the latest business plan, which cover the period from 2025 to 2027. The liability, which originally related to a 15% non-controlling interest, was initially recognized against equity for €162,066 thousand and it is remeasured at each reporting date in profit or loss based on the latest available information. In June 2021, the Group purchased an additional 5% of the Thom Browne group for a total consideration of €30,653 thousand, reducing the non-controlling interest to 10%.

During the first half of 2024, Mr. Thom Browne exercised the put option to sell to the Group an additional 2% of Thom Browne Inc. (based on 2023 EBITDA of the Thom Browne group) for a consideration of €22,752 thousand, following which the Group owns 92% of the Thom Browne group. The Group derecognized a portion of the liability for the written put option on non-controlling interests in the amount of €22,752 thousand. Additionally, the equity attributable to non-controlling interests was reduced by €3,697 thousand with an offsetting increase to equity attributable to shareholders of the Parent Company and the put option liability relating to the remaining non-controlling interest was remeasured at its fair value.

At December 31, 2024, the put option liability (which relates to two tranches representing 5% and 3% of the non-controlling interests that are based on the 2028 and 2030 EBITDA of the Thom Browne group, respectively) amounted to €127,072 thousand and was classified as non-current (€138,558 thousand at December 31, 2023, of which €22,102 thousand was classified as current relating to the 2% tranche based on 2023 EBITDA as exercised during 2024, and €116,456 thousand was classified as non-current).

Dondi

The Group is party to an option agreement which provides the Dondi family with a put option giving them the right to sell to the Group the Dondi family's remaining 35% interest in Dondi not owned by the Group, in two tranches in 2029

and 2034. The exercise price of the option is established as the EBITDA of Dondi at the exercise date, less its net indebtedness, multiplied by a given multiple less a given discount ("Dondi Exercise Formula"). The financial liability arising from the obligation is measured at the present value of the expected exercise amount, calculated through the Dondi Exercise Formula as per projections contained in the approved Business Plan. The remeasurement of the liability at each reporting date is recognized through profit or loss based on the latest available information. The liability related to this written put option at December 31, 2024 amounted to €19,266 thousand and was classified as non-current (€20,010 thousand at December 31, 2023).

29. Lease liabilities

The following table provides a breakdown for lease liabilities.

(€ thousands)	**2024**	**2023**
At January 1,	**593,725**	**443,507**
Interest expense	23,659	17,030
Repayment of lease liabilities (including interest expense)	(167,208)	(142,762)
Business combinations	—	160,869
Additions due to new leases and store renewals	195,955	142,005
Decrease of lease liabilities due to store closures	(7,867)	(14,750)
Translation differences	23,421	(12,174)
At December 31,	**661,685**	**593,725**
Of which:		
Non-current	*518,728*	*471,083*
Current	*142,957*	*122,642*

In certain countries, leases for stores entail the payment of both minimum amounts and variable amounts, especially for stores with lease payments indexed to revenue. As required by IFRS 16, only the minimum fixed lease payments are capitalized.

The following table summarizes the lease liabilities by maturity date:

(€ thousands)	**At December 31,**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Beyond**
2024	**661,685**	142,957	114,935	100,484	78,023	225,286
2023	**593,725**	122,642	102,631	82,248	68,876	217,328

For information relating to the contractual cash flows of the Group's lease agreements, see *Note 35 — Qualitative and quantitative information on financial risks—Liquidity risks*.

30. Provisions for risks and charges

The provisions for risks and charges, which amount to €40,342 thousand in 2024 (€35,868 thousand in 2023), represent management's best estimate of the amount of potential liabilities. In the Directors' opinion, based on the information available to them, the total amount allocated for risks and charges at the reporting date is adequate in respect of the liabilities that could arise from the underlying circumstances.

The following tables show the movement of the provision for risks and charges in 2024:

(€ thousands)	**Legal and fiscal risks**	**Leased store restoration**	**Refund liability returns**	**Other provisions**	**Total provisions**
At January 1, 2024	**770**	**16,805**	**13,092**	**5,201**	**35,868**
of which current	*136*	*672*	*13,092*	*2,119*	*16,019*
of which non-current	*634*	*16,133*	*—*	*3,082*	*19,849*
Provisions	—	2,899	3,557	2,370	8,826
Releases	(156)	(2,204)	(1,037)	(2,489)	(5,886)
Utilizations	(102)	—	(3,908)	(324)	(4,334)
Exchange differences	(5)	734	246	144	1,119
Business Combination	—	17	52	20	89
Reclassifications and other	195	325	2,044	2,096	4,660
At December 31, 2024	**702**	**18,576**	**14,046**	**7,018**	**40,342**
of which current	*650*	*2,096*	*14,046*	*—*	*16,792*
of which non-current	*52*	*16,480*	*—*	*7,018*	*23,550*

The Group is a defendant in various other legal and fiscal lawsuits arising in the ordinary course of business. It is the opinion of the management of the Company that it has meritorious defenses against all such outstanding claims, which the Company will vigorously pursue, and that the outcome of such claims, individually or in the aggregate, will not have a material adverse effect on the Group's consolidated financial position or results of operations, except as otherwise described above.

31. Employee benefits

The following table presents a breakdown of employee benefits.

	At December 31,	
(€ thousands)	**2024**	**2023**
Italian leaving indemnities (TFR)	10,224	10,507
Other leaving indemnities	11,727	10,392
Post-employment benefits	7,866	7,247
Other long-term employee benefits	953	1,165
Termination benefits	783	334
Total defined benefit obligations	**31,553**	**29,645**
Other long-term payables to employees	3,392	—
Total employee benefits	**34,945**	**29,645**

Defined benefit obligations

The following table shows the changes in defined benefit obligations.

(€ thousands)	**2024**	**2023**
At January 1,	**29,645**	**25,554**
Changes through statement of profit and loss	6,631	5,236
- of which: Service cost	*5,518*	*4,342*
-of which: Financial charges	*1,113*	*894*
Changes through statement of comprehensive income and loss	(400)	(1,838)
- of which: Actuarial (gain)/loss	*(668)*	*(1,376)*
- of which: Translation differences	*268*	*(462)*
Benefits paid	(5,254)	(2,566)
Business Combination	931	3,259
At December 31,	**31,553**	**29,645**

Italian leaving indemnities relate to the Italian employee severance indemnity ("TFR,") obligation required under Italian Law and other leaving indemnities primarily relate to leaving indemnities relating to the Group's subsidiaries in Spain and China.

The following table summarizes the main financial assumptions used in determining the present value of the TFR and other leaving indemnities.

	At December 31, 2024			**At December 31, 2023**		
	Italy	**Spain**	**China**	**Italy**	**Spain**	**China**
Discount rate	2.70% / 3.20%	3.00% / 3.20%	2.00% / 2.10%	2.90% / 3.40%	3.00% / 3.30%	2.60%
Inflation rate	1.80% / 2.00%	2.00%	1.50% / 9.00%	2.00% / 3.00%	2.00%	1.50% / 9.00%
Turn-over rate	1.00% / 10.00%	4.00% / 5.00%	2.00% / 4.50%	1.00% / 10.00%	4.00% / 5.00%	2.00% / 4.50%

In determining the defined benefit obligations of the Group's Italian companies, the Group used the Italian National Institute of Statistics ("ISTAT") benchmark for the estimated mortality rates in Italy, broken down by age and gender, while for defined benefit obligations of the Group's non-Italian companies, the Group used the standard mortality rate benchmark for each individual country, broken down by age and gender. Estimated annual staff turnover rates have been calculated based on the individual companies' data.

The following table presents a quantitative sensitivity analysis for the main assumptions relating to the Group's main employee benefit obligations and service costs.

	At December 31, 2024				**At December 31, 2023**			
	+50 bps	**-50 bps**	**+50 bps**	**-50 bps**	**+50 bps**	**-50 bps**	**+50 bps**	**-50 bps**
(€ thousands)	**Employee benefit obligations**		**Service costs**		**Employee benefit obligations**		**Service costs**	
Discount rate	(855)	916	(141)	153	(797)	854	(107)	116
Inflation rate	805	(762)	147	(137)	728	(689)	113	(105)
Turn-over rate	2,684	(4,075)	469	(735)	2,209	(3,292)	381	(570)

The average duration of the defined benefit obligations for the Italian TFR at the end of the reporting period was 7.9 years (2023: 8.7 years), for leaving indemnities in China was 9.7 years (2023: 9.9 years) and for leaving indemnities in Spain was 10.2 years (2023: 9.7 years).

Post-employment benefits at December 31, 2024 and 2023 primarily relate to the Group's CEO.

32. Trade payables and customer advances

The following table provides a breakdown for trade payables and customer advances:

	At December 31,	
(€ thousands)	**2024**	**2023**
Trade payables	248,605	261,099
Customer advances	61,166	53,038
Total trade payables including customer advances	**309,771**	**314,137**

33. Other current and non-current liabilities

The following table provides a breakdown for other current and non-current liabilities:

	At December 31,	
(€ thousands)	**2024**	**2023**
Due to employees	52,177	90,864
VAT and other taxes	31,228	25,100
Accrued expenses	36,432	28,512
Social security institutions	14,202	21,260
Deferred income	8,107	9,790
Other current liabilities	16,526	29,487
Total other current liabilities	**158,672**	**205,013**
Other non-current liabilities	—	9,689
Total other non-current liabilities	**—**	**9,689**

Amounts due to employees include deferred compensation, accrued and untaken leave and related social contributions. At December 31, 2024, €4,912 thousand related to bonuses earned by key management and was classified as current (€43,034 thousand at December 31, 2023, all of which was classified as current).

Accrued expenses primarily include payroll accruals and rental expenses.

At December 31, 2024, other current liabilities included deferred consideration related to the acquisition of the Thom Browne business in South Korea of €9,066 thousand that is expected to be paid in 2025 (€18,991 thousand at December 31, 2023, of which €9,302 thousand was classified as current and €9,689 thousand was classified as non-current). During 2024 the Group paid deferred consideration relating to the acquisition of the Thom Browne business in South Korea for €9,580 thousand. For additional information see *Note 39 — Business combinations*.

34. Fair value measurement

The reported amount of derivative instruments, whether assets or liabilities, reflects their fair value at the reporting date.

The carrying amount of cash and cash equivalents, financial assets and trade receivables, as adjusted for impairment where necessary as required by IFRS 9, approximates their estimated realizable value and their fair value. Lease liabilities are reported at present value, while all of the other financial liabilities recorded at amortized cost approximate fair value.

For units in investment funds sensitivity has not been calculated as the valuation is made on the basis of the latest available net asset value (NAV).

Categories of financial assets and liabilities according to IFRS 7

The following tables provide a breakdown for financial assets by category at December 31, 2024:

	At December 31, 2024							
	Financial assets					Fair value Level		
(€ thousands)	FVPL	FVOCI	Amortized cost	Total	Note	1	2	3
Derivative financial instruments	—	1,711	—	1,711	21	—	1,711	—
Cash and cash equivalents	—	—	219,130	219,130	24	—	219,130	—
Trade receivables	—	—	248,790	248,790	20	—	248,790	—
Other non-current financial assets	5,880	—	35,606	41,486	18	—	36,196	5,290
Other current financial assets	61,415	12,224	3,630	77,269	22	15,428	7,775	54,066
Financial assets	**67,295**	**13,935**	**507,156**	**588,386**		**15,428**	**513,602**	**59,356**

The following table provides an additional breakdown for other current financial assets at December 31, 2024:

	At December 31, 2024						
	Other current financial assets				Fair value Level		
(€ thousands)	FVPL	FVOCI	Amortized cost	Total	1	2	3
Private equity	23,954	—	—	23,954	—	—	23,954
Private debt	10,395	—	—	10,395	—	281	10,114
Hedge funds	10,285	—	—	10,285	—	—	10,285
Real estate funds	9,713	—	—	9,713	—	—	9,713
Money market funds and floating income	3,864	5,785	—	9,649	5,785	3,864	—
Fixed income	—	6,439	—	6,439	6,439	—	—
Guarantee deposits	—	—	3,360	3,360	—	3,360	—
Equity	3,204	—	—	3,204	3,204	—	—
Financial receivables	—	—	270	270	—	270	—
Total other current financial assets	**61,415**	**12,224**	**3,630**	**77,269**	**15,428**	**7,775**	**54,066**

The following table presents the changes in level 3 items for the years ended December 31, 2024 and 2023:

(€ thousands)	Fair value Level 3	
	2024	2023
At January 1	**57,131**	**215,727**
Investments	2,969	10,140
Disposals	(5,617)	(169,645)
Fair value adjustments	3,598	1,647
Realized gains	94	(49)
Exchange rate gains/(losses)	1,181	(689)
At December 31	**59,356**	**57,131**

The fair value of Level 2 items is mainly estimated on the basis of data provided by pricing services (non-active markets) and the fair value of Level 3 items is estimated on the basis of the last available NAV.

	At December 31, 2023							
	Financial assets					Fair value Level		
(€ thousands)	FVPL	FVOCI	Amortized cost	Total	Note	1	2	3
Derivative financial instruments	—	11,110	—	11,110	21	—	11,110	—
Cash and cash equivalents	—	—	296,279	296,279	24	—	296,279	—
Trade receivables	—	—	240,457	240,457	20	—	240,457	—
Other non-current financial assets	4,421	—	29,477	33,898	18	—	30,133	3,765
Other current financial assets	56,880	28,440	5,597	90,917	22	29,581	7,970	53,366
Financial assets	**61,301**	**39,550**	**571,810**	**672,661**		**29,581**	**585,949**	**57,131**

The following table provides an additional breakdown for other current financial assets at December 31, 2023:

	At December 31, 2023						
	Other current financial assets				Fair value Level		
(€ thousands)	FVPL	FVOCI	Amortized cost	Total	1	2	3
Private equity	22,399	—	—	22,399	—	—	22,399
Money market funds and floating income	2,093	16,692	—	18,785	16,692	2,093	—
Real estate funds	12,146	—	—	12,146	—	—	12,146
Fixed income	—	11,748	—	11,748	11,748	—	—
Private debt	10,106	—	—	10,106	—	280	9,826
Hedge funds	8,995	—	—	8,995	—	—	8,995
Guarantee deposits	—	—	5,431	5,431	—	5,431	—
Equity	1,141	—	—	1,141	1,141	—	—
Financial receivables	—	—	166	166	—	166	—
Total other current financial assets	**56,880**	**28,440**	**5,597**	**90,917**	**29,581**	**7,970**	**53,366**

The fair value of Level 2 items is mainly estimated on the basis of data provided by pricing services (non-active markets) and the fair value of Level 3 items is estimated on the basis of the last available NAV.

The following tables provide a breakdown for financial liabilities by category:

	At December 31, 2024							
	Financial liabilities					Fair value Level		
(€ thousands)	FVPL	FVOCI	Amortized cost	Total	Note	1	2	3
Derivative financial instruments	—	15,138	—	15,138	21	—	15,138	—
Non-current borrowings	—	—	196,401	196,401	27	—	196,401	—
Current borrowings	—	—	177,166	177,166	27	—	177,166	—
Other non-current financial liabilities	146,338	—	110	146,448	28	—	146,338	110
Trade payables and customer advances	—	—	309,771	309,771	32	—	309,771	—
Lease liabilities – Current / Non-current	—	—	661,685	661,685	29	—	—	661,685
Financial liabilities	**146,338**	**15,138**	**1,345,133**	**1,506,609**		**—**	**844,814**	**661,795**

	At December 31, 2023							
	Financial liabilities					Fair value Level		
(€ thousands)	FVPL	FVOCI	Amortized cost	Total	Note	1	2	3
Derivative financial instruments	—	897	—	897	21	—	897	—
Non-current borrowings	—	—	113,285	113,285	27	—	113,285	—
Current borrowings	—	—	289,337	289,337	27	—	289,337	—
Other non-current financial liabilities	136,466	—	90	136,556	28	—	136,466	90
Other current financial liabilities	22,102	—	—	22,102	28		22,102	—
Trade payables and customer advances	—	—	314,137	314,137	32	—	314,137	—
Lease liabilities – Current / Non-current	—	—	593,725	593,725	29	—	—	593,725
Financial liabilities	**158,568**	**897**	**1,310,574**	**1,470,039**		**—**	**876,224**	**593,815**

35. Qualitative and quantitative information on financial risks

The Group is exposed to several financial risks connected with its operations:

- financial market risk, primarily related to foreign currency exchange rates, interest rates and commodity prices;
- liquidity risk relating to the availability of funds and access to credit, if required, and to financial instruments in general;
- credit risk relating to counterparties failing to repay amounts owed or meet contractual obligations.

These risks could significantly affect the Group's financial position, results of operations and cash flows, and for this reason the Group identifies and monitors these risks, in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through the Group's operating and financing activities and if required, through the use of derivative financial instruments.

A summary of qualitative and quantitative factors relating to these risks is provided below. The quantitative data reported in the following section does not have any predictive value. In particular, the sensitivity analysis on finance market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Foreign currency risk

The Group operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency exchange rates. The exposure to currency risk is mainly linked to the differences in geographic distribution of the Group's sourcing and manufacturing activities from those in its commercial activities, as a result of which its cash flows from sales are denominated in currencies different from those related to purchases or production activities. In particular, the Group incurs a large portion of its capital and operating expenses in Euro (which is the Group's functional and presentation currency) while it receives the majority of its revenues in currencies other than Euro (mainly in Chinese Renminbi, U.S. Dollars, Japanese Yen, United Arab Emirates Dirham and British Pound). Risk management is mainly centralized at the Group's distribution companies. Goods transferred for consideration to associates are settled directly in the currency of the country where they operate and sell (with the exception of countries where local currency cannot be delivered outside the country). This creates the risk that the corresponding value in Euro of revenues at the moment of collection is insufficient to cover production costs or to achieve the desired profit margin. This risk is heightened during the period between the moment when the sale prices of a collection are set and the moment when revenues are converted into Euro, which may extend up to 18 months. For the Zegna and the Tom Ford Fashion segments, the Group manages risks associated with fluctuations in currency through financial hedging instruments, mainly forward contracts for the sale of foreign currencies, in order to establish the conversion rate in advance, or a predefined range of conversion rates at future dates. When considered appropriate, the Group may also implement similar hedging practices for the Thom Browne segment, which has become more exposed to currency impact as it expands into international markets. For the years ended December 31, 2024, 2023 and 2022 the Zegna segment covered its exchange rate risk primarily with currency forward exchange contracts. To this end, before the preparation of the price list and based on market expectations and conditions, the Group arranges hedges that cannot exceed 50% - 60% of forecast sales in foreign currencies. In the period following the preparation of the price list, the

total outstanding hedge is adjusted on the basis of market conditions and of the orders effectively managed and entered into production.

In addition, the Group controls and hedges exposure deriving from changes due to exchange rate changes in the value of assets or liabilities denominated in currencies other than the accounting currency of the individual company (typically intercompany financial receivables/payables), which may affect the Group's net results, through financial instruments, whose recognition in accordance with IFRS Accounting Standards follows the rules of fair value hedges: the profit or loss arising from subsequent remeasurements of the fair value of the hedging instrument and the hedged item are recorded within profit and loss. The hedges of the Group's future transactions in foreign currencies (which can be classified as cash flow hedges pursuant to IFRS Accounting Standards) are accounted for in accordance with hedge accounting rules.

The Group has estimated the potential effects of a shock change of +/-5% on the main currencies to which the Group is exposed at each reporting date, by using internal assessment models based on generally accepted principles.

The following table presents the potential effects on profit before tax of a hypothetical change of +/- 500 bps in year-end exchange-rates, applied to the Group's net balances of receivables and payables in foreign currencies.

	At December 31, 2024			At December 31, 2023		
(€ thousands, except basis points)	Receivables and payables	+500 bps	-500 bps	Receivables and payables	+500 bps	-500 bps
Currency		Impact on profit before tax			Impact on profit before tax	
USD	121,093	(5,766)	6,373	145,836	(6,945)	7,676
JPY	16,506	(786)	869	22,735	(1,083)	1,197
CNY	113,604	(5,410)	5,979	113,962	(5,427)	5,998
HKD	29,115	(1,386)	1,532	24,843	(1,183)	1,308
GBP	7,516	(358)	396	16,283	(775)	857
SGD	14,279	(680)	752	7,965	(379)	419
CHF	(15,994)	762	(842)	(25,940)	1,235	(1,365)
KRW	40,492	(1,928)	2,131	23,753	(1,131)	1,250
Total	**326,611**	**(15,552)**	**17,190**	**329,437**	**(15,688)**	**17,340**

The following table presents the potential impact on profit before tax of a hypothetical change of +/- 500 bps in year-end exchange-rates, applied to the Group's hedged positions on the main currencies to which the Group is exposed.

	At December 31, 2024			At December 31, 2023		
(€ thousands, except basis points)	Notional amount	+500 bps	-500 bps	Notional amount	+500 bps	-500 bps
Currency		Impact on profit before tax			Impact on profit before tax	
USD	99,801	4,752	(5,253)	117,479	5,594	(6,183)
JPY	16,428	782	(865)	21,116	1,006	(1,111)
CNY	98,343	4,683	(5,176)	96,021	4,572	(5,054)
GBP	10,223	487	(538)	12,233	583	(644)
HKD	18,493	881	(973)	17,422	830	(917)
CHF	—	—	—	—	—	—
SGD	14,888	709	(784)	7,525	358	(396)
KRW	19,189	914	(1,010)	11,999	571	(632)
Total	**277,365**	**13,208**	**(14,599)**	**283,795**	**13,514**	**(14,937)**

The following table presents the potential change in equity gross of tax of a hypothetical change of +/- 500 bps in year-end exchange-rates, applied to the Group's foreign currency hedging instruments on highly probable transactions.

(€ thousands, except basis points)	At December 31, 2024			At December 31, 2023		
Currency	**Notional amount**	**+500 bps**	**-500 bps**	**Notional amount**	**+500 bps**	**-500 bps**
		Impact on hedge reserve			**Impact on hedge reserve**	
USD	139,582	6,647	(7,346)	75,308	3,586	(3,964)
CHF	—	—	—	—	—	—
JPY	20,469	975	(1,077)	9,181	437	(483)
HKD	17,697	843	(931)	11,531	549	(607)
GBP	27,941	1,331	(1,471)	20,924	996	(1,101)
CNY	160,344	7,635	(8,439)	88,176	4,199	(4,641)
SGD	8,114	386	(427)	4,709	224	(248)
KRW	3,150	150	(166)	—	—	—
Total	**377,297**	**17,967**	**(19,857)**	**209,829**	**9,991**	**(11,044)**

The following table presents the potential impact on profit before tax of a hypothetical change of +/- 500 bps in the EUR/USD year-end exchange-rate, applied to the Thom Browne put option in U.S. Dollars on non-controlling interests (recorded within other non-current financial liabilities).

(€ thousands, except basis points)	At December 31, 2024			At December 31, 2023		
Currency	**Notional amount**	**+500 bps**	**-500 bps**	**Notional amount**	**+500 bps**	**-500 bps**
		Impact on profit before tax			**Impact on profit before tax**	
USD	(127,072)	6,051	(6,688)	(116,456)	6,598	(7,293)
Total	**(127,072)**	**6,051**	**(6,688)**	**(116,456)**	**6,598**	**(7,293)**

Interest rate risk

Overall exposure to interest rate risk is monitored at the Group level through coordinated management of debt and available liquidity and of the relevant due dates. The Group's principal sources of exposure to interest rate risk derive from loans and revolving credit lines at variable rates. At December 31, 2024, the notional value of interest rate swap derivatives to hedge the risk of a potential increase in the cost of servicing of financial debt due to fluctuations in market rates was €82,631 thousand (€133,962 thousand at December 31, 2023) with a negative fair value of €324 thousand (positive fair value of €4,739 thousand at December 31, 2023). The short-term portion of bank debt, used mainly to finance working capital needs, is not covered by interest rate hedges. The cost of bank debt is equal to Euribor for the period plus a spread that depends on the type of credit facility used.

For the year ended December 31, 2024 a hypothetical 20% increase in short-term interest rates on such floating rate non-current financial liabilities, with all other variables held constant, would have resulted in financial expenses, on an annual basis, of approximately €10,092 thousand (€8,124 thousand for the year ended December 31, 2023). For the year ended December 31, 2024 a hypothetical 20% decrease in short-term interest rates on such floating rate non-current financial liabilities, with all other variables held constant, would have resulted in financial expenses, on an annual basis, of approximately €7,288 thousand (€5,774 thousand for the year ended December 31, 2023).

The following table presents the sensitivity on floating rate borrowings not covered by interest rate swaps.

At December 31, 2024						
Amount	**Total interest rate (*)**	**Interest expense**	**-20%**	**Impact on profit before tax**	**+20%**	**Impact on profit before tax**
		(€ thousands, except percentages)				
50,000	3.854%	1,927	3.263%	1,632	4.445%	2,223
1,452	3.822%	55	3.245%	47	4.399%	64
20,000	3.732%	746	3.150%	630	4.314%	863
20,000	3.460%	692	2.922%	584	3.998%	800
40,000	3.612%	1,445	3.085%	1,234	4.139%	1,656
10,000	4.271%	427	3.606%	361	4.936%	494
10,000	4.222%	422	3.548%	355	4.896%	490
370	4.433%	16	3.891%	14	4.975%	18
15,000	2.840%	426	2.272%	341	3.408%	511
35,000	2.840%	994	2.272%	795	3.408%	1,193
40,000	3.846%	1,538	3.237%	1,295	4.455%	1,782
241,822		**8,690**		**7,288**		**10,092**

* *The overall rate indicated is compounded of the fixed spread plus the variable rate (+-20% is on the variable rate).*

At December 31, 2023						
Amount	**Total interest rate (*)**	**Interest expense**	**-20%**	**Impact on profit before tax**	**+20%**	**Impact on profit before tax**
		(€ thousands, except percentages)				
4,829	4.690%	226	3.91%	189	5.47%	264
20,000	4.560%	912	3.77%	754	5.36%	1,071
20,000	4.770%	954	3.97%	794	5.57%	1,114
40,000	4.900%	1,960	4.11%	1,645	5.68%	2,274
40,000	4.850%	1,940	4.04%	1,616	5.66%	2,264
19,500	3.910%	761	3.13%	611	4.68%	912
384	4.800%	18	4.00%	15	5.60%	22
608	5.480%	33	4.68%	28	6.28%	38
1,217	5.480%	67	4.68%	57	6.28%	76
1,000	4.450%	45	3.65%	37	5.25%	53
565	5.700%	32	4.89%	28	6.51%	37
148,103		**6,949**		**5,774**		**8,124**

* *The overall rate indicated is compounded of the fixed spread plus the variable rate (+-20% is on the variable rate).*

The following table presents the sensitivity of a hypothetical change of +/- 100 bps in year-end cost of debt rate for written put option on non-controlling interests:

	At December 31, 2024			At December 31, 2023		
(€ thousands, except basis points)	**Notional amount**	**+100 bps**	**-100 bps**	**Notional amount**	**+100 bps**	**-100 bps**
		Impact on profit before tax			**Impact on profit before tax**	
Thom Browne	(127,072)	6,043	(6,419)	(138,558)	6,663	(7,140)
Dondi	(19,266)	1,261	(1,375)	(20,010)	1,484	(1,632)
Total	**(146,338)**	**7,304**	**(7,794)**	**(158,568)**	**8,147**	**(8,772)**

Liquidity risk

Liquidity risk represents the risk that the Group cannot meet its financial obligations due to problems in obtaining funds at current market price conditions (funding liquidity risk) or in liquidating assets on the market to find the necessary financial resources (asset liquidity risk), which could negatively impact the Group's results if the Group is forced to incur additional costs to obtain liquidity or meet its commitments.

The following tables summarize the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

	Contractual cash flows at December 31, 2024					
(€ thousands)	**Within 1 year**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Beyond 3 years**	**Total contractual cash flows**	**Carrying amount at December 31, 2024**
Derivative financial instruments	14,699	—	439	—	**15,138**	15,138
Trade payables and customer advances	309,771	—	—	—	**309,771**	309,771
Borrowings	186,029	88,347	101,273	13,824	**389,473**	373,567
Lease liabilities	165,596	132,995	114,623	336,032	**749,246**	661,685
Other current and non-current financial liabilities	—	—	—	146,447	**146,447**	146,448
Total	**676,095**	**221,342**	**216,335**	**496,303**	**1,610,075**	**1,506,609**

	Contractual cash flows at December 31, 2023					
(€ thousands)	**Within 1 year**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Beyond 3 years**	**Total contractual cash flows**	**Carrying amount at December 31, 2023**
Derivative financial instruments	897	—	—	—	**897**	897
Trade payables and customer advances	314,137	—	—	—	**314,137**	314,137
Borrowings	294,537	88,235	20,123	8,705	**411,600**	402,622
Lease liabilities	142,283	119,128	95,035	320,141	**676,587**	593,725
Other current and non-current financial liabilities	22,102	—	—	136,556	**158,658**	158,658
Total	**773,956**	**207,363**	**115,158**	**465,402**	**1,561,879**	**1,470,039**

The factors which mainly influence the Group's liquidity are the resources generated or absorbed by current operating and investing activities, the possible distribution of dividends, the maturity or refinancing of debt and the management of surplus cash. Liquidity needs or surpluses are monitored on a daily basis by the Parent Company in order to guarantee effective sourcing of financial resources or adequate investment of excess liquidity.

The negotiation and management of credit lines is coordinated by the Parent Company with the aim of satisfying the short and medium-term financing needs of the individual companies within the Group according to efficiency and cost-effectiveness criteria. It has always been the Group's policy to sign and constantly maintain with various and diversified banks a total amount of committed credit lines that is considered consistent with the needs of the individual companies and suitable to ensure at any time the liquidity needed to satisfy and comply with all the Group's financial commitments, at the established economic conditions, as well as guaranteeing the availability of an adequate level of operational flexibility for any expansion programs.

Credit risk

Credit risk is defined as the risk of financial loss caused by the failure of a counterparty to repay amounts owed or meet its contractual obligations. The maximum risk to which an entity is exposed is represented by all the financial assets recognized in the financial statements. Management considers its credit risk to relate primarily to trade receivables generated from the wholesale channel and mitigates the related effects through specific commercial and financial strategies.

With regards to trade receivables, credit risk management is carried out by monitoring the reliability and solvency of customers, as well as through insurance agreements. The following table provides the aging of trade receivables:

(€ thousands)	**Not yet due**	**0-120 days overdue**	**121-180 days overdue**	**>180 days overdue**	**Total**
Trade receivables, gross	180,176	60,283	6,231	16,690	263,380
Loss allowance	31	(1,503)	(771)	(12,347)	(14,590)
Total trade receivables at December 31, 2024	**180,207**	**58,780**	**5,460**	**4,343**	**248,790**
Trade receivables, gross	189,324	46,078	6,907	4,829	247,138
Loss allowance	(418)	(1,387)	(1,262)	(3,614)	(6,681)
Total trade receivables at December 31, 2023	**188,906**	**44,691**	**5,645**	**1,215**	**240,457**

36. Related party transactions

Pursuant to IAS 24 — *Related Party Disclosures* ("IAS 24"), the related parties of the Group are all entities and individuals (and their close family members) capable of exercising control, joint control or significant influence over the Group and its subsidiaries, including the Group's controlling shareholder, Monterubello s.s. ("Monterubello"), as well as other companies owned by Monterubello and its shareholders. Related parties also include the Group's associates and joint arrangements, members of the Group's Board of Directors and executives with strategic responsibilities, as well as their families and entities controlled by them.

The Group's transactions with related parties are primarily of a commercial and/or financial nature and are on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved. Transactions carried out by the Group with these related parties are further described below.

Transactions with associates

- Transactions with TFI and its subsidiaries (the "TFI Group"), prior to the completion of the TFI Acquisition (following which TFI Group is part of the Ermenegildo Zegna Group and no longer a related party that requires separate disclosure), primarily related to:
    - a licensing agreement for the production and worldwide distribution of luxury men's ready to wear and made to measure clothing, footwear and accessories under the TOM FORD brand (which ended with the deliveries of the Fall/Winter 2022 collection), as well as a supply agreement to act as exclusive supplier for certain TOM FORD menswear products starting with the Spring/Summer 2023 collection (for which the supply commenced in 2022);
    - financial loans to TFI that were fully settled in 2023; and
    - a financial guarantee provided in 2020 by the Group to TFI (which at the time was an associate of the Group) for an amount of $7,500 thousand in relation to its payment obligations under a bank loan issued to TFI. Such guarantee was subsequently reduced to $6,875 thousand in 2022 and terminated in 2023 as part of the transactions contemplated by the TFI Acquisition. No amounts were claimed under the guarantee.
- The purchase of raw materials (primarily carded yarns) from Filati Biagioli Modesto.
- The purchase of finished products from Norda Run Inc. and Luigi Fedeli e Figlio S.r.l.

Transactions with Monterubello and companies controlled by Monterubello or its shareholders, the Company's directors or Senior Management Team

- The purchase of raw materials (primarily wool) from Gruppo Schneider S.p.A and its subsidiaries (the "Schneider Group").
- The purchase of industrial services (primarily finishing of fabrics), from Finissaggio e Tintoria Ferraris S.p.A.
- The purchase of industrial services from Pettinatura di Verrone S.r.l.
- Transactions with PKB Bank AG relating to an interest-bearing loan amounting to €5,000 thousand which was fully repaid in the first half of 2022.
- The rental of properties from EZ Real Estate S.r.l. ("EZ Real Estate") or its subsidiaries under lease agreements (EZ Real Estate and its subsidiaries were part of the Group prior to the disposition of the Group's real estate business in November 2021).
- Licensing, marketing and other sustainability-related services from Oasi Zegna.

- Support to the activities of Fondazione Zegna, a charitable organization which provides an opportunity for charitable work on the part of the Zegna family and Group employees. Fondazione Zegna supports and funds projects in cooperation with non-profit organizations operating in various fields and different parts of the world.

- Put contracts entered into with Mr. Thom Browne as part of the Group's investments in Thom Browne whereby the Group has been required to, and may in the future be required to, purchase all or a portion of the remaining non-controlling interests in Thom Browne. For additional information relating to the Thom Browne put option, see *Note 28 — Other current and non-current financial liabilities*.

Transactions with other related parties connected to directors and shareholders

- Transactions with UBS Group AG and its subsidiaries (together referred to as the "UBS Group AG") for borrowings, revolving credit lines and financial assets the Group holds (mainly cash and cash equivalents and other securities), as well as derivative contracts in the course of the Group's risk management activities. UBS Group AG also provides certain financial guarantees to third parties on behalf of the Group. Following Mr. Sergio Ermotti's appointment as Group Chief Executive Officer of UBS Group AG effective April 5, 2023, UBS Group AG and its subsidiaries qualify as related parties of the Group.

The following table summarizes transactions with related parties for the years ended December 31, 2024, 2023 and 2022.

	For the years ended December 31,																	
	2024						2023						2022					
(€ thousands)	Revenues	Cost of sales	Selling, general and administrative expenses	Marketing expenses	Financial income/ (expenses)	Foreign exchange gains/ (losses)	Revenues	Cost of sales	Selling, general and administrative expenses	Marketing expenses	Financial income/ (expenses)	Foreign exchange gains/ (losses)	Revenues	Cost of sales	Selling, general and administrative expenses	Marketing expenses	Financial income/ (expenses)	Foreign exchange gains/ (losses)
Associates																		
TFI Group[1][2]	—	—	—	—		—	3,233	288	740	—	(7)	—	35,525	—	6,396	—	136	—
Filati Biagioli Modesto S.p.A.	—	5,782	65	—	—	—	5	4,782	141	—	96	—	—	3,304	61	—	—	—
Norda Run Inc.	—	138	(4)	—	—	—	—	2,072	122	—	—	(14)	—	—	—	—	—	—
Tizeta S.r.l.[1]	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—
Luigi Fedeli e Figlio S.r.l.	62	547	4	—	(5)	—	86	85	—	—	—	—	—	—	—	—	—	—
Total associates	**62**	**6,467**	**65**	**—**	**(5)**	**—**	**3,324**	**7,227**	**1,003**	**—**	**89**	**(14)**	**35,526**	**3,304**	**6,457**	**—**	**136**	**—**
Companies controlled by Monterubello or its shareholders, the Company's directors or Senior Management Team																		
EZ Real Estate[3]	14	2,534	4,187	2,106	(744)	—	4	2,580	4,100	2,072	(545)	—	8	2,545	3,638	—	(490)	—
Schneider Group	6	13,398	(1)	—	—	—	25	14,209	14	—		—	23	14,785	52	—	—	—
Alan Real Estate S.A.[3]	—	1,730	3,160	—	(1,708)	—	—	1,650	3,100	—	(310)	(8)		1,692	1,415	—	(13)	—
Agnona S.r.l.	70	55	261	67	(1)	—	64	35	210	32	(1)	(1)	195	262	81	—	—	—
61 West 23rd Street LLC[3]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(16)	—	—	—
Other companies controlled by Monterubello or its shareholders, the Company's directors or Senior Management Team[4]	341	5,632	1,311	39	4	—	195	5,827	614	6	3	—	1	6,086	33	—	(8)	—
Other related parties connected to directors and shareholders																		
UBS Group AG	—	—	559	—	(1,519)	(1,746)	—	—	3,108	—	(1,522)	350	—	—	—	—	—	—
Other	—	—	2,754	—	—	—	—	—	3,038	—	—	—	—	—	2,563	—	—	—
Total transactions with related parties	**493**	**29,816**	**12,296**	**2,212**	**(3,973)**	**(1,746)**	**3,612**	**31,528**	**15,187**	**2,110**	**(2,286)**	**327**	**35,753**	**28,674**	**14,223**	**—**	**(375)**	**—**
Total for the Group	**1,946,647**	**650,087**	**1,008,324**	**121,384**	**(25,967)**	**(11,338)**	**1,904,549**	**680,235**	**901,364**	**114,802**	**(30,839)**	**(5,262)**	**1,492,840**	**564,832**	**695,084**	**85,147**	**(41,026)**	**(7,869)**

(1) Following the TFI Acquisition completed on April 28, 2023, TFI Group and Tizeta S.r.l. are controlled by the Group and are no longer related parties.

(2) Costs with TFI Group include royalties prior to the completion of the TFI Acquisition amounting to €181 thousand and €3,956 thousand for the years ended December 31, 2023 and 2022, respectively.

(3) Entities disposed of as part of the disposition in November 2021 of certain businesses that were previously part of the Group.
(4) Includes transactions with Fondazione Zegna, Finissaggio e Tintoria Ferraris S.p.A., PKB Privatbank AG and Pettinatura di Verrone S.r.l.

The following table summarizes assets and liabilities with related parties at December 31, 2024 and 2023.

	At December 31,							
	2024				2023			
(€ thousands)	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Non-current assets	Current assets	Non-current liabilities	Current liabilities
Associates								
Filati Biagioli Modesto S.p.A.	—	14	—	780	—	598	—	927
Luigi Fedeli e Figlio S.r.l.	—	—	—	64	—	3	—	—
Norda Run Inc.	—	—	—	—	—	—	—	2
Total associates	**—**	**14**	**—**	**844**	**—**	**601**	**—**	**929**
Monterubello and Companies controlled by Monterubello or its shareholders, the Company's directors or Senior Management Team								
EZ Real Estate [(1)]	39,222	81	33,284	8,955	43,215	82	37,320	8,503
Alan Real Estate S.A.[(1)]	37,357	—	33,332	5,153	37,154	—	33,245	5,291
Schneider Group	—	211	—	2,319	—	—	—	4,176
Agnona S.r.l.	—	33	—	125	—	55	—	56
Other companies controlled by Monterubello or its shareholders, the Company's directors or Senior Management Team[(2)]	179	280	—	1,944	406	188	—	2,144
Other related parties connected to directors and shareholders								
UBS Group AG	2,542	52,788	1,756	23,254	—	43,202	20,000	3,017
Other	—	—	—	599	—	—	—	530
Total transactions with related parties	**79,300**	**53,407**	**68,372**	**43,193**	**80,775**	**44,128**	**90,565**	**24,646**
Total for the Group	**1,627,811**	**1,206,162**	**998,201**	**852,885**	**1,479,375**	**1,287,636**	**853,992**	**1,012,123**

(1) Entities disposed of as part of the disposition in November 2021 of certain businesses that were previously part of the Group.
(2) Includes transactions with Fondazione Zegna, Finissaggio e Tintoria Ferraris S.p.A., PKB Privatbank AG, Achill Station Pty Ltd., and Pettinatura di Verrone S.r.l.

The following table summarizes remuneration of and outstanding balances with the directors of the Group and key executives with strategic responsibilities:

	Key Management Personnel					Outstanding Balance			
(€ thousands)	**Short-term employee benefits[1]**	**Post-employment benefits**	**Other long-term benefits**	**Share-based payments**	**Financial income**	**Employee benefits**	**Other current and non-current financial liabilities[2]**	**Other current liabilities**	**Non-current financial assets**
2024	15,849	1,986	3,392	4,058	—	7,074	127,072	4,912	—
2023	17,516	3,047	9,110	14,251	—	4,346	138,558	43,034	—
2022	17,337	1,015	13,623	9,358	(24)	28,648	156,782	6,861	2,240

(1) Includes corporate bodies fees, consultancy fees and personnel compensation.
(2) Primarily relates to liabilities on put contracts entered into as part of the Group's investment in Thom Browne.

37. Share-based payments

The Group has several equity incentive arrangements under which share-based payments have been awarded to the Chief Executive Officer ("CEO"), the Senior Management Team and other employees of the Group, as well as to non-executive directors. The equity incentives primarily consist of performance share units ("PSUs") and retention restricted share units ("RSUs"), which each represent the right to receive one ordinary share of the Company, as further described below.

The following table presents the share-based compensation expense recognized by the Group for the years ended December 31, 2024, 2023 and 2022.

		At December 31,		
(€ thousands)		**2024**	**2023**	**2022**
CEO				
CEO 2022-2024 PSUs	**(a)**	(452)	4,266	6,789
CEO IPO PSUs	**(b)**	—	840	840
Management				
2024-2026 PSUs	**(c)**	557	—	—
2022-2024 PSUs	**(d)**	3,332	4,062	2,816
2023 RSUs	**(e)**	1,458	499	—
2022-2025 RSUs	**(f)**	1,216	1,456	1,046
Management IPO PSUs	**(g)**	—	1,300	1,297
Non-executive Directors				
Non-Executive Directors' Remuneration in Shares	**(h)**	759	795	791
Other share-based payments	**(i)**	1,602	6,562	—
Total		**8,472**	**19,780**	**13,579**

The following table summarizes the changes in the number of outstanding number awards under the Group's equity incentive arrangements.

	CEO		**Management**				
			PSUs		**RSUs**		**IPO**
	2022-2024 PSUs	**IPO PSUs**	**2024-2026 PSUs**	**2022-2024 PSUs**	**2023 RSUs**	**2022-2025 RSUs**	**Management IPO PSUs**
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**
Outstanding awards at December 31, 2022	**2,520,000**	**600,000**	**—**	**1,366,050**	**—**	**585,450**	**880,000**
Granted	—	—	—	114,800	170,000	49,200	—
Forfeited	(252,000)	—	—	—	—	—	—
Vested[(1)]	(588,000)	(600,000)	—	—	—	—	(880,000)
Outstanding awards at December 31, 2023	**1,680,000**	**—**	**—**	**1,480,850**	**170,000**	**634,650**	**—**
Granted	—	—	518,350	—	17,000	—	—
Forfeited	(252,000)	—	(21,450)	(95,200)	—	(54,600)	—
Vested[(1)]	(588,000)	—	—	—	(127,000)	—	—
Outstanding awards at December 31, 2024	**840,000[(2)]**	**—**	**496,900**	**1,385,650[(3)]**	**60,000**	**580,050**	**—**

(1) The shares delivered or to be delivered as a result of vesting of the awards have been or will be provided from treasury shares held by the Company.

(2) On March 26, 2025, the Board determined the level of achievement of the performance conditions under the CEO 2022-2024 PSUs in 2024. As a result of such determination, 368,943 Ordinary Shares vested and were delivered to Gildo Zegna on May 7, 2025, and there are no remaining awards outstanding.

(3) On March 26, 2025, the Board determined the level of achievement of the performance conditions under the 2022-2024 PSUs in 2024. As a result of such determination, 1,140,546 Ordinary Shares vested and were delivered to the recipients on May 7, 2025, and there are no remaining awards outstanding.

The following table summarizes the fair value for accounting purposes of the share-based payment awards at the respective grant dates and the key valuation assumptions used.

	CEO		Management				
			PSUs		RSUs		IPO
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	2022-2024 PSUs	IPO PSUs	2024-2026 PSUs	2022-2024 PSUs	2023 RSUs	2022-2025 RSUs	Management IPO PSUs
Fair value	€7.43 - €9.13	€5.77 - €6.93	€3.04 - €6.79	€8.68 - €11.52	€10.25 - €12.95	€8.62 - €11.40	€6.18 - €7.35
Grant date share price	€7.43 - €9.13	$10.48	$7.67	$9.71 - $12.68	€10.30 - €12.95	$9.71 - $12.68	$10.48
Expected volatility[(1)]	30.00% - 40.00%	30.00%	41.77%	35.00% - 37.50%			30.00%
Dividend yield	0.00%	0.00%	1.62%	0.90% - 1.24%	0.80% - 1.17%	0.90% - 1.24%	0.00%
Risk-free rate	0.00%	0.73%	4.13%	1.96% - 4.86%	4.93% - 5.46%	2.07% - 4.05%	0.73%

(1) Based on the historical and implied volatility of a group of comparable companies

(a) CEO 2022-2024 PSUs

In 2021 and as amended in 2021 and 2022, the Company granted the CEO up to a maximum of 2,520,000 PSUs, (the **"CEO 2022-2024 PSUs"**) that vest in three tranches in 2023, 2024 and 2025 according to the achievement of defined targets based on the Group's Adjusted EBIT and the change in the adjusted net financial indebtedness/(cash surplus) (as defined in the related agreement) compared to the previous year for the performance periods 2022, 2023 and 2024, and the CEO's continued service to the Group at the date of vesting. Each of the performance targets will be settled independently of the other targets and the total number of shares to be assigned upon vesting depends on the level of achievement of the performance targets, as well as a multiplier that is based on the performance of certain ESG indicators over the performance period. At December 31, 2023 and 2022, unrecognized compensation expense relating to the CEO 2022-2024 PSUs amounted to €1,842 thousand and €6,108 thousand, respectively (nil at December 31, 2024).

(b) CEO IPO PSUs

In 2021, the Company granted 600,000 PSUs to the CEO in connection with the Company's public listing (the **"CEO IPO PSUs"**), of which:

- 240,000 CEO IPO PSUs vest upon the satisfaction of the following conditions: (i) a public listing of the Company's shares, and (ii) a Company share price of at least $11.50 for twenty consecutive trading days following the public listing and before December 31, 2023, and
- 360,000 CEO IPO PSUs vest upon the satisfaction of the following conditions: (i) a public listing of the Company's shares, (ii) a Company share price of at least $12.50 for twenty consecutive trading days following the public listing and before December 31, 2023, and (iii) the CEO's continued service with the Company from the award grant date until December 31, 2023.

(c) 2024-2026 PSUs

In 2024 the Company awarded 518,350 PSUs (**"2024-2026 PSUs"**) to the Senior Management Team (excluding the CEO) and certain other employees of the Group, which vest in 2026 based on the achievement of targets relating to: (i) the cumulated revenues and cumulated Adjusted EBIT achieved over the performance period from 2024 to 2026, (ii) the change in the adjusted net financial indebtedness/(cash surplus) at the end of 2026 compared to the end of 2023, (iii) the total shareholder return ("TSR") achieved over the performance period from 2024 to 2026, as well as the recipient's continued service to the Group at the date of vesting. Each of the performance targets will be measured and settled independently of the other targets and the total number of ordinary shares that will be delivered upon vesting depends on the level of achievement of the performance targets, as well as a multiplier that is based on the performance of certain environmental, social and

governance indicators over the performance period. At December 31, 2024, unrecognized compensation expense relating to the 2024-2026 PSUs amounted to €1,684 thousand and is expected to be recognized over the remaining vesting period.

(d) 2022-2024 PSUs

In 2022, the Company granted to the Senior Management Team (excluding the CEO) and certain other employees of the Group a target number of 1,417,150 PSUs (the **"2022-2024 PSUs"**) that all vest in 2025 based on the achievement of defined targets related to Adjusted EBIT and the change in the adjusted net financial indebtedness/(cash surplus) compared to the previous year for the performance periods 2022, 2023 and 2024, and the recipient's continued service to the Group at the date of vesting. Additional awards were subsequently granted under this plan. Each of the performance targets will be settled independently of the other targets and the total number of shares to be assigned upon vesting depends on the level of achievement of the performance targets, as well as a multiplier that is based on the performance of certain environmental, social and governance indicators over the performance period. In case of over- or underachievement of the targets and/or the multiplier, the number of awards that vest will be adjusted according to predefined parameters.

(e) 2023 RSUs

In October 2023, the Company granted 170,000 RSUs (**"2023 RSUs"**) to the Senior Management Team, of which:

- 80,000 RSUs vested in two equal installments on April 10, 2024 and December 10, 2024 following the continued service of the recipients through the vesting periods, and
- 90,000 RSUs vest in three equal installments on December 10, 2024 (vested), December 10, 2025, and December 10, 2026, subject to the continued service of the recipients through the vesting periods.

In July 2024, the Company granted an additional 17,000 RSUs to the Senior Management Team and the awards vested on December 10, 2024 following the continued service of the recipients through the vesting period.

At December 31, 2024, unrecognized compensation expense relating to the 2023 RSUs amounted to €395 thousand and is expected to be recognized over the remaining vesting periods through 2026

(f) 2022-2025 RSUs

In 2022, the Company granted to the Senior Management Team (excluding the CEO) and certain other employees of the Group up to a maximum of 607,350 RSUs (the **"2022-2025 RSUs"**) that vest in 2026 based on the recipient's continued service with the Group. Additional awards were subsequently granted under this plan. At December 31, 2024, unrecognized compensation expense relating to the 2022-2025 RSUs amounted to €1,437 thousand and is expected to be recognized over the remaining vesting period through 2025.

(g) Management IPO PSUs

In 2021, the Company granted 900,000 PSUs to the directors of the Group (excluding the CEO), key executives with strategic responsibilities and other employees of the Group in connection with the Company's public listing (the **"Management IPO PSUs"**), of which:

- 450,000 Management IPO PSUs vest upon the satisfaction of the following conditions: (i) a public listing of the Company's shares before December 31, 2021 and, (ii) a Company share price of at least $11.50 for ten consecutive trading days following the public listing and before December 31, 2023, and
- 450,000 Management IPO PSUs vest upon the satisfaction of the following conditions: (i) a public listing of the Company's shares before December 31, 2021, (ii) a Company share price of at least $12.50 for twenty consecutive trading days following the public listing and before December 31, 2023, and (iii) the recipient's continued employment with the Company from the award grant date until December 31, 2023.

(h) Non-Executive Directors Remuneration in Shares

Under the Remuneration Policy, non-executive directors will receive 50% of their annual base remuneration in cash and 50% in the Company's ordinary shares (**"Non-Executive Directors' Remuneration in Shares"**). The number of ordinary shares in the Company to be assigned to the non-executive directors is determined based on the closing share price

of the Company's ordinary shares on the last trading date of the month preceding the grant date. If a non-executive director ceases to be employed by the Group within a given year, the shares will vest on a pro-rata basis until the date on which the non-executive director provided their services. A total of 71,620 and 76,400 ordinary shares of the Company were earned by the non-executive directors for 50% of their annual base remuneration for services provided in 2024 and 2023, and will be delivered to the recipients two years following the grant date, which for the 2024 and 2023 remuneration was in January.

(i) Other share-based payments

In 2023, the Group modified the contractual terms of an agreement in order to entitle the Senior Management Team to settle a portion of a bonus in ordinary shares in 2024 equal to a value of $7,500 thousand. As a result, the compensation that was settled in ordinary shares was accounted for as equity-settled share-based compensation and measured at the fair value of the related compensation, with an offsetting increase to equity of €6,562 thousand. In 2024, an additional bonus was awarded, of which one third will be paid in ordinary shares expected to be delivered in 2027. As a result, the Group recognized equity-settled share base compensation (measured at the fair value) of €1,602 thousand in 2024 and an offsetting increase to equity.

The CEO is entitled to share purchase rights, under which the CEO may purchase ordinary shares of the Company at a rate based on a multiplier of EBIT, for a maximum amount corresponding to his base salary, net of personal income tax, plus short-term variable cash compensation for the previous year (the "**CEO Remuneration in Shares**"). The annual right vests each year and can be exercised directly by the CEO within 12 months after the end of each year. In June 2022, as a result of the exercise of the share purchase rights, 459,086 ordinary shares, which were previously held in treasury, were delivered to the CEO for an aggregate purchase price of €3,390 thousand. In June 2023, as a result of the exercise of the share purchase rights, 468,450 ordinary shares, which were previously held in treasury, were delivered to the CEO for an aggregate purchase price of €3,654 thousand. The CEO did not exercise this right in 2024 in relation to 2023 remuneration.

38. Notes to consolidated cash flow statement

Operating activities

Other non-cash expenses/(income), net in the consolidated cash flow statement primarily include equity-settled share-based compensation and bonuses earned by the Senior Management Team and other employees of the Group that were not paid during the period.

The change in other operating assets and liabilities primarily relates to indirect taxes, accrued income and expenses, and deferred charges.

Investing activities

The following table presents cash used for business combinations (net of cash acquired) in 2024, 2023 and 2022.

	For the years ended December 31,		
€ thousand	**2024**	**2023**	**2022**
Acquisition of ZEGNA business in South Korea	(9,727)	—	—
Acquisition of Thom Browne business in South Korea[(1)]	(9,580)	(7,991)	—
TFI Acquisition	—	(109,110)	—
Acquisition of Tessitura Ubertino[(2)]	—	(585)	(585)
Net of cash acquired	**(19,307)**	**(117,686)**	**(585)**

(1) The amount paid in 2024 of €9,580 thousand relates to deferred consideration as stipulated in the acquisition purchase agreement.

(2) The amounts paid in 2023 and 2022 of €585 thousand relate to earn-out payments for the acquisition of Tessitura Ubertino in 2021, following achievement of predetermined operating performance targets by the company.

For additional information relating to the Group's business acquisitions, see *Note 39 — Business combinations*.

Non-cash investing activities primarily related to:

- acquisitions of right-of-use assets of €196,121 thousand in 2024 (€141,995 thousand in 2023 and €137,781 thousand in 2022);
- acquisitions of property, plant and equipment of €12,538 thousand in 2024 (€13,301 thousand in 2023 and €5,891 thousand in 2022); and
- acquisitions of intangible assets of €8,424 thousand in 2024 (€5,859 thousand in 2023 and €4,561 thousand in 2022).

39. Business combinations

Acquisition of the ZEGNA business in South Korea

On January 1, 2024, the Group acquired a 100% interest in Ermenegildo Zegna Korea Co. Ltd, following which the Group began directly operating its ZEGNA business in South Korea and its network of stores.

Details of the purchase consideration, the net assets acquired and goodwill are presented below.

(€ thousands)	**At acquisition date**
Cash consideration paid	8,970
Deferred consideration	2,540
Total consideration	**11,510**

The assets and liabilities recognized as a result of the acquisition are as follows:

(€ thousands)	**Fair value at acquisition date**
Cash and cash equivalents	210
Trade receivables	1,560
Inventories	4,518
Intangible assets and property, plant and equipment	1,014
Other current and non-current assets	109
Trade payables and customer advances	(321)
Employee benefits	(931)
Other current and non-current liabilities	(2,929)
Net identifiable assets acquired	**3,230**
Goodwill	8,280
Net assets acquired including goodwill	**11,510**

Goodwill arising from the acquisition of €8,280 thousand is primarily attributable to the expected synergies from combining operations of the acquiree and the acquirer. Acquisition-related costs of €33 thousand were expensed as incurred.

Details of the net cash outflows related to the acquisition are shown below:

(€ thousands)	**At acquisition date**
Cash consideration paid	(8,970)
Cash and cash equivalents acquired	210
Payment of acquisition-related liabilities	(967)
Net cash outflow - Investing activities	**(9,727)**

The acquired business contributed revenues of €15,649 thousand and a net loss of €24 thousand to the Group for the period from the date of acquisition (January 1, 2024) until December 31, 2024.

Trade receivables had a gross contractual value of €1,576 thousand and the best estimate at the acquisition date of the contractual cash flows not to be collected is €16 thousand.

Acquisition of Thom Browne business in South Korea

On July 1, 2023, Thom Browne began directly operating its business in South Korea and its network of 17 stores. The business is now wholly owned through Thom Browne Korea Ltd., a newly formed and wholly owned company, and operates in the region with external support from the former franchise partner.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

(€ thousands)	**At acquisition date**
Cash consideration paid	7,991
Deferred consideration	18,583
Total consideration	**26,574**

At the acquisition date, the Group recognized the net present value of the deferred consideration related to the acquisition of the Thom Browne business in South Korea for €18,583 thousand. In 2024, the Group paid a portion of the deferred consideration for €9,580 thousand through a cash payment and the remaining portion is expected to be paid in January and July 2025.

The assets and liabilities recognized as a result of the acquisition are as follows:

(€ thousands)	**Fair value at acquisition date**
Inventories	1,054
Other current assets	800
Property, plant and equipment	949
Other current liabilities	(123)
Deferred tax liabilities	(72)
Net identifiable assets acquired	**2,608**
Goodwill	**23,966**
Net assets acquired including goodwill	**26,574**

Goodwill arising from the acquisition of €23,966 thousand is primarily attributable to the expected synergies from combining operations of the acquiree and the acquirer. Acquisition-related costs of €263 thousand were expensed.

Details of the net cash outflows related to the acquisition are presented below.

(€ thousands)	**At acquisition date**
Cash consideration paid	(7,991)
Net cash outflow - Investing activities	**(7,991)**

The acquired business contributed revenues of €19,668 thousand and a net loss of €1,003 thousand to the Group for the period from the date of acquisition until December 31, 2023.

Acquisition of Tom Ford International (TFI)

On April 28, 2023, the Group completed the TFI Acquisition, through which it acquired TFI, the company that owns and operates the TOM FORD FASHION business, as part of a transaction in which sole ownership of the TOM FORD brand, its trademarks, and other intellectual property rights were acquired by ELC and the Group has become a long-term licensee for all TOM FORD men's and women's fashion as well as accessories and underwear, fine jewelry, childrenswear, textile, and home design products. The Group will be in charge of the end-to-end TOM FORD FASHION business, from collection creation and development to production and merchandising, as well as retail and wholesale distribution. TOM FORD

FASHION, under the Group, operates a network of 64 directly operated TOM FORD FASHION stores globally at December 31, 2024.

Before the completion of the TFI Acquisition, the Group already owned 15% of TFI, through its fully owned subsidiary EZ US Holding Inc., and, through the TFI Acquisition, acquired the remaining 85% equity interest. The transaction implied a value for the acquired 85% stake of TFI at $150 million in cash, on a cash-free and debt-free basis and assuming a normalized working capital. The final purchase price has been subject to customary final confirmation of purchase price adjustments related primarily to indebtedness, trade working capital and transaction expenses, as stipulated in the related agreements. No contingent consideration arrangements were agreed as part of the transaction.

In connection with the TFI Acquisition, the Group entered into a long-term license agreement through TFI with ELC under which the Group will be licensee for all TOM FORD men's and women's fashion as well as accessories and underwear, fine jewelry, childrenswear, textile, and home design products (as further described below).

As a result of the TFI Acquisition, the Group also obtained 100% of Tizeta, for which it previously held a 50% interest and accounted for the investment using the equity method, with the remaining 50% interest owned by TFI and being acquired by the Group through the TFI Acquisition. See *Note 17 — Investments accounted for using the equity method* for additional information. A financial guarantee provided to TFI in relation to its payment obligations under a bank loan for an amount of $6,875 thousand was closed as part of the transactions contemplated by the TFI Acquisition. No amounts were claimed under the guarantee.

The Group has accounted for the TFI Acquisition using the acquisition method of accounting in accordance with IFRS 3 — Business Combinations ("IFRS 3"), which applies the fair value concepts defined in IFRS 13 — *Fair Value Measurement* ("IFRS 13") and requires the Group to recognize the assets acquired and the liabilities assumed at their fair values as of the acquisition date of April 28, 2023 (with certain exceptions). Following the TFI Acquisition, the earnings of the Group reflect the impacts of purchase accounting adjustments, including the amortization and depreciation of certain acquired assets.

Acquisition-related costs amounted to €5,436 thousand and were expensed in the consolidated statement of profit and loss.

Details of the purchase consideration, previously equity interest held and the net assets acquired are presented below.

(€ thousands)	**At acquisition date**
Cash consideration paid for 85% of TFI	91,619
Fair value of the previously equity interests held	21,505
Settlement of pre-existing intercompany balances	5,949
Total consideration	**119,073**

(€ thousands)	**Fair value at acquisition date**
Cash and cash equivalents	109,667
Trade receivables	23,329
Inventories	82,694
Right-of-use assets	160,869
Intangible assets and property, plant and equipment	122,770
Other current and non-current assets	70,014
Other current and non-current liabilities	(176,147)
Current and non-current lease liabilities	(160,869)
Current and non-current borrowings	(29,890)
Trade payables and customer advances	(28,942)
Employee benefits	(3,259)
Deferred tax liabilities	(51,163)
Net identifiable assets acquired	**119,073**

Intangible assets and property, plant and equipment include the fair value of the license agreement under which the Group has become a long-term licensee for all TOM FORD men's and women's fashion as well as accessories and underwear, fine jewelry, childrenswear, textile, and home design products, amounting to €99,295 thousand and determined through an income approach based on the multi-period excess earnings method, which requires an estimate of future expected cash flows. The estimated useful life of the license agreement is 30 years, which includes the 20 guaranteed years as per the contract plus the automatic renewal period of 10 years which is subject to certain minimum performance conditions that management believes will be satisfied based on the business plan and information currently available.

Details of the net cash outflows related to the acquisition are presented below.

(€ thousands)	**At acquisition date**
Consideration paid for 85% of TFI	(91,619)
Cash and cash equivalents acquired	109,667
Payment of TFI acquisition-related liabilities	(127,158)
Net cash outflow - Investing activities	**(109,110)**

TFI contributed revenues of €235,531 thousand and a loss of €14,926 thousand to the Group from the acquisition date until December 31, 2023 (including additional costs as a result of the purchase price accounting). If the acquisition had occurred on January 1, 2023, the consolidated statement of profit and loss for the year ended December 31, 2023 would have included additional revenues of €97 million and an additional loss of €17 million (including transaction costs incurred by TFI prior to the closing of the TFI Acquisition).

Total assets and total revenues of TFI represent approximately 15.7% and approximately 12.4%, respectively, of the related consolidated financial statement amounts at and for the year ended December 31, 2023.

Trade receivables had a gross contractual value of €24,571 thousand and the best estimate at the acquisition date of the contractual cash flows not to be collected is €1,242 thousand.

As part of the license agreement, the Group has become a long-term licensee of ELC for all TOM FORD men's and women's fashion as well as accessories and underwear, fine jewelry, childrenswear, textile, and home design products, by virtue of a long-term licensing and collaboration agreement with ELC for 20 years with an automatic renewal for one further 10 year period subject to certain minimum performance conditions. As part of the license agreement, the Group is required to pay minimum annual guaranteed royalties for the term of the license agreement.

At December 31, 2024, the remaining minimum annual guaranteed royalties covering the first 10-year period of the license agreement were as follows (undiscounted):

	At December 31, 2024
	(€ millions)[(*)]
Due within 1 year	19.8
Due in 1 to 5 years	91.3
Due in 5 to 10 years	75.6
Total	**186.7**

(*) Translated from U.S. Dollars to Euro at the December 31, 2024 end of day exchange rate.

For the remaining term of the license the minimum annual guaranteed royalties to be paid by the Group will be calculated based on a percentage of the net sales of the preceding annual period.

The license agreement also requires the Group to make minimum investments for marketing activities as a percentage of net sales of the licensed products as per customary market practices.

40. Subsequent events

The Group has evaluated subsequent events through May 20, 2025 which is the date the Consolidated Financial Statements were authorized for issuance, and identified the following events, all of which are non-adjusting as defined in IAS 10:

On March 26, 2025, the Board of Directors of Zegna proposed to make a dividend distribution of €0.12 per share to holders of the Company's ordinary shares, corresponding to a total dividend distribution of approximately €30 million. The dividend proposal is subject to the finalization and adoption of the annual statutory accounts of the Company (provided that the distribution is permitted under Dutch law) and to the approval of the Company's shareholders at the 2025 annual general meeting, which is expected to be held on June 26, 2025.

11. COMPANY FINANCIAL STATEMENTS

Ermenegildo Zegna N.V.
STATEMENT OF PROFIT AND LOSS
for the years ended December 31, 2024 and 2023

		For the years ended December 31,	
(€ thousands)	**Note**	**2024**	**2023**
Share in result of participating interests	3	102,758	144,636
Other income and expenses after taxes		(25,675)	(23,107)
Result after taxes		**77,083**	**121,529**

The accompanying notes are an integral part of the Company Financial Statements.

Ermenegildo Zegna N.V.
STATEMENT OF FINANCIAL POSITION
at December 31, 2024 and 2023

(€ thousands and before appropriation of results)	Note	At December 31, 2024	2023
Assets			
Non-current assets			
Property, plant and equipment and right-of-use assets		271	158
Participating interests in Group companies	3	1,198,933	1,143,256
Deferred tax assets		25,018	24,473
Non-current financial receivables from Group companies	4	52,964	50,410
Other non-current financial assets		1,166	591
Total non-current assets		**1,278,352**	**1,218,888**
Current assets			
Trade and other receivables from Group companies	5	36,014	29,865
Current financial receivables from Group companies	6	224,341	142,192
Derivative financial instruments		12,650	11,660
Tax receivables		8,281	7,010
Other current financial assets	7	60,248	72,722
Other current assets		1,282	554
Cash and cash equivalents		116,787	174,262
Total current assets		**459,603**	**438,265**
Total assets		**1,737,955**	**1,657,153**
Liabilities and Shareholders' Equity			
Share capital		9,154	9,154
Share premium		782,587	782,587
Legal reserves		35,624	20,318
Reserve for treasury shares		(418,345)	(436,622)
Other reserves		(161,631)	(153,996)
Retained earnings		591,648	497,324
Unappropriated result		77,083	121,529
Total shareholders' equity	8	**916,120**	**840,294**
Non-current liabilities			
Non-current borrowings	9	194,261	77,487
Non-current borrowings with Group companies		—	3,374
Other non-current financial liabilities	10	146,486	136,545
Employee benefits		3,920	4,559
Deferred tax liabilities		4,745	6,539
Total non-current liabilities		**349,412**	**228,504**
Current liabilities			
Current borrowings	9	144,801	284,716
Current borrowings with Group companies	6	256,615	233,058
Other current financial liabilities	10	69	22,134
Derivative financial instruments		16,330	5,521
Current provisions for risks and charges	11	41,651	23,744
Trade payables and customer advances		1,503	1,805
Trade payables and customer advances with Group companies		5,734	7,096
Tax liabilities		905	495
Other current liabilities		4,815	9,786
Total current liabilities		**472,423**	**588,355**
Total shareholders' equity and liabilities		**1,737,955**	**1,657,153**

The accompanying notes are an integral part of the Company Financial Statements.

1. General information

Ermenegildo Zegna N.V. (formerly known as Ermenegildo Zegna Holditalia S.p.A., and hereinafter referred to as the "Company" or the "Parent Company" and together with its consolidated subsidiaries, or any one or more of them, as the context may require, the "Ermenegildo Zegna Group" or the "Group") is the holding company of the Group and is incorporated as a public company (*naamloze vennootschap*) under the laws of the Netherlands and its ordinary shares are listed on the New York Stock Exchange under the "ZGN" ticker. The Company is domiciled in Amsterdam, the Netherlands, and the Company's registered office is Viale Roma 99/100, Valdilana (Biella), Italy. The Company is registered at the Dutch trade register under number 84808640. The financial information of the Company is included within the Company's Consolidated Financial Statements presented herein.

The Ermenegildo Zegna Group is a global luxury player, with a leading position in the high-end menswear business, internationally recognized for its unique textile and manufacturing platform. Heritage, Italian craftsmanship, quality and innovation are the key ingredients of its three complementary brands: ZEGNA, Thom Browne and TOM FORD FASHION, through which the Group reaches different communities, from ZEGNA's absolute luxury, to the modern tailoring of Thom Browne, to luxury glamour with TOM FORD FASHION. Thanks to Thom Browne and TOM FORD FASHION, the Group can also play an important, and growing, role in the luxury womenswear and leather goods segment.

The Group was founded in 1910 in Northern Italy, in the town of Trivero, as a wool mill by Ermenegildo Zegna (the grandfather of the Group's current Chairman and Chief Executive Officer) with the dream of creating the most beautiful and luxurious fabrics in the world. In the 60ies the Company moved from textile into men's ready-to-wear while in the 80ies it expanded its business internationally with the opening of the first monobrand boutique in Paris in 1980 marking the beginning of an extensive retail network development at worldwide level. In 2018 it acquired 85% of Thom Browne Inc., (subsequently increased to 92%) and on April 28, 2023, following the completion of the acquisition of Tom Ford International ("TFI") (the "TFI Acquisition"), the Group became a long-term licensee of the Estée Lauder Companies Inc. ("ELC") for the TOM FORD brand for men's and women's fashion and accessories business.

The Group's *Filiera*, the unique supply chain composed by some of the finest Italian high-end textile producers is fully integrated in the Group's luxury manufacturing capabilities.

The Group controls the most important phases of the value chain, from designing to manufacturing, and to distribution. Over the years, the Group has reached a significant international presence through the direct-to-consumer retail channel, as well as through selected wholesale customers.

2. Basis of preparation

Accounting policies

General

The company financial statements at and for the years ended December 31, 2024 and 2023 (the "Company Financial Statements") have been prepared in accordance with the provisions of Part 9, Book 2, of the Dutch Civil Code. The Company uses the option of Article 362.8 of Part 9, Book 2, of the Dutch Civil Code, which allows companies that apply International Financial Reporting Standards ("IFRS® Accounting Standards") as adopted by the European Union in their consolidated financial statements to prepare the Company Financial Statements using the same accounting policies applied in the consolidated financial statements ("Combination 3"). In addition to the accounting policies described below, the accounting policies are described in *Note 3 — Summary of material accounting policy information* to the Consolidated Financial Statements included in this annual report. As allowed by Dutch law, investments in subsidiaries, associates and joint ventures (also referred to as participating interests in group companies) are accounted for using the equity method in the Company Financial Statements.

For an appropriate interpretation of these Company Financial Statements, they should be read together with the Consolidated Financial Statements. If an accounting policy is not referenced below, refer to the accounting policies as described in the Consolidated Financial Statements.

Format

As disclosed in the Consolidated Financial Statements, the financial information relating to the Company is included in the Consolidated Financial Statements.

The Company Financial Statements are presented in Euro, which is the functional currency of the Company, and amounts are stated in thousands of Euros, unless otherwise indicated.

Investments

Investments in participating interests in Group companies (including subsidiaries, associates and joint ventures) are accounted for using the equity method, applying the IFRS Accounting Standards as endorsed by the European Union. The share of profit of these investments is the Company's share of the investments' results, presented as the result from participating interests in the statement of profit and loss. Results on transfers of assets and liabilities between the Company and its participating interests are eliminated.

Upon identification of a credit loss on an intercompany loan and/or receivable, the Company eliminates the carrying amount of the intercompany loan and/or receivable for the value of the identified credit loss.

Participating interests with a negative net equity value are measured at nil. This likewise takes into account other long-term interests that should effectively be considered as part of the net investment in the participation. If the Company fully or partially guarantees the liabilities of the participation concerned to enable the participation to pay its (share of the) liabilities, or it has the effective obligation to do so, a provision is formed for the amount of the capital requirement of the participation. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the participating interest are taken into account.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. Cash and cash equivalents are primarily held for the purpose of meeting short-term cash needs and commitments.

To be classified as cash and cash equivalents, an asset must be readily convertible into cash, have an insignificant risk of changes in value and have a maturity period of three months or less at acquisition.

Related parties

The related parties of the Company include all entities of the Group and all entities and individuals, including their close family members, capable of exercising control, joint control or significant influence over the Company and its subsidiaries, including the Company's controlling shareholder, Monterubello, as well as other companies owned by Monterubello and its shareholders. Related parties also include the Company's associates and joint arrangements, members of its Board of Directors and executives with strategic responsibilities, as well as their families and entities controlled by them.

The Company carries out transactions with related parties on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Shareholders' equity

The translation reserve and other legal reserves are recognized in accordance with the Dutch Civil Code.

3. Participating interests in Group companies

A list of subsidiaries (directly and indirectly owned) and affiliated companies is included in *Note 3 — Summary of material accounting policy information—Scope of consolidation* to the Consolidated Financial Statements included in this annual report.

The following table provides an overview of the movements of the participating interests in Group companies:

(€ thousands)	2024	2023
Balance at January 1	**1,143,256**	**916,150**
Share in result of participating interests	102,758	144,636
Capital increases	18,250	155,077
Acquisition of non-controlling interests without a change in control	22,752	—
Dividends	(88,061)	(88,844)
Foreign exchange differences and other movements	(22)	16,237
Balance at December 31	**1,198,933**	**1,143,256**

In June 2024 the Group purchased an additional 2% of Thom Browne Inc. (the parent company of the Thom Browne group) for total consideration of $25,000 thousand (€22,752 thousand), following which the Group holds 92% of Thom Browne group. For additional information relating to the put option on non-controlling interests, see *Note 10 — Other current and non-current financial liabilities*.

4. Non-current financial receivables from Group companies

The following table provides a breakdown for non-current financial receivables from Group companies:

		At December 31,	
(€ thousands)	**Currency**	**2024**	**2023**
EZ US Holding Inc.	USD	38,614	36,311
Ermenegildo Zegna Far-East Pte LTD	SGD	4,801	5,482
Ermenegildo Zegna Korea Co., Ltd.	EUR	2,500	—
Ermenegildo Zegna (Macau) LTD	HKD	2,479	3,476
Ermenegildo Zegna Malaysia Sdn. Bhd.	EUR	1,800	800
Ermenegildo Zegna Hong Kong LTD	EUR	1,600	1,600
The Italian Fashion Co. LTD	THB	841	2,411
E. Z. Thai Holding Ltd	THB	330	330
Total		**52,964**	**50,410**

The receivables are primarily due between 2025 and 2029 and bear variable rates of interest based on EURIBOR or other recognized benchmark interest rates plus a spread, which is generally around 2.00%.

The receivable from EZ US Holding Inc. amounting to €38,614 thousand at December 31, 2024 (€36,311 thousand at December 31, 2023) primarily relates to funding provided by the Company to EZ US Holding Inc. to finance the TFI Acquisition in 2023. This receivable generates interest based on SOFR 6-month plus a spread of 2.00% and is due in April 2028. For additional information related to the TFI Acquisition, see Note 39 — Business combinations to the Consolidated Financial Statements.

5. Trade and other receivables from Group companies

The following table provides a breakdown for trade and other receivables from Group companies:

	At December 31,	
(€ thousands)	**2024**	**2023**
Trade receivables from Group companies	7,274	5,372
Other receivables from Group companies	28,740	24,493
Total	**36,014**	**29,865**

Other receivables from Group companies primarily relate to the Group's tax consolidation in Italy and recharges to Group companies for share-based payments provided to employees.

6. Current financial receivables from Group companies and current borrowings with Group companies

Current financial receivables from Group Companies and current borrowings with Group companies primarily relate to amounts provided to or received from companies of the Group as part of a group-wide cash management system where certain treasury activities of the Group, including liquidity management and financing operations, are centrally coordinated by the Company. These financial assets and liabilities typically generate interest based on EURIBOR or other recognized benchmark interest rates plus a spread of between 0.5% and 1.25%.

7. Other current financial assets

Other current financial assets amounted to €60,248 thousand and €72,722 thousand at December 31, 2024 and 2023, respectively, and related to financial securities owned by the Company.

8. Shareholders' equity

The following table presents the movements in shareholders' equity during the years ended December 31, 2024 and 2023:

			Legal reserves									
(€ thousands)	Share capital	Share premium	Currency translation difference	Cash flow hedge reserve	Reserve for remeasurement of defined benefit plans	Financial assets at FVOCI reserve	Reserve subsidiaries	Reserve for treasury shares	Other reserves	Retained earnings	Undistributed result	Total shareholders' equity
At January 1, 2023	**5,939**	**721,187**	**5,295**	**13,379**	**1,252**	**(795)**	**25,278**	**(451,174)**	**(169,732)**	**476,838**	**51,482**	**678,949**
Allocation of prior year result	—	—	—	—	—	—	—	—	—	51,482	(51,482)	—
Result for the year	—	—	—	—	—	—	—	—	—	—	121,529	121,529
Other comprehensive income/(loss) for the year, net of tax	—	—	(15,151)	(7,553)	1,123	635	—	—	—	—		(20,946)
Reduction in legal reserves for subsidiaries	—	—	—	—	—	—	(3,145)	—	3,145	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	(25,031)	—	(25,031)
Exercise of warrants	115	64,500	—	—	—	—	—	—	(1,236)	—	—	63,379
Issuance of Special Voting Shares A	3,100	(3,100)	—	—	—	—	—	—	—	—	—	—
Sale of treasury shares, net	—	—	—	—	—	—	—	3,902	(248)	—	—	3,654
Share-based payments	—	—	—	—	—	—	—	—	19,780	—	—	19,780
Settlement of share-based payments	—	—	—	—	—	—	—	10,650	(11,093)	443	—	—
Other changes	—	—	—	—	—	—	—	—	5,388	(6,408)	—	(1,020)
At December 31, 2023	**9,154**	**782,587**	**(9,856)**	**5,826**	**2,375**	**(160)**	**22,133**	**(436,622)**	**(153,996)**	**497,324**	**121,529**	**840,294**
Allocation of prior year result	—	—	—	—	—	—	—	—	—	121,529	(121,529)	—
Result for the year	—	—	—	—	—	—	—	—	—	—	77,083	77,083
Other comprehensive income/(loss) for the year, net of tax	—	—	31,138	(13,255)	367	215	—	—	—	—	—	18,465
Reduction in legal reserves for subsidiaries	—	—	—	—	—	—	(3,159)	—	3,159	—	—	—
Dividends	—	—	—	—	—	—	—	—	31	(30,321)	—	(30,290)
Share-based payments	—	—	—	—	—	—	—	—	8,472	—	—	8,472
Settlement of share-based payments	—	—	—	—	—	—	—	18,277	(19,297)	1,020	—	—
Other changes	—	—	—	—	—	—	—	—	—	2,096	—	2,096
At December 31, 2024	**9,154**	**782,587**	**21,282**	**(7,429)**	**2,742**	**55**	**18,974**	**(418,345)**	**(161,631)**	**591,648**	**77,083**	**916,120**

Share capital and share premium

At December 31, 2024 and 2023 the fully paid up share capital of the Company was €9,154 thousand, consisting of 302,704,726 ordinary shares and 154,981,350 special voting shares A, all with a nominal value of €0.02.

Each ordinary share confers the right to cast one vote. Holders of ordinary shares become entitled to special voting shares upon registering their ordinary shares in the loyalty register (thereby blocking such shares from trading on the NYSE) and maintaining them registered in such register for an uninterrupted period of time as prescribed by the articles of association of the Company. Ordinary shares carry the right to receive dividends and each ordinary share carries the right to repayment of capital in the event of dissolution and liquidation, with the remaining equity, after all debts are satisfied, for the benefit of the holders of ordinary shares in proportion to the aggregate nominal value of their ordinary shares. Ordinary shares carry preemptive rights in proportion to the aggregate number of ordinary shares held upon the issuance of new ordinary shares or the granting of rights to subscribe for ordinary shares, subject to certain exceptions.

If ordinary shares have been registered in the loyalty register for an uninterrupted period of two years in the name of the same shareholder, such shares become eligible to receive Special Voting Shares A of the Company. The relevant shareholder will receive one of the Company Special Voting Share A per eligible ordinary share. Each of the Company

Special Voting Share A will automatically be converted into a Special Voting Share B of the Company after holding a number of ordinary shares for an uninterrupted period of five years following the registration of such ordinary shares in the loyalty register, and each of the Company Special Voting Share B will automatically be converted into a Special Voting Share C of the Company after holding a number of ordinary shares for an uninterrupted period of ten years following the registration of such ordinary shares in the loyalty register. Each class of the Company Special Voting Shares will entitle the relevant holders to the following number of votes, in addition to the voting rights attached to each ordinary share: each Special Voting Share A of the Company confers the right to cast one vote, each Special Voting Share B of the Company confers the right to cast four votes and each Special Voting Share C of the Company confers the right to cast nine votes in the Company General Meeting. Holders of the Company Special Voting Shares will not receive any dividends in respect of the Company Special Voting Shares; however, the Company maintains a separate dividend reserve for each class of the Company Special Voting Shares for the sole purpose of the allocation of the mandatory minimum profits that accrue to the Company Special Voting Shares.

The following table summarizes the changes in the share capital, share premium and number of ordinary shares and special voting shares of the Company for the years ended December 31, 2023 and 2024:

	Share capital (€ thousand)	Share premium (€ thousand)	Outstanding ordinary shares	Ordinary shares held in treasury	Total ordinary shares	Special voting shares
At January 1, 2023	**5,939**	**721,187**	**242,802,746**	**54,140,913**	**296,943,659**	**—**
Ordinary shares issued to warrant holders [1]	115	64,500	5,761,067	—	5,761,067	—
Ordinary shares delivered under share-based payments [2]	—	—	1,746,450	(1,746,450)		
Special Voting Shares A issued [3]	3,100	(3,100)	—	—	—	154,981,350
At December 31, 2023	**9,154**	**782,587**	**250,310,263**	**52,394,463**	**302,704,726**	**154,981,350**
Ordinary shares delivered under share-based payments [4]	—	—	2,193,216	(2,193,216)	—	—
At December 31, 2024	**9,154**	**782,587**	**252,503,479**	**50,201,247**	**302,704,726**	**154,981,350**

(1) On February 27, 2023, the Group completed the previously announced redemption of its outstanding public and private placement warrants to purchase ordinary shares of the Company that remained outstanding at 5:00 p.m. New York City time on February 27, 2023 (the "Redemption Date"), following which (i) 408,667 warrants were exercised by the warrant holders at an exercise price of $11.50 per ordinary share and the Group received total cash proceeds of $4.7 million in exchange for 408,667 newly issued ordinary shares, and (ii) 19,322,846 warrants were exercised by the warrant holders on a cashless basis in exchange for 0.277 ordinary shares of the Company per warrant, with the Company issuing an aggregate of 5,761,067 newly issued ordinary shares. As a result of these transactions, approximately 98% of the outstanding warrants were exercised, of which approximately 2% were exercised for cash and approximately 96% were exercised on a cashless basis. The remaining 385,123 warrants remained unexercised on the Redemption Date and were redeemed by the Company for cash at a redemption price of $0.10 per warrant in accordance with the terms of the related warrant agreements, for a total of $38.5 thousand.

(2) As a result of the vesting of certain equity incentive arrangements, ordinary shares, which were previously held in treasury, were delivered to participants of the share-based payments plans. It includes:
   (a) 588,000 ordinary shares delivered to the CEO under the CEO 2022-2024 LTIP in relation to the 2022 performance period.
   (b) 240,000 ordinary shares delivered to the CEO under the CEO IPO PSUs plan.
   (c) 450,000 ordinary shares delivered to the directors of the Company (excluding the CEO), key executives with strategic responsibilities and other employees of the Group under the Management IPO PSUs plan.
   (d) 468,450 ordinary shares delivered to the CEO under the right to convert the CEO's fixed remuneration in shares of the Company for an aggregate purchase price of €3,654 thousand.

(3) On December 18, 2023, upon the fulfillment of the conditions outlined in the Company's Articles of Association 154,981,350 Special Voting Shares A were issued and delivered to Monterubello s.s. and Ermenegildo (Gildo) Zegna di Monte Rubello for no consideration.

(4) As a result of the vesting of certain equity incentive arrangements, 2,193,216 ordinary shares, which were previously held in treasury, were delivered to participants of the share-based payments plans, as further described below:
   (a) 609,756 ordinary shares to the Senior Management Team to settle a portion of a bonus in ordinary shares equal to a value of $7,500 thousand as part of long-term equity incentives provided.

(b) 588,000 ordinary shares to the CEO under the CEO 2022-2024 long-term incentive plan in relation to the 2023 performance period.
(c) 360,000 ordinary shares to the CEO under the CEO IPO PSU plan.
(d) 430,000 ordinary shares to the directors of the Group, key executives with strategic responsibilities and other employees of the Group under the Management IPO PSU plan.
(e) 78,460 ordinary shares to the non-executive directors of the Group for a portion of their annual base remuneration for services provided in 2022.
(f) 127,000 ordinary shares to the Senior Management Team (excluding the CEO) under the 2023 RSU Plan in connection with the achievement of the service condition for the first installment.

Legal reserves

Pursuant to Dutch law, limitations exist relating to the distribution of shareholders' equity up to at least the total amount of the legal reserve, which at December 31, 2024 and December 31, 2023 amounted to €35,624 thousand and €20,318 thousand, respectively, and included the following:

- legal reserves for subsidiaries consisting of earnings of subsidiaries and associates that are subject to restrictions on distributions to the Company and capitalized development costs recognized by subsidiaries of the Company for €18,974 thousand at December 31, 2024 (€22,133 thousand at December 31, 2023);

- a translation reserve for the translation differences arising from the consolidation of subsidiaries with a functional currency different from the Euro, amounting to €21,282 thousand at December 31, 2024 (€(9,856) thousand at December 31, 2023);

- a cash flow hedge reserve for the changes in the fair value of derivative financial instruments held by the Company designated as a hedge of the exposure to variability in currency exchange rate and interest rate risk, amounting to €(7,429) thousand at December 31, 2024 (€5,826 thousand at December 31, 2023);

- gains and losses on the remeasurement of defined benefit plans for actuarial gains and losses arising during the period which are offset against the related net defined benefit liabilities, amounting to €2,742 thousand at December 31, 2024 (€2,375 thousand at December 31, 2023);

- the financial assets at FVOCI reserve which arises from changes in the fair value of debt instruments held by the company under a hold to collect and sell business model, which will be reversed when the investment is derecognized or impaired, amounting to €55 thousand at December 31, 2024 (€(160) thousand at December 31, 2023).

Reserve for treasury shares

At December 31, 2024, the reserve for treasury shares amounted to €418,345 thousand (€436,622 thousand at December 31, 2023) and 50,201,247 ordinary shares were held in treasury (52,394,463 ordinary shares at December 31, 2023).

Other reserves

Other reserves are detailed as follows:

	At December 31,	
(€ thousands)	**2024**	**2023**
Share-based payments reserve	85,183	96,008
Non-controlling interests options reserve	(114,247)	(183,525)
Other	(132,567)	(66,479)
Other reserves	**(161,631)**	**(153,996)**

The non-controlling interests options reserve includes a reduction of equity attributable to shareholders of the Company resulting from the initial recognition of the financial liabilities at fair value (which are subsequently remeasured at

the end of each period through the statement of profit and loss) relating to the put options held by non-controlling interests in Thom Browne group for €92,788 thousand and €162,066 thousand at December 31, 2024 and 2023 , respectively, (originally recognized in 2018 and partially reclassified within other reserves in 2024 as a result of the first tranche of the put option being completely exercised) and Gruppo Dondi S.p.A. for €21,459 thousand at December 31, 2024 and 2023, (originally recognized in 2019).

Retained earnings

Retained earnings include the Company's accumulated earnings, less dividends paid to equity holders and other changes, including the effects of the first-time adoption of IFRS Accounting Standards, which occurred on January 1, 2018.

At the Annual General Meeting of the Shareholders held on June 26, 2024, the shareholders approved a dividend distribution of €0.12 per ordinary share, corresponding to a total dividend of €30,321 thousand. The dividend distribution was paid on July 30, 2024 and was made from the retained earnings reserve.

At the Annual General Meeting of the Shareholders held on June 27, 2023, the shareholders approved a dividend distribution of €0.10 per ordinary share, corresponding to a total dividend of €25,031 thousand. The dividend distribution was paid on July 28, 2023 and was made from the retained earnings reserve.

9. Borrowings

The following table provides a breakdown for non-current and current borrowings:

(€ thousands)	**2024**			**2023**		
	Committed loans	**Other borrowings**	**Total borrowings**	**Committed loans**	**Other borrowings**	**Total borrowings**
At January 1,	**277,703**	**84,500**	**362,203**	**440,199**	**428**	**440,627**
Repayments	(200,259)	(84,500)	(284,759)	(285,642)	(428)	(286,070)
Proceeds	209,753	50,000	259,753	119,924	84,500	204,424
Other	1,810	55	1,865	3,222	—	3,222
At December 31,	**289,007**	**50,055**	**339,062**	**277,703**	**84,500**	**362,203**
Of which:						
Non-current	*194,261*	*—*	*194,261*	*77,487*	*—*	*77,487*
Current	*94,746*	*50,055*	*144,801*	*200,216*	*84,500*	*284,716*

The repayment schedule for borrowings is summarized below:

(€ thousands)	At December 31, 2024	Year 1	Year 2	Year 3	Year 4	Year 5 and beyond
Committed loans	289,007	94,746	82,106	98,699	8,754	4,702
Other borrowings	50,055	50,055	—	—	—	—
Total borrowings	**339,062**	**144,801**	**82,106**	**98,699**	**8,754**	**4,702**

(€ thousands)	At December 31, 2023	Year 1	Year 2	Year 3	Year 4	Year 5 and beyond
Committed loans	277,703	200,216	51,936	17,477	4,022	4,052
Other borrowings	84,500	84,500	—	—	—	—
Total borrowings	**362,203**	**284,716**	**51,936**	**17,477**	**4,022**	**4,052**

Interest on certain borrowings of the Company is calculated based on variable rates. Management may use interest rate swaps ("IRS") or other derivative financial instruments to hedge exposure to fluctuations in interest rates associated with monetary flows and not for speculative purposes. For additional information related to the Group's management of interest rate and other financial risks, see *Note 35 — Qualitative and quantitative information on financial risks* to the Consolidated Financial Statements.

The following tables provide details relating to the Company's individual borrowings.

			At December 31, 2024	
Interest rate	**Interest rate terms**	**Expiry date**	**Current**	**Non-current**
			(€ thousands)	
Variable	Euribor 1m	January 2025	35,030	—
Variable	Euribor 1m	January 2025	15,025	—
Variable	Euribor 3m + 0.80%	February 2025	40,172	—
Variable	Euribor 1m + 0.94%	May 2025	1,450	—
Variable	Euribor 6m + 0.97%	December 2025	40,002	—
Variable	Euribor 3m + 0.94%	January 2026	77	10,000
Variable	Euribor 6m + 0.90%	April 2026	275	49,977
Variable	Euribor 6m + 0.77%	December 2026	6,533	13,483
Variable	IRS + 0.90%	June 2027	790	49,925
Variable	IRS + 0.88%	June 2027	53	30,000
Variable	Euribor 3m + 0.85%	August 2027	—	10,000
Fixed	0.74%	September 2028	3,998	12,068
Variable	Euribor 3m + 0.82%	November 2029	1,238	18,808
Other			158	—
		Total	**144,801**	**194,261**
		of which fixed	*3,998*	*12,068*
		of which variable	*140,803*	*182,193*

Interest rate	Interest rate terms	Expiry date	At December 31, 2023	
			Current	Non-current
			(€ thousands)	
Variable	Euribor 3m + 0.80%	February 2024	40,234	—
Variable	Euribor 3m + 0.60%	February 2024	20,078	—
Variable	Euribor 1m + 0.05%	February 2024	19,592	—
Fixed	4.00%	February 2024	15,123	—
Fixed	4.05%	March 2024	35,122	—
Fixed	4.05%	March 2024	15,052	—
Variable	IRS + 0.81%	April 2024	81,351	—
Variable	IRS + 0.60%	December 2024	50,808	—
Variable	Euribor 1m + 0.79%	May 2025	3,331	1,494
Variable	Euribor 6m + 0.97%	December 2025	13	39,971
Variable	Euribor 6m + 0.77%	December 2026	33	19,988
Fixed	0.73%	September 2028	3,979	16,034
		Total	**284,716**	**77,487**
		of which fixed	*69,276*	*16,034*
		of which variable	*215,440*	*61,453*

At December 31, 2024, the Company has committed revolving lines amounting to an aggregate of €275 million with a maturity ranging between 4 to 6 years (€275 million at December 31, 2023 with a maturity ranging between 5 to 7 years). The lines were drawn down for €40 million at December 31, 2024 (€40 million at December 31, 2023). Certain committed revolving lines have interest rates linked to the following two important Environmental, Social and Governance ("ESG") targets previously disclosed by the Group: (i) at least 50% of top priority raw materials are traced to their geography of origin and from lower-impact sources by 2026; and (ii) 100% of the electricity is from renewable sources in Europe and the United States by 2024. These lines amounted to €190 million at December 31, 2024 and 2023 and were undrawn.

10. Other current and non-current financial liabilities

The following table provides a breakdown for other current and non-current financial liabilities:

(€ thousands)	At December 31	
	2024	**2023**
Written put options on non-controlling interests	146,338	136,466
of which Thom Browne option	*127,072*	*116,456*
of which Dondi option	*19,266*	*20,010*
Lease liabilities	148	79
Other non-current financial liabilities	**146,486**	**136,545**
Written put options on non-controlling interests	—	22,102
of which Thom Browne option	—	*22,102*
Lease liabilities	69	32
Other current financial liabilities	**69**	**22,134**
Total	**146,555**	**158,679**

Written put options on non-controlling interests

Thom Browne

The Company is party to an option agreement which provides Mr. Thom Browne a put option giving him the right to sell to the Company his remaining 8% interest in the Thom Browne group not owned by the Company, in two remaining tranches. The exercise price of the option is established as the EBITDA of the Thom Browne group recorded in 2028 and 2030, multiplied by a given multiple ("TB Exercise Formula"). The financial liability arising from the obligation of the Company to purchase the non-controlling interest in the Thom Browne group is measured at the present value of the expected exercise amount, calculated through the TB Exercise Formula as per projections contained in the latest business plan, which cover the period from 2025 to 2027. The liability, which originally related to a 15% non-controlling interest, was initially

recognized against equity for €162,066 thousand and it is remeasured at each reporting date in profit or loss based on the latest available information. In June 2021, the Company purchased an additional 5% of the Thom Browne group for a total consideration of €30,653 thousand, reducing the non-controlling interest to 10%.

During the first half of 2024, Mr. Thom Browne exercised the put option to sell to the Company an additional 2% of Thom Browne Inc. (based on 2023 EBITDA of the Thom Browne group) for a consideration of €22,752 thousand, following which the Company owns 92% of the Thom Browne group. The Company derecognized a portion of the liability for the written put option on non-controlling interests in the amount of €22,752 thousand. Additionally, the equity attributable to non-controlling interests was reduced by €3,697 thousand with an offsetting increase to equity attributable to shareholders of the Parent Company and the put option liability relating to the remaining non-controlling interest was remeasured at its fair value.

At December 31, 2024, the put option liability (which relates to two tranches representing 5% and 3% of the non-controlling interests that are based on the 2028 and 2030 EBITDA of the Thom Browne group, respectively) amounted to €127,072 thousand and was classified as non-current (€138,558 thousand at December 31, 2023, of which €22,102 thousand was classified as current relating to the 2% tranche based on 2023 EBITDA as exercised during 2024, and €116,456 thousand was classified as non-current).

Dondi

The Company is party to an option agreement which provides the Dondi family with a put option giving them the right to sell to the Company the Dondi family's remaining 35% interest in Dondi not owned by the Company, in two tranches in 2029 and 2034. The exercise price of the option is established as the EBITDA of Dondi at the exercise date, less its net indebtedness, multiplied by a given multiple less a given discount ("Dondi Exercise Formula"). The financial liability arising from the obligation is measured at the present value of the expected exercise amount, calculated through the Dondi Exercise Formula as per projections contained in the approved Business Plan. The remeasurement of the liability at each reporting date is recognized through profit or loss based on the latest available information. The liability related to this written put option at December 31, 2024 amounted to €19,266 thousand and was classified as non-current (€20,010 thousand at December 31, 2023).

11. Current provisions for risks and charges

Current provisions for risks and charges relate entirely to the amount of the capital requirement of the participating interests in Group companies with a negative net equity for which the Company fully or partially guarantees the liabilities of the participation concerned to enable the participation to pay its (share of the) liabilities, or the Company has the effective obligation to do so.

The following table provides the movements of the current provisions for risks and charges:

(€ thousands)	
At January 1, 2023	**6,675**
Reversals	(6,675)
Additional provisions	23,744
At December 31, 2023	**23,744**
Reversals	(13,221)
Additional provisions	31,128
At December 31, 2024	**41,651**

12. Board remuneration

Detailed information relating to the compensation of the Executive and Non-Executive members of the Board of Directors (including their shares and share awards) is included in the Compensation Report section of this annual report.

13. Auditor fees

Deloitte Accountants B.V., the member firms of Deloitte Touche Tohmatsu Limited and their respective affiliates (collectively, the "Deloitte Entities") were appointed to serve as the Company's independent registered public accounting firm for the years ended December 31, 2024 and 2023.

The Company incurred the following fees from the Deloitte Entities for professional services for the years ended December 31, 2024 and 2023, respectively:

	Deloitte Accountants B.V.		Other Deloitte member firms and affiliates		Total	
(€ thousands)	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Audit of Ermenegildo Zegna N.V. and its subsidiaries	274	300	5,044	5,672	5,318	5,972
Other assurance services	—	—	251	127	251	127
Tax services	—	—	374	356	374	356
Other non-audit services	—	—	68	28	68	28
Total	**274**	**300**	**5,737**	**6,183**	**6,011**	**6,483**

The fees mentioned in the table above relate to the total fees for the respective professional services, irrespective of whether the activities were performed during the respective financial year.

14. Commitments and contingent liabilities

The Company has provided financial guarantees in relation to indirect tax payment obligations of EZ Service S.r.l. and INCO S.p.a. (both subsidiaries) amounting to €9,789 thousand at December 31, 2024 (€5,659 thousand at December 31, 2023). As of the date of this annual report, the guarantees were still effective no amounts have been claimed.

Certain Italian entities of the Group participate in a group Italian tax consolidation (fiscal unity) under the Company and pursuant to standard conditions the Company has assumed joint and several liability for the tax liabilities of the tax consolidation.

The Company had no other material commitments and contingent liabilities not already disclosed elsewhere in these Company Financial Statements.

15. Other disclosures

For the following disclosures reference is made to the notes to the Consolidated Financial Statements:

- Note 11 — Income taxes
- Note 18 — Other non-current financial assets
- Note 21 — Derivative financial instruments
- Note 22 — Other current financial assets
- Note 24 — Cash and cash equivalents
- Note 25 — Shareholders' equity
- Note 35 — Qualitative and quantitative information on financial risks
- Note 36 — Related party transactions
- Note 37 — Share-based payments

The average number of employees of the Company for the years ended December 31, 2024 and 2023 was 28 and 21, none of which were in the Netherlands.

16. Subsequent events

For information relating to subsequent events, see *Note 40 — Subsequent events* to the Consolidated Financial Statements.

May 20, 2025

Board of Directors

Ermenegildo Zegna di Monte Rubello
Andrea C. Bonomi
Angelica Cheung
Domenico De Sole
Sergio P. Ermotti
Ronald B. Johnson
Valerie A. Mars
Michele Norsa
Henry Peter
Anna Zegna di Monte Rubello
Paolo Zegna di Monte Rubello

PART III: OTHER INFORMATION AND AUDITORS' REPORT

12. OTHER INFORMATION

Statutory rules regarding appropriation of profits

Article 11 of the Company's Articles of Association provides as follows:

11 PROFIT, LOSS AND DISTRIBUTIONS.

11.1 Profit and loss. Distributions on Shares.

11.1.1 Distribution of dividends pursuant to this article 11.1 will take place after the adoption of the Annual Accounts which show that the distribution is allowed.

11.1.2 The Company may make distributions on Shares only to the extent that its shareholders' equity exceeds the sum of the paid-up and called-up part of the capital and the reserves which must be maintained by Dutch law or the articles of association.

11.1.3 The Company shall maintain a separate dividend reserve for each class of Special Voting Shares. The Special Voting Shares shall not carry any entitlement to any other reserve of the Company. Distributions from the dividend reserve of a class of Special Voting Shares shall be made exclusively to the holders of Special Voting Shares of that class in proportion to the aggregate nominal value of their Special Voting Shares. Any distribution out of a Special Voting Shares dividend reserve or the partial or full release of any such reserve will require a prior proposal from the Board and a resolution of the meeting of holders of the relevant class of Special Voting Shares.

11.1.4 The Board may determine that any amount out of the profit will be added to the reserves.

11.1.5 The profits remaining thereafter shall first be applied to allocate and add to the dividend reserve for each class of Special Voting Shares an amount equal to one percent (1%) of the aggregate nominal value of all issued and outstanding Special Voting Shares of that class.

11.1.6 The profit remaining after application of article 11.1.5 will be at the disposal of the General Meeting.

11.1.7 The General Meeting may only resolve to make a distribution on Ordinary Shares in kind or in the form of Ordinary Shares at the proposal of the Board.

11.1.8 Subject to the other provisions of this article 11.1, the General Meeting may, at the proposal of the Board, resolve to make distributions on Ordinary Shares from one or several reserves which the Company is not prohibited from distributing by virtue of Dutch law or the articles of association.

11.1.9 For the purpose of calculating the amount of any distribution, Shares held by the Company will not be taken into account. No distribution will be made on Ordinary Shares held by the Company, unless those Ordinary Shares are encumbered with a right of usufruct or a right of pledge.

11.2 Interim distributions.

11.2.1 The Board or the General Meeting at the proposal of the Board may resolve to make interim distributions on Ordinary Shares if an interim statement of assets and liabilities shows that the requirement of article 11.1.2 has been met. Interim distributions may be made in cash, in kind or in the form of Ordinary Shares and be made from one or several reserves which the Company is not prohibited from distributing by virtue of Dutch law or the articles of association.

11.2.2 The interim statement of assets and liabilities referred to in article 11.2.1 relates to the condition of the assets and liabilities on a date no earlier than the first day of the third month preceding the month in which the resolution to distribute is published. This interim statement must be prepared on the basis of generally acceptable valuation methods. The amounts to be reserved under Dutch law and the articles of association must be included in the statement of assets and liabilities. The statement must be signed by the Directors. If one or more of their signatures are missing, this absence and the reason for this absence must be stated.

11.3 Notices and payments.

11.3.1 Any proposal for a distribution on Ordinary Shares must immediately be published by the Board in accordance with the regulations of the stock exchange where the Ordinary Shares are officially listed at the Company's request. The notification must specify the date when and the manner in which the distribution will be payable or - in the case of a proposal for distribution - is expected to be made payable.

11.3.2 Distributions will be payable on the day determined by the Board.

11.3.3 The Persons entitled to a distribution shall be the relevant Shareholders, holders of a right of usufruct on Shares and holders of a right of pledge on Ordinary Shares, at a date to be determined by the Board for that purpose. This date shall not be earlier than the date on which the distribution was announced.

11.3.4 Distributions which have not been claimed upon the expiry of five years and one day after the date when they became payable will be forfeited to the Company and will be carried to the reserves.

11.3.5 The Board may determine that distributions on Shares will be made payable either in euro or in another currency.

Special statutory voting rights

Article 8.2 of the Company's Articles of Association provides for nomination rights in favor of the IIAC Sponsor

The Board determines the number of Executive Directors and Non-Executive Directors, provided that the majority of the Board consists of Non-Executive Directors. The Directors are appointed by the General Meeting on a binding nomination by the Board, provided that one Non-Executive Director is appointed on a binding nomination by the IIAC Sponsor if at the time of the convocation of the relevant General Meeting the Sponsor Group satisfies the Minimum Holding Requirement. The nomination of the Sponsor Nominee by the IIAC Sponsor is subject to the approval of the Board in its discretion if he or she has not previously served as Director.

The IIAC Sponsor's right to make a nomination for one Non-Executive Director will lapse with immediate effect if the Sponsor Group fails to satisfy the Minimum Holding Requirement, provided that if such failure is not caused by a sale or transfer of Ordinary Shares by any member of the Sponsor Group, the IIAC Sponsor's nomination right will lapse if such failure continues for a period of twenty trading days from the date on which any member of the Sponsor Group had knowledge of such failure. Upon the termination of the nomination right, the Sponsor Nominee (or any temporary Director replacing a Sponsor Nominee) shall resign from the Board with immediate effect at the request of the Company.

The General Meeting will at all times be allowed to overrule a binding nomination for the appointment of a Director by a simple majority of the votes cast, representing more than one-third of the Company's issued share capital. If a majority of the votes are cast in favor of overruling the binding nomination, but that majority does not represent more than one third of the Company's issued share capital, a new General Meeting may be convened at which the resolution to overrule the binding nomination may be adopted by a simple majority of the votes cast, regardless of the Company's issued share capital represented by that majority.

In the event the binding nomination for the appointment of any Director other than the Sponsor Nominee is overruled, the Board is allowed to make a new binding nomination to fill the vacancy. In the event that also this binding nomination is overruled, the General Meeting shall be free to appoint a Director to fill the vacancy. In the event the binding nomination for the appointment of the Sponsor Nominee is overruled, the IIAC Sponsor may make a new binding nomination to fill the vacancy, provided that at the time of the convocation of the relevant General Meeting, the Sponsor Group satisfies the Minimum Holding Requirement.

Article 8.3.7 of the Company's Articles of Association provides for affirmative vote in favor of the IIAC Sponsor

Pursuant to the Articles of Association, the affirmative vote of the Sponsor Nominee is required for resolutions of the Board concerning the following matters, provided that the Sponsor Group satisfies the Minimum Holding Requirement:

- making a proposal to the General Meeting concerning any amendment of the Articles of Association which adversely affects the rights of the IIAC Sponsor specifically (as opposed to its rights arising from the ownership of Ordinary Shares or Special Voting Shares that are shared on a pro rata basis by the other holders of the same class);

- cessation or material alteration of the principal business of the Company, including a material change to its corporate purpose, or change of jurisdiction of organization;

- expansion of the Board to more than fifteen members without granting the IIAC Sponsor the right to nominate an additional Director to preserve its proportional representation;

- dissolution or termination of any standing committee of the Board;

- deregistration of the Company or delisting of the Ordinary Shares from the NYSE; and

– making a proposal to the General Meeting for the appointment or removal of the Company's independent auditors, but only if the replacement is not from among Deloitte, Ernst & Young, KPMG or PricewaterhouseCoopers.

The IIAC Sponsor's rights described above will lapse with immediate effect if the Sponsor Group fails to satisfy the Minimum Holding Requirement, provided that if such failure is not caused by a sale or transfer of Ordinary Shares by a member of the Sponsor Group, the IIAC Sponsor's rights will lapse if such failure continues for a period of 20 trading days from the date on which any members of the Sponsor Group had knowledge of such failure.

Non-voting shares

Treasury Shares

In accordance with article 9.6.3 of the Company's Articles of Association, no vote may be cast at the General Meeting for a share held by the Company or one of its subsidiaries or in respect of a share for which any of them holds the depository receipts. Holders of a right of usufruct or a right of pledge on shares belonging to the Company or its subsidiaries are not excluded from voting if the right of usufruct or the right of pledge was created before the share concerned belonged to the Company or one of its subsidiaries. The Company or a subsidiary may not cast a vote in respect of a share on which it holds a right of usufruct or a right of pledge. When determining the extent to which shareholders are entitled to vote, are present or represented, or to the extent to which the share capital is present or represented, no account shall be taken of shares in respect of which Dutch law or the Company's Articles of Association provide that no votes may be cast.

At December 31, 2024, 50,201,247 Ordinary Shares were held by the Company in treasury.

Shares carrying limited economic rights

Special Voting Shares

The Company has adopted a loyalty voting structure, in order to strengthen the stability of the Company and foster the development and the continuous involvement of a stable base of long-term the Company's shareholders.

The Special Voting Shares are governed by the provisions included in the Articles of Association and the Terms and Conditions of the Special Voting Shares. These documents govern the issuance, allocation, acquisition, conversion, sale, holding, repurchase and transfer of the Special Voting Shares and certain aspects of the registration of the Ordinary Shares in the Loyalty Register.

The purpose of the loyalty voting structure is to grant long-term shareholders extra voting rights by means of granting Special Voting Shares, without entitling such shareholders to any economic rights, other than those pertaining to the Ordinary Shares. However, under Dutch law, the Special Voting Shares cannot be totally excluded from economic entitlements. As a result, pursuant to the Articles of Association, holders of Special Voting Shares will be entitled to a minimum dividend (an amount of one percent of the aggregate nominal value of all issued and outstanding Special Voting Shares), which is allocated to separate special voting shares dividend reserves. Any distribution out of a special voting shares dividend reserve or the partial or full release of any such reserve will require a prior proposal from the Board and a resolution of the meeting of holders of the relevant class of Special Voting Shares, and will be made exclusively to the holders of the relevant class of Special Voting Shares in proportion to the aggregate nominal value of the relevant class of their Special Voting Shares.

Each Special Voting Share A entitles a holder thereof to cast one vote. A holder of a Special Voting Share B has the right to cast four votes and a holder of a Special Voting Share C has the right to cast nine votes.

The powers to vote upon the distribution from the special voting shares dividend reserve and the cancellation of all issued Special Voting Shares of a specific class are the only powers that are granted to the meeting of holders of Special Voting Shares of the relevant class pursuant to Articles of Association.

At December 31, 2024, 154,981,350 Special Voting Shares A were issued and outstanding.

Branches

Ermenegildo Zegna N.V. has a secondary establishment in Italy.

Dividend Policy

We aim to grow the Group's business solidly and steadily, and to create long-term value for our shareholders. Our priority is to invest in the growth of our business while providing return to shareholders. Taking into consideration these priorities, we target a payout ratio of 25% to 30% of the profit attributable to shareholders of the Parent Company, without reducing dividends and at least maintaining or increasing dividends each year. However, any decision to declare and pay dividends in the future will ultimately be made at the discretion of the Board and will depend on the Group's results of operations, business conditions, financial conditions, earnings, cash balances, commitments, strategic plans and other factors that the Board may deem relevant at the time it recommends approval of any such dividend, including economic and market conditions.

Pursuant to Dutch law and the Articles of Association, the distribution of dividends will take place following the adoption of the annual accounts, from which we will determine whether such distribution is permitted. We may make distributions to our shareholders, whether from profits or from our freely distributable reserves, only insofar as our shareholders' equity exceeds the sum of the paid-up and called-up share capital plus any reserves to be maintained by Dutch law or the Articles of Association.

The Board may resolve to reserve the profits or part of the profits. Any profits remaining after the reservation referred to in the previous sentence by the Board will first be applied to allocate and add to the dividend reserve for each class of Special Voting Shares an amount equal to 1% of the aggregate nominal value of all issued and outstanding Special Voting Shares of that class. The profits remaining after application of the preceding sentence will be at the disposal of the General Meeting, which may resolve to add the remaining profits to the reserves or distribute them to the holders of Ordinary Shares. Distributions of dividends will be made to the Company's shareholders in proportion to the nominal value of their Ordinary Shares.

Pursuant to Dutch law and the Articles of Association, the Board or the General Meeting at the proposal of the Board will be allowed to resolve upon interim distributions on Ordinary Shares. For this purpose, the Board must prepare an interim statement of assets and liabilities. Such interim statement shall show our financial position not earlier than on the first day of the third month before the month in which the resolution to make the interim distribution is announced. An interim dividend can only be paid if (i) an interim statement of assets and liabilities is drawn up showing that the funds available for distribution are sufficient, and (ii) our shareholders' equity exceeds the sum of the paid-up and called-up share capital and any reserves to be maintained by Dutch law or the Articles of Association. Interim distributions will be made in cash, in kind or in the form of Ordinary Shares.

Since Ermenegildo Zegna N.V. is a holding company and its operations are carried out through its subsidiaries, the Company's ability to pay dividends will primarily depend on the ability of its subsidiaries to generate earnings and to provide it with the necessary financial resources.

In July 2024 the Company made a dividend distribution to the holders of Ordinary Shares of €0.12 per Ordinary Share, corresponding to a total dividend distribution of €30 million.

Subject to the finalization and adoption of the annual statutory accounts of the Company, provided that the distribution is permitted under Dutch law, and also subject to the approval of the proposed distribution by the Company's 2025 annual General Meeting (which is currently expected to be on June 26, 2025), the Company intends to make a dividend distribution to the holders of Ordinary Shares of €0.12 per share, corresponding to a total dividend distribution to shareholders of approximately €30 million.

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13. AUDITORS' REPORT

To the shareholders and the board of directors of Ermenegildo Zegna N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the financial statements 2024 of Ermenegildo Zegna N.V., based in Amsterdam (hereafter: the "group"). The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Ermenegildo Zegna N.V. as at December 31, 2024, and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS Accounting Standards) and with Part 9 of Book 2 of the Dutch Civil Code.

- The accompanying company financial statements give a true and fair view of the financial position of Ermenegildo Zegna N.V. as at December 31, 2024, and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at December 31, 2024.

2. The following statements for 2024: the consolidated statement of profit and loss, the consolidated statements of comprehensive income and loss, the consolidated cash flow statement, and the consolidated statement of changes in equity.

3. The notes comprising a summary of the material accounting policy information and other explanatory information.

The company financial statements comprise:

1. The company statement of financial position as at December 31, 2024.

2. The company statement of profit and loss for 2024.

3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Ermenegildo Zegna N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgment we determined the materiality for the financial statements as a whole at EUR 9.0 million (2023: EUR 12.5 million). The materiality is based on the consolidated profit before taxes. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

Audits of the group entities (components) were performed using materiality levels determined by the judgment of the group audit team, taking into account the materiality of the financial statements as a whole and the reporting structure within the group. Component materiality did not exceed EUR 3.7 million (2023: EUR 5.0 million).

We agreed with the board of directors and Audit Committee that misstatements in excess of EUR 450 thousand (2023: EUR 625 thousand), which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Ermenegildo Zegna N.V. is at the head of a group of components. The financial information of this group is included in the financial statements of Ermenegildo Zegna N.V.

We were appointed as auditor of the group for the financial statements as from financial year 2021. As a result, we are ultimately responsible for our opinion, and as such we are also responsible for directing, supervising, and performing the group audit. In this respect, we have established a detailed plan for directing the group audit involving Deloitte Italy (as being the primary component auditor) in the execution thereof. Based on our risk assessment, we determined the nature, timing and extent of the audit procedures to be performed, including determining the components at which to perform audit procedures, as carried out by the primary component auditor and other component auditors. Our assessment was done as part of our audit planning and was aimed to obtain sufficient coverage of the risk of material misstatement for significant account balances, classes of transactions, and disclosures that we have identified. In addition, we considered qualitative factors as part of our assessment. In addition, we considered qualitative factors as part of our assessment. As result, we involved component auditors for audit procedures in Italy, (Greater) China, Korea and the United States.

In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed by the group engagement team and the component auditors. We responded to changes relevant to the group in 2024 in determining the components in our scope and the nature of procedures to be performed.

Where the work was performed by the primary component auditor or the other component auditors, we determined the level of involvement we needed to have in the respective audit work to be able to conclude whether sufficient appropriate audit evidence was obtained as a basis for our opinion on the group financial statements as a whole.

The group engagement team directed the planning, reviewed the work performed by the component auditors, and assessed and discussed the results and findings with the component auditors. We provided instructions to Deloitte Italy as the primary component auditor, who in turn instructed the other component auditor. For the primary component auditor, file reviews were conducted to evaluate the work undertaken and to assess their findings.

The group consolidation, financial statements disclosures, and certain centrally coordinated topics were audited by the primary component auditor under our supervision at group level. These include among others the impairment testing on goodwill, intangible assets, and directly operated store assets; purchase price accounting of acquisitions; the

consolidated tax position; share-based payment accounting; and claims and litigations. Specialists were involved in the areas covering IFRS, tax accounting, information technology, data analytics and valuation.

As part of our year-end audit procedures for components in group scope, we have considered whether we have obtained appropriate coverage of the risks of material misstatement for significant account balances, classes of transactions, and disclosures that we have identified. For the remaining components, under our supervision, the primary component auditor performed a combination of specific audit procedures and analytical procedures at group level relating to the risks of material misstatement for significant account balances, classes of transactions, and disclosures that we have identified.

By performing the procedures mentioned above at components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Audit approach fraud risks

Description

In accordance with Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements, whether due to fraud or error. Inherent to our responsibilities for the audit of the financial statements, there is an unavoidable risk that material misstatements go undetected, even though the audit is planned and performed in accordance with Dutch law. The risk of undetected material misstatements due to fraud is even higher, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Also, we are not responsible for the prevention and detection of fraud and non-compliance with all laws and regulations. Our audit procedures differ from a forensic or legal investigation, which often has a more in-depth character.

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Non-executive board exercises oversight, as well as the outcomes. We refer to section 4 “Risk and governance” of the board report for management’s (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

Following these procedures, and the presumed risk under the prevailing auditing standards, we considered the fraud risks in relation to management override of controls to be applicable to our audit. Below we have summarized our related audit procedures for this fraud risk.

Management override of controls

We have identified the inherent risk that management is in a unique position to perpetrate fraud because of management’s ability to manipulate accounting records by overriding controls and more specifically:

- Journal entries and other manual adjustments made during the preparation of the financial statements.
- The use of estimates, including high level of judgement and assumptions subject to management bias.
- Significant transactions outside the normal course of business for the group.

During our audit, we have:

- Evaluated the design and implementation of the relevant internal controls mitigating the risk of management override of controls.

- Performed journal entry testing audit procedures, using selected criteria of investigation, for journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

- Evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in Note 4 to the consolidated financial statements.

- Performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements.

- Evaluated whether the business rationale of the significant transactions, suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

Based on our audit procedures performed, we did not identify instances or suspicions of fraud due to management override of controls.

Additional fraud related procedures

In addition to the procedures summarized above related to the identified significant fraud risk, we have also:

- Considered available information and made inquiries with group (and local) management, those charged with governance and others within the group, including but not limited to the internal audit function, legal & governance, and group control.

- Evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

- Incorporated elements of unpredictability in our audit in the selection of the nature, timing and extent of our audit procedures.

- Performed direction, supervision and review procedures on the instructed procedures performed by the (primary) component auditor.

- Considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud.

Our procedures did not lead to indications for fraud potentially resulting in material misstatement.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the group through discussion with management and the group's legal counsel, and inspection of selected documents regarding compliance with laws and regulations.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the requirements under the EU-IFRS Accounting Standards and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, Ermenegildo Zegna N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Ermenegildo Zegna N.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Audit Committee, the board of directors and others within Ermenegildo Zegna N.V. as to whether Ermenegildo Zegna N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Our responsibilities, as well as the responsibilities of the board of directors and the Audit Committee, related to going concern under the prevailing standards are outlined in the "Description of responsibilities regarding the financial statements" section below.

The board of directors has assessed the going concern assumption, as part of the preparation of the consolidated financial statements, and as disclosed in Note 2 to the consolidated financial statements. The board of directors believes that no events or conditions give rise to doubt about the ability of the group to continue in operation at least 12 months after the adoption of the financial statements.

We have obtained the board of director's assessment of the group's ability to continue as a going concern, and have assessed the going concern assumption applied. As part of our procedures, we evaluated whether sufficient appropriate audit evidence has been obtained regarding, and have concluded on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the consolidated financial statements. Based on these procedures, we did not identify any reportable findings related to the entity's ability to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the board of directors and Audit Committee. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Directly Operated Store Assets identified with triggering event

Key Audit Matter Description

Property, plant and equipment ("PPE") and right-of-use assets ("RoU assets") include assets relating to directly operated stores and strategic stores (together "DOS"). The group recognized a net impairment for the year ended December 31, 2024 of EUR 11.2 million, comprising of a net impairment of EUR 7.9 million related to PPE and of EUR 3.2 million related to RoU assets.

As discussed in Note 3 to the consolidated financial statements, for purposes of impairment testing, the group determines the cash generating unit ("CGU") for its PPE and RoU assets related to DOS to be at the individual store level.

During the year, management performed triggering event analyses for all CGUs for DOS and performed an impairment analysis for those CGUs for DOS where a trigger has been identified. An impairment is recognized when the carrying value of a CGU for DOS assets exceeds the recoverable amount.

For those CGUs for DOS where an impairment analysis is performed, in order to determine the recoverable amount, the group estimated the DOS assets' value in use by making significant estimates and assumptions related to, among others, future forecasted revenues and profitability for each individual store and the determination of appropriate discount rates.

Estimates and assumptions related to future cash flows are determined based on the approved management's budget and forecast for a period of three years and an estimate of the long-term growth rate.

We identified impairment of DOS assets identified with triggering events as a key audit matter because the estimate of future store cash flows to assess the recoverability of DOS assets required significant management judgment, primarily in relation to forecasting future revenues and profitability, as well as in relation to the determination of discount rates. Changes in these estimates could have a significant impact on the measurement of the recoverable amount, resulting in a possible adjustment to the impairment charge to be recorded. This area of management estimate required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists when performing audit procedures to evaluate the reasonableness of management's judgments used in preparing these estimates.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to management's judgments, primarily in relation to forecasting future revenues and profitability, as well as in relation to the determination of the discount rates included the following:

- We evaluated management's ability to accurately perform forecasts, including management's basis and approach for considering the impacts of changes in market conditions and economic events, by:
    - inquiring of the group's executives to understand the business initiatives supporting the assumptions in the future revenues and profitability;
    - performing a retrospective analysis to assess management's ability to accurately forecast by comparing actual results to management's historical forecast;
    - comparing the forecasts to (1) historical revenue and operating results; (2) internal communications regarding the group's business plan and strategy; and (3) industry and market conditions.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the discount rates by testing the source information underlying management's determination of the discount rate and the mathematical accuracy of the calculations.

Our observation

Based on our procedures performed and our assessment of the disclosures made, we have not identified any reportable matters. Our audit procedures are deemed appropriate and sufficient to address the risks of material misstatements.

Thom Browne Group - Valuation of put option

Key Audit Matter Description

As discussed in Note 28 to the consolidated financial statements, as of December 31, 2024, the group has a put option to buy the remaining 8% of non-controlling interests in Thom Browne Inc. ("Thom Browne"), which is recognized as a non-current financial liability.

In this context it should be noted that during the year, Mr. Thom Browne exercised the put option to sell to the group shares representing 2% of Thom Browne Inc. for a consideration of EUR 22.8 million. As a consequence, the group, as of December 31, 2024, owns 92% of shares of Thom Browne Group.

The valuation of the non-current financial liability is based on management's forecasts of Thom Browne's future profitability and their determination of an appropriate discount rate. Management accounts for the put option agreement recognizing a non-current financial liability for the group's estimated obligation under the option. The exercise price of the put option is dependent on a measure of the operating segment's profitability at the exercise date. Therefore, the group's fair value determination of the non-current financial liability required management to make significant estimates and assumptions related to forecasts of future revenues and profitability and to determine an appropriate discount rate.

We identified the valuation of the put option as a key audit matter, because the estimate of the operating segment's future profitability required significant management judgments, primarily in relation to the future revenues and profitability of the operating segment, as well as the determination of the discount rate. Changes in these estimates could have a significant impact on the valuation of the put option recorded. This area of management estimate required a high degree of auditor judgment and an increased extent of effort, including the involvement of our fair value specialists, when performing audit procedures to evaluate the reasonableness of management's judgments used in preparing these estimates.

How the Key Audit Matter Was Addressed in the Audit

Our procedures related to the valuation of the put option included the following:

- We evaluated management's ability to accurately forecast revenues and profitability of the Thom Browne Group by comparing actual revenue and profitability to management's historical forecasts.
- We evaluated management's assumptions related to future revenues and profitability by:
    - inquiring of the group's executives to understand the business initiatives supporting the assumptions in the future revenues and profitability;
    - comparing the forecasts to the current and past performance of the Thom Browne Group and to external market and industry data benchmarks.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the discount rate by testing the source information underlying management's determination of the discount rate and the mathematical accuracy of the calculations.

Our observation

Based on our procedures performed and our assessment of the disclosures made, we have not identified any reportable matters. Our audit procedures are deemed appropriate and sufficient to address the risks of material misstatements

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information. The other information consists of:

- Report of the board of directors

- Report on Risk Management and Risk Factors
- Corporate Governance Report
- Compensation Report
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard on Auditing 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the board of directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged as auditor of Ermenegildo Zegna N.V. as of 2021 and have operated as statutory auditor since that financial year.

Description of responsibilities regarding the financial statements

Responsibilities of management and the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS Accounting Standards and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management and the board of directors is responsible for such internal control as management and the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management and the board of directors is responsible for assessing the group's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management and the board of directors should prepare the financial statements using the going concern basis of accounting unless management and the board of directors either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The board of directors should disclose events and circumstances that may cast significant doubt on the group's ability to continue as a going concern in the financial statements.

The Audit committee is responsible for overseeing the group's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error, during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's system of internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the board of directors.

- Concluding on the appropriateness of management and the board of directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with the board of directors and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

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From the matters communicated with the board of directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, May 20, 2025

Deloitte Accountants B.V.

Signed on the original: E. Scheffer