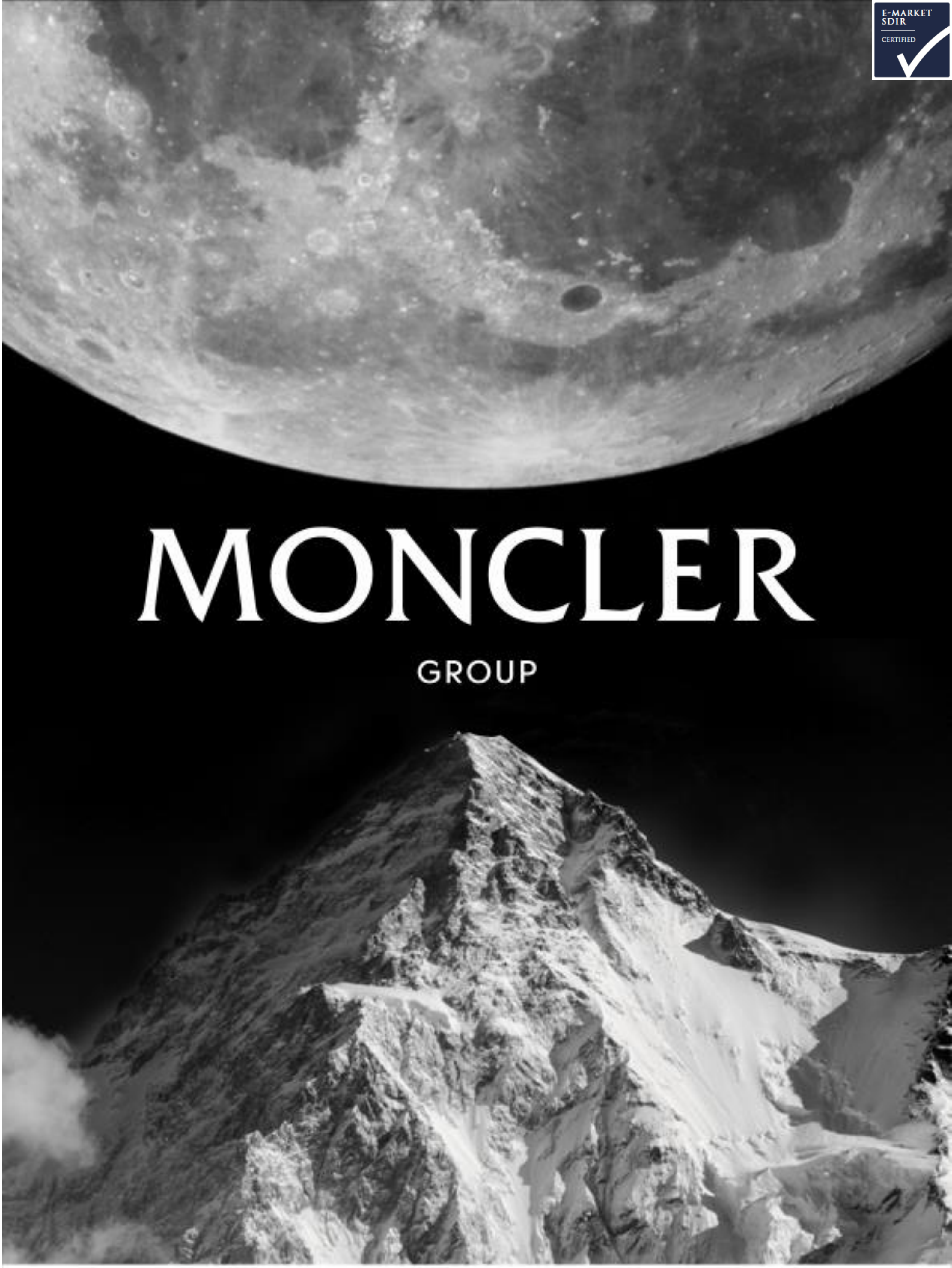
E-MARKET SDIR CERTIFIED



MONCLER

GROUP

HALF YEAR FINANCIAL REPORT AS OF 30 JUNE 2021

E-MARKET SDIR CERTIFIED

INDEX

CORPORATE INFORMATION

REGISTERED OFFICE

Moncler S.p.A.
Via Enrico Stendhal, 47
20144 Milan – Italy
Phone: +39 02 42203500

ADMINISTRATIVE OFFICE

Via Venezia, 1
35010 Trebaseleghe (Padua) – Italy
Phone: +39 049 9323111
Fax: +39 049 9323339

LEGAL INFORMATION

Authorized and issued share capital EUR 54.736.558,00
VAT, Tax Code and Chamber of Commerce enrollment No.: 04642290961
R.E.A. Reg. Milan No. 1763158

OFFICES AND SHOWROOMS

Milan Via Solari, 33
Milan Via Savona, 56

CORPORATE BODIES

BOARD OF DIRECTORS

Remo Ruffini	Chairman and Chief Executive Officer
Marco De Benedetti	Vice President Lead Independent Director Control, Risk and Sustainability Committee Nomination and Remuneration Committee
Nerio Alessandri	Independent Director
Roberto Eggs	Executive Director
Gabriele Galateri di Genola	Independent Director Control, Risk and Sustainability Committee
Alessandra Gritti	Independent Director Nomination and Remuneration Committee
Virginie Sarah Sandrine Morgon	Indipendent Director Related Parties Committee
Diva Moriani	Independent Director Related Parties Committee Nomination and Remuneration Committee
Stephanie Phair	Independent Director
Guido Pianaroli	Independent Director Control, Risk and Sustainability Committee Related Parties Committee
Carlo Rivetti	Non- Executive Director
Luciano Santel	Executive Director

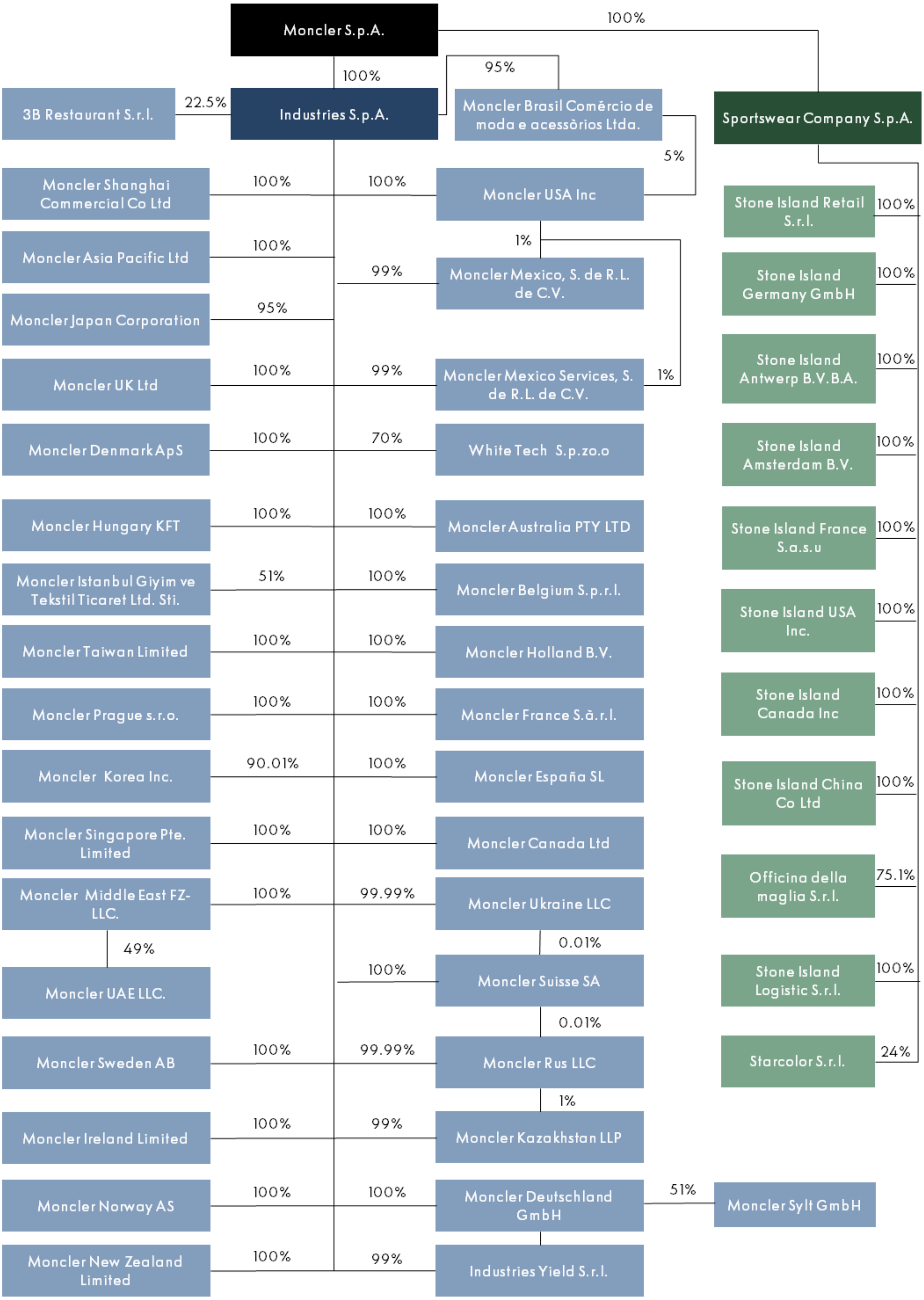
BOARD OF STATUTORY AUDITORS

Riccardo Losi	Chairman
Carolyn Dittmeier	Standing Auditor
Nadia Fontana	Standing Auditor
Federica Albizzati	Alternate Auditor
Lorenzo Mauro Banfi	Alternate Auditor

EXTERNAL AUDITORS

KPMG S.p.A.

GROUP CHART AS OF 30 JUNE 2021



GROUP STRUCTURE

The Half-Year Financial Report of the Moncler Group as of 30 June 2020 includes Moncler S.p.A. (Moncler, Parent Company), Industries S.p.A., Sportswear Company S.p.A. the sub-holding company directly controlled by Moncler, and 45 consolidated subsidiaries in which the Parent Company holds indirectly a majority of the voting rights, or over which it exercises control, or from which it is able to derive benefits by virtue of its power to govern both on a financial and an operating aspect.

Consolidation area

Moncler S.p.A.	Parent company which holds the Moncler brand
Industries S.p.A.	Sub-holding company, directly involved in the management of foreign companies and distribution channels (retail, wholesale) in Italy and licensee of the Moncler brand
Industries Yield S.r.l.	Company that manufactures apparel products
Moncler Asia Pacific Ltd	Company that manages DOS in Hong Kong SAR and in Macau SAR
Moncler Australia PTY LTD	Company that manages DOS in Australia
Moncler Belgium S.p.r.l.	Company that manages DOS in Belgium
Moncler Brasil Comércio de moda e acessòrios Ltda.	Company that manages DOS in Brazil
Moncler Canada Ltd	Company that manages DOS in Canada
Moncler Denmark ApS	Company that manages DOS in Denmark
Moncler Deutschland GmbH	Company that manages DOS and promotes goods in Germany and Austria
Moncler España SL	Company that manages DOS in Spain
Moncler France S.à.r.l.	Company that manages DOS and distributes and promotes goods in France
Moncler Holland B.V.	Company that manages DOS in the Netherlands
Moncler Hungary KFT	Company that manages DOS in Hungary
Moncler Ireland Limited	Company that manages DOS in Ireland
Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti.	Company that manages DOS in Turkey
Moncler Japan Corporation	Company that manages DOS and distributes and promotes goods in Japan
Moncler Kazakhstan LLP	Company that manages DOS in Kazakhstan
Moncler Korea Inc.	Company that manages DOS and distributes and promotes goods in South Korea
Moncler Mexico, S. de R.L. de C.V.	Company that manages DOS in Mexico
Moncler Mexico Services, S. de R.L. de C.V.	Company that provides services to Moncler Mexico, S. de R.L. de C.V.
Moncler Middle East FZ-LLC	Holding Company for the Middle East
Moncler New Zealand Limited	Company that will manage DOS in New Zealand

Moncler Norway AS	Company that manages DOS in Norway
Moncler Prague s.r.o.	Company that manages DOS in the Czech Republic
Moncler Rus LLC	Company that manages DOS in Russia
Moncler Shanghai Commercial Co. Ltd	Company that manages DOS in China
Moncler Singapore Pte. Limited	Company that manages DOS in Singapore
Moncler Suisse SA	Company that manages DOS in Switzerland
Moncler Sweden AB	Company that manages DOS in Sweden
Moncler Sylt GmbH	Company in liquidation (Germany)
Moncler Taiwan Limited	Company that manages DOS in Taiwan
Moncler UAE LLC	Company that manages DOS in the United Arab Emirates
Moncler UK Ltd	Company that manages DOS in the United Kingdom
Moncler Ukraine LLC	Company that manages DOS in Ukraine
Moncler USA Inc	Company that manages DOS and promotes and distributes goods in North America
White Tech Sp.zo.o.	Company that manages quality control of down
Officina della Maglia Srl	Company that carries out the manufacturing of knitwear products
Sportswear Company SpA	Sub-holding company that owns Stone Island
Stone Island Amsterdam BV	Company that manages DOS in the Netherlands
Stone Island Antwerp BVBA	Company that manages DOS in Belgium
Stone Island Canada Inc	Company that manages the DOS in Canada
Stone Island China Co Ltd	Company that manages the DOS in China
Stone Island France	Company that manages DOS in France
Stone Island Germany GmbH	Company that acts as Agent for Germany and Austria and manages DOS in Germany
Stone Island Logistics Srl	Company that carries out logistics activities
Stone Island Retail Srl	Company that manages DOS in Italy
Stone Island USA Inc	Company that manages DOS and promotes and distributes goods in USA

HALF-YEAR DIRECTORS' REPORT

FINANCIAL RESULTS ANALYSIS

All consolidated operating and balance sheet results reported and commented below include the first half results for the Moncler brand and the second quarter results for the Stone Island brand.

The Purchase Price Allocation (PPA) related to the acquisition of 100% of Sportswear Company, that holds the Stone Island Brand, generated the impacts listed in the table below. In particular, the values allocated to the Brand and Goodwill did not generate any impact on the Income Statement, while the allocation of part of the excess price to the order backlog generated in the first half a EUR 6.4 million amortisation. The consolidated operating results exclude these EUR 6.4 million as well as some of the costs related to the acquisition equal to EUR 3.6 million.

Stone Island Purchase Price Allocation

(EUR/000)	
Total price	1,150,000
Net equity value acquired	(129,015)
EXCESS PRICE	1,020,985
Trademark	775,454
Order backlog	20,226
Deferred Tax assets	(221,995)
Goodwill	447,300
PURCHASE PRICE ALLOCATION	1,020,985

Below is the reconciliation statement of the adjustments to the Consolidated Income Statement for the first half of 2021 due to the impact of the Purchase Price Allocation (PPA) and the other costs associated with the transaction.

(EUR/000)	First Half 2021 reported	% on revenue	PPA and transaction adj	First Half 2021 adj	% on revenue
REVENUES	621,768	100.0%	-	621,768	100.0%
YoY performance	+54%			+54%	
GROSS MARGIN	467,647	75.2%	-	467,647	75.2%
Selling expenses	(236,362)	(38.0%)	6,449	(229,913)	(37.0%)
General & Administrative expenses	(110,338)	(17.7%)	3,619	(106,719)	(17.2%)
Marketing expenses	(38,215)	(6.1%)	-	(38,215)	(6.1%)
EBIT	82,732	13.3%	10,068	92,800	14.9%
Net financial	(9,742)	(1.6%)	-	(9,742)	(1.6%)
EBT	72,990	11.7%	10,068	83,058	13.4%
Taxes	(22,352)	(3.6%)	(1,799)	(24,151)	(3.9%)
Tax Rate	30.6%			29.1%	
Non-controlling interests	(183)	(0.0%)	-	(183)	(0.0%)
NET RESULT	50,455	8.1%	8,269	58,724	9.4%

ECONOMIC RESULTS

Following is the consolidated income statement for the first half of 2021 and 2020.

(EUR/000)	First Half 2021 adj	% on revenue	First Half 2020	% on revenue
REVENUES	621,768	100.0%	403,334	100.0%
YoY performance	+54%		-29%	
GROSS MARGIN	467,647	75.2%	279,570	69.3%
Selling expenses	(229,913)	(37.0%)	(190,937)	(47.3%)
General & Administrative expenses	(106,719)	(17.2%)	(79,794)	(19.8%)
Marketing expenses	(38,215)	(6.1%)	(44,329)	(11.0%)
EBIT	92,800	14.9%	(35,490)	(8.8%)
Net financial	(9,742)	(1.6%)	(11,221)	(2.8%)
EBT	83,058	13.4%	(46,711)	(11.6%)
Taxes	(24,151)	(3.9%)	15,086	3.7%
Tax Rate	29.1%		32.3%	
Non-controlling interests	(183)	(0.0%)	(7)	(0.0%)
NET RESULT	58,724	9.4%	(31,632)	(7.8%)

EBITDA RECONCILIATION

(EUR/000)	First Half 2021 adj	% on revenue	First Half 2020	% on revenue
EBIT	92,800	14.9%	(35,490)	(8.8%)
D&A	48,417	7.8%	39,166	9.7%
Rights-of-use-amortisation	63,910	10.3%	61,336	15.2%
Stock-based compensation	14,898	2.4%	11,700	2.9%
EBITDA Adj.	220,025	35.4%	76,712	19.0%
Rents associated to rights-of-use	(71,734)	(11.5%)	(69,792)	(17.3%)
EBITDA Adj. pre IFRS 16	148,291	23.8%	6,920	1.7%

CONSOLIDATED REVENUE

In the first six months of 2021 Moncler Group reached consolidated revenue of EUR 621.8 million (+57% at constant exchange rates), including Moncler brand revenues (EUR 565.5 million) and Stone Island brand ones (EUR 56.2 million, consolidated for the second quarter only). Assuming Stone Island consolidated since 1 January 2021, H1 2021 revenues would have been EUR 709.9 million.

In the second quarter, the Group revenues were EUR 256.3, composed by EUR 200.1 million for the Moncler brand and EUR 56.2 million for Stone Island.

Moncler Group: Revenue by Brand

MONCLER GROUP	First Half 2021		First Half 2020		YoY growth % vs 2020	
	EUR 000	%	EUR 000	%	Current FX	Constant FX
Moncler	565,540	91.0%	403,334	100.0%	+40%	+43%
Stone Island	56,228	9.0%	-	-	-	-
REVENUE	621,768	100.0%	403,334	100.0%	+54%	+57%

ANALYSIS OF MONCLER BRAND REVENUE

In the first six months of 2021, Moncler brand revenues were EUR 565.5 million, versus EUR 403.3 million in the same period of 2020, +43% at constant exchange rates (+40% at current exchange rates), and +1% at constant exchange rates compared with the first half of 2019.

In the second quarter, revenue for the Brand amounted to EUR 200.1 million, an increase of 118% with respect to Q2 2020 and 5% at constant exchange rates compared with Q2 2019, even though the ongoing Covid-19 pandemic continued to impact Q2 revenues especially in Japan and EMEA. Revenue performance with local clients was very good, rising double digits at the global level compared with the same period in 2019.

Moncler: Revenue by Geography

MONCLER	First Half 2021		First Half 2020		YoY growth % vs 2020	
	EUR 000	%	EUR 000	%	Current FX	Constant FX
Asia	282,551	50.0%	181,672	45.0%	+56%	+59%
EMEA	187,774	33.2%	171,861	42.7%	+9%	+10%
Americas	95,215	16.8%	49,801	12.3%	+91%	+101%
REVENUE	565,540	100.0%	403,334	100.0%	+40%	+43%

In Asia (which includes APAC, Japan and Korea), first-half revenue showed growth of 59% at constant exchange rates with respect to the first half of 2020 and 15% on the same period in 2019.

In the second quarter, revenue in the APAC region recorded double-digit growth compared with Q2 2019 mainly driven by the Chinese mainland, where revenue almost doubled compared to Q2 2019.

Performance was also excellent in Korea, with strong double-digit growth compared to the same period in 2019. Conversely, due to the tightening of pandemic-related restrictions, revenue in Japan slowed in Q2 and was negative with respect to the second quarter of 2019.

In EMEA, in the first half of 2021, revenue increased by 10% at constant exchange rates with respect to 2020 (-20% at constant exchange rates compared with H1 2019), with an improvement in the second quarter (-11% vs 2019) also thanks to the loosening of restrictions put in place to contain the pandemic. Specifically, in the second quarter, the United Kingdom and Germany significantly outperformed the regional average.

At constant exchange rates, revenue in the Americas doubled since the first half of 2020 and grew by 17% with respect to H1 2019, with growth accelerating in the second quarter (+40% compared with Q2 2019). The United States drove the Region's performance.

Moncler: Revenue by Channel

MONCLER	First Half 2021		First Half 2020		YoY growth % vs 2020	
	EUR 000	%	EUR 000	%	Current FX	Constant FX
DTC	418,407	74.0%	300,506	74.5%	+39%	+44%
Wholesale	147,133	26.0%	102,828	25.5%	+43%	+42%
REVENUE	565,540	100.0%	403,334	100.0%	+40%	+43%

In the first half, the Direct-To-Consumer (DTC)[1] distribution channel produced revenue of EUR 418.4 million: +44% at constant exchange rates compared with the first half of 2020 (EUR 300.5 million) and -2% on the same period in 2019. The second quarter, despite an improvement in certain markets, suffers in comparison with 2019 as a result of the decreased traffic in Japan, due to more restrictive measures to fight the pandemic and the decision to delay the important launch of Moncler Genius Fragment from June to July. The e-commerce channel continued to grow strongly (triple digit on 2019).

- Revenues by stores open for at least 12 months (Comp-Store Sales)[2] grew by 41% compared with H1 2020.
- During the half-year, on average, about 10% of the retail store network underwent temporary closures.

The wholesale channel reported revenue of EUR 147.1 million, compared with EUR 102.8 million in the first half of 2020, an increase of 42% at constant exchange rates on H1 2020 and of 10% on the same period in 2019. Performance in this channel was driven by strong reorders, especially in the American market, and by e-tailers, which continued to significantly outperform the channel average.

At 30 June 2021, the network of mono-brand Moncler boutiques was made up of 224 directly operated stores (DOS), an increase of five since 31 December 2020, of which three opened in the second quarter. The Moncler brand also operates 63 wholesale shop-in-shops (SIS), stable compared to 31 December 2020 and 31 March 2021.

At 30 June, nine DOS were still temporarily closed.

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[1] The DTC channel includes revenues from DOS, from direct online and from *e-concessions*

[2] Comparable Store Sales Growth (CSSG) considers revenues growth from DOS (excluding outlets) open for at least 52 weeks and the online store; stores that have been expanded and/or relocated are not included.

Moncler: Mono-brand distribution network

MONCLER	30/06/2021	31/03/2021	31/12/2020
Asia	107	105	104
EMEA	81	80	80
Americas	36	36	35
RETAIL	224	221	219
WHOLESALE	63	63	63

ANALYSIS OF STONE ISLAND BRAND REVENUE

In the second quarter of 2021, when it was first consolidated into the Moncler Group, the Stone Island brand reported revenue of EUR 56.2 million (EUR 144.3 million from 1 January 2021).

During the quarter the Brand enjoyed significant growth in all its markets, including the domestic one, which accounted for approximately 20% of total revenues, and in other European countries. Growth was very strong in the wholesale channel, which made up 72% of the Brand's total revenues for the period. Performance of the DTC channel was excellent, driven by the growth of online revenues as well as new store openings in China and the United States.

At 30 June 2021, the network of mono-brand Stone Island stores was made up of 30 retail and 56 mono-brand wholesale stores.

MONCLER GROUP INCOME STATEMENT RESULTS

All consolidated performance and balance sheet figures reported and discussed below include the first-half results for the Moncler brand and the second quarter results for the Stone Island brand. They also exclude the impacts of the Purchase Price Allocation (PPA) adjustments and of other costs related to the acquisition of the brand Stone Island.

Cost of goods sold and gross margin

In the first six months of 2021, the consolidated gross margin was EUR 467.6 million, with an incidence of 75.2% compared to 69.3% in the same period of 2020 and to 76.7% in the first semester of 2019. The decrease in margin compared to 2019 is entirely due to the higher incidence of the wholesale channel arising from the consolidation of the Stone Island brand.

Operating expenses and EBIT

Selling expenses were EUR 229.9 million compared with EUR 190.9 million in the first half of 2020, with 37.0% incidence on revenues (47.3% in H1 2020 and 36.3% in H1 2019). These selling expenses include EUR 106.5 million of rents costs (excluding IFRS 16 impacts) compared with EUR 89.1 million in the first half 2020. General and administrative expenses were EUR 106.7 million, with 17.2% incidence on revenues, compared with EUR 79.8 million in the first half of 2020 (19.8% on revenues) and EUR 84.8 million in the first half of 2019 (14.9% on revenues). This increase is mainly due to the investments in people made to strengthen the brands and to consolidate the future growth of the business.

The stock-based compensation plans, included in selling, general and administrative expenses, were equal to EUR 14.9 million in the first half of 2021, compared with EUR 11.7 million in the first half of 2020.

Marketing expenses were EUR 38.2 million, representing 6.1% of revenues, compared to 11.0% in the first half of 2020 and compared with 7.5% in H1 2019. Management expects an incidence of around 7% at year end, in line with FY 2019.

Depreciation and amortisation, excluding those related to right-of-use assets ex IFRS 16, were EUR 42.0 million compared to EUR 39.2 million in the first half of 2020. The increase is related to the investments made in the last 12 months.

EBIT was EUR 92.8 million, with a margin of 14.9%, compared with an operating loss of EUR 35.5 million in the first half of 2020, and with 18.0% margin in the first half of 2019.

In the first half of 2021, the net interests were EUR 9.7 million, compared with EUR 11.2 million in the corresponding period of 2020, mainly related to lease liabilities ex IFRS 16.

The tax rate was equal to 29.1% in the first half of 2021.

In the first half of 2021, net result was EUR 58.7 million, compared to a loss of EUR 31.6 million in the first half of 2020 and a profit of EUR 70.0 million in the first half of 2019.

MONCLER GROUP CONSOLIDATED BALANCE SHEET AND CASH FLOW ANALYSIS

Following is the reclassified consolidated statement of financial position as of 30 June 2021, 31 December 2020 and 30 June 2020.

(EUR/000)	30/06/2021	31/12/2020	30/06/2020
Intangible assets	1,681,873	437,890	435,388
Tangible assets	242,159	212,189	206,538
Right-of-use assets	675,536	590,798	575,394
Other non-current assets/(liabilities)	(16,640)	177,817	123,638
TOTAL NON-CURRENT ASSETS/(LIABILITIES)	2,582,928	1,418,694	1,340,958
Net working capital	179,979	165,011	99,208
Other current assets/(liabilities)	(98,683)	(151,457)	(105,533)
TOTAL CURRENT ASSETS/(LIABILITIES)	81,296	13,554	(6,325)
INVESTED CAPITAL	2,664,224	1,432,248	1,334,633
Net debt/(net cash)	(233,878)	(855,275)	(595,111)
Lease liabilities	734,925	640,251	622,892
Pension and other provisions	20,452	20,135	16,904
Shareholders' equity	2,142,725	1,627,137	1,289,948
TOTAL SOURCES	2,664,224	1,432,248	1,334,633

The increase in intangible assets is entirely due to the effects of the PPA relating to the acquisition of Stone Island as explained in the table on page 9, which generated an increase in intangible assets in the Balance Sheet for EUR 1,222.8 million, of which EUR 775.5 million for the Stone Island brand and EUR 447.3 of Goodwill.

Net working capital

Net working capital was EUR 180.0 million, compared with EUR 99.2 million at 30 June 2020, equal to 9.6% of last-twelve-months revenues (6.8% at 30 June 2020 and 11.5% at 31 December 2020). The increase of net working capital reflects the consolidation of the results of the Stone Island brand, mainly influenced by the accounts receivables of the wholesale business model.

(EUR/000)	30/06/2021	31/12/2020	30/06/2020
Payables	(268,017)	(211,903)	(235,902)
Inventory	309,034	202,770	267,631
Receivables	138,962	174,144	67,479
NET WORKING CAPITAL	179,979	165,011	99,208
% on LTM revenue	9.6%	11.5%	6.8%

Net financial position

As of 30 June 2021, the net financial position was positive and equal to EUR 233.9 million, compared with EUR 855.3 million of net cash at 31 December 2020 and with EUR 595.1 million at 30 June 2020. As required by the IFRS 16 accounting standard, at 30 June 2021 the Group accounted EUR 734.9 million of lease liabilities compared with EUR 640.3 million at 31 December 2020 and compared with EUR 622.9 million at 30 June 2020.

(EUR/000)	30/06/2021	31/12/2020	30/06/2020
Cash	401,994	923,498	667,414
Net financial debt (net of financial credit)	(168,116)	(68,223)	(72,303)
NET DEBT	233,878	855,275	595,111
Lease liabilities	(734,925)	(640,251)	(622,892)

Following is the reclassified consolidated statement of cash flow for the first halg of 2021 and 2020[3].

(EUR/000)	First Half 2021	First Half 2020
EBIT	92,800	(35,490)
D&A	41,968	39,166
Other non-current assets/(liabilities)	7,074	3,244
Change in net working capital	61,164	28,958
Change in other curr./non-curr. assets/(liabilities)	(77,172)	(87,153)
Capex, net	(49,810)	(36,678)
OPERATING CASH FLOW	76,024	(87,953)
Net financial result	(425)	(795)
Taxes	(24,609)	14,588
FREE CASH FLOW	50,990	(74,160)
Dividends paid	(118,323)	-
Transazione Stone Island	(551,157)	-
Changes in equity and other changes	(2,907)	6,649
NET CASH FLOW	(621,397)	(67,511)
Net Financial Position - Beginning of Period	855,275	662,622
Net Financial Position - End of Period	233,878	595,111
CHANGE IN NET FINANCIAL POSITION	(621,397)	(67,511)

[3] Excluding the impacts of the IFRS 16 accounting principle

Free cash flow in the first half of 2021 was positive and equal to EUR 51.0 million, compared to the negative cash generation of EUR 74.2 million in the same period of 2020. Net cash flow was negative and equal to EUR 621.4 million, compared to negative EUR 67.5 million in the first half of 2020, mainly due to the cash-out of EUR 551.2 million for the acquisition of the Stone Island brand and EUR 118.3 million of dividends.

Net capital expenditure

In the first half of 2021, net capital expenditure was EUR 49.8 million, higher compared to the first half of 2020 (EUR 36.7 million). This includes investments for the development of the distribution network (EUR 32.2 million) and for general infrastructure (EUR 17.6 million); the latter mainly relates to Information Technology and the expansion of the production sites.

(EUR/000)	30/06/2021	31/12/2020	30/06/2020
Distribution	32,224	54,913	20,426
Infrastructure	17,586	35,456	16,252
NET CAPEX	49,810	90,369	36,678
% on revenue	8.0%	6.3%	9.1%

Disclaimer
This document contains forward-looking statements, in particular in the sections headed "Business Outlook" and "Significant events occured after 30 June 2020" relating to future events, the operating income and financial results of the Moncler Group. These statements are based on the Group's current expectations and forecasts regarding future events and, by their nature involve risks and uncertainties since they refer to events and depend on circumstances which may, or may not, happen or occur in the future and, as such, they must not be unduly rilied upon. The actual results ould differ significantly from those contained in these statements due to a variety of factors, including changes in the macroeconomics and in economic growth and other changes in business conditions, changes in legal and institutional framework (both in Italy and abroad), and many other factors, most of which are beyond the Group's control.

SIGNIFICANT EVENTS OCCURRED DURING THE FIRST SIX MONTHS OF 2021

Integration of Stone Island into Moncler S.p.A.

In the first quarter of 2021 the activities aimed at finalising the aggregation of Sportswear Company S.p.A. ("SPW"), that holds Stone Island brand, in Moncler S.p.A., continued, as already announced to the market on 7 December 2020. More specifically, on 23 February 2021, in line with the provision of the framework agreement executed on 6 December 2020 between the Company and the SPW's shareholders referable to the Rivetti family (the "Rivetti Shareholders"), Moncler, the Rivetti Shareholders and Venezio Investments Pte Ltd (vehicle fully indirectly controlled by Temasek Holdings (Private) Limited) ("Venezio") signed the contractual documentation aimed at the purchase of the 100% of SPW's share capital by Moncler S.p.A.

On 25 March 2021 the Extraordinary Shareholders' Meeting of Moncler approved the proposal to increase the share capital against payment with exclusion of the pre-emptive right pursuant to Article 2441, paragraphs 5 and 6, of the Italian Civil Code, reserved for subscription to the Rivetti Shareholders and Venezio. As a result of the subscription and payment of the reserved share capital increase (a) Rivetex S.r.l. (a company referable to Carlo Rivetti) received no. 7,680,413 shares; (b) Mattia Rivetti Riccardi received no. 779,732 shares; (c) Ginevra Alexandra Shapiro received no. 779,732 shares; (d) Pietro Brando Shapiro received no. 779,732 shares; (e) Alessandro Gilberti received no. 711,507 shares; (f) Venezio received no. 4,599,050 shares. The essential information regarding the contractual documentation executed in the context of the transaction are available on Moncler' website (www.monclergroup.com, Section "Governance/Documents and procedures").

On 31 March 2021 the acquisition of the entire share capital of SPW was completed and Carlo Rivetti was appointed as member of Moncler S.p.A. Board of Directors.

Amendments to the By-laws

The Extraordinary Shareholders' Meeting held on 25 March 2021, in addition to having approved the capital increase serving the transaction, approved the single proposal of amendments to the Company's By-laws. In particular, the Shareholders' Meeting resolved upon amending (i) Artt. 8 and 12 to delete the quorums to convene meetings and pass resolutions for the approval by the Extraordinary Shareholders' Meeting of resolutions on certain matters and application of quorums provided by applicable law; (ii) Art. 13 to replace the fixed number of directors (11 or 13), with the indication of a minimum number of 9 directors and a maximum number of 15 directors, and to increase the number of independent directors who shall be the majority of board members.

Partial demerger of Sportswear Company S.p.A. in favour of Moncler S.p.A.

On 18 May 2021, the Board of Directors of Moncler S.p.A. and its subsidiary SPW, that holds the Stone Island brand, approved the plan of partial demerger of SPW in favour of Moncler S.p.A.. The assets of SPW that, in connection with the de-merger, will be transferred to Moncler S.p.A. are the Stone Island brand and the set of assets and contracts that compose SPW Style and Marketing business divisions. On 29 June 2021, the Boards of Directors of both the companies adopted the decisions concerning the demerger pursuant to Art. 2505, paragraph 2, of the Italian Civil Code. The demerger is part of the broader integration between Moncler S.p.A. and SPW and then of the reorganisation process of the Moncler Group and would ensure the Moncler Group a greater operational, functional and economic efficiency. The demerger deed may be executed on December 2021, subject to the opinion of the Financial Administration on the request for ruling submitted by Moncler S.p.A. in relation to the workability of certain fiscal effects connected to the demerger.

Dividends

On 22 April 2021, the Ordinary Shareholders' Meeting approved the Moncler S.p.A Financial Statements for FY 2020 and approved the distribution of a gross dividend of EUR 0.45 per share.

Composition of the Board of Directors

On 22 April 2021, the Ordinary Shareholders' Meeting, amending the resolution taken on 16 April 2019, which resolved to increase from 11 to 12 the number of members of the Board of Directors (which will remain in office until the date of the Shareholders' Meeting called for the approval of the financial statements at 31 December 2021) as well as to appoint Carlo Rivetti as a new Director.

On the same date the Board of Directors of Moncler S.p.A., met following the Shareholders' meeting, and designated Carlo Rivetti as Manager with Strategic Responsibilities of Moncler Group.

Moncler Japan Corporation

During the first quarter of 2021, Moncler acquired from its local partner (Yagi Tsusho Limited) the third tranche (representing 28.9% of the share capital) of its stake in Moncler Japan Corporation for a net cash outlay of EUR 44.3 million. As a result of this acquisition, Moncler Group now owns a stake representing 94.9% of Moncler Japan Corporation.

Gino Fisanotti new Chief Brand Officer

On 1 June 2021, Moncler announced the arrival of Gino Fisanotti in the newly created position of Moncler brand, Chief Brand Officer, effective from 7 June 2021. Gino Fisanotti reports directly to Remo Ruffini, Chairman and CEO of Moncler S.p.A. and has joined Moncler's Strategic Committee as Manager with Strategic Responsibilities while Roberto Eggs has assumed the role of Chief Business Strategy and Global Markets Officer for the Group.

2020 Performance Shares Plan

On 14 June 2021, the Board of Directors, having obtained the favourable of the Nomination and Remuneration Committee, resolved to implement a second attribution cycle of the plan called "2020 Performance Shares Plan" approved by the Shareholders' Meeting on 11 June 2020, and consequently resolved the granting of 463,425 shares to 59 beneficiaries including also the Chairman and Chief Executive Officer Remo Ruffini, the Executive Director, Roberto Eggs, and one Manager with Strategic Responsibilities.

SIGNIFICANT EVENTS OCCURRED AFTER 30 JUNE 2021

No significant event occurred after 30 June 2021.

BUSINESS OUTLOOK

The Covid-19 pandemic has continued into 2021, making medium-term forecasts more difficult. Although the vaccine campaign is moving along at a rapid pace, the potential for new variants of the virus to emerge has left the situation uncertain. This risk will continue to limit international travel, especially of the so-called "outside the region" tourists, who are so important to the industry where the Group operates, and could also lead to additional restrictive measures that might have a further negative impact on revenues. The Group has already demonstrated its ability to react quickly to changing scenarios, by adapting its long-range strategy to short-term uncertainties.

In this context, the Moncler Group management confirms that it will continue to implement all the necessary actions to develop the Moncler and Stone Island brands on the basis of the following strategic lines.

NEW VISION OF LUXURY. United by the vision "Beyond Fashion, Beyond Luxury", Moncler and Stone Island strive to interpret the constantly evolving cultural landscape by offering a new concept of luxury for the younger generations, built on experience, interaction, community, and the cross-fertilisation of different cultural codes.

GLOBAL DIMENSION AND UNIQUE POSITIONING. Over the years, Moncler has followed a growth strategy based on two key objectives: to become a global brand with a direct relationship with the consumer, and to strive for constant growth while maintaining a unique positioning that stays true to its DNA. This approach continues to inspire the Group, whose experience should help Stone Island in seeking its growth opportunities in the American and Asian markets and in the direct-to-consumer channel, while reinforcing the Brand unique positioning based on its defining philosophy of research and experimentation.

SUSTAINABLE GROWTH AND SHARED VALUE. The Moncler Group believes in sustainable, responsible, long-term development, in pursuit of shared value that meets the expectations of its stakeholders. Its Sustainability Plan is built on five strategic priorities: climate change, circular economy, responsible sourcing, valuing diversity, and support for local communities.

MULTICHANNEL DISTRIBUTION AND COMMUNICATION. The Moncler Group's multi-channel approach seeks a direct, interactive, and genuine relationship with its clients in every moment and touch points, knowing that pursuing such an objective requires the support of a consistent and integrated multichannel communication strategy.
At the core of the Group's distribution strategy is a vision of growth across all platforms, online and offline, where new ways of interacting with the consumer can be constantly explored.
In this respect, Stone Island is also embarking on a path that will give it greater control of its international markets, especially through the expansion of Direct-To-Consumer channels.

PERVASIVE DIGITAL CULTURE. Developing and implementing its strategy digitally is an increasingly important goal for a Group that believes in a "Digital First" approach. Everything from the conceptualization of collections to product development and event designing must be shaped and defined thinking of digital platforms as the first point of contact, before extending to other channels.

RELATED PARTIES TRANSACTIONS

Information relating to related party transactions are provided in Note 10.1 of the Half-Year Consolidated Financial Statements.

ATYPICAL AND/OR UNUSUAL TRANSACTIONS

There are no positions or transactions deriving from atypical and/or unusual transactions that could have a significant impact on the results and financial position of the Group and the Parent Company.

TREASURY SHARES

As at 30 June 2021, Moncler S.p.A. held a total of 4,106,680 treasury shares (1.5% of share capital).

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Milan, 27 July 2021

For the Board of Directors

Remo Ruffini

Chairman and Chief Executive Officer

HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Consolidated income statement (Euro/000)	Notes	1H 2021	of which related parties (note 10.1)	1H 2020	of which related parties (note 10.1)
Revenue	4.1	621,768	609	403,334	508
Cost of sales	4.2	(154,121)	(4,814)	(123,764)	(5,596)
Gross margin		467,647		279,570	
Selling expenses	4.3	(236,362)	(1,070)	(190,937)	(702)
General and administrative expenses	4.4	(110,338)	(7,171)	(79,794)	(5,737)
Marketing expenses	4.5	(38,215)		(44,329)	
Operating result	4.6	82,732		(35,490)	
Financial income	4.7	1,409		301	
Financial expenses	4.7	(11,151)		(11,522)	
Result before taxes		72,990		(46,711)	
Income taxes	4.8	(22,352)		15,086	
Net Result including Minority		50,638		(31,625)	
Non-controlling interests		(183)		(7)	
Net result, Group share		50,455		(31,632)	
Earnings per share (unit of Euro)	5.16	0.19		(0.13)	
Diluted earnings per share (unit of Euro)	5.16	0.19		(0.12)	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income (Euro/000)	Notes	1H 2021	1H 2020
Net profit (loss) for the period		50,638	(31,625)
Gains/(Losses) on fair value of hedge derivatives	5.16	(5,943)	955
Gains/(Losses) on exchange differences on translating foreign operations	5.16	5,372	(4,165)
Items that are or may be reclassified to profit or loss		(571)	(3,210)
Other Gains/(Losses)	5.16	122	(47)
Items that will never be reclassified to profit or loss		122	(47)
Other comprehensive income/(loss), net of tax		(449)	(3,257)
Total Comprehensive income/(loss)		50,189	(34,882)
Attributable to:			
Group		50,005	(34,885)
Non controlling interests		184	3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated statement of financial position					
(Euro/000)	Notes	30 June 2021	of which related parties (note 10.1)	31 December 2020	of which related parties (note 10.1)
Brands and other intangible assets - net	5.1	1,078,456		282,308	
Goodwill	5.1	603,417		155,582	
Property, plant and equipment - net	5.3	917,695		802,987	
Investments (in associates for consolidation)		773		0	
Other non-current assets	5.9	35,852		33,523	
Deferred tax assets	5.4	174,028		150,832	
Non-current assets		2,810,221		1,425,232	
Inventories and work in progress	5.5	309,034		202,770	
Trade account receivables	5.6	138,962	24,381	174,144	11,205
Tax assets	5.12	35,927		5,089	
Other current assets	5.9	38,536		21,086	
Financial current assets	5.8	2,598		4,793	
Cash and cash equivalent	5.7	401,994		923,498	
Current assets		927,051		1,331,380	
Total assets		3,737,272		2,756,612	
Share capital	5.16	54,737		51,671	
Share premium reserve	5.16	745,309		173,374	
Other reserves	5.16	1,291,539		1,101,652	
Net result, Group share	5.16	50,455		300,351	
Equity, Group share		2,142,040		1,627,048	
Non controlling interests		685		89	
Equity		2,142,725		1,627,137	
Long-term borrowings	5.15	658,917		562,844	
Provisions non-current	5.13	10,332		12,949	
Pension funds and agents leaving indemnities	5.14	10,120		7,186	
Deferred tax liabilities	5.4	227,116		6,396	
Other non-current liabilities	5.11	177		142	
Non-current liabilities		906,662		589,517	
Short-term borrowings	5.15	246,723		150,423	
Trade account payables	5.10	268,017	32,387	211,903	15,851
Tax liabilities	5.12	80,345		93,622	
Other current liabilities	5.11	92,800	1,796	84,010	589
Current liabilities		687,885		539,958	
Total liabilities and equity		3,737,272		2,756,612	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity (Euro/000)	Notes	Share capital	Share premium	Legal reserve	Other comprehensive income		Other reserves			Result of the period, Group share	Equity, Group share	Equity, non controlling interest	Total consolidated Net Equity
					Cumulative translation reserve	Other OCI items	IFRS 2 reserve	FTA reserve	Retained earnings				
Group shareholders' equity at 1 January 2020	5.16	51,596	172,272	10,300	(2,876)	(1,709)	37,224	(23,434)	704,230	358,685	1,306,288	80	1,306,368
Allocation of Last Year Result		0	0	19	0	0	0	0	358,666	(358,685)	0	0	0
Changes in consolidation area		0	0	0	0	0	0	0	0	0	0	0	0
Dividends		0	0	0	0	0	0	0	0	0	0	0	0
Share capital increase		75	1,102	0	0	0	0	0	(61)	0	1,116	0	1,116
Other movements in Equity		0	0	0	0	0	3,025	0	14,321	0	17,346	0	17,346
Other changes of comprehensive income		0	0	0	(4,161)	908	0	0	0	0	(3,253)	(4)	(3,257)
Result of the period		0	0	0	0	0	0	0	0	(31,632)	(31,632)	7	(31,625)
Group shareholders' equity at 30 June 2020	5.16	51,671	173,374	10,319	(7,037)	(801)	40,249	(23,434)	1,077,156	(31,632)	1,289,865	83	1,289,948
Group shareholders' equity at 1 January 2021	5.16	51,671	173,374	10,319	(18,183)	1,064	58,450	(23,434)	1,073,436	300,351	1,627,048	89	1,627,137
Allocation of Last Year Result		0	0	15	0	0	0	0	300,336	(300,351)	0	0	0
Changes in consolidation area		0	0	0	0	0	0	0	0	0	0	412	412
Dividends		0	0	0	0	0	0	0	(121,271)	0	(121,271)	0	(121,271)
Share capital increase		3,066	571,935	0	0	0	0	0	0	0	575,001	0	575,001
Other movements in Equity		0	0	0	0	0	(36,273)	0	47,530	0	11,257	0	11,257
Other changes of comprehensive income		0	0	0	5,371	(5,821)	0	0	0	0	(450)	1	(449)
Result of the period		0	0	0	0	0	0	0	0	50,455	50,455	183	50,638
Group shareholders' equity at 30 June 2021	5.16	54,737	745,309	10,334	(12,812)	(4,757)	22,177	(23,434)	1,300,031	50,455	2,142,040	685	2,142,725

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	H1 2021	of which related parties	H1 2020	of which related parties
(Euro/000)				
Cash flow from operating activities				
Consolidated result	50,638		(31,625)	
Depreciation and amortization	112,327		100,502	
Net financial (income)/expenses	9,742		11,221	
Equity-settled share-based payment transactions	14,786		11,628	
Income tax expenses	22,352		(15,086)	
Changes in inventories - (Increase)/Decrease	(66,692)		(59,581)	
Changes in trade receivables - (Increase)/Decrease	112,303	(13,176)	101,054	(8,023)
Changes in trade payables - Increase/(Decrease)	21,278	16,536	(7,886)	10,965
Changes in other current assets/liabilities	(17,882)	1,207	(35,820)	(3,440)
Cash flow generated/(absorbed) from operating activities	258,852		74,407	
Interest and other bank charges paid and received	(644)		(217)	
Income tax paid	(82,119)		(36,630)	
Changes in other non-current assets/liabilities	(4,181)		645	
Net cash flow from operating activities (a)	171,908		38,205	
Cash flow from investing activities				
Purchase of tangible and intangible fixed assets	(50,287)		(37,588)	
Proceeds from sale of tangible and intangible fixed assets	477		910	
Acquisition of Business Unit and cash and cash equivalent acquired	(496,728)		0	
Net cash flow from investing activities (b)	(546,538)		(36,678)	
Cash flow from financing activities				
Repayment of borrowings	(10,089)		0	
Repayment of current and non-current lease liabilities	(66,058)		(68,353)	
Short-term borrowings variation	(44,774)		(15,735)	
Dividends paid to shareholders	(118,323)		0	
Share capital increase	0		1,116	
Net cash flow from financing activities (c)	(239,244)		(82,972)	
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	(613,874)		(81,445)	
Cash and cash equivalents at the beginning of the period	923,483		759,073	
Effect of exchange rate changes	2,370		(10,214)	
Net increase/(decrease) in cash and cash equivalents	(613,874)		(81,445)	
Cash and cash equivalents at the end of the period	311,979		667,414	

On behalf of the Board of Directors of Moncler S.p.A.

Remo Ruffini

Chairman and Chief Executive Officer

EXPLANATORY NOTES TO THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2021

1. GENERAL INFORMATION ABOUT THE GROUP

1.1. THE GROUP AND ITS CORE BUSINESS

The parent company Moncler S.p.A. is a company established and domiciled in Italy. The address of the registered office is Via Stendhal 47 Milan, Italy, and its registration number is 04642290961.

Moreover, the parent company Moncler S.p.A. is de-facto controlled by Remo Ruffini through Ruffini Partecipazioni Holding S.r.l. (RPH) and Double R S.r.l. (DR, formerly Ruffini Partecipazioni S.r.l.): more specifically, Remo Ruffini owns the entire share capital of RPH, a company controlling DR which, in turn, as of 30 June 2021 holds a shareholding representing 19.9% of the share capital of Moncler S.p.A.

The Half-year Condensed Consolidated Financial Statements as of 30 June 2021 ("Half-year Consolidated Financial Statements") include the parent company and the subsidiaries (hereafter referred to as the "Group").

To date, the Group's core businesses are the creation, production and distribution of clothing for men, women and children, shoes, leather goods and other accessories under the Moncler and Stone Island brand name.

1.2. BASIS FOR THE PREPARATION OF THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

1.2.1. RELEVANT ACCOUNTING PRINCIPLES

The Half-year Consolidated Financial Statements as of 30 June 2021 have been prepared in accordance with Art. 154-ter of Legislative Decree 58 of 24 February 1998 ("Testo Unico della Finanza – TUF"), as amended, and in conformity with IAS 34. They do not include all the information that would be necessary for the yearly consolidated financial statements and should be read together with consolidated financial statements as 31 December 2020, which were prepared in accordance with the international financial reporting standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union.

The term "IFRS" is also used to refer to all revised international accounting standards ("IAS"), all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly known as the Standing Interpretations Committee ("SIC").

It should be noted that the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated statement of cash flows are prepared in accordance and are the same as those used in the consolidated financial statements as of and for the year ended 31 December 2020. The following notes to the consolidated financial statements are presented in a summary format and do not include all the information required in an annual set of financial statements. It should be noted, as required by IAS 34, in order to avoid duplicating the information already provided, the notes refer exclusively to the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and the consolidated statement of cash flows, whose nature and changes are essential in order to understand the financial position and results of operations of the Group.

The Half-year Consolidated Financial Statements as of 30 June 2021 are made up of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes thereto. The comparative information included in these consolidated financial statements, as required by IAS 34, compares 31 December 2020 for the consolidated statement of financial position and the half-year ended 30 June 2020 for the consolidated changes in equity, the consolidated statement of income, the consolidated statement of comprehensive income and the consolidated statement of cash flows.

1.2.2. PRESENTATION OF THE FINANCIAL STATEMENTS

The Group presents the consolidated income statement by destination, the method that is considered most representative for the business. This method is in fact consistent with the internal reporting and management of the business.

With reference to the consolidated statement of financial position, a basis of presentation has been chosen which makes a distinction between current and non-current assets and liabilities, in accordance with the provisions of paragraph 60 and thereafter of IAS 1.

The consolidated statement of cash flows is prepared under the indirect method.

According to the provisions of IAS 24 and Consob, the next few paragraphs describe related party transactions with the Group and their impact, if significant, on the consolidated statement of financial position, results of operations and cash flows.

1.2.3. BASIS FOR PREPARATION

The Half-year Consolidated Financial Statements have been prepared on the historical cost basis except for the measurement of certain financial instruments (i.e. derivative measured at fair value) as required by IFRS 9 and on a going concern basis.

The Half-year Consolidated Financial Statements are presented in thousand euro, which is the functional currency of the markets where the Group mainly operates.

1.2.4. USE OF ESTIMATES AND VALUATIONS

The preparation of Half-year Consolidated Financial Statements and the related notes in conformity with IFRS requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date. The estimates and related assumptions are based on historical experience and other relevant factors. The actual results could differ from those estimates. The estimates and underlying assumptions are reviewed periodically and any variations are reflected in the consolidated income statement in the period in which the estimate is revised if the revision affects only that period or even in subsequent periods if the revision affects both current and future periods.

Compared to the Consolidated Financial Statements closed on 31 December 2020, the Management updated the estimates and the valuations in light of the events occurred in the first half of the year, the new business plans and the forecasts for the future.

In the event that management's estimate and judgment had a significant impact on the amounts recognized in the Half-year Consolidated Financial Statements or in case that there is a risk of future adjustments on the amounts recognized for assets and liabilities in the period immediately after the reporting date, the following notes will include the relevant information.

The estimates pertain mainly to the following items of the consolidated financial statements:

- impairment of non-current assets and goodwill;
- impairment of trade receivables (bad debt provision);
- allowance for returns;
- impairment of inventories (obsolescence provision);
- recoverability of deferred tax assets;
- provision for losses and contingent liabilities;
- lease liabilities and assets for right of use;
- Incentive systems and variable remuneration;
- financial liabilities for the purchase of minority interests;
- IFRIC 23: uncertainty over income tax treatments.

Impairment of non-current assets and goodwill

Non-current assets include property, plant and equipment, intangible assets with indefinite useful life and goodwill, investments and other financial assets.

Management periodically reviews non-current assets for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is estimated based on the present value of future cash flows expected to derive from the asset or from the sale of the asset itself, at a suitable discount rate.

When the recoverable amount of a non-current asset is less than its carrying amount, an impairment loss is recognized immediately in profit or loss and the carrying amount is reduced to its recoverable amount determined based on value-in-use calculation or its sale's value in an arm's length transaction, with reference to the most recent Group business plan.

Impairment of trade receivables

The bad debt provision reflects management's best estimate of the probable loss for unrecoverable trade receivables.

Allowance for returns

The allowance for returns reflects management's best estimate of the asset arising from expected product returns and the associated liability for future refunds.

Impairment of inventory

The Group manufactures and sells mainly clothing goods that are subject to changing consumer demands and fashion trends. Inventory impairment represents management's best estimate for losses arising from the sales of aged products, taking into consideration their sale ability through the Group's distribution channels.

Recoverability of deferred tax assets

The Group is subject to income taxes in numerous jurisdictions. Judgment is required in determining the provision for income taxes in each territory. The Group recognizes deferred tax assets when there is a reasonable expectation of realisation within a period that is consistent with management estimation and business plans.

Provision for losses and contingent liabilities

The Group is subject to legal and tax litigations arising in the countries where it operates. Litigations are inevitably subject to risk and uncertainties surrounding the events and circumstances associated with the claims and associated with local legislation and jurisdiction. In the normal course of the business, management requests advice from the Group legal consultants and tax experts. The recognition of a provision is based on management's best estimate when an outflow of resources is probable to settle the obligation and the amount can be estimated with reliability. In those circumstances where the outflow of resources is possible or the amount of the obligation cannot be measured with sufficient reliability, the contingent liabilities is disclosed in the notes to the Half-year Consolidated Financial Statements.

Lease liabilities and assets for right of use

The Group recognises the asset for the right of use and the liability for the lease. The asset for the right of use is initially valued at cost, and then subsequently at cost net of accumulated depreciation and impairment losses, and adjusted to reflect the revaluation of the lease liability.

The Group values the lease liability at the present value of the payments due for unpaid leases at the effective date, discounting them using an interest rate determined taking into account the term of the lease contracts, the currency in which they are denominated, the characteristics of the economic environment in which the contract was stipulated and the credit adjustment.

The lease liability is subsequently increased by the interest accrued on this liability and decreased by the payments due for the lease made and is revalued in the event of a change in the future payments due for the lease deriving from a change in the index or rate, in the event of a change in the amount that the Group expects to pay as a guarantee on the residual value or when the Group changes its valuation with reference to the exercise or otherwise of a purchase, extension or cancellation option.

Lease contracts in which the Group acts as a lessee may provide for renewal options with effects, therefore, on the duration of the contract. Relative certainty that this option will (or won't) be exercised can influence, even significantly, the amount of lease liabilities and right of use assets.

With regard to rent concessions obtained from landlords, the Group has adopted the practical expedient brought in by the amendment to IFRS 16 published by the IASB on 28 May 2020 and ratified on 12 October 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES USED IN THE PREPARATION OF THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accounting principles adopted for the preparation of the Half-Year Condensed Consolidated Financial Statements are consistent with those used for the preparation of the Consolidated Financial Statements of the Moncler Group as at 31 December 2020, notwithstanding the adoption of the new standards, amendments and interpretations approved by the IASB and endorsed in Europe, whose adoption is mandatory for accounting periods beginning on or after 1 January 2021, as listed in the paragraph below.

2.1. ACCOUNTING STANDARDS AND RECENTLY PUBLISHED INTERPRETATIONS

Accounting standards, amendments and interpretations effective from 1 January 2021

DOCUMENT TITLE	ISSUE DATE	EFFECTIVE FROM	APPROVAL DATE	EU REGULATION AND DATE OF PUBLICATION
Reform of the reference indices for the determination of interest rates – Fase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	August 2020	1 January 2021	13 January 2021	(EU) 2021/25 14 January 2021

New standards and interpretations not yet effective and not early adopted by the Group

Listed below are the international accounting standards, interpretations, amendments to existing accounting standards and interpretations, or specific provisions contained in the standards and interpretations approved by the IASB that have not yet been endorsed in Europe at the date of these financial statements and therefore not adopted in advance by the Group.

DOCUMENT TITLE	ISSUE DATE BY IASB	EFFECTIVE DATE OF IASB DOCUMENT	APPROVAL DATE BY EU
Standards			
IFRS 14 Regulatory Deferral Accounts	January 2014	1 January 2016	Postponed pending the conclusion of the IASB project on "rate-regulated activities".
IFRS 17 Insurance Contracts, including subsequent amendments issued in June 2020	May 2017 June 2020	1 January 2023	TBD
Amendments			
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	September 2014	Deferred until the completion of the IASB project on the equity method	Postponed pending the conclusion of the IASB project on the equity method
Reference to the Conceptual Framework (Amendments to IFRS 3)	May 2020	1 January 2022	TBD
Property, plant and equipment: proceeds before intended use (Amendments to IAS 16)	May 2020	1 January 2022	TBD
Onerous contracts—Cost of fulfilling a contract (Amendments to IAS 37)	May 2020	1 January 2022	TBD
Annual improvements to IFRS Standards (Cycle 2018–2020)	May 2020	1 January 2022	TBD
Classification of Liabilities as Current or Non-current (Amendments to IAS 1), including subsequent amendment issued in July 2020	January 2020 July 2020	1 January 2023	TDB

2.2. EXCHANGE RATES

The main exchange rates used to translate in Euro the financial statements of foreign subsidiaries as at and for half-year period ended 30 June 2021 are as follows:

	Average rate		Rate at the end of the period		Rate at the end of the period	
	I half 2021	I half 2020	As at 30 June 2021	As at 30 June 2020	As at 31 December 2020	As at 31 December 2019
AED	4.426630	4.047270	4.364400	4.112500	4.506500	4.125700
AUD	1.562650	1.677460	1.585300	1.634400	1.589600	1.599500
BRL	6.490170	5.410390	5.905000	6.111800	6.373500	4.515700
CAD	1.503000	1.503300	1.472200	1.532400	1.563300	1.459800
CHF	1.094570	1.064150	1.098000	1.065100	1.080200	1.085400
CNY	7.795990	7.750910	7.674200	7.921900	8.022500	7.820500
CZK	25.854100	26.333300	25.488000	26.740000	26.242000	25.408000
DKK	7.436820	7.464840	7.436200	7.452600	7.440900	7.471500
GBP	0.868010	0.874632	0.858050	0.912430	0.899030	0.850800
HKD	9.355100	8.553140	9.229300	8.678800	9.514200	8.747300
HUF	357.880000	345.261000	351.680000	356.580000	363.890000	330.530000
JPY	129.868000	119.267000	131.430000	120.660000	126.490000	121.940000
KRW	1,347.540000	1,329.530000	1,341.410000	1,345.830000	1,336.000000	1,296.280000
KZT	511.409000	445.988000	509.160000	453.240000	517.040000	429.510000
MOP	9.635760	8.809730	9.506200	8.939200	9.799600	9.009700
MXN	24.327000	23.843000	23.578400	25.947000	24.416000	21.220200
NOK	10.175910	10.732420	10.171700	10.912000	10.470300	9.863800
NZD	1.681000	1.760000	1.702600	1.748000	1.698400	0.000000
PLN	4.537400	4.412000	4.520100	4.456000	4.559700	4.256800
RON	4.901650	4.817250	4.928000	4.839700	4.868300	4.783000
RUB	89.550200	76.669200	86.772500	79.630000	91.467100	69.956300
SEK	10.130800	10.659900	10.111000	10.494800	10.034300	10.446800
SGD	1.605940	1.541070	1.597600	1.564800	1.621800	1.511100
TRY	9.522640	7.149250	10.321000	7.676100	9.113100	6.684300
TWD	33.775500	33.070200	33.158400	33.007600	34.480700	33.715600
UAH	33.459100	28.625200	32.361800	29.898500	34.768900	26.719500
USD	1.205350	1.102050	1.188400	1.119800	1.227100	1.123400

3. SCOPE OF CONSOLIDATION

As at 30 June 2021 the Half-year Consolidated Financial Statements of the Moncler Group include the parent company Moncler S.p.A. and 47 consolidated subsidiaries as detailed in the following table:

Investments (in associates for consolidation)	Registered office	Share capital	Currency	% of ownership	Parent company
Moncler S.p.A.	Milan (Italy)	51,670,525	EUR		
Industries S.p.A.	Milan (Italy)	15,000,000	EUR	100.00%	Moncler S.p.A.
Moncler Deutschland GmbH	Munich (Germany)	700,000	EUR	100.00%	Industries S.p.A.
Moncler España S.L.	Madrid (Spain)	50,000	EUR	100.00%	Industries S.p.A.
Moncler Asia Pacific Ltd	Hong Kong (China)	300,000	HKD	100.00%	Industries S.p.A.
Moncler France S.à.r.l.	Paris (France)	8,000,000	EUR	100.00%	Industries S.p.A.
Moncler USA Inc	New York (USA)	1,000	USD	100.00%	Industries S.p.A.
Moncler UK Ltd	London (United Kingdom)	2,000,000	GBP	100.00%	Industries S.p.A.
Moncler Japan Corporation (*) (**)	Tokyo (Japan)	104,776,859	JPY	94.94%	Industries S.p.A.
Moncler Shanghai Commercial Co. Ltd	Shanghai (China)	82,483,914	CNY	100.00%	Industries S.p.A.
Moncler Suisse SA	Chiasso (Switzerland)	3,000,000	CHF	100.00%	Industries S.p.A.
Moncler Belgium S.p.r.l.	Bruxelles (Belgium)	1,800,000	EUR	100.00%	Industries S.p.A.
Moncler Denmark ApS	Copenhagen (Denmark)	2,465,000	DKK	100.00%	Industries S.p.A.
Moncler Holland B.V.	Amsterdam (Holland)	18,000	EUR	100.00%	Industries S.p.A.
Moncler Hungary KFT	Budapest (Hungary)	150,000,000	HUF	100.00%	Industries S.p.A.
Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti. (*	Istanbul (Turkey)	1,000,000	TRY	51.00%	Industries S.p.A.
Moncler Sylt Gmbh (*)	Hamm (Germany)	100,000	EUR	51.00%	Moncler Deutschland GmbH
Moncler Rus LLC	Moscow (Russian Federation)	590,000,000	RUB	99,99% 0,01%	Industries S.p.A. Moncler Suisse SA
Moncler Brasil Comêrcio de moda e acessôrios Ltdc	Sao Paulo (Brazil)	10,000,000	BRL	95,00% 5,00%	Industries S.p.A. Moncler USA Inc
Moncler Taiwan Limited	Taipei (China)	10,000,000	TWD	100.00%	Industries S.p.A.
Moncler Canada Ltd	Vancouver (Canada)	1,000	CAD	100.00%	Industries S.p.A.
Moncler Prague s.r.o.	Prague (Czech Republic)	200,000	CZK	100.00%	Industries S.p.A.
White Tech Sp.zo.o.	Katowice (Poland)	369,000	PLN	70.00%	Industries S.p.A.
Moncler Korea Inc. (*)	Seoul (South Korea)	2,833,000,000	KRW	90.01%	Industries S.p.A.
Moncler Middle East FZ-LLC	Dubai (United Arab Emirates)	3,050,000	AED	100.00%	Industries S.p.A.
Moncler Singapore PTE, Limited	Singapore	5,000,000	SGD	100.00%	Industries S.p.A.
Industries Yield S.r.l.	Bacau (Romania)	25,897,000	RON	99,00% 1,00%	Industries S.p.A. Moncler Deutschland GmbH
Moncler UAE LLC (*)	Abu Dhabi (United Arab Emira	1,000,000	AED	49.00%	Moncler Middle East FZ-LLC
Moncler Ireland Limited	Dublin (Ireland)	350,000	EUR	100.00%	Industries S.p.A.
Moncler Australia PTY LTD	Melbourne (Australia)	2,500,000	AUD	100.00%	Industries S.p.A.
Moncler Kazakhstan LLP	Almaty (Kazakhstan)	250,000,000	KZT	99,00% 1,00%	Industries S.p.A. Moncler Rus LLC
Moncler Sweden AB	Stockholm (Sweden)	1,000,000	SEK	100.00%	Industries S.p.A.
Moncler Norway AS	Oslo (Norway)	3,000,000	NOK	100.00%	Industries S.p.A.
Moncler Mexico, S. de R.L. de C.V.	Mexico City (Mexico)	33,000,000	MXN	99,00% 1,00%	Industries S.p.A. Moncler USA Inc
Moncler Mexico Services, S. de R.L. de C.V.	Mexico City (Mexico)	11,000,000	MXN	99,00% 1,00%	Industries S.p.A. Moncler USA Inc
Moncler Ukraine LLC	Kiev (Ukraine)	47,367,417	UAH	99,99% 0,01%	Industries S.p.A. Moncler Suisse SA
Moncler New Zealand Limited	Auckland (Nuova Zelanda)	2,000,000	NZD	100.00%	Industries S.p.A.
Sportswear Company S.p.A.	Bologna (Italia)	10,084,000	EUR	100.00%	Moncler S.p.A.
Stone Island Retail S.r.l.	Bologna (Italia)	99,000	EUR	100.00%	Sportswear Company S.p.A.
Stone Island Germany Gmbh	Monaco (Germania)	525,000	EUR	100.00%	Sportswear Company S.p.A.
Stone Island Antwerp Bvba	Anversa (Belgio)	400,000	EUR	100.00%	Sportswear Company S.p.A.
Stone Island Amsterdam BV	Amsterdam (Olanda)	25,000	EUR	100.00%	Sportswear Company S.p.A.
Stone Island Usa Inc	New York (USA)	2,500,000	USD	100.00%	Sportswear Company S.p.A.
Officina della Maglia S.r.l.	Carpi (Italia)	10,000	EUR	75.10%	Sportswear Company S.p.A.
Stone Island Canada Inc	Toronto (Canada)	500,000	CAD	100.00%	Sportswear Company S.p.A.
Stone Island Logistics Srl	Bologna (Italia)	50,000	EUR	100.00%	Sportswear Company S.p.A.
Stone Island China Co. Ltd	Shanghai (Cina)	2,500,000	EUR	100.00%	Sportswear Company S.p.A.
Stone Island France S.a.s.	Saint Priest (Francia)	50,000	EUR	100.00%	Sportswear Company S.p.A.

(*) Fully consolidated (without attribution of interest to third parties)
(**) Share capital value and % of ownership take into consideration the treasury shares held by Moncler Japan Corporation.

On 31 March 2021, Moncler S.p.A. completed its acquisition of the entire share capital of Sportswear Company S.p.A., which owns the Stone Island brand, and its subsidiaries and associates. These companies became part of the scope of consolidation as of 1 April 2021.

We highlighted that, in the first quarter of 2021, the Group, in accordance with pre-existing agreements, acquired, from the local partner, the third tranche (equal to 29% of total share capital) of the partner's stake in Moncler Japan Corporation, bringing the percentage of ownership to 94.5%.

Please note that Moncler Korea Inc., Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. sti. and Moncler Japan Corporation, are fully consolidated, same as in the previous periods, without attribution of interest to third parties, following to the accounting treatment of the agreements between the partners.

3.1. STONE ISLAND ACQUISITION

On March 31, 2021, Moncler S.p.A. acquired 100% of Sportswear Company S.p.A., the company that owns the Stone Island brand. The terms of the transactions are governed by a framework agreement signed between Moncler S.p.A., on one hand, and Rivetex S.r.l., on the other, (a company referable to Carlo Rivetti, owner of a stake equal to 50.10% of Sportswear Company S.p.A.'s capital) and other shareholders of Sportswear Company S.p.A., referable to the Rivetti family, owners of a stake equal to 19.90% of Sportswear Company S.p.A.'s capital.

In the 3-month period ended 30 June 2021, the Stone Island Group generated revenue of EUR 56,228 thousand (EUR 144,615 thousand from the beginning of the year) and a profit of EUR 9,846 thousand (EUR 26,856 thousand from the beginning of the year).

If the acquisition had taken in place on 1 January 2021, consolidated revenues would have been equal to EUR 709,855 thousand and the consolidated profit for the half year would have been equal to EUR 67,648 thousand. In calculating the aforementioned amounts, it was assumed that the fair value adjustments at the acquisition date would have been the same even if the acquisition had taken in place on 1 January, 2021.

Consideration transferred

The table below shows the fair value of the components of the consideration transferred as at the acquisition date:

(Euro/000)	
Cash	574,999
Equity instruments (n. 15,330,166 ordinary shares)	575,001
Total consideration transferred	1,150,000

Equity instruments issued

The fair value of the ordinary shares issued is based on the company's market price as at 31 March 2021, which was EUR 37.51 per share.

Acquisition-related costs

In 2021 the Group incurred costs related to the acquisition and the associated share capital increase of EUR 4.3 million. They include legal and notary costs, due diligence, financial advisor, fairness opinion and tobin tax costs, of which EUR 3.6 million recognised in the caption general and administrative expenses and EUR 0.7 million recorded in shareholders' equity as they pertain to the capital increase.

Purchase Price Allocation

The amounts relating to the allocation of the excess price are summarized below.

(Euro/000)	
Total consideration transferred	1,150,000
Equity acquired	(129,015)
Excess price	1,020,985
Brand	775,454
Order Backlog	20,226
Deferred tax liabilities	(221,995)
Goodwill	447,300
Purchase Price Allocation	1,020,985

The amounts of the shareholders' equity acquired and those deriving from the Purchase Price Allocation are detailed below.

(Euro/000)	Equity acquired	Purchase Price Allocation	Total consideration transferred
Goodwil	535	447,300	447,835
Brand	0	775,454	775,454
Order Backlog	0	20,226	20,226
Other intangible assets	5,246	0	5,246
Tangible assets	21,930	0	21,930
Right of use assets	65,018		65,018
Net working capital	76,132	0	76,132
Net financial position	28,124	0	28,124
Lease liabilties	(66,272)		(66,272)
Deferred tax assets/(liabiities)	9,533	(221,995)	(212,462)
Other current/non current assets/(liabilities)	(10,819)	0	(10,819)
Third party equity	(412)	0	(412)
Total	129,015	1,020,985	1,150,000

Following the Purchase Price Allocations, in addition to the net identifiable assets of EUR 702.7 million, goodwill of EUR 447.3 million was recorded, calculated as a residual value.

Fair value measurement

The valuation methods used to determine the fair value of the main assets acquired are set out below.

Assets acquired	Evaluation method
Brand	Royalty Relief Method, on the basis of which flows are associated with the recognition of a royalty percentage applied to the amount of revenue that can be generated by the trademark The valuation is based on the assumption of an indefinite useful life of the asset.
Order Backlog	Multi excess earnings Method, which considers the present value of net cash flows that are expected from customer orders already in the portfolio at the acquisition date, excluding flows related to Contributory Assets Charges.

Deferred tax liabilities were calculated on the net identifiable assets arising from the Purchase Price Allocation (Brand and Order Backlog) considering a tax rate of 27.9%.

The Purchase Price Allocation was prepared by the company Moncler S.p.A. with the support of a leading consulting company.

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

4.1. REVENUES

REVENUES BY BRANDS

(Euro/000)	1H 2021	%	1H 2020	%
Total revenues	621,768	100.0%	403,334	100.0%
Moncler	565,540	91.0%	403,334	100.0%
Stone Island	56,228	9.0%	0	0.0%

In the first six months of 2021 Moncler Group reached consolidated revenue of EUR 621.8 million (+54%), including Moncler brand revenues (EUR 565.5 million) and Stone Island brand ones (EUR 56.2 million, consolidated for the second quarter only).

In the second quarter, the Group revenues were EUR 256.3, composed by EUR 200.1 million for the Moncler brand and EUR 56.2 million for Stone Island.

ANALYSIS OF MONCLER BRAND REVENUE

In the first six months of 2021, Moncler brand revenues were EUR 565.5 million, versus EUR 403.3 million in the same period of 2020, +40% and +1% at constant exchange rates compared with the first half of 2019.

In the second quarter, revenue for the Brand amounted to EUR 200.1 million, an increase of 118% with respect to Q2 2020 and 5% at constant exchange rates compared with Q2 2019, even though the ongoing Covid-19 pandemic continued to impact Q2 revenues especially in Japan and EMEA. Revenue performance with local clients was very good, rising double digits at the global level compared with the same period in 2019.

REVENUES BY REGION

Sales are broken down by region as reported in the following table:

Revenues by region						
(Euro/000)	1H 2021	%	1H 2020	%	Variation	% Variation
EMEA	187,774	33.2%	171,861	42.6%	15,913	9.3%
Asia	282,551	50.0%	181,672	45.0%	100,879	55.5%
Americas	95,215	16.8%	49,801	12.3%	45,414	91.2%
Total	565,540	100.0%	403,334	100.0%	162,206	40.2%

In Asia (which includes APAC, Japan and Korea), first-half revenue showed growth of 56% with respect to the first half of 2020 and 15% at constant exchange rates on the same period in 2019.

In the second quarter, revenues in the APAC region recorded double-digit growth compared with Q2 2019 driven by Chinese mainland, where revenue almost doubled compared to Q2 2019. Performance were excellent also in Korea, with strong double-digit growth compared to the same period in 2019.

Conversely, due to the tightening of pandemic-related restrictions, revenues in Japan slowed in Q2 and was negative with respect to the second quarter of 2019.

In EMEA, in the first half of 2021, revenues increased by 9% with respect to 2020 (-20% at constant exchange rates compared with H1 2019), with an improvement in the second quarter (-11% vs 2019) also thanks to the loosening of restrictions put in place to contain the pandemic. Specifically, in the second quarter, the United Kingdom and Germany significantly outperformed the regional average.

Revenues in the Americas almost doubled since the first half of 2020 (+91%) and grew by 17% at constant exchange rates with respect to H1 2019, with growth accelerating in the second quarter (+40% compared with Q2 2019). The United States drove the Region's performance.

REVENUES BY DISTRIBUTION CHANNEL

Revenues per distribution channels are broken down as follows:

(Euro/000)	1H 2021	%	1H 2020	%
Total revenues	565,540	100.0%	403,334	100.0%
of which:				
Wholesale	147,133	26.0%	102,828	25.5%
DTC	418,407	74.0%	300,506	74.5%

In the first half, the Direct-To-Consumer (DTC)[1] distribution channel produced revenue of EUR 418.4 million: +39% compared with the first half of 2020 (EUR 300.5 million) and -2% at constant exchange rates on the same period in 2019. The second quarter, despite an improvement in certain markets, suffers in comparison with 2019 from the decreased traffic in Japan, due to more restrictive measures to fight the pandemic and the decision to delay the important launch of Moncler Genius Fragment from June to July. The e-commerce channel continued to grow strongly (triple digit on 2019).

During the half-year, on average, about 10% of the retail store network underwent temporary closures.

The wholesale channel reported revenue of EUR 147.1 million, compared with EUR 102.8 million in the first half of 2020, an increase of 43% on H1 2020 and of 10% at constant exchange rates on the same period in 2019. Performance in this channel was driven by strong reorders, especially in the American market, and by e-tailers, which continued to significantly outperform the channel average.

[1] The DTC channel includes revenues from DOS, from direct online and from *e-concessions*

REVENUES ANALYSIS OF THE STONE ISLAND BRAND

In the second quarter of 2021, when it was first consolidated into the Moncler Group, the Stone Island brand reported revenue of EUR 56.2 million (EUR 144.3 million from 1 January 2021).

During the quarter the Brand enjoyed significant growth in all its markets, including the domestic one, which accounted for approximately 20% of total revenues, and in other European countries. Growth was very strong in the wholesale channel, which made up 72% of the Brand's total revenues for the period. Performance of the DTC channel was excellent, driven by the growth of online revenues as well as new store openings in China and the United States.

4.2. COST OF SALES

In the first half of 2021, cost of sales increased by EUR 30.4 million in absolute terms (+24,5%), from EUR 123.8 million in the first half of 2020 to EUR 154.1 million in the first half of 2021.

Cost of sales incidence on revenues decreased from 30.7% in the first half of 2020 to 24.8% in the first half of 2021.

4.3. SELLING EXPENSES

In the first half of 2021 selling expenses were equal to EUR 236.4 million (EUR 190.9 million in the first half of 2020).

As percentage of revenues, selling expenses decreased from 47.3% in the first half of 2020 to 38.0% in the corresponding period of 2021.

Selling expenses mainly include rent costs excluded from the application of the IFRS 16 for EUR 41.2 million (EUR 23.9 million in the first half of 2020), personnel costs for EUR 59.8 million (EUR 52.2 million in the first half of 2020) and costs for depreciation of the right of use for EUR 59.1 million (EUR 57.6 million in the first half of 2020) and other amortization and depreciation for EUR 36.8 million (EUR 31.5 million in the first half of 2020).

During the year, the Group continued the negotiations with main landlords to review rents, in light of the effects of the Covid-19 pandemic. The economic benefits, equal to EUR 8.4 million (EUR 11 million in 2020), have been reflected in the results of the period and were recognised under this item in application of the practical expedient introduced by the amendment to IFRS 16 published in 2020.

This item also includes costs related to stock-based compensation plans for EUR 2.8 million (EUR 2.1 million in the first half of 2020).

4.4. GENERAL AND ADMINISTRATIVE EXPENSES

In the first half of 2021 general and administrative expenses were equal to EUR 110.3 million, with 17.7% incidence on revenues, compared with EUR 79.8 million in the first half of 2020. This increase is mainly due to the investments in people made to strengthen the brands and to consolidate the future growth of the business

This item also includes costs related to stock-based compensation plans for EUR 12.1 million (EUR 9.6 million in the first half of 2020).

4.5. MARKETING EXPENSES

Marketing expenses amounted to EUR 38.2 million in the first half of 2021, with 6.1% incidence on revenues, compared with 11% of the first half of 2020.

4.6. OPERATING RESULT

The operating result was EUR 82.7 million, with a margin of 13.3%, compared with an operating loss of EUR 35.5 million in the first half of 2020.

4.7. FINANCIAL INCOME AND EXPENSES

The Financial income and expenses are detailed as follows:

(Euro/000)	1H 2021	1H 2020
Interest income and other financial income	608	301
Foreign currency differences - positive	801	0
Total financial income	1,409	301
Interests expenses and other financial	(1,442)	(739)
Foreign currency differences - negative	0	(25)
Total financial expenses	(1,442)	(764)
Total net excluded interests on lease liabilities	(33)	(463)
Interests on lease liabilities	(9,709)	(10,758)
Total net	(9,742)	(11,221)

4.8. INCOME TAX

The income tax effect on the consolidated income statement is as follows:

(Euro/000)	1H 2021	1H 2020
Current income taxes	(35,197)	(16,673)
Deferred tax (income) expenses	12,845	31,759
Income taxes charged in the income state	(22,352)	15,086

The tax rate of the first half of 2021 is equal to 30.6%, compared to the 32.3% of the first half of 2020.

4.9. PERSONNEL EXPENSES

The following table lists the detail of the main personnel expenses by nature, compared with those of the same period of the previous year:

(Euro/000)	1H 2021	1H 2020
Wages and salaries and Social security costs	(96,384)	(81,419)
Accrual for employment benefits	(8,349)	(5,338)
Total	(104,733)	(86,757)

During the period, personnel expenses increased by 20.7%, decreasing, from EUR 86.8 million in the first half of 2020 to EUR 104.7 ,million in 2021. This increase incorporates the effects of the inclusion of Stone Island in the first half of 2021, while the first half of 2020 had benefited from government contributions to support employment for the Covid-19 emergency.

The remuneration related to the members of the Board of Directors is commented separately in the related party section.

The costs related to the stock-based compensation plans, equal to EUR 14.9 million (EUR 11.7 million in the first half of 2020) are separately commented in paragraph 10.2.

The following table reports the number of employees (full-time-equivalent, FTE) for the first half of 2021 compared to the same period of last year:

Average FTE by area		
FTE	1H 2021	1H 2020
Italy	1,332	1,031
Other European countries	1,714	1,664
Asia and Japan	1,097	1,109
Americas	323	325
Total	4,466	4,129

The actual number of FTEs of the Group as at 30 June 2021 is 4,561 (4,028 as at 30 June 2020).

The total number of employees increased principally as a result of Stone Island acquisition.

4.10. DEPRECIATION AND AMORTIZATION

Depreciation and amortization are broken down as follows:

(Euro/000)	1H 2021	1H 2020
Depreciation of property, plant and equipment	(97,395)	(93,066)
Amortization of intangible assets	(14,932)	(7,436)
Total Depreciation and Amortization	(112,327)	(100,502)

The increase in both depreciation and amortization, in addition of Stone Island acquisition effect, is also due to investments made for the development of the distribution network, IT investments and to the investments for the expansion of the production site in Romania. The increase in amortisation of intangible assets is also due to the amortisation of the order backlog, which was recognised as a result of the aforementioned acquisition.

Please refer to comments made in paragraphs 5.1 and 5.3 for additional details related to investments made during the period.

The amortisation related to the right of use amounts to EUR 63.9 million, as explained in paragraphs 5.3.

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

5.1. GOODWILL, BRANDS AND OTHER INTANGIBLE ASSETS

Brands and other intangible assets	30 June 2021			31 December 2020
(Euro/000)	Gross value	Accumulated amortization and impairment	Net value	Net value
Brands	999,354	0	999,354	223,900
Key money	67,938	(51,157)	16,781	15,104
Software	93,086	(51,970)	41,116	37,004
Other intangible assets	30,813	(14,953)	15,860	2,147
Assets in progress	5,345	0	5,345	4,153
Goodwill	603,417	0	603,417	155,582
Total	1,799,953	(118,080)	1,681,873	437,890

The movements in intangible assets over the comparable periods are summarized in the following table:

As at 30 June 2021

Gross value Brands and other intangible assets (Euro/000)	Brands	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
1 January 2021	223,900	56,837	77,839	10,888	4,153	155,582	529,199
Acquisitions	0	0	7,549	302	2,953	0	10,804
Disposals	0	0	(113)	(588)	0	0	(701)
Changes in consolidation area	775,454	10,799	6,799	20,226	3	447,835	1,261,116
Translation adjustement	0	302	(13)	(15)	2	0	276
Other movements, including transfers	0	0	1,025	0	(1,766)	0	(741)
30 June 2021	999,354	67,938	93,086	30,813	5,345	603,417	1,799,953

Accumulated amortization and impairment Brands and other intangible assets (Euro/000)	Brands	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
1 January 2021	0	(41,733)	(40,835)	(8,741)	0	0	(91,309)
Amortization	0	(2,078)	(6,044)	(6,810)	0	0	(14,932)
Disposals	0	0	45	588	0	0	633
Changes in consolidation area	0	(7,211)	(5,144)	0	0	0	(12,355)
Translation adjustement	0	(135)	8	10	0	0	(117)
Other movements, including transfers	0	0	0	0	0	0	0
30 June 2021	0	(51,157)	(51,970)	(14,953)	0	0	(118,080)

As at 30 June 2020

Gross value Brands and other intangible assets (Euro/000)	Brands	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
1 January 2020	223,900	57,690	58,597	10,078	5,416	155,582	511,263
Acquisitions	0	0	6,267	315	1,111	0	7,693
Disposals	0	0	(6)	0	0	0	(6)
Translation adjustement	0	(634)	(48)	(15)	0	0	(697)
Other movements, including transfers	0	0	38	118	441	0	597
30 June 2020	223,900	57,056	64,848	10,496	6,968	155,582	518,850

Accumulated amortization and impairment Brands and other intangible assets (Euro/000)	Brands	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
1 January 2020	0	(37,177)	(31,193)	(7,921)	0	0	(76,291)
Amortization	0	(2,699)	(4,314)	(423)	0	0	(7,436)
Disposals	0	0	6	0	0	0	6
Translation adjustement	0	221	30	8	0	0	259
Other movements, including transfers	0	0	0	0	0	0	0
30 June 2020	0	(39,655)	(35,471)	(8,336)	0	0	(83,462)

The increase in intangible assets reflects the acquisition of Stone Island; more specifically, the increase in the items Brands, Other intangible assets and Goodwill is due to the recognition of the Stone Island brand, the order backlog and the goodwill arising from the mentioned Purchase Price Allocation.

The increase in the item Software, net of the effects above reported, pertains to the investments in information technology for the management of the business and the corporate functions.

5.2. IMPAIRMENT OF INTANGIBLE FIXED ASSETS WITH AN UNDEFINED USEFUL LIFE AND GOODWILL

The items Brands, Other intangible fixed assets with undefined useful life and Goodwill deriving from previous acquisitions have not been amortised, but have been tested for impairment by management.

The business performance recorded in the periods under analysis and the updated forecasts of future trends are consistent with the assumptions made when testing the recoverability of the value of the goodwill and of the Moncler brand during the preparation of the Annual Consolidated Financial Statements as at 31 December 2020. Therefore, no potential indicators of impairment were identified and no specific impairment tests were performed on these items.

Similarly, the Stone Island brand and the new goodwill arising from the recent acquisition, in the absence of events occurring in the second quarter of 2021 capable of affecting the valuation assumptions, were not tested for impairment for the purposes of these financial statements.

It is also underlined that the market capitalisation of the Company, based on the average price of Moncler share in the first half 2021, showed a significant positive difference with respect to the Group net equity, confirming again the value of the goodwill.

5.3. NET PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipments (Euro/000)	30 June 2021 Gross value	Accumulated depreciation and impairment	Net value	31 December 2020 Net value
Land and buildings	959,969	(268,912)	691,057	598,028
Plant and Equipment	43,820	(22,234)	21,586	21,005
Fixtures and fittings	139,274	(97,102)	42,172	43,516
Leasehold improvements	287,159	(182,166)	104,993	107,454
Other fixed assets	34,196	(24,676)	9,520	9,367
Assets in progress	48,367	0	48,367	23,617
Total	1,512,785	(595,090)	917,695	802,987

The movements in tangible assets over the comparable periods are summarized in the following table:

As at 30 June 2021

Gross value Property, plant and equipment (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
1 January 2021	790,863	33,273	127,187	263,157	31,079	23,617	1,269,176
Acquisitions	81,909	986	2,489	6,741	1,711	28,017	121,853
Disposals	(7,916)	(104)	(1,345)	(3,095)	(608)	(18)	(13,086)
Changes in consolidation area	86,248	9,728	7,148	15,365	1,124	2,179	121,792
Translation adjustement	8,226	(63)	1,458	2,373	189	125	12,308
Other movements, including transfers	639	0	2,337	2,618	701	(5,553)	742
30 June 2021	959,969	43,820	139,274	287,159	34,196	48,367	1,512,785

Accumulated depreciation and impairment PPE (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
1 January 2021	(192,835)	(12,268)	(83,671)	(155,703)	(21,712)	0	(466,189)
Depreciation	(64,497)	(2,680)	(8,203)	(19,719)	(2,296)	0	(97,395)
Disposals	4,992	53	1,106	3,085	276	0	9,512
Changes in consolidation area	(13,348)	(7,401)	(5,212)	(8,115)	(768)	0	(34,844)
Translation adjustement	(3,224)	62	(1,159)	(1,676)	(176)	0	(6,173)
Other movements, including transfers	0	0	37	(38)	0	0	(1)
30 June 2021	(268,912)	(22,234)	(97,102)	(182,166)	(24,676)	0	(595,090)

As at 30 June 2020

Gross value Property, plant and equipment (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
1 January 2020	699,688	22,960	119,019	246,730	26,525	19,740	1,134,662
Acquisitions	46,720	485	3,998	7,387	1,794	13,846	74,230
Disposals	(264)	(82)	(2,528)	(2,052)	(47)	0	(4,973)
Translation adjustement	(4,208)	(37)	(771)	(1,799)	(98)	(138)	(7,051)
Other movements, including transfe	(17,510)	33	897	2,910	111	(4,548)	(18,107)
30 June 2020	724,426	23,359	120,615	253,176	28,285	28,900	1,178,761

Accumulated depreciation and impairment PPE (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
1 January 2020	(101,758)	(8,531)	(73,555)	(126,798)	(17,480)	0	(328,122)
Depreciation	(61,695)	(1,577)	(8,069)	(19,685)	(2,040)	0	(93,066)
Disposals	32	46	1,488	2,220	45	0	3,831
Translation adjustement	1,551	9	459	947	52	0	3,018
Other movements, including transfe	17,510	1	42	(42)	(1)	0	17,510
30 June 2020	(144,360)	(10,052)	(79,635)	(143,358)	(19,424)	0	(396,829)

The movements relating to the assets for the right of use arising from the application of the IFRS 16 are reported here below:

Right of use assets (Euro/000)	Land and buildings	Other fixed assets	Total
1 January 2021	589,507	1,291	590,798
Acquisitions	81,560	810	82,370
Disposals	(2,906)	(259)	(3,165)
Depreciation	(64,024)	(482)	(64,506)
Changes in consolidation area	64,947	71	65,018
Translation adjustement	5,019	2	5,021
30 June 2021	674,103	1,433	675,536

Excluding Stone Island acquisition effect, the increases in the first half of 2021 refer to new lease agreements for the opening or relocation of retail stores and the renewal of existing lease agreements, mainly in the European and Chinese markets.

In addition to the above mentioned effect arising from the application of the IFRS 16, the changes in property plant and equipment in the first half of 2021 show an increase in the items fixture and fittings, leasehold improvements and assets in progress and advances: all of these items are mainly related to the development of the distribution network and the investments for the expansion of the production site.

The business performance recorded in the periods under analysis and the updated forecasts of future trends are consistent with the assumptions made when testing the recoverability of the value of the rights of use during the preparation of the Annual Consolidated Financial Statements as at 31 December 2020. Therefore, no potential indicators of impairment were identified and no specific impairment tests were performed on these items.

5.4. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

The balances of the Deferred tax assets and liabilities as at 30 June 2021, over the comparable period of last year are reported below:

Deferred taxation (Euro/000)	30 June 2021	31 December 2020
Deferred tax assets	174,028	150,832
Deferred tax liabilities	(227,116)	(6,396)
Net amount	(53,088)	144,436

Deferred tax assets and deferred tax liabilities are offset only when there is a law within a given tax jurisdiction, which provides for such right to offset.

The increase in the item Deferred tax liabilities is mainly due to the recognition of deferred tax liabilities on the Brand and the Order Backlog arising from the above-mentioned Purchase Price Allocation.

In view of the nature of the net deferred tax assets and the expectation of future taxable income under the new Business Plan, no indicators have been identified regarding the non-recoverability of the deferred tax assets recognised in the financial statements.

5.5. INVENTORY

Inventory as at 30 June 2021 amounts to EUR 309.0 million (EUR 202.8 million as at 31 December 2020) and is broken down as follows:

Inventory (Euro/000)	30 June 2021	31 December 2020
Raw materials	93,131	88,252
Work-in-progress	60,615	14,197
Finished products	364,193	284,437
Inventories, gross	517,939	386,886
Obsolescence provision	(208,905)	(184,116)
Total	309,034	202,770

Finished products and work-in-progress in inventory in the first half of each year are impacted by seasonality; specifically, they tend to increase compared to December as the average production cost of the products of the Autumn/Winter collection, in stock in June, is higher than the average production cost of the products of the Spring/Summer collection, in stock in December.

The obsolescence provision is calculated using management's best estimate based on the season needs and the inventory balance based on passed sales trends through alternative channels and future sales outlook, consistent with the actions defined to support the volumes provided for in the Business Plan.

5.6. TRADE RECEIVABLES

Trade receivables as at 30 June 2021 amounted to EUR 139.0 million (EUR 174.1 million as at 31 December 2020) and are as follows:

Trade receivables (Euro/000)	30 June 2021	31 December 2020
Trade account receivables	152,361	185,043
Allowance for doubtful debt	(13,242)	(10,699)
Allowance for discounts	(157)	(200)
Total, net value	138,962	174,144

Trade receivables are related to the Group's wholesale business and they include balances with a collection period not greater than three months. During the first half of 2021 there were no concentration of credit risk greater than 10% associated to individual customers.

The allowance for doubtful debts was calculated in accordance with management's best estimate based on the ageing of accounts receivable as well as the solvency of the oldest accounts and also taking into consideration any balances turned over into collection proceedings. Trade receivables written down are related to specific balances that were past due and for which collection is uncertain.

The allowance for doubtful debts also includes a component related to the "expected credit loss", connected to the particular situation of the period and to the American market.

5.7. CASH AND BANKS

As at 30 June 2021, cash on hand and cash at banks amount to EUR 402.0 million (EUR 923.5 million as at 31 December 2020) and includes cash and cash equivalents as well as the funds available at banks.

The amount included in the Half-year Condensed Consolidated Financial Statements represents the fair value at the date of the financial statements. The credit risk is very limited since the other parties are class A financial institutions.

The consolidated statement of cash flows includes the changes in cash and cash at banks as well as the bank overdrafts.

The following table shows the reconciliation between cash and cash at banks with those included in the consolidated statement of cash flows:

Cash and cash equivalents included in the Statement of (Euro/000)	30 June 2021	31 December 2020
Cash on hand and at banks	401,994	923,498
Bank overdraft and short-term bank loans	(90,014)	(15)
Total	311,980	923,483

5.8. FINANCIAL CURRENT ASSETS

The financial current assets consists of the receivables arising from the market valuation of the derivatives on exchange rates hedges.

5.9. OTHER CURRENT AND NON-CURRENT ASSETS

Other current and non-current assets (Euro/000)	30 June 2021	31 December 2020
Prepayments and accrued income - current	12,965	10,310
Other current receivables	25,571	10,776
Other current assets	38,536	21,086
Prepayments and accrued income - non-current	89	110
Security / guarantees deposits	34,709	33,036
Investments in associated companies	36	36
Other non-current receivables	1,018	341
Other non-current assets	35,852	33,523
Total	74,388	54,609

The other current receivables mainly consists of receivable due from the tax authority for VAT.

Deposits are mostly related to the amounts paid on behalf of the lessee as a guarantee to the lease agreement. There are no differences between the amounts included in the Half-year Consolidated Financial Statements and their fair values.

5.10. TRADE PAYABLES

Trade payables amounted to EUR 268.0 million as at 30 June 2021 (EUR 211.9 million as at 31 December 2020) and pertain to current amounts due to suppliers for goods and services. These payables are all due in the short term and do not include amounts that will be paid over 12 months.

In the first half of 2021 there are no outstanding positions associated to individual suppliers that exceed 10% of the total value. There are no difference between the amounts included in the Half-year Consolidated Financial Statements and their respective fair values.

5.11. OTHER CURRENT AND NON-CURRENT LIABILITIES

As at 30 June 2021, the Other current and non-current liabilities are detailed as follow:

Other current and non-current liabilities (Euro/000)	30 June 2021	31 December 2020
Deferred income and accrued expenses - current	3,692	695
Advances and payments on account to customers	21,601	12,641
Employee and social institutions	38,683	31,603
Tax accounts payable, excluding income taxes	11,894	17,329
Other current payables	16,930	21,742
Other current liabilities	92,800	84,010
Deferred income and accrued expenses - non-current	177	142
Other non-current liabilities	177	142
Total	92,977	84,152

The item tax accounts payable includes mainly value added tax (VAT) and payroll tax withholding.

5.12. CURRENT TAX ASSETS AND LIABILITIES

Tax assets amount to EUR 35.9 million as at 30 June 2021 (EUR 5.1 million as at 31 December 2020) and pertain to receivables for advances paid on taxes.

Tax liabilities amounted to EUR 80.3 million as at 30 June 2021 (EUR 93.6 million as at 31 December 2020). Tax liabilities are recognized net of current tax assets, where the offsetting relates to the same tax jurisdiction and tax system.

5.13. PROVISIONS NON-CURRENT

Non-current provisions as at 30 June 2021 are detailed in the following table:

Provision for contingencies and losses (Euro/000)	30 June 2021	31 December 2020
Other non current contingencies	10,332	12,949
Total	10,332	12,949

The other non-current contingencies include the costs for restoring stores, the costs associated with ongoing disputes and product warranty costs.

5.14. PENSION FUNDS AND AGENTS LEAVING INDEMNITIES

Pension funds and agents leaving indemnities as at 30 June 2021 are detailed in the following table:

Employees pension funds (Euro/000)	30 June 2021	31 December 2020
Pension funds	6,210	4,628
Agents leaving indemnities	3,910	2,558
Total	10,120	7,186

The pension funds pertain mainly to Italian entities of the Group. With the application of the welfare reform from 1 January 2007, the liability has taken the form of a defined contribution plan. Therefore, the amount of pension fund (TFR) accrued prior to the application of the reform and not yet paid to the employees as of the date of the consolidated financial statements is considered as a defined benefit plan.

5.15. FINANCIAL LIABILITIES

Financial liabilities as at 30 June 2021 are detailed in the following table:

Borrowings (Euro/000)	30 June 2021	31 December 2020
Bank overdraft and short-term bank loans	90,014	15
Short-term portion of long-term bank loans	29,069	0
Short-term financial lease liabilities	117,948	102,791
Other short-term loans	9,692	47,617
Short-term borrowings	246,723	150,423
Long-term portion of long-term bank loans	15,045	0
Long-term financial lease liabilities	617,274	537,506
Other long-term borrowings	26,598	25,338
Long-term borrowings	658,917	562,844
Total	905,640	713,267

The caption other borrowings (short and long term) mainly include the financial liabilities versus non-bank third parties.

Financial lease liabilities amounted to EUR 735.2 million (EUR 640.3 million in 2020) and are detailed in the following table:

Financial lease liabilities (Euro/000)	30 June 2021	31 December 2020
Short-term financial lease liabilities	117,948	102,791
Long-term financial lease liabilities	617,274	537,506
Total	735,222	640,297

The changes in financial lease liabilities during the first half of 2021 are reported in the following table:

(Euro/000)	IFRS 16	Ex IAS 17	Financial lease liabilities
1 January 2021	640,251	46	640,297
Acquisitions	79,205	70	79,275
Disposals	(65,998)	(59)	(66,057)
Financial expenses	9,317	4	9,321
Changes in consolidation area	66,272	236	66,508
Translation adjustement	5,878	0	5,878
30 June 2021	734,925	297	735,222

The following tables show the break-down of the borrowing in accordance with their maturity date:

Ageing of the Long-term borrowings		
(Euro/000)	30 June 2021	31 December 2020
Within 2 years	124,324	101,932
From 2 to 5 years	312,774	262,618
Beyond 5 years	221,819	198,294
Total	658,917	562,844

The following tables show the breakdown of the long-term borrowings, excluded financial lease liabilities, in accordance with their maturity date:

Ageing of Long-term borrowings excluded lease liabilities		
(Euro/000)	30 June 2021	31 December 2020
Within 2 years	10,667	7,551
From 2 to 5 years	30,976	17,787
Beyond 5 years	0	0
Total	41,643	25,338

The non-discounted cash flows referring to the lease liabilities are shown below.

Ageing of the lease liabilities not discounted		
(Euro/000)	30 June 2021	31 December 2020
Within 1 year	142,886	125,094
From 1 to 5 years	441,763	352,442
Beyond 5 years	239,525	231,189
Total	824,174	708,725

The net financial position (including financial lease liabilities) is detailed in the following table:

Net financial position (Euro/000)	30 June 2021	31 December 2020
A. Cash	401,994	923,498
B. Cash equivalents	0	0
C. Other current financial assets	2,598	4,793
D. Liquidity (A)+(B)+(C)	404,592	928,291
E . Current financial DEBT	(99,706)	(47,632)
F. Current portion of non-current financial debt	(147,017)	(102,791)
G. Current financial indebtedness (E)+(F)	(246,723)	(150,423)
H. Net current financial indebtedness (G)+(D)	157,869	777,868
I. Non current financial debt	(632,319)	(537,506)
J. Debt instruments	0	0
O. Non-current trade and other payables	(26,598)	(25,338)
P. Non-current financial indebtedness (I)+(J)+(K)	(658,917)	(562,844)
Q. Total financial indebtedness (H)+(L)	(501,048)	215,024

Net financial position as defined by the new ESMA Guidelines of 4 March 2021 (Consob Warning notice no. 5/21 to the Consob Communication DEM/6064293 of 28 July 2006).

The net financial position (excluding financial lease liabilities) is equal to EUR 233.9 million as at 30 June 2021, respect to EUR 855.31 million as at 31 December 2020.

5.16. SHAREHOLDERS' EQUITY

Changes in shareholders' equity for the first half of 2021 and the comparative period are included in the consolidated statements of changes in equity.

As at 30 June 2021 the subscribed share capital constitute by 273.682.790 shares was fully paid and amounted to EUR 54.736.558,00, with a nominal value of EUR 0.20 per share.

As at 30 June 2021 4.106.680 treasury shares were held, equal to 1,5% of the share capital, for a total value of EUR 146.5 million.

The legal reserve and premium reserve pertain to the parent company Moncler S.p.A.

In the first half 2021 the parent company distributed dividends to the Group Shareholders for an amount of EUR 121.3 million (of which EUR 118.3 million paid in the first half 2021). In the first half of 2020 the parent company did not distribute dividends to the Group Shareholders.

The changes in share capital and share premium reserve derive from the reserved share capital increase relating to the transaction with the shareholders of Sportswear Company S.p.A. (n. 15.330.166 ordinary shares at a value of EUR 37.51 per share).

The change in the IFRS 2 reserve is due to the accounting treatment of the stock option and performance share plans, i.e., to the recognition of the figurative cost for the period relating to these plans and the reclassification to retained earnings of the cumulative figurative cost of the plans already closed.

The change in retained earnings mainly relates to the allocation of 2020 result, the dividends distribution, the above-mentioned reclassification of the IFRS 2 reserve and the adjustment to the market value of the financial liabilities to non-banking third parties.

The FTA reserve includes the effects of the initial application of the IFRS 16.

Other reserves include other comprehensive income comprising the translation reserve referred to foreign entities, the reserve for exchange rate risks hedging and the reserve for actuarial gains/losses. The translation reserve includes the exchange differences emerging from the translation of the financial statements of the foreign consolidated companies. The hedging reserve includes the effective portion of the net differences accumulated in the fair value of the derivative hedging instruments. Changes to these reserves were as follows:

Other comprehensive income	Cumulative translation reserve			Other OCI items		
(Euro/000)	Value before tax effect	Tax effect	Value after tax effect	Value before tax effect	Tax effect	Value after tax effect
Reserve as at 1 January 2020	(2,876)	0	(2,876)	(2,237)	528	(1,709)
Changes in the period	(4,161)	0	(4,161)	1,208	(300)	908
Translation differences of the period	0	0	0	0	0	0
Reversal in the income statement of the period	0	0	0	0	0	0
Reserve as at 30 June 2020	(7,037)	0	(7,037)	(1,029)	228	(801)
Reserve as at 1 January 2021	(18,183)	0	(18,183)	1,431	(367)	1,064
Changes in the period	5,371	0	5,371	(7,589)	1,768	(5,821)
Translation differences of the period	0	0	0	0	0	0
Reversal in the income statement of the period	0	0	0	0	0	0
Reserve as at 30 June 2021	(12,812)	0	(12,812)	(6,158)	1,401	(4,757)

Earnings per share

Earnings per share for the half-year ended 30 June 2021 and 30 June 2020 is included in the following table and is based on the relationship between net income attributable to the Group and the average number of outstanding shares.

The diluted earnings per share is in line with the basic earnings per share as at 30 June 2020 as there are no significant dilutive effects arising from stock-based compensation plans.

It should be noted that, for the diluted earnings per share calculation, the treasury share method has been applied, prescribed by IAS 33 paragraph 45 for stock-based compensation plans.

Earnings per share	1H 2021	1H 2020
Net result of the period (Euro/000)	50,455	(31,632)
Average number of shares related to parent's Shareholders	261,498,883	252,581,416
Earnings attributable to Shareholders (Unit of Euro)	0.19	(0.13)
Diluited earnings attributable to Shareholders (Unit of Euro)	0.20	(0.12)

6. SEGMENT INFORMATION

For the purposes of IFRS 8 "Operating segments", the activity carried out by the Group can be identified in the operating segments referring to the Moncler business and the Stone Island business. These operating segments were aggregated into a single reportable segment, consistent with the core principle of IFRS 8, as the segments have similar economic characteristics and share common features, i.e.:

- the nature of the products;
- the nature of the production processes;
- the type of customers;
- the distribution channels.

7. SEASONALITY

Moncler Group's results are influenced by various seasonal factors, linked to its business model and to the industry in which the Group operates.

Over the years, the Moncler brand has preserved its inherent connotation and heritage, linked to the mountains and cold weather, and therefore a strong exposure to products associated with the winter season. The outerwear, especially the duvet coat, continues to be an important element of the brand's product range although this has been extended over the years to other product categories and the spring/summer collections.

Given the importance of outerwear, and of winter products in general, Moncler's DTC revenues are more concentrated in the first and mainly fourth quarters of each financial year. In the wholesale channel, revenues are concentrated in the third quarter, when third-party retailers are invoiced for Autumn/Winter collections and, at a lower level, in the first quarter, when third-party retailers are invoiced for Spring/Summer collections.

The Stone Island brand, on the other hand, has developed a balanced presence across the different seasons, while still generating a significant portion of its turnover through the wholesale channel. This implies that the first and third quarters are the two main quarters for the Stone Island brand, when the Spring/Summer and Fall/Winter collections are shipped to wholesale customers.

Given the Group's significant seasonality, substantially linked to the seasonality of the Moncler brand, and the possible influence of exogenous factors on quarterly results, such as weather conditions, individual interim results may not make a uniform contribution to annual results and may not be directly comparable with those of previous quarters.

Finally, the revenues trend and the dynamics of the production cycles have an impact on net working capital and net debt. Group's cash generation peaks in March and December, linked to the cash flow of the Moncler brand, while the months of June and July are characterised by high cash absorption.

8. COMMITMENTS AND GUARANTEES GIVEN

8.1. COMMITMENTS

The Group's commitments pertain mostly to lease agreements related to temporary stores and pop-up stores with a term of less than one year, which therefore do not fall within the scope of application of IFRS 16.

As at 30 June 2021, the amount due for these contracts is equal to EUR 2,230 thousands (as at 30 June 2020 the amount was equal to zero).

8.2. GUARANTEES GIVEN

As at 30 June 2021 the Group had given the following guarantees:

Guarantees and bails given (Euro/000)	30 June 2021	31 December 2020
Guarantees and bails given for the benefit of:		
Third parties/companies	32,529	27,230
Total guarantees and bails given	32,529	27,230

Guarantees pertain mainly to lease agreements for the new stores.

9. CONTINGENT LIABILITIES

As the Group operates globally, it is subject to risks which may arise during the performance of its ordinary activities. Based on information available to date, the Group believes that as of the date of the half-year condensed consolidated financial statements, the provisions set up are adequate to ensure that the half-year condensed consolidated financial statements give a true and fair view of the Group's financial position and results of operations.

10. OTHER INFORMATION

10.1. RELATED PARTY TRANSACTIONS

Set out below are the transactions with related parties deemed relevant for the purposes of the "Procedure with related party" adopted by the Group.

The "Procedure with related party" is available on the Company's website (www.monclergroup.com, under "Governance/Corporate documents").

Transactions and balances with consolidated companies have been eliminated upon consolidation, therefore there are no comments there.

During the first-half of 2021 related party transactions mainly relate to trading transactions carried out on an arm's length basis with the following parties:

- Yagi Tsusho Ltd, counterparty to the transaction which led to the establishment of Moncler Japan Ltd. acquires finished products from Moncler Group companies (EUR 44.0 million in the first half of 2021 and EUR 52.5 million for the same period last year) and then sells them to Moncler Japan Ltd. (EUR 48.9 million in the first half of 2021 and EUR 58.1 million in the same period of 2020) pursuant to contracts agreed upon the companies' establishment.
- Gokse Tekstil Kozmetik Sanayi ic ve dis ticaret limited sirketi, company held by the minority shareholder of Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti, provide services to that company. Total costs recognized for the first half of 2021 amount to EUR 0.05 million (EUR 0.6 million in the first half of 2020).
- The company La Rotonda S.r.l., owned by a manager of the Moncler Group, acquires finished products from Industries SpA and provides services to the same. Total revenues recognized for the first half of 2021 amount to EUR 0.6 million (EUR 0.5 million in the first half of 2020) and total costs recognized for the first half of 2021 amount to EUR 0.08 million (EUR 0.08 million in the first half of 2020).

- The company Amanpulo S.r.l., controlled by Rivetex S.r.l., a company referable to Carlo Rivetti and his family members, rents a building to the company Sportswear Company S.p.A; in the first half of 2021, total costs amounted to EUR 0.1 million.
- Mr Fabrizio Ruffini, brother of the Chairman of the Board of Directors and Chief Executive Officer of Moncler S.p.A., provides consultancy services relating to research, development and quality control for Moncler branded products. Total costs recognised in the first half of 2021 amounted to EUR 0.3 million (EUR 0.3 million in the first half of 2020).

Company Industries S.p.A. adhere to the Parent Company Moncler S.p.A. fiscal consolidation and VAT consolidation.

COMPENSATION PAID TO DIRECTORS, BOARD OF STATUTORY AUDITORS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

Compensation paid of the members of the Board of Directors in the first half of 2021 are EUR 2,976 thousand (EUR 1,923 thousand in the first half of 2020).

Compensation paid of the members of the Board of Auditors in the first half of 2021 are EUR 71 thousand (EUR 81 thousand in the first half of 2020).

In the first half of 2021 total compensation paid to executives with strategic responsibilities amounted to EUR 755 thousand (EUR 496 thousand in the first half of 2020).

In the first half of 2021 the costs relating to Performance shares plan (described in section 10.2) referring to members of the Board of Directors and Key management personnel amount to EUR 3,923 thousand (EUR 3,532 thousand in the first half of 2020).

The following tables summarize the aforementioned related party transactions that took place during the first half of 2021 and the comparative period.

(Euro/000)	Type of relationship	Note	30 June 2021	%	30 June 2020	%
Yagi Tsusho Ltd	Distribution agreement	a	44,037	(28.6)%	52,457	(42.4)%
Yagi Tsusho Ltd	Distribution agreement	a	(48,851)	31.7%	(58,053)	46.9%
GokseTekstil Kozmetik Sanayi ic ve dis ticaret limited sirketi	Service agreement	b	(51)	0.0%	(58)	0.1%
La Rotonda S.r.l.	Trade transactions	c	609	0.1%	508	0.1%
La Rotonda S.r.l.	Trade transactions	d	(77)	0.0%	(73)	0.0%
Amanpulo S.r.l.	Trade transactions	d	(113)	0.0%	0	0.0%
Fabrizio Ruffini	Service agreement	b	(275)	0.2%	(276)	0.3%
Directors, board of statutory auditors and executives with strategic responsibilities	Labour services	b	(6,845)	6.2%	(5,403)	6.8%
Executives with strategic responsibilities	Labour services	d	(880)	0.4%	(629)	0.3%
Total			(12,446)		(11,527)	

a effect in % based on cost of sales
b effect in % based on general and administrative expenses
c effect in % based on revenues
d effect in % based on selling expenses

(Euro/000)	Type of relationship	Note	30 June 2021	%	31 December 2020	%
Yagi Tsusho Ltd	Trade payables	a	(32,314)	12.1%	(15,677)	7.4%
Yagi Tsusho Ltd	Trade receivables	b	23,638	17.0%	10,392	6.0%
La Rotonda S.r.l.	Trade receivables	b	743	0.5%	813	0.5%
La Rotonda S.r.l.	Trade payables	a	(35)	0.0%	(37)	0.0%
Amanpulo S.r.l.	Trade payables	a	0	0.0%	0	0.0%
Fabrizio Ruffini	Trade payables	a	(38)	0.0%	(137)	0.1%
Directors, board of statutory auditors and executives with strategic responsibilities	Other current liabilities	c	(1,796)	1.9%	(589)	0.7%
Total			(9,802)		(5,235)	

a effect in % based on trade payables
b effect in % based on trade receivables
c effect in % based on other current liabilities

The following tables details the weight of related party transactions on the items of the consolidated financial statements.

(Euro/000)	30 June 2021			
	Revenue	Cost of sales	Selling expenses	General and administrative expenses
Total related parties	609	(4,814)	(1,070)	(7,171)
Total consolidated financial statements	621,768	(154,121)	(236,362)	(110,338)
Weight %	0.1%	3.1%	0.5%	6.5%

(Euro/000)	30 June 2021		
	Trade receivables	Trade Payables	Other current liabilities
Total related parties	24,381	(32,387)	(1,796)
Total consolidated financial statements	138,962	(268,017)	(92,800)
Weight %	17.5%	12.1%	1.9%

(Euro/000)	30 June 2020			
	Revenue	Cost of sales	Selling expenses	General and administrative expenses
Total related parties	508	(5,596)	(702)	(5,737)
Total consolidated financial statements	403,334	(123,764)	(190,937)	(79,794)
Weight %	0.1%	4.5%	0.4%	7.2%

(Euro/000)	31 December 2020		
	Trade receivables	Trade Payables	Other current liabilities
Total related parties	11,205	(15,851)	(589)
Total consolidated financial statements	174,144	(211,903)	(84,010)
Weight %	6.4%	7.5%	0.7%

10.2. STOCK OPTION PLANS

The Half-year Consolidated Financial Statements at 30 June 21 reflects the values of the Performance Share Plans approved in 2018 and in 2020.

The costs related to stock-based compensation plans are equal to EUR 14.9 million in the first half of 2021, compared with EUR 11.7 million in the first half of 2020.

On 16 April 2018 the Shareholders' meeting of Moncler approved the adoption of a stock grant plan entitled "**2018-2020 Performance Shares Plan**" ("2018 Plan") addressed to Executive Directors and/or Key Managers, and/or employees, and/or collaborators, and/or external consultants of Moncler S.p.A. and of its subsidiaries, which have strategically relevant roles or are otherwise capable of making a significant contribution, with a view of pursuing the Group's strategic objectives.

The object of the Plan is the free granting of the Moncler shares in case certain Performance Targets are achieved at the end of the vesting period of 3 years.

The Performance Targets are expressed base on the earning per share index ("EPS") of the Group in the Vesting Period, adjusted by the conditions of over/under performance.

The proposed maximum number of shares serving the Plan is equal to n. 2,800,000 resulting from the allocation of treasury shares.

The Plan provides for a maximum of 3 cycles of attribution; the first attribution cycle, approved during 2018, ended with the assignment of 1,365,531 Moncler Rights. The second attribution cycle, approved during 2019, ended with the assignment of 341,514 Moncler Rights.

As regards the first allocation cycle:

- The 3-year vesting period ended with the approval of the Draft Financial Statements as at December 31, 2020.
- The performance targets were met, together with the over-performance condition.
- Therefore, No. 1,476,123 shares (including No. 246,520 shares deriving from over-performance) were assigned to the beneficiaries through the allocation of treasury shares.
- The effect on the income statement on the first half of 2021 amount to EUR 4,3 million.

As at 30 June 2021 there are still in circulation 267,394 rights related to the second cycle of attribution (the effect on the income statement in the first half of 2021 amount to EUR 1.6 million).

On 11 June 2020, the Ordinary Shareholders' Meeting has approved, pursuant to art. 114-bis of the Consolidated Law on Finance, the adoption of a Stock Grant Plan denominated "**2020 Performance Shares Plan**" addressed to Executive Directors, Key Managers, employees and collaborators, therein including Moncler's external consultants and of its subsidiaries.

The object of the Plan is the free granting of the Moncler shares in case certain Performance Targets are achieved at the end of the vesting period of 3 years.

The Performance Targets are expressed base on the following index of the Group in the Vesting Period, adjusted by the conditions of over/under performance: (i) Net Income, (ii) Free Cash Flow and (iii) ESG (Environmental Social Governance).

The proposed maximum number of shares serving the Plan is equal to n. 2,000,000 resulting from capital increase and/or allocation of treasury shares.

The Plan provides for a maximum of 3 cycles of attribution; as regards the first attribution cycle, on 11 June 2020 the Board of Directors resolved the granting of 1,350,000 Moncler Rights. The second attribution cycle, approved during 2021, ended with the assignment of 463,425 Moncler Rights.

As at 30 June 2021 there are still in circulation 1,154,931 rights related to the first cycle of attribution, which effect on the income statement on the first half of 2021 amount to EUR 7,9 million and 463.425 rights related to the second cycle of attribution (the effect on the income statement in the first half of 2021 amount to EUR 0.4 million).

As stated by IFRS 2, these plans are defined as equity settled share-based payments.

For information regarding the plan, please see the company's website, www.monclergroup.com, in the "Governance" section.

10.3. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

We point out that, on June 14, 2021, Moncler S.p.A. Board of Directors, putting into effect the resolutions adopted by the Shareholders' Meeting of June 11, 2020, resolved, with reference to the stock grant plan denominated "2020 Performance Shares Plan", the granting of 463,425 shares to 59 beneficiaries.

The description of the stock-based compensation plans and the related costs are included in note 10.2.

10.4. ATYPICAL AND/OR UNUSUAL TRANSACTIONS

No atypical and/or unusual transactions were carried out by the Group during the first half of 2021.

10.5. FINANCIAL INSTRUMENTS

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Furthermore, in the current period, it is not necessary to expose the fair value of the lease liabilities.

(Euro/000) June 30, 2021	Current	Non-current	Fair value	Level
Financial assets measured at fair value				
Interest rate swap used for hedging	-	-	-	
Forward exchange contracts used for hedging	2,598	-	2,598	2
Sub-total	2,598	-	2,598	
Financial assets not measured at fair value				
Trade and other receivables (*)	139,303	34,710		
Cash and cash equivalents (*)	401,993	-		
Sub-total	541,296	34,710	-	
Total	543,894	34,710	2,598	

(Euro/000) December 31, 2020	Current	Non-current	Fair value	Level
Financial assets measured at fair value				
Interest rate swap used for hedging	-	-	-	
Forward exchange contracts used for hedging	4,793	-	4,793	2
Sub-total	4,793	-	4,793	
Financial assets not measured at fair value				
Trade and other receivables (*)	174,144	33,036		
Cash and cash equivalents (*)	923,498	-		
Sub-total	1,097,642	33,036	-	
Total	1,102,435	33,036	4,793	

(Euro/000) June 30, 2021	Current	Non-current	Fair value	Level
Financial liabilities measured at fair value				
Interest rate swap used for hedging	-	-	-	2
Forward exchange contracts used for hedging	(8,342)	-	(8,342)	2
Other financial liabilities	(1,350)	(26,599)	(27,949)	3
Sub-total	(9,692)	(26,599)	(36,291)	
Financial liabilities not measured at fair value				
Trade and other payables (*)	(306,889)	-		
Bank overdrafts (*)	(14)	-		
Short-term bank loans (*)	(90,000)	-		
Bank loans (*)	(29,111)	(15,045)		
IFRS 16 financial loans (*)	(117,948)	(617,273)		
Sub-total	(543,962)	(632,318)	-	
Total	(553,654)	(658,917)	(36,291)	

(Euro/000) December 31, 2020	Current	Non-current	Fair value	Level
Financial liabilities measured at fair value				
Interest rate swap used for hedging	-	-	-	2
Forward exchange contracts used for hedging	(765)	-	(765)	2
Other financial liabilities	(46,852)	(25,338)	(72,190)	3
Sub-total	(47,617)	(25,338)	(72,955)	
Financial liabilities not measured at fair value				
Trade and other payables (*)	(246,286)	-		
Bank overdrafts (*)	(15)	-		
Short-term bank loans (*)	-	-		
Bank loans (*)	-	-		
IFRS 16 financial loans (*)	(102,791)	(537,506)		
Sub-total	(349,092)	(537,506)	-	
Total	(396,709)	(562,844)	(72,955)	

(*) Such items refer to short-term financial assets and financial liabilities whose carrying value is a reasonable approximation of fair value, which was therefore not disclosed.

11. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No significant events occurred after the reporting date.

***

These Half-Year Consolidated Financial Statements, comprised of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and explanatory notes to the consolidated financial statements give a true and fair view of the financial position and the results of operations and cash flows and corresponds to the accounting records of the Parent Company and the companies included in the consolidation.

On behalf of the Board of Directors of Moncler S.p.A.

Remo Ruffini

Chairman and Chief Executive Officer

ATTESTATION OF THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF THE CONSOB REGULATION 11971 OF 14 MAY 1999 AS AMENDED

1. The undersigned, Remo Ruffini, in his capacity as the Chief Executive Officer of Moncler S.p.A. and Luciano Santel, as the executive officer responsible for the preparation of Moncler S.p.A.'s financial statements, having also taken into account the provisions of Article 154-bis, paragraphs 3 and 4, of the Italian Legislative Decree 58 of 24 February 1998, hereby certify:

- the adequacy in relation to the characteristics of the company and
- the effective implementation of the administrative and accounting procedures for the preparation of the half-year condensed consolidated financial statements, during the first half of 2021.

2. With regard to the above, there are no remarks.

3. It is also certified that:

3.1 the Half-year Condensed Consolidated Financial Statement:

a) has been drawn up in accordance with the international accounting standards recognised in the European Union under the EC regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002;
b) is consistent with the entries in the accounting books and records;
c) is capable of providing a true and fair representation of the assets and liabilities, profits and losses and financial position of the issuer and the group of companies included in the consolidation.

3.2 The half-year directors' report includes a reliable analysis of the significant events that took place in the first six months of the financial year and their impact on the half-year condensed consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The half-year directors' report also includes a reliable analysis of the disclosure on significant related party transactions.

Milan, 27 July 2021

CHAIRMAN OF THE BOARD OF DIRECTOR AND CHIEF EXECUTIVE OFFICER

Remo Ruffini

EXECUTIVE OFFICER RESPONSIBLE FOR THE PREPARATION OF THE COMPANY'S FINANCIAL STATEMENTS

Luciano Santel

KPMG

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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

To the Shareholders of
Moncler S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Moncler Group comprising the income statement and the statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows and notes thereto, as at and for the six months ended 30 June 2021. The company's parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Moncler Group as at and for the six months ended 30 June 2021 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Treviso, 30 July 2021

KPMG S.p.A.

(signed on the original)

Gianluca Zaniboni
Director of Audit