



*Disclaimer*

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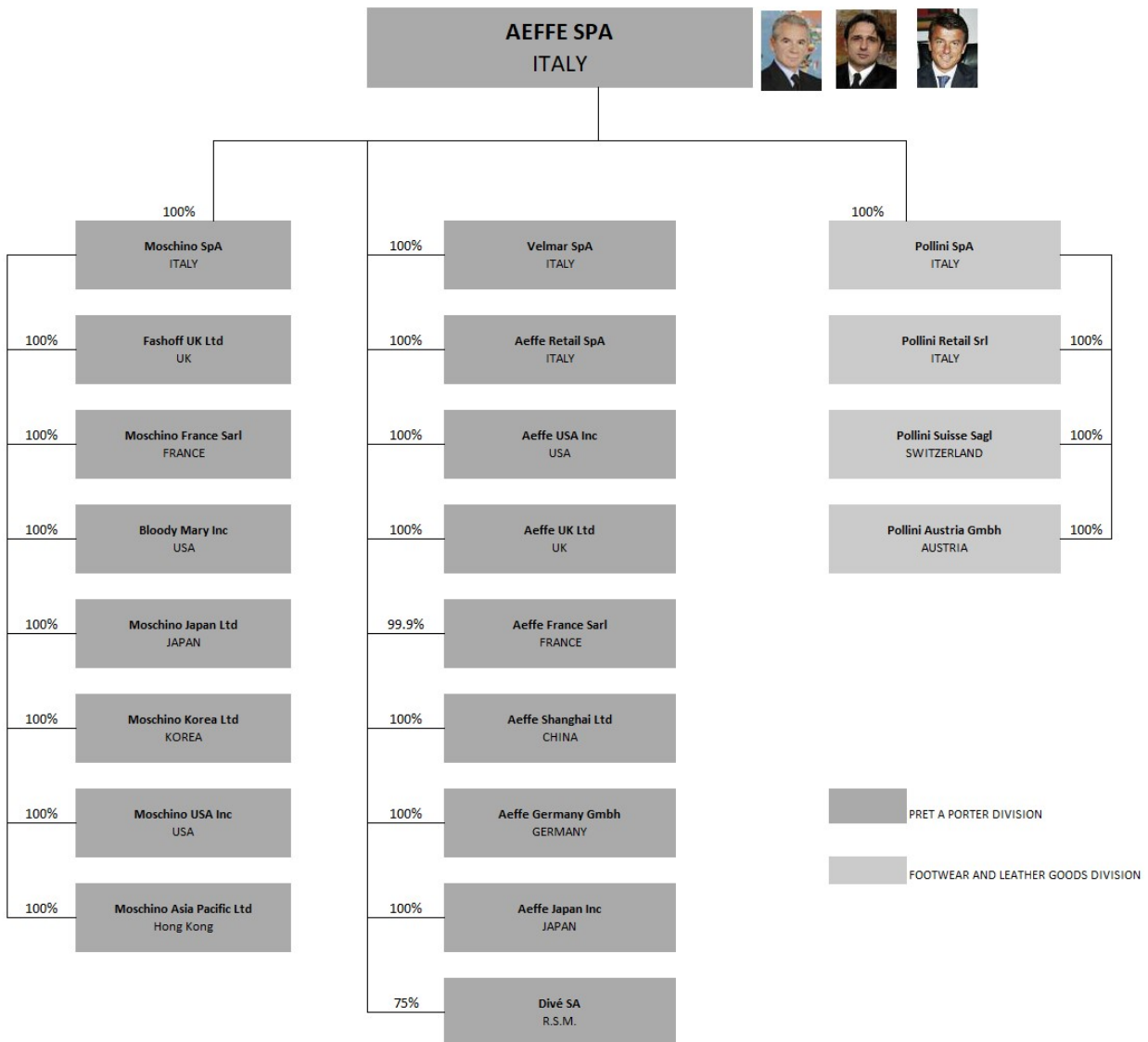
# SUMMARY

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# Corporate Boards of the Parent Company

<b>Board of Directors</b>	<b>Chairman</b> Massimo Ferretti
	<b>Deputy Chairman</b> Alberta Ferretti
	<b>Chief Executive Officer</b> Simone Badioli
	<b>Directors</b> Marcello Tassinari – Managing Director Roberto Lugano Daniela Saitta Bettina Campedelli Michela Zeme Marco Francesco Mazzù
<b>Board of Statutory Auditors</b>	<b>President</b> Stefano Morri
	<b>Statutory Auditors</b> Fernando Ciotti Carla Trotti
	<b>Alternate Auditors</b> Nevio Dalla Valle Daniela Elvira Bruno
<b>Compensation Committee</b>	<b>President</b> Daniela Saitta
	<b>Members</b> Roberto Lugano Michela Zeme
<b>Risk and Sustainability Committee</b>	<b>President</b> Bettina Campedelli
	<b>Members</b> Roberto Lugano Daniela Saitta

# Organisation chart



## Brands portfolio

**AEFFE**

Clothing - Accessories

**ALBERTA FERRETTI**

**PHILOSOPHY**  
DI  
LORENZO SERAFINI

**MOSCHINO.**

**BOUTIQUE  
MOSCHINO**

**POLLINI**

Footwear - Leather goods

**MOSCHINO**

Licences - Design

**VELMAR**

Beachwear - Lingerie

**POLLINI**

**ALBERTA FERRETTI**

**PHILOSOPHY**  
DI  
LORENZO SERAFINI

**MOSCHINO.**

**LOVE  
MOSCHINO**

**MOSCHINO.**

**BOUTIQUE  
MOSCHINO**

**LOVE  
MOSCHINO**

**MOSCHINO.**



## Headquarters

### **AEFFE**

Via Delle Querce, 51  
47842 - San Giovanni in Marignano (RN)  
Italy

### **MOSCHINO**

Via San Gregorio, 28  
20124 - Milan  
Italy

### **POLLINI**

Via Erbosa I° tratto, 92  
47030 - Gatteo (FC)  
Italy

### **VELMAR**

Via Delle Querce, 51  
47842 - San Giovanni in Marignano (RN)  
Italy



## Showrooms

### MILAN

(FERRETTI – PHILOSOPHY – POLLINI)

Via Donizetti, 48

20122 - Milan

Italy

### MILAN

(MOSCHINO)

Via San Gregorio, 28

20124 - Milan

Italy

### LONDON

(FERRETTI – PHILOSOPHY – MOSCHINO)

28-29, Conduit Street

W1S 2YB - London

UK

### PARIS

(FERRETTI – PHILOSOPHY - MOSCHINO)

43, Rue due Faubourg Saint Honoré

75008 - Paris

France

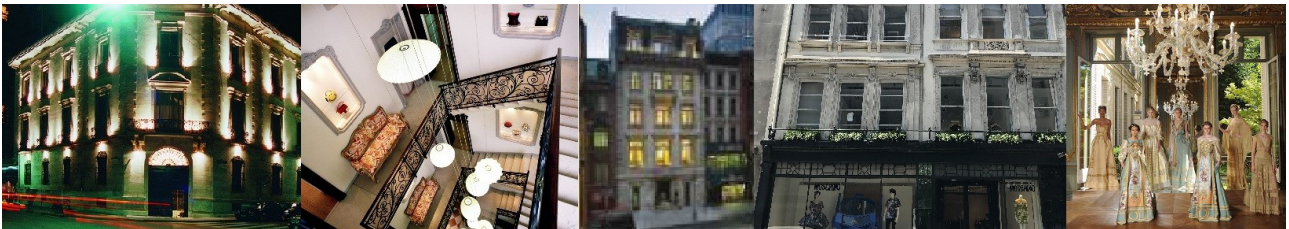
### NEW YORK

(GROUP)

30, West 56th Street

10019 - New York

USA



## Main flagshipstore locations under direct management

### **ALBERTA FERRETTI**

Milan  
Rome  
Paris  
London

### **POLLINI**

Milan  
Venice  
Bolzano  
Varese

### **SPAZIO A**

Florence  
Venice

### **MOSCHINO**

Milan  
Rome  
Capri  
Paris  
London  
New York  
Seoul  
Pusan  
Daegu





## Main economic-financial data

		9 M	9 M
		2021	2020
Total revenues	(Values in millions of EUR)	254.6	213.3
Gross operating margin (EBITDA)	(Values in millions of EUR)	36.0	8.2
Net operating profit (EBIT)	(Values in millions of EUR)	17.5	( 12.5)
Profit before taxes	(Values in millions of EUR)	15.5	( 14.8)
Net profit for the Group	(Values in millions of EUR)	23.2	( 12.5)
Basic earnings per share	(Values in units of EUR)	0.232	( 0.125)
Cash Flow (net profit + depreciation)	(Values in millions of EUR)	41.2	5.0
Cash Flow/Total revenues	Ratio	16.2	2.4

		30 September	31 December	30 September
		2021	2020	2020
Net capital invested	(Values in millions of EUR)	271.7	319.7	338.0
Net financial indebtedness	(Values in millions of EUR)	140.3	141.0	148.7
Group net equity	(Values in millions of EUR)	131.3	148.2	158.0
Group net equity per share	(Values in units of EUR)	1.2	1.4	1.5
Current assets/Current liabilities	Ratio	1.4	2.1	2.4
Current assets less invent./Current liabilities (ACID Test)	Ratio	0.7	0.9	1.0
Net financial indebtedness/Net equity	Ratio	1.1	0.8	0.8

## Financial statements

### Income statement at 30 September

(Values in units of EUR)	Notes	9 M	% on	9 M	% on	Change	%
		2021	revenues	2020	revenues		
<b>REVENUES FROM SALES AND SERVICES</b>	(1)	<b>250,032,610</b>	<b>100.0%</b>	<b>206,753,651</b>	<b>100.0%</b>	<b>43,278,959</b>	<b>20.9%</b>
Other revenues and income		4,592,554	1.8%	6,585,061	3.2%	( 1,992,507)	(30.3%)
<b>TOTAL REVENUES</b>		<b>254,625,164</b>	<b>101.8%</b>	<b>213,338,712</b>	<b>103.2%</b>	<b>41,286,452</b>	<b>19.4%</b>
Changes in inventory		( 16,038,808)	(6.4%)	4,704,944	2.3%	( 20,743,752)	(440.9%)
Costs of raw materials, cons. and goods for resale		( 82,791,076)	(33.1%)	( 82,564,846)	(39.9%)	( 226,230)	0.3%
Costs of services		( 67,378,577)	(26.9%)	( 71,318,048)	(34.5%)	3,939,471	(5.5%)
Costs for use of third parties assets		( 3,677,942)	(1.5%)	( 4,537,669)	(2.2%)	859,727	(18.9%)
Labour costs		( 46,107,778)	(18.4%)	( 46,863,216)	(22.7%)	755,438	(1.6%)
Other operating expenses		( 2,594,051)	(1.0%)	( 4,606,953)	(2.2%)	2,012,902	(43.7%)
<b>Total Operating Costs</b>		<b>( 218,588,232)</b>	<b>(87.4%)</b>	<b>( 205,185,788)</b>	<b>(99.2%)</b>	<b>( 13,402,444)</b>	<b>6.5%</b>
<b>GROSS OPERATING MARGIN (EBITDA)</b>	(2)	<b>36,036,932</b>	<b>14.4%</b>	<b>8,152,924</b>	<b>3.9%</b>	<b>27,884,008</b>	<b>342.0%</b>
Amortisation of intangible fixed assets		( 3,196,909)	(1.3%)	( 3,351,174)	(1.6%)	154,265	(4.6%)
Depreciation of tangible fixed assets		( 3,278,509)	(1.3%)	( 3,867,836)	(1.9%)	589,327	(15.2%)
Depreciation of right-of-use assets		( 11,591,877)	(4.6%)	( 11,758,474)	(5.7%)	166,597	(1.4%)
Revaluations/(write-downs) and provisions		( 494,748)	(0.2%)	( 1,640,219)	(0.8%)	1,145,471	(69.8%)
<b>Total Amortisation, write-downs and provisions</b>		<b>( 18,562,043)</b>	<b>(7.4%)</b>	<b>( 20,617,703)</b>	<b>(10.0%)</b>	<b>2,055,660</b>	<b>(10.0%)</b>
<b>NET OPERATING PROFIT/LOSS (EBIT)</b>		<b>17,474,889</b>	<b>7.0%</b>	<b>( 12,464,779)</b>	<b>(6.0%)</b>	<b>29,939,668</b>	<b>(240.2%)</b>
Financial income		555,144	0.2%	503,979	0.2%	51,165	10.2%
Financial expenses		( 1,164,358)	(0.5%)	( 1,331,477)	(0.6%)	167,119	(12.6%)
Financial expenses on right-of-use asset		( 1,412,075)	(0.6%)	( 1,515,546)	(0.7%)	103,471	(6.8%)
<b>Total Financial Income/(expenses)</b>		<b>( 2,021,289)</b>	<b>(0.8%)</b>	<b>( 2,343,044)</b>	<b>(1.1%)</b>	<b>321,755</b>	<b>(13.7%)</b>
<b>PROFIT/LOSS BEFORE TAXES</b>		<b>15,453,600</b>	<b>6.2%</b>	<b>( 14,807,823)</b>	<b>(7.2%)</b>	<b>30,261,423</b>	<b>(204.4%)</b>
Taxes		7,703,488	3.1%	849,462	0.4%	6,854,026	806.9%
<b>NET PROFIT/LOSS</b>	(3)	<b>23,157,088</b>	<b>9.3%</b>	<b>( 13,958,361)</b>	<b>(6.8%)</b>	<b>37,115,449</b>	<b>(265.9%)</b>
(Profit)/loss attributable to minority shareholders		-	0.0%	1,430,496	0.7%	( 1,430,496)	(100.0%)
<b>NET PROFIT/LOSS FOR THE GROUP</b>		<b>23,157,088</b>	<b>9.3%</b>	<b>( 12,527,865)</b>	<b>(6.1%)</b>	<b>35,684,953</b>	<b>(284.8%)</b>
Basic earnings per share		0.232		( 0.125)			
Dilutive earnings per share		0.232		( 0.125)			

## Income statement for the third quarter

(Values in units of EUR)	Notes	III Q 2021	% on revenues	III Q 2020	% on revenues	Change	%
<b>REVENUES FROM SALES AND SERVICES</b>	(1)	<b>95,012,794</b>	<b>100.0%</b>	<b>87,891,804</b>	<b>100.0%</b>	<b>7,120,990</b>	<b>8.1%</b>
Other revenues and income		1,162,581	1.2%	1,921,232	2.2%	( 758,651)	(39.5%)
<b>TOTAL REVENUES</b>		<b>96,175,375</b>	<b>101.2%</b>	<b>89,813,036</b>	<b>102.2%</b>	<b>6,362,339</b>	<b>7.1%</b>
Changes in inventory		( 11,172,884)	(11.8%)	( 7,271,684)	(8.3%)	( 3,901,200)	53.6%
Costs of raw materials, cons. and goods for resale		( 26,949,431)	(28.4%)	( 28,543,245)	(32.5%)	1,593,814	(5.6%)
Costs of services		( 23,391,617)	(24.6%)	( 25,894,836)	(29.5%)	2,503,219	(9.7%)
Costs for use of third parties assets		( 2,220,854)	(2.3%)	( 1,855,907)	(2.1%)	( 364,947)	19.7%
Labour costs		( 15,486,269)	(16.3%)	( 17,354,095)	(19.7%)	1,867,826	(10.8%)
Other operating expenses		( 999,083)	(1.1%)	( 1,312,028)	(1.5%)	312,945	(23.9%)
<b>Total Operating Costs</b>		<b>( 80,220,138)</b>	<b>(84.4%)</b>	<b>( 82,231,795)</b>	<b>(93.6%)</b>	<b>2,011,657</b>	<b>(2.4%)</b>
<b>GROSS OPERATING MARGIN (EBITDA)</b>	(2)	<b>15,955,237</b>	<b>16.8%</b>	<b>7,581,241</b>	<b>8.6%</b>	<b>8,373,996</b>	<b>110.5%</b>
Amortisation of intangible fixed assets		( 1,077,516)	(1.1%)	( 1,118,627)	(1.3%)	41,111	(3.7%)
Depreciation of tangible fixed assets		( 1,104,575)	(1.2%)	( 1,268,938)	(1.4%)	164,363	(13.0%)
Depreciation of right-of-use assets		( 3,752,996)	(3.9%)	( 3,697,326)	(4.2%)	( 55,670)	1.5%
Revaluations/(write-downs) and provisions		( 181,661)	(0.2%)	( 1,148,049)	(1.3%)	966,388	(84.2%)
<b>Total Amortisation, write-downs and provisions</b>		<b>( 6,116,748)</b>	<b>(6.4%)</b>	<b>( 7,232,940)</b>	<b>(8.2%)</b>	<b>1,116,192</b>	<b>(15.4%)</b>
<b>NET OPERATING PROFIT/LOSS (EBIT)</b>		<b>9,838,489</b>	<b>10.4%</b>	<b>348,301</b>	<b>0.4%</b>	<b>9,490,188</b>	<b>2,724.7%</b>
Financial income		250,296	0.3%	250,681	0.3%	( 385)	(0.2%)
Financial expenses		( 560,839)	(0.6%)	( 847,849)	(1.0%)	287,010	(33.9%)
Financial expenses on right-of-use asset		( 376,088)	(0.4%)	( 432,692)	(0.5%)	56,604	(13.1%)
<b>Total Financial Income/(expenses)</b>		<b>( 686,631)</b>	<b>(0.7%)</b>	<b>( 1,029,860)</b>	<b>(1.2%)</b>	<b>343,229</b>	<b>(33.3%)</b>
<b>PROFIT/LOSS BEFORE TAXES</b>		<b>9,151,858</b>	<b>9.6%</b>	<b>( 681,559)</b>	<b>(0.8%)</b>	<b>9,833,417</b>	<b>(1,442.8%)</b>
Taxes		( 3,421,827)	(3.6%)	( 804,111)	(0.9%)	( 2,617,716)	325.5%
<b>NET PROFIT/LOSS</b>	(3)	<b>5,730,031</b>	<b>6.0%</b>	<b>( 1,485,670)</b>	<b>(1.7%)</b>	<b>7,215,701</b>	<b>(485.7%)</b>
(Profit)/loss attributable to minority shareholders		4,141,016	4.4%	( 142,469)	(0.2%)	4,283,485	(3,006.6%)
<b>NET PROFIT/LOSS FOR THE GROUP</b>		<b>9,871,047</b>	<b>10.4%</b>	<b>( 1,628,139)</b>	<b>(1.9%)</b>	<b>11,499,186</b>	<b>(706.3%)</b>

## Reclassified balance sheet

(Values in units of EUR)	Notes	30 September 2021	31 December 2020	30 September 2020
Trade receivables		60,115,371	39,094,519	47,971,218
Stocks and inventories		93,958,043	109,285,351	112,268,554
Trade payables		( 70,989,557)	( 69,328,170)	( 63,107,474)
<b>Operating net working capital</b>	<b>(4)</b>	<b>83,083,857</b>	<b>79,051,700</b>	<b>97,132,298</b>
Other short term receivables		28,591,086	28,570,739	27,924,325
Tax receivables		6,267,888	10,465,392	12,659,310
Derivative assets		-	-	-
Other short term liabilities		( 57,982,486)	( 16,676,076)	( 18,087,115)
Tax payables		( 5,815,626)	( 3,753,375)	( 3,691,125)
Derivative liabilities		-	( 349,002)	( 77,164)
<b>Net working capital</b>		<b>54,144,719</b>	<b>97,309,378</b>	<b>115,860,529</b>
Tangible fixed assets		59,465,478	61,657,913	62,617,672
Intangible fixed assets		69,756,705	72,489,488	73,226,955
Right-of-use assets		89,433,089	100,471,903	102,156,141
Equity investments		30,070	131,558	131,558
Other fixed assets		2,168,837	2,615,956	2,979,520
<b>Fixed assets</b>	<b>(5)</b>	<b>220,854,179</b>	<b>237,366,818</b>	<b>241,111,846</b>
Post employment benefits		( 4,434,299)	( 4,900,460)	( 5,002,330)
Provisions		( 1,600,775)	( 1,543,670)	( 1,945,741)
Assets available for sale		-	-	-
Long term not financial liabilities		( 1,158,814)	( 1,768,758)	( 859,503)
Deferred tax assets		19,170,998	21,287,015	17,971,454
Deferred tax liabilities		( 15,307,123)	( 28,016,336)	( 29,178,440)
<b>NET CAPITAL INVESTED</b>		<b>271,668,885</b>	<b>319,733,987</b>	<b>337,957,815</b>
Share capital		24,949,859	25,043,866	25,052,166
Other reserves		110,542,690	131,311,933	132,337,859
Profits/(Losses) carried-forward		( 27,320,769)	13,273,509	13,140,147
Profit/(Loss) of the period		23,157,088	( 21,396,847)	( 12,527,865)
<b>Group interest in shareholders' equity</b>		<b>131,328,868</b>	<b>148,232,461</b>	<b>158,002,307</b>
Minority interests in shareholders' equity		-	30,524,025	31,257,926
<b>Total shareholders' equity</b>	<b>(6)</b>	<b>131,328,868</b>	<b>178,756,486</b>	<b>189,260,233</b>
Short term financial receivables		( 2,849,987)	( 651,944)	( 683,293)
Cash		( 39,367,323)	( 39,828,260)	( 33,722,768)
Long term financial liabilities		45,791,467	34,348,837	36,997,305
Long term financial receivables		-	( 2,037,324)	( 2,135,292)
Short term financial liabilities		57,756,718	60,938,851	59,670,029
<b>Financial debt without IFRS 16</b>		<b>61,330,875</b>	<b>52,770,160</b>	<b>60,125,981</b>
Short term lease liabilities		13,249,056	12,974,406	13,458,777
Long term lease liabilities		65,760,086	75,232,935	75,112,824
<b>Financial debt</b>	<b>(7)</b>	<b>140,340,017</b>	<b>140,977,501</b>	<b>148,697,582</b>
<b>Shareholders' equity and financial debt</b>		<b>271,668,885</b>	<b>319,733,987</b>	<b>337,957,815</b>

## Cash flow

(Values in thousands of EUR)	9 M 2021	9 M 2020
<b>Opening balance</b>	<b>39,828</b>	<b>28,390</b>
Profit/loss before taxes	15,454	( 14,808)
Amortisation / write-downs	18,562	19,791
Accrual (+)/availment (-) of long term provisions and post employment benefits	( 409)	( 94)
Paid income taxes	( 827)	( 676)
Financial income (-) and financial charges (+)	2,021	2,343
Change in operating assets and liabilities	( 210)	( 8,849)
<b>Cash flow (absorbed) / generated by operating activity</b>	<b>34,591</b>	<b>( 2,293)</b>
Increase (-)/ decrease (+) in intangible fixed assets	( 464)	( 495)
Increase (-)/ decrease (+) in tangible fixed assets	( 1,086)	( 4,037)
Increase (-)/ decrease (+) in right-of-use assets	( 553)	( 3,200)
Investments and write-downs (-)/ Disinvestments and revaluations (+)	101	-
<b>Cash flow (absorbed) / generated by investing activity</b>	<b>( 2,002)</b>	<b>( 7,732)</b>
Other variations in shareholders' equity	( 30,377)	( 856)
Dividends paid	-	-
Proceeds (+)/repayment (-) of financial payments	8,260	25,509
Proceeds (+)/ repayment (-) of lease payments	( 9,198)	( 7,232)
Increase (-)/ decrease (+) in long term financial receivables	286	280
Financial income (+) and financial charges (-)	( 2,021)	( 2,343)
<b>Cash flow (absorbed) / generated by financing activity</b>	<b>( 33,050)</b>	<b>15,358</b>
<b>Closing balance</b>	<b>39,367</b>	<b>33,723</b>

## Changes in shareholders' equity

(Values in thousands of EUR)

	Share capital	Share premium reserve	Cash flow reserve	Other reserves	Fair Value reserve	IAS reserve	Reamasurement of defined benefit plans reserve	Translation reserve	Profits/(Losses) carried-forward	Net profit / loss for the Group	Group interest in shareholders' equity	Minority interests in shareholders' equity	Total shareholders' equity
<b>At January 1, 2021</b>	25,044	70,144	(252)	49,756	7,901	7,607	(1,343)	(2,502)	13,274	(21,397)	148,232	30,524	178,756
Allocation of 31/12/20 profit/(loss)	-	-	-	(21,028)	-	-	-	-	(369)	21,397	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	(94)	(473)	-	-	-	-	-	-	-	-	(557)	-	(557)
Total comprehensive income/(loss) at 30/09/21	-	-	252	-	-	-	-	599	-	23,157	24,008	-	24,008
Other changes	-	-	-	(119)	-	-	-	-	(40,226)	-	(40,344)	(30,524)	(70,868)
<b>At September 30, 2021</b>	24,950	69,671	-	28,610	7,901	7,607	(1,343)	(1,903)	(27,321)	23,157	131,329	-	131,329

(Values in thousands of EUR)

	Share capital	Share premium reserve	Cash flow reserve	Other reserves	Fair Value reserve	IAS reserve	Reamasurement of defined benefit plans reserve	Translation reserve	Profits/(Losses) carried-forward	Net profit / loss for the Group	Group interest in shareholders' equity	Minority interests in shareholders' equity	Total shareholders' equity
<b>At December 31, 2019</b>	25,286	70,775	53	44,748	7,901	7,607	(1,286)	(1,976)	6,586	11,688	171,387	32,688	204,075
Allocation of 31/12/19 profit/(loss)	-	-	-	5,138	-	-	-	-	6,555	(11,688)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	(234)	(613)	-	-	-	-	-	-	-	-	(847)	-	(847)
Total comprehensive income/(loss) at 30/09/20	-	-	(109)	-	-	-	-	99	-	(12,528)	(12,538)	(1,430)	(13,968)
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>At September 30, 2020</b>	25,052	70,162	(56)	49,886	7,901	7,607	(1,286)	(1,877)	13,141	(12,528)	158,002	31,258	189,260

## Interim management report

In the first nine months of 2021, consolidated revenues are equal to EUR 250,033 thousand compared to EUR 206,754 thousand in the first nine months of 2020, with an increase of 20.9% at current exchange rates (+21.2% at constant exchange rates).

In the first nine months of 2021 the consolidated Ebitda was equal to EUR 36,037 thousand (with an incidence of 14.4% of total sales), compared to EUR 8,153 thousand in the first nine months of 2020 (3.9% of total sales), with a EUR 27,884 thousand increase.

The marginality grew more than proportionally compared to the sales increase. This reflects both the significant sales increase and the positive results deriving from costs savings for personnel, rents and overheads, coming from the actions the Group put in place to face the consequences of the spread of the virus on a global scale.

At 30 September 2021, operating net working capital amounts to EUR 83,084 thousand (26.6% of LTM sales) compared to EUR 97,132 thousand at 30 September 2020 (33.6% of LTM sales).

The financial debt net of IFRS 16 effects at the end of September 2021 amounts to EUR 61,331 thousand compared to EUR 60,126 thousand at the end of September 2020, registering a EUR 1,205 thousand worsening.

The financial debt includes the first EUR 30 million of the EUR 67 million necessary to acquire the 30% of Moschino Spa; not considering them, the financial debt net of the effect of IFRS 16 would have been EUR 31.3 million with a cash generation in the first nine months of 2021 equal to EUR 33 million.

## Explanatory notes

### Income statement

#### 1. Revenues from sales and services

##### *Nine months 2021 vs 2020*

In the first nine months of 2021, consolidated revenues are equal to EUR 250,033 thousand compared to EUR 206,754 thousand in the first nine months of 2020, with an increase of 20.9% at current exchange rates (+21.2% at constant exchange rates).

The growth in the first nine months of the year reflects the extremely positive contribution provided in particular from the United States and Continental Europe and from direct online (+56% September 2021 vs September 2020).

##### **Sales by brand**

(Values in thousands of EUR)	9 M		9 M		Change	
	2021	%	2020	%	Δ	%
Alberta Ferretti	13,697	5.5%	12,424	6.0%	1,273	10.2%
Philosophy	12,131	4.9%	11,126	5.4%	1,005	9.0%
Moschino	199,868	79.9%	163,327	79.0%	36,541	22.4%
Pollini	21,551	8.6%	16,977	8.2%	4,574	26.9%
Other	2,786	1.1%	2,900	1.4%	( 114)	(3.9%)
<b>Total</b>	<b>250,033</b>	<b>100.0%</b>	<b>206,754</b>	<b>100.0%</b>	<b>43,279</b>	<b>20.9%</b>

In the first nine months of 2021, Alberta Ferretti brand increases by 10.2%, generating 5.5% of consolidated sales, while Philosophy brand increases by 9.0%, generating 4.9% of consolidated sales.

In the same period, Moschino brand sales increase by 22.4%, contributing to 79.9% of consolidated sales.

Pollini brand increases by 26.9%, generating 8.6% of consolidated sales, while the other brands sales decrease by 3.9%, contributing to 1.1% of consolidated sales.

##### **Sales by geographical area**

(Values in thousands of EUR)	9 M		9 M		Change	
	2021	%	2020	%	Δ	%
Italy	102,632	41.0%	93,028	45.0%	9,604	10.3%
Europe (Italy excluded)	80,664	32.3%	62,480	30.2%	18,184	29.1%
Asia and Rest of the World	50,137	20.1%	39,503	19.1%	10,634	26.9%
America	16,600	6.6%	11,743	5.7%	4,857	41.4%
<b>Total</b>	<b>250,033</b>	<b>100.0%</b>	<b>206,754</b>	<b>100.0%</b>	<b>43,279</b>	<b>20.9%</b>

In the first nine months of 2021, the Group registered double-digit growth in all markets in which operates, with very strong increases in Europe, Asia, Rest of the World and America.

In Asia and in the Rest of the World, the Group's sales totalled EUR 50,137 thousand, amounting to 20.1% of consolidated sales, recording an increase of 26.9% at current exchange rates compared to the first nine months of 2020. The Greater China area drove growth reporting a 35% increase.



Sales in America, contributing to 6.6% of consolidated sales, posted an increase of 41.4% at current exchange rates, thanks to the excellent trend of both the retail and the wholesale channels, online included.

In the first nine months of 2021, sales in Europe, contributing to 32.3% of consolidated sales, increased by 29.1% mainly thanks to the positive trend of Germany, UK and Eastern Europe in the wholesale channel. The retail channel continued to be partially influenced by the limited tourists' flow.

Sales in the Italian market increased by 10.3% to EUR 102,632 thousand compared to the first nine months of 2020, thanks to the excellent results achieved by the wholesale and e-commerce.

### Sales by distribution channel

(Values in thousands of EUR)	9 M		9 M		Change	
	2021	%	2020	%	Δ	%
Wholesale	189,425	75.8%	148,939	72.0%	40,486	27.2%
Retail	50,840	20.3%	50,163	24.3%	677	1.3%
Royalties	9,768	3.9%	7,652	3.7%	2,116	27.6%
<b>Total</b>	<b>250,033</b>	<b>100.0%</b>	<b>206,754</b>	<b>100.0%</b>	<b>43,279</b>	<b>20.9%</b>

The wholesale channel, contributing to 75.8% of consolidated sales, recorded a 27.2% growth at current exchange rates.

The sales of directly-operated stores (DOS), including direct online, (retail channel), equal to 20.3% of consolidated sales, showed a good recovery thanks to the progressive easing of the restrictions to the international travels. The retail channel showed an increase of 1.3% at current exchange rates compared to the correspondent period of last year. E-commerce sales, considered stand alone, posted instead a very positive trend in the period, recording excellent performances across all brands and geographies.

Royalty incomes increased by 27.6% compared to the first nine months of 2020 and represented 3.9% of consolidated sales.

### Third quarter 2021 vs 2020

In the third quarter of 2021, revenues from sales and services are equal to EUR 95,013 thousand with an increase of 8.1% compared with EUR 87,892 thousand in the third quarter of 2020.

### Sales by brand

(Values in thousands of EUR)	III Q		III Q		Change	
	2021	%	2020	%	Δ	%
Alberta Ferretti	6,295	6.6%	5,721	6.5%	574	10.0%
Philosophy	4,955	5.2%	5,096	5.8%	( 141)	(2.8%)
Moschino	71,544	75.3%	69,091	78.6%	2,453	3.6%
Pollini	10,365	10.9%	7,014	8.0%	3,351	47.8%
Other	1,854	2.0%	970	1.1%	884	91.1%
<b>Total</b>	<b>95,013</b>	<b>100.0%</b>	<b>87,892</b>	<b>100.0%</b>	<b>7,121</b>	<b>8.1%</b>

In the third quarter of 2021, Alberta Ferretti brand increases by 10.0% generating 6.6% of consolidated sales, while Philosophy brand decreases by 2.8% generating 5.2% of consolidated sales.

In the same period, Moschino brand sales increase by 3.6% contributing to 75.3% of consolidated sales.

Pollini brand increases by 47.8% generating 10.9% of consolidated sales, while the other brands sales increase by 91.1% contributing to 2.0% of consolidated sales.

### Sales by geographical area

(Values in thousands of EUR)	III Q		III Q		Change	
	2021	%	2020	%	Δ	%
Italy	43,949	46.3%	42,883	48.8%	1,066	2.5%
Europe (Italy excluded)	29,481	31.0%	24,546	27.9%	4,935	20.1%
Asia and Rest of the World	15,265	16.1%	14,442	16.4%	823	5.7%
America	6,318	6.6%	6,021	6.9%	297	4.9%
<b>Total</b>	<b>95,013</b>	<b>100.0%</b>	<b>87,892</b>	<b>100.0%</b>	<b>7,121</b>	<b>8.1%</b>

In the third quarter of 2021 sales in Italy increase by 2.5% to EUR 43,949 thousand, contributing to 46.3% of consolidated sales.

Sales in Europe increase by 20.1% contributing to 31.0% of consolidated sales to EUR 29,481 thousand.

In Asia and Rest of the World, sales are equal to EUR 15,265 thousand with an increase of 5.7% and a contribution of 16.1% of consolidated sales.

Sales in America are equal to EUR 6,318 thousand, contributing to 6.6% of consolidated sales, with an increase of 4.9%.

### Sales by distribution channel

(Values in thousands of EUR)	III Q		III Q		Change	
	2021	%	2020	%	Δ	%
Wholesale	68,389	72.0%	62,211	70.8%	6,178	9.9%
Retail	22,894	24.1%	23,052	26.2%	( 158)	(0.7%)
Royalties	3,730	3.9%	2,629	3.0%	1,101	41.9%
<b>Total</b>	<b>95,013</b>	<b>100.0%</b>	<b>87,892</b>	<b>100.0%</b>	<b>7,121</b>	<b>8.1%</b>

By distribution channel in the third quarter of 2021, wholesale sales increase by 9.9% contributing to 72.0% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 22,894 thousand with a decrease of 0.7% contributing to 24.1% of consolidated sales.

Royalty income is 41.9% higher than in the corresponding period of the previous year, representing 3.9% of consolidated sales.

## 2. Gross Operating Margin (EBITDA)

### Nine months 2021 vs 2020

In the first nine months the consolidated Ebitda was equal to EUR 36,037 thousand (with an incidence of 14.4% of total sales), compared to EUR 8,153 thousand in the first nine months of 2020 (3.9% of total sales), with a EUR 27,884 thousand increase.

The marginality grew more than proportionally compared to the sales increase. This reflects both the significant sales increase and the positive results deriving from costs savings for personnel, rents and overheads, coming from the actions the Group put in place to face the consequences of the spread of the virus on a global scale.

For the prêt-à-porter division, in the first nine months of 2021 Ebitda was equal to EUR 21,776 thousand (with an incidence of 13.1% of total sales), compared to a EUR 5,866 thousand (3.9% of total sales) of the first nine months of 2020, recording a growth of EUR 15,910 thousand.

For the footwear and leather goods division, the Ebitda amounted to EUR 14,261 thousand (13.0% of total sales), compared to a EUR 2,287 thousand (2.8% of total sales), of the first nine months of 2020, with a EUR 11,974 thousand increase due to the sales increase.

### *Third quarter 2021 vs 2020*

In the third quarter of 2021 consolidated Ebitda is EUR 15,955 thousand (with an incidence of 16.8% of consolidated sales), showing an increase of profitability compared to EUR 7,581 thousand in the third quarter of 2020, (with an incidence of 8.6% of consolidated sales).

## **3. Net Result**

### *Nine months 2021 vs 2020*

The net result posts a profit of EUR 23,157 thousand compared to a loss of EUR 13,958 thousand in the first nine months of 2020. The adjusted profit of the period, net of extraordinary fiscal benefits related to revaluations and realignments implemented in accordance with art. 110 of Law Decree 104/2020 ("August Decree"), amounted to EUR 8.2 million.

### *Third quarter 2021 vs 2020*

In the third quarter of 2021 the net result is a profit of EUR 5,730 thousand showing an increase compared to a loss of EUR 1,486 thousand in the third quarter of 2020.

## **Segment information**

### ***Economic performance by Divisions***

At international level, the Group is divided into two main business sectors:

- (i) *Prêt-à porter* Division;
- (ii) Footwear and leather goods Division.

### *Nine months 2021 vs 2020*

The following tables indicate the main economic data for the first nine months of 2021 and 2020 of the *Prêt-à porter* and Footwear and leather goods Divisions.

(Values in thousand of EUR) 9M 2021	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
<b>SECTOR REVENUES</b>	<b>166,775</b>	<b>109,935</b>	<b>( 26,677)</b>	<b>250,033</b>
Intercompany revenues	( 11,150)	( 15,527)	26,677	-
<b>Revenues with third parties</b>	<b>155,625</b>	<b>94,408</b>	-	<b>250,033</b>
<b>Gross operating margin (EBITDA)</b>	<b>21,776</b>	<b>14,261</b>	-	<b>36,037</b>
Amortisation	( 14,791)	( 3,276)	-	( 18,067)
Other non monetary items:				
Revaluations / write-downs	( 300)	( 195)		( 495)
<b>Net operating profit / loss (EBIT)</b>	<b>6,685</b>	<b>10,790</b>	-	<b>17,475</b>
Financial income	210	406	( 61)	555
Financial expenses	( 2,109)	( 528)	61	( 2,576)
<b>Profit / loss before taxes</b>	<b>4,786</b>	<b>10,668</b>	-	<b>15,454</b>
Income taxes	8,201	( 498)	-	7,703
<b>Net profit / loss</b>	<b>12,987</b>	<b>10,170</b>	-	<b>23,157</b>

(Values in thousand of EUR) 9M 2020	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
<b>SECTOR REVENUES</b>	<b>151,726</b>	<b>81,864</b>	<b>( 26,836)</b>	<b>206,754</b>
Intercompany revenues	( 8,409)	( 18,427)	26,836	-
<b>Revenues with third parties</b>	<b>143,317</b>	<b>63,437</b>	-	<b>206,754</b>
<b>Gross operating margin (EBITDA)</b>	<b>5,866</b>	<b>2,287</b>	-	<b>8,153</b>
Amortisation	( 16,090)	( 2,888)	-	( 18,978)
Other non monetary items:				
Revaluations / write-downs	( 376)	( 1,264)		( 1,640)
<b>Net operating profit / loss (EBIT)</b>	<b>( 10,600)</b>	<b>( 1,865)</b>	-	<b>( 12,465)</b>
Financial income	491	122	( 109)	504
Financial expenses	( 1,936)	( 1,020)	109	( 2,847)
<b>Profit / loss before taxes</b>	<b>( 12,045)</b>	<b>( 2,763)</b>	-	<b>( 14,808)</b>
Income taxes	494	356	-	850
<b>Net profit / loss</b>	<b>( 11,551)</b>	<b>( 2,407)</b>	-	<b>( 13,958)</b>

#### Prêt-à porter Division

Revenues of the prêt-à-porter division increase by 9.9% from EUR 151,726 thousand in the first nine months of 2020 to EUR 166,775 thousand in the first nine months of 2021.

EBITDA of the *prêt-à-porter* division, in the first nine months of 2021 is EUR 21,776 thousand (13.1% of sales) compared to an EBITDA of EUR 5,866 thousand in the first nine months of 2020 (3.9% of sales), showing an increase of EUR 15,910 thousand.

#### Footwear and leather goods Division

Revenues of the footwear and leather goods division increase by 34.3% from EUR 81,864 thousand in the first nine months of 2020 to EUR 109,935 thousand in the first nine months of 2021.

EBITDA of the Footwear and leather goods division amounts to EUR 14,261 thousand (13.0% of sales) compared to EUR 2,287 thousand in the first nine months of 2020 (2.8% of sales), with a EUR 11,974 thousand increase due to the sales progression.

### Third Quarter 2021 vs 2020

The following tables indicate the main economic data for the third quarter of 2021 and 2020 of the *Prêt-à-porter* and Footwear and leather goods Divisions.

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
III Q 2021				
<b>SECTOR REVENUES</b>	<b>61,876</b>	<b>41,733</b>	<b>( 8,596)</b>	<b>95,013</b>
Intercompany revenues	( 3,836)	( 4,760)	8,596	-
<b>Revenues with third parties</b>	<b>58,040</b>	<b>36,973</b>		<b>95,013</b>
<b>Gross operating margin (EBITDA)</b>	<b>9,735</b>	<b>6,220</b>		<b>15,955</b>
Amortisation	( 4,852)	( 1,082)		( 5,934)
Other non monetary items:				
Revaluations / write-downs	( 100)	( 82)		( 182)
<b>Net operating profit / loss (EBIT)</b>	<b>4,783</b>	<b>5,056</b>		<b>9,839</b>
Financial income	70	198	( 18)	250
Financial expenses	( 758)	( 197)	18	( 937)
<b>Profit / loss before taxes</b>	<b>4,095</b>	<b>5,057</b>		<b>9,152</b>
Income taxes	( 1,992)	( 1,430)		( 3,422)
<b>Net profit / loss</b>	<b>2,103</b>	<b>3,627</b>		<b>5,730</b>

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
III Q 2020				
<b>SECTOR REVENUES</b>	<b>63,096</b>	<b>34,173</b>	<b>( 9,377)</b>	<b>87,892</b>
Intercompany revenues	( 3,553)	( 5,824)	9,377	-
<b>Revenues with third parties</b>	<b>59,543</b>	<b>28,349</b>		<b>87,892</b>
<b>Gross operating margin (EBITDA)</b>	<b>5,859</b>	<b>1,722</b>		<b>7,581</b>
Amortisation	( 5,147)	( 938)		( 6,085)
Other non monetary items:				
Revaluations / write-downs	8	( 1,156)		( 1,148)
<b>Net operating profit / loss (EBIT)</b>	<b>720</b>	<b>( 372)</b>		<b>348</b>
Financial income	187	97	( 33)	251
Financial expenses	( 601)	( 713)	33	( 1,281)
<b>Profit / loss before taxes</b>	<b>306</b>	<b>( 988)</b>		<b>( 682)</b>
Income taxes	( 589)	( 214)		( 803)
<b>Net profit / loss</b>	<b>( 283)</b>	<b>( 1,202)</b>		<b>( 1,485)</b>

## Balance sheet

### 4. Operating net working capital

At 30 September 2021, operating net working capital amounts to EUR 83,084 thousand (26.6% of LTM sales) compared to EUR 97,132 thousand at 30 September 2020 (33.6% of LTM sales).

The improvement of the incidence of net working capital on sales mainly refers to lower inventories.

### 5. Fixed assets

The change in fixed assets of 16,513 thousand at 30 September 2021 compared to 31 December 2020 is due to the amortisation of the period and to the capex realised during the first nine months of 2021.

## 6. Shareholders' equity

The Group's shareholders' equity moved mainly due to the profit for the period of EUR 23,157 thousand and the purchase of the 30% minority stake in Moschino Spa for a consideration of EUR 66,571 thousand, partially offset by the acquisition of the minority interests in shareholders' equity equal to EUR 30,524 thousand.

## 7. Net financial position

The financial situation of the Group as at 30 September 2021 shows a debt of EUR 140,340 thousand including the IFRS 16 effect, compared to the debt of EUR 148,698 thousand as of September 30, 2020, with an improvement of EUR 8,358 thousand (debt of EUR 140,977 thousand due to end of 2020) attributable to both the best results achieved and the effective management of working capital. The debt at 30 September 2021 relating to IFRS 16 amounts to EUR 79,009 thousand, of which EUR 13,249 thousand is current and EUR 65,760 thousand is non-current. Debt net of the IFRS 16 effect at the end of September 2021 amounts to EUR 61,331 thousand compared to the debt of EUR 60,126 thousand at the end of September 2020, recording a worsening of EUR 1,205 thousand.

On July 28, 2021, Aeffe SpA took over the 30% minority stake in Moschino SpA. The consideration for the acquisition of the shares, equal to EUR 66,571,000, was paid for EUR 30 million at the same time as the transfer of the shares while the residual amount of EUR 36,571,000 will be paid to the sellers by 30 November 2021.

Furthermore on October 26, 2021, Aeffe SpA has reached an agreement with Sinv S.p.A. to take over in advance the license for the production and distribution of "Love Moschino" women's apparel collections currently held by Sinv, following the acquisition of the full control of Moschino S.p.A. formalized last July. The consideration was set at EUR 3,637,000 and the relative payment will be made with cash on hand by 30 November 2021.

## Other information

### Earnings per share

#### *Reference earnings*

The calculation of basic and dilutive earnings per share is based on the following elements:

(Values in thousands of EUR)	30 September 2021	30 September 2020
From continuing activities		
Earnings for determining basic earnings per share	23,157	(12,528)
<b>Earnings for determining earnings per share</b>	<b>23,157</b>	<b>(12,528)</b>
Dilutive effects	-	-
<b>Earnings for determining dilutive earnings per share</b>	<b>23,157</b>	<b>(12,528)</b>
From continuing and discontinued activities		
Earnings for the period	23,157	(12,528)
Earnings from discontinued operations	-	-
<b>Earnings for determining basic earnings per share</b>	<b>23,157</b>	<b>(12,528)</b>
Dilutive effects	-	-
<b>Earnings for determining dilutive earnings per share</b>	<b>23,157</b>	<b>(12,528)</b>
Number of reference share		
<b>Average number of shares for determining earnings per share</b>	<b>99,799</b>	<b>100,209</b>
Share options	-	-
<b>Average number of shares for determining diluted earnings per</b>	<b>99,799</b>	<b>100,209</b>

### *Basic results per share*

The profit attributable to holders of ordinary shares of parent company AEFPE S.p.A., amounts to EUR 23,157 thousand (September 2020: EUR -12,528 thousand).

### *Dilutive results per share*

The calculation of diluted earnings per share for the period January - September 2021, matches with the calculation of basic earnings per share, as there are no tools with potential dilutive effects.

## **Significant events subsequent to the balance sheet date**

On October 26, 2021, Aeffe SpA has reached an agreement with Sinv S.p.A. to take over in advance the license for the production and distribution of "Love Moschino" women's apparel collections currently held by Sinv, following the acquisition of the full control of Moschino S.p.A. formalized last July.

## **Atypical and/or unusual transactions**

Pursuant to Consob communication n. DEM/6064293 dated 28 July 2006, it is confirmed that during the first nine months of 2021, the Group did not enter into any atypical and/or unusual transactions, as defined in that communication.

## **Significant non-recurring events and transactions**

On 28 July 2021, Aeffe S.p.A. acquired from Sinv Holding S.p.A., Sinv Real Estate S.p.A. and Sinv Lab S.r.l., the minority stake of Moschino S.p.A., allowing Aeffe to take full ownership of the Company.

The transaction is part of the strategy related to the Moschino brand, which aims at the process of future integration of the womens' apparel collections into Aeffe Group to enhance their potential thanks to the exploitation of synergies.

The transaction has a high strategic value for the AEFPE Group and represents an important opportunity for business growth and development allowing an agile and flexible planning of medium-long term strategies and activities related to the Moschino brand, with the aim to strengthening its positioning and enhancing its high great growth potential. The operation is part of the development strategy focused on a completely independent business model, with full controll of the brand value chain, from product to quality and with positive effects on image, distribution and communication.

The consideration for the purchase of the shares, equal to Euro 66,571,000, was paid for Euro 30 million at the same time as the transfer of the shares, while the remaining amount of Euro 36,571,000 will be paid to the sellers by 30 November 2021. The fairness of the price was confirmed by an independent fairness opinion issued by Deloitte Financial Advisory S.r.l. on 22 July 2021.

To pay the fee, Aeffe has used and will use cash on hand, existing credit lines and new medium / long-term loans.

## **Outlook**

The performance of the first 2021 nine months has been characterized by the good progression of all Group's brands, on the point of view of turnover as well as on the marginality one. Looking at the future, good signals come from the Spring-Summer 2022 sales campaign, which closed with a 22% increase compared to counter-season last year. Furthermore, the whole control of Moschino and the internalization of

Moschino Donna licenses starting from the autumn-winter 2023 season will allow to implement strategies able to express to the best the brand's potential.

The executive responsible for preparing the company's accounting documentation Marcello Tassinari declares, pursuant to paragraph 2 of art. 154b of the Consolidated Finance Law, that the accounting information contained in this document agrees with the underlying documentation, records and accounting entries.