

Salvatore Ferragamo

Salvatore Ferragamo Group

Interim Report as at 30 September 2021

Salvatore Ferragamo S.p.A.

Florence

CONTENTS

<i>General information</i>	3
<i>Corporate boards</i>	4
<i>Group structure</i>	5
<i>Group description</i>	6
<i>Interim Directors' report on operations</i>	7
<i>Main Stock Market indicators – Salvatore Ferragamo S.p.A.</i>	7
<i>Income and financial highlights for the first nine months of 2021</i>	8
<i>Introduction</i>	9
<i>The Salvatore Ferragamo Group's Activities</i>	9
<i>Operating performance</i>	10
<i>Significant events occurred during the first nine months of 2021</i>	18
<i>Other information</i>	19
<i>Basis of presentation</i>	20
<i>Significant events occurred after 30 September 2021</i>	23
<i>Outlook</i>	23
<i>Financial Statements</i>	24
<i>Consolidated Statement of Financial Position – Assets</i>	24
<i>Consolidated Statement of Financial Position – Liabilities and Shareholders' Equity</i>	25
<i>Consolidated Income Statement</i>	26
<i>Consolidated Statement of Comprehensive Income</i>	27
<i>Consolidated Statement of Cash Flows</i>	28
<i>Statement of changes in consolidated shareholders' equity</i>	29
<i>Statement pursuant to paragraph 2, article 154 bis of Leg. Decree no. 58/98 (Consolidated Law on Finance)</i>	30

This document has been translated into English solely for the convenience of international readers.

General information

Registered office of the Parent company

Salvatore Ferragamo S.p.A.
Via Tornabuoni, 2
50123 Florence

Legal information about the Parent company

Authorized, subscribed and paid-up share capital 16,879,000 Euro
Tax code and Florence Company Register no.: 02175200480
Registered with the Florence Chamber of Commerce under REA (Economic and Administrative Register) no.
464724
Corporate website <https://group.ferragamo.com/it/>

Corporate boards

Board of Directors (1)	Leonardo Ferragamo (1)(6)(10)	Chairman
	Michele Norsa (1)(7)(8)	Executive Deputy Chairman
	Frédéric Biousse (10) (11) (12)	
	Giacomo Ferragamo (1) (9)	
	Patrizia Michela Giangualano (1)(10)(11)	
	Annalisa Loustau Elia (10) (11) (12)	
	Umberto Tombari (1)(10)(11)	
	Angelica Visconti (1)(9)	
	Peter Woo Kwong Ching (1)(10)	
	Anna Zanardi Cappon (1)(10)(11)	
Control and Risks Committee (2)	Patrizia Michela Giangualano	Chairwoman
	Umberto Tombari	
	Anna Zanardi Cappon	
Nomination and Remuneration Committee (2)	Anna Zanardi Cappon (13)	Chairwoman
	Umberto Tombari	
	Annalisa Loustau Elia (14)	
Growth Plan and Strategy Committee(2)	Michele Norsa	Chairman
	Leonardo Ferragamo	
Board of Statutory Auditors (3)	Andrea Balelli	Chairman
	Paola Caramella	Acting Statutory Auditor
	Giovanni Crostarosa Guicciardi	Acting Statutory Auditor
	Roberto Coccia	Substitute Statutory Auditor
	Antonella Andrei	Substitute Statutory Auditor
Independent Auditors (4)	KPMG S.p.A.	
Manager charged with preparing Company's Financial Reports (5)	Alessandro Corsi	

(1) Appointed by the Shareholders' Meeting on 22 April 2021 and serving until the approval of the separate financial statements as at 31 December 2023. On 27 July 2021, Ms Marinella Soldi resigned effective immediately from her position as Director and Chairwoman of the Nomination and Remuneration Committee. Ms Micaela le Divelec Lemmi resigned from her position as Director and Managing Director effective 8 September 2021. Therefore, on the same date Ms le Divelec also stepped down as member of the Growth Plan and Strategy Committee.

(2) Set up by the Board of Directors on 22 April 2021

(3) Appointed by the Shareholders' Meeting on 8 May 2020 and serving until the approval of the separate financial statements as at 31 December 2022

(4) Appointed for the 2020-2028 period

(5) Appointed by the Board of Directors on 10 March 2020 effective as from 1 April 2020

(6) Appointed as Chairman by the Board of Directors on 22 April 2021

(7) Appointed as Executive Deputy Chairman by the Board of Directors on 22 April 2021

(8) Executive director

(9) Executive director pursuant to the Corporate Governance Code for listed companies as a manager of the Company

(10) Non-executive director

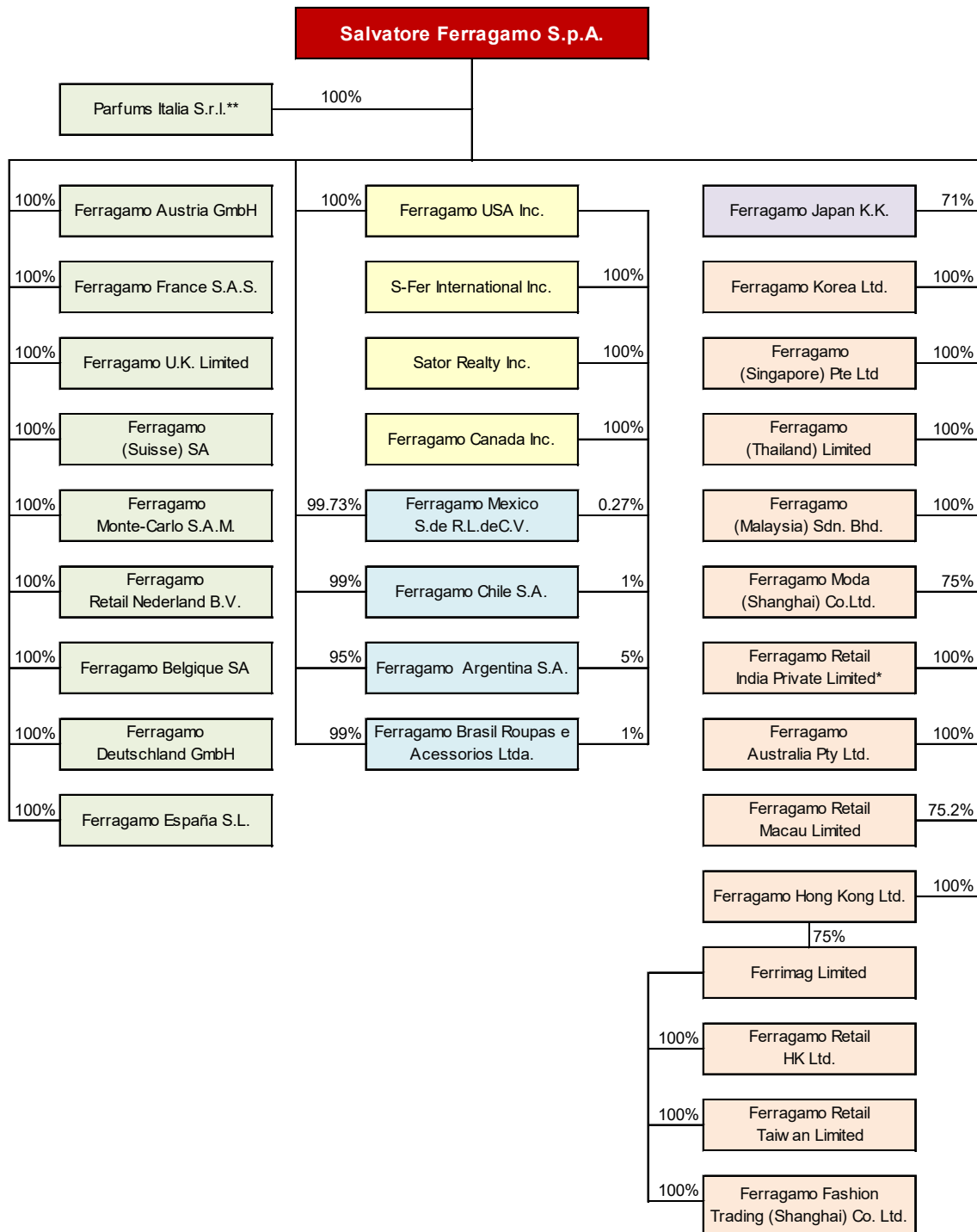
(11) Independent director pursuant to article 147-ter, paragraph 4 and article 148, paragraph 3 of Italian Legislative Decree no. 58 of 24 February 1998 ("T.U.F.", Consolidated Law on Finance) and the Corporate Governance Code for listed companies

(12) Co-opted as director pursuant to art. 2386, paragraph 1 of the Italian Civil Code by the Board of Directors on 29 September 2021 and serving until the next Shareholders' Meeting

(13) Appointed as Chairwoman of the Nomination and Remuneration Committee by the Board of Directors on 29 September 2021, in place of the outgoing Director Marinella Soldi

(14) Appointed to the Nomination and Remuneration Committee by the Board of Directors on 29 September 2021

Group structure



Notes

- European companies
- North America companies
- Centre and South America companies
- Asia Pacific companies
- Japanese companies

* Non-operating company

** Company set up on 8 September 2021, classified as to be disposed of as at 30 September 2021 and sold to Inter Parfums, Inc. on 1 October 2021.

Group description

As at 30 September 2021, the Salvatore Ferragamo Group consists of Salvatore Ferragamo S.p.A. (Parent company) and the following subsidiaries – consolidated on a line by line basis – in which the Parent company holds majority stakes, both directly or indirectly, and which it controls.

Salvatore Ferragamo S.p.A.	Parent company, owner of the Ferragamo and Salvatore Ferragamo brands, as well as of numerous other figurative and shape-based trademarks; it undertakes production activities and it manages the retail distribution channel in Italy and the wholesale channel in Italy and abroad and acts as a holding company.
Europe	
Ferragamo Retail Nederland B.V.	It manages directly operated stores (DOS) in Holland
Ferragamo France S.A.S.	It manages directly operated stores (DOS) in France
Ferragamo Deutschland GmbH	It manages directly operated stores (DOS) in Germany
Ferragamo Austria GmbH	It manages directly operated stores (DOS) in Austria
Ferragamo U.K. Limited	It manages directly operated stores (DOS) in the United Kingdom
Ferragamo (Suisse) SA	It manages directly operated stores (DOS) in Switzerland
Ferragamo Belgique SA	It manages directly operated stores (DOS) in Belgium
Ferragamo Monte-Carlo S.A.M.	It manages directly operated stores (DOS) in the Principality of Monaco
Ferragamo Espana S.L.	It manages directly operated stores (DOS) in Spain
Parfums Italia S.r.l.	company set up on 8 September 2021 for the transfer of the fragrances business, classified as to be disposed of and sold to Inter Parfums, Inc. on 1 October 2021
North America	
Ferragamo USA Inc.	It distributes and promotes products in the USA and acts as a sub-holding for North America (USA and Canada)
Ferragamo Canada Inc.	It manages directly operated stores (DOS) and the wholesale channel in Canada
S-Fer International Inc.	It manages directly operated stores (DOS) in the USA
Sator Realty Inc.	It manages directly operated stores (DOS) in the USA and real estate assets
Central and South America	
Ferragamo Mexico S. de R.L. de C.V.	It manages directly operated stores (DOS) and the wholesale channel in Mexico
Ferragamo Chile S.A.	It manages directly operated stores (DOS) in Chile
Ferragamo Argentina S.A.	It manages directly operated stores (DOS) in Argentina
Ferragamo Brasil Roupas e Acessorios Ltda.	It manages directly operated stores (DOS) in Brazil
Asia Pacific	
Ferragamo Hong Kong Ltd.	It distributes and promotes products in Asia and acts as a sub-holding for the Chinese area (Hong Kong, Taiwan, PRC)
Ferragamo Australia Pty Ltd.	It manages directly operated stores (DOS) in Australia
Ferrimag Limited	Sub-holding company for the Chinese area (Hong Kong, Taiwan, PRC)
Ferragamo Fashion Trading (Shanghai) Co. Ltd.	It manages directly operated stores (DOS) and the wholesale channel in the People's Republic of China
Ferragamo Moda (Shanghai) Co. Ltd.	It manages directly operated stores (DOS) in the People's Republic of China
Ferragamo Retail HK Limited	It manages directly operated stores (DOS) in Hong Kong
Ferragamo Retail Taiwan Limited	It manages directly operated stores (DOS) in Taiwan
Ferragamo Retail Macau Limited	It manages directly operated stores (DOS) in Macau
Ferragamo Retail India Private Limited	Non-operating company
Ferragamo Korea Ltd.	It manages directly operated stores (DOS) and the wholesale channel in South Korea
Ferragamo (Singapore) Pte Ltd.	It manages directly operated stores (DOS) in Singapore
Ferragamo (Thailand) Limited	It manages directly operated stores (DOS) in Thailand
Ferragamo (Malaysia) Sdn. Bhd.	It manages directly operated stores (DOS) in Malaysia
Japan	
Ferragamo Japan K.K.	It manages directly operated stores (DOS) in Japan

Interim Directors' report on operations

Main Stock Market indicators – Salvatore Ferragamo S.p.A.

Official price as at 30 September 2021 in Euro	17.7
Stock Market capitalization as at 30 September 2021 in Euro	2,987,583,000
Number of shares making up the share capital as at 30 September 2021	168,790,000
Number of outstanding shares net of treasury shares (free float)	48,979,090

Below is the trend in Salvatore Ferragamo's share price during the first nine months of 2021.



Alternative performance measures

In order to better assess its performance, the Salvatore Ferragamo Group makes use of some alternative performance measures which are not identified as accounting measures under IFRS. Therefore, the measurement basis applied by the Group may differ from that adopted by other groups, and the balance may not be comparable. These alternative performance measures are derived exclusively from historical financial data and are determined in accordance with the Guidelines on Alternative Performance Measures issued by ESMA/2015/1415 and adopted by CONSOB with communication no. 92543 of 3 December 2015. They refer exclusively to the performance for the reporting period of this Interim report as well as the comparative periods, and not to the Group's expected performance and are not to be considered as substitutes for IFRS measures. The definitions of the alternative performance measures adopted in this document are provided below:

EBITDA: it is *Operating profit* before *Amortization and depreciation* and *write-downs of tangible/intangible assets* and *Right-of-use assets*.

Operating profit/(loss): it is the difference between revenues, cost of goods sold, and operating costs net of other income.

Adjusted operating profit/(loss): it is Operating Profit/(Loss) before Write-downs of tangible/intangible assets resulting from impairment tests conducted in accordance with IAS 36, in the wake of the extraordinary impact of the Covid-19 pandemic.

Net working capital: it is *Inventories*, plus *Right of return assets* and *Trade receivables* net of *Trade payables* and *Refund Liabilities*.

Net invested capital: it is the total amount of *Non current assets*, *Current assets* and *Assets held for sale*, excluding financial assets (*Other current financial assets* and *Cash and cash equivalents*) net of *Non current liabilities*, *Current liabilities* and *Liabilities held for sale*, excluding financial liabilities (*Current and non current interest-bearing loans & borrowings*, *Other current and non current financial liabilities*, and *Current and non current lease liabilities*).

Net financial debt/(surplus): it is calculated as *Current and non current interest-bearing loans & borrowings* plus *Current and non current lease liabilities* and *Other current and non current financial liabilities* including the negative fair value of derivatives (non-hedging component), net of *Cash and cash equivalents* and *Other current financial assets*, including the positive fair value of derivatives (non-hedging component).

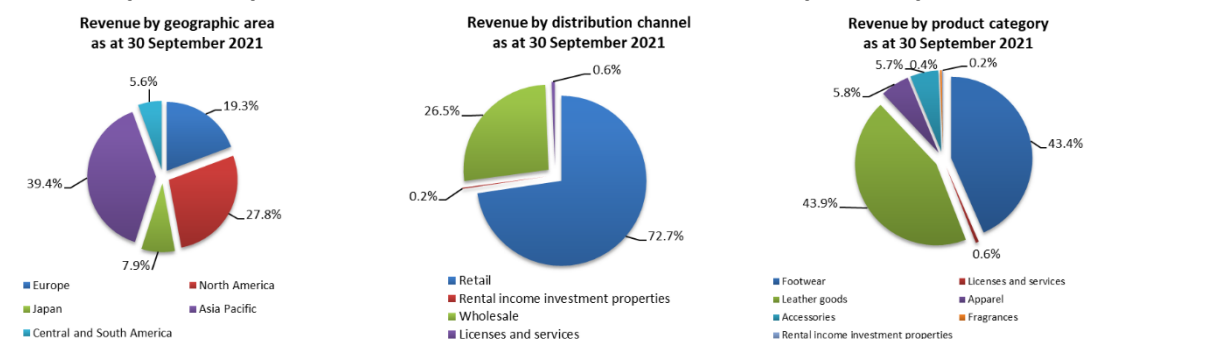
Adjusted net financial debt/(surplus): it is *Net financial debt/(surplus)* excluding *Current and non current lease liabilities*.

Adjusted cash flow from (used in) operating activities: it is *Net cash from (used in) operating activities* net of *Repayment of lease liabilities* (classified as *Cash flow from financing activities*).

Income and financial highlights for the first nine months of 2021

(In millions of Euro)	Period ended 30 September		% change 2021 vs 2020 Restated
	2021	2020 Restated*	
Revenues	785.3	586.7	33.9%
Gross profit	531.7	359.5	47.9%
Gross profit %	67.7%	61.3%	
EBITDA	201.9	77.8	>100%
EBITDA %	25.7%	13.3%	
Operating profit/(loss)	84.5	(69.1)	na
Operating profit/(loss) %	10.8%	(11.8%)	
Adjusted operating profit/(loss)	84.5	(59.9)	na
Adjusted operating profit/(loss) %	10.8%	(10.2%)	
Net profit/(loss) for the period	39.9	(96.1)	na
Net profit/(loss) – Group	37.5	(96.5)	na
Net profit/(loss) – minority interests	2.3	0.4	

* The data for the period ended 30 September 2020 were restated following the classification of the fragrances business as operation to be disposed of.



(In millions of Euro)	30 September 2021	31 December 2020	30 September 2020
Investments in tangible/intangible assets*	26.2	29.4	15.1
Net working capital	249.9	314.6	342.1
Shareholders' equity	757.6	709.7	690.4
Adjusted net financial debt/(surplus)	(265.2)	(138.7)	(75.1)
Adjusted cash flow from (used in) operating activities	154.4	(5.2)	(83.5)

* To provide a better presentation, investments in tangible/intangible assets are presented excluding the costs for the restoration of premises leased from third parties, recognized as fixed assets and Right-of-use assets, pursuant to the relevant contractual obligations

	30 September 2021	31 December 2020	30 September 2020
Staff as at the reporting date	3,777	3,855	3,891
Number of DOS	404	395	393
Number of TPOS	239	249	253

Geographical distribution of monobrand stores (30 September 2021)



643 Ferragamo monobrand stores

Disclaimer

This document contains forward-looking statements, in particular in the sections headed “Outlook” and “Significant events occurred after 30 September 2021” relating to future events and the operating, income and financial results of the Salvatore Ferragamo 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. As such, they must not be unduly relied upon. The actual results could differ significantly from those contained in these statements due to a variety of factors, including the volatility and deterioration in the performance of securities and financial markets, changes in raw material prices, changes in macroeconomic conditions and in economic growth, and other changes in business conditions, in the legal and institutional framework (both in Italy and abroad), and many other factors, most of which are beyond the Group’s control.

Introduction

This Interim report was not audited nor prepared in accordance with IAS 34 “Interim Financial Reporting”, as the Group applies said standard to half-year reports and not also quarterly reports. Publication is voluntary.

The market in which the Salvatore Ferragamo Group operates is characterized by seasonal events that are typical of the retail and wholesale sales and which result in an uneven monthly breakdown in the sales flow and in operating costs. Therefore, it is important to remember that the financial performance for the first nine months of the year cannot be considered as proportional to the year as a whole. The figures are affected by the mentioned seasonal events also in terms of equity and financial position as well as in terms of taxation.

The Interim report, in addition to the indicators required for financial statements, in compliance with International Financial Reporting Standards (IFRS), also includes some alternative performance measures used by management to monitor and assess the Group’s performance, as detailed in a specific section. This Interim report must be read together with the Annual Report as at 31 December 2020, which provides full details on the issues addressed.

Please note that, because of the classification of the fragrances division as assets held for sale and operation to be disposed of, following the definition of the terms of the transaction with Inter Parfums Inc. for the transfer of the business and the grant of an exclusive license under the Ferragamo brand – for more details, see the paragraphs Significant events occurred during the first nine months of 2021 and Significant events occurred after 30 September 2021 – the income statement and the statement of other comprehensive income for the period ended 30 September 2020, presented as comparative information, were restated to present the operation to be discontinued separately from continuing operations.

The Salvatore Ferragamo Group's Activities

As at the date of approval of this Interim Report, the Salvatore Ferragamo Group is active in the creation, production and sale of luxury goods for men and women: footwear, leather goods, apparel, silk goods, other accessories, and jewels. The product range also includes fragrances, eyewear, and watches manufactured under license by third parties. The product range stands out for its uniqueness, which is the result of the combination of creative and innovative style with the quality and craftsmanship that are the hallmark of luxury goods made in Italy. The Salvatore Ferragamo Group carries out product sales mainly through a network of Salvatore Ferragamo monobrand stores, managed both directly (DOS) or by third parties, and, alongside this network, also through a significant and well-established presence in department stores and multibrand speciality stores as well as the e-commerce channel.

As for the fragrances product category, until 30 September 2021 the Group oversaw the creation, development, and production (completely outsourced) of fragrances and related products under the Salvatore Ferragamo brand and, under license, the Ungaro brand; sales were managed directly by the Group (previously Ferragamo Parfums S.p.A., and then Salvatore Ferragamo S.p.A.), as well as third party distributors. For further details on the evolution of this operation, reference should be made to the paragraphs Significant events occurred during the first nine months of 2021 and Significant events occurred after 30 September 2021.

The Salvatore Ferragamo Group is also active in the licensing of the Salvatore Ferragamo brand and in real estate management.

Effect of exchange rate changes on operations

The Ferragamo Group has a strong presence in international markets, including through commercial companies located in countries with currencies other than the Euro, mainly the US dollar, the Chinese renminbi, the Japanese yen, the South Korean won, and the Mexican peso. Therefore, the Group is exposed to both settlement and translation risk.

In the first nine months of 2021, US interest rates rose steadily and forecasts for economic growth and inflation were revised upwards, causing the dollar to appreciate.

The EUR/USD pair shifted from 1.23 in January to 1.16 at the end of September, with an average exchange rate of 1.196. In September, the appreciation of the dollar - which climbed to its highest since the beginning of the year - was fueled by the continued rise in yields and the increasing likelihood of an imminent tapering by the Fed.

The USD/CNY pair lost ground in the first half of the year as the dollar rallied, standing at around 6.57 in March. In the following months, the Yuan once again appreciated and rose back to January's levels; the average exchange rate for the first nine months of the year was 6.47. Meanwhile, the Yuan maintained its relative strength against the Euro, shifting from 7.96 in January to 7.49 at the end of September.

Optimism about a global economic recovery and, therefore, the yen losing its appeal as a safe-haven and the widening spread with US yields caused the Japanese currency to depreciate: the EUR/JPY exchange rate rose from 126.6 in January to 129.7 at the end of September, with peaks at around 134 in June.

The South Korean Won, correlated with the balance of trade and exports, hovered around an average of 1354 against the Euro and ended the third quarter at 1371, dragged down by South Korea's economic slump.

After a bout of volatility and weakness in the first two months of the year, the Mexican Peso jumped as the dollar temporarily lost strength. In recent months, its performance has been affected by rising interest rates and oil prices, which caused the EUR/MXN exchange rate to fall towards its lowest level since the beginning of the year and end the third quarter at 23.7.

Operating performance

As is well known, the world economy in 2020 was severely affected by the spread of the Covid-19 pandemic, which peaked in the second quarter of 2020. Social distancing measures and restrictions on people's movement (so-called lockdowns) negatively and significantly influenced the economies of all countries around the globe as well as most sectors, including the luxury market. In the second half of 2020, as restrictions were eased, economic activity began to gradually recover – at a faster pace in Asia (and especially in China) and more gradually in countries (such as those in Europe) where new restrictions were put into place. The trend in the first nine months of 2021 is similar to that for the last few months of 2020: the recovery is stronger in some areas, chief among them China, South Korea, and North America, than in others, such as Europe and Japan, that still suffer from the absence of tourist flows as well as more or less strict restrictions and closures. However, it is still too early to tell how the Covid-19 pandemic will play out in the coming months and how it will affect economic growth in various countries around the world as well as various economic sectors.

Against this backdrop, the Salvatore Ferragamo Group's results for the first nine months of 2021 point to a remarkably positive trend, in terms of both revenues (+33.9% at current exchange rates and +35.3% at constant exchange rates compared to the first nine months of 2020) and margins – driven by the retail channel's strong performance (+37.2% at current exchange rates compared to the first nine months of 2020, accounting for 72.7% as a percentage of total revenues). In the first nine months of 2021, gross operating profit amounted to 67.7% as a proportion of revenues, up from 61.3% in the prior-year period – which had been severely affected by the contraction in revenues and the write-down of inventory.

The Group posted an 84.5 million Euro operating profit for the first nine months of 2021, compared to a 69.1 million Euro operating loss for the period ended 30 September 2020, as the increase in operating costs to support growth was less than proportionate to the rise in revenues – also because of the steps promptly taken by the Group's management as soon as in 2020 to mitigate the negative impact of the crisis triggered by the Covid-19 pandemic. Similarly, the net profit for the period from continuing operations amounted to 45.2 million Euro, compared to a 95.0 million Euro net loss in the prior-year period.

The Group's financial situation remains robust and positive: the adjusted net financial position amounted to a positive 265.2 million Euro, up from 138.7 million Euro as at 31 December 2020 and 75.1 million Euro as at 30 September 2020, largely because the adjusted cash flow from operating activities for the first nine months of 2021 totaled 154.4 million Euro.

The following table shows the main income statement data.

(In thousands of Euro)	Period ended 30 September				
	2021	% of Revenues	2020 Restated*	% of Revenues	% change
Revenues	785,341	100.0%	586,730	100.0%	33.9%
Gross profit	531,713	67.7%	359,484	61.3%	47.9%
Style, product development and logistics costs	(28,879)	(3.7%)	(25,668)	(4.4%)	12.5%
Sales & distribution costs	(290,042)	(36.9%)	(277,536)	(47.3%)	4.5%
Marketing & communication costs	(42,559)	(5.4%)	(36,327)	(6.2%)	17.2%
General and administrative costs	(90,009)	(11.5%)	(84,462)	(14.4%)	6.6%
Other operating costs	(15,734)	(2.0%)	(17,597)	(3.0%)	(10.6%)
Other income and revenues	19,986	2.5%	12,970	2.2%	54.1%
Total operating costs (net of other income)	(447,237)	(56.9%)	(428,620)	(73.1%)	4.3%
Operating profit/(loss)	84,476	10.8%	(69,136)	(11.8%)	na
Net financial income and charges	(15,538)	(2.0%)	(25,536)	(4.4%)	(39.2%)
Profit/(loss) before taxes	68,938	8.8%	(94,672)	(16.1%)	na
Income Taxes	(23,775)	(3.0%)	(344)	(0.1%)	>100%
Profit/(loss) from continuing operations	45,163	5.8%	(95,016)	(16.2%)	na
Profit/(loss) from operations to be disposed of	(5,309)	(0.7%)	(1,040)	(0.2%)	>100%
Net profit/(loss) for the period	39,854	5.1%	(96,056)	(16.4%)	na
Net profit/(loss) – Group	37,537	4.8%	(96,463)	(16.4%)	na
Net profit/(loss) – minority interests	2,317	0.3%	407	0.1%	>100%
Amortization, depreciation and write-downs	117,437	15.0%	146,946	25.0%	(20.1%)
EBITDA	201,913	25.7%	77,810	13.3%	>100%
Adjusted operating profit/(loss)	84,476	10.8%	(59,868)	(10.2%)	na

* The data for the period ended 30 September 2020 were restated following the classification of the fragrances business as operation to be disposed of.

Please note that, because of the classification of the production and selling of the fragrances product category as operation to be disposed of – for more details, see the paragraphs Significant events occurred during the first nine months of 2021 and Significant events occurred after 30 September 2021 in this interim report – the income statement and the relevant detailed statements for the period ended 30 September 2020, presented as comparative information, were restated to present the operation to be disposed of separately from continuing operations.

Revenues in the first nine months of 2021 totaled 785,341 thousand Euro, up 33.9% from 586,730 thousand Euro in the first nine months of 2020. The main currencies other than the Euro in which the Group generates most of its revenues, i.e. US dollar, Chinese Renminbi, South-Korean Won, and Japanese Yen, performed as follows in the first nine months of 2021 compared to the same period last year: the US dollar depreciated by 6.3% ⁽¹⁾, the Japanese Yen depreciated by 7.4% ⁽²⁾, the South Korean Won depreciated by 0.3% ⁽³⁾, and the Chinese Renminbi appreciated by 1.6% ⁽⁴⁾ against the Euro, the currency in which the amounts in the consolidated financial statements are expressed. Revenues were up 35.3% at constant exchange rates (applying to the revenues – not inclusive of the hedging effect – of the first nine months of 2020 the average exchange rate of the first nine months of 2021), improving across all geographies where the Group operates; in particular, they rose by 97.1% in North America, 63.2% in Central and South America, 22.1% in Asia Pacific, 14.9% in Europe, and 8.5% in Japan. Asia Pacific contributed the most to Group revenues with 39.4%, followed by North America (27.8%), Europe (19.3%), Japan (7.9%), and Central and South America (5.6%). In the third quarter of 2021, revenues amounted to 261,524 thousand Euro, up 17.1% at current exchange rates and 17.4% at constant exchange rates compared to the third quarter of 2020.

Gross profit for the period ended 30 September 2021 amounted to 531,713 thousand Euro, accounting for 67.7% of revenues – up steadily year-on-year from 359,484 thousand Euro and 61.3% as a percentage of revenues, as

¹ With reference to the average Euro/Usd exchange rate in the first nine months of 2021 1.196; of 2020 1.125

² With reference to the average Euro/Yen exchange rate in the first nine months of 2021 129.83; of 2020 120.91

³ With reference to the average Euro/Krw exchange rate in the first nine months of 2021 1,354.32; of 2020 1,349.75

⁴ With reference to the average Euro/Cny exchange rate in the first nine months of 2021 7.738; of 2020 7.866

sales volumes rose and the retail channel accounted for a greater share of total revenues; conversely, the contraction in sales and the write-down of inventory resulting from the Covid-19 pandemic had weighed on gross profit in the first nine months of 2020. Gross profit for the third quarter of 2021 amounted to 170,753 thousand Euro, up 24.0% compared to the prior-year period.

Total operating costs (net of other income) totaled 447,237 thousand Euro for the first nine months of 2021, up slightly (+4.3%) from the prior-year period, and amounted to 56.9% as a percentage of revenues, down from 73.1% in the first nine months of 2020. The increase in total operating costs, supporting the growth in revenues, was limited thanks to the steps promptly taken by the Group's management as soon as in 2020 to mitigate the negative impact of the crisis triggered by the Covid-19 pandemic. Specifically, the Group continued benefiting from negotiations to revise the terms and conditions of the leases of its distribution network, resulting in a 5,131 thousand Euro positive variable lease payment in the first nine months of 2021 (14,802 thousand Euro in the first nine months of 2020). In addition, in the first nine months of 2021 Other income benefited from the 5.0 million Euro insurance payout that Ferragamo Usa Inc. received for the damage caused to some stores in North America during the protests that took place in the second quarter of 2020. Thanks to the positive results for the first nine months of 2021 across all areas in which the Group operates, it was not necessary to consider and account for impairment losses on tangible and intangible assets in addition to those recognized in 2020 – and specifically in the first nine months of 2020, when total operating costs included 9,268 thousand Euro as a result of the impairment tests conducted to measure the recoverable amount of the Group's tangible and intangible assets. In the third quarter of 2021, total net operating costs came in at 152,202 thousand Euro, up 12.5% compared to the third quarter of 2020 (when they amounted to 135,250 thousand Euro).

Thanks to the increase in gross profit, **EBITDA** was up from 77,810 thousand Euro to 201,913 thousand Euro. The ratio to revenues amounted to 25.7%, compared to 13.3% in the first nine months of 2020. In the third quarter of 2021, EBITDA totaled 57,611 thousand Euro compared to 45,894 thousand Euro in the third quarter of 2020, and the ratio to revenues rose from 20.5% to 22.0%.

The Group posted an 84,476 thousand Euro **operating profit** for the period ended 30 September 2021, amounting to 10.8% as a percentage of revenues, up steadily compared to a 69,136 thousand Euro operating loss for the first nine months of 2020. With reference to the third quarter of 2021, operating profit totaled 18,551 thousand Euro compared to 2,499 thousand Euro in the third quarter of 2020.

Net financial income and charges totaled 15,538 thousand Euro in charges in the first nine months of 2021, compared to charges of 25,536 thousand Euro in the first nine months of 2020.

(In thousands of Euro)	Period ended 30 September		Change 2021 vs 2020 Restated
	2021	2020 Restated*	
Net interest	(639)	135	(774)
Other net income/(charges)	(855)	(997)	142
Net interest and expenses on lease liabilities	(9,940)	(12,079)	2,139
Net gains/(losses) on exchange rate differences	6,291	(18,531)	24,822
Net financial income/(charges) for fair value adjustment of derivatives	(10,395)	5,936	(16,331)
Total	(15,538)	(25,536)	9,998

* The data for the period ended 30 September 2020 were restated following the classification of the fragrances business as operation to be disposed of.

Net gains and losses on exchange rate differences mainly reflect the impact of commercial transactions in foreign currency, and went from 18,531 thousand Euro in net losses in the first nine months of 2020 to 6,291 thousand Euro in net gains in the first nine months of 2021. Changes in net gains and losses should be correlated with the item "Net financial income/(charges) for fair value adjustment of derivatives", which refers to the premium or discount on transactions to hedge the exchange rate risk undertaken by the Parent company and the changes in the fair value of non-hedging derivatives. The net impact of these two line items, Net gains/(losses) on exchange rate differences and Net financial income/(charges) for fair value adjustment of derivatives, improved from a negative 12,595 thousand Euro in the first nine months of 2020 to a negative 4,104 thousand Euro in the first nine months of 2021. In the third quarter of 2021 alone, the Group posted 5,632 thousand Euro in net financial charges, compared to 6,685 thousand Euro in net financial charges in the third quarter of 2020.

Income Taxes

(In thousands of Euro)	Period ended 30 September		Change 2021 vs 2020 Restated
	2021	2020 Restated*	
Profit/(loss) before taxes	68,938	(94,672)	163,610
Current taxes	(14,671)	(18,597)	3,926
Deferred taxes	(9,104)	18,253	(27,357)
Tax rate	34.5%	na	

* The data for the period ended 30 September 2020 were restated following the classification of the fragrances business as operation to be disposed of.

Taxes were calculated using the best possible estimate of the annual average expected tax rate at the reporting date, resulting in a 34.5% tax rate.

The Group posted a 5,309 thousand Euro **net loss from operations to be disposed of** for the first nine months of 2021, compared to a 1,040 thousand Euro net loss for the prior-year period. This referred to the fragrances business: under the agreement with Inter Parfums, Inc., this was transferred effective 1 October 2021 with the grant of an exclusive global license to produce and distribute Ferragamo-branded fragrances. For further details, reference should be made to the paragraphs Significant events occurred during the first nine months of 2021 and Significant events occurred after 30 September 2021.

In the first nine months of 2021, the Group posted a 39,854 thousand Euro consolidated **net profit**, compared to a 96,056 thousand Euro net loss in the first nine months of 2020. The Group's share of net profit amounted to 37,537 thousand Euro, compared to a 96,463 thousand Euro net loss in the prior-year period. In the third quarter of 2021, net profit amounted to 6,415 thousand Euro, compared to a 9,667 thousand Euro net loss in the third quarter of 2020; the Group's share of net profit amounted to 6,823 thousand Euro, compared to a 14,565 thousand Euro net loss in the third quarter of 2020.

Revenues

The following table shows revenues by geographic area for the periods ended 30 September 2021 and 2020, and the relevant percentage changes:

(In thousands of Euro)	Period ended 30 September					at
	2021	% of Revenues	2020 Restated*	% of Revenues	% change	constant exchange rates % change
Europe	151,628	19.3%	129,839	22.1%	16.8%	14.9%
North America	218,069	27.8%	117,809	20.1%	85.1%	97.1%
Japan	61,837	7.9%	58,947	10.0%	4.9%	8.5%
Asia Pacific	309,998	39.4%	252,640	43.1%	22.7%	22.1%
Central and South America	43,809	5.6%	27,495	4.7%	59.3%	63.2%
Total	785,341	100.0%	586,730	100.0%	33.9%	35.3%

* The data for the period ended 30 September 2020 were restated following the classification of the fragrances business as operation to be disposed of.

In the first nine months of 2021, although still affected by store closures and limited tourist flows during the first half of the year, Europe saw revenues rise by 16.8% at current exchange rates and 14.9% at constant exchange rates, thanks especially to growth in the retail channel.

In North America, revenues were up 85.1% at current exchange rates and 97.1% at constant exchange rates, driven by growth in both the wholesale and retail channels thanks to the resilience of domestic demand. Sales rose by 65.7% at constant exchange rates in the third quarter of 2021 compared to the third quarter of 2020.

Japan saw revenues increase by 4.9% at current exchange rates (+8.5% at constant exchange rates). The country is still negatively affected as international traffic has not resumed yet while the pandemic rages on and the relevant restrictions remain in place.

The Asia-Pacific region saw revenues jump by a robust 22.7% at current exchange rates (+22.1% at constant exchange rates) in both sales channels. Asia Pacific contributed once again the most to Group revenues, accounting for 39.4% of the total – albeit lower compared to 30 September 2020.

The Central and South American market saw revenues increase by 59.3% at current exchange rates (+63.2% at constant exchange rates), rising to 5.6% as a percentage of total revenues compared to 4.7% in the prior-year period. It should be noted that the revenues recorded in the first nine months of 2021 by Ferragamo Argentina S.A. (operating in a country considered to be a hyperinflationary economy) were adjusted, pursuant to IAS 29 (see note 2 Basis of presentation of the consolidated financial statements as at 31 December 2020) with a positive residual effect of 115 thousand Euro (58 thousand Euro as at 30 September 2020).

The breakdown of revenues by **distribution channel** was as follows:

(In thousands of Euro)	Period ended 30 September					at
	2021	% of Revenues	2020 Restated*	% of Revenues	% change	constant exchange rates % change
Retail	570,571	72.7%	415,928	70.9%	37.2%	38.4%
Wholesale	208,121	26.5%	163,737	27.9%	27.1%	28.9%
Licenses and services	4,904	0.6%	5,370	0.9%	(8.7%)	(8.7%)
Rental income investment properties	1,745	0.2%	1,695	0.3%	2.9%	9.4%
Total	785,341	100.0%	586,730	100.0%	33.9%	35.3%

* The data for the period ended 30 September 2020 were restated following the classification of the fragrances business as operation to be disposed of.

Retail sales refer to revenues generated by sales in directly operated stores (DOS) as well as through the direct e-commerce channel.

Wholesale sales are targeted mainly at retailers and, to a lesser extent, distributors. Wholesale customers consist of:

- franchisees, which ensure a foothold in markets for which a direct retail presence is currently not possible or not deemed necessary, such as the Middle East, Russia, some areas of Africa, and some areas of the People's Republic of China;
- stores opened inside airports (travel retail/duty free);
- department stores and luxury specialist retailers, in order to strengthen the presence in countries where the Salvatore Ferragamo Group has its own network of directly operated stores; the business in the United States is of particular importance.

In the first nine months of 2021, retail sales were up 37.2% at current exchange rates and 38.4% at constant exchange rates, benefiting from the recovery of directly operated stores seen mainly in China, North America, Latin America, and South Korea. In the first nine months of 2021, the retail channel accounted for 72.7% of total revenues, compared to 70.9% in the prior-year period.

During the first nine months of 2021, the number of directly operated stores (DOS) increased by 9 units compared to the situation as at 31 December 2020. Compared to 30 September 2020, there was a net increase of 11 units.

In the wholesale channel, revenues were up 27.1% at current exchange rates (+28.9% at constant exchange rates) year-on-year, accounting for 26.5% of overall revenues compared to 27.9% in the first nine months of 2020.

Revenues from licenses and services in the first nine months of 2021 decreased by 8.7% compared to the first nine months of 2020 (both at current and constant exchange rates); this item mainly consists of royalties for the licensing of the Salvatore Ferragamo brand in the eyewear and watch sectors.

Revenues from rental income investment properties refer solely to property located in the United States and leased/sub-leased to third parties; the item was up 2.9% at current exchange rates compared to the first nine months of 2020 (+9.4% at constant exchange rates).

The following table shows revenues by **product category** for the periods ended 30 September 2021 and 2020, indicating the relevant percentage of total revenues.

(In thousands of Euro)	Period ended 30 September					at
	2021	% of Revenues	2020 Restated*	% of Revenues	% change	constant exchange rates % change
Footwear	341,187	43.4%	253,179	43.1%	34.8%	36.7%
Leather goods	344,766	43.9%	259,839	44.3%	32.7%	33.5%
Apparel	45,491	5.8%	32,240	5.5%	41.1%	43.1%
Accessories	44,279	5.7%	32,606	5.6%	35.8%	37.4%
Fragrances	2,969	0.4%	1,801	0.3%	64.9%	67.4%
Licenses and services	4,904	0.6%	5,370	0.9%	(8.7%)	(8.7%)
Rental income investment properties	1,745	0.2%	1,695	0.3%	2.9%	9.4%
Total	785,341	100.0%	586,730	100.0%	33.9%	35.3%

* The data for the period ended 30 September 2020 were restated following the classification of the fragrances business as operation to be disposed of.

All main product categories saw a significant increase in turnover compared to the first nine months of 2020, with footwear and leather goods accounting for 43.4% and 43.9% of turnover, respectively, in the first nine months of 2021 (up from 34.8% and 32.7%, respectively, at current exchange rates).

Statement of financial position and Investments

Below is the statement of financial position as at 30 September 2021, reclassified by sources and uses compared to the position as at 31 December 2020 and 30 September 2020:

(In thousands of Euro)	30 September 2021	31 December 2020	30 September 2020	% change 09.21 vs 12.20	% change 09.21 vs 09.20
Property, plant and equipment, investment property, intangible assets with a finite useful life and goodwill	247,769	260,515	293,249	(4.9%)	(15.5%)
Right-of-use assets	472,813	475,240	497,045	(0.5%)	(4.9%)
Net working capital	249,912	314,552	342,098	(20.5%)	(26.9%)
Other non current assets/(liabilities), net	86,520	91,973	80,753	(5.9%)	7.1%
Other current assets/(liabilities), net	(14,083)	(3,418)	(7,936)	>100%	77.5%
Assets/(liabilities) held for sale, net	17,138	-	-	-	-
Net invested capital	1,060,069	1,138,862	1,205,209	(6.9%)	(12.0%)
Group shareholders' equity	737,336	693,582	668,757	6.3%	10.3%
Minority interests	20,275	16,114	21,620	25.8%	(6.2%)
Shareholders' equity (A)	757,611	709,696	690,377	6.8%	9.7%
Net financial debt/(surplus) (B)	302,458	429,166	514,832	(29.5%)	(41.3%)
Total sources of financing (A+B)	1,060,069	1,138,862	1,205,209	(6.9%)	(12.0%)
Net financial debt/(surplus) (B)	302,458	429,166	514,832	(29.5%)	(41.3%)
Lease liabilities (C)	567,678	567,909	589,972	(0.0%)	(3.8%)
Adjusted net financial debt/(surplus) (B-C)	(265,220)	(138,743)	(75,140)	91.2%	>100%
Adjusted net financial debt/(surplus)/ Shareholders' equity	(35.0%)	(19.5%)	(10.9%)		

Investments in tangible/intangible assets

During the first nine months of 2021, the Salvatore Ferragamo Group made investments in tangible and intangible assets totaling 26,177 thousand Euro, of which 21,724 thousand Euro in tangible assets (excluding the costs for the restoration of premises leased from third parties, recognized as Property, plant and equipment and Right-of-use assets, pursuant to the relevant contractual obligations) and 4,453 thousand Euro in intangible assets, compared to a total of 15,103 thousand Euro in the first nine months of 2020.

The most important investments in tangible assets were made in the opening and refurbishment of stores (19.8 million Euro, approximately 91% of total investments in tangible assets). The main investments in intangible assets refer to the development of the e-commerce platform (0.8 million Euro overall, approximately 18% of total investments in intangible assets).

Investments in tangible assets under construction, amounting to 5.5 million Euro, mainly concerned the investments made for the refurbishment and opening of new stores which were not yet operational as at the reporting date.

Investments in intangible assets under development totaled approximately 4.1 million Euro and largely consisted of investments in the development of software to support business processes, including the RIO "Regional Inventory Optimization" project, intended to optimize the regional retail stock as part of the new distribution model, and the so-called "Marlin Project" aimed at standardizing the Group's retail information systems relying on SAP.

Amortization and depreciation (excluding depreciation of Right-of-use assets) amounted to 36,661 thousand Euro in the first nine months of 2021, down from 48,583 thousand Euro in the prior-year period. This was largely because of the impairment losses recognized in 2020 after testing assets for impairment.

During the first nine months of 2021, the Group did not make any investments in financial assets.

Right-of-use assets

This line item, amounting to 472,813 thousand Euro as at 30 September 2021, refers to the recognition of "Right-of-use assets" against "Lease liabilities" following the application of IFRS 16 and was slightly down from 475,240 thousand Euro as at 31 December 2020, because of 78,331 thousand Euro in depreciation expense recognized

during the period and the increases resulting from the new leases entered into during the period – primarily for stores.

Right-of-use assets relating to lease contracts for property leased in the United States are included under Investment property and amounted to 25,464 thousand Euro as at 30 September 2021.

Net working capital

Below is the breakdown of, and changes in, net working capital as at 30 September 2021 compared with 31 December 2020 and 30 September 2020.

(In thousands of Euro)	30 September	31 December	30 September	%	%
	2021	2020	2020	change 09.21 vs 12.20	change 09.21 vs 09.20
Inventories and Right of return assets	284,192	346,181	372,126	(17.9%)	(23.6%)
Trade receivables	92,863	113,909	100,075	(18.5%)	(7.2%)
Trade payables and Refund Liabilities	(127,143)	(145,538)	(130,103)	(12.6%)	(2.3%)
Total	249,912	314,552	342,098	(20.5%)	(26.9%)

Net working capital was down 20.5% compared to 31 December 2020 and 26.9% compared to 30 September 2020. The decrease compared to 31 December 2020 and 30 September 2020 was mainly attributable to the decline in Inventories, partly because of greater operational efficiency and partly caused by the classification of 15,340 thousand Euro in inventories related to the fragrances business as Assets held for sale (for more details, see the paragraphs Significant events occurred during the first nine months of 2021 and Significant events occurred after 30 September 2021); the reduction in Inventories was partly offset by the decrease in Trade payables and Refund liabilities.

Specifically, inventories of finished products were down 57,278 thousand Euro from 31 December 2020 (-18.6%) and down 68,979 thousand Euro from 30 September 2020 (-21.6%). Raw materials for production were down 11.5% compared to 31 December 2020 and 39.5% compared to 30 September 2020, partly because of the classification of 8,724 thousand Euro in inventories of raw materials related to the fragrances business as Assets held for sale.

Trade receivables were down 18.5% from 31 December 2020 and down 7.2% from 30 September 2020. They essentially referred to wholesale sales. The decrease compared to 31 December 2020 and 30 September 2020 reflects also the disposal of the fragrances business.

Trade payables mainly referred to purchases of production materials, finished products, and costs relating to outsourced manufacturing. The item Trade Payables and Refund Liabilities was down 12.6% compared to 31 December 2020 and 2.3% compared to 30 September 2020.

Net financial debt/(surplus)

The following table shows net financial debt as at 30 September 2021, 31 December 2020, and 30 September 2020:

(In thousands of Euro)	30 September	31 December	30 September	Change	Change
	2021	2020	2020	09.21 vs 12.20	09.21 vs 09.20
A. Cash;	380,258	296,692	341,001	83,566	39,257
B. Cash equivalents	51,830	31,188	28,356	20,642	23,474
C. Other current financial assets	371	566	1,130	(195)	(759)
D. Cash and cash equivalents (A+B+C)	432,459	328,446	370,487	104,013	61,972
E. Current financial payables (including debt instruments)	81,695	48,972	154,592	32,723	(72,897)
F. Current portion of non-current financial payables	129,277	114,938	117,848	14,339	11,429
G. Current financial debt (E+F)	210,972	163,910	272,440	47,062	(61,468)
H. Current financial debt, net (G-D)	(221,487)	(164,536)	(98,047)	(56,951)	(123,440)
I. Non-current financial payables (excluding debt instruments)	523,945	593,702	612,879	(69,757)	(88,934)
J. Debt instruments	-	-	-	-	-
K. Trade and other current payables	-	-	-	-	-
L. Non current financial debt (I+J+K)	523,945	593,702	612,879	(69,757)	(88,934)
M. Net financial debt (H+L)	302,458	429,166	514,832	(126,708)	(212,374)

Net financial debt declined from 429,166 thousand Euro as at 31 December 2020 to 302,458 thousand Euro as at 30 September 2021, largely because of the decrease in interest-bearing loans and borrowings as well as the increase in cash and cash equivalents during the period. During the first nine months of 2021, the Group used part of its cash surpluses to repay one of the main outstanding medium/long-term loans early, for an amount of 40,000 thousand Euro, thus reducing its bank debt.

Net financial debt/(surplus), excluding lease liabilities, as at 30 September 2021, 31 December 2020, and 30 September 2020 was restated as follows:

(In thousands of Euro)	30 September	31 December	30 September	Change	Change
	2021	2020	2020	09.21 vs 12.20	09.21 vs 09.20
Net financial debt/(surplus) (a)	302,458	429,166	514,832	(126,708)	(212,374)
Non current lease liabilities	460,393	464,400	483,265	(4,007)	(22,872)
Current lease liabilities	107,285	103,509	106,707	3,776	578
Lease liabilities (b)	567,678	567,909	589,972	(231)	(22,294)
Adjusted net financial debt/(surplus) (a-b)	(265,220)	(138,743)	(75,140)	(126,477)	(190,080)

In the first nine months of 2021, the **adjusted net financial surplus** amounted to 265,220 thousand Euro, compared to an adjusted net financial surplus of 138,743 thousand Euro as at 31 December 2020. This was largely due to a positive 154,438 thousand Euro in adjusted cash flows from operating activities (positive 97,515 thousand Euro in the first nine months of 2019, negative 83,465 thousand Euro in the first nine months of 2020), 26,509 thousand Euro in cash flows used for the purposes of investing in tangible and intangible assets during the first nine months of 2021, and the payment of deferred consideration for the acquisition of Arts S.r.l. and Aura 1 S.r.l. (3,629 thousand Euro) in the first nine months of 2021. Compared to 30 September 2020, the adjusted net financial position improved by 190,080 thousand Euro, from an adjusted net financial surplus of 75,140 thousand Euro to an adjusted net financial surplus of 265,220 thousand Euro.

Assets and liabilities held for sale

Assets held for sale, totaling 17,968 thousand Euro, and Liabilities held for sale, amounting to 830 thousand Euro, respectively include assets and liabilities associated with the production and selling of the fragrances product category, as required under IFRS 5; they are measured at the lower of their carrying amount and fair value less costs to sell, calculated based on the agreement with Inter Parfums, Inc. for the transfer of the fragrances business and the grant of an exclusive global license to produce and distribute Ferragamo-branded fragrances effective 1 October 2021. For further details, reference should be made to the paragraphs Significant events occurred during the first nine months of 2021 and Significant events occurred after 30 September 2021.

Significant events occurred during the first nine months of 2021

For information on significant events occurred in the first six months of the year, reference should be made to the Half-year report as at 30 June 2021, approved on 7 September 2021. Below are the main events occurred during the third quarter of 2021.

Board of Directors

On 1 July 2021, the Company's Board of Directors approved, with the favorable opinion of the Nomination and Remuneration Committee, the Control and Risks Committee (competent body pursuant to the procedure for minor Transactions with Related Parties), and the Board of Statutory Auditors, the agreement reached with the Managing Director Micaela le Divelec Lemmi for the continuation of the business relationship until the meeting of the Board of Directors of 7 September 2021.

Pursuant to art. 5 of the Corporate Governance Code, the Company also disclosed that Ms le Divelec Lemmi received, in addition to the fixed components of remuneration due pro rata temporis, consideration for the termination of the relationship and in final settlement of any claim for such termination, totaling 1,974,000.00 Euro, paid by 30 September 2021 and already accounted for as at 30 June 2021. The above was determined in accordance and consistently with the Company's Remuneration Policy as approved by the Shareholders' Meeting, as well as pursuant to the contractual obligations established with Ms le Divelec Lemmi at the time of her appointment and approved with a resolution of the Board of Directors and the favorable opinion of the Nomination and Remuneration Committee as well as the Board of Statutory Auditors.

Please note that no claw back or malus clauses applied, and that the parties confirmed they agreed to terminate the non-compete agreement; no amount was awarded to Ms le Divelec Lemmi for this reason.

At the same meeting, the Company's Board of Directors approved the terms and conditions of the agreement with Mr Marco Gobetti for him to join the Company as General Manager and Managing Director, starting in this position as soon as he is released from previous contractual obligations.

On 27 July 2021, Ms Marinella Soldi, Independent Non-Executive Director as well as Chairwoman of the Nomination and Remuneration Committee, resigned effective immediately from her position as Director of Salvatore Ferragamo S.p.A. for professional reasons. In line with the Company's remuneration policy, no termination indemnities or other benefits were awarded.

On 7 September 2021 - considering Ms Micaela le Divelec Lemmi's resignation from her position as Director and Managing Director of the Company, and all the Group's companies, effective 8 September 2021 - the Company's Board of Directors vested all the powers of ordinary administration in the Executive Deputy Chairman Michele Norsa, who therefore took over responsibility for business operations effective 8 September 2021. In addition, on 7 September 2021 the Board of Directors approved (i) the launch of the ordinary treasury share repurchase program as authorized by the Ordinary Shareholders' Meeting of 22 April 2021 along the terms already disclosed to the market, and (ii) an engagement policy, available at the Company's website <https://group.ferragamo.com/en/governance/corporate-governance/>, in accordance with the recommendations of the Corporate Governance Code for listed companies that the Company has adopted.

At the meeting held on 29 September 2021, the Board of Directors co-opted Frédéric Biousse – candidate included in the majority list submitted at the most recent meeting by the majority shareholder Ferragamo Finanziaria S.p.A. – and Annalisa Loustau Elia as directors, pursuant to art. 2386, paragraph 1 of the Italian Civil Code, verifying that they meet the independence requirements under the applicable provisions of Italian Leg. Decree 58/98 and the Corporate Governance Code. The new independent Directors were co-opted in place of the Directors Marinella Soldi and Micaela le Divelec Lemmi in accordance with article 20 of the Bylaws as well as applicable regulatory and other provisions, with the favorable opinion of the Nomination and Remuneration Committee and the approval of the Board of Statutory Auditors. The directors Frédéric Biousse and Annalisa Loustau Elia will remain in office until the next Shareholders' Meeting.

At the same meeting, the Board of Directors also appointed the independent director Annalisa Loustau Elia to the Nomination and Remuneration Committee and the Director Anna Zanardi Cappon as Chairwoman of said Committee. The Nomination and Remuneration Committee is therefore comprised of the independent directors Anna Zanardi Cappon (Chairwoman), Annalisa Loustau Elia, and Umberto Tombari.

Renewal of the licensing agreement with Vertime B.V.

On 20 July 2021, the Company announced the renewal of the licensing agreement with Vertime B.V., a leader in the production and distribution of luxury and high-quality watches, for the production and distribution of the Ferragamo-branded watch collection. The renewed agreement will have a term of 10 years effective 1 January 2023.

Agreement to transfer the fragrances business and grant the license

On 3 June 2021, Salvatore Ferragamo S.p.A. announced it had entered into exclusive negotiations with Inter Parfums, Inc., a manufacturer and distributor of premium fragrances and cosmetics, to manage Ferragamo-branded fragrances under a license. On 7 July 2021, the parties defined and agreed the terms of the transfer of the fragrances

business from Salvatore Ferragamo S.p.A. to the Inter Parfums, Inc. group, with the grant of an exclusive global license to produce and distribute Ferragamo-branded fragrances. To this end, the company Parfums Italia S.r.l., based in Florence and wholly-owned by Salvatore Ferragamo S.p.A., was set up on 8 September 2021, and all the assets and liabilities associated with the fragrances business, already classified as held for sale in the Half-year report as at 30 June 2021, were transferred to the new entity through a share capital increase. The share capital increase through new contributions in kind, totaling 17,128,000.00 Euro, became effective on 30 September 2021, the date of filing with the relevant Company Register, and the company's shares were sold to Inter Parfums, Inc. on 1 October 2021. On the same date, the parties entered into an exclusive global licensing agreement with an initial term of 10 years and that may be renewed for an additional 5 years upon the satisfaction of certain conditions. Finally, as the sale was highly likely as at 30 September 2021, the assets and operations associated with the fragrances business were classified as assets and liabilities held for sale and operation to be disposed of in this Interim Report of the Salvatore Ferragamo Group, since they meet the requirements under IFRS 5.

International standard ruling on transfer pricing (update)

As for the international standard ruling between Salvatore Ferragamo S.p.A. and the Inland Revenue Office – Central Assessment Department – International Ruling Office, concerning the determination of the transfer pricing policy Salvatore Ferragamo S.p.A. applies to its foreign subsidiaries that perform distribution operations, on 30 September 2021 the Company applied for an extension of the Advance Pricing Agreement (“APA”) entered into on 28 July 2017 and effective for the fiscal years from 2017 to 2021. On 13 October 2021, the Inland Revenue Office granted the Company's request for a five-year extension from 2022 through 2026. The relevant process will begin in 2022.

Other information

Dividends

Pursuant to the resolution passed by the Shareholders' Meeting held on 22 April 2021, the Parent Company Salvatore Ferragamo S.p.A. covered the 34,070,066 Euro loss the year 2020 by using the Extraordinary Reserve. Other Group companies with third-party minority shareholders did not pay or authorize any dividends during the first nine months of 2021.

Financial reporting and Investor relations

Salvatore Ferragamo S.p.A., in order to maintain a constant dialogue with its Shareholders, potential investors and financial analysts, and in compliance with the recommendation of CONSOB (Italy's stock market watchdog), has set up the Investor Relations function as well as adopted an engagement policy, available at the Company's website (<https://group.ferragamo.com/en/governance/corporate-governance/>), in accordance with the recommendations of the Corporate Governance Code for listed companies that the Company has adopted.

Financial data, corporate presentations, interim reports, official press releases, and real-time share price information are also available on the Group's website <http://group.ferragamo.com>.

Stakes in Salvatore Ferragamo S.p.A.

As at 30 September 2021, Ferragamo Finanziaria S.p.A. held a majority stake in the share capital of Salvatore Ferragamo S.p.A., i.e. 54.276% as per the disclosure of Ferragamo Finanziaria S.p.A. pursuant to form 120/A in Attachment 4 to the Consob Issuers' Regulation. Please note that Ferragamo Finanziaria S.p.A. has requested to register the Salvatore Ferragamo ordinary shares it owns in the Special List set up by the Company pursuant to article 127-quinquies, paragraph 2, of the Consolidated Law on Finance to benefit from increased voting rights, as described below:

- on 2 July 2018, 86,499,010 shares, accounting for 51.246% of the Company's share capital; and
- on 14 January 2019, 5,112,800 shares, accounting for 3.029% of the Company's share capital.

Pursuant to article 6 of the Bylaws and article 9 of the Company's Rules for Increased Voting Rights, the increased voting rights attached to the ordinary shares held by Ferragamo Finanziaria S.p.A. and included in the Special List on 2 July 2018 and 14 January 2019 became effective on 7 August 2020 and 5 February 2021, respectively, as they have met the requirements under applicable law.

Considering the above, as at 30 September 2021 Ferragamo Finanziaria owned 172,998,020 voting rights, accounting for 62.151% of the Company's share capital, attached to the mentioned 86,499,010 shares, and 10,225,600 voting rights, accounting for 3.673% of the Company's share capital, attached to 5,112,800 shares. Therefore, as at 30 September 2021 Ferragamo Finanziaria S.p.A. owned 183,223,620 voting rights, accounting for 65.824% of the total.

Treasury shares and shares or stakes in parent companies

On 22 April 2021, the Shareholders' Meeting of Salvatore Ferragamo S.p.A., following withdrawal of the authorization issued by the Ordinary Shareholders' Meeting to the extent not executed, authorized the Board of Directors to buy, including in multiple rounds, ordinary shares in Salvatore Ferragamo with a par value of 0.10 Euro each, up to a maximum amount that, considering the ordinary shares in Salvatore Ferragamo held from time to time by the Companies or its subsidiaries, shall not exceed 1% of the Company's share capital from time to time in accordance with article 2357, paragraph 3 of the Italian Civil Code.

On 22 April 2021, the Meeting also authorized the Board of Directors, in accordance with article 2357-ter of the Italian Civil Code, to sell, including in multiple rounds, all or part of the ordinary shares bought under the above authorization.

The Company is authorized to buy back ordinary shares in one or multiple installments, including on a rolling basis, for a period of 18 months from 22 April 2021, i.e. the date of the resolution of the Shareholders' Meeting, whereas there was no time limit for selling ordinary shares.

At the meeting held on 7 September 2021, the Board of Directors of Salvatore Ferragamo S.p.A. approved the launch of the ordinary treasury share repurchase program as authorized by the Ordinary Shareholders' Meeting of 22 April 2021.

As at 30 September 2021, Salvatore Ferragamo S.p.A. held 150,000 treasury shares, equal to 0.09% of the Share Capital, bought throughout 2018 and 2019 for a total outlay of around 2,776 thousand Euro, including banking fees and other tax charges. On the same date, its subsidiaries did not hold any of its shares. The Group does not hold directly or indirectly shares in parent companies, and during the period it did not buy or sell shares in parent companies.

Staff

Here below is the Salvatore Ferragamo Group's staff divided by category as at 30 September 2021, 31 December 2020, and 30 September 2020.

Staff	30 September 2021	31 December 2020	30 September 2020
Top managers, middle managers and store managers	776	777	779
White collars	2,731	2,809	2,833
Blue collars	270	269	279
Total	3,777	3,855	3,891

Basis of presentation

This Interim report was approved by the Board of Directors of Salvatore Ferragamo S.p.A. on 9 November 2021 and, on the same date, the Board authorized its release to the public. This Interim report was not prepared in accordance with IAS 34 "Interim Financial Reporting", as the Group applies said standard to half-year reports and not also quarterly reports.

For comparative purposes, the consolidated financial statements show the comparison with the consolidated statement of financial position as at 31 December 2020 and 30 September 2020 and the consolidated income statement as at 30 September 2020, which were restated following the classification of the business associated with the fragrances product category as operation to be disposed of.

All amounts are expressed in Euro and are rounded to the nearest thousand Euro, unless otherwise indicated.

The **accounting standards** used to prepare the equity, income and financial data as at 30 September 2021 were the International Financial Reporting Standards (IFRS) and the related interpretations, issued by the International Accounting Standards Board (IASB) and adopted by the European Union, in force at the reporting date.

In preparing the Interim report, the same accounting standards have been applied as adopted in drawing up the Consolidated Annual Report of the Salvatore Ferragamo Group for the year ended 31 December 2020, to which reference should be made, except for the adoption of the new or revised standards of the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which are effective as from 1 January 2021. Specifically, the Group decided to early adopt the amendment Covid-19 Related Rent Concessions to IFRS16 Leases, endorsed by the European Union in August 2021, starting with the Half-Year Report as at 30 June 2021 and beyond 30 June 2021. This approach aims to represent the concessions granted by lessors as a result of the Covid-19 pandemic in line with expected industry practices. Not adopting said practical expedient early would have given rise to significant accounting costs (the same costs that led the IASB to issue the amendment) and made it impossible to adopt it also for the Consolidated Financial

Statements as at 31 December 2021. These considerations were decisive in electing to adopt the amendment early, given also the number of leases being renegotiated across the different geographies and jurisdictions in which the Group operates.

The procedures used for making estimates and assumptions are the same as those used in preparing the consolidated annual report.

Consolidation area

During the first nine months of 2021 the Group structure underwent the following changes:

- on 16 April 2021, Salvatore Ferragamo S.p.A. and Ferragamo Parfums S.p.A. executed the deed of Merger of Ferragamo Parfums S.p.A. into Salvatore Ferragamo S.p.A. authorized by a notary public. The deed of merger was filed with the Company Register with jurisdiction over Salvatore Ferragamo S.p.A. on 21 April 2021. The merger is effective retroactively to 1 January 2021 for accounting and tax purposes and effective 1 May 2021 for legal purposes.
- On 8 September 2021, the company Parfums Italia S.r.l., wholly-owned by Salvatore Ferragamo S.p.A., was set up in Florence with a share capital of 10,000 Euro. On 27 September 2021, effective 30 September 2021 (date of filing with the relevant Company Register), Salvatore Ferragamo S.p.A., as the sole shareholder in Parfums Italia S.r.l., resolved to increase the latter's share capital to 17,138,000 Euro by contributing the assets and liabilities associated with the fragrances business, which had already been classified as held for sale in the Half-Year Report as at 30 June 2021. The assets and liabilities of the company Parfums Italia S.r.l. were classified as assets held for sale and operation to be disposed of in this Interim Report of the Salvatore Ferragamo Group, since they meet the requirements under IFRS 5. The creation of the new entity and the contribution of the assets and liabilities associated with the fragrances business to it preceded the transfer of said business to Inter Parfums., Inc., with the grant of an exclusive global license to produce and distribute Ferragamo-branded fragrances, effective 1 October 2021. For further details, reference should be made to the paragraphs Significant events occurred during the first nine months of 2021 and Significant events occurred after 30 September 2021 in this Interim Report.

In addition, Ferragamo Argentina S.A. operates in a country that has been considered a hyperinflationary economy since 1 July 2018 in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies"; therefore, this accounting standard has been applied as from 2018 in the reporting of the financial position, financial performance, and cash flows of Ferragamo Argentina S.A. for consolidated purposes. For further details, reference should be made to note 2 Basis of presentation in the Explanatory notes to the Consolidated financial statements as at 31 December 2018, 2019, and 2020. The impact of the application of the new standard as at 30 September 2021 is not to be considered material at the Group level.

Translation of financial statements in currencies other than the Euro and of items denominated in foreign currency

The exchange rates used to determine the value in Euro of subsidiaries' financial statements expressed in foreign currency were (to 1 Euro) as follows:

	Average exchange rates		Exchange rates at the end of the reporting period		
	30 September	30 September	30 September	31 December	30 September
	2021	2020	2021	2020	2020
US Dollar	1.1962	1.1250	1.1579	1.2271	1.1708
Swiss Franc	1.09042	1.06801	1.0830	1.0802	1.0804
Japanese Yen	129.832	120.911	129.67	126.49	123.76
Pound Sterling	0.8636	0.8851	0.8605	0.8990	0.9123
Australian Dollar	1.5770	1.6627	1.6095	1.5896	1.6438
South Korean Won	1,354.32	1,349.75	1,371.57	1,336.01	1,368.51
Hong Kong Dollar	9.2912	8.7273	9.0184	9.5142	9.0742
Mexican Peso	24.077	24.523	23.7439	24.4160	26.1848
New Taiwanese Dollar	33.4390	33.4719	32.2360	34.4518	33.8933
Singapore Dollar	1.6020	1.5635	1.5760	1.6218	1.6035
Thai Baht	37.7261	35.4437	39.2350	36.7270	37.0790
Malaysian Ringgit	4.9413	4.7613	4.8475	4.9340	4.8653
Indian Rupee	88.0420	83.4946	86.0766	89.6605	86.2990
Macau Pataca	9.569	8.985	9.2943	9.7929	9.3493
Chinese Renminbi	7.7376	7.8659	7.4847	8.0225	7.9720
Chilean Peso	882.34	900.88	944.03	870.71	923.39
Argentine Peso	111.663	76.143	114.380	102.959	89.218
Brazilian Real	6.3765	5.7100	6.2631	6.3735	6.6308
Canadian Dollar	1.4967	1.5218	1.4750	1.5633	1.5676

Transactions with related parties

Sales and purchases between related parties are carried out at normal market prices. The outstanding balances at the end of the period are not backed by guarantees, do not generate interest, and are settled in cash. As at 30 September 2021, bank guarantees were issued in favor of Palazzo Feroni Finanziaria S.p.A. (1,683 thousand Euro), in favor of Lungarno Alberghi S.r.l. (488 thousand Euro) and in favor of Ferragamo Finanziaria S.p.A. (23 thousand Euro): they concerned the leasing of properties owned by said companies. There are no other guarantees, given or received, relating to receivables and payables with related parties. The Salvatore Ferragamo Group has not set aside any provision for bad debt in relation to amounts due from related parties.

Significant non-recurring events and transactions

During the first nine months of 2021, the Salvatore Ferragamo Group did not carry out significant non-recurring transactions.

Transactions arising from atypical and/or unusual transactions

The Group did not undertake atypical and/or unusual transactions, i.e. those transactions which, due to their importance/size, the counterparties involved, the subject of the transaction, the means of determining the transfer price, and the timing of the event, may give rise to doubts about the fairness/completeness of the information provided in the Interim report, conflicts of interest, the safeguarding of the company's equity, and the protection of minority interests.

Significant events occurred after 30 September 2021

Closing of the agreement to transfer the Ferragamo-branded fragrances business

The transfer of the fragrances business to the Inter Parfums, Inc. group closed on 1 October 2021, with the sale of all shares in the newly-established entity Parfums Italia S.r.l., based in Florence, to Inter Parfums, Inc. at a price equal to the value of equity and with the grant of an exclusive global license to produce and distribute Ferragamo-branded fragrances. The license will have an initial term of 10 years and may be renewed for an additional 5 years upon the satisfaction of certain conditions. The licensee shall operate through a dedicated wholly-owned Italian entity to preserve the existing know-how and experience, consolidate a close relationship with the brand, and promote the future growth of Ferragamo fragrances, combining professional expertise, quality, and respect for the brand's values.

Outlook

The short-term economic outlook faces considerable uncertainty. After more than one year since the Covid-19 pandemic broke out, causing a significant adverse shock that has had a strong negative impact on business operations and affected both supply and demand, assessing its full impact is still extremely hard. Early base-case assumptions about the virus being contained by the end of 2020 and growth gradually returning to normal in the first half of 2021 have been replaced by others according to which, although financial markets have stabilized as an accommodating monetary policy ensures the credit system continues working as usual, the easing of global uncertainty and the ensuing recovery are farther away. This is expected to unfold at different paces depending on the markets and the industries considered. The International Monetary Fund's October 2021 forecasts, in line with those issued in July, point to GDP contracting by -3.2% in 2020 and then rebounding by +5.9% in 2021 and +4.9% in 2022. Concerning expectations for the world's major economies in 2021 and 2022, the US is expected to grow by +6% and +5.2%, respectively, the Euro Area by +5.0% and +4.3%, respectively, and China by +8.0% and +5.6%, respectively.

Management continues seeking to strengthen the Salvatore Ferragamo Group's competitive position among the leaders of the luxury market. The market scenario remains volatile because of the pandemic, even though it is gradually returning to normal. That said, management believes it cannot make detailed year-end forecasts, while performance continues improving in the most important markets in terms of contribution.

Florence, 9 November 2021

On behalf of the Board of Directors

The Chairman
Leonardo Ferragamo

Financial Statements

Consolidated Statement of Financial Position – Assets

(In thousands of Euro)	30 September 2021	<i>of which with related parties</i>	31 December 2020	<i>of which with related parties</i>	30 September 2020	<i>of which with related parties</i>
NON CURRENT ASSETS						
Property, plant and equipment	177,294		183,121		211,376	
Investment property	30,576		31,824		34,393	
Goodwill	6,679		6,679		6,679	
Right-of-use assets	472,813	100,899	475,240	99,070	497,045	100,136
Intangible assets with a finite useful life	33,220		38,891		40,801	
Other non current assets	1,819		2,518		2,293	
Other non current financial assets	15,161	2,907	15,574	4,594	15,748	4,680
Deferred tax assets	111,781		119,656		111,248	
TOTAL NON CURRENT ASSETS	849,343	103,806	873,503	103,664	919,583	104,816
CURRENT ASSETS						
Inventories	280,404		341,636		369,273	
Right of return assets	3,788		4,545		2,853	
Trade receivables	92,863	98	113,909	336	100,075	87
Tax receivables	16,946		15,974		9,921	
Other current assets	34,688	2,690	35,944	2,690	33,793	1
Other current financial assets	371		566		1,130	
Cash and cash equivalents	432,088		327,880		369,357	
TOTAL CURRENT ASSETS	861,148	2,788	840,454	3,026	886,402	88
Assets held for sale	17,968		-		-	
TOTAL ASSETS HELD FOR SALE	17,968		-		-	
TOTAL ASSETS	1,728,459	106,594	1,713,957	106,690	1,805,985	104,904

Consolidated Statement of Financial Position – Liabilities and Shareholders' Equity

(In thousands of Euro)	30 September 2021	<i>of which with related parties</i>	31 December 2020	<i>of which with related parties</i>	30 September 2020	<i>of which with related parties</i>
SHAREHOLDERS' EQUITY						
GROUP SHAREHOLDERS' EQUITY						
Share capital	16,879		16,879		16,879	
Reserves	682,920		743,100		748,341	
Net profit/(loss) – Group	37,537		(66,397)		(96,463)	
TOTAL GROUP SHAREHOLDERS' EQUITY	737,336		693,582		668,757	
MINORITY INTERESTS						
Share capital and reserves – minority interests	17,958		21,413		21,213	
Net profit/(loss) – minority interests	2,317		(5,299)		407	
TOTAL MINORITY INTERESTS	20,275		16,114		21,620	
TOTAL SHAREHOLDERS' EQUITY	757,611		709,696		690,377	
NON CURRENT LIABILITIES						
Non current interest-bearing loans & borrowings	63,552		129,302		129,614	
Provisions for risks and charges	13,999		14,401		13,281	
Employee benefit liabilities	9,872		11,867		12,500	
Other non current liabilities	15,015	-	12,564	-	14,084	409
Non current lease liabilities	460,393	90,285	464,400	89,138	483,265	86,045
Deferred tax liabilities	3,355		6,943		8,671	
TOTAL NON CURRENT LIABILITIES	566,186	90,285	639,477	89,138	661,415	86,454
CURRENT LIABILITIES						
Trade payables	120,583	316	136,399	624	124,367	1,195
Refund liabilities	6,560		9,139		5,736	
Interest-bearing loans & borrowings	102,909		56,698		159,712	
Tax payables	18,319		25,974		12,554	
Other current liabilities	47,398	1,408	29,362	1,347	39,096	9,834
Current lease liabilities	107,285	16,612	103,509	14,155	106,707	18,000
Other current financial liabilities	778		3,703		6,021	
TOTAL CURRENT LIABILITIES	403,832	18,336	364,784	16,126	454,193	29,029
Liabilities held for sale	830		-		-	
TOTAL LIABILITIES HELD FOR SALE	830		-		-	
TOTAL LIABILITIES	970,848	108,621	1,004,261	105,264	1,115,608	115,483
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,728,459	108,621	1,713,957	105,264	1,805,985	115,483

Consolidated Income Statement

(In thousands of Euro)	Period ended 30 September			
	2021	of which with related parties	2020 Restated*	of which with related parties
Revenues from contracts with customers	783,596	129	585,035	107
Rental income investment properties	1,745		1,695	
Revenues	785,341		586,730	
Cost of goods sold	(253,628)	(49)	(227,246)	
Gross profit	531,713		359,484	
Style, product development and logistics costs	(28,879)	(655)	(25,668)	(395)
Sales & distribution costs	(290,042)	(13,155)	(277,536)	(14,816)
Marketing & communication costs	(42,559)	(70)	(36,327)	(12)
General and administrative costs	(90,009)	(7,407)	(84,462)	(5,533)
Other operating costs	(15,734)	(75)	(17,597)	(58)
Other income and revenues	19,986	12	12,970	6
Operating profit/(loss)	84,476		(69,136)	
Financial charges	(37,208)	(2,310)	(61,825)	(2,583)
Financial income	21,670	-	36,289	-
Profit/(loss) before taxes	68,938		(94,672)	
Income Taxes	(23,775)		(344)	
Profit/(loss) from continuing operations	45,163		(95,016)	
Profit/(loss) from operations to be disposed of	(5,309)		(1,040)	
Net profit/(loss) for the period	39,854		(96,056)	
Net profit/(loss) – Group	37,537		(96,463)	
Net profit/(loss) – minority interests	2,317		407	

(In Euro)	Period ended 30 September	
	2021	2020 Restated*
Basic earnings/(loss) per share – ordinary shares	0.223	(0.572)
Diluted earnings/(loss) per share – ordinary shares	0.223	(0.572)
Basic earnings/(loss) per share from continuing operations – ordinary shares	0.254	(0.566)
Diluted earnings/(loss) per share from continuing operations – ordinary shares	0.254	(0.566)

* The data for the period ended 30 September 2020 were restated following the classification of the fragrances business as operation to be disposed of.

Consolidated Statement of Comprehensive Income

(In thousands of Euro)	Period ended 30 September	
	2021	2020 Restated*
Net profit/(loss) for the period (A)	39,854	(96,056)
<i>- Other gains / (losses) that will be subsequently reclassified to net profit/(loss) for the period</i>		
- Currency translation differences of foreign operations	16,466	(8,201)
- Net gain/(loss) from cash flow hedge	(11,767)	12,866
- Tax consequences on components that will be subsequently reclassified to net profit/(loss) for the period	2,824	(3,088)
Total other income/(losses) that will be subsequently reclassified to net profit/(loss) for the period, net of taxes (B1)	7,523	1,577
<i>- Other gain / (losses) that will not be subsequently reclassified to net profit/(loss) for the period</i>		
- Net gain/(loss) from recognition of defined-benefit plans for employees	669	(663)
- Tax consequences on components that will not be subsequently reclassified to net profit/(loss) for the period	(131)	141
Total other gains / (losses) that will not be subsequently reclassified to net profit/(loss) for the period, net of taxes (B2)	538	(522)
Total other gains / (losses) net of taxes (B1+B2 = B) from continuing operations	8,061	1,055
Total other gains / (losses) net of taxes (C) from operations to be disposed of	-	-
Total comprehensive income for the period, net of taxes (A+ B+ C)	47,915	(95,001)
Group	43,754	(95,003)
Minority interests	4,161	2

* The data for the period ended 30 September 2020 were restated following the classification of the fragrances business as operation to be disposed of.

Consolidated Statement of Cash Flows

(In thousands of Euro)	Period ended 30 September			
	2021	of which with related parties	2020	of which with related parties
NET PROFIT/(LOSS) FOR THE PERIOD	39,854		(96,056)	
Adjustments to reconcile net profit (loss) to net cash from (used in) operating activities:				
Amortization, depreciation and write-downs of tangible and intangible assets, investment property and right-of-use assets	119,343	12,833	147,869	18,396
Income Taxes	23,775		344	
Provision for employee benefit plans	311		568	
Allocation to/(use of) the provision for obsolete inventory	11,477		31,742	
Losses and provision for bad debt	546		2,199	
Losses/(gains) on disposal of tangible/intangible assets	547		1,198	
Interest expense and interest expense on lease liabilities	11,505	2,309	13,286	2,583
Interest income	(528)	-	(1,119)	-
Other non-monetary items	(7,235)	(527)	(180)	
Changes in operating assets and liabilities:				
Trade receivables	25,650	238	44,858	5
Inventories	49,189		(25,908)	
Trade payables	(16,603)	(308)	(72,877)	772
Other receivables and tax payables	(2,241)		(1,383)	
Employee benefits payments	(1,252)		(588)	
Other assets and liabilities	8,273	1,748	(5,147)	891
Other – net	(1,365)		(724)	
Income taxes paid	(21,191)	-	(18,147)	1,661
Interest expense and interest expense on lease liabilities paid	(11,837)	(2,510)	(14,654)	(2,816)
Interest income received	528	-	1,119	-
NET CASH FROM (USED IN) OPERATING ACTIVITIES	228,746	13,783	6,400	21,492
Cash flow from investing activities:				
Purchase of tangible assets	(22,056)	(65)	(11,819)	
Purchase of intangible assets	(4,453)		(3,725)	
Proceeds from the sale of tangible and intangible assets	91		18	
Acquisition of Arts S.r.l. and Aura 1 S.r.l. net of cash acquired	(3,629)		(7,581)	
NET CASH FROM (USED IN) INVESTING ACTIVITIES	(30,047)	(65)	(23,107)	-
Cash flow from financing activities:				
Net change in financial receivables	287		(430)	
Net change in financial payables	(20,162)		242,740	
Repayment of lease liabilities	(74,308)	(11,268)	(89,865)	(17,608)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	(94,183)	(11,268)	152,445	(17,608)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	104,516		135,738	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	327,880		222,332	
Increase/(decrease) in cash and cash equivalents	104,516		135,738	
Effect of exchange rate translation differences	(294)		11,287	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD*	432,102		369,357	

*Cash and cash equivalents at the end of the period reported in the consolidated statement of cash flows as at 30 September 2021 include cash and cash equivalents associated with Operations to be disposed of and recognized as Assets held for sale.

Statement of changes in consolidated shareholders' equity

(In thousands of Euro)	Share capital	Treasury share reserve	Share capital contributions	Legal reserve	Extraordinary reserve	Cash flow hedge reserve	Translation reserve	Retained earnings	Other reserves	Effect IAS 19 Equity	Net profit/(loss) for the period	Group shareholders' equity	Minority interests	Total shareholders' equity
As at 01.01.2021	16,879	(2,776)	2,995	4,188	628,530	5,123	(25,368)	129,770	4,322	(3,684)	(66,397)	693,582	16,114	709,696
Allocation of results	-	-	-	-	(34,070)	-	-	(32,327)	-	-	66,397	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	37,537	37,537	2,317	39,854
Other comprehensive income/(loss)	-	-	-	-	-	(8,943)	15,035	(388)	-	513	-	6,217	1,844	8,061
Total comprehensive income (loss)	-	-	-	-	-	(8,943)	15,035	(388)	-	513	37,537	43,754	4,161	47,915
Reclassifications	-	-	-	-	60	-	-	887	(947)	-	-	-	-	-
As at 30.09.2021	16,879	(2,776)	2,995	4,188	594,520	(3,820)	(10,333)	97,942	3,375	(3,171)	37,537	737,336	20,275	757,611

(In thousands of Euro)	Share capital	Treasury share reserve	Share capital contributions	Legal reserve	Extraordinary reserve	Cash flow hedge reserve	Translation reserve	Retained earnings	Other reserves	Effect IAS 19 Equity	Net profit/(loss) for the period	Group shareholders' equity	Minority interests	Total shareholders' equity
As at 01.01.2020	16,879	(2,776)	2,995	4,188	504,319	(499)	(16,002)	166,510	4,164	(3,412)	87,281	763,647	21,618	785,265
Allocation of results	-	-	-	-	124,211	-	-	(36,930)	-	-	(87,281)	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	(96,463)	(96,463)	407	(96,056)
Other comprehensive income/(loss)	-	-	-	-	-	9,778	(7,907)	115	-	(526)	-	1,460	(405)	1,055
Total comprehensive income (loss)	-	-	-	-	-	9,778	(7,907)	115	-	(526)	(96,463)	(95,003)	2	(95,001)
Purchase of min. interests in companies consolidated on a line-by-line basis and accounting of options on min. interests	-	-	-	-	-	-	-	33	-	-	-	33	-	33
Change in scope of consolidation	-	-	-	-	-	-	-	18	(18)	-	-	-	-	-
Stock Grant Reserve	-	-	-	-	-	-	-	-	80	-	-	80	-	80
As at 30.09.2020	16,879	(2,776)	2,995	4,188	628,530	9,279	(23,909)	129,746	4,226	(3,938)	(96,463)	668,757	21,620	690,377

Statement pursuant to paragraph 2, article 154 bis of Leg. Decree no. 58/98 (Consolidated Law on Finance)

The Manager charged with preparing Company's Financial Reports states, pursuant to paragraph 2, article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this document is in line with accounting books and records.

Florence, 9 November 2021

Manager charged with preparing Company's Financial Reports
Alessandro Corsi