SALVATORE FERRAGAMO S.P.A.

FERRAGAMO

INFORMATION DOCUMENT ON SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

(Pursuant to article 5 of the Regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as amended)

ACQUISITION BY THE FERRAGAMO GROUP OF THE MINORITY INTERESTS HELD BY IMAGINEX HOLDINGS LIMITED AND IMAGINEX OVERSEAS LIMITED IN THREE JOINT VENTURES

This Information Document is available to the public at the registered office of Salvatore Ferragamo S.p.A., in Florence (Italy), via Tornabuoni 2, on the website (group.ferragamo.com/en), as well as on the authorised eMarket STORAGE mechanism (www.emarketstorage.com).

31 October, 2023

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DEFINITION

The following is a list of the main definitions and terms used in this Information Document. These definitions and terms, unless otherwise specified, have the meaning indicated below. Terms defined in the singular shall also be understood in the plural, and vice versa, where the context so requires.

Financial Advisor to the Committee	EY Advisory S.p.A.
CR Committee or Committee	Salvatore Ferragamo's control and risk committee, which is also responsible for transactions with related parties, composed of three non-executive and independent directors in the persons of (i) Patrizia Michela Giangualano (Chairman), (ii) Laura Donnini and (iii) Umberto Tombari.
Information Document	This information document, relating to transactions of greater significance with related parties, is prepared pursuant to Article 5 of the RPT Regulation and Article 7.1.6 of the RPT Procedure (as defined below).
Operation	As defined in the introduction.
RPT Procedure	Salvatore Ferragamo's current "Procedure for the regulation of transactions with related parties" available on the Company's website.
Issuers' Regulation	The regulation adopted by Consob with resolution No. 11971 of 14 May 1999, as subsequently amended and supplemented.
RPT Regulation	The regulation adopted by Consob with resolution No. 17221 of 12 March 2010, as subsequently amended and supplemented.
Salvatore Ferragamo or the Company	Salvatore Ferragamo S.p.A., with registered office in Florence (Italy), via Tornabuoni 2.
TUF	Legislative Decree No. 58 of 24 February 1998.

PREAMBLE

This Information Document relates to the acquisition by Salvatore Ferragamo and its wholly-owned subsidiary Ferragamo Hong Kong Limited ("**FHK**") of the minority equity interests held by Imaginex Holdings Limited ("**Imaginex**") and Imaginex Overseas Limited ("**IOL**") - companies indirectly controlled by Mr. Peter K. C. Woo ("**Imaginex Group**") - which are members of the Board of Directors of Salvatore Ferragamo, a significant shareholder of the Company and signatory, through Majestic Honour Limited, to the agreement for the purchase of the minority interests held by Mr. Peter K. C. Woo. ("Imaginex Group"), a member of Salvatore Ferragamo's Board of Directors, a significant shareholder of the Company and subscriber, through Majestic Honour Limited, to a shareholders' agreement with Ferragamo Finanziaria S.p.A. - in three joint ventures (i.e, Ferragamo Moda (Shanghai) Co. Limited, Ferragamo Retail Macau Limited and Ferrimag Limited) (collectively, the "**Transaction**").

The Transaction qualifies as a "significant transaction" insofar as the index of the liabilities pursuant to article 3.4(iii) of the RPT Procedure, calculated on the basis of the data available at 30 June 2023, is equal to 9% and, therefore, higher than the 5% threshold; in particular, it should be noted that this index is represented by the ratio between the total (not pro-rata) liabilities (excluding shareholders' equity) of the three joint ventures and the total consolidated assets of the Ferragamo Group. The other two indexes indicated in appendix 3 to the RPT Regulation are instead not exceeded in the present case. For this reason, prior to approval of the Transaction by the Board of Directors, the Committee issued a reasoned and binding favorable opinion on Salvatore Ferragamo's interest in the Transaction and on the appropriateness and substantial fairness of its terms and conditions (the "**Committee Opinion**", attached to this Information Document as **Annex 1**).

For the purpose of expressing the Committee's Opinion and exercising the powers provided for by the RPT Procedure, the Committee identified EY Advisory S.p.A. ("**EY**") as the independent expert to be entrusted with the task of issuing a fairness opinion on the fairness - from a financial point of view - of the price of the Transaction (attached to this Information Document as **Annex 2**).

The Transaction was approved by the Company's Board of Directors on 25 October 2023, pursuant to article 7.1 of the RPT Procedure (for further details on the procedure for the approval of the Transaction, see paragraph 2.8 below).

This Information Document has been prepared by Salvatore Ferragamo pursuant to article 5 of the RPT Regulation and article 7.1.6 of the RPT Procedure.

1 NOTICES

1.1 Risks associated with potential conflicts of interest arising from transactions with related parties

The Transaction referred to in this Information Document constitutes a transaction between related parties within the meaning of the RPT Procedure since Imaginex and IOL are companies indirectly controlled by Mr. Peter K. C. Woo who is a member of the Board of Directors of Salvatore Ferragamo (see paragraph 2.2 below). Mr. Peter K.C. Woo, through the company Majestic Honour Limited, is also (i) holder of a 5.986% interest in the Company's share capital and (ii) a signatory of a voting syndicate agreement with Ferragamo Finanziaria S.p.A., the Company's controlling shareholder, published pursuant to Article 122 of the TUF.

There is, therefore, a relationship of correlation between the Company, on one hand, and Imaginex and IOL, on the other hand, within the meaning of the RPT Procedure and the definition contained in the international accounting standards adopted in accordance with the procedure set forth in Article 6 of EC Regulation No. 1606/2002.

As already mentioned, the Transaction is also (a related party transaction) "of greater significance" by virtue of the application of the so-called materiality index of liabilities under Article 3.4(iii) of the RPT Procedure.

In accordance with the rules and safeguards set forth in the RPT Procedure: (i) the CR Committee, composed exclusively of non-executive and independent directors, was involved in the negotiation and preliminary phase of the Transaction through the receipt of a complete, adequate, updated and timely flow of information and documents relating to the Transaction; (ii) the Committee was able to request clarifications and make observations from the management in charge of conducting the negotiations; (iii) the Committee identified EY as the Financial Advisor, to which it assigned the task of preparing a fairness opinion (iv) the Committee examined the documents and the various aspects of the Transaction; (v) at its meeting held on 23 October 2023, the Committee unanimously approved the Committee's Opinion, noting the interest in the Transaction being carried out as well as the appropriateness and substantial fairness of the related conditions; (vi) at its meeting held on 25 October 2023, the Board of Directors of Salvatore Ferragamo approved the Transaction, on the basis of the supporting documentation received and the Committee's favorable opinion.

2 INFORMATION ON THE OPERATION

2.1 Description of the characteristics, terms and conditions of the Transaction

The Transaction consists in the purchase and sale by Salvatore Ferragamo and FHK of the minority equity interests held by Imaginex and IOL - companies indirectly controlled by Mr. Peter K. C. Woo, a member of the Company's Board of Directors - in the following three joint ventures ("**JVs**" or "**Joint Ventures**")

- Ferragamo Retail Macau Limited ("**FRM**"), which is 75.2% owned by Salvatore Ferragamo;
- Ferrimag Limited ("**FIM**"), which is 75.0% owned by FHK; and
- Ferragamo Moda (Shanghai) Co. Ltd ("**FMS**"), which is 75.0% owed by Salvatore Ferragamo.

The remaining minority interests in the JVs (the "**Equity Investments**") are held by IOL (as regards FMS and FRM) and Imaginex (as regards FIM), which are part of the Imaginex Group.

The Company and FHK, on one hand, and IOL and Imaginex, on the other hand, have entered into and amended over time joint venture agreements (the **'JV Agreements'**) to regulate their relationship in the Joint Ventures. Between FHK and FRM, as well as between FHK and the three wholly-owned subsidiaries of FIM (Ferragamo Retail HK Limited, Ferragamo Fashion Trading (Shanghai) Co. Limited and Ferragamo Retail Taiwan Limited) have distribution agreements in place, which will expire on 1 January 2024 (the "**Distribution Agreements**").

The JV Agreements provide that, in the event of non-renewal of the Distribution Agreements, the former will be terminated, with the consequent right for the Company to proceed with the purchase of the IOL and Imaginex Equity Investments.

With reference to the valuation of the Equity Investments, the JV Agreements provide, first of all, for an initial attempt to reach an agreement between the parties to determine the fair value of the transfer price and, in the event of failure to reach an agreement, for the determination of such price to be referred to a merchant bank to be identified among those indicated in the JV Agreements.

The Company and FHK and the Imaginex Group started to negotiate, in advance of the natural maturity date, the terms and conditions of the purchase of the Equity Investments held by IOL and Imaginex.

During the course of the negotiations for the determination of the sale price, the Imaginex Group made various allegations to the Company and FHK concerning facts relating to the management of the JVs, to which the Company responded by rejecting the claims as ungrounded.

The Company, FHK and the Imaginex Group continued to negotiate in order to reach a possible settlement of the issues under consideration, which was then identified in the Transaction.

In summary, the Transaction provides for the following:

- the execution of a framework agreement ("**Framework Agreement**") to regulate and govern: (i) the sale and purchase agreement between FHK and Imaginex for the transfer of the 25% Equity Investment held by Imaginex in FIM; (ii) the sale and purchase agreement between SF and IOL for the transfer of the 25% Equity Investment held by IOL in FMS; and (iii) the sale and purchase agreement between SF and IOL for the transfer of the 24.8% Equity Investment held by IOL in FRMA ; (iv) the termination of the JV Agreements upon the completion of the Transaction ("closing"), which, unless otherwise agreed by the Parties, shall occur on or before November 9th 2023 and which is not subject to any condition precedent (with the sole exception of the provision that all transfers of the Equity Investments must occur simultaneously); (v) a general duty of cooperation of the Imaginex Group - including on behalf of the directors appointed in the JVs - aimed at enabling the management of the JVs until the closing (vi) the resignation of the directors of the JVs appointed by the Imaginex Group at the closing, with simultaneous waiver of all claims against the JVs themselves, their shareholders, representatives, assignees and employees; (vii) the settlement agreements, valid and effective as of the signing of the Framework Agreement, which contain a general waiver, as of now, by both parties of any and all claims in relation to the JV Agreements, all ancillary agreements entered into between the Parties and, more generally, the management of the JVs (viii) the termination of the Framework Agreement in the event of the failure of the closing solely due to the fault of the Company; (ix) the provision of the laws of Hong Kong as the applicable law; (x) an arbitration clause providing for arbitration under the laws of Hong Kong in the event of a dispute;

- the simultaneous execution of three sale and purchase agreements, which are also annexed to the Framework Agreement, relating to the transactions referred to in (i), (ii) and (iii) above (the "**Sale and Purchase Agreements**" and with the Framework Agreement, the "**Final Agreements**") providing that: (i) the transfer of the Equity Interests shall take place on November 9 2023 or on such other date as the Parties may agree for the purpose of the closing; (ii) the release of the so-called fundamental guarantees at the signing and at the closing, such as: the good standing of the buyer and the seller, the authorization to complete the Transaction, the absence of third party rights on the Equity Investments to be transferred. An indemnity obligation was also provided for only for the seller, up to a maximum of the consideration, for the breach of warranties.

The price for the Transaction is a total of USD 42.0 million for the purchase of the 3 Equity Investments.

2.2 Indication of the related parties with whom the Transaction is entered into, the nature of the relationship and the nature and extent of those parties' interests in the Transaction

Imaginex and IOL are companies indirectly controlled by Mr. Peter K. C. Woo, a member of the Board of Directors of Salvatore Ferragamo and indirect owner, through the company Majestic Honour Limited, of a 5.986% interest in the Company's share capital. Mr. Peter K.C. Woo, also through the company Majestic Honour Limited, is also a subscriber to a voting syndicate agreement with Ferragamo Finanziaria S.p.A., the Company's controlling shareholder, published pursuant to Article 122 of the TUF.

This implies the existence of a correlation between Imaginex and IOL, on one hand, and Salvatore Ferragamo on the other hand, pursuant to the RPT Procedure and the definition contained in the international accounting standards adopted in accordance with the procedure set forth in Article 6 of EC Regulation No. 1606/2002.

In particular, the Transaction falls within the scope of application of the rules provided for by the RPT Procedure for transactions of greater significance given that it exceeds the materiality index of liabilities under Article 3.4(iii) of the RPT Procedure (see paragraphs 1.1 and 2.5).

2.3 Indication of the economic rationale and convenience of the Transaction for Salvatore Ferragamo

As a preliminary reminder, since 2013, the Company directly holds 75% of FMS and 75.2% of FRM, and indirectly - through FHK - 75% of FIM. The remaining share of the capital of the aforementioned companies is instead held by IOL (with regard to FMS and FRM) and Imaginex (with regard to FIM), which are part of the Imaginex Group.

The Company and its subsidiary FHK, on one hand, and IOL and Imaginex, on the other hand, have executed and amended over time JV Agreements aimed at regulating their relations in the JVs for the distribution of Ferragamo-branded products in the so-called Greater China market. The latest amendment to the JV Agreements took place on 19 December 2017, with the simultaneous signing of a number of ancillary agreements, including the Agreements for the Distribution of Ferragamo-branded products in the Greater China market, which expire on 1 January 2024. The JV Agreements provide that, should the Distribution Agreements expire, the former will be terminated, with the consequent right for the Company to purchase the IOL and Imaginex Equity Investments. In advance of the expiry of the Distribution Agreements, the Company entered into negotiations with the Imaginex Group to purchase the Equity Investments.

During the negotiations, the Imaginex Group made various allegations to the Company on facts relating to the management of the JVs and, although the Company punctually replied to the claims received, considering them to be ungrounded, there was still a reasonable risk that the Imaginex Group would initiate an arbitration proceeding.

In this perspective, the decision to execute the Transaction, even reaching a settlement agreement with respect to the contested allegations, derives from the weighted consideration of the following various factors that led to the conclusion that the Transaction was in the Company's interest.

In particular, in the first place, the Company considered that, by not implementing the Transaction, it would have opened - as provided by the JV Agreements - an arbitration phase with an outcome difficult to be foreseen.

Secondly, such scenario would have generated significant difficulties in the conduct of the business and in the management of the JVs in consideration of the number of "Reserved Matters" provided for in the JV Agreements in favor of the minority shareholder, considering that the transfer of the Equity Investments would most likely occur only after the arbitration proceedings, the duration of which was estimated to be not less than 12/18 months. In fact, on the basis of the indications received from the Company's legal advisors, the arbitration claim brought by the Imaginex Group would have been based, in all likelihood, on the so-called *unfair prejudice* allegedly suffered by the minority shareholder, with the consequence that the ascertainment of this assumption and of the possible decrease in the value of the companies would necessarily have had to precede the quantification of the value of the Equity Investments.

Thirdly, it should be considered that the market of the so-called Greater China represents for the Company an extremely important market, with a very high growth potential and whose relaunch, after the pandemic, also constitutes one of the pillars of the Company's Strategic Plan, presented to the market on 10 May 2022.

Furthermore, with reference to the Transaction's cost-effectiveness profiles, it should be noted that, at the end of a detailed process carried out in accordance with the best industry practices, the Committee positively evaluated the fairness of the price of the Transaction, an evaluation that was supported by the fairness opinion of the Financial Advisor (see below). In this regard, during the meetings held by the Committee in the presence of the Financial Advisor, the latter reported that it had not applied the so-called minority discount (discount applicable, in abstract, in the event of the purchase of a minority shareholding) on the basis of the argument that the JV Agreements explicitly exclude the application of minority discounts in contexts such as the Transaction. However, the Financial Advisor reported that, in its view, even in the event of the application of a 20% minority discount, the price for the Transaction would still be fair from a financial point of view. In addition, the Financial Advisor's fairness assessment did not take into account the settlement elements of the Transaction, which, however, have a significant value in the Company's perspective and justify even more the fairness and convenience assessment of the Transaction.

Lastly, it should be noted that the Committee verified with the legal advisors, who assisted the Company from the beginning of the negotiations, that the contractual clauses set forth in the Final Agreements did not contain any unusual, anomalous, or atypical agreements from a legal point of view.

The aforesaid considerations were set forth in the Committee's Opinion, which confirms the interest of Salvatore Ferragamo in the Transaction, and that the terms and conditions of the Transaction were correct and materially fair.

Finally, the Company's Board of Directors, which met on 25 October 2023, on the basis of the Committee's reasoned opinion and the same considerations set forth above, approved the Transaction. It should be noted that Director Peter K.C. Woo, a related party to the Transaction, did not attend the board meeting.

2.4 Method of determining the consideration and assessment of its fairness

The price of the Transaction was determined following negotiations between the parties.

As anticipated, the Committee decided to avail itself of the Financial Advisor, who was asked to issue a fairness opinion concerning the fairness from a financial point of view of the price envisaged in the Transaction.

The verification of the independence of the Financial Advisor was carried out, with the support of the Company's offices, by acquiring from the same Financial Advisor a specific declaration of independence (attached to this Information Document as **Annex 3**). In particular, the Financial Advisor was requested to specify any economic, asset and/or financial relationship (existing or occurred in the last 12 months) with (i) Imaginex and IOL (the "**Related Parties**"), the entities controlling the Related Parties, the companies controlled by the Related Parties or subject to common control with the Related Parties as well as the directors of the aforesaid companies; and (ii) the Company, the entities controlling the Company, the companies controlled by the Company or subject to common control with the Company as well as the directors of the aforesaid companies.

The Committee's Financial Advisor issued a declaration of non-existence of the aforementioned relationships and/or relations with the aforementioned parties.

Essential elements of the fairness opinion issued by the Financial Advisor

This paragraph contains a description of the essential elements of the fairness opinion issued by the Financial Advisor to the Committee. The information have been reproduced consistently with the fairness opinion and, to the best of our knowledge, there are no omissions that would render the said information inaccurate or misleading. It should be noted that a copy of the fairness opinion, which should be referred to for full disclosure, is in any case attached to this Information Document.

The valuation of the JVs was carried out using valuation criteria and methods widely used in Italian and international professional practice, with consolidated doctrinal bases, based on parameters determined through a generally accepted methodological process.

Specifically, on the basis of the available documentation, EY has applied the following valuation methodologies:

- unlevered discounted cash flow (UDCF) method, as the main valuation method

- the stock market multiples method, as control valuation method.

It should be noted that the UDCF method was deemed the most appropriate one for distribution companies such as those under valuation.

UDCF Method

This method is recognized by doctrine and practice as the most analytical method, capable of fully incorporating the economic and financial projections, including the risk profile and growth prospects, of JVs.

The unlevered discounted cash flow method expresses the value of a company ("**Equity Value**" or "**EqV**") as the algebraic sum of the net present value of operating assets ("**Entreprise Value**" or "EV"), the net financial position ("**Net Financial Position**" or "**NFP**") and similar items.

In more detail, for the purposes of determining the Enterprise Value:

- the following were considered: (i) the unlevered cash flows for each of the years considered in the explicit projection period expressed by the Plan, and (ii) the residual value of the company's operating assets at the end of the same (the so-called Terminal value)

- a representative rate of the weighted average cost of capital ("**WACC**") was adopted, calculated on the basis of the formula that considers as main parameters the financial structure, the cost of debt and the cost of equity, the latter being determined on the basis of the capital asset pricing model ("**CAPM**") formula.

For the purposes of the analysis, EY has:

- used the multi-year economic-equity projections contained in the JVs Plan

- estimated the terminal value based on the cash flow of the last year of the Plan and a long-term growth rate ('g');

- considered the book value of the Net Financial Position at the reference date of 30 June 2023;

- adopted a WACC that also took into account the nature of the JVs' specific operating activities.

On the basis of the valuation analysis carried out, a range of values was defined for the Equity Investments between USD 39.3 million and USD 53.6 million.

Method of stock exchange multiples

The stock market multiples method is based on the analysis of multipliers between market values and fundamental parameters, providing a simple and impartial evaluation.

Therefore, the EV/EBIT multiple, emerging from a sample (panel) of companies comparable to Salvatore Ferragamo (peer), was adopted, based on the following approach:

- EV: (i) market capitalisation: 6 months prior to 30 June 2023 were taken into account; (ii) net financial position: the latest available data with respect to 30 June 2023 was considered;

- EBIT: consensus forward data for the years 2025, 2026 and 2027 were analyzed and considered.

For the purpose of determining the Equity Value of the Equity Investments, EY has:

- calculated the Enterprise Value by applying the EV/EBIT multiple of the peers (median) to the fundamentals reported in the JVs Plan for the same timeframe;

- applied the same bridge-to-equity adjustments as defined in the valuation using the UDCF method;

- also considered the adoption of a liquidity discount.

On the basis of the valuation analysis performed, a range of values was defined for the Participations between USD 38.0 million and USD 50.7 million.

EY highlighted certain assumptions and limitations underlying its valuation analysis, including:

- the valuations carried out using both the main unlevered discounted cash flow methodology and the stock market multiples control methodology are based on economic and financial forecasts which, by their nature, contain elements of uncertainty and are subject to variations, even significant ones, in the event of changes in the market and macroeconomic scenario. It should also be borne in mind that, due to the uncertainty inherent in the realization of any future event, both as regards the occurrence of the event and the extent and timing of its manifestation, the variance between the actual values and the forecast data could be significant, even if the events forecasted in the assumptions used actually occur. The analysis was therefore carried out in light of the business and market elements that can reasonably be assumed and therefore does not take into account the possibility of the occurrence of events of an extraordinary and unforeseeable nature (new sector regulations, changes in tax legislation, natural, social and political disasters, nationalizations, etc.);

- the valuations performed are affected by the inherent limitations and specificities that characterize the valuation methodologies adopted.

In carrying out the valuation analyses and preparing the fairness opinion, EY referred to documents, data and information provided by the Company, including:

- consolidated balance sheet of the JVs as at 30 June 2023;

- financial statements of the JVs for the year ended 31 December 2022;

- economic and financial data of the JVs for the financial years 2021 and 2022 and for the first half of 2023;

- guidelines of the Ferragamo Group's strategic plan dated 10 May 2022;

- consolidated operating and financial plan of the JVs for the period between 1 July 2023 and 31 December 2027 prepared by the Company based on the Ferragamo Group's Strategic Plan Guidelines (the "Plan");

- joint-venture agreements relating to JVs and umbrella arbitration agreements relating to joint-venture agreements;

- distribution agreements, service agreements, trademark agreements, framework merchandise sales agreements, all ancillary agreements to the JV Agreements;

- document relating to the preparatory framework for the Transaction prepared by the Company's offices for the Committee, called "JV China", dated 15 September 2023.

In addition, publicly available information, sector studies and databases were analysed, and in-depth discussions were held with Salvatore Ferragamo's corporate management in order to obtain explanations and clarifications on the data and information useful for the issuance of the fairness opinion.

Finally, on the basis of the foregoing, the fairness opinion concludes that the Transaction Price of USD 42.0 million for

- 25.0% of Ferragamo Moda Shanghai

- 24.8% of Ferragamo Retail Macau; and

- 25.0% of Ferrimag,

is fair from a financial point of view.

2.5 Economic, equity and financial effects of the Transaction, providing applicable materiality ratios

The Transaction qualifies as a transaction of greater significance between related parties pursuant to the RPT Regulation as well as the RPT Procedure adopted by the Company, as the index of liabilities (article 3.4(iii) of the RPT Procedure) is higher than the threshold of 5% for the Transaction in question, standing at 9%, as represented in the table below, in light of the financial data referred to the Half-Yearly Financial Report as at 30 June 2023. The other two indexes indicated in appendix 3 to the RPT Regulations are instead not exceeded in the present case.

Index	Description	Numerator in millions of euro	Denominator in millions of euro Value	Index in %	Relevance threshold in %
Liability relevance index	Ratio of total liabilities of the JVs to total assets taken from the consolidated balance sheet published in the Ferragamo Group Half-Yearly Financial	160	1.803	9%	5%

	Report as of 30 June 2023				

The main economic and financial effects of the Transaction, taking into account the book values as of June 30, 2023 (the latest available data, as reported in the Half-Yearly Financial Report as of 30 June, 2023), are summarised as follows:

- the purchase price will be paid through the use of equity, leading to a reduction in the Ferragamo Group's net financial surplus[1] of USD 42 million (about € 40 million). In particular, Salvatore Ferragamo will have to pay USD 1.241 million (about €1.171 million) to acquire the minority interests in the subsidiary companies Ferragamo Moda Shanghai Co. Ltd. and Ferragamo Retail Macau Limited; Ferragamo Hong Kong Ltd will have to pay USD 40.759 million (about €38.474 million) to acquire the minority interests in the subsidiary Ferrimag Limited and its subsidiaries;

- the acquisition of the stakes in the entities subject to the Transaction entails a reduction in the net equity attributable to minority interests of €20 million and, due to the difference with respect to the purchase price, a reduction in the net equity of the Ferragamo Group of €20 million;

- the net result for the period relating to minority interests at 30 June 2023 for the entities subject to the Transaction was a loss of €1 million.

It should be noted that Salvatore Ferragamo has adhered to the simplification regime (the so-called opt-out regime) envisaged by Articles 70(8) and 71(1-bis) of the Issuers' Regulations, availing itself of the right to waive the disclosure requirements set forth in Annex 3B of the Issuers' Regulations on the occasion of, inter alia, significant acquisition transactions.

2.6 Impact of the Transaction on the remuneration of the members of the boards of directors of Salvatore Ferragamo and/or its subsidiaries

The completion of the Transaction is one of the targets of Claudia Ricchetti's variable remuneration, with a weight of 25% on the total variable remuneration, and of Lau Calvin, with a weight of 20% on the total variable remuneration. Claudia Ricchetti, General Counsel of the Company, is a director of FIM and its subsidiaries, FMS and FRM while Lau Calvin, Senior Legal Counsel of FHK, also has been serving as a director of FHK, FMS, FMR, FIM and its subsidiaries since 1st October 2023.

Claudia Ricchetti's variable remuneration was determined in line with the provisions of the Remuneration Policy document approved by the Ordinary Shareholders' Meeting of Salvatore Ferragamo. For any further information on the Remuneration Policies adopted by the Company, reference should be made to the first section of the Report on Remuneration Policy and Compensation Paid prepared pursuant to Article 123-ter of the TUF and available on the Company's website and on the authorized storage mechanism eMarket STORAGE.

It should be noted, in any event: (i) that 100% of Claudia Ricchetti's variable remuneration is equal to 30% of her fixed remuneration; (ii) that 100% of Lau Calvin's variable remuneration is equal to 10% of his fixed remuneration; and (iii)that the Transaction does not result in any changes in the remuneration of the Directors of the Company, nor of other directors of the subsidiaries.

[1] For the definition of net financial debt/(surplus), please refer to the paragraph "Alternative Performance Indicators" in the Half-Yearly Financial Report at 30 June 2023, available on the Salvatore Ferragamo Group's website, Investor Relations section, financial documents (https://group.ferragamo.com/it/investor-relations/documenti-finanziari/)

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2.7 Members of the board of directors and control bodies, general managers and executives of Salvatore Ferragamo involved in the Transaction

No members of the Company's Board of Directors, Board of Statutory Auditors or executives are involved as related parties, with the exception of Peter K. C. Woo, a member of Salvatore Ferragamo's Board of Directors who indirectly holds a 5.986% interest in the Company share capital through Majestic Honour Limited. Mr. Peter K.C. Woo, also through the company Majestic Honour Limited, is a signatory of a voting syndicate agreement with Ferragamo Finanziaria S.p.A., the Company's controlling shareholder, published pursuant to Article 122 of the TUF (and available, inter alia, on the Company's website).

It should also be noted that Mr. Peter K.C. Woo did not participate in the meeting of the Board of Directors approving the Transaction (referred to below) (nor was he present in any of the Board discussions on the Transaction), as he has his own interest pursuant to Article 2391 of the Italian Civil Code.

2.8 Description of the approval procedure for the Transaction

As described in the previous paragraphs, the Transaction falls within the scope of application of the RPT Procedure as a "greater significance related party transaction". Therefore, the Transaction was approved in compliance with the procedure and discipline provided for in Article 7.1.6 of the RPT Procedure.

The negotiations were conducted by the Chairman and the Chief Executive Officer of the Company.

As regards the Committee's activities, the latter immediately took action in order to carry out the activities required by the RPT Procedure, having been involved since the preliminary phase of the Transaction, through the receipt of a complete and updated information flow.

In particular, the Committee immediately proceeded to assess the existence of the requirements for the application of the RPT Procedure, as well as to carry out the checks relating to the profiles of non-relation of its members with the counterparties to the Transaction and their non-involvement in the same Transaction.

The Committee also identified EY as the independent advisor to be entrusted with the task of issuing an opinion on the fairness of the Transaction, subject to verification of the requirement of its independence and absence of conflicts of interest.

In addition, the Committee met regularly with the Company's management, formulating the relevant observations, and requesting any additional information.

The information received by the Committee concerned, in particular, the terms and conditions envisaged for the Transaction, as well as the related interests and motivations. The Committee constantly examined the documentation and the various profiles inherent to the Transaction and, at its meeting of 23 October 2023, approved unanimously the Committee's Opinion on the Transaction (attached to the Information Document). The Transaction was therefore approved to the unanimity of those present by the Board of Directors of Salvatore Ferragamo on 25 October 2023. As already mentioned, Mr. Peter K.C. Woo did not participate in the meeting of the Board of Directors under examination (nor was he present in any of the board discussions on the Transaction), as he has his own interest pursuant to Article 2391 of the Italian Civil Code.

2.9 If the relevance of the Transaction derives from the accumulation, pursuant to Article 5, paragraph 2, of the RPT Regulation, of several transactions carried out during the financial year with the same related party, or with parties related both to the latter and to the Company, the information indicated in the preceding points must be provided with reference to all such transactions.

The case described is not applicable to the Transaction.

The manager charged to prepare the corporate accounting documents, Erika Peruzzi, pursuant to article 154-bis, paragraph 2, of Legislative Decree no. 58/1998 (TUF), hereby declares that the information contained in this Document faithfully represents the content of documents, financial books and accounting records.

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ANNEXES

1. **Opinion of the Committee on Salvatore Ferragamo's interest in completing the Transaction and on the appropriateness and substantial fairness of the related conditions**

2. *Fairness opinion of the Financial Advisor*

3. **Declaration of Independence of the Financial Advisor**

Florence, October 23, 2023

To the members of the Board of Directors
of Salvatore Ferragamo S.p.A.

Subject: Opinion of the Audit and Risk Committee as the Committee also responsible for Related Party Transactions pursuant to the Procedure for Related Party Transactions of Salvatore Ferragamo S.p.A.

Dear Sirs,

we refer to the proposed acquisition ("**Transaction**"), by Salvatore Ferragamo S.p.A. ("**SF**" or the "**Company**") and its wholly owned subsidiary Ferragamo Hong Kong Ltd. ("**FHK**"), of the minority interests held by Imaginex Holdings Limited ("**Imaginex**") and Imaginex Overseas Limited ("**IOL**") - companies indirectly controlled by Mr. Peter K. C. Woo ("**Imaginex Group**"), a member of the Company's Board of Directors - in the three *joint ventures* Ferragamo Moda (Shanghai) Co. Limited ("**FMS**"), Ferragamo Retail Macau Limited ("**FRM"**) and Ferrimag Limited ("**FIM**" and with FMS and FRM, "**Joint Ventures**" or "**JVs**").

1. Foreword

It is first necessary to reconstruct the factual background:

A. the Company and FHK, on the one hand, and IOL and Imaginex, on the other hand, have entered into and amended over time *joint venture* agreements (the "**JV Agreements**") designed to regulate their relationships in Joint Ventures. In this regard, the Company directly holds 75 percent of FMS and 75.2 percent of FRM, and indirectly-through FHK-owns 75 percent of FIM. On the other hand, the remaining share of capital (the **"Equity Investments"),** as mentioned above, is held by IOL (with regard to FMS and FRM) and Imaginex (with regard to FIM), which are part of the Imaginex Group. Between FHK and FRM, as well as between FHK and the three wholly owned subsidiaries of FIM (Ferragamo Retail HK Limited, Ferragamo

Fashion Trading (Shanghai) Co. Limited and Ferragamo Retail Taiwan Limited) have distribution agreements in place, which will expire on January 1, 2024 (the "**Distribution Agreements**").

B. The JV Agreements provide that if the Distribution Agreements are not renewed, the former will terminate, resulting in the Company's right to proceed with the purchase of the IOL and Imaginex Interests.

C. With particular reference to the valuation of the Equity Investments, the JV Agreements first provide for an initial attempt to reach an agreement between the parties to determine the *fair value of* the transfer price and, if no agreement is reached, the referral of the determination of that price to a merchant bank to be identified from among those listed in the JV Agreements.

D. The Company and Imaginex Group began negotiating, well in advance of the natural expiration of the Distribution Agreements and consequently the JV Agreements, terms and conditions of the purchase of the Interests held by IOL and Imaginex.

E. In the course of negotiations for the determination of the sale price, the Imaginex Group made various objections to the Company on facts pertaining to the management of the JVs, to which the Company responded by dismissing the objections as unfounded.

F. The Company and Imaginex Group continued to negotiate in order to reach a possible solution to the issues under consideration. Agreement was then reached and, more specifically, the terms and conditions of the Transaction were defined.

G. The Transaction qualifies as a related party transaction under Consob Regulation 17221/2010 (the "RPT **Regulation**") and Salvatore Ferragamo's Related Party Transaction Procedure

S.p.A. approved by the Company's Board of Directors at its meeting on March 30, 2011 and last updated on August 3, 2023 (the "**Procedure**").

In this regard, therefore, the Control and Risk Committee as the Committee also responsible for Related Party Transactions of Salvatore Ferragamo S.p.A. (the "**Committee**") formulates, pursuant to the Procedure, the following opinion (the "**Opinion**").

2. Terms and conditions of the Transaction

The Transaction provides the following in summary:

- The execution of a framework agreement ("**Framework Agreement**") designed, to the extent relevant, to regulate and govern: (i) the Sale and Purchase Agreement between FHK and Imaginex for the transfer of the 25% interest held by Imaginex in FIM; (ii) the Sale and Purchase Agreement between SF and IOL for the transfer of the 25% interest held by IOL in FMS; and (iii) the Sale and Purchase Agreement between SF and IOL for the transfer of the 24.8% interest held by IOL in FRMA; (iv) the termination of the JV Agreements upon completion of the Transaction (*"closing"*), which is not subject to any conditions precedent (with the sole exception of the provision that the transfers of the Interests must take place concurrently); (v) a general duty of cooperation of the Imaginex Group - including on behalf of the directors appointed in the JVs - aimed at enabling the management of the JVs until the *closing*; (vi) the resignation of the directors of the JVs appointed by Imaginex Group at the *closing with* simultaneous waiver of any claims against the JVs themselves, their shareholders, representatives, assignees and employees; (vii) the agreements of a transactional nature, valid and effective as of the signing of the Framework Agreement, which contain a general waiver, as of now, of both parties to assert any and all claims (*claims*) in connection with the JV Agreements, all ancillary agreements entered into between the Parties and more generally the management of the JVs; (viii) the termination of the Framework Agreement should the *closing* not be achieved solely through the fault of the Company; (ix) the provision of Hong Kong law as the applicable law; and (x) an arbitration clause to provide for arbitration governed by Hong Kong law in the event of disputes;
- The simultaneous execution of 3 purchase and sale agreements, which are also annexes to the Framework Agreement, relating to the transactions under (i),

(ii) and (iii) above (the "**Purchase and Sale Agreements**" and with the Framework Agreement, the "**Final Agreements**") providing that: (i) the transfer of the Equity Interests take place concurrently with the date of the *closing*; (ii) the release of the so-called fundamental guarantees at the *signing* and *closing* such as: the *"good standing"* of the buyer and seller, the intervening authorization to finalize the Transaction, and the absence of third party rights to the Equity Interests being transferred. An indemnification obligation was also provided for the seller alone, equal in maximum to the consideration, for breach of the guarantees.

The price related to the Transaction is a total of USD 42.0 million for the purchase of all three Holdings.

3. Correlation relationship between the companies involved in the Transaction

Imaginex and IOL are companies indirectly controlled by Mr. Peter K. C. Woo. In addition, Mr. Peter K. C. Woo. is a member of the board of directors of the Company and indirectly owns, through the company Majestic Honour Limited, a 5.986% interest in the Company's capital. Mr. Peter K.C. Woo, through the same company Majestic Honour Limited, is also a subscriber to a voting syndicate agreement with Ferragamo Finanziaria S.p.A., the Company's controlling shareholder, published pursuant to Article 122 of the Consolidated Law on Finance.

This implies the existence of a correlation between Imaginex and IOL, on the one hand, and the Company, on the other hand, within the meaning of the Procedure and the definition contained in the international accounting standards adopted in accordance with the procedure in Article 6 of Regulation (EC) No. 1606/2002.

In addition, the Transaction, based on the verifications carried out by the Company and shared with the Committee, also represents a related party transaction "of greater significance", given that under the RPT Regulation as well as the Procedure adopted by the Company, as the relevance index of liabilities (art. 3.4(iii) of the RPT Procedure) is higher than the threshold of 5% for the Transaction considered, standing at 9%, as represented in the table below, in light of the financial data referred to the Half-Yearly Financial Report as of June 30, 2023. On the other hand, the other two materiality ratios indicated in Annex 3 of the RPT Rules are not exceeded in the case at hand.

Index	Description	Numerator in millions of euros	Denominator in millions of euros Value	Index in %	Relevance threshold in %
Index of relevance of liabilities	Ratio of total liabilities of the JVs and the total active drawn from the state consolidated balance sheet published in the Report Semiannual financials at 30 June 2023 of the Group Ferragamo	160	1.803	9%	5%

4. Summary of the committee's activities

The Committee was involved from the initial stage of negotiations and then also in the preliminary stage through the receipt of a complete and timely information flow.

In addition, the Committee held regular discussions with the Company's *management*, with the power to request information and making relevant comments.

Specifically, the Committee met 7 times in order to carry out the activities required by the Procedure with reference to the Transaction and fulfill its duties.

In this context, the Committee has, among other things:

a) Noted that the application requirements of the Procedure are met;

b) carried out the checks related to the non-correlation profiles of its components;

c) approved the appointment of its financial advisor EY Advisory S.p.A. ("**EY**" or "**Financial *Advisor***"), following appropriate assessments regarding independence and absence of conflict of interest;

d) at its meeting on 23]October 2023, delivered and approved this Opinion.

In particular, specific attention was paid to the activities of verifying the independence of the Financial *Advisor*, which was ascertained, with the assistance of the Company's internal structures, on the basis of the specific declaration of independence and absence of conflict of interest that said *advisor* made.

EY's assistance was achieved both through attendance at meetings and meetings of Committee members and with *management*, and through the provision of support and advisory services in connection with the activities carried out by the Committee.

5. Assessments of the fairness of the Transaction.

As previously reported, the Committee decided to make use of the Financial *Advisor*, to whom it entrusted the preparation of a *fairness opinion* (the "***Fairness Opinion***"), concerning the fairness of the purchase price of the Holdings, in support of this Opinion.

For the purposes of preparing the *Fairness Opinion*, EY analyzed the terms and conditions of the Transaction and, at meetings on October 16 and 18, explained to the Committee its assessment and the most relevant elements contained in the draft *Fairness Opinion*, which was then signed and made available to the Committee the following day. At the October 18 meeting, EY provided additional clarifications requested by the Committee regarding the assessment made.

In conducting the valuation analysis and preparing the *Fairness Opinion*, EY referred to documents, data and information provided by the Company (collectively, the "**Documentation**"), including:

1) Consolidated balance sheet of Joint Ventures as of June 30, 2023;
2) Financial statements of Joint Ventures for the year ending December 31, 2022;
3) Economic and financial data of Joint Ventures for fiscal years 2021 and 2022 and the first half of 2023;
4) Guidelines of the Ferragamo Group's strategic plan of May 10, 2022;
5) Consolidated business and financial plan of the Joint Ventures for the period between July 1, 2023 and December 31, 2027 prepared by the Company based on the Ferragamo Group Strategic Plan Guidelines (the "**Plan**");
6) JV Agreements related to Joint Ventures and Umbrella Arbitration Agreement related to JV Agreements;
7) Distribution Agreements, Service Agreements, Trademark Agreement, Framework Merchandise Sales Agreement, all ancillary agreements to JV Agreements;
8) Document on the preparatory framework for the Transaction prepared for the Committee by the Company's facilities and named "JV China" dated September 15, 2023.
9) publicly available information, industry studies, databases.

To assess the fairness from an economic-financial point of view of the Transaction, EY applied the following valuation methodologies:

1) *unlevered discounted cash flow* (UDCF) method as the main valuation method;

2) stock market multiples method as a control valuation method.

Based on the above, EY concluded that the price related to the Transaction, amounting to USD 42.0 million per:

- 25.0 percent of FMS;
- 24.8 percent of FRM; and
- 25.0 percent of FIM;

Is financially congruous.

6. The social interest in the execution of the Transaction as well as the convenience and substantial fairness of its conditions

In advance of the expiration of the Distribution Agreements and the consequent expiration of the JV Agreements, the Company entered into negotiations with the Imaginex Group to proceed with the purchase of the Holdings. In the face of disagreement on how to calculate the sale price, the Imaginex Group made various challenges to the Company on facts pertaining to the management of the JVs.

Although the Company punctually responded to the objections it received from the Imaginex Group, deeming them unfounded, there was still a reasonable risk that the Imaginex Group would initiate an arbitration judgment.

From this perspective, the decision to execute the Transaction, including reaching a settlement agreement regarding the contested charges, derives from the thoughtful consideration of the following various factors that, in the Committee's view, qualify the existence of the social interest.

First, by not carrying out the Transaction, it would open up-as provided for in the JV Agreements-an arbitration phase with an outcome that is difficult to predict (being, among other things, governed by Hong Kong law).

Secondly, such a scenario would generate significant difficulties in the conduct of the business and management of the JVs in view of the numerous "*Reserved Matters*" provided for in the JV Agreements in favor of the minority shareholder, given that the transfer of the Equity Interests could most likely take place only after the arbitration judgment has been settled, the duration of which has been estimated, by Reed Smith legal advisors who assisted the Company in the Transaction, to be no less than 12 to 18 months. In fact, again as reported by the aforementioned legal advisors, it is highly likely that the arbitration demand would be based on the so-called *unfair prejudice* allegedly suffered by the minority shareholder with the consequence that the establishment of this assumption and of any decrease in the value of the companies would necessarily have to precede the quantification of the value of the Holdings.

Third, it should be considered that the so-called *Greater China market is* an extremely relevant market for the Company, with very high growth potential and whose revitalization, after the pandemic, is also one of the pillars of the Company's Strategic Plan, presented to the market on May 10, 2022.

On the other hand, with reference to the cost-effectiveness profiles of the Transaction, the Committee took note of the considerations made by the Advisor, who considered that the price relating to the Transaction, amounting to USD 42.0 million, was congruous from a financial point of view at the outcome of a detailed evaluation process carried out in accordance with industry best practices.

In this regard, it should be noted that, as part of the valuation, EY did not take into account the minority discount (discount applicable, in the abstract, in the case of the purchase of a minority equity interest) on the basis of the argument, reasonable in the Committee's opinion, that the JV Agreements explicitly exclude the application of minority discounts in contexts such as that of the Transaction. Nonetheless, it should be noted that EY represented to the Committee that - based on the considerations made - even in the event of the application of a 20% minority discount, the price related to the Transaction would still be financially congruous.

Moreover, it is added that this assessment of appropriateness is all the more justified in the Committee's view because the Advisor did not value the transactional elements of the Transaction, which, however, as mentioned above, are of significant value in the Company's perspective.

Then, with reference to the profiles of substantive fairness of the terms of the Transaction, it should be noted that, as confirmed by the law firm Reed Smith (which, as anticipated, assisted the Company in the Transaction), the contractual clauses included in them, do not contain unusual, anomalous or atypical stipulations from a legal point of view.

In this regard, it should also be noted that the Final Agreements provide a general obligation for the parties to cooperate and do not provide for representations and warranties other than the "legal" ones, which seems justified by the fact that it involves the purchase of minority interests in companies already managed by the Ferragamo Group. Moreover, likewise, with reference to the mutual waivers formalized in the Final Agreements, legal counsel confirmed that these are usual provisions in the context of settlement agreements with mutual concessions and are therefore not unusual, anomalous or atypical from a legal point of view. This circumstance - also in view of the fact that, as mentioned, the JVs were managed by Ferragamo Group representatives

- significantly reduces the applicative scope and the effects in practice of the waivers expressed by the Company.

7. Conclusions

The Committee:

- Examined the terms and conditions of the Transaction, as referred to above;
- Analyzed the assessments made by the Financial *Advisor;*
- Noting the *Fairness Opinion*;

in light of the foregoing, and to the extent of its competence, unanimously expresses its favorable opinion regarding the existence of the Company's interest in the completion of the Transaction, as well as the convenience and substantive fairness of the aforementioned terms and conditions.

* * * *

Remaining available for any clarification on the above, kind regards.

DocuSigned by: GiangualanoPatrizia 98A12FB0B044430... | DocuSigned by: 60CFB4E4BB91463... | DocuSigned by: Umberto Tombari E2BF55202B6741C...

Dr. Patrizia Michela Giangualano | Dr. Laura DonniniProf | . lawyer Umberto Tombari

EY Advisory S.p.A.
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Dear
Salvatore Ferragamo S.p.A.
Via dei Tornabuoni 2
50123 Florence

To the c.a. of the Audit and Risk Committee, as the Committee also responsible for Related Party Transactions

October 16, 2023

1. Foreword

Salvatore Ferragamo S.p.A. (hereinafter also referred to as "Salvatore Ferragamo," "Ferragamo," "SF," the "Company") is a joint stock company under Italian law, with its registered office at Via dei Tornabuoni No. 2, Florence, Italy. The Company's ordinary shares are listed on the Euronext Milan market organized and managed by Borsa Italiana
S.p.A. ("EXM").

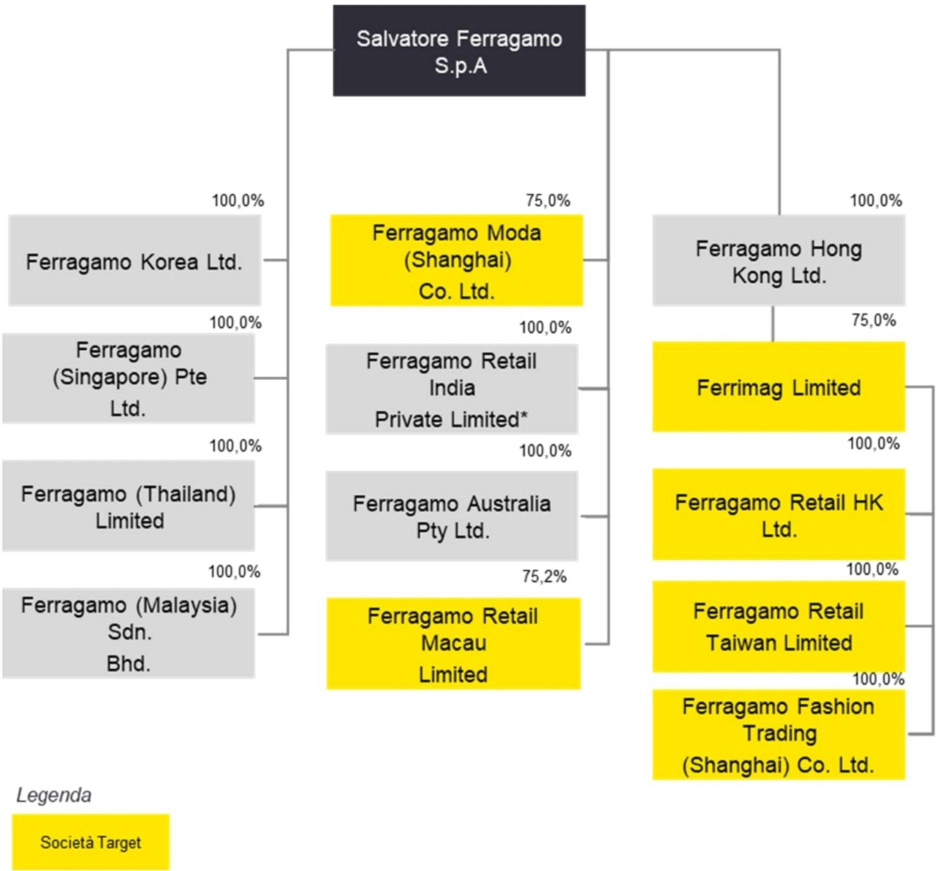
The Company is considering the possible acquisition of minority interests (the "Holdings") in three companies formerly belonging to the Ferragamo Group (the "Target Companies"):

- Ferragamo Moda (Shanghai) Co. Ltd ("Ferragamo Moda Shanghai"), a 75.0 percent subsidiary of Salvatore Ferragamo;
- Ferragamo Retail Macau Limited ("Ferragamo Retail Macau"), a 75.2 percent subsidiary of Salvatore Ferragamo;
- Ferrimag Limited ("Ferrimag"), a 75.0 percent subsidiary of Ferragamo Hong Kong Ltd (controlled by Salvatore Ferragamo). Ferrimag in turn holds total control of three companies: Ferragamo Retail HK Ltd ("Ferragamo Retail HK"), Ferragamo Retail Taiwan Limited ("Ferragamo Retail Taiwan"), Ferragamo Fashion Trading (Shanghai) Co. Ltd ("Ferragamo Fashion Trading Shanghai"),

with the aim of owning for each Target Company the entire capital (the "Transaction").

Therefore, the Interests covered by the Transaction are represented by 25.0 percent of the capital of Ferragamo Moda Shanghai, 24.8 percent of the capital of Ferragamo Retail Macau, and 25.0 percent of the capital of Ferrimag.

Below is the societogram of the group headed by Salvatore Ferragamo in Asia-Pacific with evidence of the scope of the Transaction:



The Target Companies carry out distribution activities for the Ferragamo Group in the market relating to the geographical area of the so-called *Greater China*.

The aforementioned Interests in the Target Companies are currently held, through Imaginex Holdings Limited and Imaginex Overseas Limited, by Mr. Peter Woo, who is a related party for the Company in accordance with the Regulations adopted by CONSOB Resolution No. 17221 of March 12, 2010, as amended and supplemented.

The total price for the Transaction agreed upon between the Company and Imaginex Group, in the person of Mr. Peter Woo (respectively, the "Buyer" and the "Seller" and jointly, the "Parties") is USD 42.0 million (the "Price").

2. Assignment

For the purposes of the Transaction, the Control and Risk Committee, as the Committee also responsible for Transactions with Related Parties, of Salvatore Ferragamo is called upon to express its prior and binding opinion on the corporate interest, fairness and economic convenience of the Transaction.

In this context, the Audit and Risk Committee, as the Committee also responsible for Related Party Transactions, has given EY Advisory S.p.A. (hereinafter also "EY") an assignment aimed at to the issuance of a *fairness opinion* concerning the fairness from a financial point of view of the Price envisaged under the Transaction (the "*Fairness Opinion*").

3. Documentation

In conducting the valuation analysis and preparing the *Fairness Opinion*, EY referred to documents, data and information provided by the Company (collectively, the "Documentation"), including:

- Consolidated balance sheet of the Target Companies as of June 30, 2023;
- Financial statements of the Target Companies for the year ending December 31, 2022;
- Economic and financial data of the Target Companies for fiscal years 2021 and 2022 and the first half of 2023;
- Guidelines of the Ferragamo Group's strategic plan of May 10, 2022;
- Consolidated business and financial plan of the Target Companies for the period between July 1, 2023 and December 31, 2027 prepared by the Company based on the Ferragamo Group Strategic Plan Guidelines (the "Plan");
- *Joint-Venture Agreements* relating to the Target Companies and *Umbrella Arbitration Agreement* relating to the *Joint-Venture Agreements*;
- *Distribution Agreements*, *Service Agreements*, *Trademark Agreement*, *Framework Merchandise Sales Agreement* related to Target Companies;
- Document regarding the preparatory framework for the Transaction prepared by the Audit and Risk Committee, as the Committee also responsible for Related Party Transactions, of Salvatore Ferragamo called "JV China" dated September 15, 2023.

In addition, publicly available information, industry studies, and databases were analyzed.

Finally, in-depth discussions were conducted with Salvatore Ferragamo's corporate management for the purpose of obtaining explanations and clarifications of data and information useful for the issuance of this *Fairness Opinion*.

4. Evaluative analysis

The valuation of the Target Companies has been carried out using valuation criteria and methods widely used in Italian and international professional practice, with established doctrinal foundations and which are based on parameters determined through a methodological process of general acceptance...

Evaluation methodologies

Specifically, based on the available Documentation, we applied the following evaluation methodologies:

- *unlevered discounted cash flow* (UDCF) method as the main valuation method;
- stock market multiples method as a control valuation method.

UDCF method

This method is recognized by doctrine and practice as the most analytical method that can fully incorporate the economic and financial projections, including the risk profile and growth prospects, of the Target Companies.

The *unlevered discounted cash flow* method results in expressing a company's value ("*Equity Value" or "EqV"*) as the algebraic sum of the net present value of operating assets ("*Enterprise Value" or "EV"*), net financial position ("Net Financial Position" *or "NFP"*) and similar items.

In more detail, for the purpose of determining *Enterprise Value*:

- were considered (i) *unlevered* cash flows for each of the years considered in the explicit projection period expressed by the Plan, and (ii) the residual value of the company's business operations at the end of the Plan (so-called *terminal value*);
- a representative rate of the average cost of capital employed, called *weighted average cost of capital* ("WACC"), was adopted, calculated on the basis of the formula that considers financial structure, cost of debt and cost of *equity* as main parameters, the latter being determined on the basis of the *capital asset pricing model* ("CAPM") formula.

For the purpose of analysis we have:

- Used the multi-year economic and financial projections contained in the Target Company Plan;
- estimated the *terminal value* based on the cash flow of the last year of the Plan and a long-term growth rate ('g');
- considered the book value of *Net Financial* Position as of the reference date of June 30, 2023;
- adopted a WACC that also took into account the nature of the Target Companies' specific operating activities.

On the basis of the valuation analysis carried out, a *range of* values was defined for Equity Investments between USD 39.3 million and USD 53.6 million.

Method of stock market multiples

The stock market multiples method is based on the analysis of multipliers between market values and fundamental parameters, providing a simple and unbiased assessment.

We then adopted the EV/EBIT multiple, emerging from a sample (*panel*) of companies comparable to Salvatore Ferragamo (*peer*), based on the following approach:

- EV: (i) market capitalization: 6 months prior to June 30, 2023 was considered; (ii) net financial position: the latest available data with respect to June 30, 2023 was considered;
- EBIT: *consensus forward* data for the years 2025, 2026 and 2027 were analyzed and considered.

For the purpose of determining the *Equity Value* of Equity Investments, we have:

- calculated the *Enterprise Value* by applying the EV/EBIT multiple of the *peers* (median) to the fundamentals reported in the Plan of the Target Companies relative to the same time frame;
- applied the same *bridge-to-equity* adjustments as defined in the UDCF valuation;
- also considered the adoption of a liquidity *discount* (so-called *liquidity discount*).

Based on the valuation analysis carried out, a *range of* values was defined for the Equity Investments between USD 38.0 million and USD 50.7 million.

5. Assumptions and limitations

The *Fairness Opinion* was prepared by EY to support the Control and Risk Committee, as the Committee also responsible for Related Party Transactions, of Salvatore Ferragamo, which may use it for its own determinations within the limits and terms contained in this document.

Therefore, the *Fairness Opinion*:

(i) may not be published, disclosed to third parties or used for purposes other than those set forth in the *Fairness Opinion* itself, except with the prior written permission of EY or where required by laws, regulations or specific requests of competent authorities. It being understood that we understand that the Fairness Opinion will be attached to the Disclosure Document to be prepared by the Company;

(ii) is addressed exclusively to the Control and Risk Committee, as the Committee also responsible for Transactions with Related Parties, of Salvatore Ferragamo and, therefore, no one, with the exception of the addressees, is authorized to rely on what is reported in the *Fairness Opinion* and, consequently, any third party judgment on the Transaction will remain their exclusive responsibility and competence.

This *Fairness Opinion* does not express any judgment or assessment regarding Salvatore Ferragamo's interest in the Transaction and the appropriateness and substantive fairness of its terms.

For the purposes of this *Fairness Opinion*, EY did not provide any consulting services of a legal, accounting, tax, or industrial nature. In addition, EY did not perform any *due diligence* procedures on the data and information provided and reported in the paragraph on documentation used.

Prospective economic and financial data, which are uncertain and variable by nature, reflect expectations of development from industrial, regulatory, and financial perspectives. EY has placed full reliance on the veracity, completeness and accuracy of these projections.

The assessments made are affected by the inherent limitations and specificities that characterize the assessment methodologies adopted.

The valuations made using both the main *unlevered discounted cash flow* methodology and the stock market multiples control methodology are based on economic and financial forecasts which, by their nature, contain elements of uncertainty and are subject to change, including significant change, in the event of changes in the market environment and the macroeconomic scenario. It should also be borne in mind that due to the randomness associated with the realization of any future event, both in terms of the materialization of the occurrence both in terms of the extent and timing of its manifestation, the deviation between the actual values and the forecast data could be significant, even if the events predicted within the assumptions used actually occurred.

This analysis is conducted in light of business and market elements that can reasonably be assumed and therefore does not take into account the possibility of the occurrence of events of an extraordinary and unforeseeable nature (new industry regulations, changes in tax regulations, natural, social and political disasters, nationalizations, etc.).

The *Fairness Opinion* is as of the date of this document. Changes in business or market conditions after that date, for which we take no responsibility, could lead to different considerations from those expressed herein. The terms of our engagement do not provide for any update of our analysis from the date of this paper.

Conclusions

Overall, based on all of the above, we believe that the Price related to the Transaction, amounting to USD 42.0 million per:

- 25.0 percent of Ferragamo Moda Shanghai;
- 24.8 percent of Ferragamo Retail Macau; and
- 25.0% of Ferrimag,

Is financially congruous.

We remain at your disposal and, on this occasion, we send best regards.

EY Advisory S.p.A.

Mario Rocco

Partner

Strategy and Transactions

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Dear

Salvatore Ferragamo S.p.A.

Via Tornabuoni 2,

Florence (Italy)

To c.a. Dr. Patrizia Michela Giangualano (Chairman of the Audit and Risk Committee)

Milan, October 5, 2023

Subject: Statement pursuant to and in accordance with Article 2.4 of Annex 4 of Consob Regulation 17221/2010

Dear Sirs,

We refer to the advisory engagement referred to herein (the "**Engagement**") between EY Advisory S.p.A. ("**Ernst & Young**") and Salvatore Ferragamo S.p.A. ("**Salvatore Ferragamo**" or the "**Company**") pursuant to which - among others - Ernst & Young is requested to issue a *fairness opinion from a* financial point of view concerning the Ferragamo Group's acquisition of the minority interests held by Imaginex Holdings Limited and Imaginex Overseas Limited in three *joint ventures* (*i.e,* Ferragamo Moda (Shanghai) Co. Limited, Ferragamo Retail Macau Limited and Ferrimag Limited).

Ernst & Young declares that for the purposes of the Assignment, it meets the requirement of independence pursuant to the regulations issued by Consob regarding related party transactions, as there are no ongoing economic, capital and/or financial relationships with (i) Imaginex Holdings Limited and Imaginex Overseas Limited (the "**Related Parties**"), the parties that control the Related Parties, the companies controlled by the Related Parties or subject to common control with the Related Parties as well as the directors of the aforesaid companies, as of the date hereof, nor have there been any such relationships within the past 12 months; and (ii) the Company, the parties controlling the Company, the companies controlled by the Company or subject to common control with the Company as well as the directors of the said companies.

EY Advisory S.p.A.
Mario Rocco
Partner
Strategy and Transactions