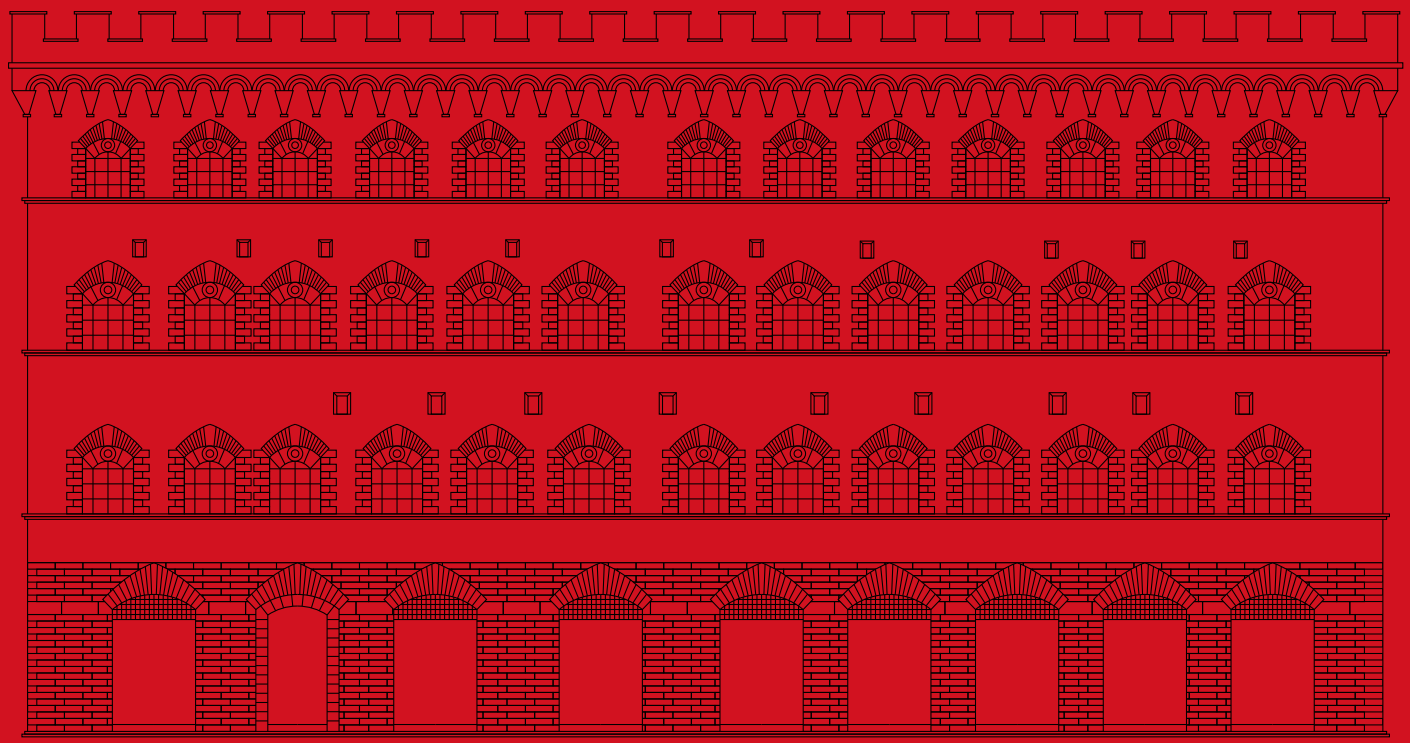


Annual Report 2024

FERRAGAMO

Salvatore Ferragamo Group Annual Report as at 31 December 2024

Salvatore Ferragamo S.p.A.
Firenze

General information
Registered office Salvatore Ferragamo S.p.A. Via Tornabuoni, 2 - 50123 Florence, Italy
Legal information Authorized, subscribed and paid-up share capital 16,879,000 Euro
Tax code and Florence Company Register no.: 02175200480
Registered with the Florence Chamber of Commerce under REA (Economic and Administrative Register) no. 464724
Corporate website *https://group.ferragamo.com*

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

Letter from the Chair



"We look to the future with confidence, strengthened by Ferragamo's core values. These principles have guided us since the beginning and are at the heart of our identity."

Dear Shareholders,

The year 2024 was particularly important in the process of envisioning and building the Ferragamo of the future. In the current global environment, which remains intricate and particularly demanding, our strategic product categories, specifically leather goods and footwear, are demonstrating encouraging signs. This has enabled us to establish new style icons.

We have enhanced the brand's appeal and expanded our product range; our ability to engage and inspire has increased significantly, thanks to the implementation of highly effective and engaging campaigns that have been appreciated across all major media in the target geographical areas.

In the global context of a general reduction in traffic at points of sale, our customer base has evolved significantly. Our existing loyal customers show a growing affinity with our brand, and new customers are strongly in tune with Ferragamo's distinctive features. Therefore, we will direct our efforts to ensure a more precise alignment between our customers' preferences and the products we offer them.

I would like to thank Marco Gobbetti for initiating this strategic transformation, which we will continue to pursue with determination, focusing on increasingly effective implementation.

We look to the future with confidence, strengthened by Ferragamo's core values. These principles have guided us since the beginning and are at the heart of our identity. The *Passion* that guides our creative process, the *Courage* to innovate while building on such a unique and prestigious tradition, the *Determination* to strive for *Excellence*, the *Creativity* that defines our unique style, and the *Sustainability* that is essential to ensuring a responsible and conscious future.

Last year was also a turning point in our approach to sustainability. In 2019, thanks to the Sustainable Thinking exhibition organized by the Ferragamo Museum, we confirmed our vision of responsibility towards people and the environment, and led the luxury sector to follow us. In 2024, we translated this vision into concrete and decisive action.

From Sustainable Thinking to Sustainable Acting, as in the name we chose for our first Circularity Hackathon, thanks to which we engaged our most talented professionals to reimagine some of Ferragamo's most iconic products from a sustainable and innovative perspective. The extraordinary results of this initiative will be showcased in our upcoming collections.

During the year, we made clear and visible progress against all the targets in the five pillars of our Sustainability Plan, and we received clear feedback in the major ESG ratings that recognized our progress. Among our proudest achievements are the reduction of our carbon intensity in line with our Net Zero 2050 goal, the sourcing of almost all of our leather from suppliers that adhere to the highest environmental and social standards, and the creation of Employee Resource Groups (ERGs) worldwide, which have generated enthusiasm and a strong sense of belonging among our employees, fostering a more inclusive and engaging work environment.

Nearly a century ago, my father, Salvatore, achieved significant success in the United States. He subsequently returned to Italy, to Florence, to find artisans with unique skills. These artisans represent one of the most incomparable and unique expressions of our country and of the Made in Italy that we at Ferragamo have always considered a fundamental value of our identity.

Today, we are pleased to share a future of excellence with the partners in our value chain and with our employees and collaborators, to whom I express my sincere gratitude.

We are confident, focused, and determined as we look to 2025, aware of the significant opportunities available to us on a course of transformation that is already well set.

Our vision remains clear and ambitious: to create authentic luxury that combines timeless craftsmanship with cutting-edge innovation, always with the well-being of our employees, our customers, and the planet we live on, at the heart of what we do.

Thank you for your trust and for being part of this extraordinary journey.

The Chair
Leonardo Ferragamo



Letter from the CEO and General Manager



"We have continued to invest in our people, fostering the internal growth of talent, attracting new profiles, and strengthening the sense of belonging through a corporate culture geared toward enhancing skills and supporting both personal and professional development."

Dear Shareholders,

2024 was a tough year, marked by ongoing instability due to geo-political tensions and macroeconomic uncertainties. These included the war in Ukraine, the conflict in the Middle East, China's economic slowdown, inflation, and the decline in purchasing power and consumer confidence.

The luxury sector faced a challenging year. There was a period of normalization of demand after the post-Covid recovery. This was mainly due to the slowdown in Asia, with a very negative market environment in China. Furthermore, the increasing polarization of wealth and significant price increases have led to a substantial decline in aspirational consumption and a narrowing of the customer base, also due to a decrease in interest from younger generations.

The market environment was particularly negative in the first half of the year, impacting on the Group's economic results, both in terms of sales and profitability. This was further compounded by the write-downs resulting from the impairment test.

In 2024, we maintained our focus on implementing strategic priorities. We have completed the new product range, which features a modern and sophisticated design. We have redesigned and expanded the range, with a particular focus on the main categories of shoes and leather goods. Specifically, we have developed a new permanent range, introducing successful icons such as the *Hug bag* and the *Zina* flat shoe. We have also enhanced the seasonal range with new stylistic codes in order to consolidate and strengthen the brand identity and maximize the potential of the collections.

We also built brand desirability through a structured, full-funnel marketing approach, with high-impact communication initiatives such as the "Three Days in Florence" and "Holiday" campaigns. We developed and enriched the narrative to create relevance and awareness. The growth in brand visibility can be attributed to the expansion of social media channels, facilitated by the adoption of agile content production and targeted strategies for each channel. We have prioritized customer engagement through comprehensive loyalty programs, enhanced direct interaction, customized initiatives, and targeted campaigns at both global and local levels.

We continued to improve and enhance customer experience by strengthening the retail organization and applying the new store concept, introduced on the network of stores starting with the Milan Woman Boutique, to create a new and sophisticated experience in line with the renewed brand image. We set our focus on enhancing the performance of the digital channel. This effort included the re-platforming of the Ferragamo.com website and the implementation of effective marketing campaigns. As a result, we observed a consistent positive trend in terms of both traffic and the quality of sales.

We have continued to invest in our people, fostering the internal growth of talent, attracting new profiles, and strengthening the sense of belonging through a corporate culture geared toward enhancing skills and supporting both personal and professional development.

In the area of ESG, we have achieved notable milestones, as evidenced by the substantial upgrade to our rating by leading sector agencies and our re-inclusion in the Euronext MIB ESG Index. We will continue our efforts aimed at reducing Carbon Emissions, utilizing sustainable materials and ensuring supply chain transparency, as well as promoting diversity, equity and inclusion.

In the face of a complex and volatile macroeconomic environment, particularly in the Asian market, the retail channel showed encouraging signs of improvement in the second half of the year. This positive development can be attributed to a renewed product offering, increased visibility, and intensified customer engagement activities

FY 2024 PERFORMANCE

- Revenues amounted to 1,035 million Euro, down 10.5% at current exchange rates (-8.2% at constant exchange rates) compared to 2023, a result that was impacted by an overall weak market environment, especially in the Asian market and in the wholesale and travel retail channels.
- Gross profit amounted to 740 million Euro, decreasing by 110 basis points as a percentage of revenues, from 72.6% in 2023 to 71.5% in 2024.
- Operating costs net of the impact of the impairment test, amounted to 705 million Euro, down from 761 million Euro in 2023, as a result of an extensive efficiency program. Operating costs, including 84 million Euro related to impairment, amounted to 789 million Euro.

- Operating profit (EBIT) was negative to the tune of 49 million Euro. Excluding the impact related to impairment, EBIT came in at a positive 35 million Euro, compared to 79 million Euro in 2023.
- The Net profit for the period, including minority interest and the 84 million Euro related to impairment, was negative by 68 million Euro, compared to 26 million Euro in 2023. Net profit, not including impairment, was a positive 16 million Euro.
- In line with the strategic plan, the capital expenditure (CAPEX) program – mainly aimed at improving the customer experience of the distribution network – continued through the renovation of more than 50 directly operated stores, reaching 71 million Euro compared to 72 million Euro in 2023.

I would like to thank the Board of Directors for their collaboration, and all our employees and partners for the passion and commitment they bring to their work, and for the valuable contribution I am sure they will continue to make in 2025.

Marco Gobbetti,
Salvatore Ferragamo S.p.A. CEO
and General Manager



BOARD OF DIRECTORS' REPORT ON OPERATIONS

as at 31 December 2024



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Corporate boards

Board of Directors [1]	Leonardo Ferragamo[7][12]	Chair
	Angelica Visconti[8][13]	Deputy Chair
	Marco Gobbetti[9][10][15]	CEO and General Manager
	Giacomo Ferragamo[11]	
	Niccolò Ferragamo[13]	
	Patrizia Michela Giangualano[13][14]	
	Ernesto Greco[13]	
	Umberto Tombari[13]	
	Laura Donnini[13][14]	
	Sara Ferrero[13][14]	
Control and Risks Committee[2] *(responsible for Transactions with Related Parties and for Sustainability)*	Patrizia Michela Giangualano	Chair
	Sara Ferrero	
	Laura Donnini	
Nomination and Remuneration Committee[3]	Patrizia Michela Giangualano	Chair
	SaraFerrero	
	Laura Donnini	
Board of Statutory Auditors[4]		
	Andrea Balelli	Chair
	Paola Caramella	Acting Statutory auditor
	Giovanni Crostarosa Guicciardi	Acting Statutory auditor
	Roberto Coccia	Substitute Statutory auditor
	Antonietta Donato	Substitute Statutory auditor

Independent Auditors[5]	KPMG S.p.A.
Financial Reporting Manager and Manager in charge of certifying the Sustainability Report [6]	Pierre Giorgio Sallier de La Tour

(1) The members of the Board of Directors were appointed for a three-year period by resolution of the Shareholders' Meeting on 23 April 2024, with the exception of the Director Ernesto Greco, who was co-opted to replace the Director Fabio Gallia by resolution of the Board adopted pursuant to Article 2386, paragraph 1, of the Italian Civil Code on 15 October 2024 and subsequently appointed by resolution of the Shareholders' Meeting on 26 November 2024.

(2) On 9 May 2024, the Board of Directors, following its renewal, resolved on the new composition of the Control and Risk Committee, appointing as members Directors Patrizia Michela Giangualano (as Chair), Laura Donnini and Sara Ferrero.

(3) On 9 May 2024, the Board of Directors, following its renewal, resolved on the new composition of the Nomination and Remuneration Committee, appointing as members Directors Patrizia Michela Giangualano (as of Chair), Laura Donnini and Sara Ferrero.

(4) Appointed by the Shareholders' Meeting on 26 April 2023 and serving until the date of approval of the separate financial statements as at 31 December 2025.

(5) Appointed by the Shareholders' Meeting on 18 April 2019 for the nine years from 2020 through 2028.

(6) Appointed by the Board of Directors on 23 April 2024 effective as of 24 April 2024 and until the expiry of the current Board of Directors.

(7) Appointed as Chair by the Shareholders' Meeting on 23 April 2024.

(8) Appointed as Deputy Chair by the Shareholders' Meeting on 23 April 2024.

(9) The Board of Directors confirmed the appointment of Marco Gobbetti as Chief Executive Officer of the Company on 23 April 2024. On the same date, the Board of Directors also confirmed the powers assigned to him in his previous term of office, as General Manager.

(10) Executive director.

(11) Executive director pursuant to the Corporate Governance Code as a manager of the Company.

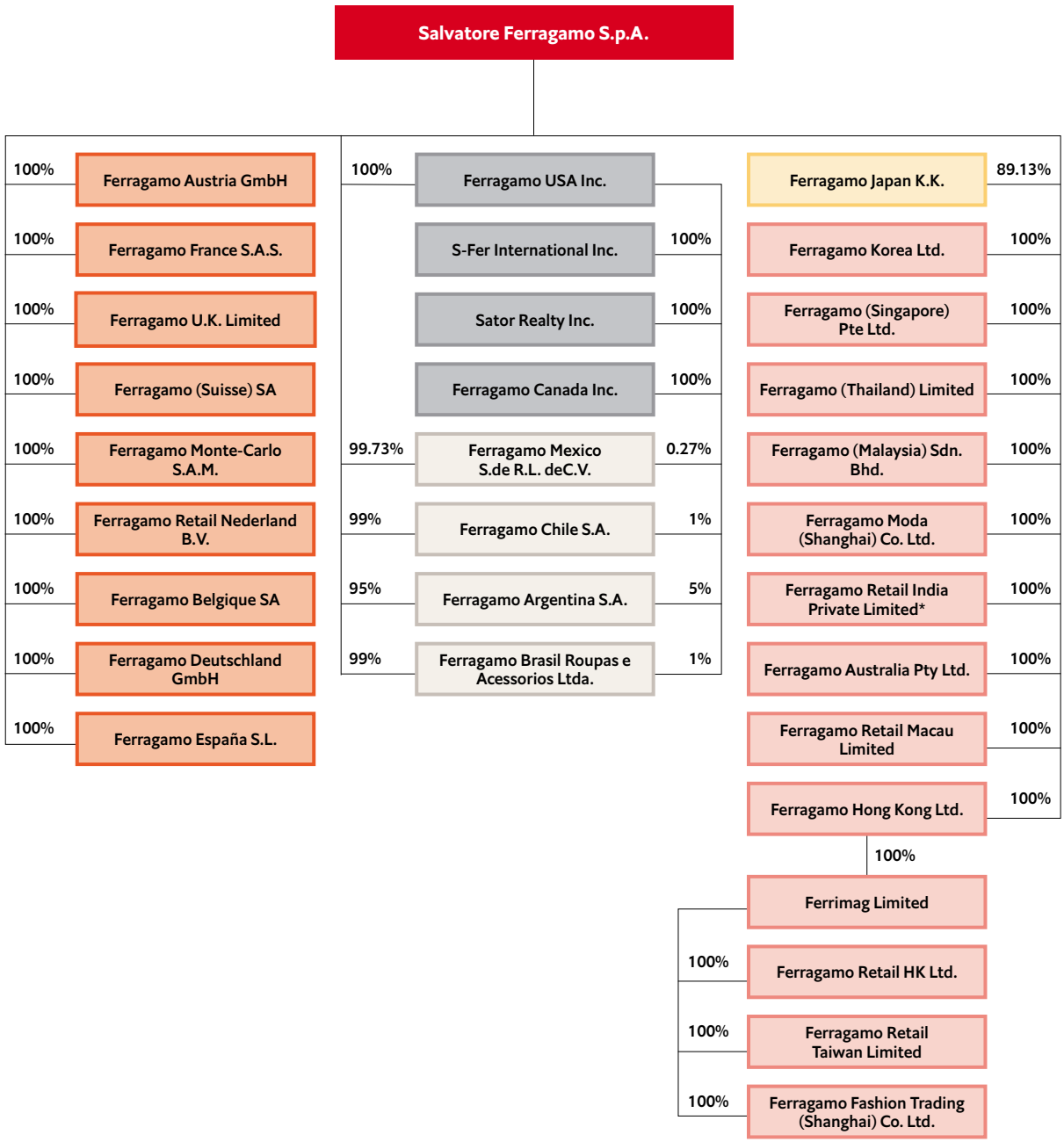
(12) Executive director pursuant to the Corporate Governance Code as he is vested with management powers.

(13) Non-executive director.

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

(15) On 3 February 2025, as announced in the press release issued to the market on the same date, the Company and Marco Gobbetti reached a mutual agreement on the termination of employment and administrative relationship, effective from the date of approval of the draft financial statements for FY2024, i.e. 6 March 2025.

Group structure



Notes

European companies
North America companies
Centre an South America companies
Asia Pacific companies
Japanies companies

* Non operating company

Composition of the Salvatore Ferragamo Group

As at 31 December 2024, the Salvatore Ferragamo Group consists of Salvatore Ferragamo S.p.A. (the "Parent company" and the "Company") and the following subsidiaries – consolidated on a line-by-line basis – in which the Parent company holds majority stakes, both directly or indirectly, and which it controls.

Salvatore Ferragamo S.p.A. Parent company, owner of the "Ferragamo" and "Salvatore Ferragamo" brands, as well as of numerous other figurative and shape trademarks; it undertakes production activities and distributes products through DTC channels in Italy and wholesale channels in Italy and abroad, as well as real estate activities and acts as a holding company

Europe	
Ferragamo Retail Nederland B.V.	It manages directly operated stores (DOS) in the Netherlands
Ferragamo France S.A.S.	It manages directly operated stores (DOS) in France
Ferragamo Deutschland GmbH	It manages directly operated stores (DOS) in Germany
Ferragamo Austria GmbH	It manages directly operated stores (DOS) in Austria
Ferragamo U.K. Limited	It manages directly operated stores (DOS) in the United Kingdom
Ferragamo (Suisse) SA	It manages directly operated stores (DOS) in Switzerland
Ferragamo Belgique SA	It manages directly operated stores (DOS) in Belgium
Ferragamo Monte-Carlo S.A.M.	It manages directly operated stores (DOS) in the Principality of Monaco
Ferragamo Espana S.L.	It manages directly operated stores (DOS) in Spain

North America	
Ferragamo USA Inc.	It distributes and promotes products in the USA and acts as a sub-holding for North America (USA and Canada)
Ferragamo Canada Inc.	It manages directly operated stores (DOS) and the wholesale channel in Canada
S-Fer International Inc.	It manages directly operated stores (DOS) in the USA
Sator Realty Inc.	It manages directly operated stores (DOS) in the USA and real estate assets

Central and South America	
Ferragamo Mexico S. de R.L. de C.V.	It manages directly operated stores (DOS) and the wholesale channel in Mexico
Ferragamo Chile S.A.	It manages directly operated stores (DOS) in Chile
Ferragamo Argentina S.A.	It manages directly operated stores (DOS) in Argentina
Ferragamo Brasil Roupas e Acessorios Ltda.	It manages directly operated stores (DOS) in Brazil

Asia Pacific	
Ferragamo Hong Kong Ltd.	It distributes and promotes products in Asia and acts as a sub-holding for the Chinese area (Hong Kong)
Ferragamo Australia Pty Ltd.	It manages directly operated stores (DOS) in Australia
Ferrimag Limited	Sub-holding company for the Chinese area (Hong Kong, Taiwan, PRC)
Ferragamo Fashion Trading (Shanghai) Co. Ltd.	It manages directly operated stores (DOS) and the wholesale channel in the People's Republic of China
Ferragamo Moda (Shanghai) Co. Ltd.	It manages directly operated stores (DOS) in the People's Republic of China
Ferragamo Retail HK Limited	It manages directly operated stores (DOS) in Hong Kong
Ferragamo Retail Taiwan Limited	It manages directly operated stores (DOS) in Taiwan
Ferragamo Retail Macau Limited	It manages directly operated stores (DOS) in Macau
Ferragamo Retail India Private Limited	Non-operating company
Ferragamo Korea Ltd.	It manages directly operated stores (DOS) and the wholesale channel in South Korea
Ferragamo (Singapore) Pte Ltd	It manages directly operated stores (DOS) in Singapore
Ferragamo (Thailand) Limited	It manages directly operated stores (DOS) in Thailand
Ferragamo (Malaysia) Sdn. Bhd.	It manages directly operated stores (DOS) in Malaysia

Japan	
Ferragamo Japan K.K.	It manages directly operated stores (DOS) and the wholesale channel in Japan

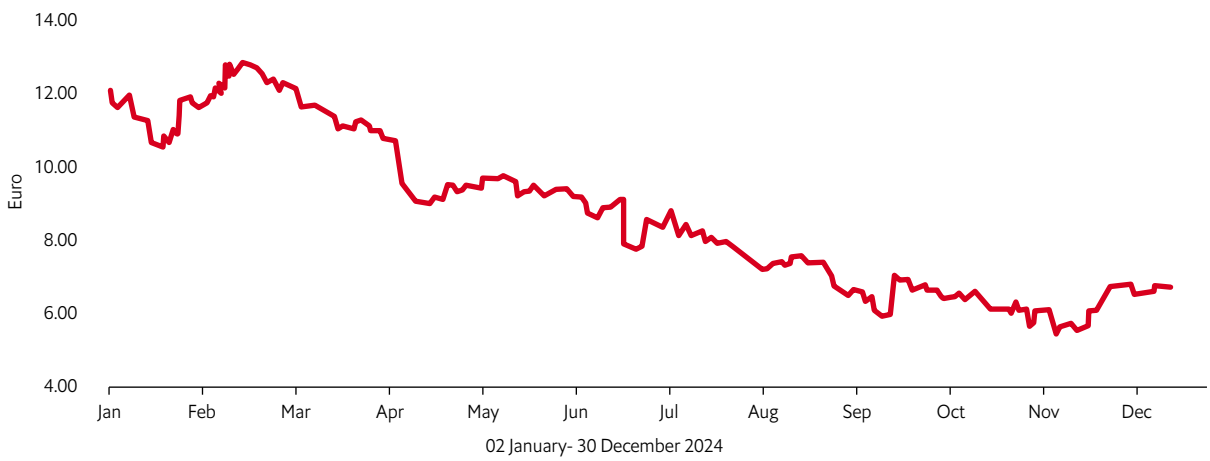
Main Stock Market indicators – Salvatore Ferragamo S.p.A.

Official price as at 31 December 2024 in Euro	6.77
Minimum price as at 21 November 2024 in Euro[1]	5.47
Maximum price as at 16 February 2024 in Euro[1]	12.84
Stock Market capitalization as at 31 December 2024 in Euro	1,142,708,300
Number of shares making up the share capital as at 31 December 2024	168,790,000
Number of outstanding shares (free float)* as at 31 December 2024	63,960,288

* determined as the number of shares that make up the share capital, excluding treasury shares and the shares held by the Holding company Ferragamo Finanziaria S.p.A. and by Majestic Honour Limited.

Here below is the trend in Salvatore Ferragamo's share price during 2024

Share price (Official price)



[1] Minimum and maximum prices recorded during the day's trading session and, therefore, not coinciding with official and reference prices on the same date.

Alternative performance measures

To better assess its performance, the Salvatore Ferragamo Group makes use of some alternative performance measures which are not identified as accounting measures under IFRS. Therefore, the measurement basis applied by the Group may differ from that adopted by other groups, and the balance may not be comparable.

These alternative performance measures are derived exclusively from historical financial data and are determined in accordance with the Guidelines on Alternative Performance Measures issued by ESMA/2015/1415 and adopted by CONSOB with communication no. 92543 of 3 December 2015. They refer exclusively to the performance for the reporting period of this Annual Report as well as the comparative periods, and not to the Group's expected performance and are not to be considered as substitutes for IFRS measures.

The definitions of the alternative performance measures adopted in this report are provided below:

Net sales: it consists of revenues from the sale of products; it is therefore determined by excluding the following items from *Revenues: Rental income investment properties, Licenses and services* and the effect of hedging against exchange rate risk on Revenues (*Cash flow hedging effect on Revenues*).

DTC (Direct-to-Consumer): the DTC channel consists of single-brand directly operated stores (DOS) as well as e-commerce platforms for direct-to-consumer online sales.

Operating profit/(loss): it is the difference between *Revenues, Cost of goods sold, and Operating costs net of Other income*.

Adjusted operating profit/(loss): it is Operating profit/(loss) before Write-downs of tangible/intangible assets, Investment property and Right-of-use assets resulting from impairment recognized in accordance with IAS 36 and IAS 40.

EBITDA: it is *Operating profit/(loss) before Amortization and depreciation and Write-downs of tangible/intangible assets, Investment property and Right-of-use assets.*

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

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

Adjusted net invested capital: it is *Net invested capital excluding Right-of-use assets and Right-of-use assets classified as Investment property*.

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

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

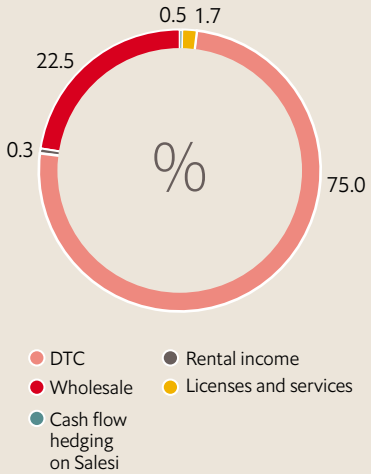
Adjusted cash flow from (used in) operating activities: it is *Net cash from (used in) operating activities net of Repayment of lease liabilities (classified as Cash flow from financing activities).*

Investments in tangible and intangible assets: include (i) the increases in the historical cost *of Property, plant and equipment, Investment property* (excluding those relating to *Right-of-use assets*) and *Intangible assets with a finite useful life*, net of decreases in tangible assets and intangible assets in progress and the costs of restoring the premises rented from third parties; (ii) the increases in the historical cost of *Right-of-use assets* relating to the direct initial costs incurred to rent the premises from third parties.

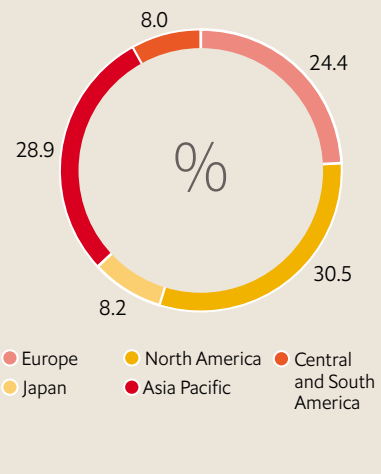
1. The Group's main income and financial results for the year 2024

(In millions of Euro)	2024	2023	% change 2024 vs 2023
Revenues	1,035.1	1,156.3	(10.5%)
Gross profit	740.0	839.4	(11.8%)
Gross profit %	71.5%	72.6%	
EBITDA	215.2	251.8	(14.5%)
EBITDA %	20.8%	21.8%	
Operating profit/(loss)	(49.0)	72.0	na
Operating profit/(loss) %	(4.7%)	6.2%	
Adjusted operating profit/(loss)	34.6	78.6	(56.0%)
Adjusted operating profit/(loss) %	3.3%	6.8%	
Net profit/(loss) for the period	(68.1)	26.2	na
Net profit/(loss) – Group	*(68.1)*	*26.1*	*na*
Net profit/(loss) – minority interests	*0.0*	*0.2*	

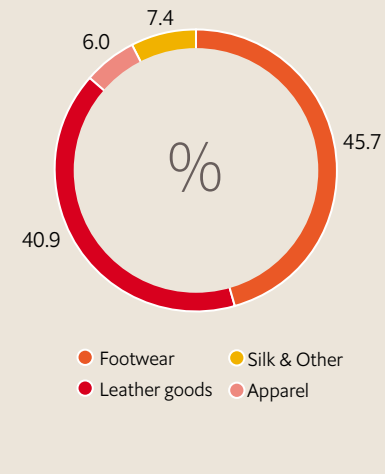
Revenue by distribution channel as at 31 December 2024



Net Sales by geographic area as at 31 December 2024



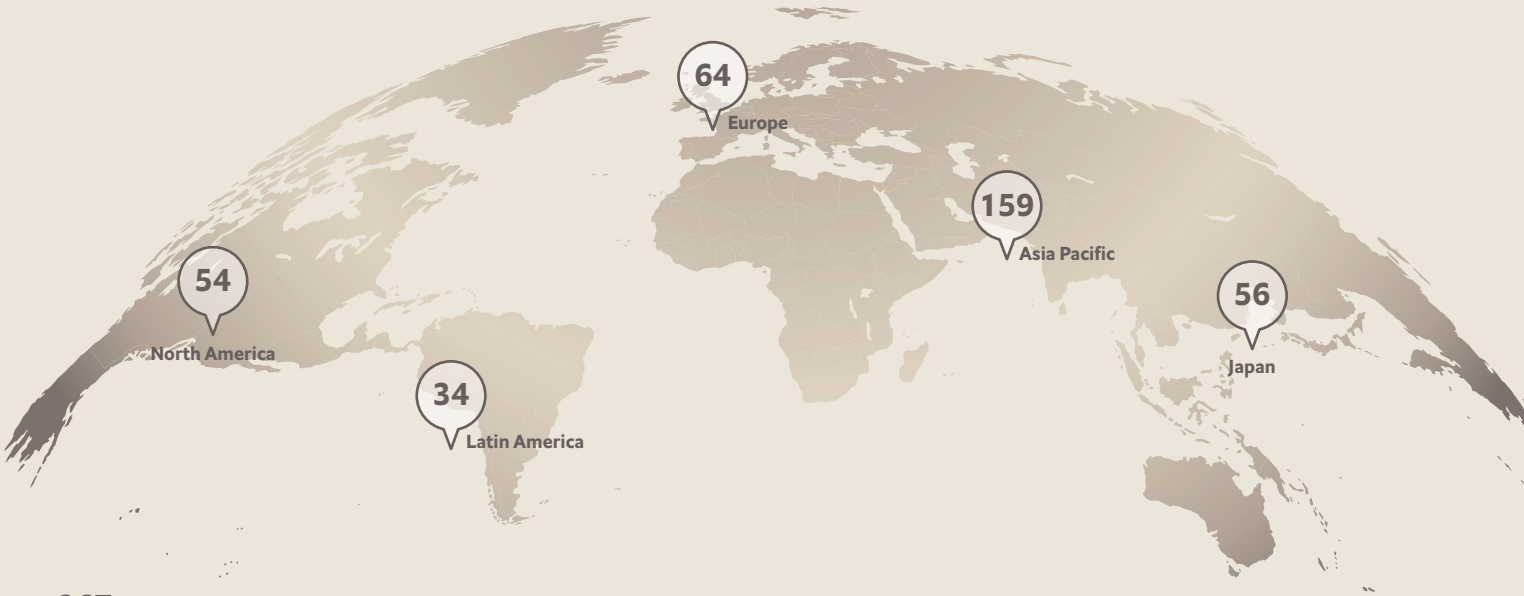
Net Sales by product category as at 31 December 2024



(In millions of Euro)	31 December 2024	31 December 2023
Investments in tangible/intangible assets	70.7	71.7
Net working capital	222.5	228.3
Shareholders' equity	620.1	722.2
Adjusted net financial debt/(surplus)	(172.8)	(224.4)
Adjusted cash flow from/(used in) operating activities	45.7	1.1

	31 December 2024	31 December 2023
Staff as at the reporting date	3,585	3,677
Number of DOS	367	374

Geographical distribution of DOS (31 December 2024)
No. of stores:



367 Ferragamo monobrand stores managed directly

Disclaimer

This document contains forward-looking statements, in particular in the sections headed "Macroeconomic situation and outlook", "Significant events occurred after 31 December 2024" and "Consolidated Sustainability Reporting pursuant to Italian Legislative Decree no. 125 of 6 September 2024 implementing Directive (EU) 2022/2464", relating to future events and the operating, income, financial social and environmental performance of the Salvatore Ferragamo Group. These statements are based on the Salvatore Ferragamo Group's current expectations and forecasts regarding future events and, by their nature, involve risks and uncertainties, since they refer to events and depend on circumstances which may, or may not, happen or occur in the future. As such, they must not be unduly relied upon. The actual results could differ significantly from those contained in these statements due to a variety of factors, including the volatility and deterioration in the performance of securities and financial markets, changes in raw material prices, changes in macroeconomic conditions and in economic growth, and other changes in business conditions, in the legal and institutional framework (both in Italy and abroad), and many other factors, most of which are beyond the Group's control.

2. Introduction

The Parent company Salvatore Ferragamo S.p.A. is a legal entity set up under Italian law and, pursuant to Article 40, paragraph 2-bis, of Italian Legislative Decree 127/91, it prepares the Directors' Report on Operations of both the Separate Financial Statements and the Consolidated Financial Statements in a single document.
The Directors' Report on Operations, in addition to the indicators required for financial statements, in compliance with International Financial Reporting Standards (IFRS), also includes some alternative performance measures used by management to monitor and assess the Group's performance, as detailed in a specific section.

In addition, this Directors' Report on Operations includes the Sustainability Report prepared in accordance with the provisions of the Corporate Sustainability Reporting Directive ("CSRD"), implemented by Italian Legislative Decree 125/2024, and with the European Sustainability Reporting Standards ("ESRS") (prepared by EFRAG and issued by the European Commission through Delegated Regulation (EU) 2023/2772, applicable from 1 January 2024 for financial years beginning on or after 1 January 2024), with the specifications adopted pursuant to Regulation (EU) 2020/852 ("Taxonomy Regulation") and related delegated acts.

3. The Salvatore Ferragamo Group's business

The Salvatore Ferragamo Group is active in the creation, production and sale of luxury goods for men and women: footwear, leather goods, apparel, silk goods, jewels, and other accessories. The product range also includes fragrances, eyewear, and watches manufactured under license by third parties. The product range stands out for its uniqueness, which is the result of the combination of creative and innovative style with the quality and craftsmanship that are the hallmark of luxury goods made in Italy.

The Salvatore Ferragamo Group is present in more than 90 countries around the world, directly through subsidiaries in 26 countries, and sells its products primarily through a network of Salvatore Ferragamo single-brand stores, either directly operated (DOS) or operated through third parties, as well as through a significant and well-established presence in department stores and multi-brand specialty stores, and through the e-commerce channel.

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



History of the Group

1898

Salvatore Ferragamo is born in Bonito, in the province of Avellino

1923

After joining his siblings in the united States, Salvatore Ferragamo opens the Hollywood Boot Shop, confirming the beginning of a career that would establish him as the "shoemaker to the stars".

1927

Salvatore Ferragamo Italia is set up, producing women's shoes. The first laboratory is opened in Florence.

1936

Salvatore Ferragamo transfers the shoe laboratory to Palazzo Spini Feroni, which he then bought in 1938 and is still the registered office of the Group

1938

Salvatore Ferragamo makes the famous Rainbow model for Judy Garland, the year after having patented the cork wedge heel.

1947

In Dallas, Salvatore Ferragamo receives the Neiman Marcus Prize for his "Invisible" sandal.

1950s

In 1958 the women's Ready-to-Wear collection was presented. The success is now international and the shop in Florence is visited by celebrities such as Audrey Hepburn and the Dukes of Windsor.



1960s

After the death of the Founder, his widow Wanda took over the reins of the Company. In 1965 the production of bags and women's leather goods starts.

1970s

Launch of the first men's Ready-To-Wear collections, men's footwear, silk and accessories.



2022
Appointment of Maximilian Davis as Salvatore Ferragamo S.p.A.'s Creative Director.

2021
Licensing of the Salvatore Ferragamo trademark for the production and distribution of the Fragrances line.

2011
Salvatore Ferragamo S.p.A. is listed on the Mercato Telematico Azionario (screen-based stock exchange, currently known as Euronext Milan) organized and operated by Borsa Italiana S.p.A.

2003
Realization of the first Salvatore Ferragamo watches.

1998
Launch of the Salvatore Ferragamo Fragrances and Eyewear lines.

1995
Inauguration of the Ferragamo Museum at Palazzo Spini Feroni, dedicated to the shoes and history of the Company.

1990
Creation of the bag with the famous Gancini decorative symbol.

1978
Creation of the Vara model, one of the most famous shoes by Salvatore Ferragamo.

1986
Opening of the first DOS in Asia (Hong Kong) and entry into the Asian market.

Distinctive features of the Parent company and the Group

The main factors which have enabled the development and consolidation of the Group's competitive positioning can be summarized as follows:

Brand heritage as a synonym of glamour, elegance, craftsmanship, creativity and innovation

- the legendary status of the founder Salvatore Ferragamo which is inseparably linked to the world of luxury footwear;
- over 90 years' history associated with high quality, luxury products which have always been known for their "Made in Italy" excellence;
- continuous product innovation with a high level of customization and use of rare and high-quality materials;
- abundant archive of designs and models to draw on as inspiration for new collections;
- use of Ferragamo products by leading personalities from the world of cinema, theatre and entertainment.

Global brand awareness

- high and consolidated level of brand awareness;
- worldwide distribution of products and presence, through tailored single brand stores, in the key shopping streets and prestigious locations for the luxury sector;
- significant and consolidated presence in Europe, America and Asia.

Sustainable Thinking

- incorporation of sustainability throughout the value chain, in keeping with the core values of creativity, innovation, and world-class craftsmanship, through stakeholder engagement and the promotion of partnerships;
- a governance model that takes into account the context of reference and the balance/mitigation of environmental, social and governance ("ESG") risks, with responsibility for sustainability assigned to the Control and Risks Committee – composed entirely of independent directors – and to the Board of Directors; the creation of the corporate Transformation & Sustainability function; and the establishment of an ESG Steering Committee to provide in-depth oversight of the progress of the Sustainability Plan;
- review and approval of the Salvatore Ferragamo Group Sustainability Plan by the Board of Directors, with a three-year time horizon. The Plan, whose targets were last updated by the Board of Directors at its meeting on 19 December 2024 for the 2025-2027 three-year period, is based on the following five new pillars: (i) *Moving towards net zero emissions*; (ii) *Fostering materials innovation;* (iii) *Leading a responsible value chain*; (iv) *Empowering our people*; (v) *Creating value for global communities*;
- alignment of the Remuneration Policy with the Strategic Plan and the Sustainability Plan.

Ongoing search for quality applied to the whole "Made in Italy" product range

- "Made in Italy" production process realized through a number of expert and carefully selected suppliers which have been working with the Group for several years;
- particular attention to quality control, both in choosing and processing materials, and on the finished product;
- granting of a limited number of licenses solely to highly qualified and prestigious companies.

Consolidated, extended distribution network that is diversified across different channels (DOS-TPOS-multi-brand channel):

- consolidated presence of single-brand stores (mainly DOS) in the world's main luxury locations, with a balanced geographical exposure in both developed and emerging markets;
- presence in department stores and luxury specialist retailers, in order to strengthen the presence in countries where the Salvatore Ferragamo Group has its own network of directly operated stores; the business in the United States is of particular importance;
- presence (mainly TPOS) in the travel DTC channel with Ferragamo single-brand stores in the main airports around the globe;
- presence in the digital channel (Internet) with a website (www.ferragamo.com) in seven languages (Italian, French, Spanish, English, Chinese, Korean and Japanese) with e-commerce functions for various European countries (Eurozone and United Kingdom), United States, South Korea, Japan, Mexico, People's Republic of China and Australia.

Strategy

The Group's strategy is to strengthen its competitive position among the leaders in the global luxury market, to respond to the ever-changing environment in which it operates and to create value for its shareholders through sustainable and profitable growth.
The main strategic guidelines can be summarized as follows:

- the product always at the center;
- new energy for the brand;
- enrichment of the customer experience;
- focus on the digital domain.

Product at the heart of the strategy

The Group aims to maintain and strengthen its position in the global luxury segment by putting the product at the heart of its strategy, creating products that are always desirable and in tune with consumer tastes:

- integrating the collections to meet new purchasing occasions and focusing on a younger clientele;
- increasing the focus on the product categories that form the core of the Group's offer (footwear, leather goods), but also on Ready-To-Wear.

New energy for the brand, an increase in the relevance of the digital channel and an enrichment of the customer experience

The Group intends to continue its brand enhancement strategy by enriching the customer experience:
- by evolving the way and speed with which the Group communicates its products;
- by updating the communication language and clearly communicating the creative vision;
- prioritizing digital communication as a tool to attract and inspire new customers in the current market context;
- enriching the consumer experience through omnichannel services and innovating the physical store experience.

During 2024, as part of the brand's relaunch project, the new store concept was gradually implemented in the main store locations, starting with the Milan store on Via Monte Napoleone, inaugurated for the February 2024 fashion show.

Ongoing modernization of the supply chain and the organizational structure to allow Salvatore Ferragamo S.p.A. and the Group to achieve its objectives

The Group intends to continue leveraging the Italian spirit, sustainability, and flexibility of its production structure, based on integration with the external manufacturing workshops with which it maintains consolidated and long-standing relations. In order to achieve its strategic objectives, the Group seeks to focus even more on the development of its human resources, who have always been one of its main assets, through a series of initiatives to train and develop in-house staff, as well as to recruit new, expert professionals. The Group also seeks to strengthen its IT and logistics infrastructure.

Please note that the "Logistics Hub" in the Osmannoro facility, in the Municipality of Sesto Fiorentino (province of Florence), featuring innovative, highly automated systems that enable greater distribution efficiency, capacity and flexibility, has been operational since 2018.

The strategic/organizational model

The success of the Salvatore Ferragamo Group is based on pursuing a long-term value creation strategy, centered on constant monitoring of the value chain through the adoption of a shared Group organizational model for the various product categories. In particular, the Salvatore Ferragamo Group has always operated with the aim of offering its customers products that are characterized by a high quality level, based on a solid tradition of craftsmanship, exclusive design and a style aimed at preserving the brand's strong identity. This approach has been applied in the choice of materials, in the design phase, in production processes and in the design and architecture of stores.

The production system

The organizational model adopted by the Group entrusts the production process entirely to specialized Italian production facilities, while keeping the management and organization of the main stages of the value chain in-house.
The Group's operating model ensures flexibility and efficiency in the production and logistics cycle through the use of a broad network of selected and expert Italian manufacturers which have been working with the Group for many years.
With reference to production, the Group directly manages the product development and industrialization stage and undertakes quality controls, both during the production process and on almost all finished products in the footwear and leather goods categories.

The distribution system

The organization of distribution and sales is one of the Group's strengths, thanks to its extensive and consolidated presence both in so-called traditional markets (Europe, United States and Japan) and in emerging markets (such as Asia Pacific and Latin America), as well as thanks to its store locations.
The Group attributes great importance to monitoring distribution, which is done through: a network of single-brand directly operated stores (DOS), which as at 31 December 2024 numbered 367 (the so-called DTC channel), and a network of tailored single-brand stores and/or stores-in-stores operated by third parties (TPOS), as well as through a multi-brand channel (taken as a whole, the so-called wholesale channel).

Through the DTC channel, the Group directly markets all product lines to end customers. Directly operated stores (DOS) are located across all the main markets served by the Group in exclusive and strategic locations, both from a reputational and commercial point of view. Wholesale sales are targeted exclusively at retailers and, to a lesser extent, distributors. Wholesale customers consist of:

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

Stores are selected on the basis of their consistency with the positioning of the "Ferragamo" brand, their location, and the visibility which they can guarantee to the brand.

Changes to the Group structure

During 2024 the Group structure underwent no changes.

Effect of exchange rate changes on operations

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

The first few months of 2024 were marked by higher-than-expected US data, both in terms of economic and labor market growth, and a more volatile decline in inflation. These factors have reduced the expectations of interest rate cuts during the year. In the second half of the year, the cycle of interest rate cuts began: in June, the ECB cut deposit rates from 4.00% to 3.75% and refinancing rates from 4.50% to 4.25%, based on its assessment of the inflation outlook, while in September the Fed cut interest rates by 50 basis points to 5.25%-5.50%, after detecting worsening economic data. In November, following the US presidential election, US Treasury yields rose sharply, with the 10-note yield back above 4.50%, its highest level of the year.

The US dollar was more or less stable in the first few months of the year, but then it weakened as the Fed began its cycle of interest rate cuts. The trend changed with the outcome of the Presidential election, with the US Dollar strengthening significantly in the aftermath. The EUR/USD exchange rate went from 1.0956 to 1.0389, hitting a high of 1.1196 in September and a low of 1.0389 in December.

The performance of the US dollar, coupled with tensions in the Chinese real estate market, led to a gradual weakening of the Yuan against USD in the first part of the year. The Fed's cycle of interest rate cuts interrupted this trend, leading to a strengthening of the Yuan and setting the stage for stimulus and support of the economy by the Chinese authorities. The weakening then resumed in the last quarter as the US Dollar strengthened. The USD/CNY exchange rate went from 7.14 to 7.30, hitting a low of 7.01 in September and a high of 7.30 in December. The EUR/CNY exchange rate, which is most closely linked to the performance of the EUR/USD exchange rate, went from 7.83 to 7.58, hitting a high of 7.95 in August and a low of 7.55 in November.

Similarly to the Yuan, the South Korean Won – linked to the economic cycle and to the trade balance – weakened against the US Dollar, going from 1,313 to 1,475, hitting a low of 1,309 in January and a high of 1,475 in December, while against the Euro it went from 1,439 to 1,532.

The Yen weakened in the first half of the year due to the difference in interest rate levels between Japan and the US, but then reversed the trend with the Bank of Japan's rate hike in July. It then weakened in the last quarter as the US Dollar strengthened. The USD/JPY exchange rate went from 142 to 157, hitting a high of 162 in July and a low of 140 in December. The EUR/JPY exchange rate went from 156 to 163.

The Mexican Peso appreciated slightly in the first quarter, but depreciated sharply in the following months. This was due to the Mexican presidential election, the narrowing of the interest rate differentials between Mexico, the US, and Japan, and the US presidential election. The USD/MXN exchange rate went from 17.1 to 20.7, hitting a low of 16.3 in April and a high of 20.7 in November. The EUR/MXN exchange rate went from 18.7 to 21.6.

The exchange risk management policy and the hedging arrangements put in place by the Ferragamo Group (for details, please refer to section 3 "Management of financial risks" of the Explanatory notes to the Consolidated Financial Statements and the Separate Financial Statements) mitigated the effects of the above fluctuations on the expected industrial margin.

4. The Group's operating performance

2024 was characterized by a complex market environment, marked by ongoing geopolitical tensions and macroeconomic uncertainties, which had an impact on the demand for luxury goods. The sector has experienced a period of normalization, primarily due to a challenging global environment for the wholesale channel and the slowdown in Asian markets, particularly in China, along with the contraction of the consumer base, resulting in increased pressure on aspirational consumption. This market environment, marked by a particularly challenging first half of the year, adversely affected the financial results for the year in terms of both revenues and profitability. The latter was also impacted by the non-monetary impact of the write-downs resulting from impairment tests.

The results of the Salvatore Ferragamo Group for 2024 are heavily penalized, both in terms of revenues (with a decline of 10.5% at current exchange rates and 8.2% at constant exchange rates compared to 2023) and results (the operating result decreased from a profit of 72.0 million Euro in 2023 to a loss of 49.0 million Euro).

The write-downs of assets resulting from impairment tests recorded by the Group in 2024 amounted to 83.6 million Euro (related to impairment of tangible and intangible assets, investment property and right-of-use assets), while in 2023 they amounted to 6.6 million Euro.



Net of these write-downs, the result would have been an adjusted operating profit of 34.6 million Euro in 2024, compared to an adjusted operating profit of 78.7 million Euro in the previous year. There was a moderate decrease in gross profit, amounting to 71.5% as a percentage of revenues in 2024 (compared to 72.6% in the previous year). Finally, the Group posted a 68.1 million Euro net loss for the period, compared to 26.2 million Euro in net profit for the previous year.

The Group's adjusted net financial position (surplus), amounting to 172.8 million Euro, remains solid and positive, albeit down from 224.4 million Euro recorded as at 31 December 2023, after the payment of dividends in the amount of 16.6 million Euro and capital expenditure on fixed assets made during the year in the amount of 70.7 million Euro.

The following table shows the main income statement data:

(In thousands of Euro)	2024	% of Revenues	2023	% of Revenues	% change
Revenues	**1,035,106**	**100.0%**	**1,156,271**	**100.0%**	**(10.5%)**
Gross profit	**740,008**	**71.5%**	**839,432**	**72.6%**	**(11.8%)**
Style, product development and logistics costs	(47,038)	(4.5%)	(53,086)	(4.6%)	(11.4%)
Sales & distribution costs	(496,519)	(48.0%)	(454,649)	(39.3%)	9.2%
Communication and marketing costs	(86,661)	(8.4%)	(113,695)	(9.8%)	(23.8%)
General and administrative costs	(157,093)	(15.2%)	(137,142)	(11.9%)	14.5%
Other operating costs	(25,703)	(2.5%)	(29,721)	(2.6%)	(13.5%)
Other income	24,005	2.3%	20,883	1.8%	14.9%
Total operating costs (net of other income)	**(789,009)**	**(76.2%)**	**(767,410)**	**(66.4%)**	**2.8%**
Operating profit/(loss)	**(49,001)**	**(4.7%)**	**72,022**	**6.2%**	**na**
Net financial income and charges	(26,576)	(2.6%)	(26,438)	(2.3%)	0.5%
Profit/(loss) before taxes	**(75,577)**	**(7.3%)**	**45,584**	**3.9%**	**na**
Income taxes	7,508	0.7%	(19,349)	(1.7%)	na
Net profit/(loss) for the period	**(68,069)**	**(6.6%)**	**26,235**	**2.3%**	**na**
Net profit/(loss) – Group	(68,087)	(6.6%)	26,060	2.3%	na
Net profit/(loss) – minority interests	18	0.0%	175	0.0%	(89.7%)
Amortization, depreciation and write-downs	264,219	25.5%	179,789	15.5%	47.0%
EBITDA	**215,218**	**20.8%**	**251,811**	**21.8%**	**(14.5%)**
Write-down of assets resulting from impairment tests	83,606	8.1%	6,644	0.6%	>100%
Adjusted operating profit/(loss)	**34,605**	**3.3%**	**78,666**	**6.8%**	**(56.0%)**

In 2024, **revenues** reached 1,035,106 thousand Euro, compared to 1,156,271 thousand Euro in 2023, down 10.5% at current exchange rates. The five main currencies other than the Euro in which the Group generates most of its revenues, i.e., US Dollar, Chinese Renminbi, Japanese Yen, Mexican Peso and South-Korean Won, performed as follows in 2024 compared to the previous year: the US Dollar depreciated by 0.1%[2], the Chinese Renminbi depreciated by 1.7%[3], the Japanese Yen depreciated by 7.8%[4], the South-Korean Won depreciated by 4.4%[5], and the Mexican Peso depreciated by 3.4%[6] against the Euro, the currency in which the amounts in the consolidated financial statements are expressed. Revenues were down 8.2% at constant exchange rates (applying the average exchange rate for 2024 to the revenues for 2023 – net of the hedging impact). With reference to the fourth quarter of 2024 only, revenues amounted to 291,214 thousand Euro, down 6.7% compared to the same quarter of the previous year (down 4.0% at constant exchange rates). Currency hedges of revenues resulted in a positive 4,842 thousand Euro adjustment to revenues in 2024, compared to a positive 16,845 thousand Euro adjustment in 2023.

In 2024, **gross profit** totaled 740,008 thousand Euro, down 11.8% from 839,432 thousand Euro in the previous year. Gross profit as a percentage of revenues stood at 71.5%, down from 72.6% in 2023.

Total **operating costs** (net of other income) amounted to 789,009 thousand Euro in 2024, slightly up by 2.8% from 2023 (767,410 thousand Euro), and totaled 76.2% as a percentage of revenues. Compared to 2023, there is an increase in Sales and distribution costs and general and administrative costs (9.2% and 14.5%, respectively), as these items are strongly affected by the reductions in the value of assets recorded in 2024 (62,330 thousand Euro and 21,270 thousand Euro in 2024, respectively). Net of these write-downs, the items would have recorded a decrease of 3.1% and 1.0%, respectively. We note the reduction in Communication and marketing costs, which fell by 23.8% compared to 2023, when they included higher costs related to the implementation of the brand relaunch strategy, which began in 2023.

Total **operating costs**, net of impairment losses, amounted to 83,606 thousand Euro in 2024 (for details see explanatory notes 6 and 10 to the Consolidated Financial Statements), a decrease of 7.3% compared to the previous year. Because of the decrease in revenues, **EBITDA** dropped from 251,811 thousand Euro in 2023 to 215,218 thousand Euro, down 14.5%, amounting to 20.8% as a percentage of revenues compared to 21.8% in 2023.

The Group reported an **operating loss** of 49,001 thousand Euro, compared to an operating profit of 72,022 thousand Euro in 2023.

[2] With reference to the average EUR/USD exchange rate in 2024	1.0824;	2023	1.0813
[3] With reference to the average EUR/CNY exchange rate in 2024	7.7875;	2023	7.6600
[4] With reference to the average EUR/YEN exchange rate in 2024	163.8520;	2023	151.9902
[5] With reference to the average EUR/KRW exchange rate in 2024	1475.4050;	2023	1,412.8884
[6] With reference to the average EUR/MXN exchange rate in 2024	19.8314	2023	19.1830

The **adjusted operating profit** decreased from 78.7 million Euro in 2023 to 34.6 million Euro in 2024.

Net financial income and charges, amounting to a net negative figure of 26,576 thousand Euro, recorded a slight deterioration compared to 2023, when they amounted to a net negative figure of 26,438 thousand Euro. For ease of reference, financial income and charges are shown net; reference should be made to the Explanatory notes to the consolidated financial statements for separate and detailed information on charges and income

(In thousands of Euro)	2024	2023	Change 2024 vs. 2023
Net interest	2,954	6,206	(3,252)
Other net income/(charges)	402	(1,778)	2,180
Net interest and expenses on lease liabilities	(22,293)	(21,010)	(1,283)
Net gains/(losses) on exchange rate differences	5,439	(11,223)	16,662
Net financial income/(charges) for fair value adjustment of derivatives	(13,078)	1,367	(14,445)
Total	**(26,576)**	**(26,438)**	**(138)**

Net interest income decreased by 3,252 thousand Euro compared to 2023, mainly due to higher drawdowns on uncommitted credit lines by Group companies.

Net gains and losses on exchange rate differences mainly reflect the impact of commercial transactions in foreign currency. Changes in net gains and losses on exchange rate differences should be correlated with the item "Net financial income/(charges) for fair value adjustment of derivatives", which refers to the premium or discount on transactions to hedge the exchange rate risk undertaken by the Parent company and the changes in the fair value of non-hedging derivatives. The net impact of these two line items, Net gains/(losses) on exchange rate differences and Net financial income/(charges) for fair value adjustment of derivatives, shifted from a negative 9,856 thousand Euro in 2023 to a negative 7,639 thousand Euro in 2024.

Net interest and expenses on lease liabilities were up from 21,010 thousand Euro in 2023 to 22,293 thousand Euro in 2024, as a result of the renewal or signing of leases.

The 75,577 thousand Euro loss before taxes gave rise to 7,508 thousand Euro in **income taxes**. The taxes recorded in the income statement were as follows:

(In thousands of Euro)	2024	2023	Change 2024 vs. 2023
Profit/(loss) before taxes	**(75,577)**	**45,584**	**(121,161)**
Current and deferred taxes	8,617	(21,267)	29,884
Use/(provision) for taxes from previous years	(1,109)	1,918	(3,027)
Tax rate	**na**	**42.4%**	

The item "Use/(Provision) for taxes from previous years" refers for 959 thousand Euro to the tax audit on Ferragamo Japan, relating to the years 2019 to 2021, and for 150 thousand Euro to the tax audit on Ferragamo (Thailand) Limited, relating to the 2022 tax period, the amounts of which have been set aside in the current financial year (for details, please refer to the paragraph "Significant events occurred during the year – Tax and customs audits and disputes" of this document).

The Group reported a 68,069 thousand Euro consolidated **net loss** for 2024, compared to a 26,235 thousand Euro net profit for 2023. The Group share amounted to a consolidated loss of 68,087 thousand Euro, compared to a profit of 26,060 thousand Euro in the previous year.

The **adjusted net financial position (surplus)** of 172,780 thousand Euro remained solid and positive, although lower than the positive adjusted net financial position of 224,389 thousand Euro as at 31 December 2023. During the second half of 2024, there was an increase of 5,630 thousand Euro (the adjusted net financial position went from a surplus of 167,150 thousand Euro as at 30 June 2024 to a surplus of 172,780 thousand Euro as at 31 December 2024), mainly due to the positive cash generation from adjusted operating activities totaling 64.3 million Euro, net of the cash absorption resulting from investments in fixed assets, amounting to 49.4 million Euro.

Revenues

For a more detailed performance analysis, the representation of Net sales by distribution channel, geographic area and product category is shown below, excluding the effect of hedging against exchange rate risk on Revenues (Cash flow hedging effect on revenues).

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

(In thousands of Euro)	2024	% of Revenues	2023	% of Revenues	% change	at constant exchange rates
DTC	776,700	75.0%	824,204	71.3%	(5.8%)	(3.8%)
Wholesale	232,579	22.5%	295,290	25.5%	(21.2%)	(21.3%)
Net sales	**1,009,279**	**97.5%**	**1,119,494**	**96.8%**	**(9.8%)**	**(8.5%)**
Cash flow hedging effect on revenues	4,842	0.5%	16,845	1.5%	(71.3%)	na
Licenses and services	17,530	1.7%	17,218	1.5%	1.8%	1.8%
Rental income investment properties	3,455	0.3%	2,714	0.2%	27.3%	27.4%
Total	**1,035,106**	**100.0%**	**1,156,271**	**100.0%**	**(10.5%)**	**(8.2%)**

During 2024, DTC sales declined by 5.8% at current exchange rates and 3.8% at constant exchange rates. The negative trend in the Asia-Pacific region was only partially offset by the positive performance in Europe, the United States, Japan and Latin America. The DTC channel accounted for 71.3% of total revenues in 2023 and 75.0% in 2024; the process of optimizing the Group's distribution network also continued in 2024, with a net reduction of 7 directly operated stores (DOSs) compared to 31 December 2023, from 374 to 367.

The wholesale channel recorded a decrease in sales of 21.2% at current exchange rates and 21.3% at constant exchange rates, due to the general slowdown of the sector in which the Group operates and the planned rationalization of the channel.

The item "Cash flow hedging effect on revenues" reflects the impact of the policy for hedging revenues from the risk of exchange rate fluctuations and resulted in a positive adjustment on revenues in 2024 amounting to 4,842 thousand Euro, compared to a positive adjustment of 16,845 thousand Euro in 2023.

In 2024, revenues from licenses and services increased by 1.8% at both current and constant exchange rates; this item mainly consists of royalties for the licensing of the Salvatore Ferragamo trademark to the Marchon group in the eyewear industry, the Timex group in the watch industry, and the Inter Parfums group in the fragrances industry.

Revenues from rental income investment properties refer solely to the management of property located in the United States and leased/sub-leased to third parties; the item increased by 27.3% at current exchange rates and 27.4% at constant exchange rates.

The following table shows Net sales by **geographic area** and the change over the previous year:

(In thousands of Euro)	2024	% of Net sales	2023	% of Net sales	% change	at constant exchange rates
Europe	246,472	24.4%	270,596	24.2%	(8.9%)	(7.8%)
North America	307,591	30.5%	315,882	28.2%	(2.6%)	(2.6%)
Japan	82,918	8.2%	86,646	7.8%	(4.3%)	3.2%
Asia Pacific	291,385	28.9%	362,974	32.4%	(19.7%)	(18.9%)
Central and South America	80,913	8.0%	83,396	7.4%	(3.0%)	1.0%
Net sales	**1,009,279**	**100.0%**	**1,119,494**	**100.0%**	**(9.8%)**	**(8.5%)**

In Europe, net sales were down 8.9% at current exchange rates (down 7.8% at constant exchange rates) compared to the previous year, recording a positive performance of the DTC channel (in particular, the good performance at constant exchange rates of the primary channel) and a negative performance of the wholesale channel.

In North America, net sales decreased (down 2.6% at current exchange rates and at constant exchange rates), mainly impacted by the negative performance of the wholesale channel, partly offset by the positive trend in the primary DTC channel at constant exchange rates.

In Japan, revenues increased by 3.2% at constant exchange rates and decreased by 4.3% at current exchange rates.

Due to the slowdown in consumption recorded during 2024, the Asia-Pacific region was severely penalized compared to the previous year, with a 19.7% decrease in revenues at current exchange rates (down 18.9% at constant exchange rates) and a negative trend in both the DTC and wholesale channels.

The Central and South American market was down 3.0% at current exchange rates and up 1.0% at constant exchange rates in 2024, recording a positive performance at constant exchange rates of the DTC channel thanks to the primary channel, and a negative performance of the wholesale channel. The revenues generated in 2024 and 2023 by Ferragamo Argentina S.A. (which operates in a country classified as a hyperinflationary economy since 1 July 2018) were adjusted in accordance with the relevant international accounting standards (see note 2 "Basis of presentation" in the Explanatory Notes to the Consolidated Financial Statements), resulting in a positive impact of 310 thousand Euro in 2024 and 669 thousand Euro in 2023

The following table shows Net sales by **product category** and the change over the previous year:

(In thousands of Euro)	2024	% of Net sales	2023	% of Net sales	% change	at constant exchange rates
Footwear	461,001	45.7%	511,801	45.7%	(9.9%)	(8.7%)
Leather goods	412,841	40.9%	451,233	40.3%	(8.5%)	(7.1%)
Apparel	60,459	6.0%	73,506	6.6%	(17.7%)	(16.2%)
Silk and Other	74,978	7.4%	82,954	7.4%	(9.6%)	(7.6%)
Net sales	**1,009,279**	**100.0%**	**1,119,494**	**100.0%**	**(9.8%)**	**(8.5%)**

All main product categories saw a decrease in turnover compared to 2023, with footwear and leather goods accounting for 45.7% and 40.9% of turnover in 2024, respectively.

Cost of goods sold and gross profit

(In thousands of Euro)	2024	% of Revenues	2023	% of Revenues	% change
Consumables	(159,311)	(15.4%)	(172,860)	(14.9%)	(7.8%)
Services	(130,431)	(12.6%)	(138,046)	(11.9%)	(5.5%)
Personnel	(5,354)	(0.5%)	(5,931)	(0.5%)	(9.7%)
Depreciation	(2)	(0.0%)	(2)	(0.0%)	-
Cost of goods sold	**(295,098)**	**(28.5%)**	**(316,839)**	**(27.4%)**	**(6.9%)**
Gross profit	**740,008**	**71.5%**	**839,432**	**72.6%**	**(11.8%)**

In 2024, the **cost of goods sold** amounted to 295,098 thousand Euro, down 6.9% compared to 2023. Gross profit amounted to 71.5% as a percentage of revenues in 2024 compared to 72.6% in 2023, marking a decrease of 11.8% over the previous year.

Statement of financial position and Investments

Below is the statement of financial position as at 31 December 2024 reclassified by sources and uses, compared to the position as at 31 December 2023.

(In thousands of Euro)	31 December 2024	31 December 2023	% change
Property, plant and equipment, investment property, intangible assets with a finite useful life and goodwill	250,574	266,905	(6.1%)
Right-of-use assets	528,627	616,612	(14.3%)
Net working capital	222,452	228,324	(2.6%)
Other non-current assets/(liabilities), net	113,492	86,668	31.0%
Other current assets/(liabilities), net	8,440	10,244	(17.6%)
Assets/(liabilities) held for sale, net	67	63	6.3%
Net invested capital	**1,123,652**	**1,208,816**	**(7.0%)**
Group shareholders' equity	619,091	721,166	(14.2%)
Minority interests	995	997	(0.2%)
Shareholders' equity (A)	**620,086**	**722,163**	**(14.1%)**
Net financial debt/(surplus) (B)	**503,566**	**486,653**	**3.5%**
Total sources of financing (A+B)	**1,123,652**	**1,208,816**	**(7.0%)**
Net financial debt/(surplus) (B)	**503,566**	**486,653**	**3.5%**
Lease liabilities (C)	676,346	711,042	(4.9%)
Adjusted net financial debt/(surplus) (B-C)	**(172,780)**	**(224,389)**	**(23.0%)**
Adjusted net financial debt/(surplus)/ Shareholders' equity	**(27.9%)**	**(31.1%)**	

(In thousands of Euro)	31 December 2024	31 December 2023	% change
Net invested capital (a)	**1,123,652**	**1,208,816**	**(7.0%)**
Right-of-use assets recognized under Investment property (b)	-	17,563	(100.0%)
Right-of-use assets (c)	528,627	616,612	(14.3%)
Adjusted net invested capital (a-b-c)	**595,025**	**574,641**	**3.5%**

Property, plant and equipment, Investment property, Goodwill, and Intangible assets with a finite useful life

(In thousands of Euro)	31 Decembe 2024	31 December 2023	% change
Property, plant and equipment	205,560	200,688	2.4%
Investment property	6,463	22,666	(71.5%)
Goodwill	6,679	6,679	-
Intangible assets with a finite useful life	31,872	36,872	(13.6%)
Total	**250,574**	**266,905**	**(6.1%)**

The item Property, plant and equipment as at 31 December 2024 consisted of:
- the Sesto Fiorentino industrial complex, the portions of the US properties used in operating activities, and the property owned in Seoul, for a total net value of 81,707 thousand Euro;
- furnishings and renovation work for the chain of directly operated stores, totaling 83,074 thousand Euro;
- other assets, mainly for IT equipment, plant and machinery and tangible assets in progress, for a total net value of 40,779 thousand Euro.

Investment property represents the portion of American properties not used in operating activities, which generates income through leases. This item also includes Right-of-use assets relating to leases of properties held for rental purposes in the United States, fully written down as at 31 December 2024. In addition, starting from 2024, the item includes the building of Salvatore Ferragamo S.p.A. used for general interest production activities at the area owned by the Parent company in the municipality of Sesto Fiorentino-Osmannoro.

The amount of Goodwill was entirely acquired in 2020 through the business combination of Arts S.r.l. and Aura 1 S.r.l. and is attributable to the synergies and other economic benefits arising from the combination of the assets of the acquirees with those of Salvatore Ferragamo S.p.A., with respect to the design and manufacturing of men's footwear. Intangible assets with a finite useful life largely consist of capitalized costs for the development of business software applications (SAP, ERP, reporting systems, shipping system, e-commerce platform), the know-how acquired in the business combination with Arts S.r.l. and Aura1 S.r.l., finalized in 2020 (for a net residual value of 2,592 thousand Euro as at 31 December 2024), and the costs incurred to acquire the right to enter into store lease contracts (the so-called "key money", for a net residual value of 480 thousand Euro as at 31 December 2024). The remainder refers to registration expenses for trademarks, industrial patents and intellectual property rights (software licenses) and intangible assets with a finite useful life in progress.

During 2024, write-downs resulting from impairment were recorded on tangible and intangible assets and investment property in the amount of 30,939 thousand Euro, compared to 6,644 thousand Euro recorded in 2023.

Investments in fixed assets

During 2024, the Group made investments in tangible and intangible assets for a total amount of 70,738 thousand Euro, of which 61,308 thousand Euro in tangible assets and 9,430 thousand Euro in intangible assets, compared to a total of 71,742 thousand Euro in the previous year.

The most significant investments in tangible assets were allocated to the opening and renovation of stores (50.9 million Euro, approximately 81% of total investments in tangible assets), the renovation of the Milan offices on Corso Matteotti, and other improvement works at the Parent company's facility (2.5 million Euro, approximately 4.0% of total investments in tangible assets). The main investments in intangible assets refer to the development of software to support business processes (totaling 7.0 million Euro, approximately 97% of total investments in intangible assets), including the developments related to the e-commerce platform, the "New Pos Solution" project aimed at implementing the new cash and back-office system, "Oracle Xstore" for the Group's DTC channel, as well as the purchase of software licenses.

Investments in intangible assets also include the initial direct costs incurred in the first half of 2024 mainly by Salvatore Ferragamo S.p.A. (1.6 million Euro) for the opening of a new store in Italy.

Investments in tangible assets under construction, amounting to 20.8 million Euro, mainly concerned the investments made for the refurbishment and opening of new stores which were not yet operational as at the reporting date.

Investments in intangible assets in progress, amounting to 3.3 million Euro, are mainly represented by the investment in software development to support business processes.

During 2024, the Group did not make any investments in financial assets, except as noted below under Net financial debt. Amortization and depreciation (excluding depreciation of Right-of-use assets) totaled 52,017 thousand Euro as at 31 December 2024, up from 50,146 thousand Euro in 2023 (3.7%).

Right-of-use assets

The item, totaling 528,627 thousand Euro as at 31 December 2024, refers to the "Right-of-use assets" recognized against "Lease liabilities" following the application of the IFRS16 accounting standard.

The portion of "Right-of-use assets" relating to leases of properties held for rental purposes in the United States is included under "Investment property" and was fully written down as at 31 December 2024.

During 2024, write-downs resulting from impairment on Right-of-use assets were recorded in the amount of 52,667 thousand Euro.

Net working capital

Below is the breakdown and change in net working capital as at 31 December 2024 compared to the figure as at 31 December 2023.

(In thousands of Euro)	31 December 2024	31 December 2023	% change
Inventories and Right of return assets	313,799	304,389	3.1%
Trade receivables	84,580	106,821	(20.8%)
Trade payables and Refund liabilities	(175,927)	(182,886)	(3.8%)
Total	**222,452**	**228,324**	**(2.6%)**

Net working capital was down 2.6% compared to 31 December 2023, mainly due to the decrease in Trade receivables. Specifically, inventories of finished products were up 14,616 thousand Euro compared to 31 December 2023 (up 5.4%), while raw materials for production were down 17.6%, or 5,073 thousand Euro, compared to 31 December 2023, and depend on production volumes for the period.

Trade receivables decreased by 22,241 thousand Euro from 31 December 2023 (down 20.8%) and essentially referred to sales in the wholesale channel and, to a lesser extent, to e-commerce or DTC sales in department stores.

Trade payables mainly refer to purchases of production materials (raw materials and accessories), finished products, and costs relating to outsourced manufacturing.

Shareholders' equity

(In thousands of Euro)	31 December 2024	31 December 2023	% change
Group shareholders' equity	619,091	721,166	(14.2%)
Minority interests	995	997	(0.2%)
Total	**620,086**	**722,163**	**(14.1%)**

The changes in the Group's share of shareholders' equity are due to the combined effect of the following:

- decrease of 68,087 thousand Euro in profit/(loss) for the period;
- decrease of 16,568 thousand Euro as a result of the dividends paid by the Parent company Salvatore Ferragamo S.p.A.;
- decrease of 10,116 thousand Euro attributable to the translation into Euro of the financial statements of subsidiaries denominated in other currencies, and decrease of 463 thousand Euro resulting from other translation effects;
- increase of 2,832 thousand Euro related to the Stock Grant reserve, for the three outstanding share-based payment plans;
- decrease of 9,525 thousand Euro resulting from the valuation of hedging derivatives net of the relevant tax effect;
- decrease of 235 thousand Euro due to the accounting of the put option on the minority interests of the Japanese company;
- increase of 87 thousand Euro due to the actuarial valuation of outstanding defined-benefit plans at some of the Group's companies.

Net financial debt

Net financial debt as at 31 December 2024 and 31 December 2023 was as follows:

(In thousands of Euro)	31 December 2024	31 December 2023	% change
Cash and cash equivalents (A)	238,194	268,988	(11.4%)
Other current financial assets (B)	50,721	36,812	37.8%
Interest-bearing loans & borrowings (C)	113,291	80,129	41.4%
Other financial liabilities (D)	2,844	1,282	>100%
Lease liabilities (E)	676,346	711,042	(4.9%)
Net financial debt/(surplus) (C + D + E – A – B)	**503,566**	**486,653**	**3.5%**

Net financial debt, including lease liabilities, was up from 486,653 thousand Euro as at 31 December 2023 to 503,566 thousand Euro as at 31 December 2024, mainly due to an increase in loans and borrowings (through the use of uncommitted credit lines by subsidiaries). During 2024, Salvatore Ferragamo S.p.A., also in view of the expected decline in interest rates, continued on the path of diversifying its liquidity, which started in 2022, with an insurance investment in a multi-branch policy that can be quickly converted into cash, for a total of 40.4 million Euro, and an investment in short-term Italian government bonds (Buoni Ordinari del Tesoro) for a total of 10.0 million Euro.

Net financial debt, excluding lease liabilities, as at 31 December 2024 and 2023 was restated as follows:

(In thousands of Euro)	31 December 2024	31 December 2023	% change
Net financial debt/(surplus) (a)	503,566	486,653	3.5%
Non-current lease liabilities	552,344	596,603	(7.4%)
Current lease liabilities	124,002	114,439	8.4%
Lease liabilities (b)	676,346	711,042	(4.9%)
Adjusted net financial debt/(surplus) (a-b)	**(172,780)**	**(224,389)**	**(23.0%)**

2024 ended with a positive adjusted net financial position (surplus) of 172,780 thousand Euro, down 51,609 thousand Euro from the previous year. The change was largely due to the adjusted cash flow generated by operating activities, which was positive to the tune of 45,721 thousand Euro, net of cash used in 2024 to invest in tangible and intangible assets (70,738 thousand Euro) and to pay dividends (16,568 thousand Euro) as resolved by the Parent company.

Income and financial indicators

The tables below show the trend in the main income and financial indicators for the years ended 31 December 2024 and 2023.

These indicators are based on the data from the consolidated financial statements. To better understand them, they should be read in conjunction with the alternative performance measures and financial statements prepared in accordance with the relevant accounting standards (IFRS) described in this document

Profitability ratios	**2024**	**2023**
ROE *(Group net profit/(loss) for the period/Average Group shareholders' equity)*	(10.2%)	3.5%
ROI *(Operating profit/(loss)/Net average invested capital))*	(4.2%)	6.6%
ROIC *(Net profit/(loss)/Average adjusted net invested capital)*	(11.6%)	5.0%
ROS *(Operating profit/(loss)/Revenues*	(4.7%)	6.2%

Financial ratios	**2024**	**2023**
Coverage of shareholders' equity ratio *(Shareholders' equity/Non-current assets)*	65.9%	70.5%
Liquidity ratio *(Current assets excluding Inventories/Current liabilities)*	94.1%	111.4%

Turnover ratios expressed in days	**2024**	**2023**
Turnover of Trade receivables *(Average value of Trade receivables in the period/Revenues x days)*	34	32
Turnover of Trade payables *(Average value of Trade payables in the period/Purchases of goods and services x days)*	105	96
Inventory turnover *(Average value of Inventories in the period/Cost of goods sold x days)*	375	330
Turnover of Average invested capital *(Average value of Net invested capital/Revenues x days)*	411	345

Average value means the simple arithmetic average of the closing balances of the period and of the previous period.

5. Operating performance of the Parent company Salvatore Ferragamo S.p.A.

The tables below and the relevant comments have been prepared on the basis of the separate financial statements as at 31 December 2024, to which reference should be made. They have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and endorsed by the European Union, as well as in compliance with the provisions issued in implementation of Article 9 of Italian Legislative Decree no. 38/2005.

The following table shows the main income statement indicators:

(In thousands of Euro)	2024	% of Revenues	2023	% of Revenues	% change
Revenues	**630,795**	**100.0%**	**734,820**	**100.0%**	**(14.2%)**
Change in inventories of finished products	178	0.0%	(297)	(0.0%)	na
Costs for raw materials, goods and consumables	(166,075)	(26.3%)	(185,853)	(25.3%)	(10.6%)
Costs for services	(244,177)	(38.7%)	(255,208)	(34.7%)	(4.3%)
Personnel costs	(80,901)	(12.8%)	(86,646)	(11.8%)	(6.6%)
Amortization, depreciation and write-downs	(48,984)	(7.8%)	(42,316)	(5.8%)	15.8%
Other operating costs	(149,078)	(23.6%)	(63,596)	(8.7%)	na
Other income	19,683	3.1%	13,794	1.9%	42.7%
Total costs (net of other income)	**(669,354)**	**(106.1%)**	**(620,122)**	**(84.4%)**	**7.9%**
Operating profit/(loss)	**(38,559)**	**(6.1%)**	**114,698**	**15.6%**	**na**
Net financial (charges)/income	(38,517)	(6.1%)	(1,350)	(0.2%)	na
Profit/(loss) before taxes	**(77,076)**	**(12.2%)**	**113,348**	**15.4%**	**na**
Income taxes	6,541	1.0%	(26,348)	(3.6%)	na
Tax rate	*na*		*23.2%*		
Net profit/(loss) for the period	**(70,535)**	**(11.2%)**	**87,000**	**11.8%**	**na**
EBITDA	**10,425**	**1.7%**	**157,014**	**21.4%**	**(93.4%)**

The Company's **revenues** totaled 630,795 thousand Euro, down 14.2% from 734,820 thousand Euro in 2023.

The increase in **operating costs (net of other income)** was mainly due to the greater negative impact of the application of the Advance Pricing Agreement for EBIT adjustments by Salvatore Ferragamo S.p.A. to its foreign subsidiaries that perform distribution operations (net negative contribution of 138,377 thousand Euro in 2024 compared to 51,542 thousand Euro in 2023), which, combined with the slowdown in revenues, resulted in a worsening of **operating profit/(loss)** by 153,257 thousand Euro.

In 2024, **EBITDA** fell from 157,014 thousand Euro to 10,425 thousand Euro, and from 21.4% in 2023 to 1.7% as a proportion of revenues.
The following table shows **net financial income and charges** and the change compared to 2023. For ease of reference, financial income and charges are shown net; reference should be made to the Explanatory notes to the separate financial statements for separate and detailed information on charges and income.

(In thousands of Euro)	2024	2023	Change 2024 vs 2023
Dividends from equity investments	-	25,512	(25,512)
Financial income/(charges) for fair value adjustment of derivatives	(13,351)	1,447	(14,798)
Restatement value/(write-downs) of equity investments	(41,120)	(23,564)	(17,556)
Net gains/(losses) on exchange rate differences	7,620	(8,586)	16,206
Net interest on lease liabilities	(5,753)	(5,625)	(128)
Other net income/(charges)	(1,555)	(1,482)	(73)
Net interest	15,642	10,948	4,694
Total	**(38,517)**	**(1,350)**	**(37,167)**

Total Net financial income and charges declined over 2023, totaling 38,517 thousand Euro in charges compared to 1,350 thousand Euro in charges in the previous year, mainly due to higher net write-downs on equity investments and the failure of subsidiaries to distribute dividends in 2024. Net gains and losses on exchange rate differences mainly reflect the impact of commercial transactions in foreign currency. Changes in net gains and losses on exchange rate differences should be correlated with the item "Net financial income/(charges) for fair value adjustment of derivatives", which refers to the premium or discount on transactions to hedge the exchange rate risk undertaken by the Company, and the changes in the fair value of non-hedging derivatives.

The **loss before taxes**, amounting to 77,076 thousand Euro, caused the Company to recognize 6,541 thousand Euro in taxes, whereas in 2023 the Company had posted a 113,348 thousand Euro profit before taxes, recognizing 26,348 thousand Euro in taxes.

The Company reported a **net loss for the period** of 70,535 thousand Euro, compared to a 87,000 thousand Euro net profit in 2023. Net of (i) the write-downs recorded on equity investments and investment property, and (ii) the net EBIT adjustments to subsidiaries (totaling 165,107 thousand Euro in 2024 and 53,942 thousand Euro in 2023), the net result for 2024 would have been a net profit of 94,572 thousand Euro compared to a net profit of 140,942 thousand Euro in the previous year.

Revenues

For a more detailed performance analysis, the representation of Net sales by distribution channel, geographic area and product category is shown below, excluding the effect of hedging against exchange rate risk on Revenues (Cash flow hedging effect on revenues).
The following table shows revenues by **distribution channel** and the change over the previous year:

(In thousands of Euro)	2024	% of Revenues	2023	% of Revenues	% change
Wholesale	518,588	82.2%	615,482	83.8%	(15.7%)
DTC	73,338	11.6%	65,746	8.9%	11.5%
Net sales	**591,926**	**93.8%**	**681,228**	**92.7%**	**(13.1%)**
Cash flow hedging effect on revenues	4,842	0.8%	16,845	2.3%	(71.3%)
Revenues from royalties	13,845	2.2%	13,532	1.8%	2.3%
Other income and services	20,182	3.2%	23,215	3.2%	(13.1%)
Revenues	**630,795**	**100.0%**	**734,820**	**100.0%**	**(14.2%)**

Wholesale revenues refer mainly to sales to Group companies and, to a lesser extent, sales to retailers, and show a decrease of 15.7% compared to the previous year.

DTC sales, which refer to the revenues generated by directly operated stores (DOS) in Italy and e-commerce sales in Europe, were up 11.5% from 2023.

"Revenues from royalties" refer mainly to revenues from the licensing of the Ferragamo trademark with reference to the eyewear, watches, and fragrances product categories.

The item "Other income and services" mainly includes other revenues to Group companies and the recovery of freight and packaging costs.

The following table shows Net sales by **geographic area** and the change over the previous year.

(In thousands of Euro)	2024	% of Net sales	2023	% of Net sales	% change
Italy	113,937	19.2%	120,777	17.7%	(5.7%)
Europe (excluding Italy)	93,760	15.8%	112,316	16.5%	(16.5%)
North America	151,431	25.6%	164,433	24.1%	(7.9%)
Asia Pacific	158,077	26.7%	201,760	29.6%	(21.7%)
Japan	34,468	5.9%	35,722	5.3%	(3.5%)
Central and South America	40,253	6.8%	46,220	6.8%	(12.9%)
Net sales	**591,926**	**100.0%**	**681,228**	**100.0%**	**(13.1%)**

All markets saw a slowdown in net sales compared to 2023. Asia Pacific continues to be the largest contributor to the Company's sales, with a 26.7% share.

The following table shows Net sales broken down by product category and the change over the previous year.

(In thousands of Euro)	2024	% of Net sales	2023	% of Net sales	% change
Footwear	264,116	44.6%	311,075	45.7%	(15.1%)
Leather goods	242,956	41.0%	257,784	37.8%	(5.8%)
Apparel	46,389	7.8%	70,171	10.3%	(33.9%)
Silk and Other	38,465	6.5%	42,198	6.2%	(8.8%)
Net sales	**591,926**	**100.0%**	**681,228**	**100.0%**	**(13.1%)**

All product categories recorded a decrease compared to 2023.

Statement of financial position and Investments

Below is the statement of financial position as at 31 December 2024 reclassified by sources and uses, compared to the position as at 31 December 2023

(In thousands of Euro)	31 December 2024	31 December 2023	% change
Property, plant and equipment, intangible assets with a finite useful life, goodwill, and investment property	134,265	144,102	(6.8%)
Right-of-use assets	149,634	144,677	3.4%
Net working capital	(19,994)	72,985	na
Other non-current assets/(liabilities), net	106,043	123,867	(14.4%)
Other current assets/(liabilities), net	11,568	2,890	na
Net invested capital	**381,516**	**488,521**	**(21.9%)**
Shareholders' equity (A)	**623,869**	**717,585**	**(13.1%)**
Net financial debt/(surplus) (B)	**(242,353)**	**(229,064)**	**5.8%**
Total sources of financing (A+B)	**381,516**	**488,521**	**(21.9%)**
Net financial debt/(surplus) (B)	**(242,353)**	**(229,064)**	**5.8%**
Lease liabilities (C)	166,225	158,889	4.6%
Adjusted net financial debt/(surplus) (B-C)	**(408,578)**	**(387,953)**	**5.3%**
Adjusted net financial debt/Shareholders' equity	**(65.5%)**	**(54.1%)**	

Investments in fixed assets

During 2024, the Company made investments in tangible and intangible assets for a total amount of 19,470 thousand Euro, of which 11,204 thousand Euro in tangible assets and 8,266 thousand Euro in intangible assets, compared to a total of 31,540 thousand Euro in the previous year.

The most significant investments in tangible assets during the year relate to: (i) the opening of new stores in the Italian chain (in particular, the completion of the renovation, which began in 2023, of the Milan Woman store opened in February 2024, where Ferragamo's new store concept was implemented), (ii) the renovation of the Milan offices on Corso Matteotti, and finally (iii) the works carried out inside the Osmannoro-Sesto Fiorentino facility.

The main investments in intangible assets refer to the development of software to support business processes, including the developments related to the e-commerce platform, the "New Pos Solution" project aimed at implementing the new cash and back-office system, "Oracle Xstore" for the Group's DTC channel, as well as the purchase of software licenses.

Investments in tangible assets under construction, amounting to 1.6 million Euro, mainly concerned expenses incurred and advances disbursed, pertaining to store renovations not yet completed at the end of the year, as well as some works at the Osmannoro-Sesto Fiorentino facility.
Investments in intangible assets also include the initial direct costs incurred in the first half of 2024 by Salvatore Ferragamo S.p.A. (1.6 million Euro) for the opening of a new store in Italy.
Investments in intangible assets in progress, amounting to some 3.3 million Euro, are mainly represented by the investment in software development to support business processes.

Amortization and depreciation (excluding depreciation of Right-of-use assets) totaled 22,367 thousand Euro as at 31 December 2024, compared to 21,608 thousand Euro as at 31 December 2023.

On 16 April 2024, Ferragamo Argentina SA issued new shares for a total of 1,050 million Argentine Pesos, subscribed 95% by Salvatore Ferragamo S.p.A. through the conversion of past receivables due (for a total of 1,080 thousand Euro) and 5% by Ferragamo USA Inc;

On 21 June 2024, Ferragamo Retail Macau Limited issued new shares for a total of 17.25 million MOP, fully subscribed by Salvatore Ferragamo S.p.A. through cash payment;
On 27 June 2024, Ferragamo (Thailand) Ltd issued new shares for a total of 120 million Thai Bath, fully subscribed by Salvatore Ferragamo S.p.A. through cash payment.
For further information on investments in financial assets, please refer to the following comments under "Net financial debt/(surplus)".

Net working capital

Below is the breakdown and change in **net working capita**l as at 31 December 2024 compared to the figure as at 31 December 2023

(In thousands of Euro)	31 December 2024	31 December 2023	% change
Inventories and Right of return assets	86,799	91,694	(5.3%)
Trade receivables	173,040	182,345	(5.1%)
Trade payables and Refund liabilities	(279,833)	(201,054)	39.2%
Total	**(19,994)**	**72,985**	**na**

Inventories and right of return assets were down 4,895 thousand Euro overall, i.e. 5.3%, mainly due to the 5,073 thousand Euro net decrease in inventories of raw materials for production, while inventories of finished products increased 3.3% over 2023; finally, right of return assets decreased 1,509 thousand Euro (the item amounted to 10,500 thousand Euro as at 31 December 2024).

Trade receivables totaled 173,040 thousand Euro, showing a decrease of 5.1% over 2023, and included 148,684 thousand Euro in receivables from subsidiaries (149,206 thousand Euro in 2023) and 24,356 thousand Euro in receivables from third parties (33,139 thousand Euro in 2023).

Trade payables and Refund liabilities amounted to 279,833 thousand Euro (including 20,170 thousand Euro in refund liabilities). They largely referred to purchases of production materials, outsourcing costs, and purchases of finished goods. The increase is attributable for 90,632 thousand Euro to the higher negative adjustment related to the Advance Pricing Agreement on subsidiaries compared to 2023, recorded in Other operating costs.

Net financial debt/(surplus)

Net financial debt/(surplus) as at 31 December 2024 compared to 31 December 2023 was as follows:

(In thousands of Euro)	31 December 2024	31 December 2023	% change
Cash and cash equivalents (A)	172,324	203,180	(15.2%)
Other current financial assets (B)	243,540	185,142	31.5%
Interest-bearing loans & borrowings (C)	5,575	-	na
Other current financial liabilities (D)	1,711	369	na
Lease liabilities (E)	166,225	158,889	4.6%
Net financial debt/(surplus) (C+D+E–A–B)	**(242,353)**	**(229,064)**	**5.8%**

The net financial surplus increased from 229,064 thousand Euro as at 31 December 2023 to 242,353 thousand Euro as at 31 December 2024. As of 2022, in order to manage cash and liquidity more efficiently at the Group level, the Company has entered into a cash pooling agreement with a number of subsidiaries. During 2024, Salvatore Ferragamo S.p.A., also in view of the expected decline in interest rates, continued on the path of diversifying its liquidity, which started in 2022, with an insurance investment in a multi-branch policy that can be quickly converted into cash, for a total of 40.4 million Euro, and an investment in short-term Italian government bonds (*Buoni Ordinari del Tesoro*) for a total of 10.0 million Euro (a total of 35,240 thousand Euro as at 31 December 2023).

Net financial debt/(surplus), excluding lease liabilities, as at 31 December 2024 and 31 December 2023 was restated as follows:

(In thousands of Euro)	31 December 2024	31 December 2023	% change
Net financial debt/(surplus) (a)	**(242,353)**	**(229,064)**	**5.8%**
Non-current lease liabilities	145,809	140,633	3.7%
Current lease liabilities	20,416	18,256	11.8%
Lease liabilities (b)	**166,225**	**158,889**	**4.6%**
Adjusted net financial debt/(surplus) (a-b)	**(408,578)**	**(387,953)**	**5.3%**

2024 ended with a positive adjusted net financial position (surplus) of 408,578 thousand Euro, up from 387,953 thousand Euro as at 31 December 2023. The net financial position of the Company is very positive; the change was mainly affected by the cash generation from adjusted operating activities of 64,286 thousand Euro, net of the cash absorption resulting from: (i) investments in tangible and intangible assets made during 2024 (amounting to 19,470 thousand Euro); (ii) the payment of dividends (amounting to 16,568 thousand Euro); and lastly (iii) the subscription of new shares in some subsidiaries totaling 5,077 thousand Euro.

Income and financial indicators

The tables below set out the trend in the main income and financial indicators of the Parent company for the years ended 31 December 2024 and 2023.

These indicators are based on the data from the separate financial statements. To better understand them, they should be read in conjunction with the alternative performance measures and financial statements prepared in accordance with the relevant accounting standards (IFRS) described in this document

Profitability ratios	**2024**	**2023**
ROE (*Net profit for the period/Average shareholders' equity*)	(10.5%)	12.5%
ROI (*Operating profit/Net average invested capital*)	(8.9%)	25.2%
ROS (*Operating profit/Revenues from sales and services*)	(6.1%)	15.6%

Financial ratios	**2024**	**2023**
Coverage of shareholders' equity ratio (*Shareholders' equity/Non-current assets*)	87.4%	156.5%
Liquidity ratio (*Current assets excluding inventories/Current liabilities*)	190.9%	246.9%

Turnover ratios expressed in days	**2024**	**2023**
Turnover of trade receivables *(Average value of Trade receivables in the period/Revenues from sales and services x days)*	103	85
Turnover of trade payables *(Average value of Trade payables in the period/Costs for raw materials, goods and consumables and Costs for services x days)*	195	133
Inventory turnover *(Average value of Inventories in the period/cost of goods sold x days)*	99	89
Turnover of average invested capital *(Average value of invested capital/Revenues from sales and services x days)*	252	226

Average value means the simple arithmetic average of the closing balances of the period and of the previous period.

6. Reconciliation between the Parent company's net profit/(loss) for the period and shareholders' equity and Group's figures

The reconciliation statement between the Parent company's net profit/(loss) for the period and shareholders' equity, and the corresponding consolidated figures, is provided below:

(In thousands of Euro)	31 December 2024	
	Shareholders' equity	Net profit/(loss) for the period
Parent company Salvatore Ferragamo S.p.A. figures	**623,869**	**(70,535)**
Elimination of equity investments and subsidiaries' contribution to Consolidated Shareholder's Equity	127,406	(27,996)
Elimination of unrealized profits, deriving from transactions between Group companies, relating to inventories, net of the deferred tax effect	(149,825)	31,698
Other consolidation adjustments	18,636	(1,236)
Total shareholders' equity and net profit/(loss)	**620,086**	**(68,069)**
Minority interests – shareholders' equity and net profit/(loss)	995	18
Group – shareholders' equity and net profit/(loss)	**619,091**	**(68,087)**

7. Results of Group companies

The main highlights of subsidiaries are shown in the table below.

(In thousands)		2024		2023	
Company	Currency	Revenues	Shareholders' equity	Revenues	Shareholders' equity
Ferragamo Australia Pty Ltd.	AUD	20,873	23,099	22,757	23,076
Ferragamo Japan K.K.	JPY	13,592,373	1,487,800	13,139,599	1,430,279
Ferragamo Korea Ltd.	KRW	85,877,141	84,020,923	98,392,189	81,574,307
Ferragamo Espana S.L.	EUR	20,207	4,475	15,768	4,247
Ferrimag Limited	HKD	-	44,013	-	130,253
Ferragamo Retail HK Limited	HKD	156,673	(377,938)	220,174	(397,162)
Ferragamo Retail Taiwan Limited	TWD	516,820	439,591	628,732	429,300
Ferragamo Mexico S. de R.L. de C.V.	MXN	1,165,496	874,011	1,145,802	856,699
Ferragamo Retail Nederland B.V.	EURO	2,640	1,479	4,287	1,613
Ferragamo Fashion Trading (Shanghai) Co. Ltd.	CNY	919,687	685,522	1,067,029	783,214
Ferragamo (Singapore) Pte. Ltd.	SGD	16,805	(9,983)	17,352	(8,861)
Ferragamo (Thailand) Limited	THB	207,990	(119,862)	234,984	(222,472)
Ferragamo (Malaysia) Sdn Bhd	MYR	38,304	13,636	42,586	16,786
Ferragamo Hong Kong Ltd.	USD	120,671	90,248	181,927	93,593
Gruppo Ferragamo USA	USD	336,971	63,193	344,737	91,352
Ferragamo Deutschland GmbH	EURO	8,184	507	8,123	2,881
Ferragamo Belgique SA	EURO	1,274	667	1,090	685
Ferragamo Monte-Carlo S.A.M.	EURO	872	(3,537)	732	(1,358)
Ferragamo (Suisse) SA	CHF	6,672	(1,748)	7,383	1,866
Ferragamo U.K. Limited	GBP	15,187	1,483	16,648	6,187
Ferragamo France S.A.S.	EURO	18,182	7,562	18,739	10,950
Ferragamo Chile S.A.	CLP	1,410,076	712,669	1,574,334	681,769
Ferragamo Austria GmbH	EURO	3,487	3,233	2,920	4,242
Ferragamo Retail India Private Limited	INR	-	(474,058)	-	(467,175)
Ferragamo Retail Macau Limited	MOP	68,487	(10,315)	78,586	235
Ferragamo Moda (Shanghai) Co.Ltd.	CNY	143,078	(182,660)	198,562	(105,957)
Ferragamo Brasil Roupas e Acessorios Ltda.	BRL	77,316	21,898	63,848	21,888
Ferragamo Argentina S.A.	ARS	2,261,441	(34,823)	1,371,660	(1,205,826)

8. Significant events occurred during the year

Shareholders' Meetings

Two Shareholders' Meetings were held in 2024: on 23 April 2024 and 26 November 2024, respectively, as detailed below.
The Ordinary Shareholders' Meeting of Salvatore Ferragamo S.p.A. held on 23 April 2024:

- approved the Separate Financial Statements as at 31 December 2023, including the consolidated statement containing non-financial information pursuant to Italian Legislative Decree no. 254 of 30 December 2016, covering the year 2023, and resolved to distribute a dividend of 0.10 Euro per ordinary share outstanding on the ex-dividend date (net of treasury shares held);
- appointed, based on a slate-voting system, the following members of the Board of Directors for the 2024-2026 three-year period: Leonardo Ferragamo, Giacomo Ferragamo, Niccolò Ferragamo, Sara Ferrero, Fabio Gallia, Patrizia Michela Giangualano, Marco Gobbetti, Umberto Tombari, Angelica Visconti, elected from the majority slate submitted by the shareholder Ferragamo Finanziaria S.p.A., and Laura Donnini, elected from the slate submitted by a group of minority shareholders in the Company. The Shareholders' Meeting also appointed Leonardo Ferragamo as Chair of the Board of Directors and Angelica Visconti as Deputy Chair. Finally, the Shareholders' Meeting set the total gross annual remuneration of the Board of Directors as a whole at 500,000 Euro, leaving it to the Board of Directors to determine the remuneration of directors with special responsibilities;
- approved the policy concerning the remuneration of members of the governing body, managers with strategic responsibilities, and members of the control body for the year 2024 as per Section 1 of the Remuneration Policy Report and Fees Paid, and voted in favor with regard to Section 2 of said Report, which includes, *inter alia*, a list of the fees paid to said individuals in any capacity and in any form for the year ended 31 December 2023;
- approved the reasoned proposal of the Board of Statutory Auditors to reduce the fees to be paid to the Independent Auditors KPMG for carrying out the external audit of Salvatore Ferragamo S.p.A. and some foreign subsidiaries of the Salvatore Ferragamo Group for each financial year of the period from 2023 to 2028.

The Ordinary Shareholders' Meeting of Salvatore Ferragamo S.p.A. held on 26 November 2024:

- resolved to complete the composition of the governing body up to the number of ten members, as established by the Shareholders' Meeting of 23 April 2024 and, therefore, appointed Ernesto Greco, already co-opted by the Board of Directors on 15 October 2024, as director, to replace Fabio Gallia. The term of office of the new director will expire together with the entire Board of Directors on the date of the Meeting convened to approve the separate financial statements as at 31 December 2026. The same Shareholders' Meeting also confirmed the payment to Ernesto Greco of the sum of 50,000 Euro, resolved by the Shareholders' Meeting of 23 April 2024;
- approved the signing of a consultancy agreement with Ernesto Greco, concerning specialized activities in the accounting, administrative and financial fields, with a term until the Shareholders' Meeting for the approval of the Financial Statements as at 31 December 2024, for a fee not exceeding 150,000 Euro;
- adopted the new Company Shareholders' Meeting Regulations, subject to approval by the Extraordinary Shareholders' Meeting of the amendment to Article 14 of the Bylaws, in order to bring its content into line with the latter (as more fully described below).

On the same date, the Extraordinary Shareholders' Meeting approved the amendment:

- to Article 12 of the current Bylaws, aimed at: (i) removing the provision that allows the Shareholders' Meeting to be held with without formal notice and with the unanimous participation of all shareholders (so-called "totalitarian form"); (ii) simplifying the rules governing the right of shareholders to request the calling of the Shareholders' Meeting, as well as the integration of the list of items to be discussed at the Shareholders' Meeting by referring to the cases,

forms and terms provided for by the applicable pro-tempore laws and regulations in force (thus eliminating the current substantial transposition of the current regulatory text into the Bylaws); (iii) in consideration of the amendment to the Bylaws under Article 14, omitting the indication of the physical location of the Shareholder' Meeting from the notice of call, if the meeting is to be held exclusively by means of teleconferencing and videoconferencing;

- to Article 13 of the current Bylaws, aimed at simplifying the rules governing the right to attend and vote at the Shareholders' Meeting by inserting a more general reference to the law provisions, not only with regard to the conditions, but also with regard to the right to attend and vote at the Shareholders' Meeting (thus eliminating the current substantial statutory transposition of the current regulatory text);
- to Article 14 of the current Bylaws, aimed at allowing the Company to avail itself of the right provided for in the newly introduced Article 135-undecies.1 of the Consolidated Law on Finance (TUF), introducing the possibility for the Board of Directors to provide in the notice of call that attendance and exercise of voting rights at the Shareholders' Meeting shall take place exclusively by granting a proxy (or sub-proxy) to voting rights to the representative designated by the Company in the manner provided for by the applicable pro-tempore laws and regulations in force;
- to Article 20 of the current Bylaws, aimed at providing that the replacement of directors who had been drawn from the majority list can also take place from among candidates not elected from the same list;
- to Article 22 of the current Bylaws, aimed at allowing the regular conduct of meetings of the Board of Directors (and of Board committees, where established) also exclusively by telecommunication means, without the necessary simultaneous presence of the Chair and the Secretary or whoever takes their place, or of the Notary Public called to take the minutes;
- to Article 30 of the current Bylaws, aimed at: (i) specifying that meetings of the Board of Statutory Auditors may also be held exclusively by telecommunication means without specifying the physical place where the meeting is held and, consequently, (ii) eliminating any reference to the identification of a physical place where the meeting held exclusively by telecommunication means is deemed to be held.

Board of Directors

On 25 January 2024, in implementation of the Restricted Shares Plan, the Board of Directors, with the favorable opinion of the Nomination and Remuneration Committee, as part of the Plan cycle covering the year 2024, decided to grant Marco Gobbetti, CEO and General Manager, the right to receive, free of charge, 205,255 shares of Salvatore Ferragamo S.p.A. ("Restricted Shares 2024"), effective 1 January 2024. During the same meeting, the Board of Directors also resolved to transfer the Restricted Shares 2024 to Marco Gobbetti, CEO and General Manager, after checking the achievement of the minimum targets, at the end of the vesting period, on the understanding that they are subject to a twelve-month lock-up period, calculated from 1 January 2025. For more details, please refer to note 42 "Share-based payments" in the Explanatory Notes to the consolidated financial statements in this Report.

At the meeting held on 6 March 2024, the Board of Directors approved (i) the draft Separate Financial Statements as at 31 December 2023, the Consolidated Financial Statements as at 31 December 2023, and the Directors' Report on Operations for 2023, containing the consolidated Non-Financial Statement for 2023 that includes non-financial information pursuant to Italian Legislative Decree no. 254 of 30 December 2016; (ii) the Corporate Governance Report, referring to the year 2023 and prepared by the Company pursuant to Article 123-bis of the Consolidated Law on Finance (TUF); (iii) the Remuneration Policy Report 2024 and Fees Paid 2023, prepared pursuant to Article 123-ter of the Consolidated Law on Finance (TUF), Article 84-quater and Annex 3A, Scheme 7-bis of CONSOB Regulation no. 11971/1999 as amended, and Article 5 of the Corporate Governance Code for listed companies; (iv) the proposed

change to the independent auditors' fees starting from 2023, to be approved by the next Shareholders' Meeting; and resolved (v) to convene the Ordinary Shareholders' Meeting on 23 April 2024, approving the explanatory reports on the items on the agenda.

At the same meeting, the Board of Directors also resolved to propose that the Shareholders' Meeting allocate the profit for the year 2023, totaling 86,999,603 Euro, to the Extraordinary Reserve and approve the distribution of part of the profits set aside in the Extraordinary Reserve to shareholders, with a gross dividend of 0.10 Euro per share for each of the ordinary shares outstanding.

Finally, in implementation of the Restricted Shares Plan and with the favorable opinion of the Nomination and Remuneration Committee, it verified the right of Marco Gobbetti, CEO and General Manager, to receive, free of charge, 147,732 shares of Salvatore Ferragamo S.p.A. assigned to him effective 1 January 2023, as part of the Plan cycle covering the year 2023 ("Restricted Shares 2023"). The Restricted Shares 2023, which are entirely made up of treasury shares purchased by Salvatore Ferragamo S.p.A., were transferred to the securities account in the name of the CEO and General Manager in April 2024, on the understanding that they are subject to a lock-up period of twelve months from 1 January 2024 and, therefore, until 31 December 2024. For more details, please refer to note 42 "Share-based payments" in the Explanatory Notes to the consolidated financial statements in this Report.

On 23 April 2024, the Board of Directors of Salvatore Ferragamo S.p.A., which met after the Shareholders' Meeting, confirmed the appointment of Marco Gobbetti as CEO and General Manager. The Board of Directors also granted Marco Gobbetti the powers already granted during the previous term of office, including that of General Manager of the Company.

At the same meeting, the Board of Directors finally appointed, subject to the favorable opinion of the Board of Statutory Auditors, Pierre Giorgio Sallier de La Tour, former Group Chief Financial Officer and Manager with strategic responsibilities as of 18 March 2024, as Financial Reporting Manager pursuant to Article 154-bis of Italian Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance – TUF), effective 24 April 2024 and until the expiry of the term of office of the current Board of Directors.

On 9 May 2024, following the passing of the newly appointed director Fabio Gallia, the Board of Directors decided to postpone its decisions regarding the co-optation of a director pursuant to Article 2386 of the Italian Civil Code to a subsequent meeting of the Board of Directors, in order to complete its evaluations and to restore the number of directors determined by the Shareholders' Meeting of 23 April 2024. However, at this meeting, the Board of Directors proceeded to assess, in respect of all Directors, that there were no grounds for ineligibility or incompatibility and that the honesty requirements envisaged by the Decree of the Ministry of Justice no. 162 of 30 March 2000, as referred to in Articles 147-quinques and 148, paragraph 4, of the Consolidated Law on Finance, were met, on the basis of the declarations made by them when accepting their nomination and office. Moreover, on the basis of the declarations made by the Directors and the information available to the Company, the Board assessed that the independence requirements set forth in Article 148, paragraph 3 of the Consolidated Law on Finance, as referred to in Article 147-ter, paragraph 4 of the Consolidated Law on Finance, and in the Corporate Governance Code of Borsa Italiana S.p.A. ("Corporate Governance Code"), as implemented and supplemented by Article 1 of the Board of Directors Regulation, are met by the following Directors: Laura Donnini, Sara Ferrero and Patrizia Michela Giangualano. The Board of Statutory Auditors, which met on the same date, verified, in accordance with Article 4 of the Board of Directors Regulation, the proper application of the criteria and procedures adopted by the Board of Directors to assess the in-

dependence of the aforementioned Directors. Therefore, also on 9 May 2024, taking into account the results of these assessments and considering that the number of independent directors of the Company, although in compliance with the provisions of the law and of the Corporate Governance Code, would not have allowed for the diversification of the composition between the Control and Risks Committee and the Nomination and Remuneration Committee established at that meeting, the Board of Directors resolved on their new composition as follows:

- Control and Risks Committee, responsible also for Transactions with Related Parties and Corporate Sustainability: Patrizia Michela Giangualano (as Chair), Laura Donnini and Sara Ferrero.
- Nomination and Remuneration Committee: Patrizia Michela Giangualano (as Chair), Laura Donnini and Sara Ferrero.

The Board of Directors held on 15 October 2024, pursuant to Article 2386, Paragraph 1 of the Italian Civil Code, co-opted Ernesto Greco, as a non-executive and non-independent director, subject to the favorable opinion of the Nomination and Remuneration Committee and approval by the Board of Statutory Auditors. The new director was co-opted following the sudden passing of Director Fabio Gallia on 7 May 2024, and remained in office until the Shareholders' Meeting of 26 November 2024, convened on the same date. In fact, at the same meeting, the Board of Directors resolved to convene the Shareholders' Meeting for 26 November 2024, in accordance with Article 106, paragraph 4, of Italian Law Decree no. 18 of 17 March 2020, extended by Italian law no. 21/2024, to resolve during the ordinary session: (i) on the appointment of a Director and on the signing of the consultancy agreement; (ii) on the proposal to adopt a new text of the Shareholders' Meeting Regulations to replace the current one; and, during the extraordinary session, (iii) on the proposals to amend the corporate Bylaws. Also on 15 October 2024, with regard to the outlook for the Financial Year, the Board of Directors announced that, in view of the continuing uncertainties regarding demand from luxury consumers, it expects the operating profit/(loss) for the full financial year to be at the lower end of analysts' expectations at that date.

On 28 October 2024, the Board of Directors resolved not to avail itself of the option provided for in Article 18, paragraph 10, of Italian Legislative Decree no. 125 of 6 September 2024 ("Decree") and, therefore, to confirm for FY2024, Pierre La Tour, former Group CFO and Financial Reporting Manager, as the Manager in charge of certifying the Sustainability Report, in accordance with the provisions of Article 154-bis, paragraph 5-ter, of the Consolidated Law on Finance, reserving the right, for the financial years after 2024, and subject to an amendment to the Bylaws, to identify a manager with specific skills in the field of sustainability reporting, subject to the mandatory opinion of the control body, in accordance with the procedures and in compliance with the professional requirements set out in the Bylaws.

On 2 December 2024, the Board of Directors verified that the Director Ernesto Greco fulfills the requirements of honesty and that there are no grounds for ineligibility or incompatibility as provided for by the Decree of the Ministry of Justice no. 162 of 30 March 2000, as referred to in Articles 147-quinques and 148, paragraph 4, of the Consolidated Law on Finance. These outcomes were also disclosed in the Corporate Governance Report pursuant to Article 123-bis of the Consolidated Law on Finance. Also on 2 December 2024, the Board of Directors took note of the most up-to-date sales data available and confirmed the forecast for the Group's operating profit/(loss) from day-to-day business operations already disclosed by the Company in a press release published on 15 October 2024 in relation to the outlook. At the same meeting, it was also announced that the Board of Directors –having taken note of the consolidation of the situation of general slowdown in the sector in which the Group operates and of the new estimates made at that time by market analysts – had analyzed some simulations similar to those to be carried out during the impairment test in the preparation of the draft financial statements as at 31 December 2024. These simulations, which were communicated in order to ensure full transparency of information, have led to the conclusion that specific individual assets are likely to be written down by an indicative amount of between 70 and 90 million Euro. The final amount was determined during the impairment test based on the principles governing the conduct thereof such as, but not limited to, market trends and the Company's business expectations, as well as the assessments and technical parameters related to the conduct of the impairment test itself.

Direct exposure of the Salvatore Ferragamo Group to the Russia-Ukraine conflict

The conflict in Ukraine, which began in February 2022, has had limited direct impact on the majority of luxury brands, although it has important global implications.
It should be noted that the Group does not hold equity investments in companies located in the areas currently affected by the conflict, where it operated only through local distributors and with a turnover that did not represent a significant percentage at the Group level. In addition, the Group does not have any suppliers of raw materials in Russia or Ukraine, nor production sites located there. The Group has always complied with the requirements of the sanction packages adopted by the European Union against Russia.

The future evolution of the conflict and its effects in neighboring territories are not foreseeable at this time

Israel-Palestine conflict

With regard to the outbreak of the conflict between Israel and Palestine on 7 October 2023, it should be noted that the Group has no direct operational activities and has limited indirect operational activities in the territories affected by the conflict. The main impact on the Group is the effect that the resulting geopolitical tensions and instability in global financial markets have on consumption levels.

Tax and customs audits and disputes

Updates on ongoing audits

- With regard to the audit undertaken in respect of Ferragamo France S.A.S., concerning the income tax and VAT for the tax years from 2015 to 2017, concluded with an assessment for higher taxable income of 688 thousand Euro, it should be noted that on 18 December 2020, Salvatore Ferragamo S.p.A. applied to the Inland Revenue Office for a unilateral downward adjustment pursuant to Article 31-quarter, paragraph 1, letter c) of Presidential Decree no. 600 of 29 September 1973, as well as to Decision of 30 May 2018, paragraph 2.3. The request was granted on 31 January 2024: on 18 November 2024 Salvatore Ferragamo S.p.A. filed an application for refund of the higher IRAP paid on the income corresponding to the amount adjusted to Ferragamo France S.A.S. (approximately 27 thousand Euro), while on 13 December 2024 Ferragamo Finanziaria S.p.A., as the consolidating company, filed a similar IRES refund application (for approximately 189 thousand Euro).

- On 20 September 2022, the Regional Unit of the Tuscany Inland Revenue Office – Large Taxpayers Department started a documentary inspection on the tax credits related to research and development activities (pursuant to Article 3 of Italian Law Decree no. 145 of 23 December 2013) from which Salvatore Ferragamo S.p.A. benefited for the fiscal years from 2015 to 2019. Salvatore Ferragamo S.p.A. provided the requested documents and a cross-examination meeting was held on 10 October 2023, which was followed by informal discussions conducted through external consultants. On 2 August 2024, the Company and the Tuscany Regional Unit signed a Report of formal consultation between the parties, in which a total credit of 1,904 thousand Euro was recognized as admissible. At the same time, it was agreed that the Company would pay, as part of the voluntary reversal procedure pursuant to

Article 5, paragraphs 7 to 12, of Italian Legislative Decree 146/2021, a total amount of 6,809 thousand Euro for the years from 2015 to 2019, and would cancel the unused 2019 credit of 314 thousand Euro. Salvatore Ferragamo S.p.A. canceled the 2019 credit with the filing of the tax return on 30 October 2024, and paid the total amount due by the legal deadline of 16 December 2024.

- On 27 November 2023, the Tokyo Metropolitan Government Bureau of Taxation initiated a general audit of Ferragamo Japan K.K. for the years 2019 to 2023. The audit focused on transfer pricing findings for the years 2019 through 2021, when Ferragamo Japan K.K. reported a tax loss. Discussions with the auditors continue today. The company recorded 959 thousand Euro under income taxes, which corresponds to the amount expected to close the tax audit in agreement with the Japanese tax authorities.

Tax and customs audits commenced during the period

Following a destruction of obsolete goods in November 2023, in February 2024 the Bangkok Area Revenue Office 3 initiated a tax audit of Ferragamo (Thailand) Ltd in relation to the tax return for the 2022 tax year. During the discussions, the Office requested the write-off of all previous tax losses (approximately 5 million Euro on which the company had not recorded deferred tax assets) and the taxation of the 2022 profit, for a total of approximately 0.2 million Euro in taxes and penalties. The audit was concluded in November 2024 with the payment, by Ferragamo (Thailand) Ltd, of the amounts requested by the Thai tax authorities.

In addition to the above, the Group believes that, with respect to such disputes and audits, at present the risk of defeat is no more than possible.

Patent Box and Research and Development, Design, and Innovation Credits (update)

With respect to the three separate tax credits – for R&D, design and aesthetic conception, and technological innovation – introduced by Article 1 paragraph 198-209 of Italian Law no. 160 of 27 December 2019 (known as 2020 Budget Law) as amended by Article 1, paragraph 1064 of Italian Law no. 178 of 30 December 2020 (known as 2021 Budget Law), in 2024 Salvatore Ferragamo S.p.A. finalized the calculation of the credits due for 2022, totaling 1,242 thousand Euro, and credits due for 2023, totaling 1,578 thousand Euro.

For 2024, the applicable tax relief rates for Salvatore Ferragamo S.p.A. have been reduced from 10% to 5%. Consequently, the estimated credits due for 2024, equal to 704 thousand Euro, are significantly lower than in previous years. As already stated in the Annual Report 2022, as a result of the changes introduced by Article 6 of Italian Law Decree no. 146 of 21 October 2021, converted with the relevant amendments into Law no. 215 of 17 December 2021 (known

as the 2021 Tax Decree), as amended by Law no. 234 of 30 December 2021 (known as the 2022 Budget Law), the Company determined it would benefit from the new Patent Box regime, which raises to 110% the deduction, for IRES and IRAP purposes, for research and development costs associated with copyrighted software, industrial patents, designs, and models (excluding trademarks) used directly or indirectly in business operations. Therefore, starting from the tax year 2021, Salvatore Ferragamo S.p.A. can benefit from the Patent Box only with respect to designs and models and potentially other intangible assets referred to in the relevant regulation. In 2024, Salvatore Ferragamo S.p.A. finalized the calculation of the benefit for 2022 (with IRES and IRAP benefits totaling 1,281 thousand Euro), and for 2023 (with IRES and IRAP benefits totaling 1,412 thousand Euro). It should be noted that, as at 31 December 2023, the total amount of both benefits was estimated at 2,158 thousand Euro.
For 2024, the tax benefit is estimated at a total amount of 1,025 thousand Euro.

Advance Pricing Agreements (update)

- As already stated in the 2022 and 2023 Annual Reports, it should be noted that, on 20 December 2022, the Company and the Inland Revenue Office – Large Taxpayers and International Central Department, Control Sector, Office for Advance Agreements, signed the renewal of the Advance Pricing Agreement (or "APA" for short), which is effective for the five-year period from 2022 to 2026 and is substantially in line with the agreement in force for the previous five-year period from 2017 to 2021.
- With regard to the relationship between Salvatore Ferragamo S.p.A. and its subsidiary Ferragamo USA Inc., it should be noted that in recent years the two companies have filed a request for a bilateral advance pricing agreement with the two relevant tax authorities, which reached an agreement on the transfer pricing method and the relevant values as early as June 2022. On 16 April 2023, the US tax authorities and Ferragamo USA Inc. signed the advance pricing agreement for the years 2019-2023, while Salvatore Ferragamo S.p.A. signed the corresponding agreement with the Italian tax authorities on 6 June 2024. Salvatore Ferragamo S.p.A. applied for an extension for the 2024-2028 five-year period on 4 September 2024 (and the request was accepted on 25 September 2024), while Ferragamo USA Inc. applied for the corresponding extension on 30 December 2024.

Other information

Joining the cooperative compliance (Adempimento collaborativo) scheme

On 31 May 2022, Salvatore Ferragamo S.p.A. submitted a request to join the cooperative compliance (so-called "*Adempimento collaborativo*") scheme referred to in Italian Legislative Decree No. 128 of 5 August 2015, which allows the company to maintain a direct, continuous and preventive dialog with the Inland Revenue Office on the most significant transactions that may give rise to tax risks, in order to share the stances to be taken.

The scheme has undergone significant reshaping, with the tax reform enabling law (Italian Law no. 111 of August 9, 2023) implemented by Italian Legislative Decree no. 221 of December 30, 2023. The changes introduced as of 2024 include, on the one hand, an increase in the benefits of participation in the program (in terms of protection from administrative penalties, non-applicability of the offense of false tax return, reduction of the assessment periods) and, on the other hand, an increase in the requirements of the tax risk management and control system aimed at ensuring its suitability for the identification and preventive management of tax risks.

Joining this scheme is part of the Group's broader tax strategy, which has always been based on the preventive management of tax risk, in the belief that tax compliance is a fundamental value of sustainable and ethical business. In order to be eligible for the scheme, the Company adopted a Tax Control Framework (TCF), i.e., a system of internal control of tax-related processes to monitor proper compliance and proactively manage tax risk, which meets the requirements of the relevant OECD recommendations and of the Italian Internal Revenue Office guidelines. Salvatore Ferragamo S.p.A.'s Tax Control Framework is structurally integrated with the Company's other internal control systems, in order to create synergies in monitoring activities. In particular, the Tax Control Framework is integrated with:

- the system of controls on financial reporting risks pursuant to Italian Law no. 262 of 28 December 2005, identifying the controls that mitigate both administrative and accounting risks and tax risks;
- the Organizational Model pursuant to Italian Legislative Decree no. 231 of 8 June 2001, identifying the appropriate controls also for the prevention of tax crimes.

Under the Tax Control Framework, Salvatore Ferragamo S.p.A. adopted the following measures:

- preparation of a tax strategy, both for the Group (Global Tax Strategy) and for the parent company Salvatore Ferragamo S.p.A. (Tax Strategy), both approved by the Board of Directors of Salvatore Ferragamo S.p.A. on 7 September 2021 and published on the institutional website of Salvatore Ferragamo S.p.A.;
- appointment, by the Board of Directors on 8 March 2022, of a Tax Risk Officer (TRO), in charge of monitoring and updating the TCF and of preparing an annual report for the Company's Board of Directors on the progress of the TCF;
- preparation of the Tax Compliance Model, a document that defines the roles and responsibilities within the corporate organization in relation to tax risks and their control (approved by the Board of Directors on 1 August 2024);
- preparation of an interpretative risk management policy to be applied in cases of significant uncertainty in the interpretation of tax regulations (approved by the Board of Directors on 1 August 2024);
- formalization of a Tax Risk Map inclusive of risks that are relevant to Salvatore Ferragamo S.p.A. and the related mitigation measures, including those deriving from the accounting standards adopted by the Company;
- definition of a methodological manual for updating and monitoring activities under the responsibility of the Tax Risk Officer, approved by the Board of Directors on 6 March 2024.

An annual reporting flow is planned, which, for the first year of adoption of the scheme, represented the main activities carried out to implement the TCF and to be admitted to the scheme, and ended with the presentation of the report to the Board of Directors on 6 March 2024, after examination by the Control and Risks Committee.

As part of the preliminary investigation activities prior to admission to the scheme, the Inland Revenue Office verified the adequacy of the tax governance and Tax Control Framework adopted by Salvatore Ferragamo S.p.A. On 9 October 2023, Salvatore Ferragamo S.p.A. received the measure for admission to the Cooperative Compliance scheme, effective as from the 2022 tax year. In January 2024, the opening meeting of the procedure with the officials of the Inland Revenue Office was held at the Company's headquarters, during which areas for improvement were identified, which were promptly acted upon by the Company, ensuring their implementation.

On 30 October 2024, the Company and the Cooperative Compliance Office signed the minutes defining the materiality threshold for the 2024-2026 three-year period, above which the duties of collaboration and transparency with the Collaborative Compliance Office apply. Thus, the interpretative risk management policy was fully implemented during 2024.

Participating in the R&D credit amnesty 2015-2019

Salvatore Ferragamo S.p.A. opted for the R&D credit amnesty procedure, introduced by Article 5, paragraphs 7 to 12, of Decree Law no. 146 of 21 October 2021 for the tax years from 2015 to 2019, in order to adjust the calculation of its credit to the clarifications made on software after the calculation of the receivables, and to correct other calculation errors. With a request sent electronically on 28 October 2022, the amnesty procedure for the years 2015 to 2018 was started (for a total of 2,012 thousand Euro), while for 2019 the adjustment was made directly in the "*Redditi SC 2022*" form, i.e. the corporate income tax return, (for tax year 2021) submitted on 30 November 2022 (for 71 thousand Euro). Based on the Report of formal consultation between the parties signed by the Company with the Tuscany Regional Unit on 2 August 2024, the Company submitted a substitute application on 15 October 2024, for a total amount of 6,809 thousand Euro for the years from 2015 to 2019. The 2019 credit not yet used (314 thousand Euro) was canceled directly in the 2024 income tax return ("*Redditi SC 2024*" relating to 2023 tax year) filed on 30 October 2024.

It should be noted that, net of the amount paid by Salvatore Ferragamo S.p.A. under the above procedure, the Company was granted an R&D credit for the years 2015 to 2019, totaling 1,904 thousand Euro.

Sustainable Growth Fund Incentives – Innovation Agreement

On 13 December 2019, Salvatore Ferragamo S.p.A. submitted a proposal for an Innovation Agreement pursuant to the Decree of the Ministry of Economic Development of 24 May 2017: the Agreement represents a public funding instrument to promote research and development projects of strategic importance for the competitiveness of the production system, with investments exceeding 5 million Euro. The Ministry of Economic Development (today MIMIT, Ministry of Business and Made in Italy) and the Region(s) in which the investment is made are parties to the Agreement.

The Company thus intended to partially finance the so-called Intelligent Supply Chain and Customer Experience from Extended Data ("I-SUCCEED") project, consisting of investments in innovation and development activities to be carried out at the Sesto Fiorentino site (Florence) in the 2019-2022 three-year period. The objective of I-SUCCEED is the implementation of the technical infrastructure of an integrated and evolved supply chain model that makes it possible to react, promptly and efficiently, to the changes and expectations of the market and of the reference context, through the adoption of a new distribution model.

On 12 January 2021, the Company, the Ministry of Economic Development and the Tuscany Region signed the Innovation Agreement, with effect until 16 December 2022, a term subsequently extended to 16 December 2023 due to the slowdown of investments on the project owing to the impact of the Covid-19 pandemic.

On 1 June 2022, the relative Concession Decree was issued, which assigns Salvatore Ferragamo S.p.A. a non-repayable grant. The subsidies will be provided by the Ministry of Enterprise and Made in Italy (MIMIT – *Ministero delle Imprese e del Made in Italy*) and the Tuscany Region in the form of a direct contribution to the expenditure for approximately 27% of the expenses actually incurred and reported. In view of the costs already incurred, Salvatore Ferragamo S.p.A. recognized a grant of 2.3 million Euro in 2022 and an additional 1.2 million Euro in 2023 under "Other income". In January 2023, the Company received 2.1 million Euro as an advance on the grant.

The reporting activity ended in March 2024 with the final filing of the documentation. In November 2024, the project was positively evaluated by the technical and scientific experts of the CNR (National Research Council) and Banca Intesa Sanpaolo, and the preliminary investigation procedure was completed. The total contribution of 3.6 million Euro was confirmed and Salvatore Ferragamo S.p.A., upon completion of the reporting, recognized the adjustment to the contribution, equal to 0.1 million Euro in 2024, under the item "Other income".

Audits are currently underway by Medio Credito Centrale and MIMIT to complete the process of paying out the final amount of 1.4 million Euro.

9. Information on corporate governance and ownership structure

Disclosure pursuant to Article 123-bis of Italian Legislative Decree no. 58/1998 (TUF)

On 6 March 2024, the Company's Board of Directors approved the report on corporate governance and ownership structure (Corporate Governance Report) for the year ended 31 December 2023, prepared also pursuant to Article 123-bis of the Consolidated Law on Finance (TUF).

The Corporate Governance Report includes a description of the corporate governance system adopted by the Company in 2023, information on the ownership structure and the adoption of the Corporate Governance Code as at the date of the Corporate Governance Report, the Company's main governance practices, and the characteristics of the risk management and internal control system with respect to the financial reporting process.

Corporate Governance

For more information on the Company's corporate governance structure, adopted also in accordance with the principles in the Corporate Governance Code, see the document "Corporate Governance Report", published on the Company's website *group.ferragamo.com/en*, section *governance/corporate-governance/corporate-governance-reports.* Below is a summary of key information on the Company's corporate governance.

Issuer profile
The Company is structured according to the traditional management and control model, with the Shareholders' Meeting, the Board of Directors, and the Board of Statutory Auditors.

The Company's Bylaws in force were last approved by the Extraordinary Shareholders' Meeting on 26 November 2024. The Bylaws establish the essential features of the Company and set the main rules for its management and operation, as well as provide a description of the membership of corporate bodies, their powers, and their relationships. The Bylaws also include a description of shareholders' rights and how to exercise them.

The Company abides by the Corporate Governance Code, in force as of 1 January 2021. Previously, the Company abode by the Corporate Governance Code adopted by the Italian Committee for the Corporate Governance of listed companies.

Board of Directors
The main corporate governance body is the Board of Directors, which has the power and the duty to direct the Company's operations, pursuing the goal of creating value for shareholders. Pursuant to the Bylaws, the Board runs business operations and is vested with all the powers of ordinary and extraordinary administration, except for those reserved to the Shareholders' Meeting under the law and the Bylaws.

The Board of Directors leads the Company by pursuing its sustainable success, defines the strategies of the Company and the Group in accordance with said goal, monitors their implementation, defines the corporate governance system considered to be most appropriate to the Company's operations and the pursuit of its strategies, and promotes the engagement with shareholders and the Company's other significant stakeholders.

The Shareholders' Meeting of 23 April 2024 elected the Board in office as at the date of this Annual Report, setting the number of its members at ten and fixing their term of office at three years, until the Shareholders' Meeting convened to approve the financial statements as at 31 December 2026. On the same date, the Shareholders' Meeting also appointed Leonardo Ferragamo as Chair of the Board of Directors and Angelica Visconti as Deputy Chair. The Board of Directors, which met in full after the Shareholders' Meeting on 23 April 2024, confirmed the appointment of Marco Gobbetti as CEO and General Manager. The Board of Directors also granted Marco Gobbetti the powers already granted during the previous term of office, including that of General Manager of the Company.

Following the passing of the newly appointed director Fabio Gallia, the Board of Directors of the Company, which met on 9 May 2024, decided to postpone its decisions regarding the co-optation of a director pursuant to Article 2386 of the Italian Civil Code to a subsequent meeting of the Board of Directors in order to complete its evaluations.

However, at the same meeting, the Board of Directors proceeded to assess, in respect of all Directors, that there were no grounds for ineligibility or incompatibility and that the honesty requirements envisaged by the Decree of the Ministry of Justice no. 162 of 30 March 2000, as referred to in Articles 147-quinques and 148, paragraph 4, of the Consolidated Law on Finance, were met, on the basis of the declarations made by them when accepting their nomination and office.

The Board, on the basis of the declarations made by the Directors and the information available to the Company, also assessed that the independence requirements set forth in Article 148, paragraph 3 of the Consolidated Law on Finance, as referred to in Article 147-ter, paragraph 4 of the Consolidated Law on Finance, and in the Corporate Governance Code, as implemented and supplemented by Article 1 of the Board of Directors Regulation, are met by the following Directors: Laura Donnini, Sara Ferrero and Patrizia Michela Giangualano.

The Board of Statutory Auditors, which met on the same date, verified, in accordance with Article 4 of the Board of Directors Regulation, the proper application of the criteria and procedures adopted by the Board of Directors to assess the independence of the aforementioned Directors.

The Board of Directors held on 15 October 2024,pursuant to Article 2386, Paragraph 1 of the Italian Civil Code, co-opted Ernesto Greco, as a non-executive and non-independent director, subject to the favorable opinion of the Nomination and Remuneration Committee and approval by the Board of Statutory Auditors, following the sudden passing of Director Fabio Gallia on 7 May 2024.

The Shareholders' Meeting of Salvatore Ferragamo S.p.A. held on 26 November 2024 resolved to complete the composition of the governing body up to the number of ten members, as established by the Shareholders' Meeting of 23 April 2024, appointing Ernesto Greco, already co-opted by the Board of Directors on 15 October 2024, as director, to replace Fabio Gallia. The term of office of the new director will expire together with the entire Board of Directors on the date of the Meeting convened to approve the separate financial statements as at 31 December 2026.

Therefore, as at the date of this Report, the Board of Directors consists of 10 members: Leonardo Ferragamo (Chair), Angelica Visconti (Deputy Chair), Marco Gobbetti (Chief Executive Officer), Ernesto Greco, Giacomo Ferragamo, Niccolò Ferragamo, Umberto Tombari, Patrizia Michela Giangualano (Independent), Sara Ferrero (Independent) and Laura Donnini (Independent).

Below is the composition of the Board of Directors as at 31 December 2024:

MEMBERS OF THE BOARD OF DIRECTORS OF THE PARENT COMPANY - 31 DECEMBER 2024

	<30		30-50		>50		Tot	
	Men	Women	Men	Women	Men	Women	Men	Women
Members of the Board of Directors	-	-	-	11.10%	55.56%	33.33%	55.56%	44.44%
Of which executive*	-	-	-	-	-	-	22.22%	-
Of which independent	-	-	-	-	-	-	22.22%	33.33%

* In accordance with the definitions in the Corporate Governance Code, also the directors vested with management powers and/or who hold executive positions in the company or a subsidiary with strategic importance, or in the holding company, should the position concern also the Company, were considered to be executive directors.

However, it should be noted that on 3 February 2025, the Company and Marco Gobbetti reached a mutual agreement on the termination of employment and administrative relationship, effective from the date of approval of the draft financial statements for FY2024 , i.e. 6 March 2025.

Moreover, taking into account the fact that the number of independent directors of the Company, although compliant with the provisions of the law and the Corporate Governance Code, does not allow the diversification of the composition between the Control and Risks Committee and the Nomination and Remuneration Committee, the Board of Directors – effective 9 May 2024 – resolved on the Board Committees as follows:

- Control and Risks Committee, responsible also for Transactions with Related Parties and Corporate Sustainability: Patrizia Michela Giangualano (Chair), Laura Donnini and Sara Ferrero;
- Nomination and Remuneration Committee: Patrizia Michela Giangualano (Chair), Laura Donnini and Sara Ferrero.

After the Shareholders' Meeting of 23 April 2024 appointed the new Board of Directors, the Company did not appoint a Lead Independent Director and the role of director responsible for setting up and maintaining the internal control and risk management system, with the tasks and responsibilities provided for by the Corporate Governance Code, was confirmed to be held by the Chief Executive Officer Marco Gobbetti.

With respect to the Company's governance, the Board of Directors also confirmed the responsibilities and tasks of the various entities involved in the internal control and risk management system, as defined under Article 6 of the Corporate Governance Code, including with specific reference to the role of the governing body, to the Chief Executive Officer (in the sense given in the Corporate Governance Code, as the person mainly responsible for managing the company), as primarily responsible for setting up and maintaining the internal control and risk management system, to the Control and Risks Committee, as well as to the heads of internal audit and the other functions involved in the control system.

Control body and managers with strategic responsibilities

With respect to the control body and managers with strategic responsibilities, please note that:

- the current Board of Statutory Auditors was elected by the Shareholders' Meeting on 26 April 2023 for the 2020-2025 period based on a slate-voting system, and shall remain in office until the Meeting convened to approve the financial statements as at 31 December 2025. Currently, the members of the Board of Statutory Auditors are: Andrea Balelli, elected from the slate submitted by a group of minority shareholders in the Company and subsequently appointed as Chair of the Board; Paola Caramella and Giovanni Crostarosa Guicciardi, Acting Statutory Auditors elected from the majority slate submitted by Ferragamo Finanziaria S.p.A.; and Antonietta Donato and Roberto Coccia, Substitute Statutory Auditors elected from the majority and minority slates, respectively;
- on 23 April 2024, the Board of Directors appointed Pierre Giorgio Sallier de La Tour, former Group Chief Financial Officer and Manager with strategic responsibilities as of 18 March 2024, as Financial Reporting Manager pursuant to Article 154-bis of the Consolidated Law on Finance, effective 24 April 2024 and until the expiry of the term of office of the current Board of Directors.

Accordingly, at the date of this Report, the Managers with strategic responsibilities appointed by the Board of Directors and employed by the Company are the Chief Transformation & Sustainability Officer Giacomo (James) Ferragamo and the Group Chief Financial Officer and Financial Reporting Manager Pierre Giorgio Sallier de La Tour.

Change of Control Clauses

The medium/long-term incentive plan known as "Special Award 2022-2026" approved by the Shareholders' Meeting on 14 December 2021 under Article 114-bis of the Consolidated Law on Finance, under which, upon satisfying specific conditions, ordinary shares in the Company are to be awarded to the CEO and General Manager, includes a change of control clause (defined as "the exercise of control, pursuant to Article 2359 of the Italian Civil Code, over the Company by an entity other than Ferragamo Finanziaria S.p.A."). Under said clause, should such circumstance occur during the "Vesting Period", as defined in said plan, the CEO and General Manager shall be entitled to receive a "Special Award Bonus", as defined in said plan, in a lump sum and for an amount calculated by reference to 0.50% of the Company's equity value based on the valuation of the Company as part of the transaction that caused the "Change of Control". For more information, see the Explanatory Report to the Shareholders' Meeting of 14 December 2021 on the second item on the agenda, and the information document "Special Award 2022-2026 Plan" available on the Company's website at *https://group.ferragamo.com/en/governance/shareholders-meetings/2021/december-14* and *https://group.ferragamo.com/en/governance/corporate-governance/remuneration/stock-incentive-plans*. However, in this regard, it should be noted that on 3 February 2025, the Company and Marco Gobbetti reached a mutual agreement on the termination of employment and administrative relationship, effective from the date of approval of the draft financial statements for FY2024, i.e. 6 March 2025. The agreement provides, among other things, that Marco Gobbetti will waive the payment, if applicable, of the bonus under the medium/long-term incentive plan "Special Award 2022-2026".

The stock incentive plan called "Performance and Restricted Shares 2023-2025" – approved by the Shareholders' Meeting on 26 April 2023 under Article 114-bis of the Consolidated Law on Finance, concerning the free assignment of ordinary shares of Salvatore Ferragamo S.p.A. in favor of certain employees and/or directors and/or collaborators of the Company and/or of other companies belonging to the Salvatore Ferragamo Group, who will be individually identified, for each of the three cycles in which the Plan is divided – includes a Company change of control clause (meaning exclusively a transaction in which a third party other than the current reference shareholder acquires legal control of the Company). Pursuant to this clause, upon the occurrence of this circumstance, the beneficiaries will be entitled to the allocation of the shares, with the lifting of the lock-up restriction (including through the payment of the relevant monetary consideration), prior to the terms set forth in the relevant Information Document and Regulations and regardless of the fulfillment of the conditions therein provided; in particular, they will be re-proportioned ratione temporis on the basis of the portion of the vesting period that has already elapsed and in relation to their "target" value. For more information, see the Explanatory Report to the Shareholders' Meeting of 26 April 2023 on the third item on the agenda and the information document "Performance and Restricted Shares 2023-2025 Plan" available on the Company's website and *https://group.ferragamo.com/en/governance/corporate-governance/remuneration/stock-incentive-plans*.

Credit Lines – During 2024, the Group opened, renewed or maintained, as the case may be, medium/long-term committed, revolving credit lines in Euro with various counterparties. As at 31 December 2024, the outstanding lines totaled 380,000 thousand Euro. Credit facilities can be used by the Company. In general, existing loan agreements provide that, in the event of a change in the Company's form or controlling ownership structure, the lending bank has the right to terminate the agreement early or request early repayment of the loan.

In addition, the Group uses credit lines made available in the currency and country of residence of the foreign companies in order to meet financial needs that are generally short-term and with fixed maturity or uncommitted. The relevant agreements generally contain clauses that, in the event of a change in the controlling shareholder, entitle the lending bank to demand the early repayment of the loan.

Main features of the risk management and internal control systems

The Board of Directors, which is responsible for the internal control and risk management system as a whole – which is understood as the set of rules, organizational procedures and structures, and processes intended to monitor the efficiency of business operations, the reliability of the information provided to the corporate bodies and the market, compliance with laws and regulations, and the safeguarding of the Company's assets – defines, including through the support of the Control and Risks Committee, the guidelines for the internal control and risk management system, so that the main risks facing the Company and the Group – including risks that could become material in terms of the sustainability of the Group's operations over the medium/long term – are identified, measured, managed, and monitored in line with Italian and international reference models.

When defining the guidelines of the internal control and risk management system, the Board approved the organizational structure of the Company in order to support the Company's strategies and contribute to its sustainable success.

The Company adopts an integrated risk management model, in line with Enterprise Risk Management (ERM) standards and best practices, intended to help top management identify the main business risks and how they can be managed, as well as define how to organize the system of measures protecting against such risks.

The ERM Model is based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (known as CoSO ERM), the principles of which are consistent with the Company's strategic guidelines.
The methodological references and guidelines for the governance of the Enterprise Risk Management system have been formalized in the "ERM Framework" Policy, updated in 2024 and approved by the Board of Directors at its meeting on 30 January 2025.

The ERM model analyzes the main risk areas that have a direct/indirect impact on the achievement of the goals outlined in the Strategic and Sustainability Plan, subsequently broken down in terms of specific risk scenarios and based on the geographical area of reference.

Risk identification and measurement processes require the necessary involvement of the Company's top management, i.e., the Risk Owners and, more generally, all the heads of the functions involved in the ERM process, who are periodically asked to express their views on risk factors that may jeopardize the achievement of the organization's objectives.

The Board of Directors approved the updated ERM model at its meeting held on 6 March 2025.
With reference to climate change, as part of the consolidation of its Enterprise Risk Management (ERM) framework, in 2024 the Company completed the development of a vertical analysis dedicated to physical climate risks of interest to the Group. The activity involved strengthening the assessment of climate change risk in terms of its potential impact on the Group's assets and processes (for more details, please refer to the paragraph "Climate Risks" in this section).
The Company will continue to strengthen the assessment of climate change risk in 2025.

The entry into force of the Corporate Sustainability Reporting Directive (CSRD), implemented in Italy by Italian Legislative Decree 125/2024, marks an important regulatory evolution with respect to the NFRD, expanding reporting obligations for companies and introducing new transparency standards on environmental, social and governance (ESG) performance, with the aim of strengthening the sustainability and responsibility of companies.

In accordance with current regulations, the Company carried out a double materiality analysis, a fundamental tool for understanding and managing the interconnections between sustainability and business performance. This analysis focuses on assessing and mapping the impacts, risks and opportunities relevant to the Organization from an economic, environmental and social perspective. This process, as described in ESRS 1, Chapter 3, aims to define the content of the Sustainability Report to ensure that it reflects not only the Company's impact on society and the environment, but also the impact that sustainability factors may have on the Company's financial position and performance.

In particular, the process involved the Risk Management Function in performing the analysis of financial materiality, which consists of assessing sustainability risks and opportunities that may have a positive or negative impact on the development, performance and positioning of the Company and its value chain.

The following are integral parts of the overall internal control system:

- the Code of Ethics, which aims to promote and maintain an appropriate level of fairness, transparency and ethics in the conduct of the Group's business, last updated on 6 March 2024 to bring its content into line with the revision of the organization, management and control model adopted by the Company pursuant to Italian Legislative Decree 231/2001 which took place on the same date;
- the risk management system in relation to the financial disclosure process adopted in compliance with the provisions of Article 154-bis of the Consolidated Law on Finance;
- the Internal Control of Sustainability Reporting (ICSR), which implements the new requirements for sustainability and climate reporting, in line with the provisions of Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive – CSRD);
- the organization, management and control model adopted for the purposes of preventing the crimes as set out in Italian Legislative Decree 231/2001, most recently updated on 19 December 2024 to reflect a number of legislative changes and to acknowledge the most recent safeguards implemented by the Company in relation to certain areas subject to crime risk;
- the system for managing and controlling tax risk, understood as the risk of operating in violation of tax regulations or in contrast with the principles or purposes of the tax system (known as the Tax Control Framework) implemented in accordance with the guidelines of the Inland Revenue Office as part of the "cooperative compliance scheme" regulated by Italian Legislative Decree 128/2015;
- the Anticorruption Policy;
- the Group's whistleblowing system, updated by the resolutions of the Board of Directors on 6 July 2023 and on 20 December 2023, to bring it into line with the provisions of Italian Legislative Decree no. 24 of 10 March 2023, implementing Directive (EU) 2019/1937 concerning the protection of individuals who, on well-founded grounds, report misconduct that violates European and national provisions and is detrimental to the public interest or the integrity of the entity to which they belong, of which they have become aware in the course of their work. In this regard, it should be noted that the Board of Directors appointed the Company's Ethics Committee as an autonomous internal office dedicated to receiving and processing reports sent through the whistleblowing channel.

The Company's internal control and risk management system is structured as follows:
Board of Statutory Auditors: it is responsible for (i) supervising the effectiveness of the internal control and risk management system; and (ii) supporting the Board of Directors in assessing the findings of the independent auditors in the additional report for the control body. All members of the control body regularly take part in the work of the Control and Risks Committee in order to always ensure a timely exchange of relevant information between the Board of Statutory Auditors and the Control and Risks Committee, so that they may perform their respective duties.

For further information on corporate governance and the main features of the risk management and internal control systems adopted, reference should be made to the Corporate Governance Report published on the Company's website *https://group.ferragamo.com/en, section governance/corporate-governance/corporate-governance-reports.*

***Director in charge of establishing and maintaining the internal control and risk management system*:** he/she has the duty of supervising the system, i.e., ensuring the identification of major business risks – presenting them to the Board for consideration on a regular basis – as well as designing, implementing, and managing the internal control system, in compliance with the Board of Directors' guidelines, continuously verifying its adequacy and effectiveness and adjusting it to changes in operating conditions and the legal and regulatory landscape.

Control and Risks Committee: it supports the assessments and decisions of the Board of Directors – in an advisory and consultative role – concerning the internal control and risk management system as well as the approval of periodic financial and non-financial reports, and, among other duties, expresses its views on its design, implementation, and management, as well as the adequacy of the internal control system, reporting on the work carried out to the Board of Directors every six months.

Specifically, the Control and Risks Committee performs the following duties:
(i) supports the Board in performing the duties associated with the internal control and risk management system, and specifically:
   a) in defining the guidelines of the internal control and risk management system, so that the main risks facing the Company and its subsidiaries are properly identified as well as adequately measured, managed, and monitored, also assessing the level of compatibility of such risks with business operations that are consistent with the identified strategic objectives;
   b) in assessing, at least annually, the adequacy and effectiveness of the internal control and risk management system relative to the characteristics of the business and the risk profile assumed;
   c) in describing, as part of the corporate governance report, the main features of the internal control and risk management system and the way in which it is coordinated between the parties involved in it, giving its opinion on the system's overall adequacy;
   d) in assessing, at least annually, the work plan prepared by the Head of the Internal Audit function, after consulting with the control body and the Chief Executive Officer;
   e) in assessing the findings of the auditor in the letter of recommendations, if any, and the additional report for the control body, after consulting with the latter;
   f) in assessing the measures intended to ensure that corporate functions involved in controls use effective and impartial judgment, verifying that they have the required professional skills and resources, and
   g) in assigning the supervisory functions as per Article 6, paragraph 1, letter b) of Italian Legislative Decree 231/2001 to the Supervisory Body created specifically for this purpose;

(ii) after consulting with the Financial Reporting Manager, the independent auditors and the control body, assesses whether accounting standards are used properly and consistently for the purposes of preparing the consolidated financial statements;
(iii) assesses whether periodic financial and non-financial reporting is suited to presenting fairly the business model, the Company's strategies, the impact of its operations, and performance;
(iv) examines the content of periodic non-financial reporting relevant to the internal control and risk management system;
(v) gives opinions on specific aspects concerning the identification of the main business risks and supports the assessments and decisions of the governing body related to the management of risks arising from adverse events the latter has become aware of, including risks that may be relevant to the medium/long-term sustainability of the Company's operations, by conducting appropriate investigations;
(vi) examines the periodic reports on the assessment of the internal control and risk management system and the particularly relevant reports prepared by the Internal Audit function;
(vii) monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit function;
(viii) may task the Internal Audit function with auditing specific operational areas, notifying the Chair of the Board of Statutory Auditors;
(ix) reports to the Board of Directors on the activities undertaken as well as the adequacy of the internal control and risk management system at least at the time of the approval of the annual and half-year financial report; and
(x) gives the Board of Directors its opinion on the appointment, removal and remuneration of the Head of the Internal Audit function, as well as the resources made available to the latter to perform his/her duties.

Head of Internal Audit: he/she reports to the Board of Directors and is responsible for ensuring the internal control and risk management system is operational, adequate, and consistent with the guidelines defined by the Board, liaising with the Control and Risks Committee, the Board of Statutory Auditors and the Supervisory Body regarding the management of the system and its suitability in order to achieve an acceptable overall risk profile. The Head of Internal Audit is a permanent invitee to the Control and Risks Committee.

Tax Risk Officer: monitors the Tax Control Framework, ensuring that it is up to date and effective, by implementing forms of monitoring to ensure that the internal control system for tax risks is up to date and adequate for the mitigation purposes assigned to it. The Tax Control Framework function works in coordination with the other functions responsible for the Company's internal control system and with the Tax Management function, and reports at least annually to the Control and Risks Committee, the Board of Statutory Auditors and the Board of Directors.

Head of Risk Management: he/she coordinates the risk management process and provides systematic support to all management involved in the risk assessment process. He/she reports to the Group Chief Financial Officer and works in coordination with the other system players, such as Internal Audit, the Sustainability Function, the Legal & Compliance Function, which is in charge of regulatory compliance activities, the Financial Reporting Manager, the Sustainability Reporting Manager, and all the other subjects that, for different reasons, contribute to the identification, evaluation, management and monitoring of business risks.

Head of Regulatory Compliance: this function is located within the General Counsel Department and is in charge of monitoring the risk of non-compliance with the regulations applicable to the Group, assessing the requirements contained therein and verifying that internal procedures and processes are adequate to prevent potential violations. In these activities, he/she works in conjunction with the other functions that make up the Company's internal control system, namely the Heads of Risk Management and Internal Audit, reporting to the Control and Risks Committee and directly reporting to the Board of Directors.

Financial Reporting Manager (in accordance with Article 154-bis of the Consolidated Law on Finance): he/she is responsible for defining, implementing and maintaining suitable and effective control procedures to safeguard against risks entailed in the financial reporting process, i.e., the activities undertaken to identify and assess the actions or events whose occurrence or absence may hinder, in part or in whole, the achievement of the goals of trustworthiness, accuracy, reliability, and timeliness of financial reporting.

Sustainability Reporting Manager:he/she is responsible for defining, implementing and maintaining suitable and effective control procedures to safeguard against risks entailed in the sustainability reporting process. This includes activities aimed at identifying and evaluating actions or events that, if taken or not taken, could partially or fully compromise the achievement of the objectives of transparency, accuracy, reliability and timeliness of information. He/She is also responsible for managing environmental, social and governance (ESG) risks and ensuring that information is collected, verified and communicated in accordance with applicable regulations and international standards.

Supervisory Body pursuant to Italian Legislative Decree 231/2001: it is responsible for checking the effectiveness, adequacy and compliance of the Organization, Management and Control Model pursuant to Italian Legislative Decree 231/2001 and ensuring it is constantly updated. In accordance with the recommendations of the Corporate Governance Code, and with the aim of making controls and information flows easier and more efficient, the Company has decided to assign the functions of Supervisory Body to the Board of Statutory Auditors.

Ethics Committee: set up to manage reports referred to in Italian Legislative Decree 23/2024, its task is to manage reports concerning (i) violations of the laws applicable to Group Companies; (ii) violations of organizational models (including Ferragamo's Organizational Model), procedures, regulations, codes of conduct, codes of ethics and policies of Group Companies, acts or omissions that, even outside the provisions of the Organizational Model, Code of Ethics or internal policies and/or procedures of Group Companies, may result in the violation of human rights or damage and detrimental effects on health, the environment, security or fundamental rights and freedoms; (iii) any form, threat or attempt to retaliate against the whistleblower. At the date of this report, the Ethics Committee consists of the Chief People Officer, the General Counsel, the Chief Transformation & Sustainability Officer, and the Head of Internal Audit.

Disclosure pursuant to Article 15 of Market Regulation

Salvatore Ferragamo S.p.A. has taken the steps required to comply with the provisions set out in Article 15 of Consob Regulation no. 20249 of 28 December 2017, which contains rules implementing the Consolidated Law on Finance with respect to markets (Market Regulation); this Regulation governs the requirements for listing shares of companies which control entities that have been set up under, and are governed by, the law of countries not belonging to the European Union and that are significant for the purposes of preparing the consolidated financial statements. As at 31 December 2024, the aforementioned regulatory provision applied to the following foreign non-EU subsidiaries: Ferragamo USA Inc., Ferragamo Hong Kong Ltd, Ferragamo Fashion Trading (Shanghai) Co Ltd, Ferragamo Korea Ltd, Ferragamo Japan KK, Ferragamo Mexico S. de R.L. de C.V., Ferragamo Retail HK Limited, Ferragamo Moda (Shanghai) Co. Ltd., Ferragamo UK Limited and Ferragamo Australia Pty Ltd.

In particular, Salvatore Ferragamo S.p.A.:

a) discloses, pursuant to the procedures and deadlines established by relevant regulations, the accounting records of the subsidiaries prepared for the purposes of drawing up the consolidated financial statements, including at least the statement of financial position and the income statement;
b) receives from the subsidiaries their bylaws and information about the structure and powers of the corporate bodies;
c) verifies that the subsidiaries:
   - provide the Independent Auditors with the information they need to audit the annual and interim financial statements of the Holding company;
   - adopt an administrative and accounting system suitable to regularly provide management and the Independent Auditors of the Parent company with the income, equity and financial data needed to prepare the consolidated financial statements.

In order to fulfill its own regulatory obligations, the control body of the Parent company Salvatore Ferragamo S.p.A. has verified the suitability of the administrative and accounting system to regularly provide management and the Independent Auditors of the Parent company Salvatore Ferragamo S.p.A. with the income, equity and financial data needed to prepare the consolidated financial statements and ensure the effective flow of information through meetings with both the Independent Auditors and the Financial Reporting Manager.

10. Other information

Relations with shareholders and financial reporting

Salvatore Ferragamo S.p.A., in accordance with the recommendations in the Corporate Governance Code and in order to maintain a constant dialog with its Shareholders, potential investors and financial analysts, has set up the Investor Relators function as well as adopted a policy aimed at managing dialog with all shareholders. On 8 March 2022, the Board of Directors of Salvatore Ferragamo S.p.A. approved the Engagement Policy of the Company, considering, inter alia, the recommendations of the Corporate Governance Code and the engagement policies adopted by institutional investors; the engagement policy is available on the Company's website at *https://group.ferragamo.com/en/governance/corporate-governance/engagement-policy*. Financial data, corporate presentations, interim reports, official press releases, and real-time share price information are also available on the Group's website *http://group.ferragamo.com/en*.

Stakes in Salvatore Ferragamo S.p.A.

As at 31 December 2024, Ferragamo Finanziaria S.p.A. held a majority stake (54.276%) in the share capital of Salvatore Ferragamo S.p.A., as disclosed by Ferragamo Finanziaria S.p.A. pursuant to Article 120 of the Consolidated Law on Finance through form 120/A as per Attachment 4 to Consob Regulation no. 11971/1999 as amended and supplemented (the "Issuers' Regulation") corresponding to a number of shares equal to 91,611,810. Please note that Ferragamo Finanziaria S.p.A. has requested to register the Salvatore Ferragamo ordinary shares it owns in the Special List set up by the Company pursuant to Article 127-quinquies, paragraph 2, of the Consolidated Law on Finance to benefit from increased voting rights, as described below:

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

Pursuant to Article 6 of the Bylaws and Article 9 of the Company's Rules for Increased Voting Rights, the increased voting rights attached to the ordinary shares held by Ferragamo Finanziaria S.p.A. and included in the Special List on 2 July 2018 and 14 January 2019 became effective on 7 August 2020 and 5 February 2021, respectively, as they have met the requirements under applicable law for increasing voting rights.
Considering the above, as at the date of this Annual Report, Ferragamo Finanziaria S.p.A. owned 172,998,020 voting rights, accounting for 62.17% of the Company's share capital, attached to the mentioned 86,499,010 shares, and 10,225,600 voting rights, accounting for 3.68% of the Company's share capital, attached to the 5,112,800 shares. Therefore, as at the date of this Report, Ferragamo Finanziaria S.p.A. owned 183,223,620 voting rights overall, accounting for 66.009% of the total.

Management and coordination of Salvatore Ferragamo S.p.A.

Salvatore Ferragamo S.p.A. is subject to the management and coordination of Ferragamo Finanziaria S.p.A. pursuant to Article 2497 et seq. of the Italian Civil Code. The Company complies with the requirements as set out in article 16 of the Markets Regulation for the listing of subsidiaries which are subject to management and coordination. In particular, it should be noted that Salvatore Ferragamo S.p.A.:

(i) has fulfilled the disclosure obligations envisaged by Article 2497-bis of the Italian Civil Code;
(ii) has independent power to negotiate with customers and suppliers;
(iii) has no centralized cash management arrangement with Ferragamo Finanziaria S.p.A.;
(iv) has an internal control and risks committee consisting exclusively of independent directors, pursuant to Article 148, paragraph 3 of the Consolidated Law on Finance and the relevant provisions of the Corporate Governance Code;
(v) has a nomination and remuneration committee to appoint directors consisting exclusively of independent directors, pursuant to Article 148, paragraph 3 of the Consolidated Law on Finance and the relevant provisions of the Corporate Governance Code.

As from 14 December 2021, a set of Rules was signed between Ferragamo Finanziaria S.p.A. and Salvatore Ferragamo S.p.A., governing the exchange of information between the Company and the majority shareholder Ferragamo Finanziaria S.p.A., as part of management and coordination activities or in order for the Shareholder to meet its legal obligations, in particular with regard to information provided selectively and taking into account the need to maintain confidentiality and comply with applicable laws. The Rules were approved by the Board of Directors on 14 December 2021 and updated on 6 July 2023.

Tax consolidation regime

Salvatore Ferragamo S.p.A. adopted the domestic tax consolidation regime provided for by Articles 117 et seq. of Italian Presidential Decree no. 917 of 22 December 1986 ("TUIR", i.e. consolidated law on income taxes) and the Ministerial Decree of 1 March 2018, with the holding company Ferragamo Finanziaria S.p.A. as the consolidating company. The domestic tax consolidation regime continued uninterrupted for the 2022-2024 three-year period, and will be further renewed for the 2025-2027 three-year period by virtue of tacit renewal of the option under Article 14, paragraph 1 of the Ministerial Decree of 1 March 2018.

Shares held by Directors, Statutory Auditors and Managers with strategic responsibilities

For information relating to the Shares held by all Directors, Statutory Auditors, and Managers with strategic responsibilities, reference should be made to the Remuneration Policy Report and Fees Paid as per Article 123-ter of the Consolidated Law on Finance, prepared in accordance with Article 84-quater and Annex 3A, Scheme 7-bis of the Issuers' Regulation and Article 5 of the Corporate Governance Code, available on the Company's website *https://group.ferragamo.com/en, section governance/corporate-governance/remuneration/remuneration-report*.

Treasury shares and shares or stakes in parent companies

On 12 April 2022, the Shareholders' Meeting of Salvatore Ferragamo S.p.A. authorized the Board of Directors to purchase, pursuant to Article 2357 of the Italian Civil Code, including in multiple installments, ordinary shares in Salvatore Ferragamo S.p.A., up to a maximum amount that, considering the ordinary shares in Salvatore Ferragamo S.p.A. held from time to time by the Company or its subsidiaries, shall not exceed 2% of the Company's share capital for the time being, in accordance with specific terms and conditions. The Board of Directors could buy back shares, in one or multiple installments, for a period of 18 months from the date of the Meeting's resolution.

On 12 April 2022, the Meeting also authorized the Board of Directors, in accordance with Article 2357-ter of the Italian Civil Code, to sell, including in multiple installments, all or part of the ordinary shares bought, in accordance with specific terms and conditions. There is no time limit for selling ordinary treasury shares.

At the meeting held on 12 April 2022, the Board of Directors approved the launch of the ordinary treasury share repurchase program as authorized by the Ordinary Shareholders' Meeting on the same date. The authorization expired in October 2023.

As at 31 December 2024, Salvatore Ferragamo S.p.A. held 3,113,302 treasury shares, equal to 1.84% of the share capital, as a result of the purchases made in 2018, 2019, 2021 and 2022 (no. 14,000, no. 136,000, no. 624,163, and no. 2,601,637, respectively), also taking into account the free assignment of 114,766 shares and 147,732 shares related to the Restricted Shares plan for 2022 and 2023, respectively, which were transferred to the securities account in the name of the CEO and General Manager on 8 February 2023 and 26 April 2024, respectively. The outlay, including bank fees and incidental taxes and net of the free assignment of Restricted Shares, amounted to approximately 53,676 thousand Euro.
As at 31 December 2024 and as at the date of this Report, Salvatore Ferragamo S.p.A.'s subsidiaries did not hold any of its shares. The Group does not hold, directly or indirectly, shares in parent companies, and during the period it did not buy or sell shares in parent companies.

Transactions arising from atypical and/or unusual transactions

Salvatore Ferragamo S.p.A. and the companies belonging to its Group did not undertake atypical and/or unusual transactions, i.e. those transactions which, due to their importance and/or size, the counterparties involved, the subject of the transaction, the means of determining the transfer price, and the timing of the event, may give rise to doubts about the correctness/completeness of the information provided in the financial statements, conflicts of interest, the safeguarding of the company's equity, and the protection of minority interests.

11. Research and development

As part of its creative and production studies, the Group incurred costs for research and development for the study of new products and the use of new materials, which were wholly charged to the income statement under costs of production.

In 2024, they amounted to 29,339 thousand Euro (incurred entirely by the Parent company) compared to 30,134 thousand Euro in 2023 (incurred entirely by the Parent company).

12. Transactions with related parties

In accordance with the Regulation adopted by Consob with resolution no. 17221 of 12 March 2010 as amended and supplemented (the "Consob RPT Regulation"), Salvatore Ferragamo S.p.A. adopted a Related Party Transaction Procedure ("Related Party Procedure") aimed at identifying the principles adopted by the Company in order to guarantee the transparency and the actual and procedural fairness of transactions with related parties undertaken by the Company, either directly or through its subsidiaries.

The main body responsible for the correct application of Salvatore Ferragamo S.p.A.'s Related Party Procedure is the Company's Board of Directors.

The Board of Directors of the Company, with the favorable opinion of the Control and Risks Committee, which is also responsible for Transactions with Related Parties ("Related Party Transactions Committee"), reviewed and updated the Related Party Procedure, first on 31 July 2018 and subsequently on 11 May 2021, to take into account the new provisions introduced by Consob Resolution no. 21624 of 10 December 2020 in the Consob RPT Regulation, as well as the development of practices and internal application experience. The Procedure was last amended on 3 August 2023, prior to the periodic review required by the procedure itself and by the provisions of Consob RPT Regulation.

In particular, the main changes made in the update of 3 August 2023 concerned: (i) for Low-value Transactions, the introduction of the distinction of low-value thresholds in view of the nature of the counterparty, in line with Consob recommendations. Indeed, the following transactions are to be considered low-value: transactions with a value equal to or less than 100,000.00 Euro if the related party (counterparty to the transaction) is a natural person, or equal to or less than 250,000.00 Euro if the related party is a person other than a natural person or, again, with a value equal to or less than 100,000.00 Euro, on an annual basis, with reference to the allocation and increase – in favor of a member of a governing or control body or of other managers with strategic responsibilities – of remuneration and economic benefits, in any form whatsoever; and (ii) for framework resolutions, the elimination of the case records that allowed the use of a framework resolution only in mandatory cases.

The Related Party Procedure also defines: (i) the transactions of "greater significance" which must be approved in advance by the Board of Directors on the basis of the grounded and binding opinion of the Related Party Transactions Committee – which is identified in the Control and Risks Committee – and which entail the disclosure of an information document; and (ii) the other transactions that, as they do not fall under the residual category of low-value transactions, are defined as transactions of "lesser significance" and can be executed subject to a grounded and non-binding opinion of the Related Party Transactions Committee.

In addition to the cases for which the Consob Regulation itself excludes the application of the relevant rules, the Company uses the following exemptions, within the limits allowed under the Consob Regulation: (i) payment plans based on financial instruments approved by the shareholders' meeting under article 114-bis of the Consolidated Law on Finance and related transactions; (ii) resolutions (other than those already outside the scope of the Consob Regulation, under Article 13, paragraph 1 of the latter) on the remuneration of directors holding specific positions, as well as other managers with strategic responsibilities, provided that: the Company has adopted a remuneration policy approved by the shareholders' meeting, a committee comprised exclusively of non-executive directors – most of them independent – was involved in defining the remuneration policy, and the assigned remuneration was identified in accordance with said policy and quantified based on criteria not involving discretionary assessments; (iii) ordinary transactions, carried out at arm's length or on standard terms; (iv) transactions with or between subsidiaries (including jointly) of the Company, as well as transactions with associates, as long as there are no interests classified as material of other parties related to the Company in the subsidiaries or associates that are party to the transaction; (v) urgent transactions, without prejudice to the disclosure requirements under Article 5 of the Consob Regulation and the powers reserved to the Board of Directors with respect to transactions of greater significance.

The Board of Statutory Auditors is responsible for overseeing the compliance of the Related Party Procedure with the principles indicated in the Consob RPT Regulation as well as the observance and correct application of the Procedure. Transactions with related parties – as listed in the financial statements and set out in detail in the specific note to the consolidated and separate financial statements (to which reference should be made) – cannot be considered as atypical or unusual, since they form part of Group companies' regular business and are regulated at market conditions. For more details on the Related Party Procedure, please refer to the relevant document available on the Company's website *https://group.ferragamo.com/en, section governance/corporate-governance/procedure*.

13. Main risks and uncertainties

The Corporate Governance Code places special emphasis on the correlation between risks, opportunities, and the organization's strategic objectives, stressing the need to consider all elements that could be potentially relevant to achieving sustainable success, defined as "the objective that guides the actions of the board of directors and consists in creating long-term value for the benefit of the shareholders, taking into account the interests of other stakeholders relevant to the company".

Specifically, under the Corporate Governance Code, the Board of Directors shall define "the nature and level of risk compatible with the company's strategic objectives, including all the elements that can be relevant for the company's sustainable success" (see Recommendation 1(c)).

Therefore, the Company adopted an integrated risk management model (ERM Model), in line with Enterprise Risk Management (ERM) standards and best practices, intended to help top management identify the main business risks and how they can be managed, as well as define how to organize the system of measures safeguarding against such risks. The ERM Model is based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (known as "CoSO ERM 2017"), the principles of which are consistent with the Company's strategic guidelines.

The methodological references and guidelines for the governance of the Enterprise Risk Management system have been formalized in the "ERM Framework" Policy, updated in 2024 and approved by the Board of Directors at its meeting on 30 January 2025.

The entry into force of the Corporate Sustainability Reporting Directive (CSRD), implemented in Italy by Italian Legislative Decree 125/2024, marks an important regulatory evolution with respect to the NFRD, expanding reporting obligations for companies and introducing new transparency standards on environmental, social and governance (ESG) performance, with the aim of strengthening the sustainability and responsibility of companies.

In accordance with current regulations, the Company carried out a double materiality analysis, a fundamental tool for understanding and managing the interconnections between sustainability and business performance. This analysis focuses on assessing and mapping the impacts, risks and opportunities relevant to the Organization from an economic, environmental and social perspective. This process, as described in ESRS 1, Chapter 3, aims to define the content of the Sustainability Report to ensure that it reflects not only the Company's impact on society and the environment, but also the impact that sustainability factors may have on the Company's financial position and performance.

In particular, the process involved the Risk Management Function in performing the analysis of financial materiality, which consists of assessing sustainability risks and opportunities that may have a positive or negative impact on the development, performance and positioning of the Company and its value chain.
Indeed, the significance of risks and opportunities was assessed in accordance with the Group's risk assessment methodology and then mapped and integrated into the Group's risk register (known as Risk Universe).

For further information on the Double Materiality analysis, please refer to the paragraph "Consolidated Sustainability Reporting pursuant to Italian Legislative Decree no. 125 of 6 September 2024, implementing Directive (EU) 2022/2464" in this document. With reference to climate change, as part of the consolidation of its Enterprise Risk Management (ERM) framework, in 2024 the Company completed the development of a vertical analysis dedicated to physical climate risks of interest to the Group. The activity involved strengthening the assessment of climate change risk in terms of its potential impact on the Group's assets and processes (for more details, please refer to the paragraph "Climate Risks" in this section).

The Company will continue to strengthen the assessment of climate change risk in 2025.
These initiatives helped to strengthen the level of awareness, understanding and monitoring, within the Group, of risks and opportunities in an integrated manner, consistent with the guidelines defined by the Corporate Governance Code and in line with the main regulatory and context-specific elements.
The main risk areas and issues of concern for the Parent company and subsidiaries (the Group) are described below.

The identification of corporate risks (so-called Risk Universe) starts from the analysis of the main risk areas with a direct impact on the achievement of the goals outlined in the Strategic and Sustainability Plan, subsequently broken down in terms of specific risk scenarios and based on the geographical area of reference. The Group's risk rating is composed of two dimensions: the impact of the risk and the likelihood of the event occurring, the combination of which gives the final rating, which represents the overall value of the risk and is used to ranking the risks.

The Group has confirmed the following types of risks: strategic, operational, financial, and compliance risks.

Strategic risks

This category includes the most relevant risk scenarios in terms of their potential direct and indirect impact on the achievement of the goals outlined in the Strategic and Sustainability Plan. The Plan is based on repositioning the brand as a synonym for modern and refined luxury, with the aim of creating an emotional bond with a wider audience in a macroeconomic/geopolitical scenario that continues to be characterized by general instability.

In order to manage risks, this has resulted in a thorough and constantly updated analysis of the issues related to the slowdown of the luxury market and the relaunch of the new offer, with impacts on the management of distribution channels, without neglecting the potential impacts in terms of sustainability and brand reputation/image.

Risks related to the slowdown in the luxury market

The general slowdown in the luxury market, which is particularly affected by regional trends, represents a significant risk for the sector. Economic uncertainty and political instability can directly impact on the demand for luxury products, affecting sales and a brand's ability to maintain its premium positioning.

This context, marked by ever-changing economic and political conditions, introduces increased complexity into the processes for planning and allocating resources among different distribution channels.

The current market environment is also likely to have a negative impact on the performance of the wholesale channel, exacerbated by the widespread difficulties experienced by US department stores. This situation could have potentially negative consequences, such as the loss of strategic partnerships, an impact on the brand image, and reduced exclusivity and access to premium customers. To address these challenges, the Company is implementing targeted actions at both the local and central levels, aiming to stabilize overall performance and mitigate the risks arising from increasing competition.

At the same time, the decline in sales in the retail channel and the concurrent expansion trend by market leaders could result in the possible need for forced relocation of "key" stores, especially in Asia. In this regard, plans have been formulated to enhance the network's performance and productivity, with a focus on improving the in-store experience and fortifying personnel organization. Concurrently with this initiative, the sales network consolidation strategy entails the protection of key positions and the opening of new strategic stores.

Risks related to the Supply Chain

The organizational model adopted by the Group entrusts the production process almost entirely to specialized external workers, while keeping the management and organization of the most important stages in the value chain in-house.
The current market slowdown and general decline in demand may lead to a reduction in work opportunities for the workers with whom the Group collaborates.
Moreover, given the ever-changing regulatory and industry environment, particularly with respect to sustainability issues, and the significant increase in consumer, investor and regulatory attention to compliance with applicable regulations (including those related to labor law and Health, Safety & Environment), the Company may be required to incur increased costs and make significant investments to ensure and monitor compliance with these stringent regulatory standards.

Failure to comply with these regulatory requirements and ESG commitments, as well as a lack of supplier transparency, can result in sanctions, litigation, and damage to brand reputation. In this regard, the Company implements specific controls and procedures with respect to its suppliers, in order to verify their ability to meet the standards set by the Company.

Risks of events with an impact on the image and reputation of the brand

The Group's success depends on the image of its brand, which is influenced not only by internal factors relating to its own business, i.e., by the definition and implementation of its strategies, but also by a variety of external factors or events which may harm or damage the business ethics and values associated with it. Risk factors include the perceived quality of service and product attractiveness to customers, as well as the risk of potential reputational damage related to marketing campaigns or communication initiatives that are not in line with the Company's brand image in relation to ESG topics, which, considering their relevance, may have an amplifying effect in terms of reputation and impact on consumer preferences.

In an environment characterized by mounting regulatory pressures and heightened ethical and sustainability expectations from customers, investors, suppliers, stakeholders, and governments, the Company has devised a Group Sustainability Plan, comprising ESG building blocks and associated targets, as a testament to its commitment to sustainability. Failure to meet sustainability goals or a mismatch between ESG initiatives undertaken and stakeholders' expectations could negatively impact on the company's brand image and competitive advantage.

To mitigate this risk, ESG monitoring and management plans have been defined and implemented, as well as strategies for ESG rating management and stakeholder communication and engagement.

Operational risks

This category includes risks related to processes that affect the effectiveness and efficiency of day-to-day activities. These risks include the loss of key resources and know-how, as well as threats such as cyber risks and climate change. Effectively addressing these issues is essential for maintaining the company's standards of excellence in the industry, ensuring its competitiveness, sustainability, and brand reputation.

IT security risks, data management and dissemination, specifically with respect to cyber attacks

Possible attacks and breaches to the IT system that could cause the unavailability of systems and/or the destruction, loss, alteration, and unauthorized disclosure of, or access to, the personal data transmitted, stored, or otherwise processed by the Group, resulting in financial and/or reputational losses, including those associated with severe business interruption events.

Risk factors also include those related to workers' potential lack of awareness of cyber security issues that could expose the Company to information management vulnerabilities.

The Group's cyber risk management strategy involves the implementation of specific activities aimed at strengthening its systems, enhancing awareness of the issue through dedicated training and awareness-raising activities (i.e., Cyber Awareness & Training), and minimizing the impact of any business disruption.

In fact, the Company conducted the annual Business Impact Analysis and IT Disaster Recovery reviews. It also constantly monitors the Cyber Threat Landscape, completed the annual Cyber Maturity assessment and initiated the Third-Party Risk Management assessment in 2024.

The Company has adopted a "Security Incident Response Procedure" policy, approved by the Board of Directors, which defines the principles and guidelines to ensure the timely, effective and efficient handling of cyber incidents in order to prevent or limit any potential negative impact on the Group. However, the Company's diligence in addressing these issues remains high.

In 2024, the Company initiated a process to capitalize on the opportunities presented by Artificial Intelligence systems, mitigating at the same time the risks associated with their misuse. This initiative involved the identification and subsequent adoption of an AI governance model.

Risk of loss of key resources and know-how

The current luxury market scenario affects the attractiveness of companies operating in this sector, with the risk of not being able to fill any key positions that become vacant and to successfully manage company turnover. The risk is connected to the dependence which the Group may have in regard to some individuals who are currently considered strategic resources, since they cannot be easily or rapidly replaced by internal or external staff. II. The risk of dependence on key staff is also connected to the potential loss of "technical know-how", in reference to the possibility of seeing a gradual reduction or loss of the expertise and skills needed to manage design, development and production activities, in particular in regard to the Group's core business: the manufacture of footwear and leather goods. This risk is especially important in regard to the professional staff responsible for handling product development and industrial manufacturing processes, in an external and local framework characterized by a gradual reduction in craftsmanship and professional skills.

To this end, the Company reviewed its strategic approach and Talent Management processes with the aim of promoting the development of human resources, improving performance (individual and team), identifying specific career paths and creating solid succession plans to ensure continuity in key roles. The implementation of these policies is also considered a strategic asset to increase the Group's ability to attract talent from the market and optimize its ability to retain key resources.

Climate Risks

In 2024, the Group continued the process initiated in 2023 to implement a Climate Change Risk Management Framework. This initiative was undertaken to enhance the Group's capacity to identify potential financial impacts and ensure effective management and adaptation to the challenges posed by climate change. Among other benefits, this activity provided a concrete overview of the potential economic impact to the Group (in line with the company's ERM approach) and the tangible and intangible mitigation measures adopted by the organization. It also provided valuable guidance for prioritizing future investments in resilience measures while ensuring alignment with evolving regulatory requirements (e.g. CSRD / CDP).

The scope of the analyses encompassed over forty assets deemed representative of the Group, including all assets owned by Ferragamo, selected directly operated stores (DOSs) relevant in terms of net sales, and key business suppliers in terms of type of supply and turnover.

To assess the vulnerability and resilience of these assets to extreme weather events, a comprehensive mapping campaign was launched. This campaign focused on the climate event adaptation measures already adopted by the Group and involved the Group's local management and selected suppliers. By integrating the collected data with internationally recognized climate databases, it was possible to quantify the short-term financial impact (gross and net) of extreme weather events in terms of lost turnover due to business interruption and of property damage costs. Finally, a possible evolution of the exposure of the assets within the scope of the analyses to climate change in the medium (2030) and long term (2050) was studied and analyzed in depth, according to the reference climate scenarios (RCP/SSC 8.5), identifying any significant deviations from the short-term analyses.

The results of the activities carried out have shown that the Group's main assets generally have a mature level of mitigation of extreme weather events and that Ferragamo benefits from extensive insurance coverage, which significantly reduces the potential financial impact of such events.

Financial risks

These are risks that directly impact the Company's economic performance and equity value, risks arising from liquidity management and transactions on the financial instruments market, as well as risks related to administrative and accounting aspects and resource allocation.
For information relating to the management of financial risks and for the other information provided by IFRS 7, reference should be made to the specific section in the explanatory notes to the consolidated and separate financial statements, at the end of the paragraph on accounting standards.

Exchange rate risk

The Group operates at the international level and is therefore exposed to risks deriving from exchange rate fluctuations, which affect the financial position and financial performance, due to the difference in the value of foreign currency costs and revenues compared to the moment in which pricing conditions were set, as well as because of the translation of trade or financial receivables and payables denominated in foreign currencies.

In keeping with the exchange rate risk management policy adopted in recent years, the Group manages exchange rate risk arising from its business, in line with the provisions of the exchange rate risk management policy and the risk management objectives that are periodically established at Corporate level, through the systematic hedging of commercial flows arising from sales forecast in currencies other than the Euro, with the aim of mitigating the expected risk of variability in margins arising from sales relating to future collections.

In addition, by virtue of the fact that the Company prepares its consolidated financial statements in Euro, fluctuations in the exchange rates used to translate the financial statement data of subsidiaries which were originally expressed in a foreign currency could have a significant impact on results, net financial debt, and consolidated shareholders' equity, expressed in Euro in the Group's financial statements, as well as financial ratios.

Credit risk

The Group's exposure to trade credit risk refers exclusively to wholesale sales and the receivables associated with licensing and rental income investment property revenues, which combined represent nearly one-third of global turnover; the rest refers to retail sales with payment at the time of purchase, with the exception, on a smaller scale, of e-commerce and sales within department stores, which generally have payment terms of less than 90 days.

The credit risk connected to financing, investing and operating activities in derivatives to hedge the exchange rate risk is represented by the inability of the counterparty or the issuer of the instruments to meet their obligations. The credit risk regarding the Group's other financial assets, consisting of cash and cash equivalents, financial assets at amortized cost and some derivatives, has a risk equal to the book value of these assets in case of insolvency of the counterparty.

Liquidity risk

Liquidity risk represents the risk that the Group cannot meet its financial obligations due to problems in obtaining funds at current market price conditions or in liquidating assets on the market to find the necessary financial resources. The first consequence is a negative impact on the income statement, should the Group be forced to incur additional costs to meet its commitments. The factors which mainly influence the Group's liquidity are the resources generated or absorbed by current operating and investing activities, the possible distribution of dividends and the expiry and possibility of renewal of debt or the expiry and possibility of liquidation of financial investments of surplus cash.

To this end, the Company adopted a "Liquidity Investment" policy, approved by the Board of Directors. The purpose of the policy is to establish the principles and rules for managing the Company's liquidity and for managing and mitigating the related financial risk.

Interest rate risk

Fluctuating market interest rates affect the level of net financial charges and the market value of financial assets and liabilities. The Salvatore Ferragamo Group is mainly exposed to the risk of recording on the income statement an increase in financial charges due to an unfavorable change in interest rates. Group companies use third-party financial resources largely in the form of floating-rate bank debt and deploy the available liquidity mainly in money market instruments. Changes in market interest rates only affect the cost of borrowing and the return on forms of lending, and thus the level of the Group's financial charges and income, and not their fair value.

Compliance risks

Tax risk

The Salvatore Ferragamo Group has subsidiaries in over 26 countries worldwide and, therefore, its tax returns and obligations are usually subject to assessments by the tax authorities of the various countries. In addition, due to the high number and value of transactions between Group companies, the compliance of the amounts envisaged for such transactions to local and international rules and principles on transfer pricing is subject to assessment and adjustment by tax authorities. The instruments adopted by management to limit tax risk for both tax compliance and transfer pricing cannot completely rule out the risk of tax assessments, especially taking into account the lack of clear and established regulation of transfer pricing in local laws and procedures.

In October 2023, the Company was admitted to the collaborative compliance scheme pursuant to Italian Legislative no. 128 of 5 August 2015, effective from the 2022 tax year.

Admission to the scheme was preceded by an audit by the Inland Revenue Office of the adequacy of the Company's tax governance and internal control system for identifying, measuring, managing and monitoring tax risk, known as the Tax Control Framework. Joining this scheme is part of Ferragamo's broader tax strategy, which has always been based on the preventive management of tax risk, in the belief that tax compliance is a fundamental value of sustainable and ethical business.

In order to ensure a correct, timely and effective approach to tax risk management, the Company adopted a Tax Control Framework (hereafter TCF), i.e. a system of internal control of tax-related processes that complies with OECD guidelines, as implemented by the Inland Revenue Office. The Company's TCF is structurally integrated with the Company's other internal control systems. In particular, the TCF is integrated into the control system for financial reporting risks pursuant to Italian Law no. 262/2005, identifying the controls that mitigate both administrative and accounting risks and tax risks. Similarly, in terms of integration, the TCF identifies the appropriate controls also for the prevention of tax crimes, already regulated by the Company in the Organizational Model pursuant to Italian Legislative Decree no. 231/2001 in order to create synergies in the monitoring activities of the two control systems.

As part of the Tax Control Framework, the Company formalized a tax strategy approved by the Board of Directors on 7 September 2021, which is consistent with the Group's values and principles, and at the Board of Directors' meeting held on 8 March 2022 appointed a Tax Risk Officer (TRO), who is entrusted with monitoring and updating tasks.

In order to define the operating procedures for the performance of his/her functions, the Company formalized a specific Operating Manual for monitoring activities (known as "TRO Manual"), which was presented to the Board of Directors on 6 March 2024, and which describes the methods envisaged for defining the activity plan, for updating the Tax Risk Map, and for carrying out second-level controls.

The Tax Compliance Model, which was approved by the Board of Directors on 1 August 2024, defines the roles and responsibilities within the Company's organization concerning tax risks and their management, according to a 3-line defense approach, which is integrated into the broader internal control system, in accordance with international best practices and the guidelines of the Inland Revenue Office.

In line with the guidelines set out in the Tax Strategy and Tax Compliance Model, the Company's aim is to proactively manage tax risk by ensuring, through the TCF, its timely identification, proper measurement and control, in order to mitigate its impact. Specifically, Salvatore Ferragamo S.p.A. identifies the following areas in which tax risk may arise:

a) Tax compliance risks (monitored by means of the Tax Risk Map), i.e. the risk of failing to properly comply with the tax obligations established by law. These are regulatory compliance risks, which are operational in nature and concern both business processes and specific stages of tax compliance, and are constantly updated and supplemented to implement the relevant regulatory changes;
b) Interpretation risks (controlled through the Interpretation Risk Policy, approved by the Board of Directors on 1 August 2024), i.e., risks related to the application of all tax provisions and arising from both uncertainty about abstract regulatory cases and uncertainty about the qualification of cases in relation to the regulatory requirements,
c) Tax fraud risks, i.e. the risk of committing an offense constituting tax fraud, with particular reference to the predicate offenses for determining the administrative liability of entities pursuant to Italian Legislative Decree no. 231 of 2001. In addition to the provisions of Model 231, the Compliance Tax Risk Map emphasizes the identification of tax risks related to sensitive areas with respect to the specific cases included in tax offenses.

With respect to the collaborative compliance scheme envisaged by Italian Legislative Decree 128 of 2015, on 30 October 2024, the Company and the Cooperative Compliance Office signed the minutes defining the materiality threshold for the 2024-2026 three-year period, above which the duties of collaboration and transparency with the Collaborative Compliance Office apply.

On an annual basis, the TRO, with the support of the Tax Management Function, prepares the General Report on the Tax Control Framework ("TCF Report"), which includes the results of updating and monitoring activities and tax interpretation risks that have occurred during the compliance year. The TCF Report, prepared by the TRO with the support of the Tax Management Function, is submitted to the Control and Risks Committee and approved by the Board of Directors. Specifically, for FY2023, the tax risks presented in the map and the related mitigation measures have been updated and the testing activities aimed at ensuring the adequacy and effectiveness of these measures according to a three-year plan have been completed.

Risks relating to the protection of intellectual property rights

The risk concerns the possibility that Salvatore Ferragamo S.p.A.'s intellectual property rights may be infringed by the illegal placement of counterfeit products on the online and offline market, and by the third-party use of Salvatore Ferragamo S.p.A.'s intellectual property rights in an improper manner and/or for purposes not permitted by current regulations on the protection of intellectual property rights.

The risk of infringement of the Group's intellectual property rights on its products and trademarks by third parties is amplified by the increased use of the Internet, which facilitates the sale of counterfeit products. This risk can take several forms: (i) e-commerce websites that sell counterfeit products; (ii) e-commerce websites that sell original products and use the Group's trademarks without authorization; (iii) misuse of websites containing the "Ferragamo" and/or "Salvatore Ferragamo" trademarks in the domain name.

Salvatore Ferragamo S.p.A., in order to protect its intellectual property rights and to combat the aforementioned infringements, carries out proactive control and monitoring activities to check for the presence of counterfeit products both on online platforms worldwide, through collaboration with external providers specialized in the online sector, and in the physical markets of interest, through in-court and out-of-court actions (both civil and criminal), in collaboration with specialized legal consultants and local and customs authorities that monitor and inspect the areas most affected by the counterfeiting phenomenon.

Risk of non-compliance with laws and regulations, including at the European level

The Group is subject, in the various jurisdictions where it operates, to legal provisions – including tax provisions which are described separately – and to technical rules which are applicable to the products manufactured and their distribution.

Italian and European regulations that are applicable to the Parent company as an issuer of shares traded on Euronext Milan (formerly known as Mercato Telematico Azionario), organized and operated by Borsa Italiana S.p.A., since 29 June 2011, are especially relevant to this risk. These regulations include, for example, Regulation (EU) no. 56/2014 (MAR) concerning market abuse. There are also specific regulations in force, such as those relating to the protection of consumers, intellectual and industrial property rights, and competition; regulations on the health and safety of workers, the environment, and the protection of personal data; regulations on the administrative liability of legal entities pursuant to Italian Legislative Decree 231/2001, on liability pursuant to Law 262/2005 and, more generally, on industrial compliance with regard to the conformity of the finished products distributed and raw materials used with the standards provided for by the regulations in force, as well as those deriving from the evolution of ESG issues. Failure to comply, or any delays in complying, with new rules and regulations could expose the Group to the risk of administrative and/or criminal penalties for non-compliance.

During 2022, the Company undertook to implement a specific "Compliance Program" to ensure proper management of the processes of compliance with the laws and regulations to which it is subject. This process also continued during 2023 and 2024. In particular, the activities coordinated by the Regulatory Compliance Function, within the Group's Legal & Compliance Department, and completed during the year included the following: (i) the strengthening of the periodic regulatory monitoring service on matters of interest to the Group, with simultaneous reporting to the corporate functions concerned in order to assess and implement action and remediation plans, where necessary; (ii) the completion of the process of updating the Organization, Management and Control Model pursuant to Italian Legislative Decree 231/01 with the aim of ensuring closer alignment with emerging risks, recent regulatory updates and business developments, enabling the Group to adopt a process-based approach rather than an exclusively "risk-crime"-based approach, which, again in 2024, was followed by two additional updates aimed, respectively, at reflecting some recent regulatory requirements and detailing the safeguards introduced by the Company with respect to certain tracked processes; (iii) the inclusion of members of corporate bodies in the company's training program regarding the Code of Ethics, whistleblowing, anti-corruption and the organization, management and control model pursuant to Italian Legislative Decree 231/2001; (iv) the participation in some industry association working groups and consultations related to upcoming regulations.

The outcomes of the "Compliance Program" were used to represent the risks related to compliance with laws and regulations within the ERM Model, which was updated accordingly during 2024.

14. Significant events occurred after 31 December 2024

On 3 February 2025, the Company and Marco Gobbetti reached a mutual agreement on the termination of employment and administrative relationship, effective from the date of approval of the draft financial statements for FY2024, i.e. 6 March 2025, as announced to the market on the same date.

In addition, it was announced that: (i) Marco Gobbetti will be entitled to receive his salary and fixed remuneration until the date of termination, and to maintain certain fringe benefits until 31 December 2025, (ii) Marco Gobbetti will be paid, within 30 days of termination of the relationships, a total gross amount of 4,450 thousand Euro for the termination of employment relationship and a gross amount of 50 thousand Euro for the waivers granted in relation to the execution and termination of the relationships, including, in particular, the waiver of the 2024 STI and Restricted Shares 2024 LTI bonus (Special Award 2022-2026); (iii) with reference to the governance of the Company for the period between 6 March 2025, and the date of appointment of the new Chief Executive Officer, the executive powers will be conferred on the Chair, who will propose a distribution of delegated powers and will be supported in the transition by an advisory committee composed of experts with consolidated experience in the sector and who have already worked in top management positions within the Company – namely, James Ferragamo, Ernesto Greco and Michele Norsa (who will take on the role of Chairman Special Advisor) – to consolidate the new phase of sustainable development of the brand's founding values, building on the work done so far with the aim of entering a new phase in the renewal process, accelerating its implementation and strengthening its fundamental link with the brand's heritage.

Further to the announcement made on 3 February 2025, Marco Gobbetti officially resigned from his administrative positions with the Company, effective 6 March 2025, in accordance with the mutual termination agreement reached between the parties. At the same time, Marco Gobbetti's duties and responsibilities towards the Company ended in accordance with the same mutual termination agreement.

The Board of Directors, which met on the same day, determined that co-opting a new member was not necessary, leaving the relevant decisions to the Shareholders' Meeting scheduled for 16 April 2025.

At the same meeting, at the proposal of the Chair and with the favorable opinion of the Nomination and Remuneration Committee, the Board of Directors also made certain decisions regarding the corporate offices, redistributing the delegated powers. This will remain in effect until a new Chief Executive Officer is identified through a thorough and efficient search process. Specifically, Executive Chair Leonardo Ferragamo and Directors James Ferragamo and Ernesto Greco were granted management powers. The support of the Chairman Advisory Committee, composed of the Directors with delegated powers and the Chairman Special Advisor, Michele Norsa, remains confirmed, as communicated on 3 February 2025.

In the light of the new structure, in accordance with Recommendation no. 13 of the Corporate Governance Code and Article 5 of the Board of Directors Regulation, Patrizia Michela Giangualano was appointed as lead independent director.

At the meeting held on 6 March 2025, the Board of Directors, inter alia: (i) approved the draft Separate Financial Statements as at 31 December 2024, the Consolidated Financial Statements as at 31 December 2024, and the Directors' Report on Operations for 2024, containing the Ferragamo Group's Sustainability Report prepared in accordance with the new provisions introduced by the Corporate Sustainability Reporting Directive ("CSRD"), implemented by Italian

Legislative Decree 125/2024, and with the European Sustainability Reporting Standards ("ESRS") prepared by EFRAG and issued by the European Commission through Delegated Regulation (EU) 2023/2772; (ii) approved the Corporate Governance Report for 2024, prepared by the Company pursuant to Article 123-bis of the Consolidated Law on Finance; (iii) approved, with the favorable opinion of the Nomination and Remuneration Committee, the Remuneration Policy Report 2025 and Fees Paid 2024, prepared pursuant to Article 123-ter of the Consolidated Law on Finance, Article 84-quater and Annex 3A, Scheme 7-bis of CONSOB Regulation no. 11971/1999 as amended, and Article 5 of the Corporate Governance Code for listed companies; for approval by the next Shareholders' Meeting. For further details, please refer to the documentation made available on the Company's website *https://group.ferragamo.com/en, section governance/shareholders-meetings/2025*; (iv) resolved to call the Ordinary and Extraordinary Shareholders' Meeting of Salvatore Ferragamo S.p.A. for 16 April 2025; and (v) confirmed the appointment of the CFO and Financial Reporting Officer as the Sustainability Reporting Officer for 2025.

15. Macroeconomic situation and outlook

The short-term economic outlook remains uncertain.
New economic estimates released by the International Monetary Fund in January 2025 show a moderate expected GDP growth in 2025 and 2026 of 3.3% worldwide. In terms of individual geographic areas, growth is expected to be 2.7% in the United States, 1% in the Eurozone and 4.6% in China in 2025, and 2.1% in the United States, 1.4% in the Eurozone and 4.5% in China in 2026.

The baseline scenario anticipates the ongoing disinflationary process in major economies, accompanied by a normalization of monetary policy, though there are still risks of a slowdown. These risks, combined with an expected escalation in trade tensions and developments in the Russian-Ukrainian and Middle East conflicts, are likely to continue to weigh on consumers' propensity to buy and spending power. Moreover, the luxury market is suffering from uncertainty about the evolution of the macroeconomic situation, particularly in North America and China, which affects the entire Asian market.

Due to the uncertainty surrounding the demand for luxury goods, we are adopting a cautious stance regarding our near-term expectations. We will continue to strengthen our product offerings, building on our heritage while optimizing our targeting of customer segments. We are confident in our ability to respond to evolving market trends while maintaining our focus on revenue performance and profitability.

16. Separate Financial Statements as at 31 December 2024 of Salvatore Ferragamo S.p.A. – Proposal for approval

Dear Shareholders,
relying on your approval to the structure and basis of presentation of the separate financial statements for the year ended 31 December 2024, in relation to the results achieved we hereby:

1. recommend that you approve the 2024 Separate Financial Statements;
2. propose covering the loss for 2024, totaling 70,534,828 Euro, by using the Extraordinary Reserve.

Florence, 6 March 2025

On behalf of the Board of Directors

The Chair
Leonardo Ferragamo

FERRAGAMO





CONSOLIDATED SUSTAINABILITY REPORTING



Consolidated Sustainability Reporting
PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 125 OF 6 SEPTEMBER 2024 IMPLEMENTING DIRECTIVE (EU) 2022/2464

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

"Since the introduction of the Brand, creativity, innovation, and world-class craftsmanship have always been the core values of the Salvatore Ferragamo Group, guiding the design and production of any creation. Over the years, the deep connection with the local community and its culture has made the Salvatore Ferragamo Group increasingly aware of the need for a strong commitment to protect the places where it operates and the people that work for the Group, going above and beyond the requirements of domestic and international laws, rules and regulations."

Commitment to the sustainability of Salvatore Ferragamo

Investing in sustainability has been at the heart of Salvatore Ferragamo's development journey in 2024, maintaining an unwavering commitment to creativity and excellence. During this phase, the Group has strengthened its dedication to sustainability, in the pursuit of economic growth that takes into account the positive and negative impacts of its business activities, with particular attention to social and environmental aspects.

Salvatore Ferragamo attributes a deep meaning to the concept of sustainable development, which extends beyond the mere use of innovative materials, embracing the bond with the local communities and areas where it operates, while demonstrating great respect for the environment and the people involved. These values, passed on by the Group's Founder, not only lie at the basis of the Company's success, but are critical for all stakeholders.

The commitment to sustainability has been built over the years as an uncompromising behavioral model, drawing inspiration from the values intrinsic to Salvatore Ferragamo's history: a passion for craftsmanship excellence, creativity and Made in Italy innovation. Understanding and ensuring compliance with these principles translate into ethically correct behavior – both inside and outside the Group – and significantly contribute to its support in terms of economic growth and credibility.

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GENERAL DISCLOSURES



Basis for preparation

BP-1: General basis for preparation of sustainability statements

This section of the Board of Directors' report on operations represents the Consolidated Sustainability Reporting (hereinafter also referred to as "Sustainability Reporting", "Sustainability Report" or "Sustainability Disclosures") pursuant to Italian Legislative Decree no. 125 of 6 September 2024 implementing Directive (EU) 2022/2464 of the companies belonging to the group consisting of Salvatore Ferragamo S.p.A. and its subsidiaries (hereinafter also referred to as the "Group" or "Salvatore Ferragamo Group") for the period from 1 January through 31 December 2024. The scope of the social, environment, and governance data and information is equivalent to that of the financial statements and encompasses the fully consolidated subsidiaries, with the exception of Ferragamo Retail India Private LTD, which is no longer operational, and the subholding company Ferrimag Limited[1] for the Chinese area.

All the players in the Salvatore Ferragamo S.p.A.'s value chain were considered in the definition and drafting of the document. In fact, as reported in paragraph SBM-3, the impacts, risks and opportunities related to own operations and the value chain, both upstream and downstream, were analyzed to update the double materiality.

Moreover, in the updating of the Group's policies carried out during the reporting year, suppliers and third parties are identified as recipients of these policies. Finally, for the sake of transparency, it should be noted that the data relating to the value chain is not currently available with the appropriate level of completeness and accuracy, with the exception of Scope 3 emissions. However, the Group is committed to implementing the necessary measures to include the required data in future years, taking advantage of the phase-in period provided by the CSRD[2].

BP-2: Disclosures in relation to specific circumstances

Ways of presenting quantitative data other than those considered in previous reporting and relating to specific circumstances are expressly indicated in specific notes. In addition, in order to present fairly the Group's performance and ensure data reliability, the use of estimates has been limited as much as possible. Any estimates in this document are made using the best available methods and expressly noted. Where technically possible, Sustainability Reporting information has been provided along with a comparison to the year 2023. In defining the time horizons, the Group does not deviate from those identified in ESRS 1 section 6.4.

[1] The list of companies consolidated on a line-by-line basis is as follows: Ferragamo France SAS, Ferragamo U.K. Limited Ltd, Ferragamo Suisse SA, Ferragamo Monte-Carlo SAM, Ferragamo Belgique SA, Ferragamo Deutschland GmbH, Ferragamo Espana SL, Ferragamo Retail Nederland BV, Ferragamo Austria GmbH, Ferragamo USA Inc, Ferragamo Canada Inc, S Fer International Inc, Sator Realty Inc, Ferragamo Mexico S. de R.L. de C.V., Ferragamo Chile SA, Ferragamo Argentina SA, Ferragamo Brasil Roupas e Acessórios Ltda, Ferragamo Japan KK, Ferragamo Hong Kong LTD, Ferragamo Australia Pty, Ferragamo Korea Ltd., Ferragamo (Singapore) PTE. LTD., Ferragamo Retail India Private LTD, Ferragamo (Thailand) LIMITED, Ferragamo (Malaysia) Sdn Bhd, Ferrimag Limited, Ferragamo Retail Macau Ltd., Ferragamo Retail HK Ltd, Ferragamo Retail Taiwan Ltd, Ferragamo Moda (Shanghai) Co. Ltd, Ferragamo Fashion Trading (Shanghai) Company LTD. Although the companies Ferragamo Retail India Private LTD and Ferrimag Limited are consolidated on a line-by-line basis with respect to financial data, non-financial data are not reported as they do not exist.

[2] ESRS 1, 10.2 *Transitional provision related to chapter 5 Value chain.*

Governance

GOV-1: The role of the administrative, management and supervisory bodies

The administrative, management and supervisory bodies play a crucial role in supervising the procedures adopted for the identification, management and monitoring of risks, as well as in assessing material impacts and opportunities. Their responsibility extends to verifying effective strategies, the adequacy of control processes, and the promotion of transparent and responsible governance. They ensure that business decisions are aligned with sustainability and growth targets.

The composition and diversity of the members of the Company's administrative, management and supervisory bodies are set forth below:

	Role
Board of Directors	
Leonardo Ferragamo	Chair
Angelica Visconti	Deputy Chair
Marco Gobbetti	Chief Executive Officer and General Manager
Giacomo Ferragamo	
Sara Ferrero	
Patrizia Michela Giangualano	
Ernesto Greco	
Umberto Tombari	
Laura Donnini	
Nicolò Ferragamo	
Control and Risks Committee	
Patrizia Michela Giangualano	Chair
Sara Ferrero	
Laura Donnini	
Nomination and Remuneration Committee	
Patrizia Michela Giangualano	Chair
Sara Ferrero	
Laura Donnini	
Board of Statutory Auditors	
Andrea Balelli	Chair
Paola Caramella	Acting Statutory Auditor
Giovanni Crostarosa Guicciardi	Acting Statutory Auditor
Roberto Coccia	Substitute Statutory Auditor
Antonietta Donato	Substitute Statutory Auditor
Independent Auditors	
KPMG S.p.A.	
Manager charged with preparing Company's Financial Reports, including Sustainability Reporting	
Pierre La Tour	

Gender balance within the Board of Directors

BoD	Male	Female	Total
Executive members	3	0	3
Non-executive members	3	4	7
Total	**6**	**4**	**10**
Percentage	**60%**	**40%**	**100%**

The percentage of independent members of the Board of Directors is 30%.

With regard to business conduct, the Board of Directors (hereinafter also referred to as "BoD" or "Board") is responsible for the management of the Company and the implementation of the corporate purpose through the activities required. In particular, the Board guides the Group towards sustainable success. It is responsible for defining and monitoring company strategies and for promoting an ongoing dialog with shareholders and stakeholders. It approves the multi-year business plan and assesses the creation of long-term value and the achievement of pre-established objectives. It also determines the level of risk that is compatible with company strategies. It periodically assesses the governance, organizational structure and internal control system. It also discusses and resolves on significant strategic, economic and financial transactions.

All ten members of the Board have experience in the Company's sectors, products and geographical areas.

For further details reference should be made to https://group.ferragamo.com/en/governance/board-of-directors.

There are no members of the BoD who specifically represent the employees and other workers, but the Board of Directors is fully informed about the company situation and makes decisions aimed at ensuring the overall well-being of the people who work for the Company.

Members of the Board of Directors are appointed on the basis of their reputation and integrity, as well as their knowledge and experience in the industry.

With specific reference to the expertise in sustainability that the bodies as a whole directly possess, or which they can in any case make use of, it should be noted that three members of the Company's Board of Directors, namely, Giacomo (James) Ferragamo, who also holds the role of Chief Transformation & Sustainability Officer within the Group, Umberto Tombari and Patrizia Michela Giangualano, have experience in sustainability. For more information, please refer to their résumés, which are available on the Company's website at https://group.ferragamo.com/en/governance/board-of-directors.

The Board of Directors has also decided to assign the responsibility for corporate sustainability to the Control and Risks Committee, which is composed of the non-executive and independent directors Patrizia Michela Giangualano (Chair), Laura Donnini, and Sara Ferrero. The functions of the Committee consist in investigating for, making proposals and providing advice to the BoD in order to promote the integration of national and international best practices in the Company's governance and of environment, social and governance factors in the Company's strategies with the aim of achieving sustainable success reflected in the creation of long-term value for the benefit of the shareholders, taking into account the interests of the other stakeholders relevant to the Company. With particular reference to the preparation, approval, publication and filing of Sustainability Reporting, the Control and Risks Committee assists the BoD by carrying out the following preliminary activities: i) examining and updating the relevant company procedure; ii) examining the process and results of the Double Materiality Analysis coordinated by the Sustainability Function, by providing a non-binding opinion; iii) examining the content of the Sustainability Reporting and its preparation in accordance with ESRS, after consulting the Sustainability Reporting Manager, the independent auditors, the supervisory body and the Sustainability Function, by providing a non-binding opinion. With regard to the Internal Control of Sustainability Reporting

("ICSR"), the Control and Risks Committee carries out the following tasks: a) assisting the Board of Directors in defining the guidelines of the ICSR; b) assessing, at least annually, the adequacy and effectiveness of the ICSR; c) assessing the measures intended to ensure that the corporate functions involved in the controls exercise effective and impartial judgment, ensuring that they have the required professional skills and resources; d) assessing, after consulting with the Sustainability Reporting Manager, the supervisory body, findings of the independent auditors in the letter of recommendations, if any, and the additional report for the supervisory body.

The administrative, management and supervisory bodies, along with their respective committees, are regularly informed about the relevant impacts, risks and opportunities, as well as about the implementation of the due diligence and the results and effectiveness of the policies, actions, metrics and objectives adopted to address them.

As mentioned above, the Chief Sustainability & Transformation Officer is a member of the Board of Directors and oversees sustainability issues within the Board. Moreover, an ESG Steering Committee meets every two months, with the mandatory participation of the Top Management and the CEO, to ensure adequate and timely information to support the strategic decisions of the BoD.

Finally, on the occasion of the presentation of the materiality analysis, updated annually, after the Control and Risks Committee has verified the adequacy of the approach adopted, the Board of Directors is called upon to approve the results. The list of impacts, risks, and opportunities analyzed during the materiality analysis and approved by the administrative bodies is presented in section ESRS 2 – SBM-3.

In addition to this, the Sustainability Plan is examined by the Control and Risks Committee and subsequently approved by the Board of Directors, at the same annual intervals.

Furthermore, all new policies or updates to existing policies are presented to the committees. This ensures consistency with the Company's principles and objectives. As a result, there is continued alignment with the organization's strategy and values.

GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board of Directors exercises the power and duty of management over the Company's activities, seeking to create value for shareholders and for all Ferragamo stakeholders. Pursuant to the Bylaws, the Board of Directors runs business operations and is vested with all the powers of ordinary and extraordinary administration, except for those reserved to the Shareholders' Meeting under the law and the Bylaws.

The Board of Directors, the Control and Risks Committee, the Board of Statutory Auditors, the Supervisory Body, and other company functions are responsible for monitoring impacts, risks, and opportunities.

The responsibilities of each body with regard to impacts, risks and opportunities are defined in the mandates granted by the Board of Directors and in the related policies, including the internal control and risk management system.

The hierarchical levels relating to the administrative, management and supervisory bodies require that the Internal Audit Manager, the Head of Risk Management and the Head of Regulatory Compliance report to the Board of Directors and the Control and Risks Committee, thus ensuring transparency of information.

The management of impacts, risks and opportunities is supported by controls and procedures that are integrated with other company functions such as Internal Audit, Risk Management, Legal & Compliance and Sustainability for effective monitoring. The administrative, management and supervisory bodies, as well as senior managers, are responsible for setting objectives in terms of impacts, risks, and opportunities. They also monitor progress through the governance system and periodic reports.

The Board of Directors, which is responsible for the internal control and risk management system, defines its guidelines, with the support of the Control and Risks Committee, to ensure the identification, measurement, management and monitoring of the main business risks, including those related to sustainability over the medium to long term. The Board of Directors also approved an organizational structure designed to support strategies and sustainable success and adopted an integrated risk management model in compliance with international Enterprise Risk Management (ERM) standards and industry best practices.

The internal control system, which is designed to ensure the achievement of strategic objectives and compliance with regulations, includes:

- the Code of Ethics, intended to promote and maintain an appropriate level of fairness, transparency, and ethical conduct in the performance of the Group's operations;
- the risk management system related to financial disclosures, adopted in compliance with art. 154-bis of the Consolidated Law on Finance;
- the Internal Control of Sustainability Reporting (ICSR), which implements the new requirements for sustainability and climate reporting, in line with the provisions of Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive – CSRD);
- the organization, management and control model adopted for the purposes of preventing the crimes as set out in Italian Legislative Decree 231/2001 (hereinafter referred to as "231 Model");
- the system for managing tax risk, understood as the risk of operating in violation of tax regulations or in contrast with the principles or purposes of the tax system (known as the Tax Control Framework) implemented in accordance with the guidelines of the Inland Revenue Office as part of the "cooperative compliance regime" regulated by Italian Legislative Decree 128/2015;
- the Anticorruption Policy;
- the Group's whistleblowing system, which was updated by the resolution of the Board of Directors of 6 July 2023 and 20 December 2023 to bring it into line with the provisions of Italian Legislative Decree no. 24 of 10 March 2023, implementing Directive (EU) 2019/1937 concerning the protection of persons who, on well-founded grounds, report misconduct that violates European and national provisions and is detrimental to the public interest or the integrity of the entity to which they belong, of which they have become aware in the course of their work.

The internal control and risk management system involves various bodies listed below together with their functions:

- **Board of Statutory Auditors**: it is responsible for (i) supervising the effectiveness of the internal control and risk management system; and (ii) supporting the Board of Directors in assessing the findings of the independent auditors in the additional report for the control body;
- **Director responsible for setting up and maintaining the internal control and risk management system**: he or she has the duty of supervising the system, i.e., managing the identification of the main business risks – presenting them to the Board for consideration on a regular basis – as well as designing, implementing, and managing the internal control system, in compliance with the Board of Directors' guidelines, continuously verifying its adequacy and effectiveness and adjusting it to changes in operating conditions and the legal and regulatory landscape;
- **Control and Risks Committee (CRC)**: it supports the assessments and decisions of the Board of Directors – in an advisory and consultative role – concerning the internal control and risk management system as well as the approval of periodic financial and non-financial reports, and, among other duties, it expresses its views on its design, implementation, and management, as well as the adequacy of the internal control system, reporting on the work carried out to the Board of Directors every six months;
- **Internal Audit Manager**: reporting to the Board of Directors, he or she is responsible for ensuring that the internal control and risk management system is operational, adequate, and consistent with the guidelines defined by the Board, liaising with the Control and Risks Committee, the Board of Statutory Auditors and the Supervisory Board regarding the management of the system and its suitability in order to achieve an acceptable overall risk profile;
- **Tax Risk Officer**: he or she monitors the Tax Control Framework, ensuring that it is up to date and effective, by implementing forms of monitoring to ensure that the internal control system for tax risks is up to date and adequate for the mitigation purposes assigned to it;

- **Head of Risk Management**: he or she coordinates the risk management process and provides systematic support to all management involved in the risk assessment process;
- **Head of Regulatory Compliance**: he or she is in charge of monitoring the risk of non-compliance with the regulations applicable to the Group and, therefore, he or she assesses the requirements contained therein verifying that internal procedures and processes are adequate to prevent potential violations;
- **Manager charged with preparing Company's Financial Reports** (in accordance with art. 154-bis of the TUF): he or she is responsible for defining, implementing and maintaining suitable and effective control procedures to manage risks entailed in financial disclosures, i.e., the activities undertaken to identify and assess the actions or events whose occurrence or absence may hinder, in part or in whole, the achievement of the goals of trustworthiness, accuracy, reliability, and timeliness of such financial disclosures;
- **Sustainability Reporting Manager**: he or she is responsible for defining, implementing and maintaining suitable and effective control procedures to safeguard against risks entailed in the sustainability reporting process. He or she is also responsible for managing environmental, social and governance (ESG) risks and ensuring that information is collected, verified and communicated in accordance with applicable regulations and international standards;
- **Supervisory Body as per Italian Legislative Decree 231/2001**: it is responsible for checking the effectiveness, adequacy and compliance of the Organization, Management and Control Model pursuant to Italian Legislative Decree 231/2001 and ensuring it is constantly updated;
- **Ethics Committee**: created to manage the reports referred to in Italian Legislative Decree 23/2024, it is entrusted with the task of managing reports concerning violations pertaining to: (i) the laws applicable to Group Companies; (ii) organizational models (including the 231 Model), procedures, regulations, codes of conduct, codes of ethics and policies adopted by Group Companies, actions or omissions which, even outside the scope of the provisions of the 231 Model, the Code of Ethics or the internal policies and/or procedures adopted by Group Companies, may lead to violations of human rights or damage and detrimental effects on health, the environment, security or fundamental rights and freedoms; (iii) any form, threat or attempt to retaliate against the Whistleblower.



ESG Steering Committee
on a bimonthly basis

Moreover, the Company has established the **ESG Steering Committee** to monitor the Sustainability Plan and provide feedback on company performance. Made up of the direct reports of the CEO and chaired by the Chief Transformation & Sustainability Officer, the Committee meets every two months to evaluate the progress of the Sustainability Plan and the sustainable initiatives undertaken by the company functions.

The Group established a continuous improvement program through a Sustainability Plan and in 2017 it developed a Sustainability Policy, which was updated in 2024.

The Sustainability Policy's aim is to establish a corporate culture oriented towards fairness and professionalism, by promoting honesty, integrity and transparency, and encouraging sustainable development through a dialog on corporate ethics and stakeholder responsibility. The recipients of the Sustainability Policy are the corporate bodies, employees and any individual operating in the name and on behalf of a company within the Group.



The Sustainability Function is responsible for supervising the Sustainability Policy and coordinating sustainability projects. The Chair of the Board of Directors and the Control and Risks Committee ensure the relevant implementation across the Group, with the aim of fully integrating sustainability into the Group's business strategies.

The Group further strengthened its commitment by integrating in the Strategic Plan its sustainability strategy, described in detail in the **Sustainability Plan**.

The new Plan for the 2025-2027 period, updated during 2024 and approved by the Board of Directors, aims to create a culture of sustainability that respects, protects and promotes excellence and the creation of shared value for all Ferragamo's stakeholders, through a new direction that integrates past objectives with the new challenges for the future.

The Sustainability Plan of the Group, with a three-year horizon (2025-2027), rests on five pillars:

1. Moving towards net-zero emissions

2. Fostering materials innovation

3. Leading a responsible value chain

4. Empowering our people

5. Creating value for global communities

In line with the recommendations of the Corporate Governance Code and best practices in this area, certain targets identified in the Sustainability Plan concerning the aforementioned 5 pillars are included in the variable and short- and long-term remuneration systems for Group managers in order to further engage the Company's employees in the pursuit of these targets, as also indicated in the Report on remuneration policy and fees paid for 2024, which will be subject to the approval of the Shareholders' Meeting scheduled for 16 April 2025.

GOV-3: Integration of sustainability-related performance in incentive schemese

Since 2023, in line with the Corporate Governance Code and industry best practices, the Group has linked the achievement of certain targets of the Sustainability Plan to part of the short- and long-term variable remuneration of managers and directors, but also individual contributors, as detailed in the Remuneration Report. This choice encourages the assumption of responsibility for sustainability goals and the spread of a culture of sustainability within the Company. The incentive plans are as follows:

STI and **LTI** based on ESG performance

- **Short-Term Incentive (STI):** an annual bonus awarded to approximately 650 management employees, based on regional and group financial performance, group ESG performance, strategic functional priorities and individual strategic objectives;

- **Bright Program:** performance-based incentive for Retail positions, linked to in-store performance KPIs;
- **Long-Term Incentive (LTI):** a three-year share-based bonus plan, linked to the Group's financial performance and ESG metrics;
- **Performance bonus:** for Italy, the incentive is linked to the Company's collective performance.

Performance is measured against sustainability goals:

- For STI, the KPIs include the reduction of emissions, with a particular focus on Scope 3 emissions, also and above all thanks to the active involvement of partners in the value chain, the increase in the use of raw materials with a low impact on the climate, and the improvement of circularity in its many aspects. The portion of the variable remuneration linked to sustainability goals was 20% for the CEO's STI plan, 10% for other executives, and 5% for other beneficiaries. For 2025, the weighting of ESG goals will be strengthened, as illustrated in the Remuneration Report.
- For LTI, the policy considers metrics for transparent and sustainable governance of the supply chain, people engagement with related action plans, gender pay gap measurement, certification and implementation of a road map. For the LTI plan, 20% of the variable remuneration is linked to sustainability goals for all beneficiaries.

This structure ensures that performance incentives are aligned with the Company's long-term sustainability strategy. For further details, please refer to the Remuneration Report, approved annually by the BoD.

GOV-4: Statement on due diligence

Salvatore Ferragamo S.p.A. recognizes the importance of due diligence and is committed to achieving full compliance with applicable regulations in the coming years. The Group is currently implementing measures to fill any gaps that may arise. Initiatives include the adoption of new company policies, the updating of internal processes and the ongoing training of personnel to ensure greater awareness and competence in compliance matters. The aim is to create a consolidated, robust, and sustainable due diligence process that not only complies with regulations, but also creates value for the Company and its stakeholders.

Core elements of sustainability due diligence		Paragraphs in the sustainability statement
a)	Embedding sustainability due diligence in governance, strategy and business model	GOV-1: The role of administrative management and supervisory bodies GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies GOV-3: Integration of sustainability-related performance in incentive schemes SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
b)	Engaging with affected stakeholders in all key steps of the sustainability due diligence	SBM-2: Interests and views of stakeholders GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities GOV-4: Statement on due diligence
c)	Identifying and assessing adverse impacts	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities GOV-4: Statement on due diligence
d)	Taking actions to address those adverse impacts	E1-3: Actions and resources in relation to climate change policies E2-2: Actions and resources related to pollution E3-2: Actions and resources related to water and marine resources policies E5-2: Actions and resources related to resource use and circular economy S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action S3-4: Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions GOV-4: Statement on due diligence
e)	Tracking the effectiveness of these efforts and communicating the results	GOV-4: Statement on due diligence

GOV-5: Risk management and internal controls over sustainability reporting

ICSR
Definition

In 2024, the Ferragamo Group launched a project to define and implement **an Internal Control of Sustainability Reporting** (hereinafter also referred to as "ICSR"), with the aim of strengthening and consolidating existing reporting practices. This system was developed in response to the requirements of the European Sustainability Reporting Standards (ESRS). It represents the set of internal procedures and tools adopted in order to achieve the company objectives of reliability, accuracy, dependability, and timeliness of information. It also ensures the correct use of sustainability standards for the purposes of the Consolidated Sustainability Reporting.

The system, developed according to the COSO Framework SCIGR[3] , which represents the benchmark against which each component of the Group's internal control system is established, maintained and assessed, operates in compliance with the regulations in force and the principles of corporate governance, integrating into the Group's risk management and internal control system.

With respect to the risk management and internal control system related to the Sustainability Reporting process, the Group – through the **Sustainability Reporting Manager** – has defined and implemented a control and reporting system for sustainability information. The model developed will be supported by periodic checks of the operational effectiveness of the controls supporting the Sustainability Reporting certification process starting in 2025

Specifically, the system was designed to consist of the following main components:

- a process to identify the main risks related to the sustainability reporting process and the controls that monitor the identified risks, which are presented in Risk and Control Matrices that describe, among other things, the ESG risks and related control activities for each Disclosure Requirement (DR) considered relevant to the sustainability reporting process;
- a business process approved by the Board of Directors of the Company for the preparation and dissemination of the Sustainability Reporting;
- a regulation of the Sustainability Reporting Manager approved by the Board of Directors of the Company;
- an internal certification process that requires the delegated administrative bodies and the heads of organizational units to provide the Sustainability Reporting Manager with statements regarding the completeness and reliability of the relevant information flows and the proper functioning of the internal control system for the preparation of the Sustainability Reporting;

[3] Committee of Sponsoring Organizations of the Treadway Commission (2023). Achieving effective internal control over sustainability reporting (ICSR): Building trust and confidence through the COSO internal control—integrated framework.

- an external certification process based on the reports and statements of the Sustainability Reporting Manager pursuant to art. 154-bis, paragraph 5-ter of Italian Legislative Decree 58/1998.

The Company is developing a process to continuously monitor the adequacy and effective application of the relevant company procedures through periodic checks of the design and effective operation of controls with the definition of any corrective action plans and/or improvement plans, also providing for a structured reporting process to the Board of Directors that ensures adequate information on the results of the monitoring activities carried out.

The Group's sustainability information control and reporting system is subject to a continuous update and maintenance process in order to ensure that the preparation of Sustainability Reporting remains appropriate and consistent over time, following any changes in the Group's business, organization and processes.

The Group has defined and formalized the type of risks and the related mitigating controls by analyzing the data collection flows related to the identified disclosure requirements, defining their nature, frequency and the persons responsible for their execution.

During the process of preparing, approving and publishing Sustainability Reporting, the risks related to the failure to achieve the control objectives are analyzed to ensure that the report is presented in accordance with the regulations and principles that govern its preparation and to minimize the likelihood and impact of critical issues.

The system for monitoring and reporting sustainability information is based on a thorough assessment of the risk of reporting errors, developed on the basis of qualitative and quantitative criteria[4].

Specifically, based on the material sustainability topics identified through the Double Materiality analysis, which is managed annually by the Sustainability Function with the support of the Risk Management Function, materiality thresholds have been defined in order to identify the level of priority for mapping the control system underlying the "quantitatively material" Disclosure Requirements (DRs) taking into account the potential impact of the information.

Some of the aspects under consideration are:

- the materiality of the topics in relation to the objectives of the Group Sustainability Plan and the KPIs already reported in Sustainability Reporting;
- the inclusion of data and KPIs already disclosed to banks and in Sustainability Reporting, such as ESG covenants on loans;
- the presence of MBOs related to sustainability KPIs;
- further qualitative assessments by the Sustainability Reporting Manager.

The main potential reporting risks identified include inaccuracy and incompleteness of data collected, errors in the calculation of indicators, and non-compliance with ESRS requirements.

For the identified risks, the **Risk Control Matrix** define the mitigation strategies and the related controls, which will be subject to specific periodic testing activities, coordinated by the Group Internal Control Function starting from 2025, and aimed at verifying the adequacy of the design and the effectiveness of the controls in place to mitigate and reduce the identified risks.

These checks allow us to identify any corrective actions, such as the introduction of compensating controls or changes to operational processes, to ensure adequate control over critical areas.

The results of the risk assessment and internal controls will be integrated into the business processes through a continuous process of monitoring and periodic checking of the functioning of key controls. This process involves collaboration with corporate bodies such as the Board of

[4] Further information on risk management and assessment can be found in the paragraph "Main risks and uncertainties".

Directors, the Group CEO, the Control and Risks Committee and the Sustainability Function.

The Sustainability Reporting Manager interacts and collaborates with the administrative, management and supervisory bodies and the Company's organizational structures in order to ensure the correct and effective performance of the assignment received.

Therefore, the Sustainability Reporting Manager informs the Board of Directors and the Control and Risks Committee, in the presence of the Board of Statutory Auditors, by means of a periodic report on the results, at least once a year, on the performance of the activity for which he or she is responsible, highlighting any critical issues that have arisen during the period and the measures taken or planned to overcome them, in coordination with the CEO; he or she also informs the CEO of matters that, due to their criticality or seriousness, may require urgent decisions by the Board of Directors.

This reporting allows the effectiveness of the internal control system to be monitored and ensures that the administrative, management and supervisory bodies have timely and accurate information. This process not only ensures compliance with regulations and corporate governance principles, but also supports alignment with sustainability goals and provides a solid foundation for integrated risk management and transparent reporting.



Strategy

SBM-1: Strategy, business model and value chain

The Group's strategy, business model, and value chain, as well as its inputs, outputs, results, and integration of sustainability issues and sustainability-related goals, are described in the Annual Report in section "3. The Salvatore Ferragamo Group's activities". The sustainability topics identified as material for Salvatore Ferragamo S.p.A. are presented in section *ESRS 2 - SBM-3*. Information on how the business model adapts to manage sustainability impacts, risks and opportunities is presented alongside the information provided for each material sustainability topic. The number of employees per geographical area is provided in section S1 - Own workforce. Revenues by IFRS 8 segments are presented in section "44. Segment reporting".

Sustainability plan

In 2016 Salvatore Ferragamo S.p.A. launched a procedure for defining its sustainability goals. Based on t**he United Nations' Sustainable Development Goals (SDGs)**, the Company has identified the main objectives to be pursued and, with the adoption of the Group's first Sustainability Plan in 2017, it has outlined a series of actions to be implemented internally. In 2019, the Group further strengthened its commitment to the environment by joining the **Fashion Pact** and integrating three new SDGs into the Sustainability Plan: "Climate action", "Life below water" and "Life on land". The Plan reflects the commitments expressed in the Group's Sustainability Policy and is updated annually to build and reinforce a shared vision at Group level in the environment, social and governance areas, promoting a culture of sustainability based on respect, protection and the promotion of excellence. It aims to integrate existing objectives with new challenges for future development and to respond to the interests and opinions of stakeholders. The document is shared with the Company's top management, the CEO and the Control and Risks Committee, which oversees the Company's sustainability issues. The ESG Steering Committee, made up of the heads of the functions involved and the CEO, meets every two months and checks the progress against the target. In the event of delays in completing the actions underlying the targets, the Committee will develop solutions to achieve the target within the time frame established in the Sustainability Plan. Since 2023, in line with the Corporate Governance Code and industry best practices, the Group has linked the achievement of certain targets of the Sustainability Plan to part of the short- and long-term variable remuneration of managers and directors, as detailed in the Remuneration Report; more information on the issue is given in section ESRS 2 – GOV-3. This choice encourages the assumption of responsibility for sustainability goals and the spread of a culture of sustainability within the Company.

The Fashion Pact
Members since 2019

The Group's Sustainability Plan, with a three-year horizon (2025-2027), rests on five pillars:

- **Moving toward zero emission**
- **Foster innovative materials**
- **Leading a responsible value chain**
- **Empowering our people**
- **Creating value for global communities.**

The Plan identifies 15 specific targets, divided among the different pillars, and defines the implementation period for each action. During the update carried out in 2024, past years' priorities were considered, such as those deriving from the adoption of the SDGs, the signing of the Fashion Pact, the definition of **Science-Based Targets** and applicable regulatory requirements. The following targets apply to the Group as a whole, in all the regions in which it operates, and also extend to its value chain. Specifically, the first pillar, Moving toward zero emissions, aims to ensure the continuity of the virtuous activities carried out internally with respect to the environment. The Fostering materials innovation pillar is relevant to Ferragamo's products because it aims to provide customers and end-users with quality, as well as environmental and social responsibility through the Group's conscious choices. The Leading a responsible value chain pillar aims to implement strategies that enable commercial partners and collaborators to implement a virtuous environmental cycle. The last two pillars, Empowering our people and Creating value for global communities, focus on Ferragamo's people and social responsibility aimed at promoting fair and inclusive practices both within the Company and externally in the communities in which it operates.

ESG Building Block	Id	Target	Timing	ESRS Reference
 MOVING TOWARDS ZERO EMISSIONS	0	Achieving Net Zero by 2050	2050	ESRS E 1
	1	42% reduction in Scope 1 and Scope 2 absolute GHG emissions by 2029 compared to 2019 (Science-Based Target)	2029	ESRS E 1
	2	42% reduction in Scope 3 absolute GHG emissions, deriving from the purchase of goods and services and from the downstream transportation and distribution by 2029 compared to 2019 (Science-Based Target)	2029	ESRS E 1 ESRS E 5
	3	100% renewable energy across all operations	2030	ESRS E 1
 FOSTERING MATERIALS INNOVATION	4	25% of raw materials with lower environmental impact	2025	ESRS E 5
	5	Elimination of single-use virgin plastic from packaging	2027	ESRS E 5
	6	Implement circularity principles across all Ferragamo operations and products lifecycle	2027	ESRS E 5
 LEADING A RESPONSIBLE VALUE CHAIN	7	Foster value chain transparency and promote collaboration with business partners to develop shared ESG projects	2027	ESRS E 5 ESRS S2
	8	Definition of a strategy for the responsible use of chemicals (ZDHC) for a progressive phase-out, including aspects related to water resources	2027	ESRS E 2 ESRS E 3 ESRS S2
	9	Support biodiversity preservation and sustainable forest management toward zero deforestation	2027	ESRS E4 ESRS S3
 EMPOWERING OUR PEOPLE	10	Attract, develop and empower people through an equitable talent journey	2027	ESRS S1
	11	Spread and ground a culture of diversity, inclusion and equal opportunities	2027	ESRS S1
	12	Nurture engagement and well-being activities for employees' belonging	2027	ESRS S1
 CREATING VALUE FOR GLOBAL COMMUNITIES	13	Strengthen our positive social impact on local communities around the globe	2027	ESRS S3
	14	Enhance customer information, awareness and engagement on Ferragamo ESG actions	2027	ESRS S4

The Group's strategy[5] aims to enhance its competitive position among the leaders in the global luxury market by reacting to the changes in the operating scenario, in order to create value for shareholders through sustainable and profitable growth. The main strategic guidelines can be summarized as follows: the product always at the heart of the strategy, infusing new energy into the brand, enriching the customer experience, and prioritizing digital initiatives.

The Group focuses on maintaining and strengthening its position in the global luxury segment by putting the product at the heart of the strategy, creating products that are always desirable and in tune with consumer tastes.

This objective is pursued by:

- integrating the collections to satisfy new purchasing occasions, with particular attention to younger customers;
- increasing the focus on the product categories that form the core of the Group's offer, such as footwear and leather goods, but also on Ready-To-Wear.

The Group intends to continue its brand enhancement strategy by enriching the customer experience by:

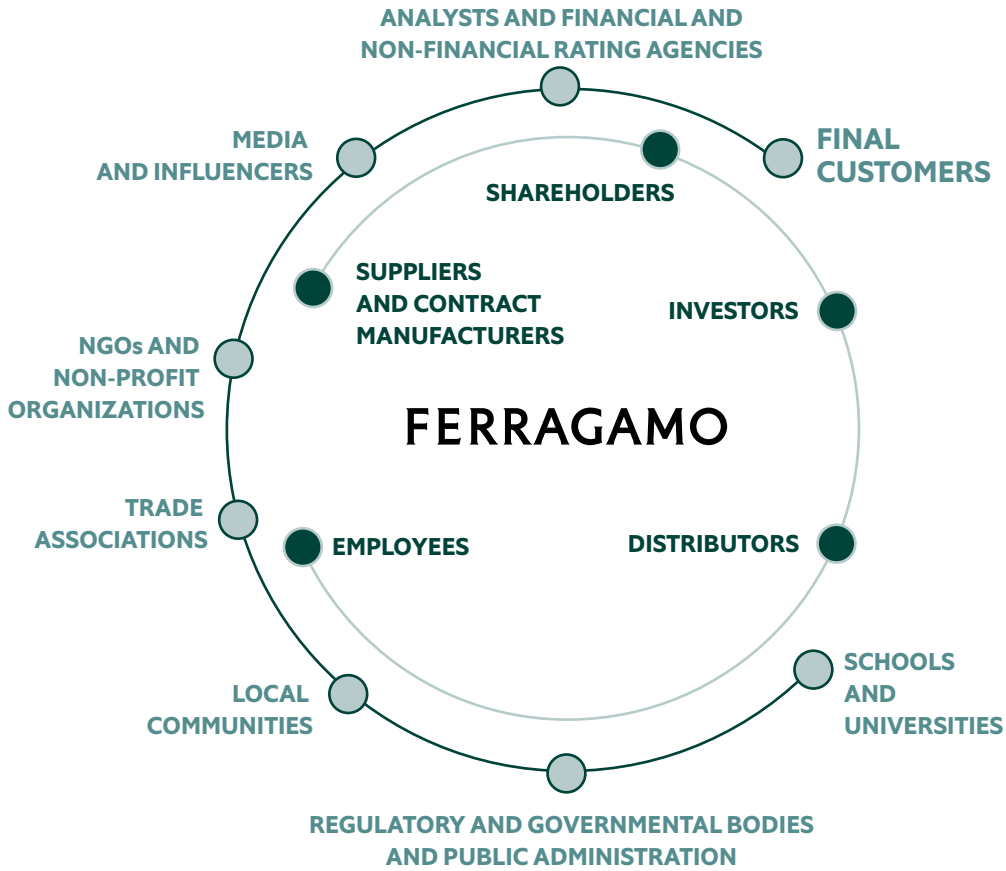
- evolving the way and speed with which the Group communicates its products;
- updating the language used to communicate in order to clearly convey its creative vision;
- prioritizing digital communication to attract and inspire new customers;
- enriching the consumer experience through omnichannel services and innovating the physical store experience.

Business model and value chain[6]

IThe success of the Group is based on pursuing a value creation strategy over time, centered on monitoring of the value chain through the adoption of a shared Group organizational model for the various product categories. While respecting the values of quality and **Made in Italy,** the Group has always been committed to supporting the development of local communities, promoting Italy's world-class manufacturers and carefully purchasing products and services almost exclusively from Tier 1 and Tier 2 Italian suppliers. The philosophy of the Founder, who remained deeply connected to his roots, still lives on in the strategy of the Group, which relies on a wide network of carefully selected and qualified contract manufacturers known for their outstanding craftsmanship. Many of them have been working with Salvatore Ferragamo for years now. Among Tier 1 suppliers, 97 provide processing services and supply finished products, while 277 supply raw materials and components. Tier 2 suppliers, instead, include around 356 subcontractors for processing services and the supply of finished products and 361 subcontractors for raw materials and components. In order to deliver a quality product while making production and distribution cycles more efficient and flexible, the Group pays special attention to the key stages of the supply chain, limiting **subcontracting to only one tier** in order to better monitor quality throughout the supply chain. Similarly, the Group directly manages the product development and industrialization stages, performing quality and safety controls, both upstream and downstream of the manufacturing process, on the whole production. The distribution system to the customer is managed through a network of single-brand directly operated stores (DOS), a network of single-brand third-party operated stores (TPOS) and a multi-brand channel (wholesale).

[5] For further details, please refer to section 3 of the Board of Directors' report on operations.
[6] For further details, please refer to section 3 of the Board of Directors' report on operations.

SBM-2: Interests and views of stakeholders



The Group has identified and selected its stakeholders for years with the aim of understanding their expectations and translating them into concrete and actionable objectives. As a matter of fact, every year, the Group promotes activities to engage its stakeholders, involving them in the definition of economic, social and environmental aspects, based on the principles of transparency, integrity and professionalism. These initiatives are not limited to an external audience, but also include the integration of the culture of sustainability into the Company's corporate life and strategy.

Internal stakeholders are employees, shareholders, investors, distributors, suppliers and contract manufacturers, while external stakeholders are final customers, schools and universities, regulatory and governmental bodies and public administration, local communities, non-governmental organizations (NGOs) and non-profit organizations, media and influencers, trade associations, analysts and financial and non-financial rating agencies.

Through consultations, regular meetings, partnerships and collaboration on specific projects, the Group carries out a series of activities aimed at involving stakeholders and linking these initiatives to the Company's commitments. The main objective of these activities is to ensure that stakeholders' expectations are taken into account in the Company's decision-making process, thereby contributing to improving the Group's sustainability and social responsibility and promoting a constructive and ongoing dialog.

The table below summarizes the engagement actions divided by stakeholder category.

Stakeholders	Summary of commitments and activities	Summary of engagement efforts	Summary of stakeholder expectations
Final customers	The Group continues to pursue several initiatives aimed at customer satisfaction, adopting a customer-centric strategy that allows anticipating the needs of existing and potential customers in order to create short-, medium- and long-term value. Among the many commitments undertaken, in particular, the Group's strategic approach and the efforts in the field of anti-counterfeiting should be mentioned.	• Business projects aimed at greater customer understanding and engagement (Virtual Showroom, ClientiAmo App); • Relationships related to the sales process (stores and eCommerce).	• Quality, safety, traceability and sustainability of products and materials; • Quality and personalized purchasing experience; • Ongoing support and advice; • Information on the correct use and maintenance of products.
Analysts and financial and non-financial rating agencies	The Group is committed to communicating financial and non-financial information in a transparent and timely manner, according to best practices and best methodologies available.	• Structured reporting as part of requests for financial and non-financial information.	• Transparency, timeliness and reliability of financial and non-financial information.
Trade associations	The Group maintains constructive relationships with trade associations, also with a view to promoting an understanding of the needs and trends of the Fashion & Luxury markets, facilitating discussion and contributing to the sustainable development of the sector and of the Made-in-Italy industry.	• Contribution to events and activities; • Specific meetings and conferences, including in the area of sustainability.	• Compliance with the requirements for participation and active involvement of the Group in the dialog and in the events and/or activities promoted; • Sharing of relevant industry insights (e.g. sustainability trends, global initiatives, sales trends for specific products); • National and international collaborations and initiatives aimed at promoting Made-in-Italy products throughout the world.
Media and influencers	The Group maintains a close and ongoing collaboration with the media and influencers, including through interviews, presentations and dedicated events, committing itself to contributing to the promotion of information campaigns related to sustainable innovations, new circular trends, industry innovations or any actions taken in favor of the community and the environment.	• Interviews; • Company events; • Press releases.	• Accurate and truthful communication of the Group's performance and the main market innovations introduced; • Presentation of the social, cultural and environmental initiatives undertaken; • Presentation of developed innovations and sustainability trends.
NGOs and non-profit organizations	The Group constantly dialogs with NGOs and with the Third Sector world, contributing to specific projects: in fact, it has been engaged in initiatives and partnerships dedicated to the well-being and health of women and children for years. To this end, the Group promotes paying close attention to the requests and expectations of the many non-profit organizations, maintaining a close collaboration with them focused on supporting local communities.	• Dialog and collaboration with non-profit organizations, including through the provision of donations, contributions and sponsorships.	• Group's participation in and support of cultural development and social inclusion projects.
Local communities	The Group carries out its activities paying close attention to the needs of the areas in which it operates, with the aim of extending the positive impacts of its activities to local communities.	• Initiatives to engage local communities; • Ongoing relationships with the main organizations in the area.	• Implementation of business practices that protect the territory; • Promotion of local development.

Stakeholders	Summary of commitments and activities	Summary of engagement efforts	Summary of stakeholder expectations
Regulatory and governmental bodies and public administration	The Group engages with regulatory and governmental bodies and the public administration with the utmost integrity and fairness, on the basis of the principles, roles and responsibilities identified pursuant to current legislation in force, to maintain a constructive collaborative relationship and at the service of the community's interests.	• Formal communications, in the various areas of reference (e.g. Governance, Tax).	• Compliance with the regulations in force;- Combating corruption and bribery; • Prevention of crimes pursuant to Italian Legislative Decree 231/2001; • Reliability and transparency towards the public administration.
Schools and universities	The Group promotes an inclusive dialog with universities, training schools and national and international research centers, including with the aim of sharing passion and expertise in relation to the Fashion & Luxury sector with the new generations.	• Training activities and initiatives; • Collaborations with universities and research centers.	• Promoting youth employment and research and development, including in sustainability; • Developing activities of interest with the active participation of students.
Employees	The Group has always been committed to fostering development and recognizing the value of its employees, including by offering a stimulating work environment, attentive to corporate welfare and with an extensive training offering.	• Training activities; • Knowledge Sharing sessions.	• Safe and fair workplaces;- Compliance with the principles of diversity, equity and inclusion; • Occupational stability and company welfare; • Opportunities for personal and professional growth; • Fair remuneration policies and merit-based systems; - Compliance with labor laws.
Distributors	The Group has always promoted a close dialog aimed at creating and maintaining stable and lasting collaborative relationships with its distributors.	• Online questionnaires; • Normal commercial relations.	• Compliance with contractual conditions; •Fair and non-discriminatory treatment.
Investors	The Group interacts on an ongoing basis with investors, ensuring a transparent, constant, clear, accurate and timely dialog.	• Normal Investor Relations; • Shareholders' Meeting; • Company visits.	• Transparency in relation to its financial and non-financial performance; • Continuous improvement in the ESG field.
Shareholders	One of the main objectives of the Group is to ensure the sustainable success of the business, including with a view to creating added value for its shareholders. In this context, the Group interacts on an ongoing basis with shareholders, adopting the best Investor Relations practices.	• Normal Investor Relations; • Shareholders' Meeting; • Company visits.	• Share value growth; • Transparency in relation to its financial and non-financial performance; • Continuous improvement in the ESG field.
Suppliers and contract manufacturers	The Group supports a close dialog aimed at creating and maintaining stable and lasting collaborative relationships and promotes the adoption of ethical, as well as socially and environmentally responsible behavior amongst its suppliers and contract manufacturers.	• Online questionnaires on sustainability; • Use of the FerragamoLink internal platform; • Engagement through the Process Factory project; • Normal procurement relations.	• Compliance with contractual conditions; • Continuity in supply demand; • Fair and non-discriminatory treatment.

In line with 2023, the Group engaged some suppliers in the process of updating the materiality analysis, including not only tanneries, but also suppliers of textiles, packaging and materials for stores. Specifically, a sample of 16 direct and indirect suppliers was involved, with an overall response rate of 50%, of which 69% were direct suppliers and contract manufacturers and 31% were indirect suppliers. These engagement initiatives present a key opportunity to discuss and raise awareness with regard to the sustainability topics characterizing the Group's business activities.

As far as the due diligence is concerned and in order to monitor compliance with the ethical and social standards characterizing its supply chain, the Group carries out audits of its direct suppliers and sub-suppliers, assessing their actual compliance with the principles set out in its Supplier Code of Conduct. The monitoring activity is carried out by a specialized external company according to a multi-year plan and includes both the request for a self-assessment, by filling in a questionnaire, and on-site audits, with interviews with workers and management and an inspection of suppliers' production sites.

The Group takes into account the interests, opinions and rights of employees, workers along the value chain, affected communities, consumers and end-users in defining its business strategy. The engagement activities listed above describe the tools Salvatore Ferragamo S.p.A. uses to ensure that the dialog with its stakeholders is constant and constructive for all parties.

In this sense, the administrative, management and supervisory bodies are informed about the opinions and interests of stakeholders with regard to sustainability through the presentation and approval of the results of the double materiality analysis, including stakeholder engagement activities

Ferragamo topics	IROs	IRO description	Time horizon	Nature	Type	Type of contribution	Nature of activities/ Business relationships	Phase of the value chain
Responsible and transparent procurement	Impact	Non-compliance with applicable laws and regulations and voluntary environmental codes along the value chain	Short-term Medium-term Long-term	👎	Potential	Directly caused by the Group; Directly connected through a business relationship	All the value chain	Throughout the value chain and in its own operations
	Impact	Lack of traceability and transparency regarding the Group's procurement practices	Short-term Medium-term Long-term	👎	Potential	Directly caused by the Group	-	In the upstream phase and in its own operations
	Impact	Non-compliance with applicable laws and regulations and voluntary social and governance codes along the supply chain	Short-term – Medium-term – Long-term	👎	Potential	Directly caused by the Group; Directly connected through a business relationship	All the value chain	Throughout the value chain and in its own operations
	Risk	Suppliers' misconduct regarding environmental and social issues	Long-term			-	-	Upstream
	Opportunity	Establish commercial partnerships based on shared ESG goals	Medium-term Long-term			-	-	Throughout the value chain and in its own operations
	Opportunity	Increased supply chain stability and ability to work in different conditions	Medium-term Long-term			-	-	Upstream

Legend:
👎 Negative 👍 Positive

Ferragamo topics	IROs	IRO description	Time horizon	Nature	Type	Type of contribution	Nature of activities/ Business relationships	Phase of the value chain
Attracting and nurturing talent	Impact	Upskilling of workers through training and professional development activities, also linked to growth objectives and personalized assessments	Short-term	👍	Current	Directly caused by the Group	-	Own operations
	Impact	Promotion of employee satisfaction and wellness through the implementation of well-being activities and dedicated benefits	Short-term	👍	Current	Directly caused by the Group	-	Own operations
	Impact	Failure to meet workers' expectations in terms of adequate remuneration	Medium	👎	Potential	Directly caused by the Group	-	Own operations
	Impact	Failure to meet workers' expectations in terms of fair remuneration	Medium	👎	Potential	Directly caused by the Group	-	Own operations
	Risk	Risks related to talent attraction and retention of Key People	Short-term			-	-	Own operations
	Risk	Work stability for retail employees and their families	Short-term			-	-	Own operations
	Risk	Work stability for office and headquarters employees and their families	Short-term			-	-	Own operations
Brand experience	Impact	Promotion of Made-in-Italy products, of Italian craftsmanship and creativity, with direct and indirect benefits to the positioning of the Italian industry and its textile/ footwear sector in the world	Short-term	👍	Current	Directly caused by the Group; Directly connected through a business relationship	Suppliers	In the upstream phase and in its own operations
	Impact	Full customer satisfaction in terms of product quality and shopping experience	Short-term	👍	Current	Directly caused by the Group; Directly connected through a business relationship	Retailers	Downstream
	Risk	Possible damage to reputation and finances caused by misleading communications (greenwashing)	Short-term Medium-term Long-term			-	-	Own operations
	Risk	Inefficient ESG and brand communications	Long-term			-	-	In its own operations and in the downstream phase

Legend:
👎 Negative 👍 Positive

Ferragamo topics	IROs	IRO description	Time horizon	Nature	Type	Type of contribution	Nature of activities/ Business relationships	Phase of the value chain
Climate change	Impact	Generation of GHG emissions related to production and transport activities along the value chain (Scope 3)	Short-term	Negative	Current	Directly connected through a business relationship	All the value chain	Throughout the value chain and in its own operations
	Impact	Energy consumption, with consequent negative impacts on the environment and reduction of energy stocks	Short-term	Negative	Current	Directly caused by the Group; Directly connected through a business relationship	All the value chain	Throughout the value chain and in its own operations
	Impact	Contribution to climate change through direct and indirect GHG emissions, linked to the activities carried out in the Group's offices and sites (Scope 1 and 2)	Short-term	Negative	Current	Directly caused by the Group; Directly connected through a business relationship	Energy producers	In the upstream phase and in its own operations
	Risk	Regulatory developments and business costs due to climate change impacts	Short-term Medium-term			-	-	Throughout the value chain and in its own operations
	Risk	Increase in production costs due to changes in energy-related costs	Short-term			-	-	Throughout the value chain and in its own operations
	Risk	Increase in the number and frequency of extreme events and natural disasters caused by climate change	Long-term			-	-	Throughout the value chain and in its own operations
Working conditions and human rights along the value chain	Impact	Inadequate working conditions and wages along the supply chain, with negative impacts, in particular, for the workers employed by manufacturers under contract with the Group	Medium-term Long-term	Negative	Potential	Directly connected through a business relationship	Suppliers	Upstream
	Impact	Violations of human rights along the value chain (e.g. the right to freedom of association and collective bargaining, child labor, forced or compulsory labor)	Short-term Medium-term Long-term	Negative	Potential	Directly connected through a business relationship	Suppliers	Throughout the value chain
	Impact	Insufficient measures to prevent discrimination or violence along the value chain	Medium-term Long-term	Negative	Potential	Directly connected through a business relationship	All the value chain	Throughout the value chain
	Risk	Violations of human rights (Indirect purchases)	Medium-term Long-term			-	-	Upstream
	Risk	Forced labor (Indirect purchases)	Medium-term Long-term			-	-	Upstream
	Risk	Violation of human rights in the supply chain	Medium-term Long-term			-	-	Throughout the value chain
	Risk	Forced labor in the supply chain	Medium-term Long-term			-	-	Throughout the value chain

Legend:
Negative Positive

Ferragamo topics	IROs	IRO description	Time horizon	Nature	Type	Type of contribution	Nature of activities/ Business relationships	Phase of the value chain
Diversity, equity & inclusion	Impact	Strengthening and implementation of DEI&B business policies that promote a good working environment	Short-term		Current	Directly caused by the Group	-	Own operations
	Impact	Inclusive environment, also thanks to the presence of people with disabilities among the workforce	Short-term		Current	Directly caused by the Group	-	Own operations
	Impact	Negative impacts on employee satisfaction and motivation due to discrimination (e.g. related to gender, age, ethnicity, etc.)	Short-term Medium-term		Potential	Directly caused by the Group	-	Own operations
	Opportunity	Increased talent attraction/ productivity by creating a positive business climate through the adoption of diversity and inclusion policies, with a positive impact on the Group's economic and financial performance	Short-term			-	-	Own operations
Governance, ethical business & sustainable growth	Impact	Communication campaign not in line with the needs/ characteristics of the markets in which the Group operates	Medium		Potential	Directly caused by the Group	-	Downstream
	Risk	Compliance with regulatory changes to products and manufacturing processes	Short-term Medium-term			-	-	In its own operations and in the downstream phase
	Risk	Failure to achieve ESG goals and commitments	Short-term Medium-term Long-term			-	-	Own operations
	Risk	Compliance with regulatory changes in whistleblowing and business conduct	Short-term			-	-	Own operations
	Risk	Corruption	Short-term Medium-term			-	-	In the upstream phase and in its own operations
	Opportunity	Increased revenues by accessing new emerging markets and diversifying financial assets	Long-term			-	-	In its own operations and in the downstream phase
	Opportunity	Anticipating regulatory requirements that may give Ferragamo a competitive advantage	Short-term			-	-	Own operations

Legend:
Negative Positive

Ferragamo topics	IROs	IRO description	Time horizon	Nature	Type	Type of contribution	Nature of activities/ Business relationships	Phase of the value chain
Materials, innovation and circular economy	Impact	Depletion of virgin raw materials used to make products and packaging materials (e.g. cotton, fabrics derived from plastic, etc.)	Short-term	Negative	Current	Directly caused by the Group; Directly connected through a business relationship	Suppliers	In the upstream phase and in its own operations
	Impact	Creation of positive impacts through the recycling and reuse of waste materials or by-products for making new products	Medium	Positive	Potential	Directly caused by the Group; Directly connected through a business relationship	Contractors; Consumers	Throughout the value chain and in its own operations
	Impact	Environmental impacts related to the production of hazardous and non-hazardous waste during manufacturing	Short-term	Negative	Current	Directly connected through a business relationship	Suppliers	In the upstream phase and in its own operations
	Impact	Creation of positive impacts through the adoption of Circular Economy approaches related to the end-of-life of the products sold (e.g. closed-loop, remanufacturing, etc.)	Medium	Positive	Potential	Directly caused by the Group	-	In its own operations and in the downstream phase
	Risk	Economic and reputational damage caused by failure to consider life cycle issues throughout the value chain, with a lack of control over practices such as incineration	Long-term			-	-	In the upstream phase and in its own operations
	Risk	Unavailability of raw materials	Long-term			-	-	Upstream
	Opportunity	Development of new services and products through innovation and research and development, which can lead to increased revenues through new solutions to adaptation needs	Medium			-	-	Own operations
Privacy and data protection	Impact	Violations of applicable legislation and failure to apply data management best practices to the detriment of value chain workers' privacy (e.g. contract manufacturers)	Medium-term Long-term	Negative	Potential	Directly caused by the Group	-	Throughout the value chain
	Risk	Compliance in ambito di Cyber Risk e violazioni della legislazione sulla privacy (Data breach)	Short-term Medium-term Long-term			-	-	In its own operations and in the downstream phase

Legend:
Negative Positive

Ferragamo topics	IROs	IRO description	Time horizon	Nature	Type	Type of contribution	Nature of activities/ Business relationships	Phase of the value chain
Product quality and safety	Impact	Negative impacts on customers and end-users caused by misleading communication and incorrect labeling	Short-term Medium-term	👎	Potential	Directly caused by the Group	-	Downstream
	Risk	Reputational damage due to the negative behavior of brand ambassadors and influencers (negative KOL feedback, spreading fake news)	Long-term			-	-	Downstream
	Risk	Access to products	Long-term			-	-	Downstream
	Risk	Product non-conformity that causes damage to the health and satisfaction of customers	Short-term			-	-	Downstream
Respect for biodiversity and animal welfare	Impact	Loss of biodiversity along the supply chain, e.g. through deforestation for textile fiber production and livestock farming	Long-term	👎	Potential	Directly connected through a business relationship	Suppliers	Upstream
	Impact	Environmental impacts on biodiversity due to the use of soil and pesticides for cultivating raw materials needed for the production of garments (e.g. cotton)	Long-term	👎	Potential	Directly connected through a business relationship	Suppliers	Upstream
	Impact	Failure to implement animal welfare measures along the supply chain, with consequences such as unethical treatment and cruel practices involving animals	Short-term Medium-term Long-term	👎	Potential	Directly connected through a business relationship	Suppliers	In the upstream phase and in its own operations
	Risk	Exploitation of the land, resulting in the impoverishment of ecosystems, the loss of key species, and the alteration or collapse of ecosystems	Long-term			-	-	Upstream
	Risk	Lack of sensitivity to market and consumer expectations with regard to animal welfare standards	Medium			-	-	Downstream

Legend:
👎 Negative 👍 Positive

Ferragamo topics	IROs	IRO description	Time horizon	Nature	Type	Type of contribution	Nature of activities/ Business relationships	Phase of the value chain
Occupational health and safety	Impact	Injuries or other accidents in the workplace, with negative consequences for the health of direct workers	Short-term	Negative	Current	Directly caused by the Group	-	Own operations
	Impact	Work-related injuries or illnesses due to risky production processes that negatively affect the health of value chain workers (e.g. contract manufacturers)	Short-term Medium-term Long-term	Negative	Potential	Directly connected through a business relationship	All the value chain	Throughout the value chain
	Risk	Compliance with regulatory changes in HSE	Short-term Medium-term Long-term			-	-	Own operations
	Risk	Work-related accidents that may involve health, environmental or safety risks may result in increased costs due to contractual changes to existing insurance policies or out-of-policy settlements	Short-term Medium-term			-	-	Own operations
Support to the local community	Impact	Support to local development through contributions and donations to associations in the area where the Group is most present	Short-term	Positive	Current	Directly caused by the Group; Directly connected through a business relationship	All the value chain	Throughout the value chain and in its own operations
	Opportunity	Opportunities to improve reputation through targeted social responsibility initiatives and community-focused interventions	Short-term			-	-	Throughout the value chain and in its own operations
Responsible use of water resources	Impact	Water pollution due to the spillage of pollutants during the production process	Short-term	Negative	Current	Directly connected through a business relationship	Suppliers	Upstream
	Impact	Negative impact on water availability caused by water withdrawal during the production process	Short-term	Negative	Current	Directly connected through a business relationship	Suppliers	Upstream
	Risk	Sub-optimal management of water resources that can lead to high consumption and the spillage of hazardous substances into the subsurface	Short-term			-	-	Upstream

Legend:
Negative Positive

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The materiality assessment within the Group has made it possible to identify a number of significant impacts, risks and opportunities related to its operations and value chain. These elements cover various operational aspects, both upstream and downstream, and provide a clear vision of the profiles on which efforts should be focused to improve all aspects of business sustainability by mitigating the related risks and capitalizing on emerging opportunities. For more information, please refer to section *IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities*.

The Group is committed to pursuing the goals of its Sustainability Plan, which are based in whole or in part on the impacts, risks and opportunities identified.

In the future, the effects of these impacts and risks will become increasingly relevant both inside and outside the Company. In response, the Group is fully committed to pursuing the 15 targets, grouped under 5 strategic pillars, of its Sustainability Plan, as detailed in section ESRS 2 – SBM-1. The current financial impact of the risks and opportunities identified through the double materiality analysis is limited. In particular, resources have been allocated to ensure compliance with the CSRD and the EU Taxonomy, to hire new resources for the Sustainability Function and to implement the actions defined in the Sustainability Plan[7]. For more information on the current financial impact of the material risks and opportunities related to climate change and human resources that arose during the year, please refer to the relevant sections, in particular those dealing with the actions taken and the resources used.

Moreover, the Group is committed to deepening the analysis of its financial impact in relation to its material impacts, risks and opportunities in the coming years.

Following the approval of double materiality, the Group updated and adapted the Sustainability Plan, which can be found in the section on SBM-1 requirements. This strategy has a time horizon of 2027 and the actions planned to achieve it are structured over the years to allow the Group to grow and evolve organically and to manage the various impacts and risks identified through precise planning, thus ensuring the resilience of the business. Moreover, the plan includes targets with a longer time horizon (e.g. **Net Zero by 2050** and the other energy/emission targets by 2029/30) to facilitate a gradual and expected process that does not compromise its human and financial resources. The Sustainability Plan is also structured to capitalize on the opportunities identified through the double materiality analysis.

Compared to the previous report, the materiality process of Salvatore Ferragamo S.p.A. has been further refined in compliance with the new European standards (ESRS "Sector Agnostic") with the double materiality analysis. In terms of the final results, the only difference found between the material topics was the redefinition of the topic "Respect for biodiversity" in favor of "Respect for biodiversity and animal welfare".

Following the double materiality process, Salvatore Ferragamo S.p.A. identified only one specific impact falling under the Brand Experience topic, not related to the ESRS disclosure requirements. This topic refers to the Company's desire to support Made-in-Italy products by sourcing from artisans and the Italian textile-manufacturing sector, which certainly represent a distinguishing element for the Brand.

[7] For further details, please refer to the "Sustainability Plan" section.

Management of impacts, risks and opportunities

IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

In 2024, the Group carried out its double materiality analysis in accordance with the disclosure requirements detailed in the ESRS 1 section 3 standard "Double materiality as the basis for sustainability disclosures".

First, the potentially material impacts, both positive and negative, current and potential, that it causes or contributes to in relation to the economy, the environment and people, including impacts related to human rights and business relationships, were identified through an in-depth contextual analysis, a comparison with industry peers and by referring to the issues defined in the ESRS AR 16. The analysis examined the specific activities of the sector, considering both Italy and the other countries where the Group operates, in order to identify the impact on the value chain.

Second, the assessment of these impacts was conducted with the involvement of the functions responsible for each impact and the stakeholders, as described in paragraph SBM-2: Interests and views of stakeholders. The impacts, broken down by area of expertise, were presented to company representatives who were asked to rate them on a scale of 1 to 5 on two impact dimensions: severity (divided into scale and scope) and likelihood. In the **stakeholder engagement** activity, a single vote was taken for each impact, taking into account all the factors that determine the significance of that impact (scale, scope and likelihood). At the end of both assessments, the impacts were prioritized according to the rate assigned, and those that did not meet the quantitative threshold defined as 1 were considered as not material.

To identify potentially material risks and opportunities, the Group has drawn on a number of sources, including its own **Enterprise Risk Management (ERM) system**, the **COSO framework** on ESG, the **World Economic Forum (WEF)** and its own **Strategic Plan**. The Group and the sector in which it operates were also analyzed to determine the links between its impacts and dependencies and the risks and opportunities that may arise from these impacts and dependencies. The identified environmental, social and governance risks and opportunities were assessed according to the Group's ERM scales, which consider the financial, operational, reputational and regulatory compliance consequences of their occurrence. According to these qualitative and quantitative scales, risks and opportunities were considered as not material if they were rated "low" in two out of three dimensions. The Group continuously monitors the impacts, risks and opportunities related to climate change. Further analyses carried out[8] externally in 2023 and 2024 to support the double materiality process identified four categories of transition risks and their expected impacts on the Group:

- **Market risks:** the cost of energy and raw materials and consumer preferences are expected to have a medium impact in the short-/medium-term, with a more significant impact in long-term scenarios. The increase in insurance costs related to the Group's assets is expected to have a greater impact in the long-term worst-case scenario, attributable to the upward trend in the occurrence of natural disasters
- **Legislative and regulatory risks:** significant impacts are expected in the short/medium term pertaining to compliance with the increasingly stringent regulations that products must comply with in order to reduce emissions and waste and increase product circularity, with an expected increase in criticality in the first long-term best-case scenario and a progressive decrease in impact in the mid- and worst-case scenarios.
- **Technological risks:** for the new transition-focused technical skills and the systems and procedures designed to help ensure better management and use of performance data, greater impacts are expected in the best- and mid-case scenarios and smaller ones in the long-term worst-case scenario.

[8] For further details on the analyses conducted, please refer to the section "Main features of the risk management and internal control systems" in the Annual Report.

- **Reputational risks:** due to the high expectations that companies will respond adequately to the challenges of the transition, the key role of the supply chain and the communication of the Company's activities related to sustainability, significant impacts are expected both in the short/medium term and in the first best- and second mid-case long-term scenarios.

The Group's analysis of the impacts, risks and opportunities related to pollution, water and marine resources showed that these are mainly linked to upstream operations, in particular to the production activities of suppliers, including tanneries. On the other hand, with regard to the use of resources and the circular economy, the Group considered the geographical location and the nature of the activity, both in its own operations and along the value chain, and identified impacts, risks and opportunities throughout the value chain including its own operations.

Assesment aligned with **SBTN**

With regard to biodiversity, the Group does not own or manage any plants or operational sites located near protected areas or areas of high biodiversity, but the impacts and dependencies of the Group's operations on nature have been identified. In particular, an analysis was carried out following the **Science Based Target Network (SBTN)** Technical Guidelines, with particular reference to Step 1a **"Materiality Screening"**, that has allowed to identify the possible impact of the business on nature, understood as the sum of activities carried out directly by the Group and activities related to the supply chain. The results of Step 1a indicate that the Group's materiality focuses on the following pressure categories: water and land use, climate change, and water and soil pollution. It was therefore concluded that there was no need to implement biodiversity mitigation measures in its operations. Ferragamo also analyzed the raw materials used in its operations with reference to **SBTN's High Impact Commodity List**, finding that the most impactful materials for the Group are fibers of natural origin, leather and cotton, as well as paper used for packaging.

It has been pointed out that the Group's main dependencies are related to water availability and forestry production (for example, paper and other natural raw materials such as cotton), which are closely linked to the processing of leather, cotton and packaging.

With regard to business conduct, the Group considered all criteria deemed relevant in its process for identifying material impacts, risks and opportunities, including the Group's geographical location, type of activity, Governance structure, business model and corporate structure. No other activities were carried out in relation to the identification of impacts, risks and opportunities other than those already listed in the table in section SBM-2: Interests and views of stakeholders. The assessment made it possible to identify the most significant environmental, social and governance impacts that the Group has on society, and the potential risks and opportunities related to the Group's business. The entire process was overseen by the CSO and involved the most senior officers from each department in the as-

sessment process. The results of the analysis carried out were finally shared with the Control and Risks Committee and with Top Management and were approved by the Board of Directors on 14 November 2024. During 2024, the Group carried out the double materiality analysis according to the methodology reported in ESRS 1 - Double materiality as the basis for sustainability disclosures and in IG 1 - Materiality assessment issued by EFRAG. There are no changes in the topics relevant to Ferragamo as the new impacts, risks and opportunities that emerged as material in 2024 are related to the topics already identified as material by the Group. The Group **updates the double materiality analysis on an annual basis**. Below is a summary matrix of the results, representing the material topics for the Group, both from a financial and impact point of view.



Legend: Thematic areas

Social *Governance* *Environment*

IRO-2: Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

ESRS topic	ESRS disclosure requirements	Section/ Phase-in[9]	Page
ESRS 2 – Basis for preparation	BP-1 General basis for preparation of sustainability statements		p. 107
	BP-2 Disclosures in relation to specific circumstances		p. 107
ESRS 2 – Governance	ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies		pp.108-110
	ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		pp.110-114
	ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes		pp.114-115
	ESRS 2 GOV-4 Statement on due diligence		p. 115
	ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting		pp.116-118
ESRS 2 – Strategy	SBM-1 Strategy, business model and value chain		pp. 119-121
	SBM-2 Interests and views of stakeholders		pp.122-131
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model		p.132
ESRS 2 - Impact, risk and opportunity management	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities		pp. 133-135
	IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement		pp. 136-145
EU Taxonomy	Disclosure pursuant to art. 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)		pp. 149-158
ESRS E1 - Climate change	ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes		pp. 114-115
	E1-1 Transition plan for climate change mitigation		pp.159-160
	E1-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model		p.160
	IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities		pp. 133-135
	E1-2 Policies related to climate change mitigation and adaptation		pp. 160-161
	E1-3 Actions and resources in relation to climate change policies Metrics and targets		pp. 162-165
	E1-4 Targets related to climate change mitigation and adaptation		p. 166
	E1-5 Energy consumption and mix		p. 167
	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions		pp. 168-170
	E1-7 GHG removals and GHG mitigation projects financed through carbon credits		p. 171
	E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		p. 171

[9] Where it says "phase-in", it is in accordance with ESRS 1 Appendix C: List of Disclosure Requirements that are phased-in.

ESRS topic	ESRS disclosure requirements	Section/ Phase-in[9]	Page
ESRS E2 - Pollution	IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities		pp. 133-135
	E2-1 Policies related to pollution		pp. 172-173
	E2-2 Actions and resources related to pollution		pp. 173-174
	E2-3 Targets related to pollution		pp. 175
	E2-5 Substances of concern and substances of very high concern		pp. 175
ESRS E3 - Water and marine resources	IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities		pp. 133-135
	E3-1 Policies related to water and marine resources		p.176
	E3-2 Actions and resources related to water and marine resources		p.176
	E3-3 Targets related to water and marine resources		pp. 176-177
	E3-4 Water consumption		p.177
	E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Phase-in	-
ESRS E4 - Biodiversity and ecosystems	E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model		p.178
	E4-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model		p.178
	IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities		pp. 133-135
	E4-2 Policies related to biodiversity and ecosystems		pp. 178-179
	E4-3 Actions and resources related to biodiversity and ecosystems		pp. 179-181
	E4-4 Targets related to biodiversity and ecosystems		p. 181
	E4-6 Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Phase-in	
ESRS E5 - Resource use and circular economy	IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities		pp. 133-135
	E5-1 Policies related to resource use and circular economy		p. 182
	E5-2 Actions and resources related to resource use and circular economy		pp. 182-186
	E5-3 Targets related to resource use and circular economy		pp.186-187
	E5-4 Resource inflows		pp. 188-189
	E5-5 Resource outflows		pp. 190-191
	E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phase-in	

ESRS topic	ESRS disclosure requirements	Section/ Phase-in[9]	Page
ESRS S1 - Own Workforce	S1-SBM-2 Interests and views of stakeholders		pp. 122-131
	S1-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model		pp. 195-197
	S1-1 Policies related to own workforce		pp. 197-198
	S1-2 Processes for engaging with own workforce and workers' representatives about impacts		pp. 198-199
	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns		pp. 200-201
	S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		pp. 201-207
	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		pp. 207-208
	S1-6 Characteristics of the undertaking's employees		pp. 209-210
	S1-7 Characteristics of non-employees in the undertaking's own workforce		p. 210
	S1-9 Diversity metrics		pp. 211-213
	S1-10 Adequate wages		p. 214
	S1-11 Social protection		p. 214
	S1-12 Persons with disabilities		p. 215
	S1-13 Training and skills development metrics		pp. 215-221
	S1-14 Health and safety metrics		pp. 222-224
	S1-16 Remuneration metrics (pay gap and total remuneration)		pp. 225-226
	S1-17 Incidents, complaints and severe human rights impacts		p. 227
ESRS S2 - Workers in the value chain	S2-SBM-2 Interests and views of stakeholders		pp. 122-131
	S2-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model		p. 228
	S2-1 Policies related to value chain workers		pp. 228-229
	S2-2 Processes for engaging with value chain workers about impacts		pp. 229-230
	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns		p. 231
	S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action		p. 232
	S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		p. 233

ESRS topic	ESRS disclosure requirements	Section/ Phase-in[9]	Page
ESRS S3 - Affected Communities	S3-SBM-2 Interests and views of stakeholders		pp. 122-131
	S3-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model		pp. 233-234
	S3-1 Policies related to affected communities		pp. 234-235
	S3-2 Processes for engaging with affected communities about impacts		pp. 235-236
	S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions		pp. 236-245
	S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		pp. 245
	Entity-specific KPI: Made in Italy		pp. 245-249
ESRS S4 - Consumers and end-users	S4-SBM-2 Interests and views of stakeholders		pp. 122-131
	S4-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model		p. 250
	S4-1 Policies related to consumers and end-users		pp. 250-251
	S4-2 Processes for engaging with consumers and end-users about impacts		p. 252
	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns		pp. 252-255
	S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions		pp. 255-257
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		p. 257
ESRS G1 - Business conduct	GOV-1 The role of the administrative, management and supervisory bodies		pp. 108-110
	IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities		pp. 133-135
	G1-1 Business conduct policies and corporate culture		pp. 261-263
	G1-2 Management of relationships with suppliers		pp. 262-263
	G1-3 Prevention and detection of corruption and bribery		pp. 263-264
	G1-4 Incidents of corruption or bribery		p. 265
	G1-5 Political influence and lobbying activities		pp. 265-267
	G1-6 Payment practices		p. 267

Disclosure requirement and related datapoints	SFDR[10] reference	Pillar 3[11] reference	Benchmark Regulation[12] reference	EU Climate Law[13] reference
ESRS 2 GOV-1 Board's gender diversity, paragraph 21 (d)	Indicator number 13, Table 1 of Annex I		Commission Delegated Regulation (EU) 2020/1816[14], Annex II	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Indicator number 10, Table 3 of Annex I			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) i	Indicator number 4, Table 1 of Annex I	Article 449(a) of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453[15], Table 1 - Qualitative information on environmental risk and Table 2 - Qualitative information on social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii	Indicator number 9, Table 2 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	Indicator number 14, Table 1 of Annex I		Delegated Regulation (EU) 2020/ 1818[16], Article 12(1) and Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv			Delegated Regulation (EU) 2020/ 1818, Article 12(1) and Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Regulation (EU) 2021/1119, Article 2(1)

[10] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) (OJ L 317, 9/12/2019, p. 1).
[11] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (capital requirements regulation) (OJ L 176, 27/6/2013, p. 1).
[12] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29/6/2016, p. 1).
[13] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021, establishing the framework for achieving climate neutrality and amending Regulation (EC) No 401/2009 and Regulation (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9/7/2021, p. 1).
[14] Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3/12/2020, p. 1).
[15] Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022, amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19/12/2022, p. 1).
[16] Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020, supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3/12/2020, p. 17).

Disclosure requirement and related datapoints	SFDR[10] reference	Pillar 3[11] reference	Benchmark Regulation[12] reference	EU Climate Law[13] reference
ESRS E1-1 Undertakings excluded from the Paris-aligned Benchmarks, paragraph 16 (g)		Article 449(a) Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	
ESRS E1-4 GHG emissions reduction targets, paragraph 34	Indicator number 4, Table 2 of Annex I	Article 449(a) Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Indicator number 5, Table 1 and Indicator number 5 Table 2 of Annex I			
ESRS E1-5 Energy consumption and mix, paragraph 37	Indicator number 5, Table 1 of Annex I			
ESRS E1-5 Energy intensity associated with activities in high climate impact, paragraphs 40 to 43	Indicator number 6, Table 1 of Annex I			
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Indicators number 1 and 2, Table 1 of Annex I	Article 449(a) Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8 (1)	
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Indicator number 3, Table 1 of Annex I	Article 449(a) Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Regulation (EU) 2021/1119, Article 2(1)

Disclosure requirement and related datapoints	SFDR[10] reference	Pillar 3[11] reference	Benchmark Regulation[12] reference	EU Climate Law[13] reference
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II, and Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449(a) Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: exposures subject to physical risk		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c).		Article 449(a) Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book - Climate change transition risk: loans collateralised by immovable property - Energy efficiency of the collateral		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28				
NOT MATERIAL	Indicator number 8, Table 1 of Annex 1; Indicator number 2, Table 2 of Annex 1; Indicator number 1, Table 2 of Annex 1, Indicator number 3, Table 2 of Annex 1			
ESRS E3-1 Water and marine resources, paragraph 9	Indicator number 7, Table 2 of Annex I			
ESRS E3-1 Dedicated policy, paragraph 13	Indicator number 8, Table 2 of Annex I			
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Indicator number 12, Table 2 of Annex I			
ESRS E3-4 Total water recycled and reused, paragraph 28 (c)				

Disclosure requirement and related datapoints	SFDR[10] reference	Pillar 3[11] reference	Benchmark Regulation[12] reference	EU Climate Law[13] reference
NOT MATERIAL	Indicator number 6.2, Table 2 of Annex I			
ESRS E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29				
NOT MATERIAL	Indicator number 6.1, Table 2 of Annex I			
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7, Table 1 of Annex			
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10, Table 2 of Annex I			
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14, Table 2 of Annex I			
ESRS E4-2 Sustainable land / agriculture practices or policies, paragraph 24 (b)	Indicator number 11, Table 2 of Annex I			
ESRS E4-2 Sustainable oceans / seas practices or policies, paragraph 24 (c)	Indicator number 12, Table 2 of Annex I			
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	Indicator number 15, Table 2 of Annex I			
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Indicator number 13, Table 2 of Annex I			
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator number 9, Table 1 of Annex I			
ESRS 2 - SBM3 - S1 Risk of incidents of forced labor, paragraph 14 (f)	Indicator number 13, Table 3 of Annex I			
ESRS 2 - SBM3 - S1 Risk of incidents of child labor, paragraph 14 (g)	Indicator number 12, Table 3 of Annex I			
ESRS S1-1 Human rights policy commitments, paragraph 20	Indicator number 9, Table 3 and Indicator number 11, Table 1 of Annex I			

Disclosure requirement and related datapoints	SFDR[10] reference	Pillar 3[11] reference	Benchmark Regulation[12] reference	EU Climate Law[13] reference
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Indicator number 11, Table 3 of Annex I			
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Indicator number 1, Table 3 of Annex I			
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	Indicator number 5, Table 3 of Annex I			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	Indicator number 2, Table 3 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	Indicator number 3, Table 3 of Annex I			
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	Indicator number 12, Table 1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b)	Indicator number 8, Table 3 of Annex I			
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	Indicator number 7, Table 3 of Annex I			
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines, paragraph 104 (a)	Indicator number 10, Table 1 and Indicator number 14, Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, and Delegated Regulation (EU) 2020/1818 Article 12(1)	
ESRS 2 SBM-3 - S2 Significant risk of child labor or forced labor in the value chain, paragraph 11 (b)	Indicators number 12 and 13, Table 3 of Annex I			
ESRS S2-1 Human rights policy commitments, paragraph 17	Indicator number 9, Table 3 and Indicator number 11, Table 1 of Annex I			
ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicators number 11 and 4, Table 3 of Annex I			

Disclosure requirement and related datapoints	SFDR[10] reference	Pillar 3[11] reference	Benchmark Regulation[12] reference	EU Climate Law[13] reference
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Indicator number 10, Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, and Delegated Regulation (EU) 2020/1818 Article 12(1)	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Indicator number 14, Table 3 of Annex I			
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator number 9, Table 3 and Indicator number 11, Table 1 of Annex I			
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17	Indicator number 10, Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, and Delegated Regulation (EU) 2020/1818 Article 12(1)	
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator number 14, Table 3 of Annex I			
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Indicator number 9, Table 3 and Indicator number 11, Table 1 of Annex I			
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	Indicator number 10, Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, and Delegated Regulation (EU) 2020/1818 Article 12(1)	
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator number 14, Table 3 of Annex I			
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	Indicator number 15, Table 3 of Annex I			
ESRS G1-1 Protection of whistleblowers, paragraph 10 (d)	Indicator number 6, Table 3 of Annex I			
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	Indicator number 17, Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24 (b)	Indicator number 16, Table 3 of Annex I			

ENVIRONMENTAL INFORMATION





-16.4%

Total emissions reduction

LCA Analysis

for Products and Store materials

99%

of tanneries certified LWG
of which 79% certified Gold and Silver

Circularity Hackaton

to rethink Ferragamo products from a circular perspective


FERRAGAMO

Disclosure pursuant to Article 8 of Regulation (EU) 2020/852

Regulation (EU) 2020/852 (hereinafter referred to as "Taxonomy Regulation") introduced the **EU Taxonomy** framework into the European regulatory system, with the aim of defining the conditions under which certain economic activities can be considered "environmentally sustainable" and stimulating transparency in relation to the initiatives put in place to promote the ecological transition, including through the adoption of sustainable financial models. In line with the provisions of Article 8 of the Taxonomy Regulation, the Salvatore Ferragamo Group is subject to the obligation to include within its Sustainability Statement, drawn up pursuant to Italian Legislative Decree 125/2024 in transposition of the relevant European legislation, a specific disclosure on how and to what extent the Company's activities are associated with economic activities considered to be "environmentally sustainable" pursuant to Articles 3 and 9 of the same Taxonomy Regulation. The Taxonomy Regulation and the additional Delegated Regulations (EU) 2021/2178, (EU) 2021/2139, (EU) 2022/1214 and (EU) 2023/2486 provide that, for the 2024 reporting period, companies subject to the aforementioned obligations must communicate a set of information relating to economic activities considered eligible[17] or non-eligible[18] for the purposes of the EU Taxonomy (hereinafter also referred to as "Taxonomy-eligible activity", and "Taxonomy-non-eligible activity") as well as to activities aligned to the EU Taxonomy ("Taxonomy-aligned activity")[19], in other words that comply with the technical requirements defined by the legislation, that do not cause significant harm to any of the environmental objectives and that are carried out in compliance with the minimum safeguards envisaged. In particular, for the 2024 reporting year, the Taxonomy Regulation and the other regulatory provisions connected to it require the disclosure of the proportion of turnover, CapEx and OpEx considered eligible and aligned for the purposes of Article 9 of the Taxonomy Regulation:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

In line with last years, specific analyses have been carried out to assess the degree of eligibility and alignment, based on the delegated acts available to date, of information related to economic activities that can contribute substantially to the six environmental objectives defined by the Taxonomy.

ANALYSIS OF TAXONOMY-ELIGIBLE ACTIVITIES

In order to comply with the aforementioned requirements, the list of economic activities included in the reference documentation for the six objectives set out in Article 9 of the Taxonomy Regulation, for which the reference technical documentation is available at the date of publication of this document, was examined, comparing them with those of the Group, both by comparison of the respective NACE/ATECO[20]codes and by comparison of the substantial description of the activities. Based on the

[17] Economic activity described in the delegated acts adopted pursuant to Article 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852, regardless of whether that economic activity meets one or all of the technical screening criteria set out in the aforementioned delegated acts.
[18] Economic activity not described in the delegated acts adopted pursuant to Article 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852.
[19] Economic activity that meets the requirements of Article 3 of Regulation (EU) 2020/852, i.e., that simultaneously complies with the following requirements: a) contributes substantially to one or more of the environmental objectives set out in Article 9 of Regulation (EU) 2020/852; b) does not significantly harm any of the environmental objectives set out in Article 9 in accordance with Article 17; c) is carried out in compliance with the minimum safeguards laid down in Article 18; and d) complies with technical screening criteria set up by the European Commission in accordance with Article 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2).
[20] NACE: abbreviation for the Statistical Classification of Economic Activities in the European Union, a classification used in national accounts schemes by the Statistical Office of the European Union (Eurostat) and accepted by the statistical offices of the member countries. ATECO: Italian equivalent of NACE, a classification adopted by the Italian National Institute of Statistics (ISTAT).

interpretation of the requirements applicable to date, the Group has assessed that its main activities are not included among those currently identified by the reference legislation. As a result, they are not considered eligible – and therefore not aligned – as of the date of drafting this document. This assessment focused on the Group's main and core economic activities, linked to the manufacture and marketing of clothing, footwear and accessories. The residual leasing activities of owned properties and sub-leasing of leased properties, to be attributed entirely to the Ferragamo USA Group, were excluded from this analysis, as such activities are considered marginal and not a substantial expression of the Group's activities. The activity linked to the sale of spare parts was considered marginal as well, identified among the economic activities that can contribute to the objective linked to the transition towards a circular economy, according to the latest Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023. In light of the above, the KPIs required by the Taxonomy Regulation were calculated as illustrated below.

METHODOLOGY FOR CALCULATING THE KPIs PROVIDED FOR BY THE TAXONOMY REGULATION

The Group carried out an analysis of turnover, investments and operating expenses related to the financial year 2024, for the calculation of the KPIs required pursuant to the Taxonomy Regulation and the additional applicable regulatory references[21], as described below.

TURNOVER[22]

For the calculation of the turnover indicator, the consolidated net turnover was considered for the denominator, in accordance with IAS 1.82(a). As for the numerator, based on the above considerations and on the interpretation of the Taxonomy Regulation, no proportion of turnover generated by the sale of goods or services related to economic activities considered Taxonomy-eligible, and therefore not aligned in relation to the six objectives set out in Article 9 of the Regulation, was identified as of the date of publication of this report.

CAPEX[23]

For the calculation of the Capital Expenditure (CapEx) indicator, in the denominator, in line with the provisions of the applicable legislation, the increases in property, plant and equipment, investment property, right-of-use assets, and intangible assets with a finite useful life (net of decreases in property, plant and equipment and intangible assets in progress) that occurred during the year were considered, before depreciation/amortization and any revaluations, including those resulting from restatements and impairments, for the reporting period, and excluding changes in fair value. In particular, the denominator includes any acquisitions of property, plant and equipment (IAS 16), intangible assets (IAS 38), investment property (IAS 40) and right-of-use assets (IFRS 16). As for the numerator, the increases in fixed assets related to the purchase of outputs from Taxonomy-eligible economic activities and/or related to measures enabling greenhouse gas reductions have thus been considered eligible. These mainly include investments made for energy efficiency and the reduction of energy consumption of buildings and stores, for the building of new property and for the renewal of the company fleet with hybrid and/or electric vehicles, relating to "6.5 Transport by motorbikes, passenger cars and light commercial vehicles", "7.1. Construction of new buildings", "7.3. Installation, maintenance and repair of energy efficiency

[21] The analysis and methodology for calculating the KPIs were carried out with particular reference to the interpretation of the information defined in Annex I of the "Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Article 8 of Regulation (EU) 2020/852" and of the "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of eligible economic activities and assets" published on 2 February 2022, of the Commission Delegated Regulation (EU) of 27 June 2023 amending Delegated Regulation (EU) 2021/2139, establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives. Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

[22] The financial data included in this KPI correspond to the Group's net revenues shown in the Annual Report as at 31 December 2024: Consolidated Financial Statements, note 33 of the Consolidated Financial Statements.

[23] The financial data included in this KPI correspond to the increases in fixed assets shown in the Annual Report 2024: Consolidated Financial Statements, notes 5, 6, 8 and 9.

equipment", "7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings" and "9.3. Professional services related to energy performance of buildings". As a result, the remaining part of increases in property, plant and equipment, intangible assets and right-of-use assets considered in the denominator were deemed non-eligible.

OPEX[24]

For the calculation of the Operating Expenditure (OpEx) indicator, in the denominator, in line with the provisions of the applicable legislation, all non-capitalized direct costs related to research and development, building renovation measures, short-term leases and variable lease payments, maintenance and repair, and any other direct expenditures relating to the ordinary maintenance of property, plant and equipment – either by the undertaking or by third parties to whom activities are outsourced – that is necessary to ensure the continued and effective operation of such assets were taken into account. Expenses related to the day-to-day operation of property, plant and equipment such as raw materials, cost of employees using vehicles, electricity or fluids needed for the operation of such assets were not included. As far as the numerator is concerned, the costs included in the denominator related to the purchase of output from Taxonomy-eligible economic activities and/or individual measures enabling greenhouse gas reductions were considered eligible. In particular, the costs related to energy efficiency and reducing the energy consumption of buildings and costs for maintenance of related technologies were included. Consequently, the remaining part of costs included in the denominator were considered non-eligible.

As the activities included in the scope of the analysis relate to investments (CapEx) and operating expenses (OpEx) implemented to reduce atmospheric emissions, the Group does not directly hold the documentation necessary to demonstrate compliance with the DNSH criteria. The Group contacted service providers to collect evidence and obtain useful information to demonstrate compliance with the DNSH criteria, but most providers were unable to provide sufficient information with reference to the criteria specified in Appendix A of the Taxonomy delegated acts.



[24] The financial data included in this KPI are included in the consolidated operating costs shown in the Annual Report 2024: Consolidated Financial Statements, notes 35 and 36.

Tables in accordance with Regulation (EU) 2020/852

Proportion of turnover from products or services associated with Taxonomy - eligible and - aligned economic activities - disclosure covering year 2024

(In thousands of Euro)

Financial year 2024	Year 2024			Substantial contribution criteria						DNSH ('Do No Significant Harm') criteria									
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A1) or -eligible (A2) turnover, 2023 (18)	Category of enabling activity (19)	Category of transitional activity (20)
Text		Currency	%	Yes; No; N/EL (b)(c)	Yes; No; N/EL (b)(c)	Yes; No; N/EL (b)(c)	Yes; No; N/EL (b)(c)	Yes; No; N/EL (b)(c)	Yes; No; N/EL (b)(c)	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
Of which enabling		*0*	*0%*														*0%*	*E*	
Of which transitional		*0*	*0%*														*0%*		*T*
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL(f)	EL; N/EL(f)	EL; N/EL(f)	EL; N/EL(f)	EL; N/EL(f)	EL; N/EL(f)										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%														0%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**0**	**0%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1,035,106	100%																
TOTAL		**1,035,106**	**100 %**																

Proportion of Taxonomy-eligible and - aligned turnover over total

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	—%	—%
CCA	—%	—%
WTR	—%	—%
CE	—%	—%
PPC	—%	—%
BIO	—%	—%



Proportion of CapEx from products or services associated with Taxonomy-eligible and - aligned economic activities — disclosure covering year 2024

(In thousands of Euro)

Financial year 2024	Year 2024			Substantial contribution criteria						DNSH ('Do No Significant Harm') criteria									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Minimum Safeguards (11)	Climate Change Adaptation (12)	Water (13)	Circular Economy (14)	Pollution (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A1) or -eligible (A2) CapEX (18)	Category enabling activity (19)	Category transitional activity (20)
Text		€/000	%	Yes; No N/EL (b)(c)	Yes; No; N/EL (b)(c)	Yes; No; N/EL (b)(c)	Yes; No; N/EL (b)(c)	Yes; No; N/EL (b)(c)	Yes; No; N/EL (b)(c)	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx delle attività ecosostenibili (allineate alla tassonomia) (A.1)		0	0%	%	%	%	%	%	%								%		
Of which enabling			%	%	%	%	%	%	%								%		
Of which transitional			%	%	%	%	%	%	%								%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/ EL(f)	EL; N/ EL(f)	EL; N/ EL(f)	EL; N/ EL(f)	EL; N/ EL(f)	EL; N/ EL(f)										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	643.58	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction of new buildings	CCM 7.1	1,162.66	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance, and repair of energy efficiency equipment	CCM 7.3	333.87	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	545.82	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Professional services related to energy performance of buildings	CCM 9.3	21.55	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		2,707.48	1.8%	%	%	%	%	%	%								0%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**2,707.48**	**1.8%**	%	%	%	%	%	%								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		148,579	98.2%																
TOTAL		**151,286**	**100%**																

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	—%	1.8%
CCA	—%	—%
WTR	—%	—%
CE	—%	—%
PPC	—%	—%
BIO	—%	—%



Proportion of OpEx from products or services associated with Taxonomy-eligible and - aligned economic activities — disclosure covering year 2024

(In thousands of Euro)

Financial year 2024		YEAR 2024		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigationi (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A1) or -eligible (A2) CapEX (18)	Category enabling activity (19)	Category transitional activity (20)
Text		€/1000	%	Yes; No N/EL (b)(c)	Yes; No; N/EL (b)(c)	Yes; No N/EL (b)(c)	Yes; No; N/EL (b)(c)	Yes; No N/EL (b)(c)	Yes; No; N/EL (b)(c)	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned)		0	0%														0%		
Of which enabling		*0*	*0%*														*0%*		
Of which transitional		*0*	*0%*														*0%*		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/ EL(f)	EL; N/ EL(f)	EL; N/ EL(f)	EL; N/ EL(f)	EL; N/ EL(f)	EL; N/ EL(f)										
Installation, maintenance, and repair of energy efficiency equipment	CCM 7.3	38	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	6	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	12	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Professional services related to energy performance of buildings	CCM 9.3	74	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		130	0.2%	%	%	%	%	%	%								0%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		129.871949	0.2%	%	%	%	%	%	%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		82.196	100%																
TOTAL		**82.196**	**100 %**																

Proportion of Taxonomy-eligible and -aligned OpEx over total

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	—%	0.2%
CCA	—%	—%
WTR	—%	—%
CE	—%	—%
PPC	—%	—%
BIO	—%	—%



Template 1 – Nuclear and fossil gas related activities[25]

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No



[25] Delegated Regulation (EU) 2022/1214

E1 - Climate change

The Group's journey towards sustainability started in 2014, when, with the aim of ensuring transparency in respect of its operations, Salvatore Ferragamo undertook a reporting process on initiatives related to social responsibility, drawing up the first Sustainability Report according to international guidelines. Since 2016, this process has been extended to the entire Salvatore Ferragamo Group. In 2016, the Company, with a view to transparency and stakeholder engagement, created on the Salvatore Ferragamo Group's website a section entirely dedicated to corporate responsibility, which illustrates the main social and environmental sustainability projects that the Group has promoted over the years. In 2021, the new sustainability.ferragamo.com website was launched. The new version offers a completely updated design and a more effective and intuitive user experience. The experience was made inclusive and global, thanks to the optimization of the website for all devices and its availability in eight languages.

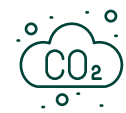
E1-1: Transition plan for climate change mitigation

In order to mitigate the effects of climate change and contribute to the reduction of its carbon footprint, the Group has defined actions and targets for the reduction and offsetting of CO_2 emissions, which are included in the Sustainability Plan. This is an essential first step towards formalizing a Transition Plan that links the actions (and related investments) envisaged in the Sustainability Plan with the reduction of greenhouse gas emissions related to them.

As a confirmation of this commitment, and in line with the level of decarbonization outlined in the Paris Agreement to avoid the most harmful effects of climate change, the Science Based Targets initiative, which identifies and promotes best practice in the definition of science-based targets and the assessment of company objectives, approved two important targets for[26] Salvatore Ferragamo S.p.A. in August 2020:

- reducing by 42% Scope 1 and Scope 2 absolute GHG emissions by 2029 compared to 2019;
- reducing by 42% Scope 3 absolute GHG emissions, deriving from the purchase of goods and services and from the downstream transportation and distribution, by 2029 compared to 2019.

Moreover, in the update to the **Sustainability Plan**, the Group also introduced a new target, namely, to reach net-zero emissions by 2050. In this regard, it should be noted that the update and **resubmission phase of the SBT targets** (near term target, including **FLAG and net-zero targets**) is currently underway, in line with the objective of formalizing a Transition Plan by 2026 that relates the main actions of the Sustainability Plan to the reduction of greenhouse gas emissions related to them.



FLAG and **Net Zero SBTs** submission

[26] For further information, please refer to the section "Disclosure pursuant to Article 8 of Regulation (EU) 2020/852".

The activities related to the Group's 25-27 Sustainability Plan have been developed with a view to the targets being evaluated by the **Science Based Target initiative**.

The main decarbonization levers identified by the Group to achieve these targets include:

- **the installation of consumption monitoring systems, energy efficiency, investments in renewable energy, electrification of the company fleet and optimization of logistics;**
- **investments in renewable energy, through the purchase of Guarantees of Origin (GO).**

For Salvatore Ferragamo S.p.A., **sustainability** is deeply **integrated into the Business strategy**, as is the Sustainability Plan, in order to build and strengthen a shared vision at the Group level of the strategic direction undertaken in environmental, social and governance matters. The Plan is also a tool for promoting a culture of sustainability that is based on respect, protection and promotion of excellence. It aims to integrate existing goals and commitments, both in terms of sustainability and business strategy, with new challenges for future development. The document is shared with Top Management, the CEO and the Control and Risks Committee, whose responsibilities include corporate sustainability, overseeing sustainability aspects related to the Company's operations and its interaction with all stakeholders

An **ESG Steering Committee** – a strategic corporate body comprising the main company functions – was established in 2023, with the explicit aim of providing an in-depth oversight of the progress of the Sustainability Plan, ensuring constant monitoring and providing precious feedback to optimize performance in the corporate sustainability sphere. The composition of the Committee ensured that leadership and expertise in the sustainability area was available across the board.

The updated Sustainability Plan was approved by the Control and Risks Committee and the Board of Directors on 19 December 2024. This document is fully integrated into the Company's strategy and financial planning, including the through the allocation of monetary and non-monetary resources to pursue the objectives and actions set.

E1-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Through its double materiality process, the Group has identified three risks related to climate change, two of which are transition risks:

- Regulatory developments and business costs due to climate change impacts;
- Increase in production costs due to changes in energy-related costs.

The additional risk identified is a physical risk:

- Increase in the number and frequency of extreme events and natural disasters caused by climate change.

The Group maps and takes these risks into account in order to implement policies and activities to counter them.

To ensure the resilience of its business model and strategy in relation to climate change, Salvatore Ferragamo commits economic resources and expertise to counteract the effects and repercussions on its activities in all the regions in which it operates. At the moment, an analysis of the physical risks related to the climate has been carried out and is discussed in detail in section *E1-9*. Furthermore, considerations on strategic and business resilience are taken into account for the definition of its objectives and business continuity, also with reference to its value chain

E1-2: Policies related to climate change mitigation and adaptation

The Group has prepared a **Sustainability Policy** that defines a set of guiding principles to ensure responsible management of social and environmental issues in the context of the Group's daily activities. The contents of the Policy refer to the impacts, risks and opportunities identified during the double materiality process carried out in 2024.

The purpose of this Policy is to promote a corporate culture based on fairness, professionalism, honesty, integrity and transparency. It promotes sustainable development, encourages ethical dialog and increases responsibility towards all stakeholders. The fundamental principles that comprise it are divided into three thematic areas: people and values, environmental protection, and culture and participation.

The Policy applies not only to internal operations, but also to the Group's value chain and to the main internal and external stakeholders. Internal stakeholders include employees, suppliers, contract manufacturers, shareholders, investors and distributors, while external stakeholders include final customers, trade associations, the media, influencers, NGOs, local communities, regulatory bodies, public administration, schools and universities.

To ensure the effectiveness of these measures, the Chair and the Control and Risks Committee are responsible for the implementation of the Policy across the board, ensuring that sustainability is fully integrated into the Group's business strategies.

The Policy was developed in line with **the United Nations' Sustainable Development Goals (SDGs)**, the UN Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, so as to align the Group's commitment with international best practices.

Finally, the Group is committed to maintaining an ongoing and transparent dialog with all stakeholders to ensure the continued application of the Policy and to promote a shared commitment to sustainability. Stakeholders can view the Policy on the Group's websiteand are encouraged to submit ideas and suggestions to support efforts to combat climate change by contacting csr@ferragamo.com.

The "**Protecting the environment**" section of the Policy reports on the Group's commitment to protecting the environment through a proactive approach to climate change, biodiversity conservation and resource management. The Group recognizes that reducing its environmental impact is essential for the long-term sustainability of the Company and for future generations.

In order to **mitigate climate change**, Salvatore Ferragamo S.p.A. is actively working to reduce its carbon footprint through the continuous assessment and minimization of greenhouse gas (GHG) emissions. Ambitious emission reduction targets have been set in line with the Science-Based Targets to **limit global warming to 1.5°C** above pre-industrial levels. To **adapt to climate change**, the Group is implementing mitigation strategies throughout its supply chain to address climate-related risks such as rising energy costs and the impact of extreme weather events. To improve energy efficiency, specific programs are being implemented to reduce energy consumption and improve operational efficiency. The Group also integrates renewable energy sources into its operations to reduce dependence on fossil fuels and decrease GHG emissions. Finally, as part of its commitment to sustainability, the Group is committed to achieving **net-zero emissions by 2050**, promoting continuous innovation and strengthening collaboration with stakeholders to accelerate the transition to a sustainable future.



1.5 °C
aligned

E1-3: Actions and resources in relation to climate change policies

The Group has been committed to environmental sustainability initiatives for years and has integrated environmental protection into its corporate culture. This commitment translates into concrete and challenging goals, reflected in the Sustainability Plan and Sustainability Policy, aimed at minimizing environmental impact, with the ambitious goal of achieving Net Zero by 2050.

With a view to mitigating the effects of climate change, the Group has implemented actions and targets aimed at the reduction and offsetting of CO_2 emissions. To confirm this commitment and in line with the level of decarbonization required to prevent the most damaging effects of climate change, the Salvatore Ferragamo Group defined its science-based targets to reduce greenhouse gas emissions (GHG).

OWN OPERATIONS

The main initiatives undertaken include the installation of **Building Management Systems (BMS)**, which make it possible to control and monitor the mechanical and electrical systems, such as for example the microclimate and lighting, based on the quantity of natural light coming from outside, thus optimizing the operating efficiency and reducing waste.

Since 2018, these systems have been installed in the Osmannoro Logistics Center, in the M building and in the stores, with the aim of monitoring energy consumption. Since 2023, Salvatore Ferragamo S.p.A. has managed to install **building management systems in 77 stores** worldwide, aiming to reach 100 stores by 2025.



BMS
in **77** store WW

In 2020, building M, designed to meet the main environmental standards and located at the Osmannoro site, also received the **LEED Platinum** certification. Over the years, efforts to obtain certifications have also involved the retail area. The Group has achieved **LEED Gold** certification for 14 stores and **LEED Silver** certification for 5 stores, for a total of 19 Gold and Silver certified stores worldwide.

LEED Certification

LEED® is a voluntary certification program that covers the entire life cycle of the building itself, from design to construction.
LEED promotes a sustainability-oriented approach, recognizing building performance in key areas, such as energy and water efficiency and conservation, reduction of CO_2 emissions, improvement of interior ecological quality, materials and resources used, design and site selection. Developed by the U.S. Green Building Council (USGBC), the system is based on 4 levels of certification: basic, gold, silver, platinum..

As for the stores, a **life cycle assessment (LCA)** was carried out in 2024 on the carbon emissions related to the extraction of raw materials and the production and construction of the **Milan Montenapoleone Woman Store**. At the same time, advice was provided on identifying alternative materials and design solutions with low environmental impact, considering criteria such as carbon footprint, durability and market availability. In addition, the work was extended to analyze the implementation of circular design principles in Ferragamo stores, using the Circular Buildings Toolkit framework developed by Arup and the Ellen MacArthur Foundation to promote more sustainable and innovative construction strategies.



Store Milan
Montenapoleone Woman Life Cycle Assessment

In 2024, the Energy Management System certification according to the **UNI EN ISO 50001:2018** standard was renewed for the entire perimeter including the Osmannoro Sites, Milan Offices, Palazzo Spini Feroni and all the Stores in the retail area in Italy, which will be renewed in the future as in previous years.

Moreover, the process of monitoring the certifications of the Environmental Management System according to the **UNI EN ISO14001:2015** standard and Occupational Health and Safety according to the **UNI EN ISO 45001:2023** standard continued, with an extension in 2024 to the sites of Forte dei Marmi, Fiumicino, Milan, and Rome.

To improve energy efficiency, the lighting system in Building E of the HQ was replaced in 2024. In addition, the existing photovoltaic park is expected to be upgraded with the commissioning of an additional 300 kW system installed on the roof of the Logistics Center at the Osmannoro site. A gradual reorganization of the architecture of the energy measurement systems installed at the Osmannoro site is also underway, to achieve better monitoring and subsequent performance improvement.
In 2024, with a further improvement over previous years, **97.9% of the electricity used by the Group worldwide came from renewable sources** thanks to the purchase of energy certified by a guarantee of origin. In 2023, to accelerate the adoption of renewable electricity by investing in new clean energy infrastructure, the Group, as part of the Fashion Pact and in collaboration with 11 other brands, signed a **Col-**



97.9% of
renewable electricty

lective Virtual Power Purchase Agreement (CVPPA) for the European region, implemented throughout 2024. The first of its kind for the fashion industry, the CVPPA aims to add more than 100,000 MWh per year of new renewable electricity generation to the grid, equivalent to taking some 24,400 cars off the road.

At the same time, the transition to more sustainable mobility has continued with the replacement of the company fleet in Italy with Plug-in Hybrid or Full Electric vehicles. In 2024, the substitution rate reached 77%, with a target of 85% by 2025, making a significant contribution to reducing CO_2 emissions.

At the same time, the Group introduced a platform for tracking company mobility at the Osmannoro and Milan sites, with the aim of extending it to the entire EMEA area by 2025.

In terms of corporate mobility, in 2024 Ferragamo renewed its commitment to sustainability by rejoining the "**Air France KLM Corporate SAF Program**", an initiative promoted by Air France and KLM that aims to reduce the environmental impact of corporate air travel by increasing the use of sustainable fuels derived from waste cooking oil. Furthermore, several sustainable mobility initiatives were enhanced, including the corporate carpooling service and the Bici&Piedi program, both in collaboration with Jojob. The latter, which encourages commuting to work on foot or by bicycle to reduce CO_2 emissions, has been further expanded to also include the use of electric micro-mobility.

PRODUCTION AND DISTRIBUTION

In the logistics sector, Salvatore Ferragamo S.p.A. has completed a feasibility study to optimize load volumes and reduce shipping volumes by 5%, which would contribute to a significant reduction in transport-related emissions. The initiative will be extended in 2025 to evaluate further improvements.

Life Cycle Assessment of three key products

Another strategic action is to work with suppliers and logistics partners to improve the sustainability of the supply chain. In 2024, the Group began studying a new transport model that would replace some air transport with sea transport, reducing emissions on the identified routes by 98.7%. This strategy is expected to be implemented starting in 2025. In 2024, the Group also completed a project to study the environmental impact of the production of three of its best-selling and iconic items – a handbag, a ballet flat and a moccasin – and used the results to identify strategies to reduce its ecological footprint. The central element of the project is a **Life Cycle Assessment (LCA)** made for each of the three products in question.

The study considered the "**cradle-to-factory gate**" perimeter, examining the processing phases that go from the production of raw materials to the packaging of the finished product, packaged and ready for distribution. On the other hand, the product's usage and end-of-life phases were excluded.

First, an analysis based on secondary datasets was conducted to identify critical points and engage the suppliers responsible for these impacts. The latter were then involved in the collection of primary data through direct measurements at the facility, which allowed a more in-depth analysis of the identified hotspots.

Data quality was assessed according to **ISO 14040** in terms of temporal, geographical, and technological coverage, completeness, representativeness, consistency, reproducibility, sources, and uncertainty. The results show that the calculated primary data has a significantly lower impact compared to the secondary dataset **Ecoinvent 3.9**.

This approach has not only increased Ferragamo's internal awareness of the environmental impact of its production processes, but has also raised the awareness of the players involved in the production chain. In fact, by presenting the results obtained and the potential improvements identified to the three tanneries that collected the primary data, the Group has committed itself to making its suppliers more aware of the use of energy, water and chemicals in the tanning, re-tanning and finishing phases.

The ultimate goal of Salvatore Ferragamo S.p.A. is to establish a concrete collaboration with its production chain to measure and study its environmental performance in depth, in order to be able to initiate improvement actions in collaboration with all the players in the supply chain, in a market that is increasingly sensitive to these issues. The initiative, which involved three best-selling leather products and three strategic tanneries involved in their production, will continue over the next few years with the participation of other relevant suppliers.

The main expenses incurred in the implementation of the above measures are shown in the table below:

Activity	CapEx	OpEx
Taxonomy eligible	Please refer to the section "Disclosure pursuant to Article 8 of Regulation (EU) 2020/852"	
Other[27]		187,920 €



[27] This amount is an integral part of the items "General and administrative costs" and "Sales & distribution costs" in the Income Statement of the Consolidated Financial Statements of Salvatore Ferragamo S.p.A

E1-4: Targets related to climate change mitigation and adaptation

The defined targets are part of the **2025-2027 Sustainability Plan**, approved by the Board of Directors on 19 December 2024, which represents the strategic framework of reference for the Group's sustainability initiatives and reflects the commitment to the United Nations' Sustainable Development Goals and European sustainability standards.

The following targets, outlined in section *ESRS 2 – SBM-1: Strategy, business model and value chain*, related to climate change mitigation and adaptation, are aligned with limiting global warming to 1.5°C:

ESG building block	ID	Target	Timing
Moving Towards Zero Emissions	0	Achieving Net Zero by 2050	2050
	1	42% reduction in Scope 1 and Scope 2 absolute GHG emissions by 2029 compared to 2019 (Science-Based Target)	2029
	2	42% reduction in Scope 3 absolute GHG emissions, deriving from the purchase of goods and services and from the downstream transport and distribution by 2029 compared to 2019 (Science-Based Target)	2029
	3	100% renewable energy across all operations	2030

The Group has set clear and measurable targets for the reduction of greenhouse gas (GHG) emissions and the use of renewable energy, in line with international and EU climate strategies. In particular, it has committed to reducing by 42% Scope 1 and Scope 2 absolute GHG emissions by 2029 compared to 2019 levels. The same target of a 42% reduction has been set for Scope 3 emissions, limited to those resulting from the purchase of goods and services and from downstream transportation and distribution, with the same deadline and time horizon. Moreover, the Company aims to achieve 100% renewable energy in its operations by 2030.

These targets are absolute, expressed in tons of CO_2 equivalent (tCO_2eq) and MWh, and are monitored annually through internal controls. The methodology adopted is based on the **GHG Protocol** and scientifically validated climate scenarios, in line with the Paris Agreement. To date, progress is in line with forecasts, particularly for the reduction of Scope 1 and 2 emissions, while for Scope 3 the Company is strengthening the procurement of materials with a lower environmental impact and optimizing logistics to accelerate the decarbonization of the value chain. Monitoring is continuous with strategic updates to ensure that goals are met. Key achievements to date include the increased use of renewable energy in the Company's operations and the adoption of stricter criteria for the selection of certified materials. For further details, please refer to sections *E1-3 and E1-5*.

At the same time, the Company has submitted new near-term Science-Based Targets, with a baseline of 2023 and a target of 2030 , for both Scope 1 and 2 and Scope 3 emissions. The target, which is currently in the validation phase, is to reduce emissions by 42% by 2030 from the new baseline of 2023.

tCO_2eq	BASE YEAR 2019	TARGET YEAR 2029
Scope 1 + 2 emissions	12,248	7,104
Scope 3 emissions (cat.1+9)	443,646	257,314

[28] The 2030 targets are not presented in this report as they are in the process of being approved; they will be published in the next report

E1-5: Energy consumption and mix

(in Mwh)	2023	2024[29]
Fuel consumption from crude oil and petroleum products	2,405.00	2,541.67
Fuel consumption from natural gas	2,644.25	2,315.28
Fuel consumption from other fossil sources	0.00	0.00
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	6,136.87	7,11.92
Total energy consumption from fossil sources	**11,186.12**	**5,568.87**
Share of fossil sources in total energy consumption	**27%**	**14%**
Energy consumption from nuclear sources	0.00	0.00
Share of consumption from nuclear sources in total energy consumption	**0**	**0**
Fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources, etc.	0.00	0.00
Consumption of purchased or acquired electricity (GO/RECs), heat, steam and cooling from renewable sources	28,604.3	33,297.49
Consumption of self-generated non-fuel renewable energy	1,406.1	1,047.00
Total energy consumption from renewable sources	**30,010.4**	**34,344.49**
Share of renewable sources in total energy consumption	**73%**	**86%**
Total energy consumption	**41,196.52**	**39,913.36**

The Group's energy intensity in 2023 was 35.6 (MWh/M€), while in 2024 it stood at 38.6 (MWh/M€).



[29] The conversion coefficients published by the Department for Environment, Food & Rural Affairs (DEFRA) in 2024 were used to calculate the energy consumption of petrol, diesel, natural gas and electricity in mWh.

E1-6: Gross Scopes 1, 2, 3 and total GHG emissions

In 2024, following an in-depth analysis of the Group's GHG inventory, a recalculation of the emissions related to Category 1 - Purchased Goods and Services, Category 4 - Upstream Transportation and Distribution and Category 9 - Downstream Transportation and Distribution was carried out. The aim of this review was to ensure a more accurate representation of the Group's impact in terms of CO_2eq emissions, in line with the principles of transparency and reliability of reporting.



-15% Scope 3 **Emissions**

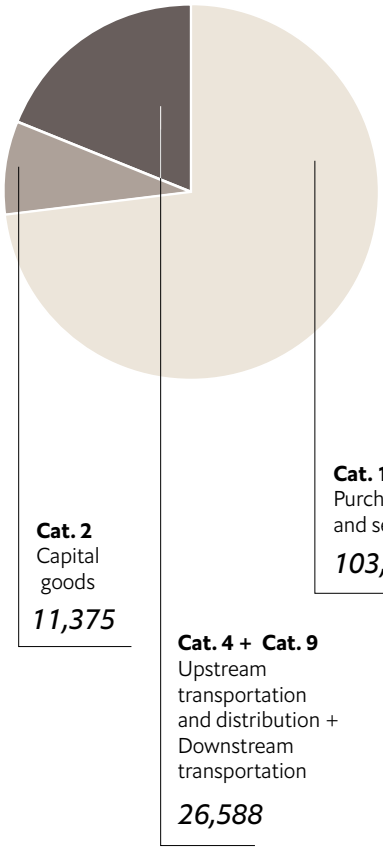
(in tCO_2eq)	2023[30]	2024[31]	Delta (%)
Scope 1 GHG emissions			
Gross scope 1 GHG emissions	1,128	1,092	**-3.2%**
Percentage of Scope 1 GHG emissions from regulated emission trading schemes			**0%**
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions	14,634	14,533	**-0.7%**
Gross market-based Scope 2 GHG emissions	3,095	382	**-87.7%**
Significant scope 3 GHG emissions			
Total gross indirect GHG emissions (Scope 3)	154,008	130,815	**-15.1%**
Purchased goods and services	103,043	88,032	**-14.6%**
Capital goods	11,375	15,071	**+32.5%**
Fuel and energy-related activities (not included in Scope 1 or Scope 2)	1,610	1,147	**-28.8%**
Upstream transportation and distribution	24,260	15,499	**-36.1%**
Waste generated in operations	39	223	**+478.3%**
Business travels	2,237	1,513	**-32.4%**
Employee commuting	3,958	3,954	**-0.1%**
Upstream leased assets	844	539	**-36.1%**
Downstream leased assets	1,215	0	**-100%**
Downstream transportation	2,328	1,824	**-21.6%**
End-of-life treatment of sold products	30	101	**+240.6%**
Franchises	3,069	2,912	**-5.1%**
Total GHG emissions			
Total location-based GHG emissions	169,769	146,440	**-13.7%**
Total market-based GHG emissions	158,230	132,288	**-16.4%**

[30] It should be noted that Scope 3 emissions have been restated from the previous report due to a change in the method of calculating emissions. For previously published data, please refer to the Annual Report 2023, available on the website https://sustainability.ferragamo.com/.

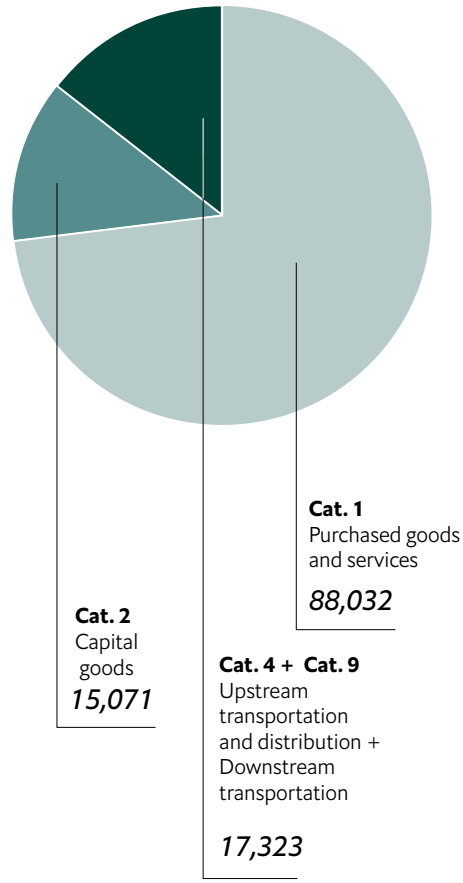
[31] The factors used in 2023 and 2024 to calculate SCOPE 1 emissions are those issued by the Department for Environment, Food & Rural Affairs (DEFRA) in 2024 and 2023. For the calculation of SCOPE 2 emissions, the factors used are those published by ISPRA referring to the year 2023 for SCOPE 2 location-based 2024, while for SCOPE 2 market-based, the factors used for European countries are those published by AIB (Association of Issuing Bodies) in 2024 for 2024. SCOPE 2 emissions are expressed in tons of CO_2; however, it is specified that the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO_2 equivalent), as can be inferred from the technical literature. For the calculation of Scope 2 emissions, all directly operated stores, offices and proprietary warehouses open in 2024 were selected, for a total of 391 directly operated stores and 60 additional assets. Other indirect emissions generated by other organizations and which are a consequence of the Group's activities (known as "SCOPE 3 emissions") have been calculated in accordance with the "GHG Protocol Corporate Value Chain (SCOPE 3) Accounting and Reporting Standard". For each of the SCOPE 3 categories identified as relevant, GHG emissions were quantified by multiplying the organization's activity data by the specific emission factor. The main sources of the emission factors used are the UK Department for Environment, Food & Rural Affairs (DEFRA) publication for the year 2024 and the Ecoinvent 3.10. The relevant SCOPE 3 categories taken into consideration are: "purchases of raw materials and services" and "logistics" including upstream and downstream transportation and distribution, "capital goods", "fuel- and energy-related activities (not included in Scope 1 or Scope 2)", "waste generated in operations", "business travel", "employee commuting", "upstream leased assets", "end-of-life treatment of sold products", "franchises".

SCOPE 3 – Indirect Emissions (tCO_2e)

2023
129,631



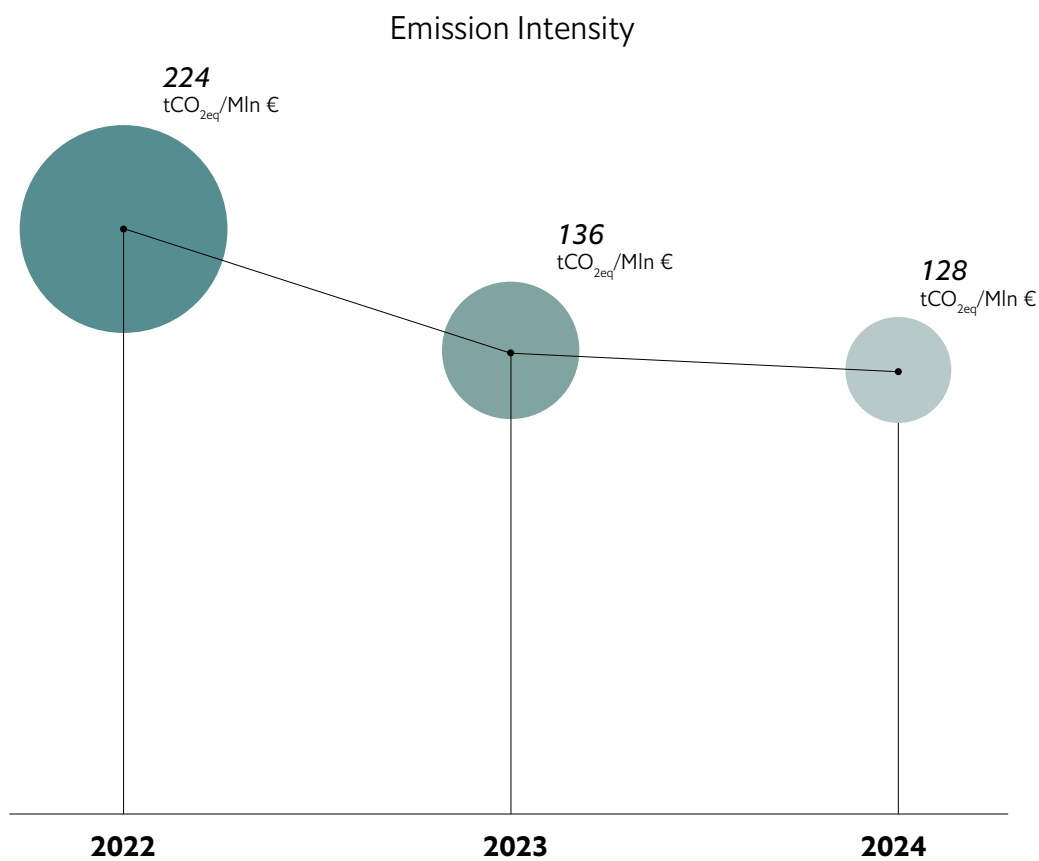
2024
105,355



The following table shows the Scope 1 and Scope 2 emissions (location-based and market-based) related to the assets owned by the Ferragamo Group and the assets over which it has only operational control.

Greenhouse gas emissions	Assets owned by the Group	Assets over which the Group has operational control	Total
Scope 1	376.2	715.4	1091.6
LB Scope 2	2932.8	11600.0	14532.8
MB Scope 3	0	381.5	381.5

The emission intensity of the Group was 136 (tCO_2 eq/M€) in 2023, and in 2024 it stood at **128 tCO_2 eq/M€.**



E1-7: GHG removals and GHG mitigation projects financed through carbon credits

There were no GHG emissions mitigation projects financed through carbon credits in 2024.

E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Ferragamo continued to implement a **Climate Change Risk Management Framework** to analyze, on the one hand, how the challenges related to climate change have or are expected to have a material influence on the Group and, on the other hand, to test its resilience.

In particular, during 2024, the Group carried out an initial assessment of material physical risks related to the climate, such as floods, tornadoes, hailstorms, etc. The analyses focused on forty assets considered representative of the business activities, including Ferragamo-owned assets, directly operated stores (DOS) relevant to net sales, and key business suppliers in terms of type of supply.

To identify the assets at material physical risk, specific climate tools (e.g. IPCC WGI Interactive Atlas, Copernicus, etc.) were used to first assess the exposure of the assets in scope to acute physical climate risks was first assessed, before considering adaptation actions in the **short, medium (2030) and long term (2050)**, considering the worst case scenario **(RCP/SSP 8.5)**.

Then, by multiplying the theoretical values obtained from the tool analyses and the economic data relating to the Group (e.g. turnover, asset value, etc.), the possible financial implications related to these risks were quantified, in terms of loss of turnover due to business interruption and costs for property damage.
Moreover, a threshold was defined, in line with those used by the Group for the double materiality analysis, above which assets are considered to be at material physical risk before climate change adaptation measures are considered.

Finally, in order to obtain an effective representation of the assets at material physical risk affected by climate change adaptation measures, the Group's local management and representatives of selected suppliers within the aforementioned perimeter were involved. This resulted in the certification of the existence and maturity of **physical mitigation measures** (e.g. bulkheads, barriers, cooling systems, etc.) to protect against the risks in question and the relative coverage status at the insurance level.

The result of this first exercise was that a single asset, located in Italy, was considered to be at material physical risk, without considering climate change adaptation measures. Its materiality is primarily based on its economic value and its strategic importance to the Group, which has a material impact in terms of lost revenues. However, the asset is equipped with measures to adapt to climate risks and benefits from extensive insurance coverage, elements that make the net financial impact to the Group negligible.

Overall, the analysis of the Group's assets, including those owned by the Group, shows a mature level of adaptation to climate risks, mainly thanks to extensive insurance coverage, which significantly reduces the potential financial impact of climatic events.

As a result, the **expected short-term financial impact** on the Group, taking into account the adaptation measures (physical and insurance), is **limited**. Similarly, no significant financial impact is expected in the medium and long term, given the effectiveness of the adaptation strategies and the limited increase in the theoretical exposure of the Group's sites.

E2 - Pollution

E2-1: Policies related to pollution

The Sustainability Policy mentioned in ESRS E1 includes specific measures to manage the impacts, risks and opportunities related to pollution. The contents of the Policy derive from the double materiality process conducted in 2024 and cover, among other aspects, the prevention and control of environmental pollution.

Through this Policy, the Group is committed to mitigating negative impacts on water quality by actively monitoring the water resources used both in its direct operations and along the supply chain. The Company takes specific measures to reduce the environmental impact of wastewater discharges. In 2024, the Group published its **Responsible Sourcing Commitment** to reduce and substitute substances of concern and phase-out substances of very high concern. Salvatore Ferragamo S.p.A.'s Responsible Sourcing Policy aims to maintain the highest ethical, environmental and social standards. The aim of this commitment is to actively integrate responsible procurement practices into the corporate culture, promoting health and safety, respect for human rights, protection of the environment and, more generally, ethics in business practices along the entire value chain. Since 2019, the Group requires its suppliers to sign a Supplier Code of Conduct and conducts audits to ensure compliance. If the required standards are not met, the Group will take corrective action or, in the most serious cases, terminate the business relationship. The Policy applies to all Group activities, including the upstream and downstream value chain, and covers suppliers, sub-suppliers, independent contractors and partners. The geographical areas mainly include Italy, but extend to all of the Group's operating regions. Stakeholders include employees, collaborators and local communities.

The Board of Directors of Salvatore Ferragamo S.p.A. is the highest level responsible for the implementation of the policy, supported by the Chief Sustainability &Transformation Officer.

The Group is committed to complying with third-party standards and initiatives such as The Fashion Pact, the **ISO 37001:2016** standard for anti-bribery management systems, and **SA8000** for ethical and sustainable business development.

The Policy takes into account the interests of the main stakeholders, including workers' rights, environmental protection and the promotion of diversity and inclusion. Salvatore Ferragamo S.p.A. promotes transparency and the sharing of information with all stakeholders involved, disseminating the Policy through the company website and internal communications. It also encourages stakeholder participation through reporting and feedback mechanisms.

The Policy requires suppliers involved in the manufacturing process to sign the **Group's Restricted Substances List (RSL)** as part of the qualification process. The regulatory monitoring is ongoing and is carried out in close collaboration with suppliers to identify any changes that may require an update to the RSL. In the case of an update, the new document is sent to all suppliers for approval. For each new collection, a specific test plan is drawn up that includes the selection of suppliers and materials to be sampled. This selection is based on several criteria, including the amount of material purchased and the novelty of the material itself. If any non-conformities are found during testing, an in-depth verification process is initiated. Further testing is then carried out to evaluate possible improvements in the production process to ensure full compliance with the RSL.

In the event of emergency situations relating to product and production safety, the Group is committed to responding quickly and effectively, managing the situation with the utmost attention and care.

The documents listed are all publicly available on the **Ferragamo Sustainability website**.

E2-2: Actions and resources related to pollution

The Group recognizes the importance of manufacturing and selling products which comply, in terms of chemical safety, to the laws in force on global markets, in order to protect the health of workers and consumers as well as reduce the environmental impact from manufacturing and throughout the products' life cycle.
EU legislation relating to chemical safety is based on the **REACH regulation**, which regulates the restriction of the use of chemicals.

For these purposes, environmental and toxicity tests are conducted on several components and finished products such as accessories, footwear structures, leather, textiles, leather goods, ready to wear, and rubber soles.

The Company selects its suppliers paying particular attention to companies in possession of relevant certifications, including related to chemical safety (e.g. ZDHC).

Since 2016, Salvatore Ferragamo S.p.A. has adopted a **Restricted Substances List (RSL)**, which establishes stricter criteria than current REACH, in line with the restrictions imposed by the other geographical areas where Ferragamo products are marketed.

The list, drawn up voluntarily to eliminate or restrict the use of certain chemicals during the production phases, was updated during 2024 with the inclusion of new substances, limits and methods. All suppliers and contract manufacturers, both engaged in direct and indirect relationships with the Group, were required to sign it.

The Group strengthened its monitoring of materials to identify any potentially hazardous substances and verify compliance with the Group's Restricted Substances List (RSL) through a sample-based testing plan. This activity represents a recurring and continuous commitment over time. In order to strengthen the monitoring of chemical substances, the Group has implemented a system of random testing of the materials used to identify any hazardous substances and to verify compliance with the Company's RSL.



47%
of purchased leather certified ZDHC Level 1 or 2

In 2024, the Group continued a data collection activity launched in 2023 with the aim of understanding the rate of adoption of a chemical management system along the supply chain. In this context, Ferragamo has adopted the **ZDHC methodology** as its implementation reference standard. As a result, information was collected from the supply chain for **63% of the value of leather purchased and for 56% of the value of fabrics purchased**, thus covering the most representative portion of its supply chain. Findings show that in 2024, **approximately 47% of the value of leather** (+10% compared to 2023) **and 48% of the value of fabrics** (+23% compared to 2023) has been purchased from **certified Level 1 or 2 suppliers adhering to the Supplier To Zero Program**. Moreover, limited to the suppliers involved in data collection and for which wastewater analysis was applicable, 50% of the value of leather and 80% of the value of textiles was purchased from companies that completed a **ClearStream** report aimed at examining the performance of their facilities in wastewater management.

Supplier to Zero Program

The **Supplier to Zero** program of **ZDHC** (Zero Discharge of Hazardous Chemicals) is an initiative to support companies in the textile, tanning and footwear supply chain in continuously improving their environmental performance, particularly in chemical management. The program provides a clear roadmap for suppliers, helping them implement safer and more sustainable chemical management practices. **Level 1** certifies compliance with basic requirements for a chemical management system, such as control of incoming chemicals and adoption of ZDHC guidelines; and **Level 2** certifies a more advanced level of management, with greater control over production processes and even more effective reduction of environmental impacts.

The Group is strongly committed to increasing transparency and mitigating chemical impacts and risks along the supply chain. For this reason, in 2024, the data collection project was expanded to include suppliers of metal accessories, for which information representing 63% of the purchase value was collected. The results show that 3% of the value of metal accessories was supplied by companies certified at Level 1 of the Supplier To Zero Program, reflecting a level of maturity in this specific supply chain that is still suboptimal compared to that of leather and textiles. The goal is to broaden the scope of the supply chain involved and, where necessary, to help suppliers implement improvement measures.

The main expenses incurred in the implementation of the above measures are shown in the table below:

Activity	CapEx	OpEx
Pollution[32]	-	5,600 €

[32] This amount is an integral part of the item "General and administrative costs" in the Income Statement of the Consolidated Financial Statements of Salvatore Ferragamo S.p.A.

E2-3: Targets related to pollution

The defined targets are part of the 2025-2027 Sustainability Plan, with baseline 2024, approved by the Board of Directors on 19 December 2024, which represents the strategic framework of reference for the Group's sustainability initiatives and reflects the commitment to the United Nations' Sustainable Development Goals and European sustainability standards.

The objective outlined in section *ESRS 2 – SBM-1: Strategy, business model and value chain*, related to pollution is as follows:

ESG Building Block	ID	Target	Timing
LEADING A RESPONSIBLE VALUE CHAIN	8	Ensure the responsible use of chemical agents (ZDHC) for a progressive phase-out, while maximizing efficiency in the use of water resources	2027

Compliance with the RSL, together with suppliers' progressive compliance with the ZDHC framework, enables the prevention and control of emissions to water and their respective specific loads, pollution to soil and its related specific loads, and the use of substances of concern or high hazard level.

The target is closely related to the Group's Sustainability Policy, in particular to the section "Water, waste and ecosystem stewardship", and to the Responsible Sourcing Policy, underlining the Company's commitment to sustainable and responsible management throughout the supply chain.

With regard to water pollution, the Group actively monitors water consumption, ensures responsible sourcing and prevents pollution through targeted measures to reduce the environmental impact of wastewater discharge.

The targets set and presented by the Group are not imposed by regulatory requirements, but represent a voluntary and strategic choice that reflects Salvatore Ferragamo S.p.A.'s commitment to achieving a positive environmental impact, thus contributing to the creation of shared value for the entire supply chain and the communities involved.

E2-5: Substances of concern and substances of very high concern

Since 2016, the issue of chemical safety has been addressed through the presentation of the **Group's Restricted Substances List (RSL)**, which establishes even stricter criteria than REACH, in line with the restrictions imposed by the other geographical areas where Ferragamo products are marketed. The list, which has been drawn up on a voluntary basis with the aim of eliminating or restricting the use of certain chemical substances in the production phases, indicates the maximum concentration thresholds for substances of concern. Salvatore Ferragamo S.p.A. ensures compliance with these thresholds through the tests described above. Furthermore, the RSL has been updated in 2024 to include new substances, limits and methods, and all suppliers and contract manufacturers, both with direct and indirect relationships with the Group, were asked to sign it.

E3 - Water and marine resources

E3-1: Policies related to water and marine resources

The Group has formalized its commitment to the management of water and marine resources through the Sustainability Policy, already mentioned for pollution and climate change in ESRS E1. Water resources are addressed together with other cross-cutting issues such as water pollution and the protection of marine ecosystems. The Group is committed to the sustainable use of water in its operations and throughout the value chain. Through the Supplier Code of Conduct, the Group requires the highest standards in the management of water withdrawal and discharge. Regarding the use of substances of concern and of very high concern, the Group published its Responsible Sourcing Commitment in 2024. For further details, please refer to section *E2-1 Policies related to pollution*.

E3-2: Actions and resources related to water and marine resources

A milestone in terms of consumption optimization is the achievement of the LEED Platinum certification (the highest level of the LEED certification), already obtained in 2016 by building Q of the Osmannoro site and the Osmannoro Logistics Hub, a building covering approximately 20,000 square meters inaugurated in 2018. Thanks to numerous measures adopted in relation to the technical systems, water consumption has been optimized, leading to a 50% reduction in total water consumption for irrigation and a 100% reduction in the consumption of drinking water. Furthermore, measures consistent with the LEED standard have been implemented for both mechanical and electrical systems, such as the use of lamps that reduce light pollution to a minimum. In addition, the construction work was made more sustainable through the use of products made of **FSC-certified wood** and of materials with a high level of recycled content and/or made locally, always in line with **LEED standards**.

In 2024, Salvatore Ferragamo S.p.A. defined the **Water Action Plan** as an integral part of its Sustainability Policy (section "Water, waste and ecosystem stewardship"), through a systematic collection of data relating to its operations and strategic suppliers. This plan, which is expected to be implemented in 2025, includes continuous monitoring of the defined KPIs in subsequent periods to ensure a gradual improvement in water resource management. Among the key initiatives, the quantification of the direct impact on water resources led to an increase in the collection of primary data from global stores in 2024, with the aim of mapping at least **30% of local units** with a specific focus on areas located in areas at "**extremely high water risk**" in 2025 and to gradually increase this coverage in the following years. In parallel, a detailed effort was made to quantify indirect impacts by mapping key suppliers (T1), including both suppliers of raw materials and finished products, with a focus on those located in areas of high water stress. In 2024, this approach has already made it possible to monitor the water consumption of **80% of the Group's suppliers** in terms of expenditure, helping to identify hotspots and align actions with the objectives of the Water Action Plan. Moreover, in the assessment of ESG factors integrated into the risk analysis process, a focus was placed on *Water-related & Marine risks*.

The main expenses incurred in the implementation of the above measures are shown in the table below

Activity	CapEx	OpEx
Water[33]	-	75,220

E3-3: Targets related to water and marine resources

The defined targets are part of the 2025-2027 Sustainability Plan, with baseline 2024, approved by the Board of Directors on 19 December 2024, which represents the strategic framework of reference for the Group's sustainability initiatives and reflects the commitment to the United Nations' Sustainable Development Goals and European sustainability standards.

The objective outlined in section ESRS 2 - SBM-1: Strategy, business model and value chain, related to water and marine resources is as follows:

[33] This amount is an integral part of the item "General and administrative costs" in the Income Statement of the Consolidated Financial Statements of Salvatore Ferragamo S.p.A.

ESG Building Block	ID	Target	Timing
LEADING A RESPONSIBLE VALUE CHAIN	8	Ensure the responsible use of chemical agents (ZDHC) for a progressive phase-out, while maximizing efficiency in the use of water resources	2027

Salvatore Ferragamo S.p.A. is committed to the responsible use of chemicals in accordance with the principles of the **Zero Discharge of Hazardous Chemicals (ZDHC)** program. This initiative aims to promote the progressive elimination of hazardous chemicals while maximizing efficiency in the management of water resources. This qualitative and quantitative objective is part of a time horizon that aims to achieve results by 2027.

The target is closely related to the Group's Sustainability Policy, in particular to the section "Water, waste and ecosystem stewardship", and to the Responsible Sourcing Policy, underlining the Company's commitment to sustainable and responsible management throughout the supply chain.

With regard to direct water consumption (offices, stores, production sites and logistics hub), the Group periodically conducts assessment and monitoring procedures, confirming that almost all water supply comes from aqueducts and that such consumption, mainly related to the hygienic use of water, is not particularly significant.

The targets set and presented by the Group are not imposed by regulatory requirements, but represent a voluntary and strategic choice that reflects Salvatore Ferragamo S.p.A.'s commitment to achieving a positive environmental impact, thus contributing to the creation of shared value for the entire supply chain and the communities involved.

E3-4: Water consumption

This ESRS was found to be material along the value chain. However, the water consumption related to Own operations is reported below.

Water consumption

(in m_3)	2024	
	All areas	Areas at water risk, including areas of high-water stress
Total water consumption	127,295.17	52,031.24
Total water recycled and reused	-	-
Total water stored	-	-

Water intensity

	2024
Total energy consumption	127,295.17
Revenues	1,035.00
Water intensity (m^3/million)	122.99

E4 Biodiversity and ecosystems

E4-1: Transition plan and consideration of biodiversity and ecosystems in the strategy and business model

Strategic and business resilience considerations related to biodiversity have not yet been formalized in a structured analysis. However, the Group considers these issues as part of the process of defining objectives and business continuity, including the impact along the entire value chain.

During 2023 and 2024, the Group conducted an in-depth analysis of the biodiversity impacts and dependencies of its value chain, using the **WWF Biodiversity Risk Filter** and aligning itself with the SBTN methodological framework. The analysis found that Tier 4 is responsible for the greatest impacts along the leather supply chain, particularly in terms of climate change, water consumption and eutrophication. Similarly, for the cotton supply chain, Tier 4 is responsible for the main impacts related to water consumption and eutrophication, while Tier 2 is most relevant for climate change. Following the SBTN methodology, the rankings relating to pressure and state of nature (SoNp and SoNb) were combined to produce a final ranking, which allows the identification of priority locations on which to focus actions. The analysis identified the main impacts related to the leather supply chain, which are responsible for significant pressure on land use, estimated at around **89,897 hectares,** concentrated in countries such as Italy, Spain, the Netherlands and France.

E4-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Through the double materiality process, Salvatore Ferragamo S.p.A. identified two significant impacts related to soil degradation: *Loss of biodiversity along the supply chain, for example through deforestation for textile fiber production and livestock farming; Environmental impacts on biodiversity from the use of soil and pesticides for the cultivation of the raw materials need to make the garments (e.g. cotton).*
In the context of biodiversity topics, impacts, risks and opportunities have been identified taking into consideration the upstream value chain, since Ferragamo does not carry out activities that have a direct impact on biodiversity.

The Group requires its suppliers to operate in accordance with the provisions of **the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)** when sourcing hides from endangered species included in the Appendices of the CITES. This commitment is detailed in the Animal Welfare Policy, which is discussed in more detail in a separate section.

E4-2: Policies related to biodiversity and ecosystems

Salvatore Ferragamo S.p.A. has defined its commitment to safeguarding and promoting biodiversity through the Biodiversity Manifesto, which illustrates the principles underlying the Group's activities in this area. The policy addresses the biodiversity risks and impacts through a structured approach, focused on prevention, mitigation and restoration, and is structured around three fundamental principles: Promotion of collaboration and innovation, Continuous improvement in operations and sourcing, and Support for ecosystem protection and resilience.

"The Manifesto" has been adopted by Salvatore Ferragamo S.p.A. and its subsidiaries; the Group also promotes the adoption of the principles of the Manifesto in all its operations and in the value chain, including the main stakeholders such as: employees, suppliers, contract manufacturers, shareholders, investors and distributors as internal stakeholders, and final customers, trade associations, media and influencers, NGOs, local communities, regulatory and government bodies, public administration, schools and universities as external stakeholders.

The Sustainability Function is responsible for supervising the policy and coordinating sustainability projects.

The objectives of the Manifesto have been developed following third-party regulations and initiatives that Salvatore Ferragamo S.p.A. undertakes to respect in the implementation of the policy, including the **Science-based Targets for Nature, the principles of the Convention on Biological Diversity (CBD), the Post-2020 Global Biodiversity Framework, the EU Biodiversity Strategy for 2030 and the Sustainable Development Goals (SDGs)**.

The Biodiversity Manifesto is available for download on the Company's website to make it accessible to stakeholders who can potentially contribute to its implementation. The objectives set by Salvatore Ferragamo S.p.A. relate in particular to the Group's commitment to promoting the traceability of raw materials, and involving suppliers in responsible sourcing practices, promoting certifications and switching to preferred materials with a lower environmental impact.

The Group also prioritizes the avoidance of activities that lead to the degradation of the ecosystem, such as deforestation and unsustainable land use. Where unavoidable, it supports initiatives to protect degraded ecosystems, such as forest and marine conservation projects. Another issue addressed in the Manifesto is the promotion of regenerative agricultural practices to minimize environmental impacts, such as soil depletion and the use of pesticides, supporting the conservation of biodiversity in all operations.

The Biodiversity Manifesto therefore addresses biodiversity issues that may concern the Group. Therefore, specific policies have not been developed for each of them, as all issues are addressed in a single document.

A further specification on responsible sourcing is contained in the Responsible Sourcing Commitment mentioned earlier in the ESRS E2-2 section on pollution. The policy states that traceability is essential for the Group to effectively assess and mitigate potential environmental and social risks throughout the supply chain and to ensure compliance with applicable European regulations and directives, including but not limited to the **European Union's Regulation on Deforestation-free Products (EUDR) and the EcoDesign for Sustainable Products Regulation (ESPR)**.

Suppliers are required to provide complete information on all sub-suppliers involved in the production process, including data relating to production sites. They must also provide details about the products supplied, such as certificates for the materials (for example, Scope and Transaction Certificates) and other relevant documents (such as CITES permits).

E4-3: Actions and resources related to biodiversity and ecosystems

For the Group, the protection and promotion of biodiversity are characteristic elements of the Company's approach to environmental responsibility and the promotion of Made in Italy that has distinguished the Brand since its foundation. In addition to the signing of the Fashion Pact in 2019, and the formalization of a Biodiversity Manifesto in 2020, the Group's commitment has continued in subsequent years – through participation in webinars, working tables and training initiatives – with the aim of developing a strategy focused on protecting biodiversity. In line with the special attention paid to social, environmental and economic impacts, the responsible procurement of materials of animal origin, which are used in manufacturing processes, is particularly important for each product category.

The Group considers it essential to adopt an in-depth approach to the issue of animal welfare along the entire supply chain, with the awareness that the enhancement of the value of the products is closely linked to respect for the environment and biodiversity.

As already highlighted in 2023 and 2024, Salvatore Ferragamo S.p.A. has started an analysis of its impacts and dependencies on nature, in line with the Science Based Target Network (SBTN) Framework and the objectives defined by the Biodiversity Manifesto. In line with the **TNFD (Taskforce on Nature-related Financial Disclosures)** guidelines, the activity involves the definition of an action plan by 2025 and the activation of targeted strategies starting in 2026. During the year, the Top Management and key departments were involved in a workshop dedicated to the topic.

At the same time, the Group has taken concrete measures in the area of packaging, favoring the use of paper certified by the **Forest Stewardship Council (FSC)** for its retail activities in order to guarantee the sustainable management of forests and the traceability of by-products. The iconic red Ferragamo packaging is entirely Made in Italy, recyclable and made from recycled fibers and cellulose treated with environmentally friendly processes (ECF). In 2024, **81.8% of the Group's paper packaging was FSC/PEFC certified**, with the aim of reaching 100% by 2026. This attention is paid to both

B2B and B2C packaging, through the selection of suppliers with recognized certifications such as ISO 9001, ISO 14001, SA8000, ISO 45001, GOTS, GRS, PEFC, FSC and OEKO-TEX.

The Group also pays special attention to supporting local communities and protecting the biodiversity of Tuscany. In 2024, the Group formalized its commitment by contributing financially to an ongoing research project with the **Department of Agricultural, Food, Environmental and Forestry Sciences and Technologies (DAGRI, Dipartimento di Scienze e Tecnologie Agrarie, Alimentari, Ambientali e Forestali)** of the University of Florence, in collaboration with **the Regional Association of Livestock Farmers of Tuscany (ARAT, Associazione Regionale Allevatori della Toscana)**. The pilot project aims to protect indigenous and/or endemic Tuscan cattle breeds in danger of extinction, to promote the creation of a supply chain agreement to support local livestock farmers and to promote the **recovery of hides** for micro-productions of excellence. By 2026, the Group aims to activate additional targeted projects in the areas of interest.



Finally, in 2024, Salvatore Ferragamo S.p.A. reconfirmed its commitment to the protection of biodiversity and the sustainable management of natural resources by participating in the **Monitor for Circular Fashion**.

The Monitor for Circular Fashion aims to analyze the evolutionary dynamics of the fashion sector, examining its impact with respect to the Sustainable Development Goals of the United Nations 2030 Agenda, with a particular focus on the safeguarding of biodiversity and the responsible management of resources.

As part of this project, the Group developed a pilot initiative on the **traceability and sustainability of the calf** leather used for the Fiamma bag. The leather was traced through the entire supply chain, from breeding to the assembly of the final product, in accordance with the **ICEC TS_SC410 standard**, with the aim of testing and validating a Due Diligence management system in compliance with the **Regulation on Deforestation-free Products (EUDR Reg. EU 2023/1115).** This process ensures that the practices adopted are consistent with the conservation of forest ecosystems and compliance with international regulations.

The project also integrated the principles of eco-design, guaranteeing the durability of the product through physical and solidity tests in accordance with the **UNI 10826** standard, demonstrating an active commitment to minimizing environmental impact and promoting a responsible use of natural resources. Safe chemicals were used in the tanning process in accordance with the basic level of the **ZDHC framework**, and the tannery in question operates with an ISO 14001 certified environmental management system.

ICEC TS_SC410 Certification

The ICEC TS_SC410 certification is a standard that verifies the upstream traceability of raw materials used in tanneries. Its main objective is to map the traceability of hides before they enter the tannery or the raw hides-skins seller, ensuring greater transparency throughout the supply chain.

All these activities are linked not only to the objectives outlined in the Biodiversity Manifesto, but also to the Group's Animal Welfare Policy, reinforcing the commitment to a sustainable and responsible approach.

The main expenses incurred in the implementation of the above measures are shown in the table below:

Activity	CapEx	OpEx
Biodiversity[34]	-	155,000 €

E4-4: Targets related to biodiversity and ecosystems

The defined targets are part of the 2025-2027 Sustainability Plan, with baseline 2024, approved by the Board of Directors on 19 December 2024, which represents the strategic framework of reference for the Group's sustainability initiatives and reflects the commitment to the United Nations' Sustainable Development Goals and European sustainability standards.

The objective outlined in section *ESRS 2 – SBM-1: Strategy, business model and value chain*, related to biodiversity is as follows:

ESG Building Block	ID	Target	Timing
Leading a responsible value chain	9	Support biodiversity preservation and sustainable forest management toward zero deforestation	2027

This qualitative and quantitative target is part of the commitments outlined in the Group's Biodiversity Manifesto and Animal Welfare Policy.

The target covers the entire value chain, including the upstream procurement of raw materials and support for local communities, with a particular focus on Tuscany, the region of origin and symbol of the Made in Italy that the Brand represents.

The target covers the main areas of impact identified by the Group, including the procurement of raw materials (leather, cotton, paper) and the protection of local ecosystems, and is supported by a timeline that foresees significant intermediate results by 2025, with the implementation of targeted strategies and ecosystem conservation projects by 2026, until the final target is reached in 2027.

Stakeholders were actively involved in the materiality analysis through structured consultations, with a particular focus on key suppliers. The results were used to define the goals of the Sustainability Plan.

The commitment is supported by a structured governance system that ensures continuous monitoring of progress and transparency in communicating this progress, and is part of the Group's broader sustainability strategies. The metrics used for monitoring include the amount of certified raw materials used and the implementation of biodiversity protection projects. Progress is currently on track and reflects an ongoing commitment to making a positive impact on biodiversity, with trends continually analyzed to identify further opportunities for improvement

[34] This amount is an integral part of the items "General and administrative costs" and "Other operating costs" in the Income Statement of the Consolidated Financial Statements of Salvatore Ferragamo S.p.A.

E5 - Resource use and circular economy

E5-1: Policies related to resource use and circular economy

The progressive reduction of virgin resources has been one of the Group's objectives for some time now, and it has focused its efforts and resources on materials with a low environmental impact. For this purpose, a cross-functional work team dedicated to this initiative has been set up. The Group has also adopted specific guidelines on materials and fibers to be preferred (and conversely those to be discouraged or avoided), with the aim of promoting respect for the environment, people and the planet. These objectives are set out in the Responsible Sourcing Commitment described in section *ESRS E2-1 Policies related to pollution.*

Some of the content detailed in the **Responsible Sourcing Commitment** is reiterated in the Sustainability Policy, which describes the importance of transparency and traceability of natural materials at every stage of the supply chain to ensure the highest standards of responsible production for its customers. Therefore, the Company's commitment to reducing its dependence on non-renewable resources is also reaffirmed. Moreover, the Group is committed to responding to product safety and supply chain emergencies in a timely and efficient manner, taking swift action to manage the situation with care and attention.

The Responsible Sourcing Commitment and the Sustainability Policy address issues that are then analyzed in more detail in terms of the impacts, risks and opportunities identified. These considerations are then also communicated to our commercial partners through the Supplier Code of Conduct.

E5-2: Actions and resources related to resource use and circular economy

The Group is committed to taking action in order to reduce the production of waste arising from its operations, as well as to raise awareness among its employees with respect to proper management and disposal practices, encouraging to reuse and recycle materials as well as minimize waste.

WASTE

In order to understand and mitigate the impacts of its activities, the Group is committed to verifying the incoming and outgoing flows that may generate waste. In line with the requirements of the **ISO 14001:2015** environmental management system, adopted for all of the Group's Italian offices and stores, Salvatore Ferragamo S.p.A. developed specific procedures to ensure the effective and efficient management of waste, as well as a correct periodic monitoring of the waste produced. This management includes monitoring the ratio of hazardous waste to total waste generated, the amount of waste produced in relation to turnover and the amount of waste recycled in relation to the total waste produced. In Italy, waste management is entrusted to third parties, which deliver the waste to a temporary deposit facility, transport it to recycling or disposal plants and then process it. In order to verify that these third parties comply with the relevant legislation and environmental requirements in force, **internal audits** are periodically carried out. This activity is performed on a continuous basis to ensure compliance with certifications and environmental standards, in full accordance with the commitments defined in the Group's Sustainability Policy, confirming the Group's ongoing commitment to responsible waste management.

MATERIALS

The inclusion of materials with a low environmental impact into its collection is one of the top priorities for the Brand, which has set up a cross-functional work team dedicated to this initiative. The Group has also adopted specific guidelines on materials and fibers to be preferred (and conversely those to be discouraged or avoided), with the aim of promoting respect for the environment, people and the planet. The raw materials with the lowest environmental impact listed in the guidelines include, by way of example, organic cotton and silk (e.g. GOTS or OCS certified), regenerated nylon and polyester yarns, post-consumer recycled wool and cashmere, viscose from responsibly managed forests, metal-free leather and leather from Leather Working Group certified tanneries.

In 2024, over **99% of the turnover of the Group's suppliers**, both for bovine/sheep hides and fine leathers, derived from **LWG certified tanneries**. Specifically, **79% of supplier turnover** came from tanneries with the highest levels of **LWG certification**, i.e., **Gold or Silver**. These results testify to the effectiveness of the virtuous sourcing policies adopted, which aim to achieve 100% LWG certified leather by 2027.



>99%
of tanneries certified **LWG**

79%
of tanneries certified
LWG Gold or **Silver**

Leather Working Group

Leather Working Group (LWG) has developed an international auditing standard to assess and certify leather manufacturers based on environmental and social criteria. Through **third-party audits**, LWG ensures an independent and transparent evaluation of the practices adopted by tanneries, promoting continuous improvement in the sector. The audit evaluates **17 key areas**, including resource management, safety, environmental and chemical impacts, while also promoting higher standards in the industry and addressing traceability and deforestation throughout the supply chain..

During 2024, the Company also launched a significant intervention policy to completely **eliminate disposable materials derived from virgin fossil sources in packaging**. This commitment led to significant changes in the materials used, with a marked preference for recycled paper and cellulose, both **FSC certified**, in components such as shoetrees, protective tubulars, fillers and for internal flocking. Where the use of paper and cellulose has proven unsuitable, the choice of materials has been directed towards **bio-based** plastic, i.e., derived from renewable raw materials, or recycled plastic. To this end, an internal procedure has been established to provide operators with a systematic approach to selecting appropriate packaging materials based on environmental criteria. The aim is to facilitate the transition to packaging with a lower environmental impact by providing a decision-making framework for considering different material options.

These guidelines are in line with regulations and voluntary initiatives for responsible packaging, in particular with the **EU Packaging and Packaging Waste Regulation (PPWR)** and the objectives of the Fashion Pact.

PPWR is a legally binding regulation that sets specific requirements for all packaging materials and enforces compliance with environmental and social standards. The Fashion Pact is a specific voluntary commitment for the fashion industry that we joined in 2020.

This internal procedure not only helps us comply with these regulations, but also supports the Company's commitment to a strategy aimed at eliminating the use of virgin fossil fuels in packaging.

In order to enhance the collection of data on purchased materials (first and foremost raw materials) and improve its reliability, traceability and completeness, a strategic project was launched in 2023 and 2024 aimed at automating and refining the operational functionalities related to the "sustainability" attributes of the Product Lifecycle Management (PLM) platform. The integration of data with other corporate management platforms and the adoption of a structured process has made it possible to more efficiently collect and manage sustainability information (considered in the preferred materials guidelines), related to raw materials, finished products marketed and suppliers. This project has laid a solid foundation for creating transparency and ensuring consistency across product and supply chain ESG data, also increasing the automation and control of reporting processes.

In 2024, the Group also completed a project to study the environmental impact of the production of three of its best-selling and iconic items – a handbag, a ballet flat and a moccasin – and used the results to identify strategies to reduce its ecological footprint. The central element of the project is a **Life Cycle Assessment (LCA)** made for each of the three products in question.

The study considered the "**cradle-to-factory gate**" perimeter, examining the processing phases that go from the production of raw materials to the packaging of the finished product, packaged and ready for distribution. On the other hand, the product's usage and end-of-life phases were excluded.

First, an analysis based on secondary datasets was conducted to identify critical points and engage the suppliers responsible for these impacts. The latter were then involved in the collection of primary data through direct measurements at the facility, which allowed a more in-depth analysis of the identified hotspots.

This approach has not only increased Ferragamo's internal awareness of the environmental impact of its production processes, but has also raised the awareness of the players involved in the production chain. In fact, by presenting the results obtained and the potential improvements identified to the three tanneries that collected the primary data, the Group has committed itself to making its suppliers more aware of the use of energy, water and chemicals in the tanning, re-tanning and finishing phases.

Life Cycle Assessment Methodology

The conducted Life Cycle Assessment (LCA) was based on the European Union's Environmental Footprint (EF) methodology, an LCA-based approach aimed at evaluating the environmental impacts of products and organizations through 16 midpoint impact categories, including three specifically focused on toxicity-related effects. Specifically, the analyzed impact categories include: **Climate change, Ozone layer depletion, Ionizing radiation, Formation of tropospheric ozone, Particulate matter and its effects on human health, Non-carcinogenic human toxicity, Carcinogenic human toxicity, Acidification, Freshwater eutrophication, Marine eutrophication, Terrestrial eutrophication, Freshwater ecotoxicity, Land use, Water use, Fossil resource use, and Mineral and metal resource use.**

Last year, the Group also strengthened its sustainability strategy by incorporating materials with a reduced environmental impact into its watch and eyewear collections, thus consolidating its values of innovation and environmental responsibility. The watches feature components made of RCS Blended certified recycled stainless steel, straps made of innovative materials such as **Bio TPU and recycled PU**, and leather from LWG certified tanneries. The eyewear collection uses frames made from sustainable materials such as **Acetate Renew and Bio-injected materials**, while the lenses are made from bio-based materials derived from wood and agricultural waste.

In line with its commitment to the responsible management of raw materials, the Group has set specific targets for the main materials it uses.

CIRCULARITY

In 2024, the Group organized the first **Circularity Hackathon**, involving 60 colleagues who worked together to re-imagine some of the brand's most iconic products with a circular approach inspired by the Company's heritage. Working groups composed of members from Operations, Design, Merchandising and Sustainability divisions and supported by design experts, designed and developed physical prototypes based on specific circularity requirements (social function, waste reduction, elimination of pollutants, recyclability and redesign, emotional durability, physical durability) and criteria of innovation, marketability, communicability and brand recognition. The products created were presented to a panel made up of CEOs, Creative Directors and company executives, who selected the top three. The skill and creativity of the teams led to intense collaboration between the various departments, resulting in unique and innovative products with great potential to inspire and enrich future collections, demonstrating the Company's transformative power.

First Group's
Circularity Hackathon

To reduce deadstock of raw materials, Salvatore Ferragamo S.p.A. has launched a project at the Osmannoro site to recover obsolete materials and promote their reuse in the finished product, reaching in 2024 a **reuse of 36.5% of available deadstock** compared to the end of 2023.

36.5%
of reused deadstock



Still with a circular approach in mind, the Group implemented a second-life strategy for event set-ups, donating materials from the SS25 fashion show to architecture students, who reused them for artistic interventions and performances exhibited in Milan.
At the same time, an internal auction allowed the sale of unused Visual Merchandising items to employees, with the proceeds donated to charity, combining sustainability and social impact.

The main expenses incurred in the implementation of the above measures are shown in the table below:

Activity	CapEx	OpEx
Materials and Circularity [35]	-	68,350 €

E5-3: Targets related to resource use and circular economy

The defined targets are part of the 2025-2027 Sustainability Plan, approved by the Board of Directors on 19 December 2024, which represents the strategic framework of reference for the Group's sustainability initiatives and reflects the commitment to the United Nations' Sustainable Development Goals and European sustainability standards.

The objectives outlined in section *ESRS 2 – SBM-1*: Strategy, business model and value chain, relating to the use of resources and the circular economy, are as follows:

ESG Building Block	ID	Target	Timing
Fostering materials innovation	4	25% of raw materials with lower environmental impact	2025
	5	Elimination of single-use virgin plastic from packaging	2027
	6	Implement circularity principles across all Ferragamo operations and products lifecycle	2027



[35] This amount is an integral part of the item "General and administrative costs" in the Income Statement of the Consolidated Financial Statements of Salvatore Ferragamo S.p.A.

The objectives cover the entire value chain, with a particular focus on upstream procurement activities and end-of-life product management. They are applied globally and cover both materials used in production processes and packaging, with a special focus on certified suppliers and materials from sustainable supply chains.

The targets are set until 2027, with a significant intermediate target set for 2025 (for example, **reaching 25% of raw materials with low environmental impact**). Updates and progress checks are scheduled annually to ensure that defined goals are being met.

25%
of **LCI** materials
Achieved

The raw materials target covers the entire upstream supply chain, while the plastic packaging target covers the entire production and distribution cycle on a global scale. The baseline for raw materials is 2024, the year in which the target was achieved, while for packaging, please refer to section *E5-3*. The methods adopted include life cycle assessment (LCA), international sustainability standards and data certified by suppliers in line with EU directives. The environmental goals are developed in accordance with the guidelines of the Fashion Pact, of which the Group has been a member since 2019.

The targets are monitored through key performance indicators (KPIs) that are defined and updated annually, with periodic checks to ensure that progress is in line with forecasts.

They promote design for durability and material recovery, increase the use of recycled materials, and reduce dependence on primary raw materials while promoting a sustainable procurement of certified renewable resources. The definition of the above objectives was guided by the results of the materiality analysis, in which stakeholders were actively involved through structured consultations, with a particular focus on key suppliers.

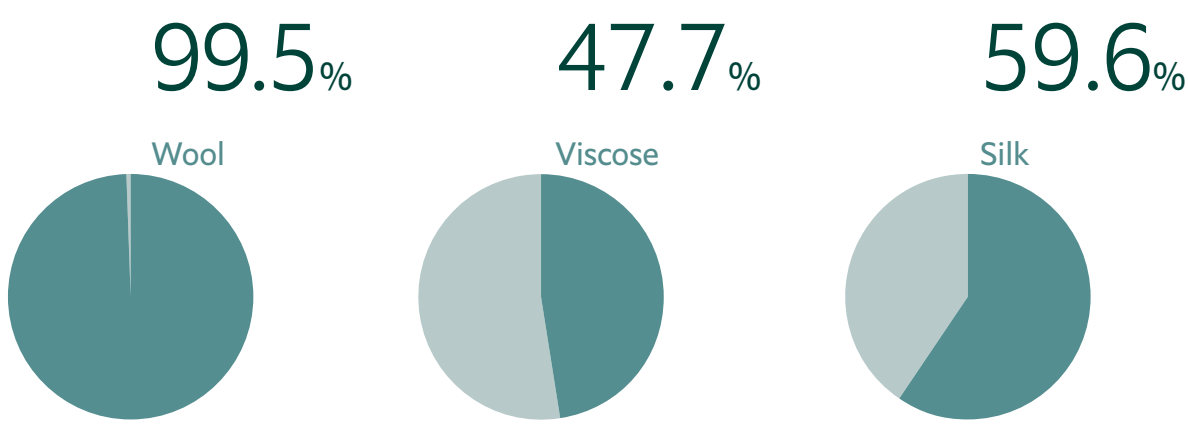
The commitment is supported by a structured governance system and is part of the broader framework of the Group's Sustainability Plan.



E5-4: Resource inflows

Resource inflows	Total weight	Technical materials		Biological materials			
Product	ton	Total weight	Materials with a sustainability certificate	Total weight	Materials with a sustainability certificate	Information about certificates	Percentage of biological materials certified (%)
Leather	1,015.29			1,015.29	1,010.34	LWG	99.51%
Metal[36]	108.41			108.41	0		0.00%
Cotton	53.84			53.84	14.37	GOTS e GRS	26.69%
Wool[37]	23.06			23.06	2.16	RWS e GRS	9.35%
Viscose[38]	20.69			20.69	9.88	FSC e RCS	47.73%
Silk	14.33			14.33	8.55	GOTS e GRS	59.64%
Polyester	13.41	13.41	1.44			GRS	0.00%
Nylon	8.55	8.55	2.34			GRS	0.00%
Biological materials for componentsi[39]	215.82			215.82	0		0.00%
Technical materials for components [40]	235.01	235.01	0.00				0.00%
Other[41]	29.48	17.61	0	11.88	0		0.00%

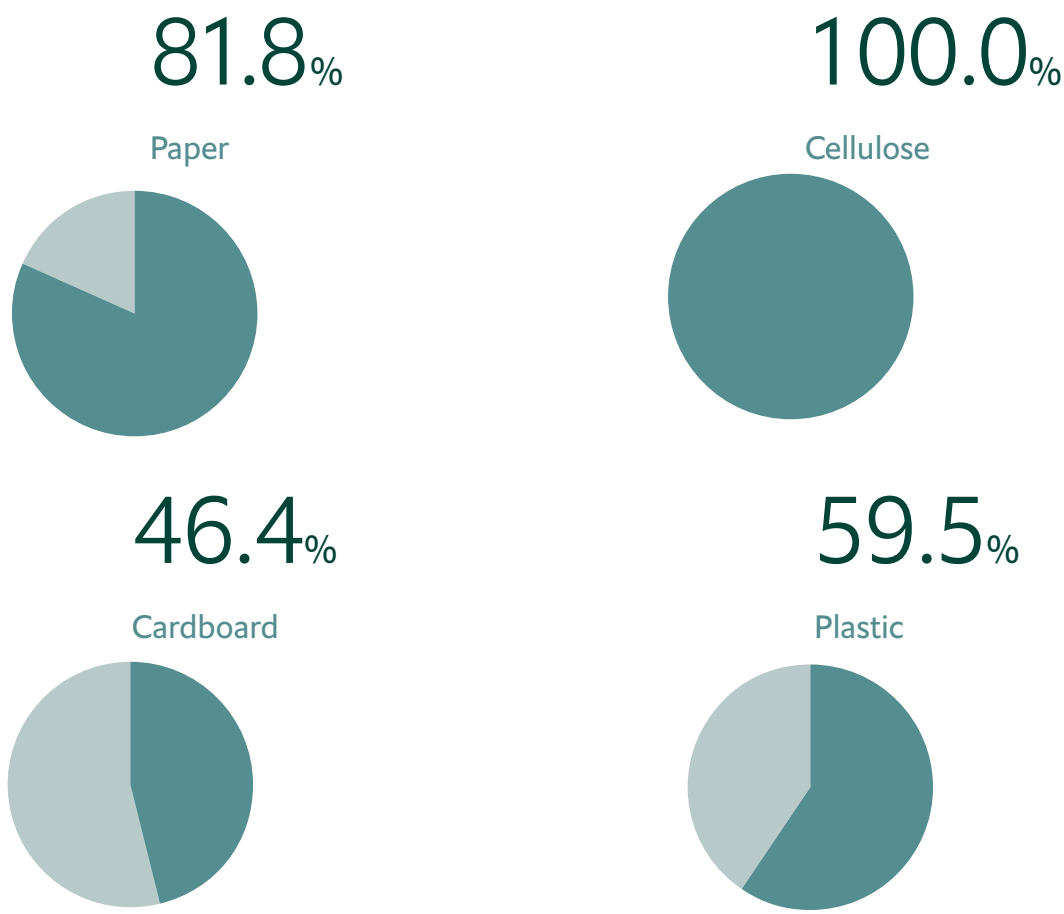
Percentage of biological materials certified



[36] The "Metal" category also includes brass, steel and silver
[37] The "Wool" category also includes cashmere, alpaca, mohair and camel
[38] The "Viscose" category also includes lyocell and rayon
[39] The "Biological materials for components" category is composed of: cellulose (126.97 tons) and leather (88.84 tons).
[40] The "Technical materials for components" category is composed of: TPU (39.05 tons), ABS (34.96 tons), polyurethane (69.86 tons), EVA (12.75 tons), rubber (78.5 tons).
[41] The "Other" category constitutes 1.7% of the total and includes two groups of materials:
- Technical materials: foam rubber, felt, elastane, polypropylene, acrylic, textile paper, PVC, spandex, polypropylene, latex, silicone, plexiglass and other less important materials.
- Biological materials: horn, mother of pearl, flax, cork, shearling, glass, stone, raffia, wood and other less relevant materials.

Resource inflows	Total weight	Technical materials		Biological materials			
Packaging	t	Total weight	Materials with a sustainability certificate	Total weight	Materials with a sustainability certificate	Information about certificates	Percentage of biological materials certified (%)
Paper	953.28			953.28	779.45	FSC	**81.77%**
Cardboard	703.68			703.68	326.38	FSC	**46.38%**
Cotton	228.94			228.94	0.00		**0.00%**
Cellulose	67.51			67.51	67.51		**100.00%**
Plastic[42]	9.02			9.02	5.37	GRS and RECYCLED	**59.49%**
Other[43]	19.08	17.39	0.00	1.68		0.00	**0.00%**

Percentage of biological materials certified



The Group's **main resource inflows** consist of raw materials, with **leather, and B2B and B2C packaging accounting for approximately 80%**.

[42] The "Plastic" category is composed of LDPE, polyethylene, polyester, plastic adhesive polypropylene and plastic.
[43] The "Other" category includes viscose and paper adhesive.

E5-5: Resource outflows

Waste diverted from disposal (t)	2024	2023
Total	**712,9**	**663.82**
Hazardous waste	**1,18**	**1.31**
Preparation for reuse		-
Recycling	1,18	1.31
Other recovery operations		-
Non-hazardous waste	**711,72**	**662,51**
Preparation for reuse	0,25	-
Recycling	711,47	659.99
Other recovery operations		2.52
Directed to disposal (t)	-	-
Total	**420,06**	**47,31**
Hazardous waste	**0,60**	**0.68**
Incineration	0,60	-
Landfill		0.68
Other disposal operations		-
Non-hazardous waste	**419,46**	**46.63**
Incineration		-
Landfill	418,32	46.63
Other disposal operations	1,14	-
Non-recycled waste	**420,06**	**-**
Percentage of non-recycled waste	**37.08%**	**-**
Total waste generated	**1,132.96**	**711,13**

WASTE

The reported waste data includes waste generated at the Florence and Milan industrial sites as well as at the foreign offices. Most of the waste generated abroad consists of **packaging materials, mainly cardboard, paper and plastic**. At the headquarters, on the other hand, the type of waste is more varied and can include, in addition to the elements already mentioned, also the waste generated by the production activities carried out at Manovia. In particular, production waste can include **leather scraps, accessories, consumables used for the creation of products and components**.

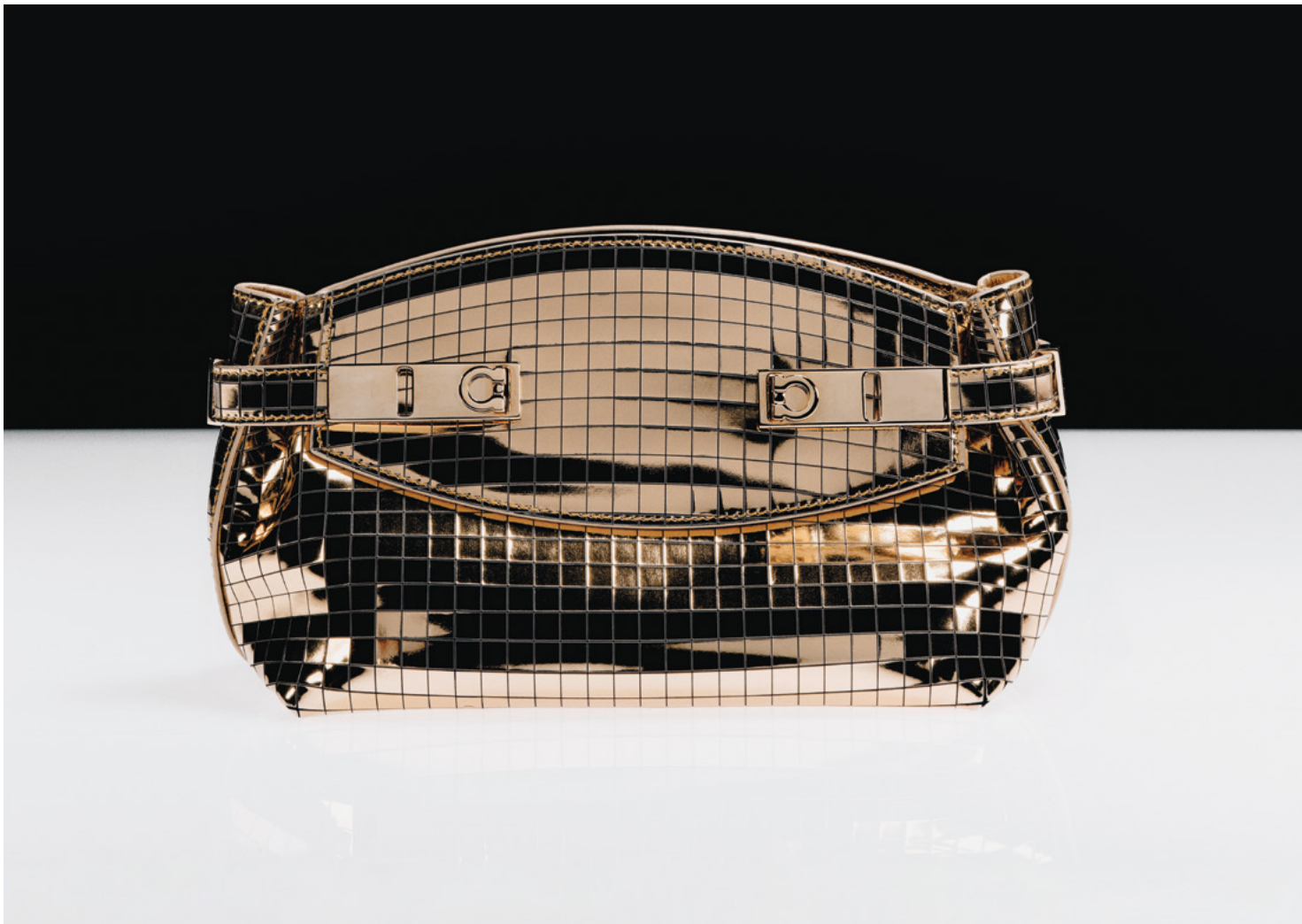
PRODUCTS

Salvatore Ferragamo S.p.A. attaches great importance to the quality and durability of the raw materials used, with particular attention to the use of high-quality leather from certified tanneries selected according to strict environmental and social criteria. This commitment to superior materials not only ensures high quality products, but also helps extend their life and reduce the environmental impact associated with their manufacture.

The durability of Ferragamo products is in line with the values of the luxury fashion market, promoting quality, craftsmanship and attention to product durability. **When properly maintained**, our products can have a **long useful life**, without a specific predefined time limit. Furthermore, we are committed to ensuring the **repairability of our products**, considering the adoption of recognized scoring systems where appropriate.

Salvatore Ferragamo S.p.A. also offers repair services for a selection of authentic products and in a selection of boutiques, demonstrating a concrete commitment to sustainability and the circular economy. These services, available for items purchased in different countries and through different channels, enable customers to extend the useful life of their products and reduce the need for new resources. A repair assessment can be requested at selected Ferragamo stores and, if deemed feasible, the product can be returned for repair with proof of purchase. The conditions and suitability of the repair can vary according to the type of product and the location, guaranteeing a personalized approach that respects the specific needs of the customer.

As far as the packaging is concerned, its duration varies, depending on how it is stored and used.



SOCIAL INFORMATION





ERGs worldwide

Employees Resource Groups

Fair Pay Analyst

Certified in 2024

+146% of audits

vs. 2023

Ferragamo Community

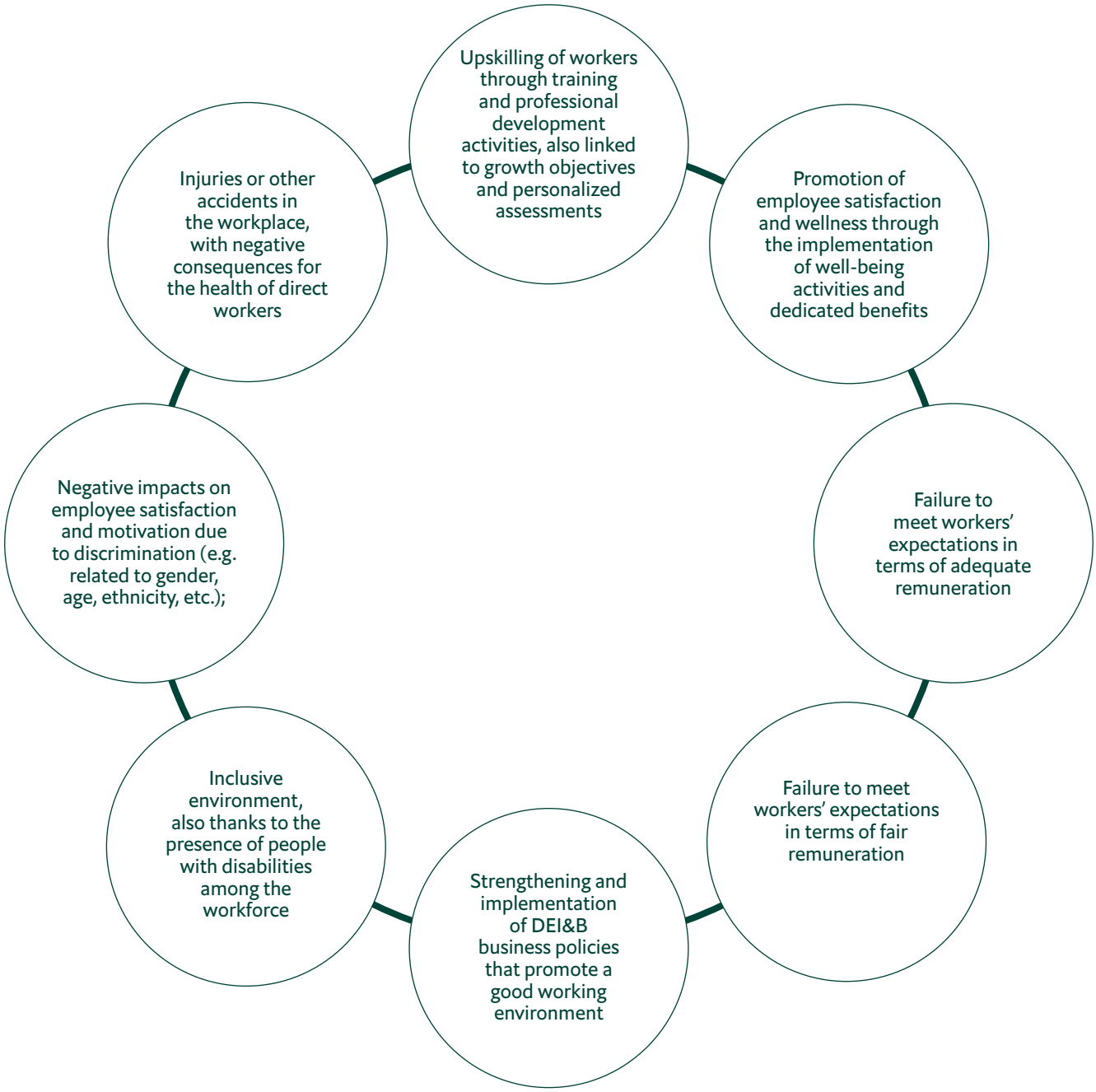
Involved in university, research, health, and professional development projects



S1 - Own Workforce

S1-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

In its double materiality process, the Group has identified the following impacts related to its own workforce:



The impacts, risks and opportunities outlined are closely linked to the Group's core values. Since its foundation, Salvatore Ferragamo S.p.A. has considered the wellness of its people a priority, ensuring management based on the principles of fairness, integrity and respect. At every stage of the value chain, the Group's commitment is demonstrated in the professional development of internal resources, the attraction of new talent and the promotion of a healthy work-life balance, guaranteeing compliance with occupational health and safety standards.

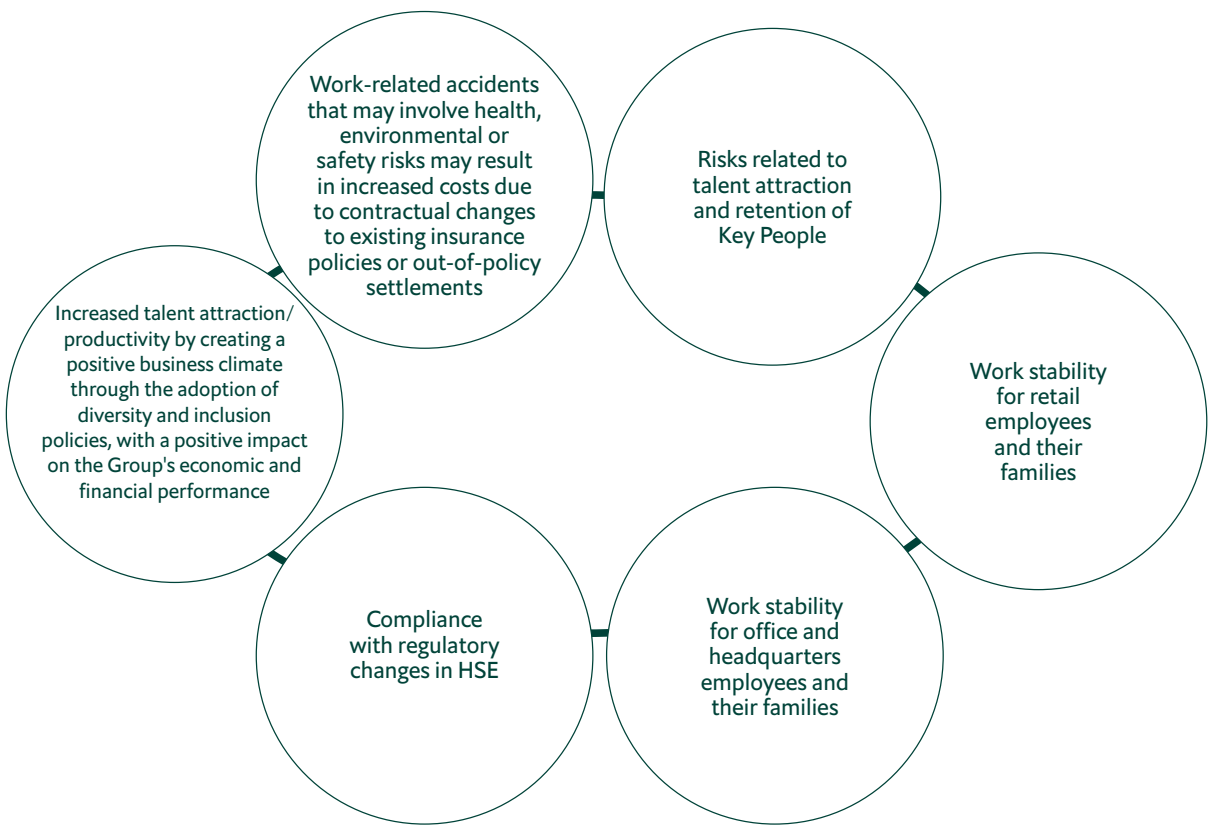
All relevant players in the Company's value chain were involved in the definition and drafting of the document. The Group has therefore considered its own workforce in the analysis of the impacts, risks and opportunities arising from its activities and from the value chain, both upstream and downstream. The Group's workers include employees broken down by type of contract (temporary, permanent, non-guaranteed hours), gender and professional category (managers, white collars, blue collars). Workers who are not employees, such as agency staff and interns, are also taken into consideration.

At every stage of the value chain, the positive impacts identified translate into the professional development of own resources, the attraction of new talent and the promotion of work-life balance, guaranteeing compliance with occupational health and safety standards.
These impacts do not concern individual accidents, but are generalized in nature and manifest themselves in the context in which the Group operates, as in the case of human rights and health and safety.

Operations with a risk of forced or child labor may be linked to the upstream value chain, as the risk of such situations occurring with respect to employees is low given the Group's compliance with applicable regulations in the areas in which it operates. However, in order to further minimize the residual risk, the Company implements periodic audit programs to ensure that these practices do not occur for any type of worker.

The description of the main types of workers does not distinguish between specific groups that may be more exposed to risks. Salvatore Ferragamo S.p.A. considers its workforce as a whole.

The risks and opportunities, identified in the double materiality process, refer to the workforce as a whole without reference to specific groups of workers:



These elements influence the Company's strategy; in fact, the objectives listed in section *ESRS 2 – SBM-1: Strategy, business model and value chain* take into consideration the issues identified by the risks and opportunities, translating them into targets and actions.

S1-1: Policies related to own workforce

Through its Sustainability Policy[44] Salvatore Ferragamo S.p.A. not only addresses purely environmental issues but also considers its relationships with its employees, external workers and communities, with the aim of adopting sustainable measures and practices to improve the working and social climate inside and outside the Group.

The Group's approach to human capital development emphasizes the value of each individual within the organization. The Group invests in continuous career development through training and the promotion of an inclusive and diverse work environment. The commitment extends throughout the supply chain, requiring all partners and suppliers to comply with these principles.

Occupational health and safety is a top priority. The Group ensures compliance with the highest standards of occupational health and safety, regularly checking work environments and providing training to reduce risks. For this purpose, the Italian administrative offices and stores of Salvatore Ferragamo S.p.A. are **ISO 45001** certified. The Group also promotes the work-life balance through flexible work arrangements and wellness programs aimed at improving physical and mental health.

Diversity and inclusion initiatives are also at the heart of the Group's mission to support a workforce that reflects diverse backgrounds, perspectives and talents. These principles are not only applied internally, but also promoted in the supplier network, so that fair labor practices and equality are promoted throughout the value chain.
Instead, through the **Responsible Reorganization Commitmen**t, the Group recognizes the need to adapt to a dynamic market environment, characterized by economic challenges that may lead to workforce reorganization. The Group therefore recognizes the value of providing clear and timely information to employees about the purpose, impact and opportunities of the reorganization, so that everyone is aware of the context and informed about the process. This means a commitment to reducing the impact on our workforce, customers and communities.

Further confirmation of Salvatore Ferragamo S.p.A.'s commitment to achieving the highest ethical standards and sustainable business development is the **SA8000 policy**. The policy includes the rejection of child labor, forced and compulsory labor, the protection of workers' health and safety, respect for trade union freedom and collective bargaining, respect for a decent wage and correct working hours, non-discrimination, the prohibition of inappropriate disciplinary practices and the development of an SA8000 management system.

The Company is committed to ensuring that the social responsibility principles of the standard are disseminated, understood and respected by workers, members of the supply chain and other stakeholders, and to encouraging their participation and fruitful and constructive interaction.

The Group encourages the responsible use of the communication channels available for the submission of reports, offering the possibility to do so through the web portal dedicated to **Whistleblowing** or by directly contacting the Group's Ethics Committee, the body in charge of managing such reports. The Ethics Committee, appointed by the Company's Board of Directors, operates in accordance with the regulations in force and the provisions of the Group's Whistleblowing Policy, which is publicly available on the Ferragamo Group's website. For further details, please refer to section "*ESRS S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns*.

The Group adopted the **Code of Ethics** containing the principles and general rules that characterize the organization and its business. The document applies to the corporate bodies, employees, representatives and collaborators who, in whatever capacity and regardless of the nature of the contractual relationship, act in the name and on behalf of the Group Companies. The Company requires third parties (partners, customers, suppliers, professionals, consultants and other types of external parties) with whom it establishes business relationships to comply with the Code of Ethics.
The main responsibility for ensuring the application

[44] For the specifications outlined by the MDR-P, please refer to section *E1-2: Policies related to climate change mitigation and adaptation*

and dissemination of the Code is entrusted to the Ethics Committee; a similar responsibility is assigned to the individuals placed at the top of each company area, who ensure that it is complied with by all those who work within their function.

With regard to issues relating to Diversity, Equity and Inclusion, the Group has adopted an **Inclusion policy**. The purpose of this document is to promote diversity, equity, inclusion and a sense of belonging within the organization. Its objectives include the promotion of multiculturalism, equality and equal opportunities, the fight against all forms of discrimination and the condemnation of all forms of harassment. The policy supports meritocracy and equal treatment, facilitating the development and enhancement of individual potential. Salvatore Ferragamo S.p.A. is committed to regularly evaluating progress and measuring the impact of the initiatives.

The policy applies to Group employees, corporate bodies and independent contractors working in the name and on behalf of Salvatore Ferragamo S.p.A.'s companies, also including diversity within the Board of Directors.

The Chief People Officer is ultimately responsible for the implementation of the policy and the Board of Directors of Salvatore Ferragamo S.p.A. is responsible for its approval and promotion.

The policy refers to the Universal Declaration of Human Rights and the ILO's Discrimination Conventions and formalizes the Company's support for **Valore D** and **The Female Quotient**, associations dedicated to building a non-discriminatory professional world.

The policy is promoted for adoption by all subsidiaries and dissemination to all recipients. Salvatore Ferragamo S.p.A. implemented a reporting system to prevent and combat illegal behavior or behavior contrary to the principles of the policy, maintaining the confidentiality of the whistleblowers and protecting them from possible retaliation. For further details, please refer to section "*ESRS S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns*".

With regard to issues of discrimination, diversity and inclusion, Salvatore Ferragamo S.p.A. emphasizes in its Sustainability Policy the rejection of all forms of child labor, forced labor and discrimination based on characteristics such as age, gender, race, nationality, religion, sexual orientation or political affiliation.

This concept is repeated in the Global Recruitment Policy, which emphasizes that the selection process is strict and fair and aims to identify people who share Salvatore Ferragamo S.p.A.'s commitment to excellence. In carrying out these processes, the Group is committed to avoiding direct or indirect discrimination, to using neutral language and to promoting the principles of equality, inclusion and diversity during interviews, as core values of Ferragamo.

These policies are then translated into internal procedures that are available to all employees.

S1-2: Processes for engaging with own workforce and workers' representatives about impacts

In Italy, communication with the representatives of internal workers (RSU) and the trade unions takes place through regular meetings, usually every two months, which can be intensified according to the needs of the projects or actions to be discussed (e.g. the supplementary company agreement planned for March 2024).

At the regional level, there is no structured and standardized consultation with worker representatives regarding impacts, but initiatives such as the 2024 "**Great Place to Work**" survey have made it possible to collect anonymous feedback from workers on topics such as inclusive leadership, collaboration, customer centricity, accountability, and agility. The results of these surveys are carefully analyzed and integrated into the decision-making processes related to employee well-being, working conditions and other relevant aspects.

If necessary, the regional HR Business Partner can establish a dialog with the workforce, workers' representatives or trade unions to address specific impacts. This approach allows us to properly represent the Company and to take into account the results of the dialog in our decisions.

In Korea, for example, the Company organizes quarterly Labor and Management Councils in accordance with local laws, involving representatives of the workers and

company leadership to discuss and address issues related to working conditions, safety, wages and organizational improvement, thus promoting open communication and cooperation.

The responsibility for worker engagement is assigned to the Human Resources Department, under the guidance of the Chief People Officer.

During the last two years, an important project was also launched focused on reviewing the internal communication strategy.

The goal was to strengthen employee engagement by creating a corporate community through which everyone – both within the offices and in the retail network – can be informed of the Company's strategies and initiatives, actively participating through the sharing of content.

The internal communication review process began with an analysis of the tools currently in use, highlighting opportunities for improvement. As part of this strategy review, a number of initiatives have been launched, including:

The Footprint
a monthly newsletter that aims to engage and inform employees on various business topics and initiatives undertaken by the organization, as well as to give visibility to best practices at a global level. Analytics: 10 newsletters sent during the year, high audience engagement with an average reach (open rate based on number of recipients) of 50% to 60%, with a peak of 99%.

Ferragamo Together
a platform dedicated to all employees at the Corporate and Regional level, aimed at providing information and updates on initiatives shared at global and regional levels. It is a dynamic portal where people can stay informed, like and actively participate. The platform includes sections dedicated to each region, with personalized and specific information. It also allows people to keep track of documents, policies, procedures and updates related to the Brand, and to create dedicated groups to access specific information, particularly for engagement initiatives, HR well-being and ERG Corporate programs.

Videowalls
at the Osmannoro headquarters, there are video walls in all buildings, recreation areas and the company restaurant. These tools allow the entire company staff, including Operation colleagues, to be informed about activities, events and initiatives. The video walls also play a fundamental role in keeping employees informed of training course deadlines, ensuring timely and accessible communication.

Bespoke
a newsletter focused on promoting services and initiatives tailored to employees, with the aim of improving the quality of life, internally as well as externally. Analytics: 64 newsletters sent with peaks, in September and November. The average reach varies from 58% to 81%, indicating a high level of engagement with the topics discussed.

Townhall
two global events were organized, in March and September, with the aim of ensuring greater sharing of corporate objectives. The Townhall event in September 2024 was a key moment to consolidate the Brand's relaunch path, share the results achieved and future objectives.

Finally, the Company has defined and published on its institutional website the **Responsible Reorganization Commitment**, which guides **the involvement of and dialog with workers.**

S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns

The Group has always been committed to promoting a corporate culture based on ethics and legality. For this reason, following the issue of Directive (EU) 2019/1937, it updated its **Group Whistleblowing Policy**[45], which defines the channels and requirements for Internal and External Reports as well as Public Disclosures and reports to the Judicial or Accounting Authorities. On that occasion, the Company also updated the Code of Ethics and the Regulations of the Ethics Committee.

The document aims at establishing and encouraging the informed use of internal reporting channels, as well as to prevent and combat unlawful conduct or conduct contrary to the principles and rules prescribed in the Group's organizational models, codes of ethics and corporate policies, protecting the confidentiality of whistleblowers and other protected parties, safeguarding them from the risks of any retaliation, in full compliance with all applicable legal provisions.

The system for presenting the reports is based on three levels:

- **Internal Reporting Channels,** managed by the Ethics Committee, which are considered privileged because they are closer to the source of the reported issues (such as the dedicated web platform);
- **External Reporting Channels,** established by the competent Public Authorities in the Member States of the European Union;
- **Public Disclosure,** only for Material Breaches involving EU-based Group companies and under the conditions set by law.

To encourage the submission of reports in the interest of business integrity, the Group is committed to providing whistleblowers and other protected parties involved in the report in various capacities with the protections provided by applicable whistleblowing regulations. In particular, the protection system consists of the following types of protection:

- protection of the confidentiality of the whistleblower, the facilitator, the other persons involved and the persons mentioned in the report;
- protection from retaliation as a result of internal or external reporting, public disclosure or complaint;
- limitations of liability regarding the disclosure and dissemination of certain categories of information;
- provision of support measures from third sector entities.

The dissemination of the Policy was organized and differentiated according to the classes of stakeholders involved:

- to all employees, through publication in the repositories of company procedures;
- to all corporate bodies, also by means of communication to the administrative bodies of each subsidiary;
- to attorneys and collaborators who, in any capacity, operate in the name and on behalf of the Group's subsidiaries, by notification in hard copy or electronic form;
- to external parties through publication on the website

As previously indicated, the **Ethics Committee**, appointed by the Company's Board of Directors, is the body in charge of managing reports received through the whistleblowing channels.

The Ethics Committee is also responsible for monitoring the compliance of the **Whistleblowing Policy** with best practices and applicable regulations, overseeing the implementation and maintenance of the Web Platform for the collection and management of reports, and promoting and coordinating information and training activities on its operation.

With respect to the handling of reports, if the Ethics Committee decides to seek the support of other local company functions or external consultants to conduct the in-depth investigations necessary to carry out the inquiries related to the content of the reports, both the company functions and the consultants will be required to maintain the strictest confidentiality with respect to the content of the report.

As for training activities, the promotion of the Whistleblowing Policy to the company staff is carried out through the training program called "**Compliance Digital Pathway**", which also includes training on the Code

[45] For more information on the contents of the Policy, please refer to the document published on the Company's website, available at https://group.ferragamo.com/en/governance/model+231+and+code+of+ethics

of Ethics, Anti-Corruption Policy, Cybersecurity and data protection and Model 231 (the latter only for Italy). In particular, this training is available in nine languages, through a dedicated intranet platform, and is also offered to all new hires as part of the onboarding process.



S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

In 2024, the Group implemented a series of strategic initiatives aimed at strengthening its commitment to sustainability, promoting a more inclusive and equitable work environment focused on people's well-being. These actions are part of a structured, multi-level plan with clear objectives and defined time horizons to ensure a lasting and tangible impact on the global workforce. The Group's activities are closely linked to the Company's policies to ensure a fairer and more inclusive work environment. The Inclusion Policy has guided gender equality initiatives, the reduction of the Gender Pay Gap and development programs, while the Global Recruitment Policy has ensured fair and inclusive selection processes.

EQUITABLE TALENT JOURNEY

A key aspect of this journey was the **Equitable Talent Journey,** a program designed to attract, develop and value people in an equitable way. In this context, the Group has revised its Talent Acquisition practices and adopted a global Recruitment Policy to ensure inclusive and non-discriminatory selection processes. A dedicated section on the Company's LinkedIn page was created to highlight its commitment to inclusion, and a diversity statement was included in all global job postings to attract diverse talent.

The Group has also launched an **Employer Branding** initiative focused on sustainability, which involved collaboration with Polimoda for the launch and implementation of the first edition of the master's degree in Sustainable Fashion launched in 2024 and scheduled to run until 2025. Students were asked to come up with new creative and circular solutions in terms of materials, products, services and business models, created specifically for Ferragamo.

To get ahead of the legal requirements for hiring protected categories, a road map for disability hiring campaigns has been defined, starting with internship programs at the global headquarters in 2025, followed by regional and global implementations in the following years. At the same time, e-learning courses on inclusive recruitment for recruiters and managers involved in selection processes are planned for release in 2025.

In terms of career development, specific women's empowerment programs have been launched in partnership with **Valore D** and **The Female Quotient** to promote gender equality and develop female talent in key roles. Starting in 2024, mentoring programs, with a particular focus on Japan and other regions, and coaching initiatives for women have been launched to strengthen their leadership skills and prepare them for strategic positions. By 2025, these programs will be extended to all regions, and a global career development initiative will be launched in 2026.



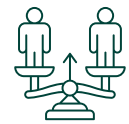
INCLUSIVE ORGANISATION

At the same time, the Group has worked to build a more inclusive organization, spreading and consolidating a culture based on diversity, inclusion and equal opportunities.

A key aspect of this strategy is to monitor gender balance at all levels of the organization, with a particular focus on reducing the Gender Pay Gap. Thanks to the use of advanced Business Intelligence tools, the Company's adjusted **Gender Pay Gap** was calculated for the first time as at 31 December 2023, taking into account objective elements[45] of pay difference (in line with the provisions of the Pay Transparency Directive). Following the calculation, a holistic approach was used to define actions to reduce the adjusted pay gap, which stood at 2.9%, with the aim of eliminating it completely by 2030. The figure as at 31 December 2024 will be recalculated once the 2024 performance cycle is complete, but an initial result observed during the year is the reduction in the Unadjusted indicator, published in this document.

For the 2025 to 2027 period, the Group wants to commit to reducing the **Adjusted Gender Pay Gap**, setting targets of 2.5% in 2025, 2% in 2026 and zero by 2030. A significant milestone was reached in 2024, when the Adjusted calculation was submitted to FPI (Fair Pay Innovation Lab), which recognized the "**Fair Pay Analyst**" certification, confirming that the variables used have a strong correlation with the pay structure. In support of this commitment, the process of certification of the DEI Management System according to the UNI/PdR 125:2022 standard has been initiated and is expected to be completed in 2025.

Another milestone was the renewal and approval of the new Group-wide Inclusion Policy, which provides a clear and common frame of reference for all regions.
Training on ESG and DEI&B issues has played a fundamental role. In 2024, the design of the first **People Manager Program** for all office and retail managers was completed, while the first **Train-the-Trainer program** trained 15 internal trainers in the Corporate HQ and EMEA areas. From 2025, an updated course will be launched in line with the UNI/PdR 125:2022 certification, and the digital module "**Breaking Bias**" will be relaunched, followed by other modules such as "**Bridging the Generations Gap**" in 2026.



2,9%
Gender Pay Gap
Adjusted

[45] Role weight, Country of reference, function to which they belong, tenure and seniority, performance.

Fair Pay Analyst

Fair Pay Analyst is part of the UNIVERSAL FAIR PAY CHECK® initiative, which is committed to promoting fair and transparent pay structures. The process is based on an in-depth analysis of a company's compensation system, evaluating factors that influence remuneration—such as role, department, and seniority—and identifying any unjustified disparities, including gender pay gaps.

To achieve Fair Pay Analyst status, an organization must carry out a detailed analysis of its pay structures, calculating both the adjusted and unadjusted gender pay gap, as well as identifying other potential disparities. Furthermore, it must implement corrective measures and formalize its commitment through the Fair Pay Commitment, ensuring salary equity and transparency.

FOSTER BELONGING

To strengthen the sense of belonging, the Group has launched initiatives aimed at promoting employee engagement and well-being. A key moment in this process was the first **global Engagement Survey**, which involved 6 regions and 26 countries, with a response rate of 88%. The results provided essential data for the development of customized regional action plans, leading to the achievement of Great Place to Work certification in key countries such as America, China and Korea. This commitment will continue in 2025-2027 with the introduction of Pulse Surveys and full surveys to constantly monitor progress and identify areas for improvement.

Great Place to Work

The 2024 GPTW survey was conducted globally using the certified Trust Index model, analyzing five key dimensions of the work experience. **Credibility** measures trust in leadership, directly impacting **job satisfaction**. **Respect** evaluates employee well-being and work-life balance, essential for reducing stress. Fairness focuses on equity and inclusion, ensuring a transparent and respectful work environment. **Pride** reflects the sense of belonging and **purpose**, aligning employees with the company's values. Lastly, **camaraderie** highlights the quality of relationships among colleagues, fostering a positive work environment and overall **happiness**.

Moreover, **Employee Resource Groups (ERGs)** have been established in each region to promote constructive dialog between employees and management, with an initial focus on gender, generational diversity and inclusion. From 2025 to 2027, the scope of the ERGs will be expanded to include other dimensions of diversity, such as generational, LGBTQI+ and disability, to further strengthen the sense of belonging and inclusion. At the same time, new initiatives for mental and physical well-being were launched in 2024 with the participation of the ERGs. From 2025 to 2027, these initiatives will be adapted and perfected based on the feedback and results obtained, ensuring the continuous improvement of well-being policies for all employees. The ERGs encouraged dialog between employees and management, promoting specific actions on a regional basis to strengthen the sense of belonging and inclusion.

Employee Resource Groups (ERGs)

In 2024, the project to redefine values and skills, the **Success Enablers**, was finalized with the aim of indicating the behavior expected to achieve business objectives and create an innovative, welcoming work environment focused on professional and personal development.

To communicate and disseminate the values and skills within the Group, Success Enablers days were organized, during which employees were able to experience the new corporate culture individually and in groups at the various group head offices through dynamic and engaging activities facilitated by Success Enablers Ambassadors.

The level of staff participation exceeded 50%, reaching 90% of the head office staff in Korea. The retail population was engaged with online activities followed by dedicated morning briefings in individual stores.



WELFARE AND WELLBEING

The well-being of its employees is a fundamental pillar for Ferragamo, which for years has been developing initiatives aimed at improving the quality of working life through welfare tools, organizational flexibility and support programs.

Flexibility and **worklife balance**

Smart Working e Work-Life Balance
Since 2018, the Group has adopted remote working as a flexible organizational model that allows employees to manage their activities with greater autonomy, in line with the needs of the Company. In 2024, the Company consolidated this approach, offering from five to eight days a month for the various company roles, with the aim of:

- Improving work-life balance.
- Reducing the environmental impact of commuting.
- Optimizing the energy efficiency of the offices.

Flexible Benefits and Income Support
For the years 2024 and 2025, the supplementary agreement signed between the Company and the RSU has been renewed and applies to the entire staff covered by the National Collective Labor Agreement for the Footwear Industry.

In addition, a variable performance-based bonus is provided, that envisages the possibility of converting the bonus into **Welfare Credit** that can be spent on Welfare Services, i.e., goods, services and/or benefits of various kinds, aimed at increasing personal well-being and support for family life, as well as social security coverage for the employee and his/her family. Moreover, in order to provide support for family and daily expenses and to counter the high cost of living, three homogeneous categories of employees have been identified, who are covered by the National Collective Labor Agreement for the Footwear Industry, have a permanent contract and receive an additional amount consisting of an additional figurative credit that can be spent on **Welfare Services**, regardless of company performance and/or work performance.

For maximum usability of welfare services, an integrated portal has been set up within the company communication platform to provide access to Flexible Benefits, a set of services provided by the Company and tailored to employees and their families in the areas of health, sports and wellness, education, culture and entertainment. Through the welfare portal, each employee has the ability to select and build his or her own benefits package, selecting services or products according to their needs until the available credit is used up.

As part of the supplementary agreement, other initiatives for employees have been introduced, such as a supplementary pension scheme and a reduction in the cost of meals in the company restaurant.

Healthcare and Supplementary Health Insurance
The Group has maintained and strengthened supplementary healthcare coverage for all corporate and retail employees. Moreover, targeted interventions were implemented to improve the level of healthcare coverage by offering additional healthcare services beyond those provided for in the Company's national collective labor agreements.

Wellbeing

With the aim of expanding initiatives dedicated to the well-being of employees, Ferragamo has implemented programs to manage work-related stress, with biennial assessments to identify the most critical issues and implement improvement actions.

In addition, local services and agreements have been put in place to improve the work-life balance, including:

- Family Days: events designed to strengthen the sense of belonging, also involving the families of employees.
- New discount agreements for personal well-being, with access to beauty and fitness services.

During this period, the Group will constantly monitor the effectiveness of the initiatives through employee feedback and impact analysis, ensuring continuous improvement of corporate welfare policies.

The main expenses incurred in the implementation of the above measures are shown in the table below:

Activity	CapEx	OpEx
HR Activities[47]	-	25,143 €

S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The objectives, outlined in section *ESRS 2 – SBM-1: Strategy, business model and value chain*, related to the workforce, are as follows:

ESG building block	ID	Target	Timing
Empowering our people	10	Equitable Talent Journey- Attract, develop and empower people through an equitable talent journey	2027
	11	Inclusive Organization - Spread and ground a culture of diversity, inclusion and equal opportunities	2027
	12	Foster Belonging - Nurture engagement and well-being activities for employees' belonging	2027



[47] This amount is an integral part of the item "General and administrative costs" in the Income Statement of the Consolidated Financial Statements of Salvatore Ferragamo S.p.A..

As part of the 2025-2027 Sustainability Plan, the Group defined three strategic objectives to strengthen inclusion, diversity and employee well-being, with a baseline year of 2024 and annual milestones defined in the DEI&B plan and supported by the Sustainability Policy and the Inclusion Policy.

The first target, **Equitable Talent Journey**, aims to attract, develop and enhance people through a fair growth path. The scope of the target covers both the external audience (Employer Branding and Recruitment) and the internal audience (employees and people managers), with application at a regional and global level. The definition of the target was based on internal analysis, with the involvement of the HR team and the presentation of the DEI&B plan to the BoD and Board Members.

The second target, **Inclusive Organization**, aims to spread and establish a corporate culture based on diversity, inclusion and equal opportunities.

This target involves qualitative and quantitative measurements and follows a structured path until 2027. The methodology used to define it was based on internal analysis and benchmarking with main peers, to ensure constant comparison with the industry best practices.

Finally, the third target, **Foster Belonging**, focuses on strengthening welfare and engagement initiatives to improve the well-being and sense of belonging of employees. Again, the target setting methodology included internal analysis and benchmarking with the main peers, ensuring a data-driven and comparative approach.

To ensure results, the Group uses specific KPIs that are updated annually and monitored with periodic checks. The details of the activities underlying these targets are examined in depth in section S1-4.



S1-6: Characteristics of the undertaking's employees

Since its foundation, the Group has considered attention to its people a priority, guaranteeing management based on the principles of fairness, integrity and respect. At every stage of the value chain, the Group's commitment translates into the professional development of its resources, the attraction of new talent and the promotion of work-life balance, guaranteeing compliance with occupational health and safety standards. During 2024, the Salvatore Ferragamo Group recruited 838 employees, against an employee turnover of 25.9%, with 929 employees leaving the Company. Offering a stable and long-lasting employment relationship is considered necessary not only to promote business growth, but also to help increase the sense of belonging of the Group's people. The high proportion of **permanent employees**, accounting for approximately **93% of the total in 2024**, is evidence of the Group's commitment in this sense.

93% of employees on permanent contracts

2024	Female	Male	Not reported	Total [48]
Italy	581	406	0	987
China [49]	633	177	0	810
USA	266	254	1	521
Japan	235	83	0	318
Korea	213	47	0	260
Mexico	70	90	0	160
Australia	61	16	0	77
France	43	31	0	74
Spain	35	28	0	63
Other Countries	187	128	0	315
Total	**2,324**	**1,260**	**1**	**3,585**

[48] The number of employees in the tables related to the S1-6 disclosure requirement includes all Group employees as at 31 December 2024, disclosed by head count.
[49] China includes employees from: Ferragamo Fashion Trading (Shangai) Co. Ltd, Ferragamo Moda (Shanghai) Co. Ltd., Ferragamo Hong Kong Ltd., Ferragamo Retail HK Ltd., Ferragamo Retail Macau Ltd., Ferragamo Retail Taiwan Limited.

	2024					2023				
	Female	Male	Other	Not reported	Total	Female	Male	Other	Not reported	Total
Total employees	2,324	1,260	0	1	**3,585**	2,388	1,289	0	0	**3,677**
Permanent employees	2,155	1,174	0	0	**3,329**	2,254	1,208	0	0	**3,462**
Temporary employees	161	85	0	1	**247**	104	68	0	0	**172**
Non-guaranteed hours employees	8	1	0	0	**9**	13	30	0	0	**43**

	2024	2023
Number of employees	3,585	3,677
Number of employees who have left	929	1,032
Number of new employees hired	838	867
Turnover rate – New hires	23.38%	23.58%
Turnover rate – Employees who have left	25.91%	28.06%

S1-7: Characteristics of non-employee workers in the undertaking's own workforce

In 2024, the Group had 177 non-employee workers, including interns, external consultants and agency staff, of which 39 were self-employed and 138 were hired for the Group's primary activities.

	2024[50]
Total number of non-employee workers	177
of which self-employed people	39
of which workers provided by undertakings primarily engaged in employment activities	138

[50] The number of employees in the tables related to the S1-6 disclosure requirement includes all Group employees as at 31 December 2024, disclosed by head count.

S1-9: Diversity metrics

In 2024, we further strengthened our global **Diversity, Equity, Inclusion & Belonging (DEI&B) strategy**, updating and approving the company policy at the Board of Directors level. This step demonstrates our concrete commitment to integrate the principles of DEI&B into our business strategy and to promote an organizational culture based on listening, open dialog and the promotion of individual uniqueness.

Diversity, Equity, Inclusion & Belonging Strategy

This strategy is based on three pillars:

- ensuring fairness at all the main stages of corporate life, from recruitment to exiting the Company;
- disseminating, through the behavior and example set by the leadership team, an organizational culture based on the value of inclusion;
- adopting control and governance systems, both at the Corporate and Regional level, aimed at facilitating the evaluation and monitoring of actions and initiatives.

Internal/external communication and social engagement tools continue to be key elements in amplifying the impact of initiatives related to the three pillars. Special attention has been paid to the use of inclusive language in official internal communications with the adoption of the Schwa (e).

Among the activities dedicated to the Women Empowerment focus was the **Unstoppable Women** format, inspired by Wanda Ferragamo, in which two colleagues shared their personal and professional stories. In 2024, numerous initiatives were launched and strengthened in line with the Company's inclusion and diversity strategy. Among the most significant achievements was the update of the Group-wide Inclusion Policy, which provides a clear and common framework for all regions. A **Diversity Statement** has also been included in global job postings to promote inclusiveness from the selection phase onwards. Monitoring of the Adjusted Gender Pay Gap has been enhanced through an advanced Business Intelligence system, with detailed analysis and concrete actions to reduce the gap. In Italy, a gap analysis according to **Uni-PdR 125/22** has been initiated. The DEI&B KPI dashboard was updated with new indicators on gender, age, seniority and other metrics, while a global framework strengthened the creation and support of **Employee Resource Groups (ERGs)**, encouraging listening and sharing of ideas on diversity. The ERGs promoted International Women's Day initiatives.

The first Engagement Survey was also launched with a focus on diversity and inclusion, providing strategic data for future actions. As far as partnerships are concerned, the collaboration with Valore D was renewed, allowing young talents and managers to participate in mentorship and women's leadership programs. At the same time, a new collaboration was established with The Female Quotient to expand training initiatives at the Corporate and Regional levels, with a special focus on women's leadership and gender equality. For additional details, please refer to section *S1-4*

The Group's commitment to the issue of non-discrimination is also realized through the involvement of the Ethics Committee in such matters; in fact, the Ethics Committee is charged with handling any cases of discrimination that may be reported.

Following a report received through the Whistleblowing channel, after conducting a thorough investigation which found the report to be well-founded, the Ethics Committee informed the Company of the incident, which proceeded to make formal complaints against the reported parties and to implement monitoring actions aimed at avoiding the recurrence of such conduct. Concerning the employees belonging to protected categories, the Group complies with applicable laws in the countries in which it operates. Special emphasis is placed also on providing equal opportunities, ensuring the same work conditions for male and female employees and promoting initiatives to help balance family and professional life through different types of employment agreements. For additional details, please refer to section *S1-3*.

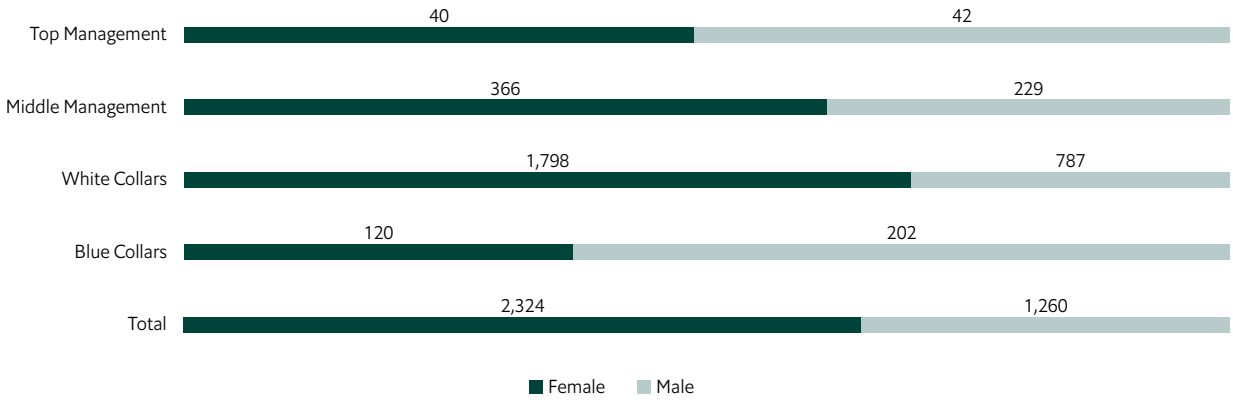
Top Management[51]	Number	Percentage
Female	40	48.78%
Male	42	51.22%
Total	82	100.00%

2024	< 30 years			30-50 years		> 50 years		Total			
	Female	Male	Not reported	Female	Male	Female	Male	Female	Male	Not reported	Total
Top Management	0	1	0	25	23	15	18	40	42	0	82
Middle Management	12	3	0	271	168	83	58	366	229	0	595
White Collars	371	236	1	1,177	438	250	113	1,798	787	1	2,586
Blue Collars	19	33	0	62	125	39	44	120	202	0	322
Total	**402**	**273**	**1**	**1,535**	**754**	**387**	**233**	**2,324**	**1.260**	**1**	**3,585**
Percentage											
Top Management	0.00%	0.03%	0.00%	0.70%	0.64%	0.42%	0.50%	1.12%	1.17%	0.00%	2.29%
Middle Management	0.33%	0.08%	0.00%	7.56%	4.69%	2.32%	1.62%	10.21%	6.39%	0.00%	16.60%
White Collars	10.35%	6.58%	0.03%	32.83%	12.22%	6.97%	3.15%	50.15%	21.95%	0.03%	72.13%
Blue Collars	0.53%	0.92%	0.00%	1.73%	3.49%	1.09%	1.23%	3.35%	5.63%	0.00%	8.98%
Total	**11.21%**	**7.62%**	**0.03%**	**42.82%**	**21.03%**	**10.79%**	**6.50%**	**64.83%**	**35.15%**	**0.03%**	**100.00%**

2023	Gender			Age			
	Male	Female	Total	<30	30-50	>50	Total
Managers	279	412	691	13	494	184	691
White Collars	816	1,865	2,681	604	1,696	381	2,681
Blue Collars	194	111	305	52	173	80	305
Total	**1,289**	**2,388**	**3,677**	**669**	**2,363**	**645**	**3,677**

[51] The Top Management category includes the following positions: Directors, Senior Directors, Chief/Head of functions and Executive roles

Breakdown of the workforce by professional category and gender.





S1-10: Adequate wages

The Group guarantees that all its employees receive an adequate salary in accordance with the applicable reference parameters in each of the countries in which it operates. In particular, the Company verified that the salary paid on 31 December 2024 was equal to or greater than the **adequate wage** in accordance with the provisions of the Wageindicator framework. This commitment translates into a fair remuneration policy that meets regulatory and market standards and ensures economic conditions that meet the criteria of fairness and sustainability.

S1-11: Social protection

100%
of employees receive an
adequate salary

The Group is committed to ensuring compliance with social protection standards by providing coverage for key events in working life, such as illness, unemployment, work-related injuries, parental leave and retirement. All Group companies fully comply with the social security requirements set by local laws, ensuring regulatory compliance in all countries in which the Group operates.

Policies regarding parental leave are adopted globally and are in line with local requirements. In terms of pension schemes, most employees are covered by statutory systems or company programs.

With the exception of some regions, these protections apply uniformly to all employees in all companies. In Argentina and Brazil, in particular, unemployment is not guaranteed from the moment the employee leaves the undertaking.

In North America there is no guaranteed protection against loss of income due to illness, and in the US there is no guaranteed pension coverage. It should be noted that the regulatory framework and social protection systems in North America[52] differ from those in other regions, which may result in differences in coverage for specific categories such as seasonal, temporary and trainee workers.

However, the Group is committed to ensuring that key protections, such as those against work-related injuries and unemployment, are applied consistently across all companies, providing a reliable safety net for employees in order to monitor and harmonize social protection policies, while respecting local regulations and cultural differences.

[52] The term "North America" includes both the USA and Canada.

S1-12: Persons with disabilities

In 2024, the **Global Recruitment Policy** has been updated at a global level, with the aim of ensuring that selection processes are inclusive and embrace diversity in its multiple dimensions. To achieve this goal, training activities were planned globally for all employees tasked with **Talent Acquisition** activities. As far as the Italian perimeter is concerned, a partnership is planned with an association that promotes the inclusion of people with disabilities, through the launch of a recruitment campaign for the inclusion of some resources in internships, accompanying them on a training and work path.

Persons with disabilities	Number of persons	% of total employees
Male	18	0.50%
Female	27	0.76%
Other	0	0%
Total	**45**	**1.26%**

S1-13: Training and skills development metrics

With a view to promoting the growth of people in the Company, in 2024 the activities to train and develop talents and the project to design a **Talent Management** system at global level continued. As part of its own Ferragamo **Excellence Model**, the Parent company identifies new key skills divided into Core Skills and Managerial Skills, to be enhanced for each employee. Core Skills are key for all employees and enable them to achieve high levels of performance and quality, as well as promptly address issues and problems as they arise, by working in teams and exploring new ideas and solutions. For top and middle managers, the Group has identified additional skills aimed at understanding the elements that are crucial to the creation of corporate value and at improving competitiveness over time, inspiring enthusiasm and a passion for work and excellence in other people.

Ferragamo Excellence Model

Throughout 2024, Salvatore Ferragamo S.p.A. has implemented a series of initiatives focused on increasing the level of attention and awareness on compliance-related issues through dedicated training. The courses primarily covered topics such as anti-corruption, whistleblowing, the protection of IP rights and risks related to the violation of IP rights of third parties. The assignment of the relevant digital learning modules in the induction phase for new hires was followed by global awareness campaigns.

The Group has also launched a cybersecurity and personal data protection training campaign, which is mandatory for all new employees. In particular, starting in 2021, the Group has introduced a multi-year **Cybersecurity Awareness program** through the Proofpoint platform, aimed at raising employee awareness on how to recognize suspicious situations and providing clear guidance on the process to fol-

low in case of potential threats. In 2023, the program was customized for different categories of users, including targeted anti-phishing campaigns. In 2024, the program was expanded to include "Security by Design" classroom courses for IT personnel, with special attention paid to system administrators, to strengthen security from the design phase of enterprise systems.

Moreover, the "**Enterprise Artificial Intelligence**" Project was launched in 2024 with the aim of verifying compliance with the AI Act and developing a strategic road map to ensure effective governance and responsible management of the risks related to Artificial Intelligence. The project involves the definition of guidelines and policies for the ethical use of AI, the implementation of an adequate governance model, the planning of a Governance Model, the development of operating procedures and the creation of training courses to support the adoption of GenAI.

Course delivery was made more seamless thanks to the use of a platform (**iLearn**), for both corporate and retail staff.

In 2024, Ferragamo further enhanced the **FLAME** training program, with a strategic focus on conversion rate and customer experience optimization. The aim was to make Client Advisors and Store Managers more aware of their role in the sales process and provide them with concrete tools to turn every interaction with the customer into a conversion opportunity, without compromising service excellence.
In this context, **Synch** was introduced, an innovative program designed to identify and refine the key behaviors that positively impact conversion rates while ensuring an exclusive and sophisticated boutique experience.
The program was divided into two different processes:

- Client Advisor: focus on sales skills, with particular emphasis on the ability to converse with the customer, understand their needs, handle objections and confidently guide them through the purchasing process.
- Store Manager: focus on strategic coaching with tools to observe, analyze and help the team maximize conversions through constant feedback and situational leadership.

At the same time, **NEX – New Employee Experience** was launched, a structured onboarding program designed to guide new hires through their first few months with the Company. The course, which takes 8-12 weeks depending on the store, combines self-training on iLearn with regular meetings with the relevant superior.

The program includes approximately 70 digital learning modules covering fundamental topics such as brand awareness, product, service excellence, compliance and retail operations. A touch base is scheduled with the Store Manager every 30 days to monitor progress and provide support.

To support the development of managers, the **Instore Monitoring Program** continued, with monthly personalized coaching sessions for the Store Managers of some 190 boutiques worldwide. The program has a dual objective: to strengthen leadership skills and improve sales performance, through in-store observation, role-playing and best practice sharing.

In collaboration with the Merchandising team, the training content on seasonal collections was enhanced with a more engaging storytelling approach. Narrative elements have been introduced to highlight the brand's creative inspirations, craftsmanship and values, along with more synthetic and intuitive materials to facilitate learning. To make the training more dynamic, interactive tools such as videos, infographics and quizzes have been included.

Finally, training courses have been developed to support special projects such as:

Handbag MTO (Made to Order)
focus on customization, with tools to guide the customer in the creation of a unique product.

Silver Collection
an in-depth look at the characteristics of the silver collection, focusing on design, symbolic value and positioning.

Secret Watch
training to communicate the innovation and exclusivity of this sophisticated watch.

Thanks to these interventions, Ferragamo strengthened the synergy between the boutique teams, fostering a continuous learning environment that improves the customer experience and consolidates the brand's position in the luxury sector.

As part of the training initiatives, the Sustainability Team, in collaboration with the Human Resources Team, launched "**Sustainability Pills**" in 2023, a program of six digital modules to engage employees in the macro-topics of sustainability and the Company's sustainable strategy, and in 2024, the **Circularity Hackathon**, for which please refer to section *E5-3*. The first program, provided by a specialized partner, was made available on the Corporate iLearn platform to be extended to all regions. Moreover, a workshop was organized in 2024 with an external partner to strengthen the internal culture around biodiversity and to gather concrete insights on how to further integrate biodiversity into the Company's strategy.

In 2024, the new **Talent Management principles** and processes were defined at a global level, to assess the capabilities and growth potential of talent in a coherent, structured and effective way and plan their development within the Group, ensuring the long-term sustainability of the organization. The implementation of this process saw the definition, at a global level, of the key elements that are part of the talent assessment process, a new calendar of dates dedicated to discussing performance and development, a common and coherent evaluation scale, a **Talent Review Matrix model**, the principles and models for the individual development plan. The new process aims to strengthen individual and team performance, promote an organizational culture of development and feedback, create succession plans for key positions and contribute to the culture of co-responsibility at different levels in the development of career paths.

People Manager Program

In 2024, the Group completed the design of the **People Manager Program**, a global development program for all office and retail people managers. The initiative was created to enhance management and leadership skills, provide concrete tools for effective team management, and promote a culture of growth and development within the organization. The program features an interactive and practical approach that combines training, mentoring, and experiential activities to ensure a tangible impact on management skills and the ability to meet the challenges of a constantly evolving environment. To support this initiative, the first Train-the-

Trainer Program was launched, which enabled the training of 15 internal trainers in Corporate HQ and EMEA areas. This peer-to-peer learning model allows knowledge to be shared widely, helping to consolidate a coherent managerial culture and strengthen the engagement and retention of internal talent.

The program rollout will start with the first groups in EMEA and HQ Italy, scheduled for February and March 2025. To ensure effective global expansion, a new edition of the Train-the-Trainer program for internal trainers from other regions is already planned for the beginning of 2026, enabling homogeneous and widespread implementation of the managerial development path. Looking to the future, the People Manager Program will represent a strategic pillar for the development of leadership skills, with a direct impact on the growth of teams and the improvement of company performance at a global level.

The renewal of the supplementary agreement to the National Collective Labor Agreement envisaged, among other things, the extension of the performance assessment process to all employees and for all levels within the organization, in order to increase engagement and to make everyone feel part of the corporate goals and results. This **management-by-objectives** review is carried out regularly every year and is based on three of Salvatore Ferragamo S.p.A.'s distinctive skills: initiative, results orientation and customer orientation.

The outcome of this assessment makes it possible to further increase the value of the bonus for the individual, while recognizing individual performance. In addition, in 2024, work continued on the consolidation of performance assessment programs in the retail sector. In particular, the "**continuous feedback**" process between managers and employees continued through the use of the Company's retail performance management system (known as Bright) which was designed to stimulate discussion and support development and internal growth opportunities for our retail personnel.

This system can also be used to calculate the annual bonuses for eligible individuals (typically store managers). Specifically, Bright allows managers and teams to interact in a structured way, turning the review moment into an opportunity for ongoing discussion with three feedback moments scheduled throughout the year.

The tool is designed to:

- Give and receive feedback on a regular basis, improving the quality of communication between managers and employees.
- Monitor individual progress and identify areas of development and opportunities for growth.
- Enhance merit and recognition by supporting a skill and performance-based approach



In terms of incentives, the "**Champion's League**" program was also confirmed, aimed at top performers, to reward and incentivize those who contributed most through individual performance to the achievement of business objectives. Finally, in 2024 the Talent Review process was extended to all managerial positions in both corporate and retail areas, strengthening career development. In fact, **98% of employees received a performance review in 2024**.

98% of employees Performance Assessed

100% of Top Management Performance Assessed

Employees performance review

	2024			
	Number of employees subject to performance reviews	Number of performance reviews	Number of employees	Percentage of employees subject to performance reviews
Top Management	82	82	82	100.00%
Middle Management	594	1,479	595	99.66%
White Collar	2,543	8,384	2,586	98.30%
Blue Collar	321	747	322	99.69%
Total	**3,540**	**10,692**	**3,585**	**98.69%**

	2023		
	Number of performance reviews	Number of employees	Percentage of employees subject to performance reviews
Management[53]	689	691	99.71%
White Collar	2,637	2,681	98.36%
Blue Collar	303	305	99.67%
Total	**3,629**	**3,677**	**98.72%**

[53] The previous report did not include breakdown by Top and Middle management; therefore, the figure for 2023 does not show this breakdown.

	2024			
	Number of employees subject to performance reviews	Number of performance reviews	Number of employees	Percentage of employees subject to performance reviews
Female	2,297	7,091	2,324	99%
Male	1,242	3,597	1,260	98%
Other	0	0	0	0%
Not reported	1	4	1	0%
Total	**3,540**	**10,692**	**3,585**	**99%**

	2023		
	Number of performance reviews	Number of employees	Percentage of employees subject to performance reviews
Female	2,364	2,388	99%
Male	1,266	1,289	98%
Other	0	0	0%
Not reported	0	0	0%
Total	**3,630**	**3,677**	**99%**

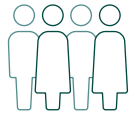
2024	Number of training hours					Average training hours				
	Female	Male	Other	Not reported	Total	Female	Male	Other	Not reported	Total
Top Management	414	502	0	0	916	10	12	0	0	11
Middle Management	11,523	5,260	0	0	16,783	31	23	0	0	28
White Collar	61,607	23,560	29	0	85,197	34	30	0	0	33
Blue Collar	940	1,869	0	0	2,809	8	9	0	0	9
Total	**74,485**	**31,190**	**29**	**0**	**105,705**	**32**	**25**	**0**	**0**	**29**

2023	Average training hours				
	Female	Male	Other	Not reported	Total
Management[54]	27	22	0	0	25
White Collar	35	31	0	0	34
Blue Collar	9	10	0	0	9
Total	**33**	**26**	**0**	**0**	**31**

[54] The previous report did not include breakdown by Top and Middle management; therefore, the figure for 2023 does not show this breakdown.

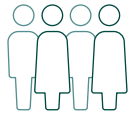
- Employees who participated in performance reviews, broken down by professional category

Top Management



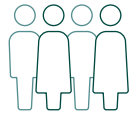
82 su 82 = 100%

Middle Management



594 su 595 = 99,66%

White Collar



2.543 su 2.586 = 98,30%

Blue Collar



321 su 322 = 99,69%

- Employees who participated in performance reviews, broken down by gender

Uomini



1.242 su 1.260 = 98%

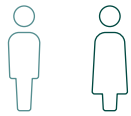
Donne



2.297 su 1.2.324 = 99%

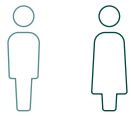
- Training hours broken down by professional category and gender

Top Management (**916** ore totali)



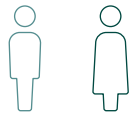
502 **414**

Middle Management (**16.783** ore totali)



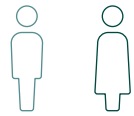
5.260 **11.523**

White Collar (**85.197** ore totali)



23.560 **61.607**

Blue Collar (**2.809** ore totali)



1.869 **940**

S1-14: Health and safety metrics

Protecting and safeguarding human resources takes the form of guaranteeing high occupational health and safety standards. For this reason, the Group makes available human, practical and economic resources and assets, which are needed to achieve the improvement goals in the field of occupational health and safety and as an integral part of its activity and strategic commitment. At the corporate level, Salvatore Ferragamo S.p.A. has a dedicated **Global Health and Safety, Energy and Environmental Efficiency (HSE)** function, which is responsible for ensuring a safe and regulatory compliant working environment.

The team is responsible for defining, updating and sharing the **Management System Guidelines - HSE & Energy** for the Italian scope and then sharing them with the foreign offices. These guidelines are drawn up with the aim of disseminating throughout the whole Group a significant level of awareness about health and security, environmental protection and increased energy efficiency. These standards and principles establish the roles and responsibilities of the main regional stakeholders involved and the priorities for intervention in the compliance area for Europe, supporting colleagues in the Region in defining the needs for dedicated tools and economic resources. In 2022, a project was launched with the foreign Regions that involved the identification of local HSE contacts, the creation of a register of applicable HSE laws for each country, the completion of a self-assessment questionnaire by each local contact and the subsequent drafting of a gap analysis.

This project continued in 2024 with the implementation of an action plan, identified on the basis of the gap analyses carried out for each country. Lastly, the HSE team manages monitoring and reporting activities for Italy, maintaining relations with the Italian workers' safety representatives. In Italy, the Company has been implementing for some years now a **Safety Management System (SMS)** that defines the methods for identifying, within the Company's organizational structure, the responsibilities, procedures, processes and resources for implementing the Company's prevention policy, in compliance with current health and safety regulations. The aim of the occupational health and safety management system is to:

- ensure compliance with all applicable legal requirements with the aim, where possible, of achieving improved safety standards;
- reduce or eliminate work-related injuries and ill health cases;
- improve risk management;
- promote continuous and effective communication between the Company and workers through specific operational methods, such as document sharing, information, training and awareness-raising activities;
- improve monitoring of the level of control of residual risk in order to further minimize it through continuous improvement actions.

In addition, a specific risk assessment has been completed for several stores in the EMEA Region, which illustrates all possible risks to the health and safety of employees. The aim is to complete the risk assessment with a matrix describing the level of severity of damage and the probability of danger.

Since 2017 Salvatore Ferragamo S.p.A. decided to undertake the process of certifying its management system according to the internationally recognized ISO 45001 standard, which sets out the requirements for implementing an occupational health and safety management system. Also in 2024, the Group once again successfully passed the annual audit to maintain the certification, which is valid for 100% of Salvatore Ferragamo S.p.A.'s workers.

ISO 45001

ISO 45001 certification is the international standard for occupational health and safety (OHS) management, demonstrating an organization's commitment to protecting health and safety. The process includes identifying and assessing risks and hazards, defining action plans with measurable objectives, and integrating measures for emergency management. Additionally, it requires continuous monitoring of progress in risk reduction and prevention, as well as regular internal inspections to verify compliance and improve the system.

During 2024, with regard to the Company's Italian business operations, following an audit process Salvatore Ferragamo S.p.A. confirmed the obtainment of the **SA8000** social responsibility certification, the main social certification standard based on the **Universal Declaration of Human Rights, ILO Convention**s, international human rights laws and national labor laws. The standard encourages organizations to develop, maintain and implement practices that include respect for human and workers' rights, protection against child exploitation and guarantees for occupational health and safety.

Although the Group does not carry out any activities that pose a high risk to health and safety, it has taken steps, in Italy and throughout the world, to ensure the highest standards of occupational safety by identifying and assessing possible emergencies that may occur during its activities in the various offices in order to ensure that the impacts on occupational health and safety and any damage to facilities are properly identified and addressed.

Guarantee of the **highest safety standards**

In Italy, the identification and assessment of risks related to occupational health and safety is part of the **Risk Assessment Document (RAD)**. This document is drawn up by the Employer (E) in collaboration with the Health and Safety Officer (HSO), checked by the Occupational Health Specialist (OHS) and brought to the attention of the Workers' Safety Representatives (WSR), in order to highlight the seriousness and probability of occurrence of specific risk events for each individual role and activity carried out by employees.

Furthermore, in order to ensure greater monitoring of the level of occupational health and safety, in Italy control and audit activities are carried out periodically for Group stores. In relation to potential accidents and emergency situations, Salvatore Ferragamo S.p.A. has drawn up a **Management Procedure for preparing for and responding to emergencies**, in order to describe the operational procedures implemented to prevent and/or manage accidents in the best possible way and to reduce the risk of injuries resulting from such situations.

The prevention and mitigation of health and safety impacts, for foreign Regions, primarily consists of medical checks conducted annually and of a constant line of communication with the Human Resources and Operations functions which, where possible, is managed through specific controls. Efforts to monitor employee injury rates continued during 2024. During the year, there were 39 cases of injuries among employees, 17 less than in 2023, while no injuries occurred among external collaborators. None of the injuries that occurred resulted in the loss of life, in line with 2023. As far as health and safety are concerned, Employees benefit from training programs tailored to their role profiles and risk levels and receive general occupational safety training in line with legal requirements. For those who fall into a higher risk category, i.e., employees in warehouses, Modelleria, Manovia, logistics departments etc., additional training hours are provided for the use of specific machinery and equipment.

The awareness campaign on corporate safety and well-being, launched by the HSE team in 2022 and aimed at all employees in Italy, continued in 2023 and further consolidated in 2024. Using new communication methods, employees continued to explore safety through interactive and fun activities. Salvatore Ferragamo S.p.A. has also strengthened its awareness and information initiatives for suppliers, contractors and external visitors, actively involving them in the management and reduction of health and safety risks in the workplace. To this end, specific documents have been prepared for the identification, assessment and control of risks arising from the activities of third parties in the Company (interference risks).

Globally, the Group continues to ensure that all employees are trained in accordance with local regulations.

In 2024, the commitment to safety and well-being took the form of workshops and meetings dedicated to mental and physical well-being, with a focus on stress management and the promotion of healthy habits. In particular, the **HSE Day** on 8 May 2024 was attended by around **550 employees** and was characterized by various free activities. These included two workshops on the relationship between diet and health, accompanied by individual nutrition counseling sessions, bioelectrical impedance analysis sessions to measure body composition and a "Save the Life" first aid workshop on anti-choking and BLS techniques.
Moreover, a cardiology campaign called "Listen to your heart" was promoted with resting ECGs to promote prevention and cardiovascular well-being.

HSE Day
for **550** employees

2024	Employees	Non-employee workers
Percentage of own workers covered by the health and safety management system	99.6%	50.3%
Number of deaths due to work-related injuries and ill health	0	0
Number of recordable work-related injuries	39	0
Rate of recordable work-related injuries	5.96	0
2024	**Employees**	**Non-employee workers**
Number of recordable cases of work-related ill health	18	0
Number of days lost due to work-related injuries and fatalities due to work-related injuries	776,50	0

S1-16: Remuneration metrics (pay gap and total remuneration)

Salvatore Ferragamo S.p.A. adopts remuneration policies geared towards recognizing the individual contribution of its people and business results, according to the principles of equality, equal opportunity and merit. To ensure competitiveness in the market, for some years now the Group has been implementing a remuneration system differentiated for the various professional categories, which also includes economic incentives contingent on individual and company performance goals aimed at promoting a sense of belonging and teamwork. The Group adopts collective bargaining agreements for all its employees in all the countries in which it operates. These agreements, together with the laws in force, also regulate remuneration as well as the minimum notice periods for significant operational changes. Where not available, the Group offers employment contracts in accordance with current local regulations in force.

To date, several evaluation systems have been implemented:

- the "Bright" system used for evaluating the individual performance of all retail store staff;
- the "Short-term incentive" system dedicated to the Chief Executive Officer, Top Management and a wide staff base;
- local systems, such as the productivity bonus in Italy or "profit sharing" systems.

For additional details, please refer to section *ESRS 2 GOV-3*.

To promote diversity and inclusion within the Company, Salvatore Ferragamo S.p.A. has created a dashboard for HR managers in the various regions to monitor compliance with the **Gender Pay Gap**. The dashboard cross-references the average salaries and the "banding" of the specific role and is a key tool in the calculation of the Adjusted Pay Gap and it represents a precursory activity to salary reviews in order to reduce the gap identified for equal work. The adjusted figure, as previously reported, is made available in the Company's Remuneration Report. For additional details, please refer to section *S1-4*.

In order to develop merit reviews that are consistent with the various markets, the Group promotes the acquisition of remuneration databases beneficial for understanding its positioning with respect to the local market and defining realignment interventions as regards the weight of the role held, taking into account the yearly performance. At the retail level, employees are granted incentives linked to store and individual performance or, in the case of managers and depending on the location, an annual bonus based on a series of KPIs achieved (so-called "Bright"). In the finalization of **the performance bonus indicators**, training was provided to the heads of offices and operational departments, aimed at improving meetings with their resources in relation to the evaluation of business skills.

The goal of the training was to promote a culture of feedback at all levels and to achieve a more balanced distribution of assessments, giving greater recognition to the best performing resources. With respect to the indicators that contribute to the definition of the performance bonus, the one focused on participation in safety training was achieved by the majority of employees, demonstrating the strong commitment to this issue on their part. In addition, the employee registry was updated to include data on family dependents, making it possible to take advantage of tax breaks according to current legislation in force, from lower taxation for recipients of "**fringe benefits**" to the use of shopping vouchers (groceries, fuel, etc.) for those entitled to receive corporate welfare.

Basic salary	Ratio of male to female 2024[55]						
	Parent company	Europe	North America	Central and South America	Asia Pacific	Japan	Total
Top management	39%	-	(3%)	8%	33%	41%	31%
Middle Management	13%	9%	4%	2%	(1%)	3%	9%
White Collar	15%	(7%)	(13%)	(14%)	8%	5%	9%
Blue Collar	11%	11%	6%	(19%)	7%	-	2%
Total	**32%**	**3%**	**(14%)**	**(6%)**	**12%**	**17%**	**21%**

Total remuneration	Ratio of male to female 2024[55]						
	Parent company	Europe	North America	Central and South America	Asia Pacific	Japan	Total
Top management	52%	-	(10%)	12%	36%	45%	43%
Middle Management	13%	10%	5%	3%	(3%)	0%	9%
White Collar	16%	(7%)	(14%)	(15%)	8%	4%	8%
Blue Collar	11%	11%	6%	(18%)	7%	-	2%
Total	**40%**	**5%**	**(16%)**	**(4%)**	**13%**	**17%**	**25%**

	2024	2023
Ratio between highest annual direct remuneration and median value	77.75[56]	155

[55] The values are based on average salaries paid and were recalculated using the purchasing power parity (PPP) rate and IMF (World Economic Outlook).
[56] Remuneration data was restated using the Purchasing Power Parity (PPP) rate and IMF (World Economic Outlook). The "2024 Annual Direct Remuneration Report" takes into consideration the gross annual remuneration, the annual variable bonus (STI), the Restricted Shares and the non-monetary benefits. (The 2023 figure did not consider the benefits in kind and the Restricted Shares for the CEO). Therefore, extraordinary or non-comparable elements of remuneration have not been taken into account, such as, for example, the long-term plans component (in cash or equity) whose fair value is shown in the "Share-based payments" section for the Chief Executive Officer and Group key personnel assigned in the first cycle of the "Performance and Restricted Shares 2023-2025" Plan.

S1-17: Incidents, complaints and severe human rights impacts

Salvatore Ferragamo S.p.A. recognizes the importance of protecting human rights within its organization and throughout its supply chain, and is actively committed to preventing any form of violation, including instances of discrimination and harassment. To ensure a safe, fair and respectful work environment, the Group applies a rigorous Whistleblowing Policy that provides a safe channel for employees and external stakeholders to report violations, while respecting the confidentiality and protection of whistleblowers. Details regarding this policy can be found in section S1-3.

The Group has also adopted its own **Modern Slavery Statement** aimed at ensuring the prevention of any form of "modern slavery, forced labor and human trafficking" within the Company and its supply chain, as required by the UK Modern Slavery Act 2015 - Section 54, the California Transparency in Supply Chains Act of 2010 (SB 657), the Australian Modern Slavery Act (No. 153) 2018 and the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023. For more information, please refer to the document published on the Ferragamo Group website.

In line with its principles of responsibility and transparency, the Group constantly monitors work-related incidents and cases of serious impact on human rights.

In 2024, there were no cases of work-related incidents or serious impacts on human rights within our own workforce. In any case, the Group is also committed to actively opposing any form of discrimination based on gender, race, ethnic origin, nationality, religion, personal beliefs, disability, age, sexual orientation or any other factor, promoting a corporate culture based on inclusion and respect for fundamental rights.



S2 - WORKERS IN THE VALUE CHAIN

S2-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

In its double materiality process, the Group has identified the following impacts related to the workers in the value chain:

- Inadequate working conditions and wages along the supply chain, with negative impacts, in particular, for the workers employed by manufacturers under contract with the Group
- Violations of human rights along the value chain (for example the right to freedom of association and collective bargaining, child labor, forced or compulsory labor)
- Insufficient measures to prevent discrimination or violence along the value chain
- Non-compliance with applicable laws and regulations and voluntary social and governance codes along the supply chain.

These impacts are not the result of the Company's strategy, but are inherent to the sector in which Salvatore Ferragamo S.p.A. operates. Identifying these impacts makes it easier to adjust the Company's strategy to address the negative externalities associated with its operations.

The risks identified in this area refer to human rights violations and forced or compulsory labor along the value chain due to unethical practices of business partners.

Salvatore Ferragamo S.p.A. considered the employees of its suppliers and business partners in the process of identifying impacts, risks and opportunities for workers in the value chain. The definition of impacts, risks and opportunities did not limit these elements to specific categories of workers; however, there are explicit references to the most vulnerable workers and to generalized impacts, such as forced and child labor. These impacts are not the result of individual incidents, but are related to potential violations. The most relevant category of workers is related to those who work in the value chain, upstream of the Company (for example, those involved in the extraction of metals or minerals or in the collection of raw materials, in refining, manufacturing or other forms of processing) and downstream of the Company (for example, those involved in logistics, or distributors, affiliates, retailers). The geographical areas and goods considered were not explicitly mentioned in the impact assessment. However, the Group recognizes that the Luxury and Fashion sector could face issues related to the raw materials used, as well as their cultivation or breeding in non-EU regions that lack adequate regulations for the protection of workers.

No specific activities have been undertaken to identify how workers with certain characteristics, working in certain contexts or performing certain activities may be more exposed to risks. However, Salvatore Ferragamo S.p.A. conducts periodic audits to verify that these cases do not occur for any type of worker.

S2-1: Policies related to value chain workers

Salvatore Ferragamo S.p.A. is a signatory of the **United Nations Global Compact**, the world's largest strategic corporate citizenship initiative, which provides a universal language for social responsibility and helps organizations to operate responsibly and make strategic choices to advance internationally shared social goals. By joining the Global Compact, companies pledge to uphold the **Conventions of the International Labor Organization (ILO)** for the fight against forced and child labor.

In addition to the policies already listed in section ESRS S1-1: Policies related to own workforce, the Group has a **Supplier Code of Conduct** that establishes ethical principles and rules of behavior for suppliers, promoting transparency, respect for human rights and environmental protection. This Code includes provisions on business ethics, child labor, non-discrimination, health and safety, and environmental management.

The suppliers must sign an acceptance form and comply with the established rules. The Group reserves the right to monitor and manage any non-compliance. Violations can be reported to the Group's Ethics Committee, which ensures effective monitoring of compliance with the established rules.

The Group has also implemented additional policies to prevent any violations. **The Policy against child labor**, for example, aims to formalize Salvatore Ferragamo S.p.A.'s commitment to combating child labor, in line with the Sustainability Policy, to prevent minors from being exposed to situations that are risky or harmful to their development and health. This includes verifying age at the time of hire, monitoring the supply chain and taking corrective action if child labor is found.

The Policy applies to all Salvatore Ferragamo S.p.A.'s premises in Italy, including offices and stores, and is addressed to employees, representatives, members of corporate bodies and collaborators who operate in the name and on behalf of the Company. It also applies to the stakeholders for the sections specifically dedicated to them.

The Director of Human Resources, supported by the relevant business functions, is responsible for its application. The Policy refers to various international and national conventions and regulations, including **the UN Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, ILO Conventions 138 and 182, Directive 94/33/EC, the Constitution of the Italian Republic, the National Collective Labor Agreement and the SA8000 Standard**.

The Policy is approved by the Board of Directors of Salvatore Ferragamo S.p.A. and its dissemination to all recipients through the website is encouraged. The Parent company has also obtained SA8000 certification, an international standard that attests to the Group's commitment to corporate social responsibility. This standard includes specific requirements to eliminate the use of child labor and forced or compulsory labor, thereby strengthening the existing internal control and monitoring system.

In 2024, the Group also published its **Responsible Sourcing Commitment**. This policy is designed to support the highest ethical, environmental and social standards and promote responsible purchasing practices throughout the value chain. For additional details, please refer to section *E2-1*.

In support of these commitments, the Group has also adopted the **Modern Slavery Statement**, which describes the measures taken to prevent any form of "modern slavery, forced labor and human trafficking" both within its operations and in the supply chain. This document complies with the regulations of various states, such as the United Kingdom (Modern Slavery Act), California (Transparency in Supply Chains Act), Australia (Modern Slavery Act) and Canada (Fighting Against Forced Labour and Child Labour in Supply Chains Act), demonstrating the Group's commitment to high ethical standards on an international level.

S2-2: Processes for engaging with value chain workers about impacts

The Group constantly monitors the risks related to the violation of labor regulations, with particular attention to the supply chain and procurement model, to ensure high ethical and sustainable development standards. Assessment is made of risks with respect to human rights, child labor, forced and compulsory labor, non-discrimination, freedom of association and collective bargaining, occupational health and safety, working time, remuneration and regularity of working conditions and applied disciplinary practices.

The Group requires its direct suppliers (Tier 1) not to exceed the first level of subcontracting (Tier 2) and directly manages the product development and industrialization phases, including the selection processes and quality and safety controls throughout the production process. In fact, the direct supplier qualification process focuses on technical evaluation, verification of documentation and compliance with various standards to assess whether the supplier is able to meet the Group's requirements in terms of **quality, capacity, financial stability, adherence to ethical principles, compliance with behavioral standards and relevant regulations**. To streamline the supplier qualification process, the Group uses the Ferragamo Link tool to manage information and documents with suppliers. This platform makes it easier to register new suppliers and promotes positive relationships within the supply chain. Direct suppliers are also required to sign a package of documents that includes, in addition to the **Supplier Code of Conduct, the General Terms and Conditions of Purchase, the Animal Welfare Policy, the Group's Restricted Substances List (RSL) and the Technical Performance Requirements**, depending

on the area of activity. Suppliers are also required to sign agreements guaranteeing brand protection and compliance and to provide a list of their subcontractors. The Group's risk assessment analysis of potential human rights violations confirmed a negligible profile on the part of direct service providers and production processes, and a diversified level of risk on the part of subcontractors. In particular, some stages in the processing of the finished product are potentially characterized by higher risk profiles, and the Group focuses on monitoring and prevention processes to mitigate these risks throughout the supply chain.

In order to monitor compliance with the ethical and social standards characterizing its supply chain, the Group carries out **regular audits** of its **direct suppliers** and **sub-suppliers**, assessing their actual compliance with the principles set out in its Code of Conduct. To this end, a risk-based approach is used to prioritize audits based on criteria that consider the level of potential risk.

During these audits, interviews are conducted with both workers and management, and site inspections are conducted to ensure compliance with the required standards. In the event of non-compliance, suppliers are required to implement the necessary actions to prevent, mitigate or resolve the identified issues within agreed time frames.

In the event of serious or repeated violations of the Code, or in the event of lack of collaboration or failure to implement improvement plans, the Group reserves the right to terminate its business relationship with the suppliers involved.

Collaboration with the supply chain is considered essential to achieving high ethical standards and sustainable business development. For this reason, the Group continues to promote awareness-raising and monitoring initiatives throughout the production chain to ensure that the procurement model is appropriate and in line with its values.

The operational responsibility for ensuring that monitoring, awareness-raising and auditing activities are effective and consistent with company objectives is entrusted to the Operations Function, which reports to the Chief Operating Officer.

Moreover, in 2024, a data collection activity was launched with the Group's direct suppliers, both in terms of social data and data related to energy and water consumption, as well as the traceability of their raw materials. The initiative aims to collect detailed information on the consumption of energy, water and chemical substances, as well as on social indicators, in order to deepen the knowledge of the impact of the supply chain and the collection of information relating to the origin of the raw materials used by the Group. Suppliers were involved both directly and through specialized data collection companies, with specific training courses organized to illustrate the use of the dedicated platforms and ensure the correct filling of the information required. The activities include the annual involvement of suppliers to contribute to the data collection, while the monitoring activities are continuous to ensure constant control of compliance with the standards.

The management of this process is entrusted to the Sustainability Function, which operates under the direction of the Chief Transformation & Sustainability Officer, ensuring continuous alignment with the Group's strategic sustainability goals.

Supplier Engagement on Leather Traceability

In 2024, the Group's strategic tanneries were actively involved in a traceability project aimed at identifying the country of origin of the main leathers purchased. Data was collected through a dedicated platform, where suppliers were required to declare all supply chain steps, starting from the delivery notes of the order to the country where the animals were raised. Additionally, 33% of the tanneries underwent audits to verify the accuracy and reliability of the data provided. All audits had positive outcomes, and the full cooperation of the supply chain confirmed a high level of maturity on this issue..

S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns

The monitoring of compliance with the Supplier Code of Conduct is carried out according to the **main ethical and social audit standards**, with the support of a specialized company, and includes both **desktop audits** and **on-site inspections** at the suppliers' production sites.

During these activities, the Group also verifies that the Supplier Code of Conduct has been distributed to employees by the supplier companies, ensuring that the principles and rules of conduct have been effectively communicated throughout the supply chain and that workers are aware of the existence of dedicated structures and processes to report and receive support for critical issues or needs.

Based on the results of the audits carried out, in case of non-compliance with the provisions of the Code, the addressees are obliged to implement the actions required to adjust their activities and operations in order to remove, prevent or mitigate the identified non-compliance. The plan envisages specific actions to be implemented within agreed deadlines or suggestions for improvement activities. The activity is monitored through **follow-ups** with suppliers to ensure effective implementation of the requirements necessary to ensure compliance.

In the event of serious or repeated violations of the Code, failure to implement the agreed remediation plan or failure to cooperate with monitoring activities, the Group reserves the right to terminate business relations with the suppliers involved.

The Group encourages its suppliers to communicate any requests for information and interpretations on the adoption of the Code of Conduct and has set up specific **channels for sending reports** of alleged or ascertained violations of its provisions. These reports are addressed to the Group's Ethics Committee, which is responsible for carrying out all the necessary investigations to verify their validity and promote any corrective action deemed necessary. For more information on the reporting channels provided, please refer to section *S1-3*.

To further strengthen whistleblower protection, a **web platform** managed by an external company specialized in internal reporting systems was adopted. This solution ensures that the reports cannot be traced, protects the data, and allows access only to the members of the Ethics Committee.

To this end, the Group has adopted and published on its website the Whistleblowing Policy, which describes in detail the measures taken to ensure the protection of whistleblowers and to prevent any retaliation or adverse treatment. For additional details, please refer to section *ESRS S1-3*.

S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The effective implementation of corrective actions is monitored through follow-up activities, which can be conducted on-site or remotely, to verify that the agreed-upon times and methods are being followed.
In addition to what is reported in sections S2-2 and S2-3, **200 audits** were carried out during 2024 on both direct suppliers and sub-suppliers. The non-conformities found were also followed up – 5 on-site and 51 remotely – to verify their resolution. The most significant critical issues that emerged in 2024 related to compliance with the standards provided for by applicable regulations on health, safety and hygiene in the workplace and, to a lesser extent, environmental and integrity issues and compliance with labor conditions and contracts. In 19 cases, significant or repeated violations of the Code by subcontractors led to requests to terminate business relations with direct suppliers.

200 audit
+146% vs. 2023

In 2024, no reports or complaints were received with reference to issues related to human rights or violations of the Supplier Code of Conduct. In no case have critical issues been identified that present real or potential risks related to respect for human rights (e.g. child labor, forced labor, freedom of association and collective bargaining). Recognizing the importance of carefully monitoring its production chain, during 2025, the Group will commit to continuing and increasing this activity, ensuring responsible management of its supply chain in compliance with current regulations in force.

During the year, as in previous years, Salvatore Ferragamo S.p.A. implemented various measures to improve supply chain management and ensure the integration of sustainability principles throughout the production cycle. These include directly engaging the supply chain, collecting primary data on the most impactful materials used, and collecting the ESG data mentioned in previous sections. For further details, please refer to section *E5-2. Actions and resources related to resource use and circular economy.*
Finally, Salvatore Ferragamo S.p.A. has developed an **ESG vendor rating system** to integrate sustainability criteria into supplier assessment. This system, which takes into account environmental, social and governance (ESG) variables, provides a comprehensive assessment of suppliers' sustainability performance. A dedicated checklist was developed in 2024, to be implemented in 2025, to standardize the evaluation process and ensure that suppliers are aligned with the Group's strategic objectives. These actions represent an important step towards strengthening the governance and sustainability of the supply chain, in line with Salvatore Ferragamo S.p.A.'s commitment to responsible and transparent management.

For the resources allocated to the activities, please refer to sections *ESRS E5-2 Actions and resources related to resource use and circular economy and E1-3 Actions and resources in relation to climate change policies.*

S2-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The objective outlined in section *ESRS 2 – SBM-1: Strategy, business model and value chain*, related to the workers in the value chain, is as follows:

ESG building block	ID	Target	Timing
LEADING A RESPONSIBLE VALUE CHAIN	7	Foster value chain transparency and promote collaboration with business partners to develop shared ESG projects	2027

The target set by the Group is an integral part of the 2025-2027 Sustainability Plan with baseline 2024, approved by the Board of Directors on 19 December 2024, which constitutes a fundamental guide for all the Group's sustainability initiatives, highlighting the strong alignment with the United Nations' Sustainable Development Goals (SDGs) and European ESG standards.

Among the main commitments is the intention to improve transparency along the supply chain, encouraging collaborations with suppliers for the development of shared ESG initiatives. These targets cover the entire value chain, with a particular focus on upstream procurement activities, which are considered a key area for reducing environmental and social impacts.

The reference period for achieving the targets extends until 2027, with annual updates and checks to monitor progress and ensure that deadlines are met. The plan includes targeted actions, including an increase in supplier audits, the traceability of raw materials and a structured collection of ESG data from direct and indirect suppliers, which are essential tools to support the transition to more sustainable and responsible production practices.

The target was developed based on a materiality analysis conducted by the Group, involving not only direct and indirect suppliers, but also other strategic stakeholders.

This process has enabled us to accurately identify priorities along the supply chain and to structure targets that effectively address stakeholder expectations and the Group's sustainability commitments.

To ensure results, the Group uses specific KPIs that are updated annually and monitored with periodic checks.

S3 - AFFECTED COMMUNITIES

S3-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Through its double materiality process, the Group has identified a specific impact related to communities and the local area: *Local development support through contributions and donations to associations in the area where the Group is most present.*

Identifying this impact reflects the founding values of Salvatore Ferragamo S.p.A. The Group's strong bond with the **local area,** its **culture** and its **community** has promoted a growing awareness of the need for a genuine and substantial commitment to protect the places where the Group operates and the people who work there.

The main communities of reference for Salvatore Ferragamo S.p.A. are the city of Florence and the surrounding area. However, the Company does not limit itself to supporting only local communities, where it could have a direct impact, but extends its commitment globally.

The activities that have a positive impact on the communities are outlined in the Sustainability Policy, which mentions the Group's social responsibility activities. Salvatore Ferragamo S.p.A. is committed to charitable initiatives that support Italian culture around the world and the health of women, children and vulnerable populations. The Group adopts a governance approach aimed at the effective coordination of these activities at an international level, providing guidelines for all the Group's branches when making donations or contributions of various kinds to charities, foundations and non-profit organizations.

Among the significant opportunities for Salvatore Ferragamo S.p.A., resulting from the impacts on communities, the following aspect has been identified: *Opportunities to improve reputation through targeted social responsibility initiatives and community-focused interventions*.
No specific activities have been undertaken to identify the ways in which particular affected communities living in particular contexts or engaging in particular activities may be more exposed to risks. However, Salvatore Ferragamo S.p.A. specifies that its initiatives are aimed at the most vulnerable categories, in particular women and children, and at the cultural enrichment of society. In identifying the relevant risks and opportunities, Salvatore Ferragamo S.p.A. does not establish a direct link with specific groups of affected communities. However, the Company focuses on the communities where it has the greatest presence, taking into account the context in which it operates and the impact of its activities in these areas.

S3-1: Policies related to affected communities

Salvatore Ferragamo S.p.A. adopts a series of policies aimed at maintaining the highest ethical standards and promoting sustainable business development, while ensuring the proper management of the relevant impacts on the affected communities and the associated risks and opportunities.

Among the policies adopted, the Group has developed the aforementioned Sustainability Policy, which includes a commitment to improve the well-being of the communities in which it operates. In particular, the Group is committed to projects and initiatives that target **women, children and vulnerable populations**, promote social inclusion, support local economies and improve the overall quality of life. Working with NGOs, local governments and other organizations promotes positive social impact and contributes to sustainable development goals. The Group also sponsors numerous cultural events, such as art exhibitions, cinema, music and fashion, which not only promote Italy's creative industries, but also reflect the Group's commitment to the cultural enrichment of society.

Also in the Code of Ethics, as already mentioned in the section on ESRS S1-1: Policies related to own workforce, the Group's inclination towards social responsibility is emphasized. As part of this policy, Salvatore Ferragamo S.p.A. is committed to promoting the economic and civil development of the communities in which it operates, taking into account their needs and promoting collective well-being in accordance with ethical and sustainable values.

Similarly, the Supplier Code of Conduct specifies the Group's commitment to social responsibility and to the economic and civil development of the areas in which it operates, taking into account the needs of the community. In this context, the protection of "Made in Italy" is a fundamental principle of the Group, with particular reference to the safeguarding of the **Italian artisan and creative culture**. Recipients are required to fight against counterfeiting and to guarantee the legitimate use of the "Made in Italy" label on products, committing themselves to contribute to the economic and social prosperity of local communities. The Group encourages recipients to maintain cooperative, fair and transparent relationships with communities and to contribute to employment in the areas where they operate. The Group's suppliers are responsible for ensuring that they comply with the Code and for disseminating it and requiring compliance by their employees, suppliers, external collaborators and other third parties that are part of the Group's supply chain.

All the above-mentioned policies are available in the Download section of the Ferragamo Sustainability Group website, in order to guarantee accessibility to a wide range of audiences so that they can fully understand their implications.

With regard to human rights, the Company implemented a number of specific policies to protect and promote these principles. The compliance with these values is required and promoted both in internal relations and in relations with third parties.

In its Code of Ethics and Sustainability Policy, Salvatore Ferragamo S.p.A. emphasizes the Group's strong commitment to the respect of human rights, in accordance with international and national regulations, such as the United Nations' Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. The Group actively opposes all forms of child labor, forced labor and discrimination based on characteristics such as age, gender, race, nationality, religion, sexual orientation or political affiliation.

Any violations of the Code of Ethics will result in the Company taking action, which will depend on the severity of the violation and will be taken within the limits of the current regulatory framework.

The Group also adopted the Anti-Child Labor Policy, which aims to further formalize its commitment in this area, in line with the Sustainability Policy content, and prevent children from being exposed to situations that may be risky or harmful for their development and physical and mental health, both inside and outside the workplace.

This Policy is intended for all the Group's premises in Italy, including offices and stores, and is addressed to internal parties, including employees, representatives, members of corporate bodies and collaborators who act in the name of and on behalf of Salvatore Ferragamo S.p.A. It also applies to the stakeholders mentioned in the sections specifically dedicated to them. The Policy to combat child labor is approved by the Board of Directors, which promotes its dissemination to all recipients. The latter is also available on the Ferragamo Group Sustainability website.

In this case too, the policy has been drawn up in accordance with the fundamental principles relating to children's rights and the minimum age for work, as recognized by the conventions and regulations in force at national and international level. If the presence of underage workers or child labor is detected, the Company will take prompt corrective action, involving social services and the competent Authorities as necessary.

Finally, founded on the deep-rooted values of **family and community**, the Group defined and adopted a Charity Policy to make several donations to charity initiatives promoting Italy's culture across the world as well as the health of women and children. The purpose of this policy is to provide guidelines for all Group subsidiaries when making donations or contributions of various kinds to charities, foundations and non-profit organizations. This process strengthens governance and introduces a more structured approval process to ensure better coordination of charitable initiatives worldwide.

S3-2: Processes for engaging with affected communities about impacts

The Group is actively engaged in involving affected communities through a series of initiatives in various areas that promote integration, sustainability and stakeholder dialog. One of the key elements of this commitment is to work with **Universities, Schools and Business Schools** to build a direct bridge between the academic and professional worlds.

During 2024, the Group organized over **30 Employer Branding initiatives**, such as company visits, career days, field projects, workshops and lessons with prestigious universities, such as Bocconi University, ESSEC, Università Cattolica, LUISS, IULM and with important fashion schools, such as Polimoda, Accademia Costume e Moda, and Marangoni, not only in Italy but also in Europe. These events have given hundreds of students and recent graduates the opportunity to connect with the Company and its professional ecosystem.



At the same time, the Group actively collaborates with numerous **charitable organizations that support socially relevant causes**, including Meyer, the Ethical Fashion Initiative, Corri la Vita, Trisomia 21 and many others, in order to make a concrete contribution to the well-being of communities and to combine philanthropic commitment with the creation of a positive and lasting impact.

In the fashion sector, the Group enthusiastically participates in collective associations such as **The Fashion Pact, the National Chamber for Italian Fashion and the UN Global Compact**, strengthening its active role in round tables on the topics of sustainability and innovation, with the aim of sharing best practices and developing joint solutions to face the global challenges of the sector.

In addition to these activities, the Group stands out for its **support of the arts and culture**, contributing through donations and strategic partnerships with internationally renowned institutions. Among these, the support for the Fondazione Palazzo Strozzi stands out, an organization of excellence in the Italian and international artistic and musical scene.

Finally, the **Ferragamo Museum** and the **Ferragamo Foundation** are two fundamental pillars through which the Group promotes culture, art and creativity, transmitting the brand's essential values and strengthening a deep and lasting bond with local and global communities. These institutions embody Salvatore Ferragamo S.p.A.'s commitment to preserving and enhancing its cultural heritage, serving as a meeting place for tradition, innovation and social participation. In particular, they preserve and pass on the Company's culture and history while respecting the brand's identity, serving as a place of remembrance in a constant evolution and strengthening the sense of belonging to the brand. At the same time, they spread the corporate culture in the area and in the communities where they operate, collaborating with institutions such as schools, universities, associations and cultural organizations for the training and growth of young people who intend to work in the world of fashion, design and the highest and most artistic forms of **Italian craftsmanship**.

In 2024, both the Museum and the Foundation continued to expand their program of activities, consolidating collaborations and developing new innovative initiatives such as workshops, conferences, and educational projects. The activities are coordinated by the Ferragamo Chair's Office, the Ferragamo Museum, the Ferragamo Foundation, the Sustainability Team, which reports to the Chief Transformation & Sustainability Officer, and the HR team, which reports to the Chief People Officer.

S3-4: Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

UNIVERSITIES AND SCHOOLS

In collaboration with top schools in the luxury sector, **eight field projects** were launched during 2024, including:

1. Partnership with the **Accademia Costume & Moda** for the Master in Leathergoods, a program that combines valuable practical experience with high-level professional studies. Guided by a brief from Creative Team Ferragamo, the international students had seven months to develop a capsule collection of men's leather accessories from scratch. Inspired by Ferragamo's vision in the world of luxury and by a visit to our Museum and historical archives, the students presented their innovative collections to our creative, merchandising and product teams.
2. In collaboration with MAFED (Master in Fashion, Experience & Design Management) of **SDA Bocconi,** the Licensing Department launched a business case to study a brand extension strategy in the Home Interiors business. The final project was presented by 5 international students at Palazzo Spini Feroni, an event attended by the heads of the main Corporate Departments.
3. In collaboration with **Polimoda** and as part of the Master in Shoe Design, of which we are the sole partner, an important initiative to promote young talent took place at our headquarters. The participating students developed a series of capsule collections of men's footwear, demonstrating creativity, innovation and competence in the knowledge of materials. The Ferragamo prototyping team selected one design for each collection and transformed it into concrete prototypes, bringing the students' ideas to life. The



final projects were then presented to Ferragamo's Design, Product and Merchandising teams, who provided valuable feedback and helped to strengthen the participants' technical and creative skills for future challenges. Our brand has also been selected by Polimoda as a partner for the Master in Sustainable Fashion 2024-2025. Ten Polimoda students from around the world, led by design expert Matteo Ward, met with the Sustainability Team for a lesson on our ESG strategy and were accompanied by the Museum Management to discover our founder's innovative use of materials. Over the next few months, the students will develop strategic projects for the Ferragamo brand, the results of which will be presented at a special event in 2025.

4. In 2024, Salvatore Ferragamo S.p.A. collaborated with **Istituto Marangoni** on two academic projects aimed at supporting future talent in the luxury sector. The first project, which will continue until 2025, was aimed at international students of the Postgraduate Master Course in Fashion & Luxury Brand Management and Fashion Buying & Merchandising, and involved 24 participants in strategic product launch proposals based on a careful benchmarking analysis of key competitors in the luxury industry. The second project, dedicated to third-year students of the Fashion Business course at the Paris campus, included a visit to the flagship store on Avenue Montaigne, where participants interacted with the brand's management and gained practical knowledge of how a luxury brand operates.

For the third consecutive year, the Company confirmed its participation in the "**Adopt a school**" project, promoted by **Altagamma**, with the aim of bringing young people from the Florence area closer to the trades revolving around the leather goods sector, in order to raise their awareness of the professional opportunities offered by Made in Italy. The project, carried out in collaboration with the Cellini Tornabuoni Institute in Florence, involved 20 students for this edition. The students followed a training course dedicated to the world of leather goods, which ended with a one-month internship.

In December, the award ceremony of the third edition of the **Wanda Ferragamo scholarship** was held in Florence at Palazzo Spini Feroni, with Chair Leonardo Ferragamo and other members of the Ferragamo family in attendance. Wanda Ferragamo has long believed in investing in young people and providing them with opportunities to grow and challenge themselves, a fundamental value that she has passed on to the Company. To nurture this culture and to

promote research and knowledge development, the Group has decided to establish the Wanda Ferragamo Scholarship. The program awards 5 children of Group's employees with scholarships worth €15,000, to support them in their studies and development of their future professional career.

CONNECTION WITH THE COMMUNITY

The Group pays particular attention to the communities in which it operates, supporting vulnerable communities and the cultural and creative industries through projects that have an impact on society, local economic growth and community well-being.

Health and scientific research

In line with its commitment to protecting the health of women and children, in 2020, an important five-year collaboration project was launched with the **Meyer Foundation** of the **Meyer Children's Hospital in Florence**, an outstanding center for pediatric research and treatment

Collaboration with Meyer Foundation

The initial acquisition of a mass spectrometer, essential for the research activities of the Newborn Screening Laboratory for the study of new diagnostic markers for rare diseases, has allowed, to date, the treatment of over 60,000 newborns in Umbria and Tuscany. The subsequent substantial investment in the clinical development of pediatric cardiology, with the arrival of a high-end echocardiograph and the updating of the MRI, has allowed to perform hundreds of exams each year, improving the quality of the images. The Orthopedic Department at Meyer Children's Hospital has also been equipped with a state-of-the-art machine capable of performing high-resolution scans during complex orthopedic surgeries.

The instrumentation, which combines 2D and 3D functions, has been used in more than 1,000 operations per year. To crown these results, in 2024 Salvatore Ferragamo S.p.A., together with the Bank of Italy, supported the purchase of a neurosurgical operating microscope, which will allow more than one hundred children to be treated every year. This is a sophisticated, next-generation device used to diagnose retinopathy of prematurity, a serious condition that affects the retina of premature infants and can lead to blindness. This instrument is also essential in the diagnosis and follow-up of other important pediatric eye diseases, both tumors, such as retinoblastoma, and hereditary eye diseases.

Moreover, on the occasion of the centennial Celebrations of the **Careggi Hospital** with patients, which began in March 2024 and ended in December 2024, 100 ties and 100 scarves in blue-light blue and white, matching those of the new Careggi Hospital's website and personalized with a special label, were donated for the reception staff. In 2024, a new edition of **Corri la Vita** was held in Florence, a fundraising event aimed at contributing to the creation and update of Florence-based public health facilities specializing in the treatment of breast cancer through psychological support, physical and social rehabilitation, prevention, training, and palliative care. The event – which raised over €900,000 – saw the involvement of the whole region, with routes diversified by degree of difficulty and cultural destinations scattered throughout the city and its surroundings. Salvatore Ferragamo S.p.A. was the main sponsor of the event, donating approximately 38.000 t-shirts.



In 2024, Salvatore Ferragamo S.p.A. supported and played host to numerous groups in its company space In Italy for fundraising initiatives, including: **Fàedèsfa Onlus**, an association that helps children with rare genetic disorders, **AISM, the Italian Multiple Sclerosis Society, the AIRC Foundation for Cancer Research in Italy, and the ATT, the Tuscan Association for Cancer**.
In the United States, there are many health-related charities that raise funds for medical research and patient support. Among the most important initiatives supported by the Group are the Italian **American Cancer Foundation** and the **Breast Cancer Research Foundation**, dedicated to the fight against cancer through research and patient support, and the **American Heart Association,** dedicated to the prevention and treatment of cardiovascular disease.

Arts and Culture
The link with art has always been an integral part of the brand's DNA, and over time the Company has strengthened its commitment to the promotion and protection of artistic and cultural heritage.

Also for 2024, Salvatore Ferragamo S.p.A. contributed to supporting the expenses for the realization of the new Music Auditorium of the **Teatro del Maggio Musicale Fiorentino** and for the organization of operas and concerts as part of the 86th edition of the 2024 Festival.

Palazzo Strozzi Foundation

The contribution benefits from Art Bonus as it is made in support of Italy's public cultural heritage. Moreover, as every year, the Group has contributed to supporting the exhibition activities of the **Palazzo Strozzi Foundation** in Florence, of which it has been a Partner of the Committee since its inception. The exhibitions that were held thanks to the Group's funding were: *Anselm Kiefer. Fallen Angels, DRIFT Shy Society and Helen Frankenthaler. Painting without rules*. Moreover, the three-year support program for the **Istituto Statale del Poggio Imperiale** in Florence came to an end. The program included the conservative restoration of the interiors and furnishings of the Salone delle Feste and five other interiors.

In the United States, arts and culture are also promoted through support for ballet and theater institutions, which contribute to the dissemination and appreciation of artistic expression. Among the most significant initiatives were the **Nevada Ballet Theatre**, which received funds to support dance and the training of new talent, and the **Dallas Theater Center,** which benefited from donations to continue providing quality performances and educational programs for the community. Support was also provided to the **Statue of Liberty – Ellis Island Foundation**, which is dedicated to the preservation and enhancement of Ellis Island, and to the **Museum of Moving Image**, which preserves and celebrates the history of cinema and the visual media.

Professional and training development
Support for professional development goes hand in hand with training and over the years Salvatore Ferragamo S.p.A. has maintained a constant commitment to stimulating various communities, especially young people and women, on an educational and professional level.

For the past three years, the Group has been working with the **Ethical Fashion Initiative** (EFI), a program of the International Trade Centre (ITC), a United Nations agency dedicated to strengthening the artisan cotton supply chain in West Africa that employs primarily female artisan communities.

Collaboration with Ethical Fashion Initiative (EFI)

The goal of the long-term partnership, which includes support from the European Union and its **OACPS Business Friendly Program,** was to build West Africa's first cotton dyeing plant in Ouagadougou, Burkina Faso. The factory, which will be operational in 2026, will strengthen the production capacity of artisans, mainly women, in the dyeing, textile production and marketing of Faso Dan Fani, the traditional cotton fabric of Burkina Faso. The Group's donation was made to EFI's European partner, MANUSA, the Italian social cooperative that employs **14 women, 12 of whom are migrants** and asylum seekers of various nationalities, mainly African, belonging to vulnerable groups. MANUSA supports CABES GIE (Commerce et Artisanat Pour le Bien-Être Social - Groupement d'Intérêt Économique), a social enterprise created by EFI that brings together 91 production companies and 2,400 artisans, mostly women, in Burkina Faso, specialized in the artisanal production of hand-woven Faso Dan Fani. In addition to MANUSA's production of interior decoration items with cotton fabrics produced by CABES, the main services made possible by the Group's donation were the supply of machinery imported from Italy, textile engineering consultancy and additional equipment for the new *1,350 square meter textile dyeing plant.* The plant will produce approximately 24 tons of dyed yarn per year and will create approximately *80 direct and indirect jobs* for weavers, dyed yarn retailers, biomass collectors, transporters and operators, textile technicians and engineers, among others.

In Italy, the activities of the Scuola di Scienze Aziendali e Tecnologie Industriali Piero Baldesi, which facilitates the entry of its students and start-ups into the world of work, were funded in 2024.

In the United States, support for education also included philanthropic initiatives that promote learning and growth opportunities for diverse communities. Among the main organizations supported, the **BayGanda Foundation** stands out for its commitment to education and youth development, providing resources and training programs for students in difficult situations. An important contribution was also made to **Dress for Success**, which helps women enter the world of work through training and career support programs.

Fragile and minority communities
The funds saved by not printing paper Christmas cards for the year 2024 was donated to **Artemisia**, an anti-violence association present throughout Italy, founded in Florence in 1991 and dedicated to combating violence against women, children and adolescents and to promoting and protecting their rights. The support will be used in 2025 to promote the individual freedom of women and children through vouchers for food, medicine, medical check-ups, sports courses and the guarantee of a home to support autonomy and individual rebirth. As every year, the digital greeting card is made available to all Group employees to send greetings to suppliers, customers, friends, family and the press.

Also during the Christmas season, the proceeds from the sale of tickets for the charity raffle held at the Italian headquarters, which offered as prizes the Christmas gifts received from customers and suppliers, made it possible to raise an amount that was doubled with the support of Salvatore Ferragamo S.p.A. and donated in full to the **Trisomia 21 Association**. This association, with which the Group has been working for some time, is dedicated to the support and integration of people with Down's syndrome.

In the United States, community protection and support have been promoted through initiatives aimed at ensuring inclusion, safety and well-being for all. A significant example is **The Lesbian, Gay, Bisexual & Transgender Community Center** in New York, which has received support to continue its work providing resources, services and safe spaces to the LGBTQ+ community. Through programs of psychological support, education, health care, and cultural initiatives, this organization helps to strengthen the rights and well-being of LGBTQ+ people and promotes a more just and inclusive environment. **UNICEF** also received significant support to continue its educational activities for children, ensuring access to education and improving school conditions.

During 2024, there were no human rights incidents involving the affected communities.

FERRAGAMO MUSEUM AND FOUNDATION

Ferragamo Museum

The **Ferragamo Museum** and the **Ferragamo Foundation** work closely together to preserve and promote the historical and cultural heritage of the Ferragamo brand, while at the same time promoting cultural, educational, social and sustainable projects in favor of a wide and diverse audience. Located in the heart of Florence, the **Ferragamo Museum** is dedicated to telling the story of its founder, Salvatore Ferragamo, his art and his innovation, through themed exhibitions and activities that highlight the link between tradition, craftsmanship and innovation. Among the most important exhibition projects in recent years are the exhibition Women in Balance, which ended in 2023, and the *Salvatore Ferragamo 1898-1960* retrospective, which has been extended until 2025 due to its great success. This exhibition traces Ferragamo's pioneering contribution as the "Shoemaker to the stars", celebrates the 100th anniversary of his first store in Hollywood, and highlights his pivotal role in the evolution of Italian design.

The Museum is also deeply committed to promoting educational and inclusive activities. Every year, it collaborates with local and international schools, universities and cultural institutions, as evidenced by the series of conferences organized for the 2023-2024 and 2024-2025 school years, in which over 1,700 students participated on topics such as the role of women in society and the biography of Salvatore Ferragamo. At the same time, the Museum organizes activities for families and children, such as guided tours during events like the *National Family Day* at *the Museum* and the educational program Le *Chiavi della Città*, promoted by the Municipality of Florence, which has allowed hundreds of children to discover the history and values of the brand through interactive educational materials. For

2024/2025, the Museum has also started a collaboration with the *Impara l'arte con il Punto Tavarnelle Academy*, celebrating the historical link with the lacemakers of Tavarnelle Val di Pesa, through activities such as guided tours, screenings and lending of archival shoes.

In terms of inclusivity, the Museum strengthened its commitment by collaborating with the Italian Organization for the Deaf (ENS), organizing guided tours in Italian Sign Language (LIS) for visually impaired and blind visitors, an initiative inaugurated on 17 November 2024 during the *XXIII Settimana della Cultura d'Impresa* event. The Museum also promotes sustainability as a core value, being the first green business museum in Italy with ISO 14064 certification and hosting the exhibition *Sustainable Thinking*, which explores the link between fashion and sustainability. Currently, the Museum continues to digitalize its exhibitions and archives, making them available online through platforms such as Google Arts & Culture.

Ferragamo Foundation

At the same time, the **Ferragamo Foundation** focuses on educational, training and social initiatives, with particular attention to the younger generations, and supports wide-ranging projects that highlight the link between creativity, sustainability and corporate culture. The Foundation organizes guided tours of the company archive and the production department for students, employees, designers and enthusiasts, offering direct immersion in the history and values of Salvatore Ferragamo. In collaboration with Museimpresa and LIUC Heritage Hub, it participates in the ministerial project PCTO A *scuola d'impresa*, which aims to teach Italian high school students about the importance of business heritage and the strategic role of business archives and museums. In this context, the Foundation offers training courses that include the development of digital content, social media campaigns and promotional items to raise young people's awareness of the importance of the link between tradition and innovation.

The Foundation is also a partner of the prestigious *International Talent Support (ITS)*, one of the most important international competitions dedicated to young talent in fashion design and accessories. In 2020, the ITS *Fondazione Ferragamo Award* was created, a prize dedicated to the footwear category, offering the winning designer a contribution of € 7,000.00 to support his or her creative journey. The 2024-2025 edition also includes an exclusive workshop held by Stefania Ricci, director of the Museum, focusing on the application of Ferragamo Heritage to contemporary design.

The Foundation is also dedicated to digitalizing and cataloging the Company's heritage, including historical materials such as footwear, catalogs and advertising campaigns. This process, enriched by restoration projects and the massive importation of historical items, makes our heritage accessible to a global audience, enhancing it as an educational resource.


FERRAGAMO'S
CREATIONS

The main expenses incurred in the implementation of the measures reported in this section are shown in the table below:

Activity	Capex	Opex
Value distributed to the communities[57]		928,994 €

S3-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The objective outlined in section *ESRS 2 – SBM-1: Strategy, business model and value chain*, related to affected communities, is as follows:

ESG building block	ID	Target	Timing
Creating value for global communities	13	Strengthen our positive social impact on local communities around the globe	2027

The objective "Strengthening our positive impact on communities" is an integral part of the 2025-2027 Sustainability Plan, approved by the Board of Directors on 19 December 2024, and is aligned with the United Nations' Sustainable Development Goals (SDGs) and European ESG standards. The target is qualitative in nature and aims to strengthen the Group's positive social impact on local communities around the world. This target covers the Group's direct activities and its involvement in the local communities in which it operates, without geographical limitation.

The baseline is 2024, and the application period extends to 2027, in line with the Sustainability Plan, the progress of which is monitored through the activities described in paragraph S3-4. The methodology used to define the goal is based on an analysis of local community needs and existing social initiatives, using social impact metrics and qualitative evaluation tools. Although the goal is not directly based on specific scientific data, it is structured on the basis of international best practices and reference standards in the field of sustainable development.

The target-setting process involved various stakeholders, including local communities, government agencies, NGOs and business representatives, through consultations and co-design initiatives.

Entity-specific KPI: Made in Italy

Through its process of double materiality assessment, the Group identified an impact that cannot be associated with the ESRS topics and sub-topics, included in the Brand Experience topic:

- Promotion of Made in Italy products, of Italian craftsmanship and creativity, with direct and indirect benefits to the positioning of the Italian industry and its textile/footwear sector in the world.

This positive impact is felt across the board, specifically in its own supply chain, but also in the communities in which it operates and with which it does business. The relationship with these Italian artisans is one of the cornerstones of the business strategy, which aims to promote Made in Italy products through direct support (where they are suppliers) and indirect support (through the positive impact that these artisans have in passing on their know-how and the well-being of the communities in which they operate).

[57] This amount is an integral part of the item "Other operating costs" in the Income Statement of the Consolidated Financial Statements of Salvatore Ferragamo S.p.A.

97%
of suppliers italian

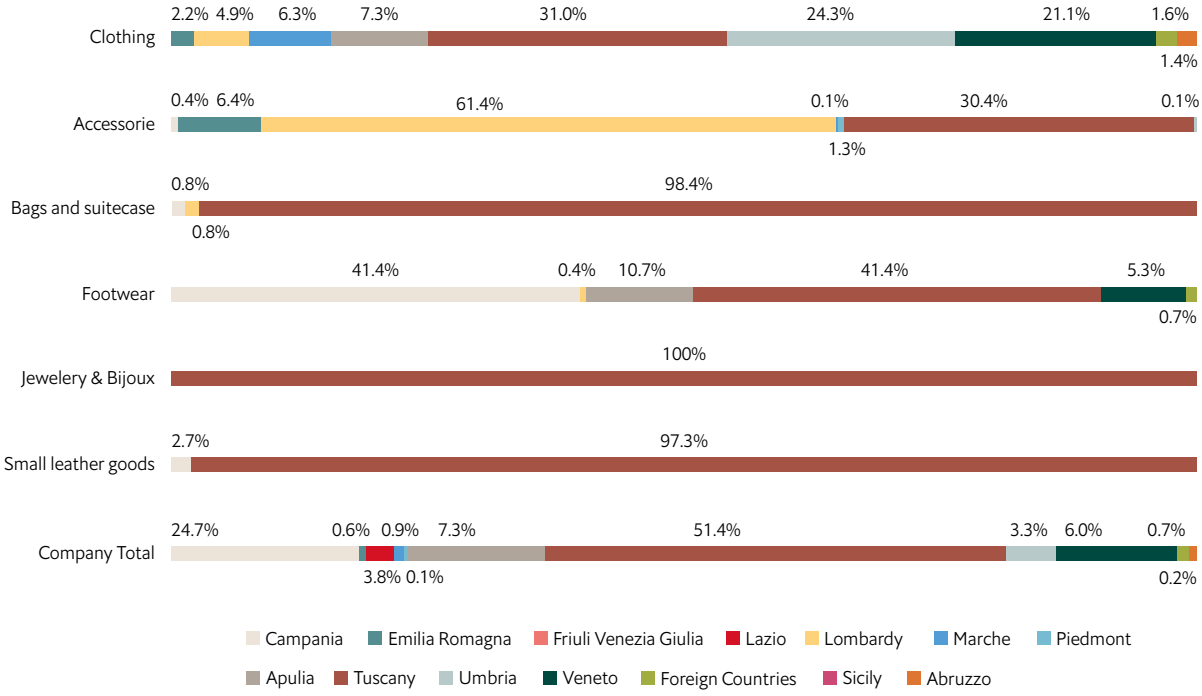
In order to increase this contribution, the Group identified a metric related to the proportion of spending on local suppliers, as it allows us to highlight the network of commercial relationships in Tuscany and Italy that the Group has built up over the years.

The Group relies on a procurement structure with a high level of technical preparation and works with historic companies, with which it has established an ongoing collaboration. In this context, the Group's strong link with the territory remains evident, with approximately 97% of supplier turnover in 2024 generated by Italian suppliers. In this context, Tuscan contract manufacturers accounted for 52.4% of the turnover of finished product processing, while Campanian contract manufacturers accounted for 24.7%; the remaining part is allocated to the other Italian regions[58].

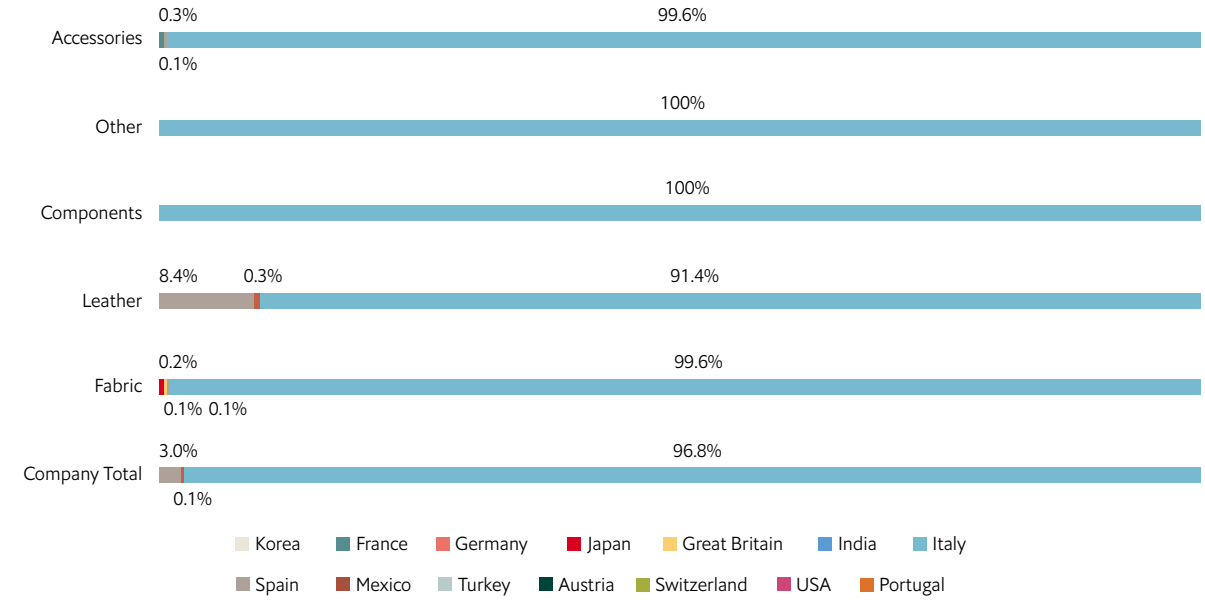


[58] The following methodology was used to calculate the metric presented: the geographical position of local suppliers was considered, then they were clustered by Italian region, defining the total expenditure allocated to each of the clusters. This total was then compared to the total for processing category so as to determine the percentage of expenditure allocated to each region by processing category

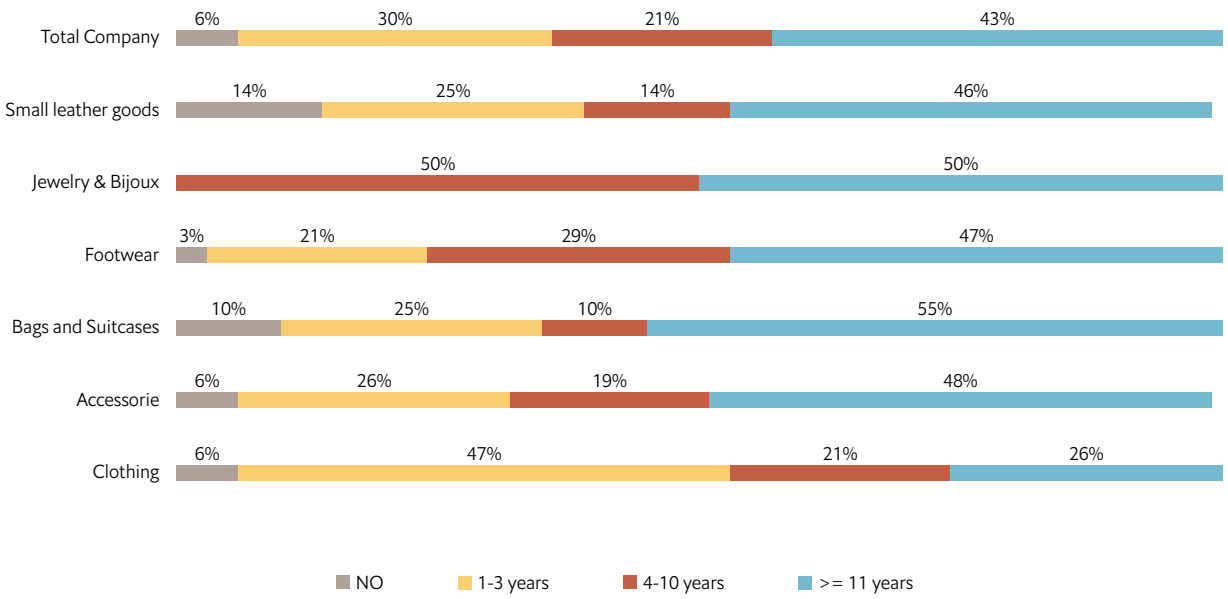
Geographical breakdown of Italian contract manufacturers by sector- 2024



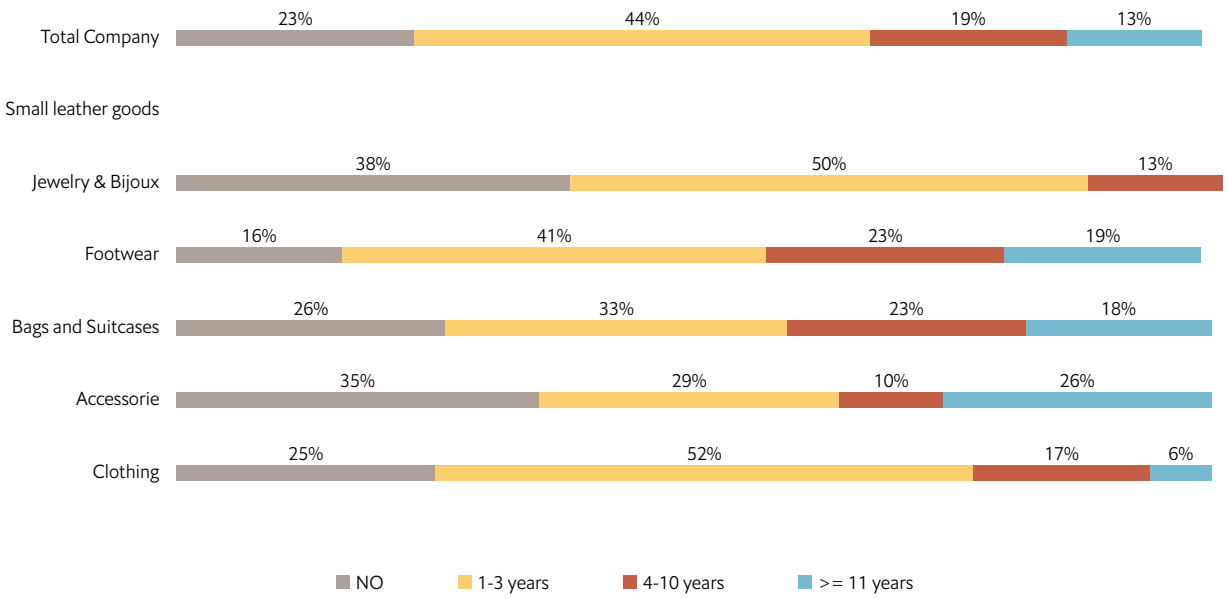
Geographical distribution of manufacturers by sector - 2024



Continuity of collaboration with workers by sector



Continuity of collaboration with suppliers by sector



With respect to contract manufacturers, the Group works exclusively with highly specialized manufacturing companies that meet the most demanding quality standards. The selection and retention of external contract manufacturers is key to the Brand, mainly for the purposes of maintaining the world-class quality standards of its products as well as protecting Ferragamo's extensive know-how developed over many years. Approximately **43% of contract manufacturers** have worked **with Salvatore Ferragamo S.p.A. for over 11 years**, including 55% of bag and suitcase manufacturers and 48% of accessory manufacturers. The retention of external workshops has been traditionally guaranteed by ongoing partnerships, the frequent exchange of information and skills between the Group and the contract manufacturers, and the highly specialized products and production processes involved. This integration is supported by an IT system that connects the main workshops with the Group. This allows to share the progress of production and logistic processes, check whether raw materials are in the contract manufacturers' stock, and effectively plan the production stages as well as the procurement of raw materials and components. In addition, by signing the trademark protection agreement, the Group bans external workshops from selling the Brand's products to third parties.

43%
of workers with
over 11 years
of collaboration



S4 - Consumers and end-users

S4-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

In its double materiality process, the Group has identified the following impacts related to the consumers and end-users:

- Full customer satisfaction in terms of product quality and shopping experience
- Communication campaign not in line with the needs/ characteristics of the markets in which the Group operates
- Negative impacts on customers and end-users caused by misleading communication and incorrect labeling.

These impacts, especially the positive ones, are not a consequence of the Group's business strategy but rather the fulcrum of the company strategy aimed at satisfying its customers with high-quality garments and services, supporting the Made in Italy and the craftsmanship that distinguish our country throughout the world.

The following risks have been identified:

- Reputational damage due to the negative behavior of brand ambassadors and influencers (negative KOL feedback, spreading fake news)
- Access to products
- Product non-conformity that causes damage to the health and satisfaction of customers
- Inefficient ESG and brand communications

Compliance with cyber risk and data breach provisions.

Having identified these risks, over the years the Group has implemented measures to prevent these situations from occurring in its operations and has provided appropriate training to the personnel responsible for these controls.

As also defined in the descriptions of the individual potential negative impacts reported above, the Group has assessed that the categories of consumers and end-users potentially impacted by the Company's activities are, as defined by the reporting standard: consumers and/or end-users who need accurate and accessible information on products, such as manuals and product labels, to avoid potentially harmful use of a product. This category is considered more relevant due to the risks common to the Fashion and Luxury sector. Similarly, these significant impacts are generalized to the sector to which the Group belongs, which undertakes numerous activities to communicate transparently on these issues. In terms of positive impacts, again referring to the same categories considered above, Salvatore Ferragamo S.p.A. aims to offer unmistakable product quality, guaranteeing customer satisfaction also through product feedback, with the aim of continuous improvement.

The identified risks affect consumers and end-users without restrictions and are commercially relevant in terms of non-compliance with applicable regulations. In this sense, the Group's legal function ensures that such cases do not occur or are minimized.

S4-1: Policies related to consumers and end-users

The policies implemented in favor of consumers and end-users are intended to guarantee the quality of the products and information that the Group makes available to the outside world. In this sense, the **Responsible Communication and Marketing Policy** of Salvatore Ferragamo S.p.A. is committed to ensuring transparency, honesty, responsibility and fairness in communications, actively involving stakeholders to improve communication and sustainability.

It aims to minimize environmental impact and promote sustainability, avoiding deceptive practices such as greenwashing. The monitoring process includes internal verification of statements and continuous training of employees. The Policy, which is available on the Ferragamo Sustainability website, applies to corporate bodies, employees and anyone acting in the name and on behalf of the Group, including internal stakeholders (employees, suppliers, shareholders) and external stakeholders (customers, NGOs, government agencies). The Board of Directors of Salvatore Ferragamo S.p.A. is responsible for approving the Policy. The Policy refers to national and international regulations, including European Union agreements such as the **European Green Deal** and directives on corporate sustainability.

Salvatore Ferragamo S.p.A., in line with international best practices and in full compliance with applicable regulations, established a reporting system aimed at preventing and combating unlawful conduct or conduct contrary to the principles and rules set forth in its Organizational Models, Code of Ethics and Company Policies, while maintaining the confidentiality of whistleblowers and all other protected parties and protecting them from the risk of possible retaliation, in full compliance with all applicable legal provisions.

The Group also adopted a comprehensive set of policies and procedures to ensure the protection of consumer and supplier confidentiality, both online and offline.

The Group has implemented data protection guidelines to raise awareness among its employees and collaborators of the importance of the correct management of the personal data of all consumers and suppliers that constitute the Company's assets, as well as to provide recommendations and guidance on the subject. The guidelines apply to all processing of personal data carried out by the Group in the course of its business activities, regardless of whether the processing is carried out on paper and/or with automated tools.

The Group has also prepared various information notices on the processing of personal data, differentiated according to the purpose of the processing and developed with the aim of managing personal data in a lawful, transparent and fair manner, promoting the fundamental principles of legality, correctness, transparency, purpose limitation, data minimization, accuracy, integrity and confidentiality. They also respect internationally recognized principles, such as those established by the **United Nations Global Compact and the OECD guidelines.**

Special attention has been paid to providing clear, accessible and understandable information to meet the accessibility needs of people with disabilities.
The Group makes its policies available to the public by publishing them on its official website and in all its offices and stores.

The Group has adopted a specific **Data breach procedure** to address security breaches that could inadvertently or unlawfully result in unauthorized access, destruction, loss, alteration and/or disclosure of personal data transmitted, stored or otherwise processed by or on behalf of the Group, thereby compromising the security, integrity and availability of personal data. The Group regularly conducts **privacy analyses and risk assessments** on the subject.

Moreover, the Group adopted a specific procedure to manage requests from data subjects regarding the exercise of their rights under Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

The responsibility for the implementation of the guidelines, policies and procedures for the processing of personal data is attributed to the **Data Controller**, i.e., Salvatore Ferragamo S.p.A. and/or other companies of the Ferragamo Group.

The Group has also appointed a **Data Protection Officer (DPO)** who plays a central role in the implementation of policies and procedures relating to the processing of personal data and monitors compliance with applicable regulations. In defining its policies, the Group took into consideration the interests and needs of all its main stakeholders, including consumers, suppliers and employees.

No instances of non-compliance with the United Nations' Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises in relation to consumers and end-users have been reported.

S4-2: Processes for engaging with consumers and end-users about impacts

Salvatore Ferragamo S.p.A. adopts a structured and centralized approach to involve consumers and end-users in impact management, ensuring transparency and compliance with privacy regulations. The engagement framework, developed by HQ Global Customer Experience and implemented locally by regional teams, is designed to interact with customers and prospects who have agreed to be contacted. The process is organized on three levels: personalized 1-to-1 interactions, conducted by Preferred Client Advisors through the **ClientiAmo** clienteling application and according to the customer's preferred methods; 1-to-few targeted activities, such as local or global events; and 1-to-many communication campaigns through digital platforms such as **SFMC**. The frequency and type of engagement are centrally planned and implemented across digital and physical touchpoints, ensuring consistency and continuity in the customer experience. These activities are managed by the **Global Customer Experience division,** which works with regional teams under the supervision of senior management to ensure that the results of the engagement drive business decisions. The effectiveness of these initiatives is monitored through pre-defined KPIs, dashboards and regular analyses, with a particular focus on retention and acquisition programs. The **NPS/Voice of Customers** project provides in-depth insight into satisfaction and purchasing behavior, allowing the headquarters team to share best practices with the regions and develop targeted strategies. To ensure inclusivity, Salvatore Ferragamo S.p.A. adopts a rigorous approach to data management in compliance with privacy regulations and specifically analyzes the perspectives of vulnerable or marginalized consumers in order to minimize negative impacts on these groups.

With regard to data protection, the Group guarantees all individuals the right of access to, rectification and cancellation of personal data, as well as the right to oppose the processing of such data. It also guarantees the right to request the limitation of the processing of the Personal Data of all consumers and suppliers and to receive the Personal Data that they have provided to Salvatore Ferragamo S.p.A. in a structured, commonly used and machine-readable format.

If the processing of their personal data is based on the consent given by them, the data subjects have the right to revoke their consent freely and without any harm, according to the methods indicated in the information document provided to them. The methods of revocation are based on principles of simplicity and transparency and are therefore not impeded in any way by the Company.

S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Salvatore Ferragamo S.p.A. adopted a structured and formalized system to manage any negative material impact caused or contributed to by the Company with regard to consumers and end-users, ensuring a timely and transparent complaint management process. Any report received through the official channels, such as the global email address customercare@sf.ferragamo.com or the dedicated phone numbers available for each country or region, is immediately submitted to the Quality department. This department is responsible for analyzing the nature of the problem and, if necessary, conducting in-depth testing to determine the most appropriate solutions. Based on the results obtained, **Customer Care** is responsible for informing the customer of the progress and subsequent interventions.

These communication channels, available in several languages and published on every product page and in the "Contact Us" section of the Ferragamo website, guarantee easy access and global support for consumers. The effectiveness of these mechanisms is monitored through monthly analyses that examine the volume of complaints, their reasons, the channels used and their geographical distribution, allowing continuous improvement of the processes and providing strategic information to internal stakeholders. Although there is currently no specific policy in place to protect against possible retaliation, Ferragamo guarantees that its business model minimizes these risks and ensures a safe, transparent operating environment focused on consumer trust.



To ensure maximum customer understanding and satisfaction in every situation, the Group is committed to make its sales staff capable of conveying the same customer focus and passion for craftsmanship and quality that have characterized Salvatore Ferragamo S.p.A. In this regard, the retail training program focuses on the importance of customer relationship and of store managers and sales assistants training. The cornerstone of the retail strategy is directly linked to the customer experience, in order to enable them to experience "**Ferragamo emotions**". In 2023, in continuity with the actions already undertaken in 2022, the Group further developed its clienteling, customer listening and communication tools, reporting and KPIs for monitoring customer evolution, with a particular focus on:

- customer **Care service** associated with Live Chat, Phone Orders and **Net Promoter System/Heartbeat with "close the loop"**;
- completion of the road map of the **Clienteling application** (ClientiAmo) on the Primary B&M WW channel;
- use of **Emailing Campaigns** as a strategic and tactical cross-channel communication tool.

The Company also worked on migrating to the Salesforce platform and consolidating its contact plan, focusing on the localizations and re-engagement of dormant or inactive contacts. In line with the corporate rebranding, the Client Retention and Client Acquisition formats were implemented during 2023. Also in 2023, to create opportunities for dialog with and listening to customers, the projects ClientiAmo – a clienteling app that facilitates personalized interaction between sales staff and customers – and Heartbeat – a net promoter score system dedicated to understanding customer needs with the aim of increasing customer satisfaction – continued. With the adoption of ClientiAmo, the Group promoted its digital adoption of Data Collection and Data Enrichment. The dual version, in paper and digital form, has made it possible to satisfy all markets in compliance with local regulations and the preferences of each individual customer. At Ferragamo, the digitization of tools and experiences has always been accompanied by a highly human-centric approach that has guaranteed the quality of the 1:1 relationship with the brand, in answer to an increase in awareness-raising performance. The Heartbeat project, which has been launched in 121 stores worldwide, has expanded the opportunities for store teams and the entire organization to listen to customers. The platform has given store managers, for the Brick and Mortar chain, and Customer Care, for eCommerce cases, the opportunity to implement timely actions to resolve the most critical situations, understand the behaviors that generate satisfaction and have greater awareness of the level of satisfaction generated by the experience offered. The evolution of the project has also made it possible to investigate the reasons behind customers' visits to a store and the satisfaction or dissatisfaction related to the non-purchase of the products, remaining in touch with customers for their future needs. With the introduction of text analytics, it was possible to analyze the sentiment expressed in the additional customer comments, also highlighting topics that are trending at certain times of the year. The Live Chat service has made it possible to support the conversion of eCommerce contacts into



sales and has been expanded with the inclusion of two other websites in the project, in Japan and Australia. For Salvatore Ferragamo S.p.A., the store has always been one of the main points of contact to communicate and experience the Brand and product through an engaging experience. In the post-Covid era, greater emphasis has been given to activities with a focus on exclusivity and in-person experience, such as Brand Experience, Ferragamo Places and pampering opportunities through a gifting plan consistent with the collection and the relevant customer moments. However, in line with the new strategy, the Client Experience tools and formats have been partly kept digitized to allow the customer to use them remotely.

S4-4: Taking action on material impacts on consumers and end-users and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Since the early days of the Company, Salvatore Ferragamo S.p.A. has always strived to guarantee the artisanal excellence in its creations, offering its customers a rewarding shopping experience. The Group continues to pursue several initiatives aimed at listening to, and communicating with customers, as well as at customer satisfaction, adopting a **customer-centric strategy** that allows anticipating the needs of existing and potential customers in order to create long-term value.

Throughout 2024, the Group implemented a series of actions to improve the consumer and end-user experience and prevent and mitigate negative impacts. The main initiatives include the development of new Client Retention and Client Acquisition formats in line with rebranding to strengthen customer loyalty and attract new customers. Emphasis has been placed on creating exclusive and immersive experiences, such as the Ferragamo Places program, in-store and online events, and moments of pampering through a gifting plan with products not available in-store, increasing the value perceived by the customer and the sense of exclusivity.

To improve service quality and address critical issues, customer satisfaction monitoring was enhanced through the **Net Promoter System/Voice of Customers**, which is **active in 136 stores worldwide**. This tool has allowed us to gather direct feedback and implement timely corrective actions through a "close the loop" process, ensuring an effective response to the reported issues. A program was also developed to acquire new customers through multiple touchpoints, including local enablers and third-party collaborations such as media partners and landlords.

To support the personalization of the experience, an MTO Exotics program for men's and women's bags was launched in 2024, active in 29 stores in different regions, offering a customized service that reinforces the exclusivity of the brand. At the same time, the road map for the Clienteling application (ClientiAmo) was completed, enabling more direct and personalized interaction with customers, improving customer engagement and re-engaging dormant contacts. The digitalization of Data Collection and Data Enrichment has also enabled more in-depth analysis of purchasing behavior and customer preferences to optimize communication strategies.

In terms of communications, the Group has strengthened its Email Campaign strategy by migrating to the Salesforce platform to improve campaign segmentation and targeting. New customer journeys were introduced to reduce the churn rate, reactivate inactive customers and improve the onboarding of new consumers. Customer reporting, aligned with the rebranding objective, allows continuous monitoring of the evolution of the customer base and the effectiveness of the actions taken.

The experiences offered were integrated with online activities, such as the live-streaming brand experience showroom, which allowed customers from different geographical areas to participate in exclusive events. At the same time, in-store initiatives were strengthened to ensure consistency with the new brand identity through immersive activations and exclusive presentations of new products, such as Ferragamo Secret Precious in five selected cities (Milan, Paris, NYC, Mexico City, Tokyo).

88.9 NPS
+ 1.7 vs. 2023

To ensure the effectiveness of the actions, clear KPIs were defined, **including Overall Satisfaction (OSAT) and Net Promoter Score (NPS**), which recorded very positive results in 2024: **OSAT equal to 9.6** (stable compared to 2023) and **NPS to 88.9** (+1.7 points compared to 2023). These figures demonstrate the success of our strategies to improve the customer experience and strengthen customer loyalty.

The theme of sustainability is also developed on the sustainability.ferragamo.com website, which hosts the Group's social and environmental sustainability initiatives, its commitments for the future, accompanying the public on a journey through tradition and innovation, to discover the brand's sustainable culture.

The experience on this website has been made inclusive and global, thanks to the optimization of the website for all devices and its availability in 8 languages. Digital initiatives have also involved social media, the use of which fosters further customer engagement and ensures a comprehensive Brand experience. In 2023 and 2024, several digital initiatives were launched on major platforms, such as Instagram, Facebook, Twitter, Pinterest, YouTube, Weibo, WeChat, LINE and TikTok, with a focus on strengthening the brand and product identity through creativity and diversity. The site will be updated and reviewed throughout 2025 to align with the brand's strategic positioning on sustainability communications.

Over the years, the Group has implemented a series of online and offline anti-counterfeiting measures to protect its customers and the value of its brands, thus improving the whole anti-counterfeiting system.

As part of the initiatives promoted in favor of customers, the Group uses the **Authenticity Tag** system, which protects the consumer that purchases a genuine and Made-in-Italy Ferragamo product, preventing and limiting counterfeiting. This traceability project consists in the implementation and adoption of an **NFC (Near Field Communication)** solution to uniquely identify Ferragamo products. NFC is a radio-frequency technology based on a chip, which stores the data, and an antenna capable of transmitting them once solicited by a reader, using radio waves. The combination of chip and antenna is the so-called Tag. The radio signals sent by the **RFID Tag** can be read through the most popular smartphones (equipped with an NFC reader). The Tag is embedded into the product at the end of the manufacturing process and activated following a quality control check. It cannot be counterfeited, as it is based on a unique identifier certified and assigned by a manufacturer. Anyone with a smartphone with NFC technology can then read the tag, which provides a link to the official Ferragamo website (ferragamo.com). Industry insiders can also access an application that reads some of the data stored in the Tag, such as the serial number, the manufacturer number, and the collection the product is part of. In 2024, extensions of the application of the authenticity label were assessed, with the aim of also conveying information relating to the sustainability of the product to the final customer.

The Group is also working to expand information disclosure to its customers, providing details on the origin of raw materials and the sustainability of products.

The goal is to ensure transparency and accurate information for consumers, anticipating EU requirements for the **Digital Product Passport**.
There were no human rights incidents involving consumers in 2024.

The main expenses incurred in the implementation of the above measures are shown in the table below:

Activity	Capex	Opex
Consumer Transparency [59]	34,300 €	-

S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The objective outlined in section ESRS 2 – SBM-1: Strategy, business model and value chain, related to consumers and end-users, is as follows:

ESG building block	ID	Target	Timing
Creating value for global communities	14	Enhance customer information, awareness and engagement on Ferragamo ESG actions	2027

This objective is closely linked to the Sustainability Policy and the Responsible Communication and Marketing Policy, in line with the Group's commitment to promote transparent and effective communication with its final customers. The target is part of the Group's broader sustainability strategy, with a particular focus on corporate social responsibility and consumer education on sustainability.

The target is qualitative in nature, with a baseline set in 2024 and a time horizon extending to 2027, in line with the Sustainability Plan. Among the intermediate objectives, specific activities are planned to strengthen clear and transparent communication on ESG issues to provide consumers with understandable and valuable information, as well as initiatives to actively engage stakeholders through dedicated events in retail and online channels to amplify the impact of the Group's ESG and social strategy. Detailed information on ongoing activities related to this target is included in the previous paragraph S3-4.

The scope of the target covers all of the Company's business activities, including both the physical retail network and e-commerce, with globally consistent ESG communication. Initiatives focus on creating informative content, immersive customer experiences and responsible marketing strategies.

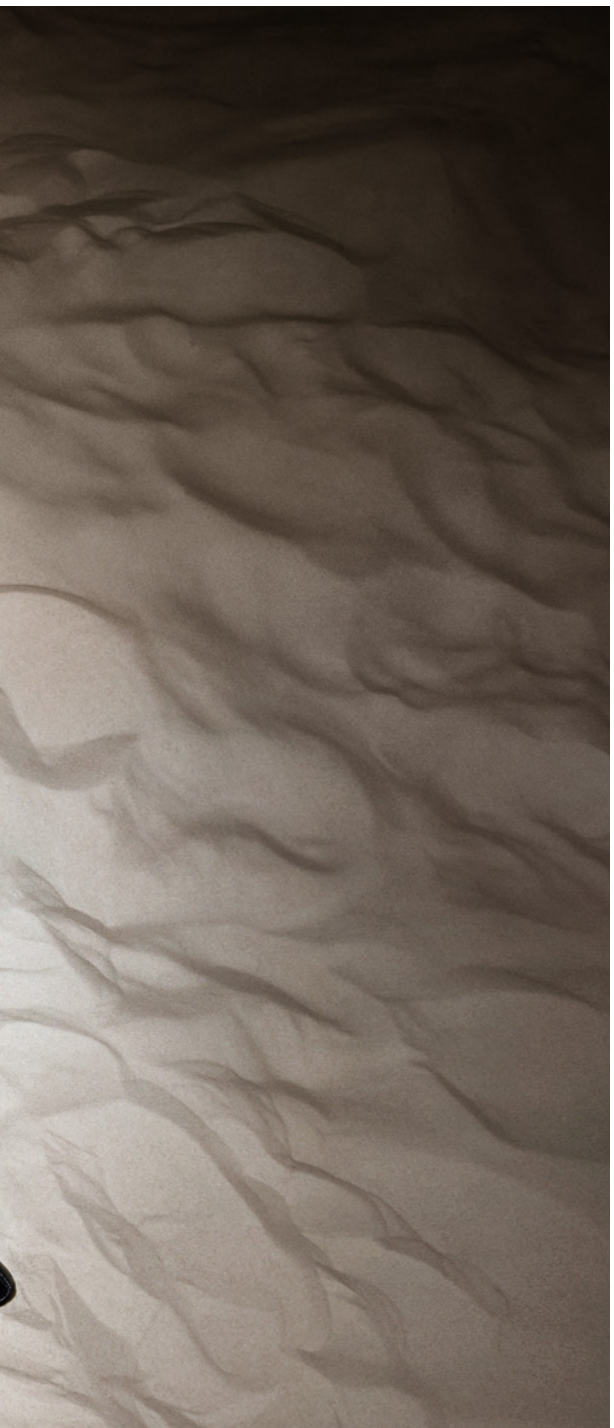
The Group uses customer insight and feedback analysis tools, including systems for monitoring consumers' perception of the brand and ESG issues. Although the target is qualitative, engagement and awareness strategies will be evaluated through specific KPIs, such as the Net Promoter Score (NPS) on ESG initiatives and the level of interaction and participation of stakeholders in events and communications.

Any updates to the measurement metrics and data collection tools will be evaluated over the defined time horizon to ensure effective measurement of the impact of the activities implemented.

[59] This amount is an integral part of the item "Intangible assets with a finite useful life" in the Statement of financial position of the Consolidated Financial Statements of Salvatore Ferragamo S.p.A.

GOVERNANCE INFORMATION





Responsible Lobbying Policy

Public on the Group's website

Compliance Digital Pathway

Launched in 2024

100%
of functions at risk of corruption

Must undergo the dedicated training program

95% of payments

Aligned with standard terms



G1 - Business conduct

G1-1: Business conduct policies and corporate culture

The Group has always been committed to promoting a corporate culture based on ethics and legality and, for this reason, it has adopted an Anti-Corruption Policy with regard to the measures to be taken to combat corruption and bribery, with the aim of minimizing the risk of behaviors that can be attributed to corruption. The Group carries out its activities in various countries and jurisdictions and is therefore subject to compliance with Italian law and the laws of the countries in which it operates, including those ratifying international conventions prohibiting corruption of public officials and corruption in the private sector, such as:

- the Organization for Economic Co-operation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;
- the United Nations Convention against Corruption;
- the Foreign Corrupt Practices Act (FCPA) enacted in the United States;
- the UK Bribery Act enacted in the United Kingdom.

The Policy applies to the Corporate Bodies, Employees, Representatives and Collaborators with whom Salvatore Ferragamo S.p.A. establishes business relationships or relations, who, for whatever reason and regardless of the nature of the contractual relationship, act in the name and on behalf of the Group Companies.

The Group also adopted the Group Whistleblowing Policy, already discussed in depth in the section relating to its own workforce S1-3, to which full reference should be made.

The **Legal & Compliance Function** is responsible for supervising the implementation and dissemination of this Policy. A similar responsibility is assigned to the individuals placed at the top of each company area, who ensure that it is complied with by all those who work within their function.

With regard to the training policy on the conduct of companies within the organization, the training program called "**Compliance Digital Pathway**" was implemented, as described in more detail above in section S1-3, which also includes training on the Organization, Management and Control Model adopted pursuant to Italian Legislative Decree 231/01 adopted by the Company's Board of Directors (hereinafter referred to as "Model"). The adoption of the Model includes an information and training program for the recipients, aimed at ensuring the knowledge, application and effectiveness of the rules, avoiding administrative responsibility and ignorance of the business rules. The dissemination of the Model is organized and differentiated according to the category of recipients, based on the following principles: *i)* communication to employees via the company intranet, with updates and informative content; *ii)* publication of information on the Company's website; *iii)* organization of regular training sessions for the main recipients of the Model; *iv)* promotion of information activities for employees, consultants and third parties according to appropriate methods.

The business functions identified as most exposed to the risk of corruption and bribery are identified within the Model, which identifies the Information Flows to the Supervisory Body, broken down by area/process at risk of crime, including cases of corruption. The functions identified as being at risk of corruption or bribery within the Group include various strategic areas involved in sensitive processes. In particular, the Group Administration, Finance and Control Department, which includes the areas of Group Planning & Control, Tax Management, Risk Management, Group Finance, Corporate & EMEA Administration, Consolidated Financial Statements and Indirect Purchasing, is exposed to potential risks related to financial and tax management. The Group General Counsel Department, with Corporate Affairs & Compliance, Business Contracts, Litigation & IP Contracts and Region EMEA & Business Contracts, is involved in the management of contracts and legal relations. Also the Logistics Department, which includes Logistics Operations, Warehouse and Custom Compliance / Customs, and the Integrated Supply Chain

Department, through Customer Service, is involved in the management of procurement, transportation and customs. The Group Human Resources Department, particularly in the Compensation & Benefit and Payroll & Admin areas, is involved due to its responsibility for sensitive remuneration and management processes. The Marketing & Communication Department, with Public Relations & Communication and the Chair Staff Department, the 262 Internal Control Function and Internal Audit, are exposed to such risks as they perform control functions. Finally, the individuals responsible for safety and compliance in this area, including the Occupational Health and Safety Officer, the Health and Safety Officer (RSPP, Responsabile del Servizio di Prevenzione e Protezione), the Occupational health specialist and the Environmental Officer.

The aforementioned Whistleblowing policy was drawn up in accordance with Italian Legislative Decree no. 24 of 10 March 2023, concerning the Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, on the protection of persons who report breaches of Union law and containing provisions on the protection of persons who report breaches of national regulations.

In addition, the Group adopted a **Responsible Lobbying Policy** in 2024, which sets out principles and guidelines for clear and transparent lobbying, with the aim of representing the Group's legitimate requests, positions and interests to institutions in accordance with the principles of transparency and integrity, taking due account of the **OECD Guidelines for Multinational Enterprises on Responsible Business Conduct** and other applicable regulations.

In particular, the Group carries out these activities through the trade and industry associations of which it is a member in the countries in which it operates. The organization monitors legislative and regulatory developments at the national and international level and participates in public consultations and working groups in a transparent and accountable manner. The duly trained company departments responsible for these activities are the General Counsel Department, the Transformation & Sustainability Department and the Marketing & Communication Department, which may involve other dedicated company functions based on the regulations discussed.

The Policy applies in all cases to all employees and collaborators of the Group, regardless of the type of contractual relationship, and is published on the Ferragamo Group website.

To formalize its commitment to animal welfare, the Group adopted a specific Animal Welfare Policy in order to guarantee that the whole supply chain acts appropriately in terms of animal welfare. The Policy defines the minimum requirements, certifications, standards, collaborations, strategies and preferred sources of supply in order to ensure animal welfare in relation to the following categories of materials: fine leather (from exotic species), wild (from species killed in their natural environment), ovine (including goats and sheep), bovine (adult bovines) and calf. Salvatore Ferragamo S.p.A. also requires that all raw materials of animal origin come from countries where there is an adequate level of control over the treatment and practices used on animal species. Suppliers are therefore required to provide the name and characteristics of the species supplied and, in particular, the country of origin. The Group requires its suppliers to operate in compliance with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) when sourcing species listed in the CITES Appendices.

Therefore, the recipients of this Policy are all of the Group's suppliers of raw materials and finished products of animal origin. The suppliers are responsible for ensuring their own compliance with the Policy, as well as for disseminating it and requiring compliance by their employees, suppliers, external collaborators and other parties in the Group's supply chain. Finally, the Group has its own Supplier Code of Conduct. For additional details, please refer to section *ESRS S2-1*

G1-2: Management of relationships with suppliers

Salvatore Ferragamo S.p.A. has a payment procedure with standard terms for each category of supplier; any exception must be approved by the head of the department concerned and by the CFO or Financial Director. When selecting suppliers, it is essential to carry out a technical evaluation of the raw materials, semi-finished and finished products, and to obtain documentation on the production facilities, with possible verification visits. To guarantee

the quality of its products, the Group follows a selection process that evaluates the technical, qualitative, economic and financial requirements, as well as the certifications necessary to start a collaboration. New partners must accept the **Supplier Code of Conduct,** which requires suppliers to comply with social criteria related to human rights, occupational health and safety conditions, working hours and remuneration. They are also required to meet environmental criteria, such as energy and waste management and environmental protection. Partners are also required to accept the **Privacy Policy** and other requirements, including signing the Animal Welfare Policy for suppliers of animal products. Moreover, a dedicated platform was implemented to manage the flow of information and documents with suppliers, optimizing and strengthening the supply chain qualification process.

G1-3: Prevention and detection of corruption and bribery

One of the Group's core values is that of business ethics, through which it conveys a message of loyalty, fairness and respect that applies to the entire Group and is a point of reference in the social context in which it operates. For this reason, Salvatore Ferragamo S.p.A. considers measures to prevent corrupt practices as an integral part of the Group's social responsibility, in order to protect its organization and all stakeholders. In this context, Salvatore Ferragamo S.p.A., in accordance with its Code of Ethics and inspired by the best practices regarding **Anti-Corruption Compliance Programs** and the international standard **ISO 37001:2016**, has defined the Policy in order to minimize the risk of engaging in conduct that could be considered corrupt. In particular, Salvatore Ferragamo S.p.A. has decided to implement and maintain an anti-corruption management system that is integrated into the overall risk management and control system to which the Group is subject, and that includes the following components:

- Anti-Corruption Policy approved by the organization's top management;
- analysis and assessment of the risk of committing acts of corruption;
- principles, rules of behavior and procedures to protect areas sensitive to acts of corruption;
- information and training activities for all recipients of the Anti-Corruption Policy;
- operating procedures by defining roles and responsibilities, a reporting process, and a disciplinary system for any violations;



- periodic monitoring of the risks of corruption and the effectiveness and adequacy of the policy.

Moreover, as indicated in section G1-1, the Company adopted the Organizational Model pursuant to Italian Legislative Decree 231/01 in order to ensure the prevention of the crimes provided for by said Decree (including crimes of corruption). The Supervisory Body, appointed by the Company's Board of Directors, is the body responsible for supervising the functioning of and compliance with the Model and for promoting its constant updating. It has autonomous powers of initiative and control.

The Group has established an Ethics Committee that is empowered to receive and handle reports of violations of law, including incidents of corruption and/or bribery. For more information on the separation of the Committee and its members from the management chain involved in the matter, please refer to the previous responses regarding the management of reports received.

With regard to Salvatore Ferragamo S.p.A., the Ethics Committee provides, at least once a year, summary information on the Reports handled to the BoD, the Chief Executive Officer, the Control and Risks Committee, the Board of Statutory Auditors of the Company and the Supervisory Body.

With regard to the Group's Foreign Companies, the Ethics Committee provides, at least once a year, summary information on the Reports handled to the members of the relevant administrative and control bodies.

The Group promotes the communication of the **Anti-Corruption Policy**, using appropriate methods of dissemination to all recipients and implementing specific training programs to ensure effective knowledge of the Policy. During 2024, the Compliance Digital Pathway was launched. Please refer to section *S1-3 for a description*. 100% of employees in high-risk roles must receive anti-corruption training, and by the end of 2024, 87% of employees in high-risk roles will have received anti-corruption training[60].

The training, which is mandatory for all new hires within approximately ten to twenty days of joining the Company and for all office personnel when there are regulatory updates, covers several basic topics. These include the meaning of corruption with practical examples, the company policies that apply at the Group level and the procedures to be followed in the event of suspicions or findings.

For further details, please refer to the table below.

Anti-Corruption Training	High-risk functions	Manager	OADC[61]	Other own workforce
Training coverage				
Total hours	208,77	66.60	0.00	29.52
Total number of people to be trained	561	175	0	74
Delivery method and duration				
Classroom training	0.00	0.00	0.00	0.00
Computer-based training	208,77	66,60	0.00	29,52
Voluntary computer-based training	0,00	0,00	0.00	0,00

[60] The percentage shown refers to the Group's workforce as at 31/12/2024, including new hires who have not yet attended anti-corruption courses.
[61] Administrative, management and supervisory bodies.

G1-4: Incidents of corruption or bribery

There were no incidents of corruption or bribery in 2024.

G1-5: Political influence and lobbying activities

The Group engages in lobbying activities through the trade and industry associations of which it is a member in the countries in which it operates, as disclosed in *ESRS G1-1: Business conduct policies and corporate culture*. The organization monitors legislative and regulatory developments at the national and international level and participates in public consultations and working groups in a transparent and accountable manner. The duly trained company departments responsible for these activities are the General Counsel Department, the Transformation & Sustainability Department and the Marketing & Communication Department, which may involve other dedicated company functions based on the regulations discussed.

Since August 2019, Salvatore Ferragamo S.p.A. has subscribed to the Fashion Pact, a coalition that brings together over 200 leading fashion and textile brands to set out strategic and concrete targets for reducing the environmental impact of this important industry. Supported by some of the leading experts in scientific research and ecosystem preservation, the Fashion Pact has set concrete targets focusing on three areas:

- **Climate**: implementation of Science-Based Targets (SBTs) to achieve net-zero greenhouse gas emission by 2050;
- **Biodiversity**: protection of key species, preservation and restoration of critical natural ecosystems;
- **Oceans**: reduction of the negative impacts of the fashion industry on the oceans by eliminating problematic and unnecessary plastics in packaging.

Throughout 2023, the **Fashion Pact**, in collaboration with several partners and experts, played an active role in aligning the knowledge of Pact members and ensuring that the set goals were achieved. To this end, numerous activities and webinars were organized and briefing documents were shared. Salvatore Ferragamo S.p.A. is part of the Fashion Pact Steering Committee, made up of a selection of CEOs of member Brands, in order to maintain an open dialog between company executives and openly share ideas, guidelines and progress. Moreover, since August 2021, the Company has joined the **Leather Working Group (LWG)**, a non-profit organization for stakeholders in the tanning sector's value chain, which work in synergy in order to improve the environmental management of the leather manufacturing industry. The main objective of the LWG is to provide, maintain and develop audit protocols, with the aim of verifying the compliance and environmental performance of tanners around the world, promoting sustainable and appropriate practices in respect of the environment. In order to implement the universal principles of sustainability and support the United Nations' goals, in December 2018, Salvatore Ferragamo S.p.A. joined the **United Nations Global Compact**, the world's largest corporate sustainability initiative. The United Nations Global Compact provides a universal language for social responsibility

The Fashion Pact
Steering Committee member

LWG member
since 2021

CNMI member
Since 2011

and a framework for businesses of all sizes, complexity and location. Moreover, this initiative supports companies in working responsibly and making strategic decisions to promote broader social goals. Each year, the Company takes part in workshops and webinars organized by the Global Compact in order to provide companies with training and support in various areas. In 2021, Salvatore Ferragamo S.p.A. also participated in the drafting of the "Italian Business and Decarbonization: a just and inclusive transition" Position Paper. The aim of the paper is to solidify the commitment of Italian companies participating in the United Nations Global Compact on the issue of decarbonization, enhancing the efforts made and the results recorded so far to support the targets of the Paris Agreement and of the European ambition to achieve net-zero emissions by 2050. On the subject of diversity and equal opportunities, since 2020 the Company has joined Valore D, the first business association in Italy committed to creating a professional world free of discrimination, where gender equality and a culture of inclusion support the growth of the organization. Since 2011, Salvatore Ferragamo S.p.A. has been a member of the Sustainability Workgroup sponsored by **the Italian Chamber of Fashion (CNMI – Camera Nazionale della Moda Italiana)**, which aims to find an Italian way to making fashion sustainable as well as encourage the adoption of responsible business models throughout the fashion industry's value chain. In 2023, the Company actively participated in the CNMI meetings organized with other Italian Brands, taking part in the numerous sessions, in the meetings and in the events promoted over the course of the year. The Company also adheres to Confindustria Moda with the aim of cooperating, within the framework of sector regulations, in the prevention and/or reduction/remediation of negative impacts resulting from its business. With this in mind, in Italy the Company has also joined the **Re.Crea Consortium** to ensure better compliance with the Extended Producer Responsibility (EPR) requirements for textile waste disposal and, in France, the **Citeo and the Re-Fashion consortia**. Finally, in 2023, Salvatore Ferragamo S.p.A. participated in the **Monitor for Circular Fashion**, a multi-stakeholder project promoted by the SDA Bocconi Sustainability Lab, which aims to identify the circularity key performance indicators (KPIs) in the fashion industry, highlight and disseminate good business practices in this regard, and develop technical, managerial and scientific skills towards sustainable business models.

Finally, the Group has always been an active member of the **Altagamma Foundation**, which, since 1992, has brought together companies from the high culture and creative industries that promote Italian excellence, uniqueness and lifestyle throughout the world. The Altagamma companies operate in the fashion, design, jewelry, food, hospitality, automotive, yachts and wellness sectors.

The Ferragamo Group is not registered in the EU Transparency Register; however, where required, all the associations to which it belongs are duly registered.
In 2024, the Group's indirect contributions for the above membership fees amount to € 292,710.

In 2024, Salvatore Ferragamo S.p.A. participated in the public consultation on the draft delegated decree for the implementation of the CRSD, drawn up by Italy's Department of the Treasury and the State General Accounting Department.

G1-6: Payment practices

The standard payment terms of Salvatore Ferragamo S.p.A. are as follows: 10 days for leases (approximately 5% of the total), 30 days for contract manufacturing (40%) and consulting (5%), 90 days for raw materials (30%) and other indirect purchases, excluding consulting (20%).

The average time the Company takes to pay an invoice from the start of the contractual or legal payment period is 71 days, and the percentage of **payments that meet these standard terms is 95%**. For SMEs, the average payment time is the same.

The calculation is based on the payments of Salvatore Ferragamo S.p.A. for 2024 as a whole.

95% of payments
Aligned with standard terms



MANAGEMENT STATEMENT



FERRAGAMO

Sustainability reporting certification pursuant to art. 81-ter, paragraph 1, of Consob Regulation no. 11971 of 14 May 1999, as subsequently amended and supplemented

The undersigned Marco Gobbetti, in his capacity as CEO of Salvatore Ferragamo S.p.A., and Pierre Giorgio Sallier de La Tour, in his capacity as Sustainability Reporting Manager of Salvatore Ferragamo S.p.A., certify(*) pursuant to art. 154-bis, paragraph 5-ter, of Italian Legislative Decree no. 58 of 24 February 1998, that the Sustainability Reporting included in the Consolidated Board of Directors' report on operations has been prepared:

- in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and Italian Legislative Decree no. 125 of 6 September 2024;
- in accordance with the specifications adopted pursuant to Article 8(4), of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020

Florence, 6 March 2025

CEO
Marco Gobbetti

Sustainability Reporting Manager
Pierre Giorgio Sallier de La Tour

(*) Certification in accordance with the model provided for by the Consob's consultation document dated 13 December 2024.

SUSTAINABILITY STATEMENT



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' limited assurance report on the consolidated sustainability statement pursuant to article 14-bis of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Salvatore Ferragamo S.p.A.

Conclusion

Pursuant to article 8 of Legislative decree no. 125 of 6 September 2024 (the "decree"), we have been engaged to perform a limited assurance engagement on the 2024 consolidated sustainability statement of the Salvatore Ferragamo Group (the "group") prepared in accordance with article 4 of the decree, presented in the specific section of the directors' report (the "consolidated sustainability statement").

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the group's 2024 consolidated sustainability statement has not been prepared, in all material respects, in accordance with the reporting standards endorsed by the European Commission pursuant to Directive 2013/34/EU (the European Sustainability Reporting Standards, "ESRS");
- the information presented in the "Disclosure pursuant to article 8 of Regulation (EU) 2020/852" section of the consolidated sustainability statement has not been prepared, in all material respects, in accordance with article 8 of Regulation (EU) 2020/852 of 18 June 2020 (the "taxonomy regulation").

Basis for conclusion

We have performed the limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under that standard are further described in the "*Auditors' responsibilities for the sustainability assurance engagement*" section of our report.

We are independent in accordance with the ethics and independence rules and standards applicable in Italy to sustainability assurance engagements.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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Bologna Bolzano Brescia
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20124 Milano MI ITALIA

Our company applies International Standard on Quality Management 1 (ISQM Italia 1) and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have acquired is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The 2024 consolidated sustainability statement presents the 2023 comparative information, which has not been subjected to an assurance engagement.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Salvatore Ferragamo S.p.A. (the "parent") for the consolidated sustainability statement

The directors are responsible for designing and implementing the procedures to identify the information included in the consolidated sustainability statement in accordance with the ESRS (the "materiality assessment process") and for the description of these procedures in the "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" section of the consolidated sustainability statement.

The directors are also responsible for the preparation of a consolidated sustainability statement in accordance with article 4 of the decree, which contains the information identified through the materiality assessment process, including:

- compliance with the ESRS;
- compliance of the information presented in the "Disclosure pursuant to article 8 of Regulation (EU) 2020/852" section with article 8 of the taxonomy regulation.

Moreover, the directors are responsible, within the terms established by the Italian law, for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of a consolidated sustainability statement in accordance with article 4 of the decree that is free from material misstatement, whether due to fraud or error. They are also responsible for selecting and applying appropriate methods to produce disclosures and formulating assumptions and estimates about specific information on sustainability matters that are reasonable in the circumstances.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Inherent limitations in preparing the consolidated sustainability statement

For the purpose of disclosing forward-looking information in accordance with the ESRS, the directors are required to prepare such information based on assumptions, described in the consolidated sustainability statement, regarding future events and the group's actions that are not necessarily expected to occur. Actual results are likely to be different from the forecast sustainability information since anticipated events frequently do not occur as expected and the variation could be material.

The disclosures provided by the group about Scope 3 emissions are subject to more inherent limitations than those on Scope 1 and Scope 2 emissions, given the lack of availability and relative precision of information used for determining both qualitative and quantitative Scope 3 emissions information from the value chain.

Auditors' responsibilities for the sustainability assurance engagement

Our objectives are to plan and perform procedures in order to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of intended users taken on the basis of the consolidated sustainability statement.

As part of a limited assurance engagement in accordance with SSAE (Italia), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify disclosures where a material misstatement is likely to occur, whether due to fraud or error;
- designing and performing procedures to check disclosures where a material misstatement is likely to occur. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- directing, supervising and performing the sustainability limited assurance engagement and assuming full responsibility for the conclusion on the consolidated sustainability statement.

Summary of the work performed

A limited assurance engagement involves carrying out procedures to obtain evidence as a basis for our conclusion.

The procedures performed are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the consolidated sustainability statement, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

We have performed the following main procedures:

- we gained an understanding of the group's business model, strategies and operating environment with regard to sustainability matters;
- we gained an understanding of the process adopted by the group to identify and assess material sustainability-related impacts, risks and opportunities (IROs), based on the double materiality principle. Moreover, on the basis of the information acquired, we evaluated any emerging inconsistencies that may indicate the presence of sustainability matters not addressed by the group in its materiality assessment process; Specifically, mostly through inquiries, observations and inspections, we gained an understanding of how the group:
  - considered the interests and opinions of the stakeholders involved;
  - identified its sustainability-related IROs, assessing their consistency with our knowledge of the group and its sector;
  - defined and assessed material IROs by analysing the qualitative and quantitative materiality thresholds it determined;

- we gained an understanding of the processes underlying the generation, recording and management of the qualitative and quantitative information disclosed in the consolidated sustainability statement, including of the reporting boundary, through interviews and discussions with the group's personnel and selected procedures on documentation;
- we identified the disclosures associated with a risk of material misstatement, whether due to fraud or error;
- we designed and performed procedures, based on our professional judgement, to respond to identified risks of material misstatement, including:
  - for information gathered at group level:
    - with reference to qualitative information and, in particular, the sustainability-related policies, actions and objectives, we held inquiries and performed limited procedures on documentation;
    - with reference to quantitative information, we carried out analytical procedures, inspections, observations and recalculations on a sample basis;
  - for information gathered at subsidiary level, we visited Ferragamo USA Inc., which we have selected on the basis of its business and contribution to the metrics of the consolidated sustainability statement. During these visits, we held discussions with group's personnel and acquired documentary evidence on the determination of metrics;
- we gained an understanding of the process adopted by the group to determine taxonomy-eligible economic activities and whether they were aligned under the taxonomy regulation and checked the related disclosures presented in the consolidated sustainability statement;
- we checked the consistency of the disclosures contained in the consolidated sustainability statement with those included in the group's consolidated financial statements pursuant to the applicable financial reporting framework, the underlying accounting records or management accounts;
- we checked the compliance of the structure and presentation of disclosures included in the consolidated sustainability statement with the ESRS;
- we obtained the representation letter.

Florence, 25 March 2025

KPMG S.p.A.

(signed on the original)

Andrea Rossi
Director of Audit



CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2024

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Financial Statements

Consolidated Statement of Financial Position – Assets

(In thousands of Euro)	Notes	31 December 2024	of which with related parties	31 December 2023	of which with related parties
NON-CURRENT ASSETS					
Property, plant and equipment	5	205,560		200,688	
Investment property	6	6,463		22,666	
Goodwill	7	6,679		6,679	
Right-of-use assets	8	528,627	83,254	616,612	92,645
Intangible assets with a finite useful life	9	31,872		36,872	
Other non-current assets	11	3,712		4,496	
Other non-current financial assets	12	13,583	5	13,760	11
Deferred tax assets	39	145,142		122,349	
TOTAL NON-CURRENT ASSETS		**941,638**	**83,259**	**1,024,122**	**92,656**
CURRENT ASSETS					
Inventories	13	307,888		298,345	
Right of return assets	14	5,911		6,044	
Trade receivables	15	84,580	37	106,821	1,029
Tax receivables	16	25,822		34,025	
Other current assets	17	46,025	12,576	37,712	14
Other current financial assets	18	50,721		36,812	
Cash and cash equivalents	19	238,194		268,988	
TOTAL CURRENT ASSETS		**759,141**	**12,613**	**788,747**	**1,043**
Assets held for sale	20	67		63	
TOTAL ASSETS HELD FOR SALE		**67**	**-**	**63**	**-**
TOTAL ASSETS		**1,700,846**	**95,872**	**1,812,932**	**93,699**

Consolidated Statement of Financial Position – Liabilities and Shareholders' Equity

(In thousands of Euro)	Notes	31 December 2024	of which with related parties	31 December 2023	of which with related parties
SHAREHOLDERS' EQUITY					
GROUP SHAREHOLDERS' EQUITY					
Share capital	21	16,879		16,879	
Reserves	21	670,299		678,227	
Net profit/(loss) – Group		(68,087)		26,060	
TOTAL GROUP SHAREHOLDERS' EQUITY		**619,091**		**721,166**	
MINORITY INTERESTS					
Share capital and reserves – minority interests		977		822	
Net profit/(loss) – minority interests		18		175	
TOTAL MINORITY INTERESTS		**995**		**997**	
TOTAL SHAREHOLDERS' EQUITY		**620,086**		**722,163**	
NON-CURRENT LIABILITIES					
Provisions for risks and charges	23	22,514		23,928	
Employee benefit liabilities	24	6,026		6,954	
Other non-current liabilities	25	14,723	-	16,223	351
Non-current lease liabilities	26	552,344	84,155	596,603	92,410
Deferred tax liabilities	39	5,682		6,832	
TOTAL NON-CURRENT LIABILITIES		**601,289**	**84,155**	**650,540**	**92,761**
CURRENT LIABILITIES					
Trade payables	27	164,446	200	173,323	292
Refund liabilities	28	11,481		9,563	
Interest-bearing loans & borrowings	22	113,291		80,129	
Tax payables	29	19,256		12,687	
Other current liabilities	30	44,151	315	48,806	9,657
Current lease liabilities	26	124,002	10,954	114,439	9,358
Other current financial liabilities	31	2,844		1,282	
TOTAL CURRENT LIABILITIES		**479,471**	**11,469**	**440,229**	**19,307**
TOTAL LIABILITIES		**1,080,760**	**95,624**	**1,090,769**	**112,068**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,700,846**	**95,624**	**1,812,932**	**112,068**

Consolidated Income Statement

(In thousands of Euro)	Notes	2024	of which with related parties	2023	of which with related parties
Revenues from contracts with customers	33	1,031,651	178	1,153,557	203
Rental income investment properties	34	3,455		2,714	
Revenues		**1,035,106**		**1,156,271**	
Cost of goods sold	35-36	(295,098)	-	(316,839)	-
Gross profit		**740,008**		**839,432**	
Style, product development and logistics costs	35-36	(47,038)	(475)	(53,086)	(603)
Sales & distribution costs	35-36	(496,519)	(9,597)	(454,649)	(18,243)
Communication and marketing costs	35-36	(86,661)	(800)	(113,695)	(648)
General and administrative costs	35-36	(157,093)	(8,838)	(137,142)	(13,201)
Other operating costs	35-36	(25,703)	(171)	(29,721)	(154)
Other income	37	24,005	-	20,883	16
Operating profit/(loss)		**(49,001)**		**72,022**	
Financial charges	38	(64,743)	(3,840)	(69,387)	(4,512)
Financial income	38	38,167	-	42,949	-
Profit/(loss) before taxes		**(75,577)**		**45,584**	
Income taxes	39	7,508		(19,349)	
Net profit/(loss) for the period		**(68,069)**		**26,235**	
Net profit/(loss) – Group		(68,087)		26,060	
Net profit/(loss) – minority interests		18		175	

(In Euro)	Notes	2024	2023
Basic earnings/(loss) per share – ordinary shares	40	(0.411)	0.157
Diluted earnings/(loss) per share – ordinary shares	40	(0.411)	0.157

Consolidated Statement of Comprehensive Income

(In thousands of Euro)	Notes	2024	2023
Net profit/(loss) for the period (A)		**(68,069)**	**26,235**
Other gains/(losses) that will be subsequently reclassified to net profit/(loss) for the period			
- Currency translation differences of foreign operations	21	(10,620)	4,373
- Net gain/(loss) from cash flow hedge	3	(12,533)	(3,943)
- Tax consequences on components that will be subsequently reclassified to net profit/(loss) for the period		**3,008**	**947**
Total other gains/(losses) that will be subsequently reclassified to net profit/(loss) for the period, net of taxes (B1)		**(20,145)**	**1,377**
Other gains/(losses) that will not be subsequently reclassified to net profit/(loss) for the period			
- Net gain/(loss) from recognition of defined-benefit plans for employees	24	16	95
- Tax consequences on components that will not be subsequently reclassified to net profit/(loss) for the period		92	24
Total other gains/(losses) that will not be subsequently reclassified to net profit/(loss) for the period, net of taxes (B2)		**108**	**119**
Total other gains/(losses) net of taxes (B1+B2 = B) from continuing operations		**(20,037)**	**1,496**
Total comprehensive income for the period, net of taxes (A+B)		**(88,106)**	**27,731**
Group		(88,104)	27,646
Minority interests		(2)	85

Consolidated Statement of Cash Flows

(In thousands of Euro)	Notes	2024	of which with related parties	2023	of which with related parties
NET PROFIT/(LOSS) FOR THE PERIOD		**(68,069)**		**26,235**	
Adjustments to reconcile net profit (loss) to net cash from/ (used in) operating activities:					
Amortization, depreciation and write-downs of tangible and intangible assets, investment property and right-of-use assets	5-6-8-9	264,219	11,442	179,789	19,137
Income taxes	39	(7,508)		19,349	
Provision for employee benefit plans	24	113		814	
Allocation to/(use of) the provision for obsolete inventory	13	17,227		4,760	
Losses and provision for bad debt	15	690		2,117	
Losses/(gains) on disposal of tangible/intangible assets		1,907	-	475	(16)
Interest expense and interest expense on lease liabilities	38	27,154	3,840	23,332	4,511
Interest income	38	(7,644)	-	(8,230)	-
Other non-monetary items		4,303	2,259	8,546	3,871
Changes in operating assets and liabilities:					
Trade receivables	15	26,220	992	(28,068)	(979)
Inventories	13	(28,068)		(29,148)	
Trade payables	27	(10,022)	(92)	1,475	(25)
Other tax receivables and payables	16-29	5,684		(5,058)	
Employee benefits payments	24	(1,264)		(1,283)	
Other assets and liabilities		(11,266)	(22,249)	(3,395)	(15,804)
Other – net		(4,213)		(3,284)	
Income taxes paid		(19,230)		(56,678)	
Interest expense and interest expense on lease liabilities paid	19-26	(27,253)	(3,880)	(22,475)	(4,119)
Interest income received		7,644	-	8,230	-
NET CASH FROM/(USED IN) OPERATING ACTIVITIES		**170,624**	**(7,688)**	**117,503**	**6,576**
Cash flow from investing activities:					
Purchase of tangible assets	5-6	(61,308)		(58,086)	(2)
Purchase of intangible assets	9	(9,430)		(13,655)	
Proceeds from the sale of tangible and intangible assets		29	-	53	16
Net change in other current financial assets		(15,141)		(25,278)	
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		**(85,850)**	**-**	**(96,966)**	**14**
Cash flow from financing activities:					
Net change in financial payables	19	29,565		51,563	
Repayment of lease liabilities	19-26	(124,903)	(8,590)	(116,403)	(16,008)
Dividends paid to shareholders of the Parent company	41	(16,568)	(10,785)	(46,350)	(33,540)
Purchase of minority interests in companies consolidated on a line-by-line basis		-		(38,904)	
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		**(111,906)**	**(19,375)**	**(150,094)**	**(49,548)**
NET INCREASE/(DECREASE) IN NET CASH AND CASH EQUIVALENTS		**(27,132)**		**(129,557)**	
OPENING NET CASH AND CASH EQUIVALENTS		**267,459**		**391,354**	
Increase/(decrease) in cash and cash equivalents		(27,132)		(129,557)	
Effect of exchange rate translation differences		**(3,242)**		**5,662**	
CLOSING NET CASH AND CASH EQUIVALENTS		**237,085**		**267,459**	

Statement of Changes in Consolidated Shareholders' Equity

Note 21

(In thousands of Euro)	Share capital	Treasury share reserve	Share capital contributions	Legal reserve	Extraordinary reserve	Cash flow hedge reserve	Translation reserve	Retained earnings	Other reserves	Effect IAS 19 Equity	Net profit/ (loss) for the period	Group shareholders' equity	Minority interests	Total shareholders' equity
As at 01.01.2024	**16,879**	**(56,223)**	**2,995**	**4,188**	**613,476**	**4,220**	**2,038**	**97,193**	**11,611**	**(1,271)**	**26,060**	**721,166**	**997**	**722,163**
Allocation of results	-	-	-	-	87,000	-	-	(60,940)	-	-	(26,060)	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	(68,087)	(68,087)	18	(68,069)
Other comprehensive income/(losses)	-	-	-	-	-	(9,525)	(10,116)	(463)	-	87	-	(20,017)	(20)	(20,037)
Total comprehensive	**-**	**-**	**-**	**-**	**-**	**(9,525)**	**(10,116)**	**(463)**	**-**	**87**	**(68,087)**	**(88,104)**	**(2)**	**(88,106)**
Distribution of dividends	-	-	-	-	(16,568)	-	-	-	-	-	-	(16,568)	-	(16,568)
Purchase of min. interests in companies consolidated on a line-by-line basis and accounting of options on min. interests	-	-	-	-	-	-	-	(235)	-	-	-	(235)	-	(235)
Stock Grant Reserve	-	-	-	-	-	-	-	-	2,832	-	-	2,832	-	2,832
Treasury share award	-	2,547	-	-	-	-	-	-	(2,547)	-	-	-	-	-
As at 31.12.2024	**16,879**	**(53,676)**	**2,995**	**4,188**	**683,908**	**(5,305)**	**(8,078)**	**35,555**	**11,896**	**(1,184)**	**(68,087)**	**619,091**	**995**	**620,086**

Note 21

(In thousands of Euro)	Share capital	Treasury share reserve	Share capital contributions	Legal reserve	Extraordinary reserve	Cash flow hedge reserve	Translation reserve	Retained earnings	Other reserves	Effect IAS 19 Equity	Net profit/ (loss) for the period	Group shareholders' equity	Minority interests	Total shareholders' equity
As at 01.01.2023	**16,879**	**(58,202)**	**2,995**	**4,188**	**570,585**	**7,216**	**(6,865)**	**138,387**	**8,442**	**(1,424)**	**69,609**	**751,810**	**23,599**	**775,409**
Allocation of results	-	-	-	-	89,239	-	-	(19,630)	-	-	(69,609)	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	26,060	26,060	175	26,235
Other comprehensive income/(losses)	-	-	-	-	-	(2,996)	4,548	(80)	-	114	-	1,586	(90)	1,496
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	**(2,996)**	**4,548**	**(80)**	**-**	**114**	**26,060**	**27,646**	**85**	**27,731**
Distribution of dividends	-	-	-	-	(46,348)	-	-	-	-	-	-	(46,348)	-	(46,348)
Purchase of min. interests in companies consolidated on a line-by-line basis and accounting of options on min. interest	-	-	-	-	-	-	4,355	(21,484)	(25)	39	-	(17,115)	(22,687)	(39,802)
Stock Grant Reserve	-		-	-	-	-	-		5,173	-	-	5,173	-	5,173
Treasury share award	-	1,979	-	-	-	-	-	-	(1,979)	-	-	-	-	-
As at 31.12.2023	**16,879**	**(56,223)**	**2,995**	**4,188**	**613,476**	**4,220**	**2,038**	**97,193**	**11,611**	**(1,271)**	**26,060**	**721,166**	**997**	**722,163**

Explanatory Notes to the Consolidated Financial Statements

1. Corporate information

Salvatore Ferragamo S.p.A. is incorporated in Italy, with registered office in via Tornabuoni 2 Florence, as a joint-stock company under Italian law and is structured according to the traditional management and control model, with the Shareholders' Meeting, the Board of Directors, and the Board of Statutory Auditors. The Company's Shares are traded on Euronext Milan, organized and operated by Borsa Italiana S.p.A.

The Salvatore Ferragamo Group is one of the main players in the luxury sector and dates back to 1927.

The consolidated financial statements for the year ended 31 December 2024 were approved by the Board of Directors of Salvatore Ferragamo S.p.A. on 6 March 2025.

The Salvatore Ferragamo Group is active in the creation, production and sale of luxury goods for men and women: footwear, leather goods, apparel, silk goods, jewels, and other accessories. The product range also includes fragrances, eyewear, and watches manufactured under license by third parties. The Group is also active in the licensing of the Salvatore Ferragamo trademark and in real estate management.

The Salvatore Ferragamo Group is present in more than 90 countries around the world, directly through subsidiaries in 26 countries, and sells its products primarily through a network of Salvatore Ferragamo single-brand stores, either directly operated (DOS) or operated through third parties, as well as through a significant and well-established presence in department stores and multi-brand specialty stores, and through the e-commerce channel. For further details on the Group's main activities, please refer to the Directors' Report on Operations.

1.1 Management and coordination

Pursuant to Article 2497 et seq. of the Italian Civil Code, Salvatore Ferragamo S.p.A. is subject to management and coordination by Ferragamo Finanziaria S.p.A., whose consolidated financial statements are available at the registered office in Florence, Via Tornabuoni 2.

In compliance with the provisions of Article 2497-bis, paragraph 4 of the Italian Civil Code, the key data from the financial statements of the Holding company Ferragamo Finanziaria S.p.A. as at 31 December 2023 and 2022 is given below.

Ferragamo Finanziaria S.p.A.

(In Euro)	31 December 2023	31 December 2022
STATEMENT OF FINANCIAL POSITION		
ASSETS		
B) Fixed assets	178,205,886	175,302,990
C) Current assets	33,403,828	49,269,615
D) Accruals and deferrals	49,584	2,440
TOTAL ASSETS	**211,659,298**	**224,575,045**
LIABILITIES AND SHAREHOLDERS' EQUITY		
A) Shareholders' equity		
- Share capital	49,749,960	49,749,960
- Reserves	132,261,860	127,448,376
- Profit/(loss) for the year	24,394,471	29,688,465
B) Provisions for risks and charges	-	-
D) Payables	5,152,163	17,522,360
E) Accruals and deferrals	100,844	165,884
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**211,659,298**	**224,575,045**
INCOME STATEMENT		
A) Value of production	470,930	366,866
B) Costs of production	(2,398,774)	(3,306,037)
Difference between value and costs of production	**(1,927,844)**	**(2,939,171)**
C) Financial income and charges	25,938,008	32,304,452
Profit before taxes	**24,010,164**	**29,365,281**
Income taxes for the year, current and deferred	384,307	323,184
Profit/(loss) for the year	**24,394,471**	**29,688,465**

2. Basis of presentation

2.1 Statement of compliance with IFRS

The Consolidated Financial Statements of Salvatore Ferragamo S.p.A. have been prepared in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), endorsed by the European Union and in force at the reporting date. The explanatory notes to the Consolidated Financial Statements have been supplemented with the additional information required by CONSOB (the public author-

ity responsible for regulating the Italian financial markets) and by the provisions it has issued in implementation of Article 9 of Italian Legislative Decree 38/2005 (resolutions 15519 and 15520) dated 27 July 2006 and communication DEM/6064293 dated 28 July 2006, pursuant to Article 78 of the Issuers' Regulation, the EC document of November 2003 and, where applicable, the Italian Civil Code. The term "IFRS" used herein includes International Accounting Standards ("IAS") which are still in force as well as all the interpretations issued by the IFRS Interpretation Committee, previously referred to as International Financial Reporting Interpretations Committee ("IFRIC") and, before that, Standing Interpretations Committee ("SIC").

2.2 Contents and structure of the consolidated financial statements

The functional currency is the Euro and all amounts are expressed in thousands of Euro, unless otherwise indicated.

The consolidated statement of financial position distinguishes between current and non-current assets and liabilities, where:

- non-current assets refer to positive balances to be realized after more than 12 months and include intangible, tangible and financial assets, as well as deferred tax assets;
- current assets refer to positive balances to be realized within 12 months;
- non-current liabilities refer to liabilities due after more than 12 months, including financial payables, provisions for risks and charges and employee benefit liabilities, as well as deferred tax liabilities;
- current liabilities refer to liabilities due within 12 months, including the short-term portion of medium/long-term loans, provisions for risks and charges and employee benefit liabilities.

Differently from the separate financial statements of the Parent company Salvatore Ferragamo S.p.A., the consolidated income statement is shown in accordance with a classification of costs by function, which is considered more representative than the so-called presentation of costs by nature. The Group allocates costs by function using the cost centers that represent the function of the cost. The structure chosen is in line with internal reporting processes and business operations. The breakdown of costs by nature is included in the explanatory notes (note 36 "Breakdown by nature of income statement cost items"). The statement of cash flows has been prepared according to the indirect method and is presented in compliance with IAS 7, breaking down financial flows into operating, investing and financing activities.

It should be noted that in reference to CONSOB Resolution no. 15519 of 27 July 2006 and Communication no. DEM6064293 of 28 July 2006, significant transactions with related parties are disclosed in the financial statements, in order to provide better disclosure.

For comparative purposes, the consolidated financial statements show the comparison with the consolidated statement of financial position as at 31 December 2023 and the consolidated income statement for 2023.

2.3 Accounting standards

2.3.1 General notes

The Consolidated Financial Statements have been prepared according to the historical cost principle, except for derivatives and financial assets classified as held for sale, which are recorded at fair value and on a going concern basis. The accounting standards adopted in the consolidated financial statements as at 31 December 2024 are the same as those adopted in previous years, with the exception of international accounting standards newly adopted in 2024. For more details, please refer to the section "Changes in international accounting standards".

Discretionary valuations and significant accounting estimates

The preparation of the Consolidated Financial Statements has entailed the use of estimates and assumptions, both in determining some assets and liabilities, and in assessing contingent assets and liabilities, by using the best available information. Actual results might not fully correspond to estimates.

The main estimated data refer to:

- provisions for obsolete inventory of raw materials, accessories and finished products; since the Group's products are subject to market trends and changes in fashion trends, product inventories at the end of the season are subject to impairment. Specifically, the provision for obsolete inventory of finished products, reflects management's estimate of the expected impairment losses on the products of the collections of previous seasons, considering the ability to sell them through the Group's various distribution channels. This assumption may vary across the different geographic areas in which the Group operates based on the knowledge of the individual market's characteristics concerning the local ability to absorb sales of products from previous seasons. Generally, impairment assumptions involve percentages of impairment that become greater the older the collections are, so as to reflect the decline in selling prices in secondary channels (mainly outlets) on the one hand, and on the other hand, the decrease in the probability of selling them as time goes by. This percentage is based on both a statistical analysis of the change in inventory age and an assessment of the consistency in the use of percentages over time. In case of changes in available information, the percentages are reassessed and adjusted as needed. The provision for obsolete raw materials reflects management's estimates of the decline in the probability they will be used based on the calculation of slow-moving raw materials;
- impairment/Reversal of impairment of non-current assets: for more details, please refer to the section "Impairment/Reversal of impairment of Property, plant and equipment, Investment property, Intangible assets with a finite useful life, Right-of-use assets, and Goodwill" below;
- provision for bad debt relating to wholesale sales, which is linked to the solvency and standing of customers with which the company has well-established and consolidated relations. The Group uses a matrix to calculate Expected Credit Losses (ECLs) on trade receivables. The provisioning rates are based on the days past due for each customer category grouped in the different segments that present similar historical loss experiences (for instance, by geographic area, product type, customer type, rating, and guarantees). The matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (for example, country risk) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the country concerned, the historical default rates are adjusted accordingly. At every reporting date, the Group updates historical observed default rates and analyzes changes in forward-looking estimates. The assessment of the correlation between historical observed default rates, forecast economic conditions, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and in forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future. For more details on the analysis of credit risks, please refer to notes 3 "Management of financial risks (IFRS 7)" and 15 "Trade receivables";
- provisions for risks and charges, specifically the costs for the contractual commitment to renovate leased properties in the future and costs for ongoing or foreseeable disputes;
- right of return to adjust revenues from contracts with customers, where envisaged under contractual terms and conditions or customary business practices for selling goods. The Group has concluded that the expected value method is the most appropriate to estimate the amount of variable consideration on sales of goods with rights of return, considering the large number of contracts with similar characteristics;
- useful life of property, plant and equipment, intangible assets with a finite useful life and investment property, as well as ensuring that development costs meet the recognition and measurement requirements for intangible assets; employee benefits, which are measured using actuarial assumptions; for the main actuarial assumptions, reference should be made to note 24 "Employee benefit liabilities";
- employee benefits, which are measured using actuarial assumptions; for the main actuarial assumptions, reference should be made to note 24 "Employee benefit liabilities";

- deferred tax assets, which are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences or any tax losses can be utilized. In this regard, the Group's management estimates the likely timing and amount of future taxable profit;
- fair value of financial instruments, chief among them derivative instruments, which the Group uses extensively to hedge exchange rate risk; for details about the assumptions underlying the measurement of fair value, reference should be made to notes 3 "Management of financial risks (IFRS 7)" and 32 "Financial instruments and fair value measurement";
- fair value of share-based payments plans, settled in either cash or shares, that the Parent company uses to provide incentives to the Group's management; for details about the assumptions underlying the measurement of fair value, reference should be made to note 42 "Share-based payments";
- risk of defeat in the disputes involving the Group; the Group recognizes a liability when facing legal disputes and lawsuits if it believes it is probable that they will require an outflow of financial resources and a reliable estimate can be made of the amount of potential losses. Given the uncertainty surrounding the outcome of these proceedings, it is hard to reliably estimate the outflow of resources that will be required to settle them, therefore the amount of the provisions for legal disputes may change as a result of future developments in the outstanding proceedings. The Group monitors the status of ongoing lawsuits and proceedings, and consults with its legal advisors as well as legal experts. Moreover, the Group assesses uncertain tax positions and, if required, recognizes a liability.

With reference to IFRS 16, the Group, in its capacity as lessee, made the significant accounting estimates reported below:

- Lease term: the identification of the lease term is a very significant issue, as the form, regulations, and business practices related to property leases vary significantly from one jurisdiction to another, and assessing the impact on the estimated lease term of the options to renew the lease at the end of the non-cancellable period requires using assumptions. The IFRS Interpretation Committee clarified that, for the purposes of identifying the enforceable period, a lessee shall consider the contractual moment when both parties may exercise their right to terminate the contract without incurring penalties that are not immaterial; the concept of penalty is not to be interpreted in a strictly contractual sense, but shall rather be viewed considering all the economics of the contract. The Group has considered these conclusions in identifying the lease term. In defining the lease term, the Group considered whether either the lessee or lessor, or both, have renewal and termination options, respectively. When renewal options exercisable by both parties to the agreement exist, the Company considered whether there are significant economic disincentives to refuse the renewal request, in accordance with paragraph B34 of IFRS 16. When there are options exercisable by only one of the two parties, the Company considered paragraph B35 of IFRS 16. Applying the above, considering the specific facts and circumstances as well as the estimate of whether it will be reasonably certain that the option will be exercised, resulted in the following:
  - for annual leases that are automatically renewed except in the event of termination, the Group considered an average term of five years based on historical analyses;
  - in the other cases, if only the Group can exercise the option, we considered a lease term until the end of the second renewal term, based on historical evidence and the fact that a renewal beyond the second term could not be considered reasonably certain.

  After the lease commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the Group and affects whether the lessee is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.
- Definition of the discount rate: as most leases entered into by the Group do not contain an implicit interest rate, the Group calculated an Incremental Borrowing Rate (IBR). To determine the IBR it should use to discount future lease payments, the Group identified each country as a portfolio of leases with similar characteristics and determined the relevant IBR as the interest rate of a risk-free instrument in the country in which the lease was entered into, based on the different lease terms, increased by the Group's Credit spread.

The estimates and the assumptions are made by directors with the assistance of company departments and, when appropriate, independent experts, and are periodically reviewed – recognizing, if necessary, the impact of each change in the income statement in the period in which these estimates and assumptions should differ from actual circumstances.

Impairment/Reversal of impairment of Property, plant and equipment, Investment property, Intangible assets with a finite useful life, Right-of-use assets, and Goodwill

The Group constantly monitors its business to assess whether there is any indication that any of its non-current assets may be impaired, including goodwill, investment property, intangible assets with a finite useful life (including intangible assets in progress), tangible assets and right-of-use assets.

Goodwill and intangible assets in progress are tested for impairment at least once a year (as at 31 December) or more often, when circumstances indicate that the carrying amount may be subject to impairment.

As required by IAS 36, at each reporting date the Group performs an analysis to identify any indicators of impairment and/or impairment losses for Property, plant and equipment, Investment property, Right-of-use assets, Intangible assets with a finite useful life, and Goodwill, by preparing checklists that identify the presence of external indicators (such as general macroeconomic conditions, industry and market considerations, market capitalization, significant changes with a negative effect on the technological, market, economic or regulatory environment in which the entity operates or on the market to which an asset is directed) or internal indicators (such as significant changes with a negative effect on the entity in the extent to which, or in the way in which an asset is used or expected to be used, the economic performance of the asset is, or will be, worse than expected, with negative or declining cash flows).

Following these analyses, CGUs showing impairment indicators are tested for impairment. As in the past, impairment tests were carried out by considering the individual geographic areas in which the Group operates as CGUs (Cash Generating Units). Said areas usually coincide with the Group's individual legal entities, except where multiple legal entities of the Group operate in the same country or in neighboring territories or markets with a shared and homogeneous customer base.

It is useful to note that, compared to the past, the Retail Hong Kong CGU has been separated from the China CGU, in line with the new distribution model implemented by the Group during 2024.
The impairment loss for Goodwill is determined by measuring the recoverable amount of the cash-generating unit (or group of cash-generating units) to which Goodwill has been allocated.

If indicators of impairment exist, the carrying amount of an asset is reduced to its recoverable amount, which is the higher of its fair value less the costs of sale and its value in use. The recoverable amount is determined for the individual asset, unless the asset generates incoming cash flows that are largely independent of the incoming cash flows from other assets or groups of assets, in which case the asset is tested as part of the CGU to which the asset belongs.

The calculation of the fair value less the costs of sale is based on the data available relating to sale transactions between free and independent parties involving similar assets or observable market prices, less the extra costs relating to the disposal of the asset. The value in use is calculated based on discounted cash flow models using a pre-tax discount rate which reflects the current market estimate of the cost of money over time and the specific risks of the asset. The value in use is the present value of future cash flows (DCF: discounted cash flow) expected to be generated by the asset.

The recoverable amount of the CGU is estimated based on the value in use, i.e. using the Discounted Cash Flow (DCF) method, which considers the ability to generate cash flows as the fundamental element for the purpose of measuring the target CGU by discounting them on the basis of an appropriate discount rate.

The main assumptions to determine the recoverable amount are given below:

- the discount rate (Weighted Average Cost of Capital – WACC) was estimated according to the formulation of the unconditional Extended Capital Asset Pricing Model ("CAPM") for the cost of equity, while the cost of debt was estimated as the sum of the risk-free rate of the country of reference and the interest coverage ratio of the panel companies for estimating beta and debt equity ratio.
- the growth rate "g" is determined as the inflation rate expected to prevail over the medium-long term in the reference market.
- the terminal value is determined using the perpetuity model with a long-term growth rate "g".

The cash flows are taken from the estimates made by management, which represent the best estimate made by the Group on the economic conditions set for the plan period, also taking into account studies by sector analysts. Such flows do not include restructuring activities for which the Group does not have a current obligation, or significant future investments which will increase the yield on the assets that make up the cash-generating unit that is being valued. The recoverable amount is very dependent on the discount rate used in the discounted cash flow model and also on the expected future incoming cash flows and on the growth rate used for the purposes of the extrapolation.

The plan forecasts cover a maximum timeframe of five years, in line with the provisions of IAS 36, and the long-term growth rate (g) used to estimate the terminal value of the asset was assumed to be equal to the rate of inflation expected to prevail over the medium-long term in the main markets where the Group operates, as published in the major databases available. Therefore, according to what is suggested by the doctrine, the growth rate g thus defined represents the growth rate that the company can reasonably maintain indefinitely, taking into account the maturity of the sector and geographical markets in which the Group operates; in any case, it is difficult to sustain growth above that of the economy as a whole over the long term.
The recoverable amount is very dependent on the discount rate used in the discounted cash flow model and also on the expected future incoming cash flows and on the growth rate used for the purposes of the extrapolation.

An impairment loss is recognized when the recoverable amount is lower than the carrying amount.

The results of the valuations carried out to determine the recoverable amount for all the CGUs tested for impairment are compared with the related carrying amount and, if the net carrying amount of the CGU (including the allocated goodwill) is higher than the Recoverable Amount, an impairment loss is recognized for the difference between the two amounts. In each CGU, the loss will be recognized in the following order:

a. reduction of the carrying amount of the goodwill allocated to the unit (until it is zeroed), if the reduction refers to the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated;
b. proportional reduction of the carrying amount of the unit's other assets, excluding current assets already measured at their recoverable amount

The recognition of impairment for Goodwill cannot be reversed in subsequent reporting periods.
It should be noted that, as part of the impairment process, a sensitivity analysis is also carried out, which aims to evaluate the results obtained even if the main cash flows, the WACC parameters and the growth rate g change.

Disclosure on impairment

Based on the provisions of the Impairment test procedure approved by the Board of Directors on 30 January 2025, the Group analyzed the presence of any impairment indicators and/or impairment losses in relation to its non-current assets, or whether the reasons that had led to the recognition of impairment losses during previous years no longer exist.

In FY2024, the Group reported an operating loss, a decline from the previous year, as it was adversely affected by a complex market environment. The uncertainty surrounding the demand for luxury goods leads to maintaining a cautious stance regarding near-term expectations.

The analysis identified signs of weakness, with all CGUs performing below expectations, which were consequently tested for impairment. The result of impairment tests determined an impairment loss of 80.2 million Euro. For more details, please refer to note 10 "Impairment of property, plant and equipment, Right-of-use assets, Intangible assets with a finite useful life, and Investment property" in this document.

Climate change impact assessment

As stated in the "Main risks and uncertainties" section of the Directors' Report on Operations, in 2024 the Group continued the process initiated in 2023 to implement a Climate Change Risk Management Framework. This initiative was undertaken to enhance the Group's capacity to identify potential financial impacts and ensure effective management and adaptation to the challenges posed by climate change. The analyses provided an assessment of the risk associated with climate change, which focused on the main climate-related exposures for the Group's most relevant sites and key business suppliers. Specifically, the analyses quantified the short-term financial impact of extreme weather events in terms of lost turnover due to business interruption and of property damage costs. Furthermore, a possible evolution of the exposure of the assets within the scope of the analyses to climate change in the medium (2030) and long term (2050) was studied and analyzed in depth, according to the reference climate scenarios (RCP/SSC 8.5), identifying any significant deviations from the short-term analyses.

Over the years, the Group has strengthened its proactive approach to the dynamics associated with climate change, and several measures have been implemented in 2024 to mitigate potential exposure to sustainable transition risks. These include:

- The Group manages the risks of temporary business interruption due to external events or natural catastrophes by taking out insurance policies to cover direct damage to company assets and any related indirect losses due to business interruption.
- The Performance and Restricted Shares Plan 2023-2025, approved by the Shareholders' Meeting of 26 April 2023 – reserved for selected employees and/or directors and/or collaborators of Salvatore Ferragamo S.p.A. and/or other companies belonging to the Ferragamo Group, who are considered key to the pursuit of sustainable success in the medium-long term – provides for ESG goals, including those related to environmental sustainability. For more details, please refer to note 42 "Share-based payments" in the Consolidated Financial Statements.
- During 2024, a workshop on product circularity was organized, which involved 60 of the company's young talents engaged in rethinking a selection of our most iconic products from an innovative and circular perspective. The results of the initiative were presented to the CEO, the Creative Director and the entire ESG Steering Committee, marking a significant step forward towards a company strategy that embraces sustainability as one of the brand's core values.
- In 2024, the Group launched a Life Cycle Assessment (LCA) project for three of its most representative products, to analyze in depth the impact of procurement and production. The project included an engagement activity with suppliers to actively involve them and ensure transparent assessment along the production chain, putting into practice the vision of partnerships with the value chain, increasingly based also on shared ESG projects.
- In 2024, the data collection activity with regard to the main textile and tanning suppliers was increased, focusing on the use of chemicals in the production phases, in order to monitor and mitigate the impacts of the related supply chain risks.

For more information, please refer to the Sustainability Report in the Directors' Report on Operations.
During 2025, the Company will continue to strengthen its assessment of the potential impacts of climate change risk on the Group's assets and processes, making it possible to appropriately address and implement further control measures to help limit exposure to these risks.

2.3.2 Property, plant and equipment

Tangible assets are recorded at historic cost, including the additional costs directly attributable and necessary to use the asset for the purpose for which it has been bought. This cost includes the costs to replace part of the plant and equipment when incurred, if they comply with the recognition criteria. The net value (cost less accumulated depreciation and accumulated impairment) of parts of replaced plant and equipment is recognized in the income statement at the time of replacement.

Maintenance and repair expenses, which do not increase the value and/or extend the remaining life of the assets, are recognized in the income statement in the year in which they are incurred, otherwise they are capitalized.

Tangible assets are shown net of the related accumulated depreciation and any accumulated impairment determined in accordance with the method described below.

Depreciation is calculated on a straight-line basis according to the estimated useful life of the asset for the company. The useful lives of the main classes of tangible assets are as follows:

	Useful life
Buildings	33 years
Plant and Equipment	5-6 years
Industrial and commercial equipment	4-7 years
Other assets	
- Office furniture and furnishings	5-8 years
- Electronic machines	3-5 years
- Historic collection	5 years
- Vehicles	3-4 years
Leasehold improvements	The shorter of the useful life of the asset and the remaining term of the asset lease agreement

The residual value of the asset, its useful life, and the depreciation methods applied are reviewed at the end of each year and adjusted on a prospective basis if necessary.

Should significant parts of these tangible assets have different useful lives, these components are accounted for separately. Land, whether it is free of construction or attached to buildings, is recorded separately and is not depreciated since it has an unlimited useful life.

The carrying amount of property, plant and equipment is subject to review to record any impairment, should events or changed situations indicate that the carrying amount cannot be recovered. If there is an indication of impairment, and should the carrying amount exceed the presumed realizable value, assets are written down to reflect their realizable value. The realizable value of property, plant and equipment is the higher of the net sale price and the value in use.
In defining the value in use, the expected future cash flows are discounted using a pre-tax discount rate which reflects the current market estimate of the cost of money over time and the specific risks of the asset. The realizable value of an asset which does not generate broadly independent cash flows is determined in relation to the cash-generating unit to which this asset belongs. Impairment is recognized in the income statement under amortization, depreciation and write-down costs. Impairment is reversed should the reasons for it no longer exist.

The carrying amount of an item of property, plant and equipment and each initially recognized significant component is derecognized on disposal (i.e., on the date the buyer obtains control over it) or when no future economic benefits are expected from its use or disposal. The gain/loss arising from the derecognition of the asset (calculated as the difference between the net carrying amount of the asset and the consideration received) is included in profit or loss when the item is derecognized.

2.3.3 Investment property

Tangible assets held for income purposes and not for instrumental use are shown in a specific item called "Investment property", in accordance with IAS 40, and are recognized at cost. The assets which fall under this category are represented by land and/or buildings (or parts of buildings) held by the owner or lessee under a financial or operating lease in order to lease them out.

These types of property are classified separately from other property assets held. Investment property is shown net of the relevant accumulated depreciation and any impairment. The useful life of Group investment property is 33 years.

The carrying amount of investment property is subject to review to record any impairment, should events or changed situations indicate that the carrying amount cannot be recovered. Impairment is recognized in the income statement under amortization, depreciation and write-down costs. Impairment is reversed should the reasons for it no longer exist.

Investment property is derecognized on disposal (i.e., on the date the buyer obtains control over it) or when the investment is permanently unusable and no future economic benefits are expected from its disposal. The amount of consideration to be taken in account to calculate the gain or loss on the derecognition of an investment property is determined in accordance with transaction pricing requirements in IFRS 15.

2.3.4 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. The contract is, or contains, a lease if it provides the right to control the use of a specific asset for a period of time in exchange for consideration.
The Group uses the exemption under IFRS 16 for intangible assets.

The Group as lessee

The Group applies a single accounting model for all leases to which it is lessee, except for short-term leases and leases of low-value assets. The Group recognizes a financial lease liability and a right-of-use asset.

Right-of-use assets:

The Group recognizes a Right-of-use asset at the lease commencement date (that is the date on which the underlying asset is available for use by the lessee). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses determined as described below, and adjusted for any remeasurement of lease liabilities. The cost of Right-of-use assets includes the amount of the recognized lease liability, initial direct costs incurred, lease payments made at or before the commencement less any lease incentives received, and the estimate of costs to be incurred by the Group in restoring the underlying asset to its original condition, if required by the lease.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, depreciation is calculated on a straight-line basis over the shorter of the lease term and the useful life of the asset as follows

	Useful life
Buildings	33 years
Equipment and other assets	3-5 years
Vehicles	3-4 years

Right-of-use assets are tested for impairment should events or changes in circumstances indicate that the carrying amount cannot be recovered. If there is an indication of impairment, and should the carrying amount exceed the presumed realizable value, assets are written down to reflect their realizable value. The realizable value is the higher of the net sale price and the value in use. In defining the value in use, the expected future cash flows are discounted using a pre-tax discount rate which reflects the current market estimate of the cost of money over time and the specific risks of the asset. The realizable value of an asset which does not generate broadly independent cash flows is determined in relation to the cash-generating unit to which this asset belongs. Impairment is recognized in the income statement under amortization, depreciation and write-down costs. Impairment is reversed should the reasons for it no longer exist.

Lease liabilities:
At the commencement date of the lease, the Group recognizes a lease liability measured at the present value of future lease payments to be made over the lease term. Future payments include fixed payments, less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the Group is reasonably certain to exercise the option to terminate. The variable lease payments that do not depend on an index or a rate, but that in the case of the Group mainly depend on sales volumes, continue to be recognized as costs for services in profit or loss. In calculating the present value of future payments, the Group uses the Incremental Borrowing Rate (IBR) as at the lease commencement date. Subsequently, the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the lease liability is remeasured to account for any change in the terms of the lease.

Short-term leases and leases of low-value assets:
The Group has elected not to apply IFRS 16 to short-term leases (leases with a lease term of 12 months or less) and leases for which the underlying asset is of low value (less than 5,000 Euro). Payments on these leases are recognized as expense on a straight-line basis in accordance with the terms and conditions of the lease.

The Group as lessor
Lease contracts in which the Group largely retains all the risks and benefits of ownership of the asset are classified as operating leases.
Lease payments are recognized on a straight-line basis over the term of the lease contracts in place at the reporting date and, if they derive from investment property, they are classified under "Rental income investment properties". The Group capitalizes the initial direct costs incurred in obtaining an operating lease and recognizes those costs as an expense over the lease term on the same basis as the lease income.

2.3.5 Business combinations and goodwill

Business combinations are accounted for using the purchase method.
The acquisition cost is valued as the total of the transferred consideration measured at fair value at the acquisition date and the amount of any minority interests in the acquired company. For every business combination, the acquirer must assess any minority interests in the acquiree at fair value or in proportion to the share of minority interests in the acquiree's identifiable net assets. Acquisition costs are recognized in the income statement under administrative costs.

The Group shall determine to have acquired a business when an integrated set of activities and assets includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. An acquired process shall be considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process, or significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Every potential consideration must be recognized by the acquirer at the fair value on the acquisition date. The change in the fair value of the potential consideration classified as a financial asset or liability pursuant to IFRS 9 will be recognized in accordance with the provisions of IFRS 9, in the income statement or in the statement of comprehensive income. If the potential consideration is classified as an equity instrument, its value is not remeasured and its discharge is recognized under shareholders' equity. When the contingent consideration is outside the scope of IFRS 9, it must nonetheless be measured at fair value through profit or loss.

The goodwill acquired in a business combination is initially measured as the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest over the fair value of the net identifiable assets acquired and the liabilities assumed by the Group.

This requires the fair value recognition of the identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the purchased company.

After the initial recognition, goodwill is valued at cost less accumulated impairment. For impairment test purposes, the goodwill acquired in a business combination is allocated, at the acquisition date, to the Group's individual cash-generating units, or to groups of cash-generating units which should benefit from the synergies of the combination, regardless of the fact that other Group assets or liabilities are allocated to these units or groups of units.

When the Group acquires a business, it must classify or designate the financial assets acquired or the liabilities assumed on the basis of the contractual terms, economic conditions and other pertinent conditions as they exist at the acquisition date. This includes a test to establish whether an embedded derivative must be separated from the primary contract.

In a business combination achieved in stages, the company shall remeasure its previously held equity interest at its fair value and recognize the resulting gain or loss, if any, in profit or loss.
If the goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of this unit, the goodwill relating to the disposed asset must be included in the carrying amount of the asset when the gain or loss arising from the disposal is determined. The goodwill relating to the disposed asset must be determined on the basis of the values relating to the disposed asset and the part of the cash-generating unit which is kept.

Business combinations between entities subject to joint control do not fall within the scope of application of IFRS 3. Should the business combination between entities subject to joint control not be of an economic nature but a mere corporate reorganization, the company will apply the business combination accounting method called "pooling of interest", thus aggregating the assets and liabilities to the book values on a line-by-line basis.

2.3.6 Intangible assets

Intangible assets are recorded among assets at purchase cost when the use of the asset is likely to generate future income and when the cost of the asset can be reliably established. Intangible assets acquired through business combinations are recorded at fair value as established at the acquisition date, if this value can be reliably established. Intangible assets with a finite useful life are amortized on a straight-line basis over their estimated useful life; the useful life is reviewed on an annual basis and any changes, where necessary, are applied on a prospective basis.
Intangible assets are shown net of the related accumulated amortization and any accumulated impairment determined in accordance with the method described below.
The useful lives of the main categories of intangible assets with a finite useful life are the following:

	Useful life
Industrial patents and intellectual property rights	2-5 years
Concessions, licenses and trademarks	10 years
Key money	On the basis of the residual term of the asset lease contract
Know-how	8 years

An intangible asset is derecognized on disposal (i.e. on the date the buyer obtains control over it) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.
The carrying amount of intangible assets is subject to review to record any impairment, should events or changed situations indicate that the carrying amount cannot be recovered. Impairment is recognized in the income statement under amortization, depreciation and write-down costs. Impairment is reversed should the reasons for it no longer exist.

Development costs

Research costs are charged to the income statement when they are incurred.
Development costs incurred in relation to a particular project are capitalized only when the Group can demonstrate the technical possibility of completing the intangible asset in such a way as to make it available for use or for sale, as well as its intention to complete the asset in order to use it or sell it, the means by which it will generate probable future income, the availability of technical, financial or other resources to complete the development and its ability to make a reliable assessment of the cost attributable to the asset during its development.

During the development period, the asset is reviewed annually to assess any impairment. Following the initial recognition, development costs are assessed at cost less any accumulated amortization or impairment loss. Amortization of the asset starts when the development is completed and the asset is available for use. It is amortized in reference to the period in which the project is likely to generate revenues for the Group.

Industrial patents and intellectual property rights
Industrial patents and intellectual property rights refer to costs for software licenses and to costs for the filing and registration of trademarks and patents relating to Group products.

Concessions, licenses, trademarks and similar rights
This item refers to costs for the filing and registration of the Salvatore Ferragamo trademark. Purchase costs are amortized over the useful life of the right purchased.

Other intangible assets with a finite useful life
This item mainly refers to the sums paid to lease property by taking over existing contracts or by obtaining the withdrawal of lessees so as to be able to enter into new contracts with the lessors (key money). These charges are amortized over the term of the lease contract.

Starting from 2020, the item includes also the know-how acquired through the business combination of Arts S.r.l. and Aura 1 S.r.l., recognized at its fair value at the acquisition date. This charge is amortized over 8 years.

2.3.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The general rule in IFRS 9 is that an entity shall recognize a financial asset or a financial liability on its balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument.

Financial assets
On initial recognition, financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The assessment of the contractual cash flow characteristics is known as the SPPI (Solely Payments of Principal and Interest) test and is conducted for each instrument. However, identical financial instruments may be analyzed in groups, since the outcome of the test would not be different than under an individual or separate assessment.
The Group's business model for managing financial assets refers to how the Group manages financial assets in order to generate cash flows. The business model determines whether the cash flows will result from the collection of contractual cash flows, sales proceeds, or both. Based on these characteristics, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income with reclassification of cumulative gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income without reclassification of cumulative gains or losses on disposal (equity instruments);
- Financial assets at fair value through profit or loss.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.
After initial recognition, the Group measures financial assets at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)
The Group measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.
The Group's financial assets at amortized cost include trade receivables and guarantee deposits.

Financial assets at fair value through other comprehensive income (debt instruments)
The Group measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, gains and losses are recognized through other comprehensive income except for changes resulting from exchange differences and impairment losses, as well as reversals, which are recognized in the statement of profit or loss. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss; the amounts recognized through profit or loss are the same that would have been recognized if the financial assets had always been measured at amortized cost. The Group currently does not have this type of instruments.

Financial assets at fair value through profit or loss
In general, IFRS 9 defines the classification at fair value through profit or loss as a residual category to be applied to all those financial assets that, because of their contractual characteristics, are not measured at amortized cost or at fair value through other comprehensive income. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so would eliminate or significantly reduce an accounting mismatch that would otherwise arise from recognizing the gains and losses on the asset on different bases. Although this may be considered an accounting policy choice, the standard does not require applying it consistently to all similar transactions.

Financial instruments at fair value through profit or loss are carried in the statement of financial position at fair value, with net changes in fair value recognized in the statement of profit or loss.
This category includes derivative instruments. Derivatives are classified as financial instruments held for trading, unless they are designated as effective hedging instruments.
A derivative embedded in a non-derivative hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

Reclassification

A financial asset is reclassified only if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be expected or the Group changes its business model for managing financial assets. The reclassification shall be applied prospectively from the date of reclassification, without restating any previously recognized gains, losses, and interest.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, whereby it retains the contractual rights to receive cash flows from the asset, but assumes a contractual obligation to pay the cash flows to one or more recipients, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When all the risks and rewards of ownership of the financial assets are substantially transferred, the Group derecognizes the financial asset and recognizes any rights and obligations created or retained as separate assets or liabilities; otherwise, the financial asset continues to be recognized. When it has neither transferred nor retained substantially all of the risks and rewards, nor lost control over the asset, the Group continues to recognize the asset to the extent of its continuing involvement; when control over the financial assets is not retained, the Group derecognizes the financial asset and recognizes any rights and obligations created or retained as separate assets or liabilities. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Group recognizes an allowance for Expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. Specifically, the impairment model applies to all financial assets measured at amortized cost and at fair value through other comprehensive income, but not to financial assets at fair value through profit or loss. In addition, the following types of instruments also fall within the scope of the model:

- Loan Commitment not measured at FVTPL;
- Financial guarantees within the scope of IFRS 9;
- Lease receivables within the scope of IFRS 16;
- Contract Assets within the scope of IFRS 15

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The cash flows that the Group expects to receive depend on the probability of a default by the counterparty and the amount it expects to be able to recover; the expected cash flows will therefore include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Under the general approach of the Standard, the impairment of financial assets is determined based on the monitoring of the counterparties' credit standing. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. More specifically, for the above financial assets, the Group adopts the practical expedient of the provision matrix to calculate impairment, i.e. has established a matrix system based on historical collection information, adjusted for forward-looking factors specific to the debtors and the economic environment, as a means to determine expected credit losses.

Financial liabilities

Financial liabilities are classified and measured at amortized cost using the effective interest rate method, except for those financial liabilities that are classified at fair value through profit or loss because they do not meet the conditions for the measurement at amortized cost. This is the case of financial liabilities held for trading. In addition, the Group may, at initial recognition, irrevocably designate a financial liability at fair value through profit or loss if doing so would result in more relevant information, as:

- it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases;
- a group of financial assets or liabilities is managed and measured at fair value in accordance with a risk management policy or based on an investment strategy, and information about the group is provided internally on that basis to key management personnel.

Derivatives with negative fair values are also classified and measured at fair value through profit or loss, except for those held as effective hedging instruments. All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings as well as payables, directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments

The measurement of financial liabilities depends on their classification as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost (loans and borrowings).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of settling or transferring them in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities are designated at fair value through profit or loss upon initial recognition, only if the criteria in IFRS 9 are satisfied. Upon initial recognition, the Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost (loans and borrowings)
After initial recognition, loans are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in the statement of profit or loss. It is not possible to reclassify financial liabilities.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Group uses derivative financial instruments, such as currency forward contracts, to hedge financial risks relating to exchange rate fluctuations affecting commercial transactions in foreign currency. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into, and are subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. As allowed under IFRS 9 paragraph 7.2.21, the Group elected to apply IAS 39 for the purpose of hedge accounting.

In keeping with the provisions of IAS 39.88 and IFRS 9.6.4.1, hedging derivatives are eligible for hedge accounting only when:

- at the inception of the hedge, there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
- the hedge is likely to be highly effective;
- for cash flow hedges, the forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to the measurement of cash flows that may have an impact on the income statement;
- the effectiveness can be reliably measured; and
- the hedge itself is highly effective during the various accounting periods for which it is designated.

All derivatives are measured at fair value. When derivatives possess the necessary features to be accounted for in accordance with hedge accounting, the following accounting treatments are applied:

- Fair value hedge – if a derivative is designated as a hedge against changes in the current value of an asset or a liability or a firm commitment that may have an impact on the income statement, the change in the fair value of the hedging instrument is recognized in the income statement and the change in the fair value of the hedged instrument attributable to the hedged risk is recognized as part of the carrying value of the item being hedged and is also recognized in the income statement. In the case of a firm commitment, the fair value of the component related to the hedged risk is recognized as an asset or liability, adjusting the line item in the statement of financial position that will be affected by the firm commitment upon its realization.

- Cash flow hedge – if a derivative is designated as a hedge against the changes in cash flows from an asset or liability or from a transaction which is considered as highly likely or a firm commitment and which could affect the income statement, the effective portion of the gains or losses on the derivative is recorded under shareholders' equity and accounted for in the statement of comprehensive income; the accumulated gain or loss is reversed from shareholders' equity and charged to the income statement in the same period in which the hedged transaction is recorded; the gain or loss associated with a hedge or that part of the hedge which has become ineffective, is recorded in the income statement when its ineffectiveness is recognized.

Should the conditions to apply hedge accounting not occur, the effects arising from the fair value assessment of the derivative are charged directly to the income statement.

2.3.8 Cash and cash equivalents

Cash and short-term deposits refer to cash on hand and sight/short-term deposits, in the latter case originally expiring in no more than three months.

2.3.9 Treasury shares

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale or cancellation of treasury shares. Any difference between the purchase value and the consideration, in the event of a sale and/or grant, is recognized in a reserve in Equity.

2.3.10 Inventories

Inventories are measured at the lower of purchase and/or production cost, determined using the weighted average cost method, and the net realizable value. Purchase cost includes ancillary charges; production cost includes direct costs and a share of indirect costs which may be reasonably attributable to products. The presumed net realizable value is the normal estimated sale price less the estimated costs to complete the product and the estimated costs to complete the sale.

2.3.11 Assets held for sale

This item is composed of non-current assets, whose carrying amount will be recovered mainly through their sale rather than through their continued use. Assets classified as held for sale are valued at the lower of their net carrying amount and their fair value net of sale costs.

2.3.12 Provisions for risks and charges

Provisions for risks and charges are allocated when the Group must meet a current (legal or implicit) obligation resulting from a past event, whose occurrence is deemed as likely and whose amount can be reasonably estimated. When the Group believes that an allocation to the provision for risks and charges will be partly or fully reimbursed, for example in the case of risks hedged by insurance policies, the indemnity is recorded separately among assets if, and only if, it is almost certain. In this case, in the income statement the cost of any allocation is shown net of the amount recorded for the indemnity.

If there is a significant effect from discounting the value of money, the allocations are discounted using a pre-tax discount rate which reflects, where appropriate, the specific risks of the liabilities. When the discounting is carried out, the increase in the allocation due to the passing of time is recorded as a financial charge.

2.3.13 Pension Funds and other long-term employee benefits

In Italy, the Group has a "Defined-benefit plan" for employee severance indemnities. With respect to Salvatore Ferragamo S.p.A., the plan concerns only the amounts recognized up to 31 December 2006. In addition, the Group has "Defined-contribution plans" for employee severance indemnities accrued after said date. This distinction derives from the 2007 Budget Law and the relevant enabling legislation, which require allocating employee severance indemnities to either supplementary pensions schemes or the Treasury Fund of the Italian Social Security Institute (INPS).

The Group also has other "Defined-benefit plans" in the United States, Mexico, Thailand, France, Belgium, Principality of Monaco, Taiwan, Japan, and Switzerland.
Moreover, the Group has defined-contribution plans for its employees.

The Group's net obligation deriving from defined-benefit plans is calculated separately for each plan by estimating the amount of the future benefit which employees have accrued in return for the service provided in the current and previous years; this benefit is discounted in order to calculate the current value. The cost of the benefits provided under the defined-benefit plan is determined using the actuarial technique of the projected unit credit method. Actuarial gains and losses are recorded directly in the statement of comprehensive income, as provided for by IAS 19. Net interest on the net defined-benefit liability shall be determined by multiplying the net liability by the discount rate.

The actuarial assessment of liabilities has been entrusted to independent actuaries.

2.3.14 Fair value

IFRS 13 establishes a single source of guidance for fair value measurement and for the relevant disclosures when such measurement is required or permitted. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

All assets or liabilities whose fair value is measured or recognized are categorized based on the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – Valuation techniques using unobservable inputs for the asset or liability.

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The methods for determining fair value in reference to financial instruments, for accounting or disclosure purposes, are summarized below in reference to the main financial instrument categories, to which they have been applied:

- Derivatives: adequate pricing models have been adopted, based on the market values of interest and exchange rates;
- Receivables and payables and unquoted financial assets: for financial instruments expiring after more than one year, the discounted cash flow method has been applied, i.e. the discounting of expected cash flows given current interest rate and creditworthiness conditions;
- Quoted financial instruments: the market value at the reference date is used.

2.3.15 Costs

Costs are recognized when related to goods or services sold or consumed during the period or systematically allocated, or when it is not possible to identify their future usefulness.

Advertising and research costs, in accordance with IAS 38, are charged in full to the income statement, when the service has been provided and delivered to the Group.
Costs are recognized according to their nature considering the standards applicable under IFRS.

2.3.16 Revenues from contracts with customers

Revenues from contracts with customers are recognized when control of goods or services is transferred to the customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

Sale of goods

Revenues from the sale of goods are recognized when control of the good passes to the customer, generally upon shipment depending on the terms applied.

The Group considers whether the contract includes other promises representing performance obligations to which part of the consideration for the transaction must be allocated (for example guarantees). When determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Right of return:
Some contracts allow customers to return goods within a specified period of time. The Group uses the expected value method to estimate the goods that will not be returned, as this method better predicts the amount of variable consideration to which the Group will be entitled. The guidance in IFRS 15 regarding the constraints on the recognition of variable consideration applies to the determination of the amount of variable consideration that can be included in the transaction price. The Group adjusts revenues for the goods expected to be returned, and recognizes a liability for the refunds. The right of return of an asset (and the corresponding adjustment to the cost of sales) is recognized also for the right to recover goods from customers.

Royalties

Revenues from royalties derive from sales-based royalty agreements with customers, and are therefore recognized based on the stage of completion of the licensee's sales in accordance with the terms of the agreement.

2.3.17 Right of return assets

A right of return asset represents the Group's right to recover goods expected to be returned from customers. The asset is measured at the previous carrying amount of inventories less any costs for its recovery, including any impairment of the returned products. The Group regularly updates the estimated amount of returns from customers as well as any additional impairment of the returned products.

2.3.18 Refund liabilities

The refund liability represents the obligation to refund some or all of the consideration received (or to be received) from the customer and is measured based on the amount the Group expects will have to be refunded to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.3.19 Share-based payment plans

The Group recognizes additional benefits to some employees, directors and collaborators holding key positions, through equity-settled share-based payments, which provide for the physical delivery of shares, and through cash-settled plans based on share value.

Equity-settled transactions

In accordance with the provisions of IFRS 2 – Share-based payments – rights in favor of employees are valued at fair value when the recipient is informed of their allocation, and this value is determined using the binomial model. This model takes account of all the features of the rights (duration, exercise price and conditions, etc.), as well as the value of the underlying shares at the grant date and their expected volatility.

If the right can be exercised after a certain period (vesting period) and on the occurrence of specific performance conditions, the cost of transactions settled with equity instruments, together with the corresponding increase in shareholders' equity, is recorded in the period in which the conditions relating to the achievement of objectives and/or the provision of the service are satisfied, ending at the time the recipients have fully accrued the right to receive payment ("vesting date").

At the end of each year, the fair value of the rights which has been determined previously is not reviewed, but on this date the estimate of the number of rights which will vest up to the expiry is updated. The accumulated costs recorded for these transactions at the end of each year up to the vesting date are proportionate to the expiries of the vesting period and to the best available estimate of the number of options which will actually vest. The cost or revenue recorded in the income statement for the year represents the change in the accumulated cost recorded at the start and at the end of the year.

No cost is recorded for rights which do not ultimately vest, except in the case of rights whose allocation is subordinate to market conditions.

The impact of the dilution of the rights not yet exercised is reflected in the calculation of the dilution of earnings per share.

Cash-settled transactions

In case of cash-settled share-based transactions, the cost of the cash-settled transactions is initially valued at the fair value at the date the recipient is informed of their allocation. This fair value is recognized in the income statement in the period until vesting, with the recognition of a corresponding liability. Until the liability is settled, the fair value is recalculated at each year-end date and at the settlement date, charging the related changes to the income statement. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

2.3.20 Financial income and charges

Financial income and charges are recorded on an accrual basis according to the interest accrued on the net value of the related financial assets and liabilities, using the effective interest rate.

2.3.21 Dividends

Dividends are recognized when the shareholders' right to receive payment arises.

2.3.22 Government grants

Government grants are recognized when there is reasonable certainty that said grants will be received, and all the conditions of said grants are met. Grants related to income are shown as a positive component in the income statement.

2.3.23 Income taxes

Current taxes

Current taxes reflect a realistic estimate of the tax burden, determined by applying the rates and laws in force in the countries where the Salvatore Ferragamo Group operates; the amount payable for current taxes is recognized in the statement of financial position net of any tax advances paid. The Group regularly assesses the position taken in its income tax filings where tax regulations are subject to interpretation and makes provisions, when appropriate.

Current taxes relating to items recorded directly under shareholders' equity or in the statement of comprehensive income are also charged directly to shareholders' equity or to the statement of comprehensive income.

Deferred taxes

Deferred taxes are calculated on the temporary differences existing at the reporting date between the fiscal values taken as a reference for assets and liabilities and the values recognized in the financial statements.

Deferred tax liabilities are recorded for all taxable temporary differences, except:

- when the deferred tax liabilities derive from the initial recognition of goodwill or of an asset or a liability in a transaction which is not a business combination and which, at the time of the transaction, has no effect on the profit/(loss) for the year calculated for financial statement purposes or on the profit or loss calculated for tax purposes;
- in reference to taxable temporary differences relating to equity interests in subsidiaries, associated companies and joint ventures, when the reversal of temporary differences may be managed and it is not likely to occur in the foreseeable future.

Deferred tax assets are recorded against all deductible temporary differences and for tax assets and liabilities which are carried forward, to the extent that adequate future tax profits are likely to exist which make it possible to use the deductible temporary differences and the tax assets and liabilities which have been carried forward, except when:

- the deferred tax asset connected to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, does not affect profit/(loss) for the year calculated for financial statement purposes or the profit or loss calculated for tax purposes;
- in reference to taxable temporary differences relating to equity interests in subsidiaries, associated companies and joint ventures, deferred tax assets are only recorded to the extent that the deductible temporary differences are likely to be reversed in the immediate future and there are adequate tax profits against which the temporary differences may be used.

The value to be recorded for deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer likely that sufficient tax profits will be available in the future so as to allow all or part of this credit to be used. Unrecognized deferred tax assets are reviewed annually at the reporting date and are recorded to the extent that it has become likely that the tax profit is sufficient to ensure that these deferred tax assets can be recovered.

To determine whether taxable profit will be available against which a deductible temporary difference can be utilized, the entity shall consider whether local tax laws restrict the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference.

Deferred tax assets and liabilities are measured on the basis of the tax rates which are expected to be applied in the year in which the assets are realized or the liabilities are settled, taking into account the rates in force and those already issued or basically issued at the reporting date.

Deferred taxes relating to items recorded directly under shareholders' equity or in the statement of comprehensive income are also charged directly to shareholders' equity or to the statement of comprehensive income.
Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets against current tax liabilities and the deferred taxes refer to the same fiscal entity and the same tax authority.

Value added tax
Revenues, costs and assets are recorded net of value added tax, except when:

- this tax, applied to the purchase of goods or services, is non-deductible, in which case it is recognized as part of the purchase cost of the asset or part of the cost item recognized in the income statement;
- it refers to trade receivables and payables for which the invoice has already been issued or received and whose values are shown including the tax amount.

The net amount of indirect taxes on sales and purchases which may be recovered from or paid to the Inland Revenue Office is recorded among tax receivables or payables depending on the nature of the balance.

2.3.24 Earnings per share

Basic earnings per share is calculated by dividing the profit and/or loss for the period attributable to the Shareholders of the Parent company by the weighted average number of outstanding shares during the year. For the purpose of calculating the diluted earnings per share, the weighted average number of the outstanding shares is modified by assuming the conversion of all potential shares with a diluting effect. The net result is also adjusted to take account of the impact, net of taxes, of the conversion.

2.3.25 Put and call agreements on minority interests

In the case of put options granted to minority shareholders, the Group recognizes a financial liability corresponding to the present value of the exercise price of the option. If the terms and conditions of the put option already give the Group access to the economic benefits associated with the interest concerned by the option, the Group accounts for this interest as if it were already acquired and, therefore, on initial recognition of the liability, this amount is reclassified from equity as a deduction from minority interests. The liability is subsequently remeasured at the end of each period in compliance with IFRS 9. In other cases, under the accounting policy chosen by the Group, on initial recognition of the liability, this amount shall be reclassified to the Group's equity, continuing to account for the profits and losses attributable to such minority interests and the equity held by minority interests; any change in the amount of the liability shall be recognized in equity.

2.3.26 IAS 29 Financial reporting in hyperinflationary economies

CEffective 1 July 2018, Argentina's economy is considered hyperinflationary in accordance with "Financial Reporting in Hyperinflationary Economies" ("IAS 29"). This standard requires that the financial statements of entities whose functional currency is the currency of an economy considered hyperinflationary to be restated by using a general price index that reflects changes in general purchasing power. The inflation index used in Argentina is a synthetic index with the following characteristics: (a) as of 1 January 2017, a new national consumer price index is used; and (b) for periods up to 31 December 2016, the wholesale price index is used.

Therefore, all items of the financial statements of Ferragamo Argentina S.A. have been divided into monetary and non-monetary items. Monetary items are money held and assets or liabilities to be received or paid in cash; all other items are non-monetary. Monetary items are not restated because they are already expressed in terms of current monetary unity. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power. The gain or loss on the net monetary position is included in net income. The effect of inflation on the net monetary position and non-monetary assets and liabilities of Ferragamo Argentina S.A. for the year ended 31 December 2024 resulted in a 783 thousand Euro net loss with an immaterial impact on the consolidated financial statements (284 thousand Euro net profit in the consolidated income statement as at 31 December 2023).

After restating non-monetary assets as per IAS 29, the Group also assessed whether the restated amount of the asset exceeded its recoverable amount. In addition, the application of IAS 29 gave rise to temporary tax differences: while the carrying amount of non-monetary assets is adjusted for inflation, a similar adjustment is not made for tax purposes; the result of such temporary difference is a deferred tax liability that has been recognized in profit or loss.

2.3.27 Changes in international accounting standards

The Group has not adopted in advance any standards, interpretations or improvements that have been issued but are not yet in force.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In 2020 and 2022, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current, including in relation to liabilities subject to covenants, and to define the disclosures required in the financial statements. The amendments are effective for annual periods beginning on or after 1 January 2024, and must be applied retrospectively. These amendments had no impact on the Group.

Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback

In September 2022, the IASB issued amendments to IFRS16 to clarify the parameters that the lessor/seller should use to recognize variable lease payments in a "Sale and Leaseback" transaction. The amendments introduce a new model for accounting for variable payments and will require the lessor/seller to reassess and potentially reformulate sale and leaseback transactions entered into as from 2019. The amendments are effective for annual periods beginning on or after 1 January 2024, and must be applied retrospectively to Sale and Leaseback transactions entered into after the date of initial application of IFRS16. Earlier application is permitted, provided that this fact is disclosed. These amendments had no impact on the Group.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments to clarify the characteristics of financial arrangements with suppliers and to require additional disclosures in the financial statements. The more detailed information required is intended to enable readers of the financial statements to understand the impact of financial arrangements with suppliers on liabilities, cash flows and exposure to liquidity risk. The amendments are effective for annual periods beginning on or after 1 January 2024; however, earlier application is permitted, provided that this fact is disclosed. The transition provisions clarified that application is not required in interim reporting in the year of first application; therefore, the amendments had no impact on the Group's consolidated financial statements.

2.3.28. Standards issued but not yet in force

Set out below are the standards which, when preparing the Group's Consolidated Financial Statements, had already been issued but were not yet in force. The list refers to the standards and interpretations which the Group expects will in all likelihood be applicable in the future. The Group intends to adopt these standards when they come into force.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued an amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates to clarify:

- when a currency is not exchangeable for other currencies;
- how a company should estimate spot exchange rates when a currency cannot be exchanged.

The amendments will require more detailed disclosures to enable readers of the financial statements to understand the precise exchange rate used, the estimation process, the nature and impact on the financial statement data of using an estimated exchange rate, and the risks to the company related to the non-exchangeability of currencies. The amendments will be effective for annual periods beginning on or after 1 January 2025. Earlier application is permitted. The Group is currently assessing whether the amendments will have an impact on the consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which supersedes IAS 1 – Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. Moreover, entities will be required to classify all costs and revenues in the income statement into five categories: operating, investing, financing, income taxes, and discontinued operations, the first three of which are new. The standard also requires disclosures based on the new definition of management-defined performance measures (MPMs), subtotals of costs and revenues, and includes new provisions for aggregating and disaggregating financial information based on the identified roles of the primary financial statements (PFS) and notes. Amendments have also been made to IAS 7 – Statement of Cash Flows, including changing the starting point for determining cash flows from operating activities using the indirect method: from profit or loss to operating profit or loss, also removing the option to classify cash flows related to dividends and interest. Moreover, consequential amendments were made to a number of other accounting standards. IFRS 18, and the amendments to the other standards, will apply to annual reporting periods beginning on or after 1 January 2027, and earlier application is permitted subject to disclosure. IFRS 18 will apply retrospectively. The Group is currently assessing the impact of the amendments on its financial statements and explanatory notes to the financial statements.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows "eligible" entities that meet certain requirements to elect to reduce their disclosure requirements while continuing to apply the recognition, measurement and disclosure requirements in other IFRS accounting standards. To be "eligible", an entity must be a subsidiary as defined in IFRS 19 at the end of the financial year, it must not have "public accountability" and it must have an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 will apply to annual reporting periods beginning on or after 1 January 2027, and earlier application is permitted. Considering that the shares of the Parent company are publicly listed, the Group is not eligible for the application of IFRS 19.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

On 30 May 2024, the IASB issued the document "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)", which clarifies a number of issues that arose from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:

- clarify the classification of financial assets with variable returns linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used in assessing the SPPI test;
- establish that the date of settlement of liabilities through electronic payment systems is the date on which the liability is settled. However, an entity is permitted to adopt an accounting policy that allows it to deem a financial liability that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met.

With these amendments, the IASB also introduced additional disclosure requirements for investments in equity instruments measured at FVOCI. The amendments will apply for annual periods beginning on or after 1 January 2026. The Group is assessing whether the amendments will have an impact on the consolidated financial statements.

Annual Improvements Volume 11

On 18 July 2024, the IASB published a document called "Annual Improvements Volume 11" which includes clarifications, simplifications, corrections and amendments aimed at improving the consistency of several IFRS Accounting Standards. The amended standards are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 *Financial Instruments: Disclosures and related guidance on the implementation of IFRS 7;*
- IFRS 9 *Financial Instruments;*
- IFRS 10 *Consolidated Financial Statements; and*
- IAS 7 7 *Statement of Cash Flows.*

The amendments will apply for annual periods beginning on or after 1 January 2026, but earlier application is permitted. The Group is assessing whether the amendments will have an impact on the consolidated financial statements.

Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

On 18 December 2024, the IASB issued an amendment called "Contracts Referencing Nature-dependent Electricity (Amendment to IFRS 9 and IFRS 7)", to assist entities in reporting the financial effects of contracts for the purchase of electricity produced from renewable sources (often structured as Power Purchase Agreements). Based on these contracts, the amount of electricity generated and purchased may vary due to uncontrollable factors such as the weather. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include:

- a clarification regarding the application of the "own use" requirements to this type of contracts;
- criteria to allow for the recognition of such contracts as hedging instruments; and,
- new disclosure requirements to enable users of financial statements to understand the effects of these contracts on an entity's financial performance and cash flows.

The amendments will apply for annual periods beginning on or after 1 January 2026, but earlier application is permitted. The Group is assessing whether the amendments will have an impact on the consolidated financial statements.

2.4 Consolidation area

The Consolidated Financial Statements as at 31 December 2024 contain the equity and financial position as well as the operating performance of the Parent company Salvatore Ferragamo S.p.A. and its foreign subsidiaries consolidated on a line-by-line basis. These are identified collectively as the Salvatore Ferragamo Group.

The Consolidated Financial Statements as at 31 December 2024 include the 2024 accounts of Group companies, which have been prepared by adopting the same accounting policies as the Parent company. Subsidiaries are those entities over which the Group has control, i.e. where the Group is exposed to variable returns arising from its transactions with the entity, or can claim rights over such returns, and at the same time can influence such returns by exercising its influence over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the moment when the parent company starts to exercise control until such control ends. Should it lose such control, the Group eliminates the assets and liabilities of the subsidiary and any previous minority interests in shareholders' equity, including any other item of other comprehensive income relating to the subsidiary. Any profit or loss arising from the loss of control is recorded under net profit/(loss) for the year. Any equity investment in the former subsidiary is measured at fair value on the date of loss of control.

All intragroup balances and transactions, including any unrealized profits and losses deriving from transactions among Group companies, are completely eliminated.

Minority interests represent the part of profits or losses and of net assets not held by the Group and are shown in a separate item of the income statement, and in the statement of financial position among shareholders' equity items, separately from Group shareholders' equity.

Acquisitions of subsidiaries are recognized using the acquisition method, allocating the cost of the business combination at the fair values of assets, liabilities and contingent liabilities acquired at the acquisition date and including the result of the purchased company recorded from the acquisition date to the end of the year. Changes in the Group's equity interest in a subsidiary, which do not cause the loss of control, are recognized as equity transactions

The following companies are included in the scope of consolidation as at 31 December 2024 and are consolidated on a line-by-line basis.

				31 December 2024		
Company name	Location	Currency	Share capital	Controlling interest (%)		Notes
				Direct	Indirect	
Salvatore Ferragamo S.p.A.	Florence, Italy	Euro	16,879,000	Parent company		
Ferragamo Retail Nederland B.V.	Amsterdam, the Netherlands	Euro	500,000	100%		
Ferragamo France S.A.S.	Paris, France	Euro	4,334,094	100%		
Ferragamo Deutschland GmbH	Munich, Germany	Euro	3,300,000	100%		
Ferragamo Austria GmbH	Vienna, Austria	Euro	1,853,158	100%		
Ferragamo U.K. Limited	London, United Kingdom	Pound Sterling	7,672,735	100%		
Ferragamo (Suisse) SA	Mendrisio, Switzerland	Swiss Franc	1,000,000	100%		
Ferragamo Belgique SA	Brussels, Belgium	Euro	750,000	100%		
Ferragamo Monte-Carlo S.A.M.	Principality of Monaco	Euro	304,000	100%		
Ferragamo Espana S.L.	Madrid, Spain	Euro	4,600,000	100%		
Ferragamo USA Inc.	New York, United States	US Dollar	74,011,969	100%		
Ferragamo Canada Inc.	Vancouver, Canada	Canadian Dollar	4,441,461		100%	(1)
S-Fer International Inc.	New York, United States	US Dollar	4,600,000		100%	(1)
Sator Realty Inc.	New York, United States	US Dollar	100,000		100%	(1)
Ferragamo Mexico S. de R.L. de C.V.	Mexico City, Mexico	Mexican Peso	4,592,700	99.73%	0.27%	(1)
Ferragamo Chile S.A.	Santiago, Chile	Chilean Peso	3,187,970,000	99%	1%	(1)
Ferragamo Argentina S.A.	Buenos Aires, Argentina	Argentine Peso	1,050,100,000	95%	5%	(1)
Ferragamo Brasil Roupas e Acessorios Ltda.	Sao Paulo, Brazil	Brazilian Real	55,615,000	99%	1%	(1)
Ferragamo Hong Kong Ltd.	Hong Kong, China	Hong Kong Dollar	10,000	100%		
Ferragamo Japan K.K.	Tokyo, Japan	Japanese Yen	305,700,000	89.13%		
Ferragamo Australia Pty Ltd.	Sydney, Australia	Australian Dollar	13,637,003	100%		
Ferrimag Limited	Hong Kong, China	Hong Kong Dollar	109,200,000		100%	(2)
Ferragamo Fashion Trading (Shanghai) Co. Ltd.	Shanghai, China	US Dollar	200,000		100%	(3)
Ferragamo Moda (Shanghai) Co. Ltd.	Shanghai, China	US Dollar	1,400,000	100%		
Ferragamo Retail HK Limited	Hong Kong, China	Hong Kong Dollar	88,000,000		100%	(3)
Ferragamo Retail Taiwan Limited	Taipei, Taiwan	New Taiwanese Dollar	136,250,000		100%	(3)
Ferragamo Retail Macau Limited	Macau, China	Macau Pataca	17,275,000	100%		
Ferragamo Retail India Private Limited	New Delhi, India	Indian Rupee	300,000,000	100%		(4)
Ferragamo Korea Ltd.	Seoul, South Korea	South Korean Won	3,291,200,000	100%		
Ferragamo (Singapore) Pte Ltd	Singapore	Singapore Dollar	47,600,000	100%		
Ferragamo (Thailand) Limited	Bangkok, Thailand	Baht	220,000,000	100%		
Ferragamo (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	Malaysian Ringgit	1,300,000	100%		

1. Through Ferragamo USA Inc. 2 – Through Ferragamo Hong Kong Ltd. 3 – Through Ferrimag Ltd. 4 – Non-operating company.

During FY2024 the structure of the Salvatore Ferragamo Group underwent no changes.

In addition, please note that Ferragamo Argentina S.A. operates in a country that has been considered a hyperinflationary economy since 1 July 2018 in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies"; therefore, this accounting standard has been applied since 2018 in the reporting of the financial position, financial performance, and cash flows of Ferragamo Argentina S.A. for consolidation purposes, as detailed in note 2 "Basis of presentation". The impact of the application of this standard in the years from 2018 to 2024 is not to be considered material at the Group level.

2.4.1 Subsidiaries with material minority interests

The main business carried out and the percentage of minority interests as at 31 December 2024 and 2023 of Ferragamo Japan K.K., the only Group company with minority interests, are shown below.

		Minority interest (%)	
Company	**Activity**	**31 December 2024**	**31 December 2023**
Ferragamo Japan K.K.	Retail company for the Japanese market	10.87%	10.87%

The following tables provide the main economic and financial data of Ferragamo Japan K.K.This information is based on the balances of the 2024 and 2023 accounts, which were drawn up for the purposes of preparing the consolidated financial statements, gross of intercompany eliminations.

(In thousands of Euro)		
Ferragamo Japan K.K.	**31 December 2024**	**31 December 2023**
Non-current assets	32,944	32,211
Current assets	51,327	53,249
Non-current liabilities	26,600	28,620
Current liabilities	48,547	47,691
Shareholders' equity	9,124	9,149
Minority interests	**992**	**995**
Revenues	82,955	86,450
Profit for the year	170	1,611
Net profit/(loss) – minority interests	**18**	**175**
Total comprehensive income for the period	340	1,654
Comprehensive income attributed to minority interests	**36**	**180**
Net cash from/(used in) operating activities	7,704	(2,328)
Net cash from/(used in) investing activities	(4,502)	(1,756)
Net cash from/(used in) financing activities	(3,380)	(3,759)
Increase/(decrease) in cash and cash equivalents	**(178)**	**(7,843)**
Dividends paid to minority interests	-	-

IFRS 12 requires disclosure if there are legal, contractual and/or regulatory requirements as well as minority interest protection rights that may in some cases limit the Group's ability to access the assets or use them and cancel the liabilities of the Group. An analysis of these cases does not show significant restrictions.

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

The consolidated financial statements are expressed in Euro, which is the functional and presentation currency adopted by the Parent company. Every Group company establishes its own functional currency, which is used to value the items included in the individual reports.

Transactions in foreign currency are initially recorded at the exchange rate in force at the transaction date (referred to the functional currency). Monetary assets and liabilities, which are denominated in foreign currency, are translated into the functional currency at the exchange rate in force at the reporting date.

All exchange rate differences are recorded in the income statement.

Non-monetary items which are valued at historic cost and denominated in foreign currencies are translated by using the exchange rates in force at the date of initial recognition of the transaction.

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

	Average exchange rates		Exchange rates at the end of the reporting period	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
US Dollar	1.0824	1.0813	1.0389	1.1050
Swiss Franc	0.9526	0.9718	0.9412	0.9260
Japanese Yen	163.8520	151.9902	163.0601	156.3301
Pound Sterling	0.8466	0.8698	0.8292	0.8690
Australian Dollar	1.6397	1.6288	1.6772	1.6263
South Korean Won	1475.4050	1412.8884	1532.1444	1433.6506
Hong Kong Dollar	8.4454	8.4650	8.0686	8.6314
Mexican Peso	19.8314	19.1830	21.5504	18.7231
New Taiwanese Dollar	34.7330	33.6853	34.0460	33.9354
Singapore Dollar	1.4458	1.4523	1.4164	1.4591
Thai Baht	38.1811	37.6311	35.6760	37.9730
Malaysian Ringgit	4.9503	4.9320	4.6454	5.0775
Indian Rupee	90.5569	89.3001	88.9335	91.9045
Macau Pataca	8.6966	8.7164	8.2968	8.9127
Chinese Renminbi	7.7875	7.6600	7.5833	7.8509
Chilean Peso	1020.2416	907.4245	1030.7153	968.7763
Argentine Peso	990.2167	895.1990	1069.5530	895.1990
Brazilian Real	5.8283	5.4010	6.4253	5.3618
Canadian Dollar	1.4821	1.4595	1.4948	1.4642

At the reporting date, the assets and liabilities of Group companies are converted into the Group's presentation currency (the Euro) at the exchange rate in force on that date, and their income statement is converted using the average exchange rate for the period. Translation differences are recorded directly under shareholders' equity, are shown separately in a specific reserve and are recognized in the statement of comprehensive income. On disposal of a particular foreign company, the accumulated translation differences which have been recorded as a component of the statement of comprehensive income for that particular foreign company are recorded in the income statement.

Any goodwill resulting from the acquisition of a foreign company and any adjustment to fair value of the book values of assets or liabilities arising from the acquisition of that foreign company are recognized as assets and liabilities of the foreign company, are expressed in the functional currency of the foreign company and are translated at the exchange rate in force at the end of the period.

3. Management of financial risks (IFRS 7)

The Salvatore Ferragamo Group is exposed in different measure to the various financial risks related to its business, in particular to the market risk category which includes the following types of risk:

- interest rate risks relating to the impact of changes in market interest rates;
- exchange rate risks, due to operations in currency areas other than that of the accounting currency;
- liquidity risks relating to the availability of financial resources and the ease of access to the credit market and connected to the need to fulfill the Group's financial commitments in the short term;
- credit (or counterparty) risks, representing the risks of default on commercial or financial obligations assumed by the various counterparties and arising from normal commercial transactions or from use, financing and risk hedging activities.

Financial risks are managed on the basis of guidelines established by the Parent company, in compliance with the goals set centrally by the Board of Directors. This enables the control and coordination of the operations of the individual subsidiaries, also through more effective financial planning and control, the systematic monitoring of the Group's levels of exposure to financial risks as well as the trend in cash management, and the provision of useful indications in order to optimize the management of dealings with the reference credit institutions. In accordance with these directives, the Group specifically controls the management of individual financial risks and intervenes to contain their impact, also by using derivatives. Derivatives are used for hedging purposes only. In accordance with IFRS, some derivatives have been classified as held for trading, although they have been entered into solely for hedging purposes.

Financial liabilities largely consist of trade payables, payables to banks and other financial payables, and lease liabilities following the introduction of the accounting standard IFRS 16. The management of these liabilities is largely aimed at financing the Group's operations.

Interest rate risk

Movements in market interest rates affect the level of net financial charges and the market value of financial assets and liabilities.

Interest rate risk can be classified as follows:

- flow risk, which refers to the variability in interest income and expense received and paid following changes in market interest rates;
- price risk, relating to the sensitivity of the market value of assets and liabilities to changes in the level of interest rates (it refers to fixed-rate assets or liabilities).

The Salvatore Ferragamo Group is mainly exposed to flow risk, i.e. to the risk of recording in the income statement an increase in financial charges due to an unfavorable change in interest rates. Group companies use third-party financial resources largely in the form of floating-rate bank debt and deploy the available liquidity mainly in money market instruments. Changes in market interest rates only affect the cost of loans and the yield on uses and thus the level of the Group's financial charges and income, and not their fair value.

Bank debt is represented by short-term, floating-rate loans. The cost of bank debt is benchmarked to the market rate (generally Euribor/Libor/SOFR or the benchmark of the loan currency on the specific interbank market) in the period, increased by a spread which depends on the type of line of credit used. Drawdowns range from one day to a maximum of less than one year; the interest period and the market rate used (Euribor/Libor/SOFR) do not exceed twelve months. The margins applied are in line with best market standards.

Cash surpluses are held in t or used in short-term time deposits opened with reference banks, which typically take as a reference the Euribor/Libor/SOFR rate for the period, or the benchmark of the investment currency on the specific interbank market, in cash-pooling structures or in intercompany loans, regulated at current market conditions, in order to limit the Group's exposure to the banking system, counterparty risk and the impact of financial charges.

Salvatore Ferragamo S.p.A., with a view to moderately diversifying its cash management, made an insurance investment in a readily adjustable Type I policy in 2022, an investment in short-term Italian government bonds (Buoni Ordinari del Tesoro) in 2023, and an insurance investment in a multi-branch policy that can be quickly converted into cash in 2024.

As part of the general policy of optimizing financial resources, the aim is to find a balance between companies with surplus liquidity and others with financial requirements, using the least costly forms of financing.

Sensitivity to interest rate risk is monitored at Group level, by keeping the overall exposure in due consideration, through coordinated management of debt and available liquidity and of the relevant due dates. At the reporting date, there were no outstanding interest rate risk hedge derivatives aimed at transforming floating-rate debt into fixed-rate debt, nor did the Group make use of such derivatives in the previous year.

The sensitivity analysis of the interest rate risk to which the Group is exposed was undertaken by considering the financial statement items which give rise to floating-rate interests and by assuming parallel increases or decreases in the benchmark interest rate curves by individual currency in proportion to the respective annual volatility observed on the market. The result of the analysis undertaken on risk factors that generate significant exposure (interest rate curves in Chinese Renmimbi, Euro, Hong Kong Dollar, Japanese Yen, Macau Pataca, Mexican Dollar, and Singapore Dollar) showed potential losses or profits in the income statement amounting to 396 thousand Euro, compared to potential losses or profits in the income statement of 12 thousand Euro for 2023.

The possible upward or downward change in the market's benchmark interest rates continues having a minor impact on the Group's income statement.

Exchange rate risk

The exposure to exchange rate risk derives from operations in currencies other than the accounting currency. In particular, the exchange rate risk can be classified based on the nature of the exposure and of the relevant effects:

- on operating results, due to the different relevance of costs and revenues in foreign currency compared to the moment when the price conditions were defined (economic risk) and due to the translation of trade or financial receivables and payables denominated in foreign currency (settlement risk);
- on the consolidated financial statements, operating result and shareholders' equity, due to the translation of assets and liabilities of companies which prepare their financial statements in a different currency from the Group's functional currency (translation risk).

The Group operates internationally and therefore is exposed to risks arising from exchange rate fluctuations, which have an impact on the operating results and on the value of shareholders' equity.
The functional and presentation currency for the Group's financial data is the Euro.
In accordance with IFRS, for companies whose presentation currency is different from the Group's functional currency:

- income statements are translated into Euro at the average exchange rate for the period; if revenues and margins are equal in local currency, exchange rate changes may affect the value in Euro of revenues, costs and operating results;
- assets and liabilities are translated into Euro at the year-end exchange rate and therefore may have different values as a consequence of exchange rate movements. This change has an impact on shareholders' equity, where it is reclassified under "Translation reserve", and is recorded in the statement of comprehensive income.

Besides absolute amounts, financial ratios may also vary, if the proportions between profit, assets, debt and shareholders' equity in the various currencies change due to exchange rate changes.

It is not the Group's policy to hedge its exposure to translation exchange risk.
The objective of the exchange rate risk hedging policy is to minimize the economic and settlement exchange rate risks, i.e. the risks arising from the possibility that currency parity changes unfavorably during the period between the moment in which a commitment to pay or a right to collect a currency other than the Euro is expected for a future date (definition of budgets, setting of price lists, arrangement of orders), the registration of the accounting document (invoicing) and the moment in which the receipt or payment effectively occurs, generating an effect in terms of translation differences, with an impact on the income statement. In keeping with the exchange rate risk management policy adopted in recent years, the Group manages exchange rate risk arising from its business, in line with the provisions of the Exchange rate risk management policy and the risk management objectives that are periodically established at Corporate level, through the systematic hedging of commercial flows arising from sales forecast in currencies other than the Euro, with the aim of mitigating the expected risk of variability in margins arising from sales relating to future collections.

The Group has a strong presence in international markets, including through commercial companies located in countries which use currencies other than the Euro, mainly the US Dollar and Chinese Renminbi. In the year ended 31 December 2024, around 33% of the Company's net revenues were denominated in US Dollars, around 10% in Chinese Renminbi, around 6% in Japanese Yen, around 5% in South Korean Won, and around 5% in Mexican Peso. In the year ended 31 December 2023, around 31% of the Company's net revenues were denominated in US Dollars, around 9% in Chinese Renminbi, around 6% in South Korean Won, around 6% in Mexican Peso, and around 5% in Japanese Yen. The currency risks originate mainly from exports of the Company in US Dollars, Chinese Renminbi, Japanese Yen, South Korean Won, and Mexican Peso.

In seeking ever greater efficiency and more accurate control of risks, exchange rate risk management is centralized at the Parent company. Goods transferred for consideration to subsidiaries are settled directly in the currency of

the country where they operate and sell. In relation to its business model, the Group incurs a significant part of its costs in Euro (costs relating to production and management of the corporate structure), while the revenues and costs recorded by Group companies are mainly expressed in the local currencies of the respective reference markets. In particular, the Group is exposed to changes in the exchange rate between the Euro and the US Dollar, in relation to sales in Dollars both on the North American market and on few other markets, mainly Asian ones. In this context, the Group is exposed to changes in the exchange rates of the currencies in which sales are denominated. This implies the risk that the corresponding value in Euro of revenues determined at the moment of collection is insufficient to cover production costs or to achieve the desired profit margin. This risk is heightened during the significant period between the moment when the sale prices of a collection are set and the moment when revenues are converted into Euro, which extends up to 18 months.

The Parent company (as a manufacturing company) enters into currency forward contracts or options, to establish the conversion rate in advance, or a predefined range of conversion rates at future dates with an estimated period of maximum 24 months. In the years under examination, the Group hedged its exchange rate risk almost exclusively through currency forward contracts.

To this end, on the basis of market expectations and conditions, before establishing price lists, and in any case not after the beginning of the sales campaign, hedging is arranged for an amount generally between 50% and 90% of forecast sales in foreign currency. This proportion is calculated based on the expected overall exposure, rather than the individual foreign currency. In the period following the preparation of the price list, the total outstanding hedge is added for the orders effectively managed and put into production. In this way the company limits the commercial risk just to the risk arising from sales volumes, excluding the risk arising from the exchange rate.

To the above operations we may add residual operations of some Asian and Latin American subsidiaries that purchase goods in US Dollars or in Euro and sell in the currency of the country in which they operate. The values of the contracts involved are significantly lower than those of the Parent company.

In addition, the Group controls and hedges exposure deriving from changes, due to exchange rate fluctuations, in the value of assets or liabilities denominated in currencies other than the accounting currency of the individual company, which may affect the income statement (typically intercompany financial receivables/payables) through financial instruments, whose recognition in accordance with IFRS follows the rules of fair value hedge: the profit or loss arising from subsequent assessments of the present value of the hedging instrument is recognized in the income statement as well as the profit or loss on the hedged item.

The hedges of the Parent company's future transactions in foreign currencies (which can be classified as cash flow hedges pursuant to IFRSs) are accounted for in accordance with hedge accounting rules.

The following table shows the changes in the Cash flow hedge reserve for the years ended 31 December 2024 and 31 December 2023:

Exchange rate risk

(In thousands of Euro)	2024	2023
Opening balance	**5,552**	**9,495**
+ increases for recognition of new positive effectiveness	4,535	15,707
- decreases for recognition of new negative effectiveness	(12,226)	(2,805)
- decreases due to the transfer of effectiveness from the Cash flow hedge reserve and recognition of income in profit or loss	(6,765)	(20,219)
+ increases due to the transfer of effectiveness from the Cash flow hedge reserve and recognition of cost in profit or loss	1,923	3,374
Closing balance	**(6,981)**	**5,552**

Overall, the reserve, which consists of the value changes in hedges for expected transactions in foreign currency, decreased by 12,533 thousand Euro during 2024, whereas it had decreased by 3,943 thousand Euro in 2023. The changes in value reflect the performance of the Euro against the main hedged currencies. The decrease was mainly due to the strengthening of the US Dollar and the Chinese Renminbi in the second half of the year. The amount transferred from the Reserve to "Revenues from sales" on occurrence of the underlying flows was a positive total of 4,842 thousand Euro in 2024, compared to a positive 16,845 thousand Euro in 2023. In 2024, no hedge was interrupted due to the cancellation of the expected underlying value; hedges were one hundred percent effective for the whole duration of the underlying asset.

A hedge may become ineffective as a result of:

- differences in the timing of cash flows of the hedged item and the hedging instrument;
- changes in the expected amount of cash flows of the hedged item and the hedging instrument.

The following tables set out the average time horizon and the relevance by risk factor of exchange rate hedges held by the Group at the end of 2024 and 2023. The number of foreign currencies in the tables shows how exchange rate risk management is all but centralized at the Parent company.

Cash flow analysis (hedged items): Financial recognition

31 December 2024

(In thousands)	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total expected
Currency forward contracts						
Notional amount in USD	15,000	60,000	60,000	40,000	40,000	**215,000**
Average forward exchange rate (EUR/USD)	1.104	1.093	1.101	1.104	1.085	
Notional amount in CAD	2,000	500	-	-	-	**2,500**
Average forward exchange rate (EUR/CAD)	1.501	1.516	-	-	-	
Notional amount in CNY	30,000	80,000	50,000	100,000	40,000	**300,000**
Average forward exchange rate (EUR/CNY)	7.795	7.797	7.782	7.792	7.719	
Notional amount in GBP	500	-	1,500	1,000	-	**3,000**
Average forward exchange rate (EUR/GBP)	0.847	-	0.850	0.856	-	
Notional amount in HKD	5,000	5,000	10,000	15,000	-	**35,000**
Average forward exchange rate (EUR/HKD)	8.601	8.509	8.610	8.505	-	
Notional amount in JPY	400,000	800,000	1,000,000	900,000	400,000	**3,500,000**
Average forward exchange rate (EUR/JPY)	159.448	155.798	155.395	155.401	156.120	
Notional amount in KRW	4,000,000	4,000,000	4,000,000	9,000,000	2,000,000	**23,000,000**
Average forward exchange rate (EUR/KRW)	1,433.000	1,470.000	1,481.000	1,480.167	1,468.000	
Notional amount in MXN	60,000	90,000	80,000	200,000	20,000	**450,000**
Average forward exchange rate (EUR/MXN)	20.043	21.093	22.926	22.768	21.922	

31 December 2023

(In thousands)	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total expected
Currency forward contracts						
Notional amount in USD	27,000	36,000	53,000	74,000	5,000	**195,000**
Average forward exchange rate (EUR/USD)	1.051	1.071	1.090	1.096	1.088	
Notional amount in CAD	2,000	500	5,000	2,000	-	**9,500**
Average forward exchange rate (EUR/CAD)	1.449	1.478	1.479	1.502	-	
Notional amount in CNY	40,000	100,000	50,000	110,000	-	**300,000**
Average forward exchange rate (EUR/CNY)	7.302	7.305	7.505	7.773	-	
Notional amount in GBP	1,000	1,700	1,000	-	-	**3,700**
Average forward exchange rate (EUR/GBP)	0.878	0.874	0.871	-	-	
Notional amount in HKD	8,000	11,000	7,000	18,000	-	**44,000**
Average forward exchange rate (EUR/HKD)	8.363	8.418	8.473	8.405	-	
Notional amount in JPY	400,000	1,000,000	600,000	800,000	-	**2,800,000**
Average forward exchange rate (EUR/JPY)	137.631	145.682	153.665	151.440	-	
Notional amount in KRW	4,000,000	10,000,000	12,000,000	14,000,000	-	**40,000,000**
Average forward exchange rate (EUR/KRW)	1,394.800	1,422.317	1,396.625	1,415.937	-	
Notional amount in MXN	30,000	80,000	100,000	40,000	-	**250,000**
Average forward exchange rate (EUR/MXN)	21.285	20.580	19.779	19.261	-	

Cash flow analysis (hedged items): Impact on the income statement

31 December 2024

(In thousands)	Total expected flows	within 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	over 1 year
Exchange rate risk						
Expected sales in USD	**170,000**	85,000	35,000	45,000	5,000	-
Expected sales in JPY	**3,100,000**	1,200,000	900,000	800,000	200,000	-
Expected sales in GBP	**2,500**	500	2,000	-	-	-
Expected sales in MXN	**300,000**	80,000	200,000	20,000	-	-
Expected sales in CAD	**500**	500	-	-	-	-
Expected sales in CNY	**220,000**	60,000	90,000	70,000	-	-
Expected sales in HKD	**25,000**	5,000	15,000	5,000	-	-
Expected sales in KRW	**15,000,000**	4,000,000	7,000,000	4,000,000	-	-

31 December 2023

(In thousands)	Total expected flows	within 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	over 1 year
Exchange rate risk						
Expected sales in USD	**144,000**	56,000	73,000	15,000	-	-
Expected sales in JPY	**2,600,000**	1,300,000	500,000	700,000	100,000	-
Expected sales in GBP	**2,700**	1,700	1,000	-	-	-
Expected sales in MXN	**140,000**	100,000	40,000	-	-	-
Expected sales in CAD	**7,000**	1,000	6,000	-	-	-
Expected sales in CNY	**275,000**	110,000	90,000	75,000	-	-
Expected sales in HKD	**30,000**	8,000	17,000	5,000	-	-
Expected sales in KRW	**36,000,000**	14,000,000	14,000,000	8,000,000	-	-

The most important hedge, in terms of volumes of notional amounts in foreign currency being hedged, is aimed at mitigating the risk generated by fluctuations in the exchange rate between the Euro and the following currencies: US Dollar, Chinese Renminbi, Japanese Yen, South Korean Won, and Mexican Peso.

From a time viewpoint, hedges lasting over one year showed nil values as at 31 December 2024 as well as at 31 December 2023. The above tables set out the financial recognition dates of underlying assets by currency and the dates on which the impact on the income statement is recognized. This is determined upon the invoicing of the estimated flows, which are the object of the exchange rate hedge, as at 31 December 2024 and 2023.

Below is the impact of the hedged items on the statement of financial position:

Highly probable expected sales

(In thousands of Euro)	Notional amount	Cash flow hedge reserve / change in fair value used to measure ineffectiveness	*Carrying amount*	
			Line item "other current assets"	Line item "other current liabilities"
31 December 2024	241,816	(6,980)	1,052	(7,609)
31 December 2023	225,927	5,552	4,454	(272)

Sensitivity Analysis

The sensitivity analysis carried out in order to assess the Group's exposure to exchange rate risk was undertaken on the basis of percentage increases and decreases in the exchange rates of the various currencies, proportional to their annual volatility, applied to all significant financial assets and liabilities expressed in original currencies. In particular, the analysis involved all currencies and the following items:

- exchange rate derivatives;
- trade and other receivables;
- trade and other payables;
- cash and cash equivalents;
- short- and long-term financial liabilities;
- short- and long-term lease liabilities

In addition, the table shows the most important impacts and the related currencies, and refers to the exposure to exchange rate risk in accordance with the requirements of IFRS 7; therefore, it does not take into account the effects arising from the translation of financial statements of foreign companies whose functional currency is different from the Euro. Exchange rates were considered for currencies whose changes generate an impact on the income statement and shareholders' equity, in absolute terms, of over one million Euro.

31 December 2024

(In thousands of Euro)		Increase/ decrease in underlying foreign exchange rates	Underlying asset	Impact on the income statement	Impact on shareholders' equity
POSITIVE CHANGE	EUR/JPY	10.8%	Derivatives	1,913	1,853
			Non derivatives	(433)	-
	EUR/USD	7.9%	Derivatives	11,813	11,953
			Non derivatives	(501)	-
	EUR/KRW	7.9%	Derivatives	380	713
			Non derivatives	(21)	-
	EUR/CNY	6.2%	Derivatives	611	1,680
			Non derivatives	(75)	-
	EUR/MXN	13.7%	Derivatives	1,794	1,682
			Non derivatives	(317)	-
	EUR/GBP	5.4%	Derivatives	501	155
			Non derivatives	(42)	-
	EUR/CAD	6.7%	Derivatives	690	21
			Non derivatives	(39)	-
	EUR/BRL	15.2%	Derivatives	553	-
			Non derivatives	-	-
	EUR/HKD	8.0%	Derivatives	1,383	230
			Non derivatives	(65)	
Total				**18,145**	**18,287**

31 December 2024

(In thousands of Euro)		Increase/ decrease in underlying foreign exchange rates	Underlying asset	Impact on the income statement	Impact on shareholders' equity
NEGATIVE CHANGE	EUR/JPY	(10.8%)	Derivatives	(2,376)	(2,302)
			Non derivatives	537	-
	EUR/USD	(7.9%)	Derivatives	(13,834)	(13,998)
			Non derivatives	564	-
	EUR/KRW	(7.9%)	Derivatives	(445)	(834)
			Non derivatives	23	-
	EUR/CNY	(6.2%)	Derivatives	(691)	(1,899)
			Non derivatives	78	-
	EUR/MXN	(13.7%)	Derivatives	(2,365)	(2,217)
			Non derivatives	375	-
	EUR/GBP	(5.4%)	Derivatives	(559)	(172)
			Non derivatives	46	-
	EUR/CAD	(6.7%)	Derivatives	(788)	(24)
			Non derivatives	43	-
	EUR/BRL	(15.2%)	Derivatives	(751)	-
			Non derivatives	-	-
	EUR/HKD	(8.0%)	Derivatives	(1,624)	(271)
			Non derivatives	76	
Total				**(21,691)**	**(21,717)**

31 December 2023

(In thousands of Euro)		Increase/ decrease in underlying foreign exchange rates	Underlying asset	Impact on the income statement	Impact on shareholders' equity
POSITIVE CHANGE	EUR/JPY	9.8%	Derivatives	2,000	1,625
			Non derivatives	(467)	-
	EUR/USD	6.7%	Derivatives	12,070	9,764
			Non derivatives	(1,581)	-
	EUR/KRW	7.7%	Derivatives	441	1,984
			Non derivatives	(5)	-
	EUR/CNY	5.9%	Derivatives	526	2,068
			Non derivatives	(60)	-
	EUR/MXN	12.2%	Derivatives	1,726	833
			Non derivatives	(45)	-
	EUR/GBP	6.0%	Derivatives	1,133	228
			Non derivatives	(25)	-
	EUR/CAD	5.9%	Derivatives	781	331
			Non derivatives	(83)	-
	EUR/BRL	14.0%	Derivatives	799	-
			Non derivatives	(2)	-
	EUR/HKD	6.7%	Derivatives	140	262
			Non derivatives	(91)	
Total				**17,257**	**17,095**

31 December 2023

(In thousands of Euro)		Increase/ decrease in underlying foreign exchange rates	Underlying asset	Impact on the income statement	Impact on shareholders' equity
NEGATIVE CHANGE	EUR/JPY	(9.8%)	Derivatives	(2,486)	(2,020)
			Non derivatives	565	-
	EUR/USD	(6.7%)	Derivatives	(14,197)	(11,485)
			Non derivatives	1,784	-
	EUR/KRW	(7.7%)	Derivatives	(524)	(2,357)
			Non derivatives	5	-
	EUR/CNY	(5.9%)	Derivatives	(597)	(2,345)
			Non derivatives	64	-
	EUR/MXN	(12.2%)	Derivatives	(2,221)	(1,072)
			Non derivatives	58	-
	EUR/GBP	(6.0%)	Derivatives	(1,328)	(268)
			Non derivatives	25	-
	EUR/CAD	(5.9%)	Derivatives	(907)	(385)
			Non derivatives	94	-
	EUR/BRL	(14.0%)	Derivatives	(1,171)	-
			Non derivatives	2	-
	EUR/HKD	(6.7%)	Derivatives	(165)	(309)
			Non derivatives	104	
Total				**(20,895)**	**(20,241)**

As the above table shows, a positive change in the listed exchange rates (EUR/JPY, EUR/USD, EUR/KRW, EUR/CNY, EUR/MXN, EUR/GBP, EUR/CAD, EUR/BRL, and EUR/HKD) would have resulted in a profit of 18,145 thousand Euro as at 31 December 2024 and of 17,257 thousand Euro as at 31 December 2023; on the other hand, a negative change in exchange rates would have caused a loss of 21,691 thousand Euro as at 31 December 2024 and of 20,895 thousand Euro as at 31 December 2023. The increase in shareholders' equity caused by derivatives designated as hedges, as a result of the assumed positive exchange rate changes, would have amounted to 18,287 thousand Euro as at 31 December 2024 and 17,095 thousand Euro as at 31 December 2023, while the decrease in shareholders' equity as a result of the assumed negative exchange rate changes would have totaled 21,717 thousand Euro as at 31 December 2024 and 20,241 thousand Euro as at 31 December 2023. The sensitivity analysis carried out as described above, which is significantly affected by market volatility in the exchange rates considered, points to a material impact on the Group shareholders' equity from the potential change in the value of hedging derivatives. This is temporarily allocated to the Cash flow hedge reserve and will be recognized through profit or loss in the following years when the expected sales occur. The higher or lower impact on the income statement and on the statement of financial position in each of the years under consideration largely results from the trend of the individual currencies at the reference dates and from the change in the value of financial assets and liabilities exposed to fluctuations in exchange rates.

Liquidity risk

Liquidity risk represents the risk that the Group cannot meet its financial obligations due to problems in obtaining funds at current market price conditions (funding liquidity risk) or in liquidating assets on the market to find the necessary financial resources (asset liquidity risk).

The first consequence is a negative impact on the income statement, should the Company be forced to incur additional costs to meet its commitments.

The factors which mainly influence the Group's liquidity are the resources generated or absorbed by current operating and investing activities, the possible distribution of dividends and the expiry and possibility of renewal of debt or the expiry and possibility of liquidation of financial investments of surplus cash. Liquidity needs or surpluses are monitored on a daily basis by the Parent company in order to guarantee effective sourcing of financial resources or adequate investment of liquidity.

The negotiation and management of credit lines is coordinated by the Parent company with the aim of satisfying the short- and medium-term needs of the Group's individual companies according to efficiency and cost-effectiveness criteria. As at 31 December 2024, committed credit lines totaling 380,000 thousand Euro, fully available in one or more installments (revolving), were outstanding with several bank counterparties. As at the same date, there were also uncommitted short-term credit lines relating to the Parent company and some of its subsidiaries totaling 442,447 thousand Euro.

As at 31 December 2024, the Group had unused committed credit lines (in the form of revolving credit lines or term loans) amounting to 380,000 thousand Euro and uncommitted credit lines totaling 329,531 thousand Euro, against gross debt of 112,916 thousand Euro and an adjusted net financial position amounting to a surplus of 172,780 thousand Euro (503,566 thousand Euro debt when considering also lease liabilities in accordance with IFRS 16). As at 31 December 2024, committed credit lines had a maximum residual maturity of twenty-nine months and a weighted average residual maturity of thirteen months. The credit lines and the related financial operations are spread among leading national and international banks. As at the reporting date, their maximum use is below one year. The Group's current committed revolving credit lines do not require compliance with financial covenants. For more details, see note 22 "Interest-bearing loans & borrowings – Limitations on the use of financial resources".

It has always been the Group's policy to sign and constantly maintain with various and diversified banks a total amount of committed credit lines that is considered consistent with the needs of the individual companies and suitable to ensure at any time the liquidity needed to satisfy and comply with all the Group's financial commitments, at the established economic conditions, as well as guaranteeing the availability of an adequate level of operational flexibility for any expansion programs. Also in FY2024, the Group's policy was to use a significant part of its cash surpluses in time-deposit investments, as well as to take out intercompany loans, regulated at current market conditions, so as to contain the increase in bank debt and the related financial charges.

Cash surpluses are used with reference banks in short-term (usually between one day and three months) time deposit transactions, referring to the Euribor/Libor/SOFR rate for the period or the benchmark of the investment currency on the specific interbank market. Liquidity investments are carried out with the prime objectives of making resources available at short notice (in the event of maturities longer than three months, the relevant contracts allow promptly liquidating them without penalties) and neutralizing the risk of capital losses, avoiding speculative transactions. In 2024, with a view to moderately diversifying its cash management, Salvatore Ferragamo S.p.A. maintained an investment in short-term Italian government bonds (Buoni Ordinari del Tesoro) of 9,958 thousand Euro, and an insurance investment in a readily adjustable Type I policy of 15,444 thousand Euro, in addition to a new insurance investment in a multi-branch

policy that can be quickly converted into cash of 24,999 thousand Euro, in accordance with the policy for the management and mitigation of liquidity risk approved by the Board of Directors of Salvatore Ferragamo S.p.A. in 2023, with the main objective of ensuring an adequate coverage of the financial requirements of Group companies.

These choices, which also take account of the likely future trend in cash flows together with prompt renegotiation of credit lines (even before their expiry), enable a significant reduction in the exposure to the risk under review and allow to adjust the cost of debt to the best market conditions. The Group has constantly maintained access to a wide range of financing sources at competitive costs, despite the external scenario, which continues to be characterized by rigidity in the credit market. Notwithstanding the Group's overall ability to generate cash flows from current operations, the constant availability of an adequate amount of committed credit lines has allowed to face the most turbulent market phases and volatility in credit flows with confidence. The total financial position of each company and that of the Group overall is measured every month, and compared with the latest Budget/Forecast. Management believes that the funds and credit lines currently available, with the addition of the funds which are likely to be generated from current operations, will enable the Group to safely address the repayment of loans at their natural maturity and to meet the needs arising from investment activities and working capital management.

31 December 2024

(In thousands of Euro)	< 3 months	3-12 months	1-5 years	> 5 years	Total
Trade payables	160,891	3,555	-	-	164,446
Payables to banks	85,867	28,136			114,003
Other financial payables	1,134				1,134
Lease liabilities	37,608	103,438	379,325	248,908	769,279
Guarantee deposits	317			471	788
Derivatives – non-hedging component	2,269	-	-	-	2,269
Derivatives – hedging component	3,957	8,209	-	-	12,166
Total	**292,043**	**143,338**	**379,325**	**249,379**	**1,064,085**

31 December 2023

(In thousands of Euro)	< 3 months	3-12 months	1-5 years	> 5 years	Total
Trade payables	168,466	4,857	-	-	173,323
Payables to banks	70,820	9,653	-	-	80,473
Other financial payables	898	-	-	-	898
Lease liabilities	34,886	97,070	398,933	280,406	811,295
Guarantee deposits	347	-	59	177	583
Derivatives – non-hedging component	517	-	-	-	517
Derivatives – hedging component	350	566	-	-	916
Total	**276,284**	**112,146**	**398,992**	**280,583**	**1,068,005**

The analysis conducted on the items representing financial liabilities showed maturities distributed over time, with trade payables concentrated within three months. In 2024, payables to banks had a maximum residual maturity of less than 1 year and, for the most part, less than 3 months.
The reported financial assets have a shorter remaining life, as they mostly relate to cash and cash equivalents.

Credit risk

Credit risk represents the Group's exposure to potential losses arising from failure to meet trade or financial obligations taken on by counterparties. The Group's exposure to credit risk depends on the nature of the activities which have generated the relevant receivables. The Group's exposure to commercial credit risk refers to wholesale sales, and receivables associated with licensing and rental income investment property revenues, which combined represent nearly 24.5% of global turnover; the remaining turnover refers to DTC sales with cash payment or payment by credit or debit cards at the time of purchase. Trade receivables, mainly related to wholesale sales and, to a lesser extent, to e-commerce or DTC sales in department stores, generally have maturities of less than 90 days. The Group usually favors trade dealings with customers with which it has well-established and consolidated relations. It is the Group's policy to check credit ratings of customers that ask for extended payment terms, based both on information which can be obtained from specialist agencies and on the observation and analysis of historical data of established customers. In addition, the balance of trade receivables is constantly monitored during the year in order to ensure prompt intervention and to reduce the risk of losses. The allocation of credit risk among a number of customers helps to further mitigate the risk.

Trade receivables are recorded net of write-downs, which are estimated based on the counterparty's insolvency risk, determined by considering the information available on the customer's solvency, historical data, and forecast economic conditions.

Besides obtaining, where possible, guarantees from wholesale customers or the adoption of means of payment which are less risky for the creditor, such as documentary letters of credit, another instrument used to manage commercial credit risk is the subscription of insurance policies, with the aim of preventing the risk of non-payment through careful selection of the customer portfolio jointly with the insurance companies, which agree to guarantee the payment of indemnity in the case of insolvency.

In general, the Company believes that the credit risk management policies implemented enabled overdue and bad debts, which required the adoption of legal credit collection measures, to be kept within reasonable limits.

The credit risk connected to financing, investing and operating activities in derivatives to hedge the exchange rate risk is represented by the inability of the counterparty or the issuer of the instruments to meet their contractual obligations, i.e. the so-called counterparty risk. The Group manages this type of risk by selecting counterparties with high credit ratings, which are considered solvent by the market, and with which it has routine and ongoing trade and banking service relations, as well as by diversifying the accounting currency of surplus cash.

The Group negotiated and entered into master agreements, in accordance with the international standards (ISDA Master Agreement), with all counterparties of derivatives, in order to regulate the various cases.

The credit risk regarding the Group's other financial assets, consisting of cash and cash equivalents, financial assets at amortized cost and some derivatives, has a risk equal to the carrying amount of these assets in case of insolvency of the counterparty.

(In thousands of Euro)	31 December 2024		31 December 2023	
	Current portion	Non-current portion	Current portion	Non-current portion
Financial assets at fair value through profit or loss				
Other financial assets	13	-	37	-
Receivables and loans				
Trade receivables	84,579	-	106,821	-
Receivables due from credit cards	12,793	-	15,608	-
Cash and cash equivalents	238,194	-	268,988	-
Guarantee deposits	-	13,578	-	13,760
Other current financial assets	50,401	-	35,240	-
Derivatives	1,919	-	8,348	-
Total	**387,899**	**13,578**	**435,042**	**13,760**

The table shows how the Group's exposure to both commercial and counterparty credit risk is defined by the carrying amount of the items representing outstanding financial assets as at 31 December 2024 and 31 December 2023, and is almost exclusively limited to the current portion. The non-current portion refers entirely to the item "Guarantee deposits", which mainly includes the cash deposits made by various entities for property leases and is recognized at nominal value.

(In thousands of Euro)	31 December 2024	%	31 December 2023	%
Italy	17,557	20.8%	22,084	20.7%
Europe	6,870	8.1%	12,363	11.6%
North America	19,361	22.9%	19,508	18.3%
Japan	5,363	6.3%	6,434	6.0%
Asia Pacific	27,497	32.5%	36,575	34.2%
Central and South America	7,931	9.4%	9,857	9.2%
Total	**84,579**	**100.0%**	**106,821**	**100.0%**

The table shows the concentration of commercial credit risk by geographic area of Group's operations in the two years under review.

(In thousands of Euro)	Receivables neither past due nor impaired	Receivables past due but not impaired					Total
		<30 days	30-60 days	60-90 days	90-120 days	>120 days	
31 December 2024	65,298	6,197	3,314	2,278	1,726	5,766	**84,579**
31 December 2023	93,374	4,860	3,177	1,093	1,170	3,147	**106,821**
Figures in % as at 31 December 2024	77.2%	7.3%	3.9%	2.7%	2.1%	6.8%	**100.0%**
Figures in % as at 31 December 2023	87.4%	4.6%	3.0%	1.0%	1.1%	2.9%	**100.0%**

The analysis carried out on the maturity dates of receivables which are past due but not impaired shows they are concentrated within thirty days for the years ended 31 December 2024 and 31 December 2023.

The concentration of sales to the main customers is shown in the table below; for the concentration of sales by geographic area, reference should be made to the specific section above:

Concentration of market risk	2024	2023
Percentage of revenues with the biggest customer	1.4%	1.5%
Percentage of revenues with the 3 biggest customers	3.9%	4.1%
Percentage of revenues with the 10 biggest customers	9.4%	10.0%

Capital management

The main objective of the Group's capital management activity is to ensure that a solid credit rating as well as adequate levels of equity indicators are maintained in order to support the business and optimize value for shareholders. The Group manages the capital structure and modifies it according to changes in economic conditions. To maintain or adjust the capital structure, the Group can modify the dividends paid to shareholders, repay the capital or issue new shares. No change was made to the objectives, policies or procedures during 2024 and 2023.

To this end, the Group's capital management aims to, among other things, ensure compliance with any covenants associated with financial payables to banks that define capital structure requirements.

The Group includes under net debt, interest-bearing loans, lease liabilities, other financial payables, trade and other payables, net of cash and cash equivalents.

"Other financial payables" include the value of agreements for the purchase of minority interests (reference should be made to note 43 "Put and call agreements on minority interests"), which amounted to 1,134 thousand Euro as at 31 December 2024 (898 thousand Euro as at 31 December 2023).

The table does not include the values and related effects produced by the derivatives used to manage exchange rate risk.

(In thousands of Euro)	31 December 2024	31 December 2023
Interest-bearing loans	113,291	80,129
Lease liabilities	676,346	711,042
Other financial payables	1,134	898
Trade payables and Other payables (net of hedging derivatives)	198,821	221,571
Cash and cash equivalents	238,194	268,988
Net debt	**751,398**	**744,652**
Group shareholders' equity (net of the Cash flow hedge reserve)	624,396	716,946
Minority interests	995	997
Shareholders' equity (net of the Cash flow hedge reserve)	**625,391**	**717,943**
Shareholders' equity and net debt	**1,376,789**	**1,462,595**
Net debt/Shareholders' equity	**120.1%**	**103.7%**

4. Business combinations and purchases of minority interests

There were no business combinations during FY2024.

Comments on the main statement of financial position items (assets, shareholders' equity and liabilities)

5. Property, plant and equipment

The breakdown of Property, plant and equipment as at 31 December 2024 and 2023 is shown in the following table:

	31 December 2024			31 December 2023		
(In thousands of Euro)	Historical Cost	Accumulated depreciation	Net value	Historical Cost	Accumulated depreciation	Net value
Land	28,329	-	28,329	28,998	-	28,998
Buildings	103,516	50,138	53,378	101,668	46,536	55,132
Plant and equipment	63,599	52,257	11,342	63,699	49,332	14,367
Industrial and commercial equipment	149,449	122,907	26,542	135,829	112,348	23,481
Other assets	91,067	82,456	8,611	87,668	77,642	10,026
Leasehold improvements	315,032	258,500	56,532	298,253	248,078	50,175
Tangible assets in progress and payments on account	20,826	-	20,826	18,509	-	18,509
Total	**771,818**	**566,258**	**205,560**	**734,624**	**533,936**	**200,688**

The following tables show the changes in property, plant and equipment for the years ended 31 December 2024 and 2023.

(In thousands of Euro)	Value as at 01.01.2024	Translation diff.	Increases	Decreases	Depreciation	Reclass.	Impairment	Value as at 31.12.2024
Land	28,998	(220)	-	-	-	(449)	-	28,329
Buildings	55,132	248	831	(200)	(2,633)	-	-	53,378
Plant and equipment	14,367	4	771	-	(3,784)	-	(16)	11,342
Industrial and commercial equipment	23,481	181	18,609	(933)	(9,545)	(55)	(5,196)	26,542
Other assets	10,026	45	3,980	(51)	(4,955)	2	(436)	8,611
Leasehold improvements	50,175	1,146	31,426	(595)	(20,069)	53	(5,604)	56,532
Tangible assets in progress and payments on account	18,509	435	27,884	(21,978)	-	(4,024)	-	20,826
Total	**200,688**	**1,839**	**83,501**	**(23,757)**	**(40,986)**	**(4,473)**	**(11,252)**	**205,560**

(In thousands of Euro)	Value as at 01.01.2023	Translation diff.	Increases	Decreases	Depreciation	Reclass.	Impairment	Non-current assets to be disposed of	Value as at 31.12.2023
Land	29,613	(615)	-	-	-	-	-	-	28,998
Buildings	55,150	(186)	2,833	-	(2,602)	-	-	(63)	55,132
Plant and equipment	14,056	(6)	4,841	(4)	(4,520)	-	-	-	14,367
Industrial and commercial equipment	21,973	(555)	11,475	(340)	(8,437)	-	(635)	-	23,481
Other assets	8,540	(101)	6,197	(14)	(4,417)	(18)	(161)	-	10,026
Leasehold improvements	53,933	(1,733)	22,692	(169)	(18,699)	-	(5,849)	-	50,175
Tangible assets in progress and payments on account	8,299	(230)	28,523	(18,083)	-	-	-	-	18,509
Total	**191,564**	**(3,426)**	**76,561**	**(18,610)**	**(38,675)**	**(18)**	**(6,645)**	**(63)**	**200,688**

The increase, net of the decrease in "Tangible assets in progress and payments on account":

- in "Buildings" and "Plant and equipment" largely refers to improvement works at the Osmannoro-Sesto Fiorentino facility, owned by Salvatore Ferragamo S.p.A., and at the New York building, owned by the Ferragamo USA Group;
- in "Industrial and commercial equipment" mainly refers to the opening and renovation of stores;
- in "Other assets" mainly refers to IT equipment (2,794 thousand Euro) and furniture and furnishings (1,034 thousand Euro);
- in "Leasehold improvements" mainly refers to work carried out for the opening or renovation of stores;
- in "Fixed assets in progress and payments on account" largely refers to expenses incurred and payments on account made for the renovation and opening of stores not yet operational as at the reporting date.

The increase in Tangible assets under "Leasehold improvements" included the costs for the restoration of premises leased from third parties (recognized against the "Provision for risks and charges", note 23), which amounted to 215 thousand Euro in 2024 (392 thousand Euro in 2023).

Decreases mainly refer to assets (not fully depreciated) relating to stores which have been renovated or closed during the year.

The reclassification of 449 thousand Euro under the item "Land" refers to the transfer of the portion of owned land to be used as investment property by the Parent company, while the reclassification under the item "Tangible assets in progress and payments on account", totaling 4,024 thousand Euro, refers to the reclamation work carried out on the land owned by Salvatore Ferragamo S.p.A. to be used as investment property for 1,339 thousand Euro, and to the construction of a building to be used for general interest production activities by the Parent company for 2,685 thousand Euro. For further details, please refer to note 6 "Investment property".

As required by the procedure adopted by the Group to analyze impairment indicators, at the end of the year an assessment was made of the possible presence of impairment indicators that could be identified through internal or external information sources. External sources typically consist of changes in the technological, economic and legal framework in which the Group operates, while internal sources are corporate strategies which can change the use of assets.

As required by IAS 36 and as provided for in the relevant Group's procedure, the presence of any internal and external impairment indicators is analyzed at least once a year. The analyses carried out revealed impairment indicators for some of the Group's cash-generating units, which resulted in the recognition of an impairment loss of 11,252 thousand Euro on this item in the financial statements. For more details, please refer to note 10 "Impairment of property, plant and equipment, Right-of-use assets, Intangible assets with a finite useful life, and Investment property".

6. Investment property

The breakdown of the item as at 31 December 2024 and 2023 is set out in the following table:

	31 December 2024			31 December 2023		
(In thousands of Euro)	Historical Cost	Accumulated depreciation	Net value	Historical Cost	Accumulated depreciation	Net value
Land	7,175	1,573	5,602	5,065	-	5,065
Buildings	15,375	14,514	861	11,930	11,892	38
Right-of-use assets - Buildings	110,358	110,358	-	101,327	83,764	17,563
Total	**132,908**	**126,445**	**6,463**	**118,322**	**95,656**	**22,666**

Investment property refers to buildings located in the United States and, starting from 2024, to the building to be used for general interest production activities at the area owned by Salvatore Ferragamo S.p.A., located in the municipality of Sesto Fiorentino-Osmannoro.

The following tables show the change in investment property for the years ended 31 December 2024 and 2023:

(In thousands of Euro)	Value as at 01.01.2024	Translation difference	Increases	Depreciation	Reclassifications	Impairment	Value as at 31.12.2024
Land	5,065	323	-	-	1,788	(1,574)	5,602
Buildings	38	2	-	(35)	2,685	(1,829)	861
Right-of-use assets - Buildings	17,563	367	2,481	(4,198)	-	(16,213)	-
Total	**22,666**	**692**	**2,481**	**(4,233)**	**4,473**	**(19,616)**	**6,463**

(In thousands of Euro)	Value as at 01.01.2023	Translation difference	Increases	Depreciation	Value as at 31.12.2023
Land	5,247	(182)	-	-	5,065
Buildings	105	(2)	-	(65)	38
Right-of-use assets - Buildings	22,395	(690)	-	(4,142)	17,563
Total	**27,747**	**(874)**	**-**	**(4,207)**	**22,666**

The item "Land" includes the reclassification from "Industrial Land" of 449 thousand Euro referring to the portion of land owned by Salvatore Ferragamo S.p.A. to be used for general interest production activities, and of 1,339 thousand Euro referring to the reclamation works carried out on the land reclassified from the item "Tangible assets in progress and payments on account". The item "Buildings" includes the property owned by Salvatore Ferragamo S.p.A., located

in the Municipality of Sesto Fiorentino-Osmannoro, to be used for general interest production activities reclassified from the item "Tangible assets in progress and payments on account"; the property was completed in December 2024. Please note that the right-of-use assets qualifying as investment property are classified in this line item and, as at 31 December 2024, following the impairment loss recorded as a result of the impairment test carried out during the financial year, were completely written down. For more details, please refer to note 10 "Impairment of property, plant and equipment, Right-of-use assets, Intangible assets with a finite useful life, and Investment property".

The increase in Right-of-use assets – Buildings, recognized against the "Provision for risks and charges" (note 23), included the costs for the restoration of premises leased from third parties under leases that fall within the scope of IFRS 16, which amounted to 2,481 thousand Euro in 2024 (0 thousand Euro in 2023).

As required by IAS 36 and as provided for in the relevant Group's procedure, the presence of any internal and external impairment indicators is analyzed at least once a year. The analyses carried out revealed impairment indicators on the item Right-of-use assets – Buildings, which resulted in the complete write-down of the net carrying amount by 16,213 thousand Euro. For more details, please refer to note 10 "Impairment of property, plant and equipment, Right-of-use assets, Intangible assets with a finite useful life, and Investment property".

In addition, the Group periodically assesses the fair value of investment property recognized in the financial statements. From the valuation carried out by an independent third party on the land and building owned by Salvatore Ferragamo, it was necessary to recognize an impairment loss of 3,403 thousand Euro to adjust the value to the lower of cost and fair value resulting from the valuation.

7. Goodwill

The amount of Goodwill was entirely acquired in 2020 through the business combination of Arts S.r.l. and Aura 1 S.r.l. and is attributable to the synergies and other economic benefits arising from the combination of the assets of the acquirees with those of Salvatore Ferragamo S.p.A., with respect to the design and manufacturing of men's footwear. Net of the fair value of the assets acquired and liabilities assumed, the residual amount allocated to goodwill arising from the acquisition totaled 6,679 thousand Euro. This item was unchanged in 2023 and 2024.

As required by the procedure adopted by the Group to analyze impairment indicators, and as required by IAS 36, goodwill is tested annually, and in any case when events occur that suggest an impairment loss, to determine the recoverable amount.

In reviewing its impairment indicators, the Group considers, among other factors, the ratio of its market capitalization to its carrying amount. As at 31 December 2024, the Group's market capitalization comfortably exceeded the carrying amount of equity, hence the Group did not record any impairment on this item.

8. Right-of-use assets

The following table shows the breakdown of Right-of-use assets as at 31 December 2024 and 2023:

	31 December 2024			31 December 2023		
(In thousands of Euro)	Historical Cost	Accumulated depreciation	Net value	Historical Cost	Accumulated depreciation	Net value
Buildings	1,127,090	601,463	525,627	1,050,724	437,206	613,518
Vehicles	6,278	3,278	3,000	6,069	2,983	3,086
Equipment and other assets	16	16	-	499	491	8
Total	**1,133,384**	**604,757**	**528,627**	**1,057,292**	**440,680**	**616,612**

The following table shows the changes in Right-of-use assets for the years ended 31 December 2024 and 2023.

(In thousands of Euro)	Value as at 01.01.2024	Translation difference	Increases	Decreases	Depreciation	Impairment	Value as at 31.01.2024
Buildings	613,518	10,264	77,702	(2,258)	(121,027)	(52,572)	525,627
Vehicles	3,086	(3)	1,765	(82)	(1,672)	(94)	3,000
Equipment and other assets	8	-	-	-	(7)	(1)	-
Total	**616,612**	**10,261**	**79,467**	**(2,340)**	**(122,706)**	**(52,667)**	**528,627**

(In thousands of Euro)	Value as at 01.01.2023	Translation difference	Increases	Decreases	Depreciation	Value as at 31.01.2023
Buildings	477,501	(8,141)	265,290	(4,144)	(116,988)	613,518
Vehicles	2,213	3	2,629	(128)	(1,631)	3,086
Equipment and other assets	10	1	4	-	(7)	8
Total	**479,724**	**(8,137)**	**267,923**	**(4,272)**	**(118,626)**	**616,612**

The line item "Buildings" includes Right-of-use assets largely relating to leases of stores (accounting for approximately 92% of Right-of-use assets – Buildings) and, to a lesser extent, leases of offices, company lodgings, and other premises. The main increases recorded during the year refer to new leases entered into during the period or to extensions of existing leases, mainly for stores, while the main decreases concern leases that were terminated early or for which a reduction in future lease payments has been negotiated.

The increase in Right-of-use assets – Buildings, recognized against the "Provision for risks and charges" (note 23), included the costs for the restoration of premises leased from third parties under leases that fall within the scope of IFRS 16, which amounted to 2,031 thousand Euro in 2024 (1,250 thousand Euro in 2023).

For more details on cash outflows related to leases, see notes 26 "Lease liabilities" and 36 "Breakdown by nature of income statement cost items".

As required by IAS 36 and as provided for in the relevant Group's procedure, the presence of any internal and external impairment indicators is analyzed at least once a year. The analyses carried out revealed impairment indicators for some of the Group's cash-generating units, which resulted in the recognition of an impairment loss of 52,667 thousand Euro on this item in the financial statements. For more details, please refer to note 10 "Impairment of property, plant and equipment, Right-of-use assets, Intangible assets with a finite useful life, and Investment property".

9. Intangible assets with a finite useful life

The breakdown of intangible assets with a finite useful life as at 31 December 2024 and 2023 is shown in the following table:

	31 December 2024			31 December 2023		
(In thousands of Euro)	Historical Cost	Accumulated amortization	Net value	Historical Cost	Accumulated amortization	Net value
Industrial patents and use of intellectual property rights	31,259	29,735	1,524	30,518	29,015	1,503
Concessions, licenses and trademarks	9,939	8,440	1,499	9,679	8,092	1,587
Development costs	115,057	93,647	21,410	106,704	83,157	23,547
Others	24,563	20,442	4,121	23,602	18,744	4,858
Intangible assets with a finite useful life in progress	3,318	-	3,318	5,377	-	5,377
Total	**184,136**	**152,264**	**31,872**	**175,880**	**139,008**	**36,872**

The following tables show the changes in intangible assets with a finite useful life for the years ended 31 December 2024 and 2023:

(In thousands of Euro)	Value as at 01.01.2024	Translation diff.	Increases	Decreases	Amortization	Impairment	Value as at 31.12.2024
Industrial patents and use of intellectual property rights	1,503	37	997	(156)	(817)	(40)	1,524
Concessions, licenses and trademarks	1,587	1	260	-	(349)	-	1,499
Development costs	23,547	-	8,353	-	(8,798)	(1,692)	21,410
Others	4,858	61	265	-	(1,032)	(31)	4,121
Intangible assets with a finite useful life in progress	5,377	-	6,482	(8,541)	-	-	3,318
Total	**36,872**	**99**	**16,357**	**(8,697)**	**(10,996)**	**(1,763)**	**31,872**

(In thousands of Euro)	Value as at 01.01.2023	Translation diff.	Increases	Decreases	Amortization	Reclass	Impair-ment	Value as at 31.12.2023
Industrial patents and use of intellectual property rights	1,085	(32)	1,100	-	(668)	18	-	1,503
Concessions, licenses and trademarks	1,512	-	440	-	(365)	-	-	1,587
Development costs	21,704	-	11,381	-	(9,308)	-	(230)	23,547
Others	5,684	(36)	275	-	(1,065)	-	-	4,858
Intangible assets with a finite useful life in progress	4,918	-	12,055	(11,596)	-	-	-	5,377
Total	**34,903**	**(68)**	**25,251**	**(11,596)**	**(11,406)**	**18**	**(230)**	**36,872**

In 2024, Intangible assets with a finite useful life, net of the decrease in Intangible assets with a finite useful life in progress, rose mainly due to new investment in software application development costs (recognized under "Development costs") and software license costs (item "Industrial patents and use of intellectual property rights"), net of the amortization for the period.

The item "Development costs" mainly includes the capitalization of costs for the development of business software applications (SAP accounting system, ERP, reporting systems, e-commerce platform development costs, "New Pos Solution" project aimed at implementing the new cash and back-office system). As at 31 December 2024, the Group reported no intangible assets arising from internal development.

The item "Others" primarily includes the know-how arising from the fair value measurement of the assets acquired and liabilities assumed in the business combination with Arts S.r.l. and Aura 1 S.r.l., which occurred in 2020 (net amount of 2,592 thousand Euro as at 31 December 2024); the item "Others" also includes to the so-called key money, i.e., the sums paid to obtain the use of leased property by taking over existing contracts or by obtaining the withdrawal of the lessees in such a way as to be able to enter into new leases with the lessors (net amount of 480 thousand Euro as at 31 December 2024).

As required by IAS 36 and as provided for in the relevant Group's procedure, the presence of any internal and external impairment indicators is analyzed at least once a year. The analyses carried out revealed impairment indicators for some of the Group's cash-generating units, which resulted in the recognition of an impairment loss of 71 thousand Euro on this item in the financial statements. For more details, please refer to note 10 "Impairment of property, plant and equipment, Right-of-use assets, Intangible assets with a finite useful life, and Investment property".

The 1,692 thousand Euro impairment loss refers to the item "Development costs" for expenses capitalized in previous years and that no longer fit corporate strategies.

10. Impairment of property, plant and equipment, Right-of-use assets, Intangible assets with a finite useful life, and Investment property

2024 was characterized by a complex market environment, marked by ongoing geopolitical tensions and macroeconomic uncertainties, which had an impact on the demand for luxury goods. The sector has experienced a period of normalization, primarily due to a challenging global environment for the wholesale channel and the slowdown in Asian markets, particularly in China, along with the contraction of the consumer base, resulting in increased pressure on aspirational consumption. This market environment, characterized by a particularly difficult first half of the year, had a negative impact on operating results.

As required by IAS 36, the Group performed an analysis to identify any indicators of impairment and/or impairment losses for Property, plant and equipment, Investment property, Right-of-use assets, and Intangible assets with a finite useful life, by preparing checklists aimed at identifying the presence of external indicators (such as general macroeconomic conditions, industry and market considerations, market capitalization, significant changes with a negative effect on the technological, market, economic or regulatory environment in which the entity operates or on the market to which an asset is directed) or internal indicators (such as significant changes with a negative effect on the entity in the extent to which, or in the way in which an asset is used or expected to be used, the economic performance of the asset is, or will be, worse than expected, with negative or declining cash flows).

Following this analysis, the CGUs for which external and/or internal indicators of impairment were identified were also tested for impairment with the support of an external advisor, as shown in the table below.

As in the past, impairment tests were carried out by considering the individual geographic areas in which the Group operates as CGUs (Cash Generating Units). Said areas usually coincide with the Group's individual legal entities, except where multiple legal entities of the Group operate in the same country or in neighboring territories or markets with a shared and homogeneous customer base.

It is useful to note that, compared to the past, the Ferragamo Retail Hong Kong CGU has been separated from the China CGU in line with the new distribution model implemented by the Group during 2024.

The recoverable amount of the CGU was estimated based on the value in use, i.e. using the Discounted Cash Flow (DCF) method, which considers the ability to generate cash flows as the fundamental element for the purpose of measuring the target CGU by discounting them on the basis of an appropriate discount rate. For the purpose of discounting operating cash flows, the rate was identified as the weighted average cost of post-tax capital. Therefore, the application of the financial method to determine the recoverable amount and the subsequent comparison with the respective carrying amounts resulted, for the CGUs tested for impairment, in the estimation of: the post-tax WACC, the value of the operating cash flows derived from the 2025 budget and from the 2026-2029 cash flows prepared by company management, the terminal value (TV), and the growth rate used for the projection of flows beyond the plan horizon.

The Board of Directors of Salvatore Ferragamo S.p.A. approved the impairment test procedure, the WACC, the growth rate (g)for, and the operating cash flows derived from the 2025 budget and from the 2026-2029 cash flows prepared by company management, used for the impairment test.

For more details, please refer to paragraph "Basis of presentation", section "Impairment/Reversal of impairment of Property, plant and equipment, Investment property, Intangible assets with a finite useful life, Right-of-use assets, and Goodwill".

The main assumptions to determine the recoverable amount are given below.

CGUs tested for impairment	WACC (discount rate)	Growth rate "g"
Ferragamo Monte-Carlo S.A.M.	8.9%	1.5%
Ferragamo France S.A.S.	9.9%	1.5%
Ferragamo Suisse	7.2%	1.0%
Ferragamo U.K. Limited	11.2%	2.0%
Ferragamo Deutschland GmbH	9.2%	2.0%
Ferragamo Austria GmbH	9.9%	2.1%
Ferragamo Retail Netherland B.V.	9.2%	2.0%
Ferragamo Belgique SA	10.0%	2.0%
Ferragamo USA Inc.	11.3%	2.1%
Ferragamo Chile S.A.	11.3%	3.0%
Ferragamo Mexico S. de R.L. de C.V.	17.2%	3.0%
Ferragamo Brazil Roupas e Acessorios Ltda.	21.0%	3.0%
Ferragamo Argentina S.A.	30.5%	8.0%
Ferragamo Japan K.K.	8.0%	2.0%
Ferragamo Korea Ltd.	9.8%	2.0%
Ferragamo (Singapore) Pte Ltd.	9.7%	2.0%
Ferragamo Retail Macau Limited	10.3%	2.2%
Ferragamo (Malaysia) Sdn. Bhd.	10.8%	2.0%
Ferragamo Australia Pty Ltd.	11.0%	2.5%
Ferragamo Retail Taiwan Limited	8.6%	1.5%
Ferragamo China	8.8%	2.0%
Ferragamo (Thailand) Limited	9.2%	2.0%
Ferragamo Retail HK Ltd.	10.3%	2.5%

For the sake of completeness, the main assumptions used to determine the recoverable amount for the CGUs tested for impairment on 31 December 2023 are also reported below.

CGUs tested for impairment	WACC (discount rate)	Growth rate "g"
Ferragamo (Singapore) Pte Ltd	9.76%	2.00%
Ferragamo (Thailand) Limited	9.79%	1.90%
Ferragamo Australia Pty Ltd.	11.19%	2.40%
Ferragamo Korea Ltd.	10.51%	2.00%
Ferragamo Retail Macau Limited	10.58%	1.70%
Ferragamo Retail Taiwan Limited	8.12%	1.50%
Ferragamo USA Group	11.15%	1.60%
Chinese area + HK	9.64%	2.24%

The impairment test prepared by the Group determined an impairment loss of the carrying amount of the following CGUs, allocated proportionally to Property, plant and equipment, Intangible assets with a finite useful life, Investment property, and Right-of-use assets, as summarized in the table below.

(in thousands of Euro)	Property, plant and equipment	Intangible assets with a finite useful life	Right-of-use assets	Investment property	Total
Ferragamo Retail Nederland B.V.	10	-	183	-	193
Ferragamo France S.A.S.	89	31	3,689	-	3,809
Ferragamo Deutschland GmbH	259	-	3,312	-	3,571
Ferragamo Austria GmbH	7	-	770	-	777
Ferragamo U.K. Limited	256	-	7,776	-	8,032
Ferragamo (Suisse) SA	388	-	4,305	-	4,693
Ferragamo Monte-Carlo S.A.M.	136	-	1,474	-	1,610
Ferragamo USA	-	-	-	16,213	16,213
Ferragamo Mexico S. de R.L. de C.V.	6,929	40	7,239	-	14,208
Ferragamo Australia Pty Ltd.	359	-	4,029	-	4,388
Ferragamo Retail HK Limited	1,431	-	6,981	-	8,412
Ferragamo Retail Taiwan Limited	368	-	1,167	-	1,535
Ferragamo Retail Macau Limited	18	-	3,030	-	3,048
Ferragamo (Singapore) Pte Ltd	84	-	6,418	-	6,502
Ferragamo (Thailand) Limited	530	-	737	-	1,267
Ferragamo (Malaysia) Sdn. Bhd.	388	-	1,557	-	1,945
Total	**11,252**	**71**	**52,667**	**16,213**	**80,203**

Furthermore, with reference to ESMA's provisions on monitoring the effects of climate change and its impact on impairment tests of non-financial assets, the Group has developed a risk analysis using quantitative tools such as an econometric model to estimate the relationships between macroeconomic and climate-related variables and the

main economic and financial indicators of interest to the CGU. The analysis did not reveal any significant impact of climate issues on the Group's impairment test. Finally, management prepared a sensitivity analysis on g-rate (+/- 0.5%) and WACC (+/- 0.5%), as well as a worst case scenario (which foresees a worsening of the flows envisaged by the Plan), which shows that a lower performance in terms of revenues could lead to a further impairment for the CGUs already impaired, and to a loss for the China and Korea CGUs, which have not yet been impaired, as also confirmed by the risk analysis and the related Monte Carlo simulations.

11. Other non-current assets

The breakdown of the item "Other non-current assets" as at 31 December 2024 and 31 December 2023 is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Due from tax authorities	1,508	1,773	(265)
Other non-current assets	2,204	2,723	(519)
Total	**3,712**	**4,496**	**(784)**

The item "Due from tax authorities" mainly refer to the non-current portion of the Research and development, design and aesthetic conception, and technological innovation tax credit as well as the Tax credit for donations in support of cultural activities (known as "Art Bonus"), which the Parent company was eligible for.

The item "Other non-current assets" mainly includes the long-term portion of the contributions to customers relating to the fit-out of tailored single-brand stores and/or stores-in-stores for 1,396 thousand Euro (2,075 thousand Euro as at 31 December 2023), and the impact relating to the straight-line charging of lease income arising from operating leases (as lessor) related to investment property in the USA for 665 thousand Euro (648 thousand Euro as at 31 December 2023), as provided for by the relevant standards.

12. Other non-current financial assets

"Other non-current financial assets", totaling 13,583 thousand Euro (13,760 thousand Euro as at 31 December 2023), refer to guarantee deposits, mainly for existing leases (as lessee), and are accounted for at amortized cost.

13. Inventories

Inventories include the following categories:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Gross value of raw materials, accessories and consumables	30,476	34,895	(4,419)
Provision for obsolete inventory	(6,806)	(6,152)	(654)
Raw materials, accessories and consumables	**23,670**	**28,743**	**(5,073)**
Gross value of finished products and goods for resale	366,962	334,877	32,085
Provision for obsolete inventory	(82,744)	(65,275)	(17,469)
Finished products and goods for resale	**284,218**	**269,602**	**14,616**
Total	**307,888**	**298,345**	**9,543**

The change in raw materials compared to 2023 depends on production volumes for the period; the relevant provision reflects the obsolescence of raw materials (mainly leather goods and accessories) which are no longer deemed suitable for the production plans. Inventories of finished products were up 14,616 thousand Euro compared to 31 December 2023 (+5,4%). For a better understanding of how the above provisions for obsolete inventory were calculated, please see note 2 "Basis of presentation" paragraph "Discretionary valuations and significant accounting estimates".

Net (uses of) and/or allocations to the provision for obsolete inventory were as follows:

(In thousands of Euro)	2024	2023	Change 2024 vs. 2023
Raw materials	654	3,371	(2,717)
Finished products	16,573	1,389	15,184
Total	**17,227**	**4,760**	**12,467**

14. Right of return assets

Concerning the right of return under "Revenues from contracts with customers", the line item "Right of return assets", amounting to 5,911 thousand Euro (6,044 thousand Euro as at 31 December 2023), includes the estimated cost of the products expected to be returned, equal to the lower of the previous carrying amount of inventories (estimated cost of production) and net realizable value, less potential future costs associated with their recovery.

15. Trade receivables

The breakdown of the item is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Trade receivables	89,253	112,099	(22,846)
Provision for bad debt	(4,673)	(5,278)	605
Total	**84,580**	**106,821**	**(22,241)**

Trade receivables, mainly referring to wholesale sales and, to a lesser extent, to e-commerce or DTC sales in department stores, decreased from 31 December 2023. They are interest-free and generally have a maturity of less than 90 days. The related provision for bad debt is considered adequate to meet any cases of insolvency. In addition, during the year the Group reported 145 thousand Euro in credit losses after writing off non-performing trade receivables.

The changes in the provision for bad debt during 2024 were as follows:

(In thousands of Euro)	Value as at 01.01.2024	Translation difference	Provisions	Uses	Value as at 31.12.2024
Provision for bad debt	**5,278**	86	877	(1,568)	**4,673**

For an analysis of past due but not impaired trade receivables, reference should be made to note 3 "Management of financial risks – Credit risk".

16. Tax receivables

The breakdown of the item is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Due from tax authorities (value added tax and other taxes)	18,193	24,587	(6,394)
Due from tax authorities for direct taxes	7,563	9,357	(1,794)
Withholding taxes	66	81	(15)
Total	**25,822**	**34,025**	**(8,203)**

Tax receivables mainly refer to VAT receivables and amounts due from tax authorities for income taxes relating to advances paid during the year. They were down 8,203 thousand Euro year-on-year.

17. Other current assets

The breakdown of other current assets is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Other receivables	36,798	23,598	13,200
Prepaid expenses	7,615	7,301	314
Short-term hedging derivatives	1,612	6,813	(5,201)
Total	**46,025**	**37,712**	**8,313**

As at 31 December 2024, "Other receivables" mainly include:

- the corporate income tax (IRES) advance payment receivable from the Holding company Ferragamo Finanziaria S.p.A., in the amount of 12,576 thousand Euro (it was a payable of 4,942 thousand Euro as at 31 December 2023), attributable to Salvatore Ferragamo S.p.A., accrued as part of the Italian tax consolidation regime;
- receivables due from credit card management companies for DTC sales amounting to 12,793 thousand Euro (15,608 thousand Euro as at 31 December 2023);
- the amount of 1,440 thousand Euro (1,364 thousand Euro as at 31 December 2023) due to Salvatore Ferragamo S.p.A. from the Tuscany Region and the Ministry of Economic Development, relating to the Innovation Agreement (I-SUCCEED project). For details on the project, please refer to the Directors' Report on Operations, "Significant events occurred during the year" section;
- advances to suppliers amounting to 3,614 thousand Euro (2,276 thousand Euro as at 31 December 2023).

Prepaid expenses mainly include 3,578 thousand Euro in contributions to customers relating to the fit-out of tailored single-brand stores and/or stores-in-stores, 691 thousand Euro in insurance premiums, and 126 thousand Euro in rents outside the scope of the new standard IFRS 16.
"Short-term hedging derivatives", amounting to 1,612 thousand Euro (6,813 thousand Euro as at 31 December 2023), refer to the fair value measurement of outstanding derivative contracts (hedging component) entered into by the Parent company to manage exchange rate risk on sales in currencies other than the Euro.

18 . Other current financial assets

The breakdown of the item "Other current financial assets" is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Derivatives	307	1,535	(1,228)
Other current financial assets	50,414	35,277	15,137
Total	**50,721**	**36,812**	**13,909**

The item "Derivatives", amounting to 307 thousand Euro as at 31 December 2024 (1,535 thousand Euro as at 31 December 2023), refers to the fair value measurement of derivatives for the non-hedging component. The item "Other current financial assets" mainly includes 40,443 thousand Euro (15,444 thousand Euro as at 31 December 2023) relating to an insurance investment in a multi-branch policy that can be quickly converted into cash, and 9,959 thousand Euro (19,796 thousand Euro as at 31 December 2023) relating to an investment in short-term Italian government bonds (*Buoni Ordinari del Tesoro*), both made by the company Salvatore Ferragamo S.p.A. with a view to moderately diversifying its cash management.

19. Cash and cash equivalents

The breakdown of the item is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Time deposits	53,785	129,866	(76,081)
Bank and post office sight deposits	183,422	137,255	46,167
Cash and values on hand	987	1,867	(880)
Total	**238,194**	**268,988**	**(30,794)**

Time deposits at banks have maturities ranging from one day to eleven months and, in any case, can be promptly liquidated without penalties. Bank and post office deposits refer to temporary cash holdings maintained mainly to meet imminent payments.

Also in FY2024, the Group's policy was to use a significant part of its cash surpluses in time-deposit investments, as well as to take out intercompany loans, regulated at current market conditions, so as to contain its bank debt.
As at 31 December 2024, the Group had unused credit lines amounting to 709,531 thousand Euro; as at 31 December 2023, unused credit lines totaled 728,540 thousand Euro. For more details, see note 22 "Interest-bearing loans & borrowings".

For the purposes of the consolidated statement of cash flows, the item "Cash and cash equivalents" as at 31 December 2024 and 2023 was broken down as follows:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Cash and bank sight deposits	184,409	139,122	45,287
Time deposits	53,785	129,866	(76,081)
Bank overdrafts	(1,109)	(1,529)	420
Total	**237,085**	**267,459**	**(30,374)**

Below is the reconciliation of the liabilities from financing activities, as reported on the statement of cash flows for the years ended 31 December 2024 and 2023.

		Cash flow					
(In thousands of Euro)	Value as at 01.01.2024	for principal repaid/ received	for interest paid/ received	Translation difference	*New leases*	Other non-cash changes	Value as at 31.12.2024
Current interest-bearing loans & borrowings (excluding bank overdrafts)	78,600	29,565	(4,690)	4,017	-	4,690	112,182
Non-current lease liabilities	596,603	-	-	10,944	75,821	(131,024)	552,344
Current lease liabilities	114,439	(124,903)	(22,563)	3,571	-	153,458	124,002
Total liabilities from financing activities	**789,642**	**(95,338)**	**(27,253)**	**18,532**	**75,821**	**27,124**	**788,528**

		Cash flow					
(In thousands of Euro)	Value as at 01.01.2023	for principal repaid/ received	for interest paid/ received	Translation difference	*New leases*	Other non-cash changes	Value as at 31.12.2023
Current interest-bearing loans & borrowings (excluding bank overdrafts)	29,264	51,563	(2,024)	(2,227)	-	2,024	78,600
Non-current lease liabilities	468,737	-	-	(8,103)	266,679	(130,710)	596,603
Current lease liabilities	106,586	(116,403)	(20,451)	(2,736)	-	147,443	114,439
Total liabilities from financing activities	**604,587**	**(64,840)**	**(22,475)**	**(13,066)**	**266,679**	**18,757**	**789,642**

The column "Other non-cash changes" includes the reclassification of debt into the non-current and current portions of Interest-bearing loans & borrowings and Lease liabilities, interest on Interest-bearing loans & borrowings and Lease liabilities accrued during the period, as well as the effect of the early termination of some leases or the negotiation of a reduction in future lease payments on Lease liabilities.

20. Assets held for sale, net

The item "Assets held for sale" of 67 thousand Euro refers to a property in the United States that the Board of Directors, at its meeting held on 3 August 2023, decided to sell as it is no longer used in the Group's operations.

21. Share capital and reserves

The authorized, subscribed, and paid-up share capital of the Parent company as at 31 December 2024 totaled 16,879,000 Euro and consisted of 168,790,000 ordinary shares. During FY2024, there were no changes in the number of shares issued.

The treasury share reserve, amounting to 53,676 thousand Euro, consisted of 3,113,302 shares in Salvatore Ferragamo S.p.A., at an average unit price of 17.24 Euro; this reserve was formed with the purchases made in 2018, 2019, 2021 and 2022 (no. 14,000, no. 136,000, no. 624,163, and no. 2,601,637, respectively), and the free assignment to the CEO and General Manager – which took place in 2023 and in 2024 – of 114,766 and 147,732 shares, respectively, under and in pursuance of the provisions of the Restricted Shares Plan for 2022 and 2023 (for details of which see note 42 "Share-based payments" in the Explanatory Notes to these financial statements).

Share capital contributions, totaling 2,995 thousand Euro and referring entirely to the Parent company, were paid in a lump sum in 2003 by the Holding company Ferragamo Finanziaria S.p.A. and were reduced in 2007, due to the demerger.

The legal reserve of 4,188 thousand Euro was set up in previous years and refers entirely to the Parent company.

The extraordinary reserve of 683,908 thousand Euro, which refers entirely to the Parent company, was set up with retained earnings; the change recorded in the period was due to an increase of 87,000 thousand Euro, relating to Salvatore Ferragamo S.p.A.'s profit for the year 2023. The decrease of 16,568 thousand Euro refers to the distribution of dividends, approved by Salvatore Ferragamo S.p.A. in 2024.

The cash flow hedge reserve was negative for 5,305 thousand Euro and is the result of the measurement of the financial instruments defined as cash flow hedges as at 31 December 2024, against exchange rate risk hedging transactions, and is shown net of the tax effect.

The translation reserve, negative for 8,078 thousand Euro, reflects changes in the value of the Group's interest in the shareholders' equity of consolidated companies, due to changes in the exchange rates of the companies' functional currencies against the presentation currency of the consolidated financial statements.

Retained earnings, amounting to 35,555 thousand Euro, include profits/losses capitalized during the years, taking due account of consolidation adjustments, in particular unrealized profit on inventories. The change in this reserve during 2024 was the result of several factors. It decreased by 60,940 thousand Euro mainly due to the capitalization of the result for the 2023 financial year, net of the result of the Parent company allocated to the extraordinary reserve, by 235 thousand Euro due to the recognition of put and call agreements on pre-existing minority interests (see note 43 "Put and call agreements on minority interests" in these Financial Statements), and by 463 thousand Euro due to minor effects.

As at 31 December 2024, the items "Other reserves" and "Effect IAS 19 equity" (net total of 10,712 thousand Euro) include the amounts recognized for the valuation differences required by IFRSs compared to the local standards of Group's companies. The item "Other reserves" mainly includes the Stock Grant reserve of 8,184 thousand Euro for the three top management incentive plans in place as at 31 December 2024, which increased by 2,832 thousand Euro due to the cost of the plans in 2024 and decreased by 2,398 thousand Euro due to the free assignment of shares under and in pursuance of the provisions of the Restricted Shares Plan for 2023 (for details of which see note 42 "Share-based payments"). The 87 thousand Euro increase in 2024 refers to the actuarial valuation of outstanding defined benefit plans at some of the Group's companies.

The amounts are net of the tax effects where applicable.

The changes in shareholders' equity items occurred in 2024 and 2023 are shown in the related statements. Here below is a breakdown of reserves and retained earnings:

(In thousands of Euro)	Reserves made up of profits	Translation r eserve	Other reserves	Total
31 December 2024				
Treasury share reserve	-	-	(53,676)	(53,676)
Share capital contributions	-	-	2,995	2,995
Legal reserve	4,188	-	-	4,188
Extraordinary reserve	683,908	-	-	683,908
Cash flow hedge reserve	-	-	(5,305)	(5,305)
Translation reserve	-	(8,078)	-	(8,078)
Retained earnings	35,555	-	-	35,555
Other reserves	-	-	10,712	10,712
Total	**723,651**	**(8,078)**	**(45,274)**	**670,299**
31 December 2023				
Treasury share reserve	-	-	(56,223)	(56,223)
Share capital contributions	-	-	2,995	2,995
Legal reserve	4,188	-	-	4,188
Extraordinary reserve	613,476	-	-	613,476
Cash flow hedge reserve	-	-	4,220	4,220
Translation reserve	-	2,038	-	2,038
Retained earnings	97,193	-	-	97,193
Other reserves	-	-	10,340	10,340
Total	**714,857**	**2,038**	**(38,668)**	**678,227**

22. Interest-bearing loans & borrowings

A breakdown of current and non-current interest-bearing loans & borrowings is given below:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Short-term financial payables to banks	112,182	78,600	33,582
Bank overdrafts	1,109	1,529	(420)
Total	**113,291**	**80,129**	**33,162**

As at 31 December 2024, short-term financial payables to banks increased mainly due to the greater use of uncommitted credit lines.
During FY2024, given the general credit market conditions as well as its strong cash position, the Group did not consider it appropriate to make any significant changes to its financial structure, maintaining its existing committed and uncommitted credit lines with diversified counterparties almost unchanged.

As it has in the past, the Group used a significant part of its cash surplus in order to take out or extend intercompany loans, which are regulated at current market conditions. As a result, as at 31 December 2024, at the Group level there were no term loans drawn down, although an amount deemed adequate of credit lines remains available for use, if required. The Group's loans and credit lines are at floating rates. The cost of debt is generally benchmarked to the market rate for the period (usually Euribor/Libor/SOFR or the benchmark of the loan currency on the specific interbank market), increased by a spread which depends on the type of credit line used. The margins applied are in line with the best market standards.

The financial instruments used are:

i) uncommitted credit lines made available in the currency and country of residence of the individual company in order to meet short-term financial needs linked to the management of working capital;

ii) short- and medium/long-term committed revolving credit lines, negotiated on a bilateral basis by the Parent company.

As at 31 December 2024, committed credit lines had a maximum residual duration of twenty-nine months and a weighted average residual duration of thirteen months. The credit lines and the related financial operations are spread among leading national and international banks. At the end of the reporting period, there were no outstanding drawdowns on committed lines, while drawdowns on uncommitted lines were less than one year.
As far as financial payables to banks are concerned, the following table provides a breakdown by type of the credit lines granted to the Group and the relevant uses:

	31 December 2024		31 December 2023	
(In thousands of Euro)	Agreed	Used	Agreed	Used
Committed credit lines	380,000	-	380,000	-
Revolving credit lines	380,000	-	380,000	-
Term loans	-	-	-	-
Uncommitted credit lines	442,447	112,916	428,504	79,964
Total	**822,447**	**112,916**	**808,504**	**79,964**

The following table provides the breakdown of, and changes in, the net financial position as at 31 December 2024 and 31 December 2023, presented in accordance with the model included in CONSOB Communication no. DEM/6064293 of 28 July 2006 as supplemented by CONSOB's Warning no. 5/21.

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
A. Cash	184,409	139,122	45,287
B. Cash equivalents	53,785	129,866	(76,081)
C. Other current financial assets	50,721	36,812	13,909
D. Cash and cash equivalents (A+B+C)	**288,915**	**305,800**	**(16,885)**
E. Current financial payables (including debt instruments)	116,135	81,411	34,724
F. Current portion of non-current financial payables*	124,002	114,439	9,563
G. Current financial debt (E+F)	**240,137**	**195,850**	**44,287**
H. Current financial debt, net (G-D)	**(48,778)**	**(109,950)**	**61,172**
I. Non-current financial payables (excluding debt instruments)*	552,344	596,603	(44,259)
J. Debt instruments	-	-	-
K. Trade and other current payables	-	-	-
L. Non-current financial debt (I+J+K)	**552,344**	**596,603**	**(44,259)**
M. Net financial debt (H+L)	**503,566**	**486,653**	**16,913**

* As at 31 December 2024, the "Current portion of non-current financial payables" included 10,954 thousand Euro in Current lease liabilities to related parties (9,358 thousand Euro as at 31 December 2023). As at 31 December 2024, "Non-current financial payables" included 84,155 thousand Euro in Non-current lease liabilities to related parties (92,410 thousand Euro as at 31 December 2023). For more details, please refer to note 45 "Transactions with related parties".

Limitations on the use of financial resources

The Group's committed credit lines that are currently outstanding do not require compliance with financial covenants.

Financial covenants are included in some local loan agreements entered into by Asian companies, even though these are uncommitted credit lines.

As at 31 December 2024, the financial and non-financial covenants were complied with by all the companies involved.

23. Provisions for risks and charges

The breakdown of, and changes in, the item are provided in the following table:

(In thousands of Euro)	Value as at 01.01.2024	Translation difference	Additions.	Uses	Value as at 31.12.2024
Legal and tax disputes	8,520	78	1,683	(7,208)	3,073
Provision for other risks	15,408	405	4,739	(1,111)	19,441
Total	**23,928**	**483**	**6,422**	**(8,319)**	**22,514**

Legal and tax disputes refer to allocations against likely future liabilities relating to legal proceedings against the Parent company and some proceedings regarding subsidiaries, as well as labor disputes with reference to both litigation and estimated amounts that Group companies expect to incur in pre-litigation settlement. The use of the provision for legal disputes mainly refers to the settlement during the period of a number of legal and labor proceedings and/or disputes related to the Parent company and some subsidiaries. In particular, mention is made of the closure of the audit on tax credits relating to research and development activities (pursuant to Article 3 of Italian Law Decree no. 145 of 23 December 2013), which Salvatore Ferragamo S.p.A. benefited from for the tax years from 2015 to 2019, through the signing by the Company and the Tuscany Regional Unit of a report of formal consultation between the parties (*Processo verbale di contraddittorio*) on 2 August 2024. For more details on tax disputes, reference should be made to section 29 "Tax payables" and to the Directors' Report on Operations, section "Significant events occurred during the year – Tax and customs audits and disputes".

The amounts set aside are primarily associated with tax, labor and legal disputes that arose during 2024; for more details on tax disputes, reference should be made to the Directors' Report on Operations, section "Significant events occurred during the year – Tax and customs audits and disputes".

The provision for other risks mainly includes allocations against likely future liabilities; the main allocation concerns expenses for the restoration of premises leased from third parties recognized pursuant to the contractual obligations under the relevant leases (19,366 thousand Euro as at 31 December 2024 and 15,333 thousand Euro as at 31 December 2023). The provision for the period included 4,739 thousand Euro referring to costs for the restoration of premises.

As regards contingent liabilities at Group level, for which no provisions have been made, reference should be made to the Directors' Report on Operations, section "Significant events occurred during the year – Tax and customs audits and disputes".

24. Employee benefit liabilities

The following table shows the breakdown of employee benefits as at 31 December 2024 and 31 December 2023:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Employee defined benefit liabilities	5,659	6,754	(1,095)
Other employee benefit liabilities	367	200	167
Total	**6,026**	**6,954**	**(928)**

The item "Employee defined benefit liabilities" includes employee severance indemnities of Salvatore Ferragamo S.p.A. and other employee defined benefit liabilities of some of the Group's foreign companies.

The following table shows the changes in employee defined benefit liabilities in 2024 and 2023:

(In thousands of Euro)	31 December 2024			31 December 2023		
	Employee benefit obligations	*Fair value of plan assets*	Employee defined benefit liabilities	Employee benefit obligations	*Fair value of plan assets*	Employee defined benefit liabilities
Value as at 01.01	**12,954**	**(6,200)**	**6,754**	**13,632**	**(6,119)**	**7,513**
Current service cost	453	-	**453**	374	-	**374**
Financial charges/(income)	395	(154)	**241**	442	(146)	**296**
Changes included in net profit/(loss) for the period	**848**	**(154)**	**694**	**816**	**(146)**	**670**
Returns on plan assets	-	(252)	**(252)**	-	(183)	**(183)**
Actuarial loss/(gain) arising from:						
- financial assumptions	(164)	-	**(164)**	159	-	**159**
- demographic assumptions	(7)	-	**(7)**	6	-	**6**
- experience-based adjustments	(229)	-	**(229)**	(77)	-	**(77)**
Translation differences	158	(73)	**85**	(284)	228	**(56)**
Changes included in other comprehensive income	**(242)**	**(325)**	**(567)**	**(196)**	**45**	**(151)**
Contributions paid by the employer	(660)	659	**(1)**	(400)	397	**(3)**
Benefits paid	(922)	(299)	**(1,221)**	(898)	(377)	**(1,275)**
Other changes	**(1,582)**	**360**	**(1,222)**	**(1,298)**	**20**	**(1,278)**
Value as at the end of the period	**11,978**	**(6,319)**	**5,659**	**12,954**	**(6,200)**	**6,754**

Employee defined benefit liabilities of Salvatore Ferragamo S.p.A. amounted to 4,344 thousand Euro, down by 538 thousand Euro compared to 31 December 2023.

Here below are the main financial assumptions used in determining the present value of employee severance indemnities:

	31 December 2024	31 December 2023
Annual rate of salary increase	2.83	2.84%
Annual discount rate	2.44	2.56%
Inflation rate	2.10	2.10%

As regards the demographic assumptions used in determining defined benefit liabilities of Salvatore Ferragamo S.p.A., the figure used as a benchmark for the mortality rate is that for the Italian population recorded by ISTAT in 2000, less 25%, broken down by age and gender; meanwhile, the staff turnover rate has been estimated at 5.47% per year.

Employee defined benefit liabilities of the Group's non-Italian companies refer to Ferragamo Japan KK, Ferragamo Retail Taiwan Limited, Ferragamo France S.A.S., Ferragamo Monte-Carlo SAM, Ferragamo Belgique SA, Ferragamo Mexico S.de R.L. de C.V., Ferragamo USA Inc., Ferragamo (Thailand) Limited, and Ferragamo (Suisse) SA. They amounted

to 1,314 thousand Euro, down by 558 thousand Euro compared to 31 December 2023. The value is net of the fair value of plan assets, mainly consisting of insurance policies.

Here below are the main financial assumptions used in determining the present value of employee benefit liabilities:

	31 December 2024	31 December 2023
Annual rate of salary increase	1.86% - 5.50%	1.86% - 5.50%
Annual discount rate	0.99% -10.81%	0.99% - 9.42%

As for the demographic assumptions used in measuring the defined benefit liabilities of the Group's non-Italian companies, the figure used as a benchmark for the mortality rate is the standard one for each local population, broken down by age and gender, while for the staff turnover rate annual frequencies have been calculated based on the individual companies' data.

Here below is a quantitative sensitivity analysis for the main assumptions as at 31 December 2024 and 31 December 2023 concerning the employee benefit obligation of Salvatore Ferragamo S.p.A., which has the highest impact on total employee defined benefit obligations:

		2024		2023	
(In thousands of Euro)	Change %	Increases	Decreases	Increases	Decreases
Annual discount rate	+/- 0.5%	(157)	167	(179)	190
Mortality rate	+/- 0.025%	-	-	-	-
Staff turnover rate	+/- 0.5%	-	-	-	-

The above sensitivity analyses are based on reasonable changes in the key assumptions at the end of the two reporting periods being compared.

The average number of employees (in terms of full-time equivalents) by category is shown in the following table:

(Full time equivalent)	2024	2023
Top managers, middle managers and store managers	683	710
White collars	2,469	2,575
Blue collars	308	299
Temporary agency staff	99	87
Total	**3,559**	**3,671**

Average headcount was essentially unchanged from 2023.

25. Other non-current liabilities

The breakdown of the item is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Payables for deferred liabilities	13,478	14,556	(1,078)
Other payables	1,245	1,667	(422)
Total	**14,723**	**16,223**	**(1,500)**

The item "Payables for deferred liabilities" (amounting to 13,478 thousand Euro as at 31 December 2024) largely refer to the straight-lining of the amounts received from lessors for the costs incurred to fit out the stores.

As at 31 December 2024, the item "Other payables" refers to amounts payable to Group's employees for long-term variable bonuses, and for 471 thousand Euro to security deposits received for leases (as lessor) (236 thousand Euro as at 31 December 2023).

26. Lease liabilities

Below are the changes in lease liabilities occurred in 2024 and 2023, broken down between current and non-current.

	Lease liabilities		
(In thousands of Euro)	non-current	current	Total
Value as at 01.01.2024	596,603	114,439	**711,042**
Translation difference	10,944	3,571	**14,515**
Increases	75,821	-	**75,821**
Decreases	(2,492)	-	**(2,492)**
Repayment of lease liabilities	-	(124,903)	**(124,903)**
Interest expense on lease liabilities paid	-	(22,563)	**(22,563)**
Other changes	(128,532)	153,458	**24,926**
Value as at the end of the period	**552,344**	**124,002**	**676,346**

	Lease liabilities		
(In thousands of Euro)	non-current	current	Total
Value as at 01.01.2023	468,737	106,586	**575,323**
Translation difference	(8,103)	(2,736)	**(10,839)**
Increases	266,679	-	**266,679**
Decreases	(4,578)	-	**(4,578)**
Repayment of lease liabilities	-	(116,403)	**(116,403)**
Interest expense on lease liabilities paid	-	(20,451)	**(20,451)**
Other changes	(126,132)	147,443	**21,311**
Value as at the end of the period	**596,603**	**114,439**	**711,042**

The average weighted IBR applicable to leases outstanding as at 31 December 2024 was 3.43% (3.32% in 2023). As for the other cash outflows related to leases, see note 36 "Breakdown by nature of income statement cost items".

27. Trade payables

The breakdown of trade payables was as follows:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Trade payables	162,801	172,000	(9,199)
Advances from customers	1,645	1,323	322
Total	**164,446**	**173,323**	**(8,877)**

Trade payables do not bear interest and usually become due after 60/90 days.

This item consists of payables relating to the normal commercial activity carried out by Group companies, in particular costs for the purchase of raw materials, parts and costs relating to manufacturing.

28. Refund liabilities

Concerning the right of return under "Revenues from contracts with customers", the line item "Refund liabilities" totaled 11,481 thousand Euro as at 31 December 2024 (9,563 thousand Euro as at 31 December 2023) and refers to the liability to customers for the amount of the products expected to be returned.

29. Tax payables

The breakdown of tax payables was as follows:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Due to tax authorities (value added tax and other taxes)	7,686	7,399	287
Due to tax authorities for direct taxes	9,844	2,173	7,671
Other tax payables	1,726	3,115	(1,389)
Total	**19,256**	**12,687**	**6,569**

As at 31 December 2023, "Other tax payables" included the Parent company's liability arising from the R&D credit amnesty procedure for the tax periods from 2015 to 2018, totaling 2,012 thousand Euro. On 2 August 2024, Salvatore Ferragamo S.p.A. signed a report of formal consultation between the parties (*Processo verbale di contraddittorio*) with the Tuscany Regional Unit, in which it was agreed that the Company would comply with the voluntary payment procedure referred to in Article 5, paragraphs 7 to 12, of Italian Legislative Decree 146/2021, for a total amount of 6,809 thousand Euro for the years 2015 to 2019. On 14 October 2024, Salvatore Ferragamo S.p.A. submitted a request for access to the voluntary payment procedure (replacing the request submitted on 28 October 2022, for the amount of 2,012 thousand Euro), and paid the total amount due (equal to 6,809 thousand Euro) by the legal deadline of 16 December 2024. For more details, reference should be made to the Directors' Report on Operations, section "Significant events occurred during the year – Tax and customs audits and disputes".

30. Other current liabilities

The breakdown of the item "Other current liabilities" is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Other payables	4,526	12,533	(8,007)
Payables to employees	21,877	27,344	(5,467)
Payables to social security institutions	5,185	5,252	(67)
Accrued expenses	975	906	69
Deferred income	1,812	2,213	(401)
Hedging derivatives	9,776	558	9,218
Total	**44,151**	**48,806**	**(4,655)**

The item "Payables to employees" includes the Group's payables to employees for amounts accrued but not yet paid at the reporting date (21,877 thousand Euro, down from 27,344 thousand Euro as at 31 December 2023). As at 31 December 2023, the item "Other payables" included the corporate income tax (IRES) payable to the Holding company Ferragamo Finanziaria S.p.A., in the amount of 4,942 thousand Euro (a receivable of 12,576 thousand Euro as at 31 December 2024), attributable to Salvatore Ferragamo S.p.A., accrued as part of the Italian tax consolidation regime.

The item "Payables to social security institutions" refers to amounts due to social security institutions, paid in the month after the end of the reporting period, relating to amounts due to employees.

The item "Hedging derivatives" shows the fair value measurement at the end of the year of outstanding derivatives (hedging component) entered into by the Parent company to manage exchange rate risk. For further details, please refer to note 32 "Financial instruments and fair value measurement".

31. Other current financial liabilities

The breakdown of the item "Other current financial liabilities" is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Short-term derivatives	1,710	384	1,326
Other current financial payables	1,134	898	236
Total	**2,844**	**1,282**	**1,562**

The item "Short-term derivatives" mainly refers to the fair value of financial derivatives with a negative mark-to-market at the reporting date. For further details, please refer to note 32 "Financial instruments and fair value measurement".

The item "Other current financial payables" refers to the value of the put option granted to the minority shareholders of Ferragamo Japan K.K. to sell to Salvatore Ferragamo S.p.A. their equity interest in the Japanese company, which is measured according to the terms of the agreement between the parties. This put option was recognized under Group shareholders' equity. For more details, reference should be made to note 43 "Put and call agreements on minority interests".

32. Financial instruments and fair value measurement

The classification of financial instruments under IFRS 9 involves various line items. The following table sets out the carrying amount of outstanding financial instruments, broken down by category, compared to the corresponding fair values, as at 31 December 2024 and 31 December 2023.

Classification of financial instruments and presentation of their fair value

FINANCIAL ASSETS

	31 December 2024			31 December 2023		
	Carrying amount			Carrying amount		
(In thousands of Euro)	Current portion	Non-current portion	*Fair Value*	Current portion	Non-current portion	*Fair Value*
Financial assets at fair value through profit or loss						
Derivatives – non-hedging component	307	-	307	1,535	-	1,535
Securities held for speculative purposes	13	-	13	37	-	37
Assets measured at amortized cost						
Receivables due from credit cards	12,793	-	12,793	15,608	-	15,608
Trade receivables	84,579	-	84,579	106,821	-	106,821
Guarantee deposits	-	13,578	13,578	-	13,760	13,760
Other current financial assets	50,401	-	50,401	35,240	-	35,240
Cash and cash equivalents	238,194		238,194	268,988	-	268,988
Financial assets at fair value through other comprehensive income						
Derivatives – hedging component	1,612	-	1,612	6,813	-	6,813
Total	**387,899**	**13,578**	**401,477**	**435,042**	**13,760**	**448,802**

FINANCIAL LIABILITIES

(In thousands of Euro)	31 December 2024			31 December 2023		
	Carrying amount			Carrying amount		
	Current portion	Non-current portion	*Fair Value*	Current portion	Non-current portion	*Fair Value*
Liabilities measured at amortized cost						
Trade payables and payments on account	164,447	-	164,447	173,323	-	173,323
Payables to banks	113,291	-	113,291	80,129	-	80,129
Other financial payables	1,134	-	1,134	898	-	898
Payables due to shareholders for dividends	-		-	-		-
Guarantee deposits	317	471	788	347	236	583
Lease liabilities	124,002	552,344	n/a*	114,439	596,603	n/a*
Financial liabilities at fair value through profit or loss						
Derivatives – non-hedging component	1,711	-	1,711	384	-	384
Financial liabilities at fair value through other comprehensive income						
Derivatives – hedging component	9,776	-	9,776	558	-	558
Total	**414,678**	**552,815**	**291,147**	**370,078**	**596,839**	**255,875**

*Pursuant to IFRS 16, Lease liabilities are not measured at fair value.

The table shows that most outstanding financial assets and liabilities refer to short-term financial items, except for lease liabilities; taking into account their nature, the carrying amount of most of these items is a reasonable approximation of their fair value.

In all other cases, fair value is measured according to methods which can be classified in Level 2 of the hierarchy of significance of data used in determining fair value as defined by IFRS 13.

The Group uses internal valuation models, which are generally used in finance, on the basis of prices provided by market participants or prices collected on active markets through leading info-providers.

To determine the fair value of derivatives, the Company uses a pricing model based on market values of interest rates and exchange rates at the measurement date.

As for "Guarantee deposits", the carrying amount is a reasonable approximation of the fair value. There have been no changes in the measurement methods used compared to previous years or transfers from one level to another in the hierarchy of assets or liabilities measured at fair value.

The Group calculates non-performance risk, i.e. the risk that one of the parties may not fulfill its contractual obligations due to a possible default before the derivative expires, both in reference to counterparty risk (Credit Value Adjustment: CVA), and to its own risk (Debt Risk Adjustment: DVA), applying it to the market value of the risk-free portfolio. Taking into account the type of derivatives in the portfolio (solely sales and purchases through currency forward contracts), the relevant maturity (not over twelve months), and the Group's and counterparties' ratings, these adjustments are immaterial.

In addition, it should be noted that, in compliance with the ISDA Master Agreements and the existing framework agreements relating to derivatives, it is generally possible to offset (through netting) all the outstanding financial assets and liabilities arising from these derivatives.

The table summarizes the impacts on the Income Statement and Shareholders' Equity with reference to each category of financial instruments outstanding for the Group in 2024 and 2023.

(In thousands of Euro)	2024	2023
Net gains/(losses) on financial instruments recognized in profit or loss:		
Financial assets/liabilities held for trading	(13,078)	1,367
Derivatives – hedging component	4,842	16,845
Net gains/(losses) on financial instruments recognized in shareholders' equity:		
Derivatives – hedging component	(12,533)	(3,943)
Interest income/expense (calculated using the internal rate of return method) accrued on financial assets/liabilities not at FVTPL:		
Interest income	10,417	8,982
Interest expense	4,923	2,468
Interest expense on lease liabilities	22,464	21,308
Expenses and fees not included in the effective interest rate:		
regarding financial liabilities	1,011	951
Interest income accrued on financial instruments written off		
Provisions for impairment on financial assets:		
Receivables/loans	545	1,885

Comments on the main income statement items

For a better understanding of the development in income statement items, reference should also be made to the comments in the Directors' report on operations relating to the comparison between the data for 2024 and 2023.

33. Revenues from contracts with customers

In the years ended 31 December 2024 and 31 December 2023, revenues from contracts with customers totaled 1,031,651 thousand Euro and 1,153,557 thousand Euro, respectively. The tables below provide the breakdown by channel and geographic area of the main categories of revenues from contracts with customers for the years 2024 and 2023.

2024

(In thousands of Euro)	DTC	*Wholesale*	Licenses and services	Total Revenues from contracts with customers
Europe	151,103	95,333	16,672	263,108
North America	244,720	62,983	343	308,046
Japan	83,828	127	-	83,955
Asia Pacific	230,668	62,888	385	293,941
Central and South America	70,773	11,698	130	82,601
Total	**781,092**	**233,029**	**17,530**	**1,031,651**

2023

(In thousands of Euro)	DTC	*Wholesale*	Licenses and services	Total Revenues from contracts with customers
Europe	142,576	127,939	16,220	286,735
North America	250,879	72,240	304	323,423
Japan	88,758	581	-	89,339
Asia Pacific	289,903	80,934	513	371,350
Central and South America	65,567	16,962	181	82,710
Total	**837,683**	**298,656**	**17,218**	**1,153,557**

The Group discloses the disaggregation of revenues using a qualitative-quantitative approach.

The Group recognizes revenues from the sale of goods through both the DTC and wholesale channels when control over the asset is transferred to the customer, generally upon delivery; in the case of licenses and services, revenues are recognized when the service is rendered to customers.

The item "Licenses and services" includes royalties deriving from the license agreements with the Marchon, Timex e Inter Parfums Inc groups for the production and distribution of Salvatore Ferragamo-branded glasses, watches and fragrances, respectively. Revenues from royalties are accounted for based on the stage of completion of the licensee's sales.

34. Rental income investment properties

Revenues from rental income investment properties are entirely attributable to the Ferragamo USA Group for renting space in owned or leased and sub-leased properties. In 2024, they amounted to 3,455 thousand Euro, up 27.3% over 2023, when they totaled 2,714 thousand Euro.

35. Cost of goods sold and operating costs

Cost of goods sold and operating costs in the years ended 31 December 2024 and 31 December 2023 totaled 1,108,112 thousand Euro and 1,105,132 thousand Euro, respectively, and were classified by function as follows:

(In thousands of Euro)	2024	2023	Change 2024 vs. 2023
Cost of goods sold	295,098	316,839	(21,741)
Style, product development and logistics costs	47,038	53,086	(6,048)
Sales & distribution costs	496,519	454,649	41,870
Communication and marketing costs	86,661	113,695	(27,034)
General and administrative costs	157,093	137,142	19,951
Other operating costs	25,703	29,721	(4,018)
Total	**1,108,112**	**1,105,132**	**2,980**

Total costs are substantially in line with the previous year, with a reduction in "Cost of goods sold", due to the decline in Revenues, and in "Communication and marketing costs", down 23.8% compared with 2023, when it included higher costs related to the implementation of the brand relaunch strategy, which began in 2023.

Compared to 2023, there is an increase in Sales and distribution costs and General and administrative costs (9.2% and 14.5%, respectively), as these items are severely impacted by asset impairments recorded in 2024 (62,330 thousand Euro and 21,270 thousand Euro in 2024, respectively). Net of these impairments, the items would have recorded a decrease of 3.1% and 1.0%, respectively, in line with the decrease recorded on other cost items.

For more details, please refer to note 10 "Impairment of property, plant and equipment, Right-of-use assets, Intangible assets with a finite useful life, and Investment property".

36. Breakdown by nature of income statement cost items

The breakdown by nature of the cost of goods sold and operating costs is set out in the following table:

(In thousands of Euro)	2024	2023	Change 2024 vs. 2023
Raw materials, finished products and consumables used	177,671	198,835	(21,164)
Costs for services	408,761	459,182	(50,421)
Personnel costs	231,758	237,605	(5,847)
Amortization and depreciation of tangible and intangible assets	52,017	50,146	1,871
Depreciation of right-of-use assets	126,904	122,768	4,136
Write-downs of tangible/intangible assets, right-of-use assets and investment property	85,298	6,875	78,423
Other charges	25,703	29,721	(4,018)
Total	**1,108,112**	**1,105,132**	**2,980**

"Costs for services" decreased compared to 31 December 2023, mainly due to a reduction in variable costs associated with the decline in sales. "Personnel costs" include the remuneration related to the employment relationship of the CEO and General Manager, in addition to the estimate of the variable bonus, if applicable, and remuneration for the period of the share-based payment plans (for details of which please refer to note 42 "Share-based payments" in the explanatory notes to these consolidated financial statements) for a total of 4,419 thousand Euro (8,083 thousand Euro in 2023). The item "Write-downs of tangible/intangible assets, right-of-use assets and investment property" includes 80,204 thousand Euro for the impairment loss as a result of the impairment tests carried out to measure the recoverable amount of these assets on some Group's CGUs. For more details, please refer to note 10 "Impairment of property, plant and equipment, Right-of-use assets, Intangible assets with a finite useful life, and Investment property".

The following table shows the impacts of leases on the income statement, broken down by nature, in the years 2024 and 2023:

(In thousands of Euro)	2024	% of Total	2023	% of Total	Change 2024 vs. 2023
Depreciation of right-of-use assets	126,904	62.8%	122,768	59.6%	4,136
Interest and expenses on lease liabilities	22,466	11.1%	21,329	10.4%	1,137
Income from lease liabilities	(173)	(0.1%)	(319)	(0.1%)	146
Costs relating to short-term leases	3,031	1.5%	4,598	2.2%	(1,567)
Costs relating to low-value leases	735	0.4%	693	0.3%	42
Costs relating to leases with variable payments not included in the measurement of lease liabilities	49,207	24.3%	56,755	27.6%	(7,548)
Total	**202,170**	**100.0%**	**205,824**	**100.0%**	**(3,654)**

Some of the Group's leases provide for variable lease payments linked to the revenues generated by stores (DOS), in leased premises that are not included in the measurement of lease liabilities, and are recognized on an accrual basis. As at 31 December 2024, overall variable lease payments accounted for 24.3% of the total expense recognized in the

income statement related to leases either included or not in the lease liability as per the accounting standard IFRS 16. Variable lease payments depend on sales, and therefore on economic performance in subsequent years. The Group estimates that in the future variable lease payments will continue to be proportionate to the sales of finished goods. In general, the Group's leases include clauses that prohibit subleasing the leased asset, but do not require the Group to comply with financial covenants.

The Group does not have any early termination options that it intends to exercise but did not consider when measuring the lease liability. With respect to renewal options, under its accounting policy for determining the lease term the Group considered the renewal options it intends to exercise.

The Group reports commitments for short-term leases expected for 2025 in line with those reported in the 2024 income statement.

Below is the breakdown of "Other operating costs":

(In thousands of Euro)	2024	2023	Change 2024 vs. 2023
Losses on disposal of tangible and intangible assets	1,918	514	1,404
Windfall losses	1,374	1,585	(211)
Provisions for risks and charges	1,683	6,317	(4,634)
Write-down of current assets	690	2,117	(1,427)
Other taxes	16,855	15,903	952
Other operating costs	3,183	3,285	(102)
Total	**25,703**	**29,721**	**(4,018)**

Other operating costs decreased by 13.5% compared to the previous year.

The item "Other income taxes" is largely related to the real estate tax on Ferragamo USA Group's properties.

The write-down of current assets decreased by 1,427 thousand Euro compared to 2023, and refers to both the provision for bad debt and credit losses after writing off.

Provisions for risks and charges decreased year-on-year. They mainly refer to labor and legal disputes related to ongoing legal proceedings, as well as to the estimated potential outflows from Group companies, required to reach a pre-litigation settlement.

37. Other income

Other income is broken down as follows:

(In thousands of Euro)	2024	2023	Change 2024 vs. 2023
Expense recovery	1,604	1,945	(341)
Rental income from operating properties	205	-	205
Advertising contributions	264	403	(139)
Other income and revenues	14,951	16,473	(1,522)
Gains on disposal of tangible/intangible assets	11	39	(28)
Windfall profit	6,970	2,023	4,947
Total	**24,005**	**20,883**	**3,122**

Other income, totaling 24,005 thousand Euro, was up 3,122 thousand Euro from 31 December 2023. The item "Other income and revenues" decreased year-on-year mainly due to the curtailment of benefits to support businesses and the economy, granted by the various governments of the countries in which the Group operates. In 2023, this item included 2,313 thousand Euro relating to the non-repayable grant linked to the Innovation Agreement (I-SUCCEED project, for details of which please refer to section "Sustainable Growth Fund Incentives – Innovation Agreement" under "Significant events occurred during the year" in the Directors' Report on Operations), while in 2024 it amounted to 75 thousand Euro. The item "Windfall profit" includes 4,979 thousand Euro for the reversal of costs recognized in previous years that are no longer due.

38. Financial operations

Financial operations are broken down as follows:

Financial charges

(In thousands of Euro)	2024	2023	Change 2024 vs. 2023
Interest expense	4,690	2,024	2,666
Discount charges and other financial charges	2,371	2,530	(159)
Interest expense on lease liabilities	22,464	21,308	1,156
Expenses on lease liabilities	2	21	(19)
Losses on exchange rate differences	12,537	28,792	(16,255)
Financial charges for fair value adjustment of derivatives	22,679	14,712	7,967
Total	**64,743**	**69,387**	**(4,644)**

Financial income

(In thousands of Euro)	2024	2023	Change 2024 vs. 2023
Interest income	7,644	8,230	(586)
Other financial income	2,773	752	2,021
Income from lease liabilities	173	319	(146)
Gains on exchange rate differences	17,976	17,569	407
Financial income for fair value adjustment of derivatives	9,601	16,079	(6,478)
Total	**38,167**	**42,949**	**(4,782)**

The item "Interest expense" includes mainly interest on short-term bank loans.
The item "Discount charges and other financial charges" refers mainly to bank charges and, to a lesser extent, to financial charges on employee benefits, in relation to the valuation of defined-benefit plans pursuant to IAS 19, and discount charges.

Interest expense on lease liabilities was recognized following the introduction of the IFRS 16 accounting standard and amounted to 22,464 thousand Euro.

Interest income of 7,644 thousand Euro decreased by 586 thousand Euro compared to 2023, due to lower yields obtained on invested cash, as a result of the general decrease in interest rates and lower credit exposure.

Gains and losses on exchange rate differences were recorded mainly by the Parent company Salvatore Ferragamo S.p.A., and derive from sales in currencies other than the Euro to both Group companies (intercompany level) and to third parties. During 2024, net exchange rate gains amounted to 5,439 thousand Euro, compared to 11,223 thousand Euro in net exchange rate losses in 2023.

Financial income/(charges) for fair value adjustment of derivatives refer to the premium or discount on transactions to hedge the exchange rate risk undertaken by the Parent company and the changes in the fair value of non-hedging derivatives and are closely related to net gains and losses on exchange rate differences. In 2024, the Group reported 13,078 thousand Euro in net financial charges for the fair value adjustment of derivatives, compared to 1,367 thousand Euro in net financial income in 2023.

39. Income taxes

The taxes recorded in the income statement were as follows:

(In thousands of Euro)	2024	2023	Change 2024 vs. 2023
Current taxes	(10,668)	(33,869)	23,201
Deferred taxes	19,285	12,602	6,683
Use/(Provision) for taxes from previous years	(1,109)	1,918	(3,027)
Total	**7,508**	**(19,349)**	**26,857**
Tax rate	**na**	**42.4%**	

The item "Use/(Provision) for taxes from previous years" refers for 959 thousand Euro to the tax audit on Ferragamo Japan, relating to the years 2019 to 2023, and for 150 thousand Euro to the tax audit on Ferragamo (Thailand) Limited, relating to the 2022 tax period, the costs of which have been recognized in the current financial year (for more details, please refer to the Directors' Report on Operations, "Significant events occurred during the year – Tax and customs audits and disputes" section).

As of 1 January 2024, the Salvatore Ferragamo Group, as a multinational group exceeding the revenue threshold of 750 million Euro for two out of the previous four financial years, falls within the scope of the Pillar Two income taxes provided for by Directive (EU) 2022/2523, adopted in Italy by Italian Legislative Decree no. 209 of 27 December 2023, which aims to ensure a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union (known as global minimum tax). Based on known or reasonably estimable information, the tests required by simplified transitional schemes were carried out and, with regard to the majority of jurisdictions in which the Group operates, resulted in the satisfaction of at least one of the three tests envisaged, fulfilling the conditions for the zeroing of Pillar Two taxes. Even where transitional simplified schemes may not apply, no significant risks of exposure to supplementary taxation were identified.

Deferred taxes include the net increase during the year of deferred tax assets on tax losses, amounting to 15,242 thousand Euro, mainly related to Salvatore Ferragamo S.p.A. and Ferragamo USA Inc. and, to a lesser extent, to some subsidiaries in Europe.

Deferred tax assets and liabilities

The following table provides a breakdown by nature of deferred tax assets and liabilities as at 31 December 2024 and 31 December 2023.

	Statement of Financial Position		Other Comprehensive Income		Income Statement	
(In thousands of Euro)	31 December 2024	31 December 2023	31 December 2024	31 December 2023	2024	2023
Deferred tax assets						
- on employee benefits	837	1,006	607	509	(282)	(7)
- on tangible assets	11,673	9,667	-	-	2,360	(87)
- on intangible assets	920	1,281	-	-	(361)	(424)
- on lease liabilities	123,754	137,096	-	-	12,585	186
- on the cash flow hedge reserve	1,677	-	1,677	-	-	-
- on the valuation of inventories	19,643	15,633	-	-	3,866	722
- on the elimination of the profit unrealized in inventories	45,360	56,546	-	-	(11,186)	6,980
- on tax losses	22,167	6,378	-	-	15,242	4,505
- on taxed provisions	3,855	5,557	-	-	(1,861)	2,066
- for other temporary differences	9,909	10,566	-	-	(864)	405
Deferred tax assets	**239,795**	**243,730**	**2,284**	**509**	**19,499**	**14,346**
Deferred tax liabilities						
- on employee benefits	(26)	(138)	-	-	106	(19)
- on tangible assets	(1,683)	(1,557)	-	-	(150)	(1,139)
- on right-of-use assets	(94,653)	(121,462)	-	-	80	(81)
- on the cash flow hedge reserve	-	(1,331)	-	(1,331)	-	(2)
- on the valuation of inventories	(3,014)	(2,720)	-	-	(294)	(437)
- for other temporary differences	(959)	(1,005)	-	-	44	(66)
Deferred tax liabilities	**(100,335)**	**(128,213)**	**-**	**(1,331)**	**(214)**	**(1,744)**
Net effect	**139,460**	**115,517**	**2,284**	**(822)**	**19,285**	**12,602**

Deferred taxes reflect the net tax effect of temporary differences between the carrying amount and the taxable amount of assets and liabilities.
The recognition of deferred tax assets was duly adjusted to take account of the effective possibility of realization.

Deferred tax assets on previous tax losses, recognized after assessing the actual probability that future taxable profit will be available against which they can be utilized, as at 31 December 2024 and 31 December 2023 were as follows:

31 December 2024

	Expiry		
(In thousands of Euro)	Previous tax losses	Tax rate	Deferred tax assets
Without time limits	81,555	25.82%	21,058
Within 1 year	3,799	29.19%	1,109
Total	**85,354**	**25.97%**	**22,167**

31 December 2023

	Expiry		
(In thousands of Euro)	Previous tax losses	Tax rate	Deferred tax assets
Without time limits	22,302	27.30%	6,088
Within 1 year	624	21.00%	131
1 to 3 years	521	30.62%	159
Total	**23,447**	**27.20%**	**6,378**

The following table shows the tax losses of Group companies as at 31 December 2024 and 31 December 2023 on which deferred tax assets have not been calculated, as it is not probable that future taxable profit will be available against which the Group can utilize the relevant benefits, along with the relevant expiry dates:

31 December 2024

	Expiry				
(In thousands of Euro)	Without time limits	Within 1 year	1 to 3 years	3 to 5 years	over 5 years
201,895	128,316	7,087	20,129	35,922	10,441

31 December 2023

	Expiry				
(In thousands of Euro)	Without time limits	Within 1 year	1 to 3 years	3 to 5 years	over 5 years
187,121	127,888	5,017	19,049	22,496	12,671

The reconciliation between the theoretical tax charge and the effective tax charge is as follows:

(In thousands of Euro)	2024	2023
Profit/(loss) before taxes	**(75,577)**	**45,584**
IRES rate in force for the year	(24.0%)	(24.0%)
Theoretical tax charge	**18,138**	**(10,940)**
IRAP effect	(233)	(4,921)
(Non-deductible costs) net of non-taxable income	(6,351)	104
Differences arising from different rates – foreign countries	(1,865)	(1,449)
Other effects	(655)	(1,695)
Effects from non-registration of deferred taxes	(1,442)	(4,125)
Patent Box impact (IRES and IRAP)	1,025	3,577
Effect of (allocation to)/use of the provision for risks and charges for taxes from previous years	-	2,018
Effect of taxes from previous years	(1,109)	(1,918)
Total differences	**(10,630)**	**(8,409)**
Total taxes	**7,508**	**(19,349)**
Effective tax rate	**na**	**(42.4%)**

40. Earnings per share

As required by IAS 33, information is provided on the data used to calculate the earnings per share and the diluted earnings per share. Basic earnings per share are calculated by dividing the profit or loss for the period attributable to the shareholders of the Parent company by the weighted average number of outstanding shares during the reporting period, considering also the weighted average impact of treasury shares during the reporting period. Below are the amounts used to calculate basic and diluted earnings per share.

	2024	2023
Net profit/(loss) – shareholders of the Parent company (Euro)	(68,087,735)	26,059,789
Average number of ordinary shares	165,629,069	165,516,389
Basic earnings per share – ordinary shares (Euro)	**(0.411)**	**0.157**
Average number of ordinary shares	165,629,069	165,516,389
Dilutive effect of stock grant plans	205,255	147,732
Diluted average number of ordinary shares	165,629,069	165,664,121
Diluted earnings per share – ordinary shares (Euro)	**(0.411)**	**0.157**

It should be noted that the diluted earnings per share for the year ended 31 December 2024 were calculated without considering the dilutive effect of stock option plans, as there was a loss for the year.

Other information

41. Dividends

The Parent company Salvatore Ferragamo S.p.A., in execution of the resolution of the Shareholders' Meeting of 23 April 2024, proceeded to distribute to Shareholders a part of the profits allocated to the Extraordinary Reserve, equal to a dividend of 0.10 Euro per share, for each of the 165,676,698 ordinary shares outstanding (net of 3,113,302 treasury shares) at the ex-coupon date, for a total of 16,567,669.80 Euro. As at 31 December 2024, dividends were fully paid.

Other Group companies with third-party minority shareholders did not approve and/or pay any dividends during FY2024.

42. Share-based payments

As announced in a specific press release dated 3 February 2025, on the same date the Company and Marco Gobbetti reached a mutual agreement on the termination of employment and administrative relationship, effective from the date of approval of the draft financial statements for FY2024, i.e. 6 March 2025, with concurrent waiver of the 2024 STI and Restricted Shares 2024 LTI (Special Award 2022-2026) bonuses. For more details, reference should be made to the section "Significant events occurred after 31 December 2024".

Restricted Shares Plan

a) Plan description

The Restricted Shares Plan, approved by the Shareholders' Meeting of 14 December 2021 and as amended by the Shareholders' Meeting of 26 April 2023, provides for the assignment of shares in the Company to the CEO and General Manager Marco Gobbetti (the "Recipient"), insofar as it pertains to the relevant employment relationship.

The plan was aimed at strengthening the alignment of interests between the Recipient and all the Group's stakeholders, particularly fostering his motivation and loyalty to the Company and the Group, which are key to the implementation of the major change in the Group's business and strategic plan.

Object of the Plan

At the beginning of each year, the Recipient shall be awarded the right to accrue, free of charge, a number of Restricted Shares worth 2,500,000 Euro on an annual basis, determined by dividing said monetary amount by the average value of the shares (i.e., the average of the stock's closing prices) in the 30 days prior to the 1st of January of each year.

Each cycle of the Plan lasts for one year, starting on 1 January of each year (for FY2024, from 1 January 2024). Shares under the Restricted Shares Plan will then be assigned at the end of the 12-month vesting period, provided that, in line with the amendments approved by the Shareholders' Meeting on 26 April 2023 in ordinary session:

(1) the Company has met the following minimum targets (so-called underpins) in the reporting period:

a) a total revenues level at CER (current exchange rates) for the reporting year equivalent to a minimum of 70% of that of the previous year; and

b) Group ROIC at positive RER (reported exchange rates) for the reporting year, where ROIC is defined as net income for the period (as reported in the Group's annual consolidated financial statements for the reporting year) divided by average adjusted net invested capital (adjusted net capital represented by net invested capital excluding right-of-use assets and those classified as investment property);

(2) the relationship between the Recipient and the Company is still in place at the end of the vesting period of each cycle.

Once assigned, the Restricted Shares are still locked up for 12 months starting on 1 January of each subsequent year (without prejudice to the sell-to-cover mechanism). The lock-up obligation continues even if the relationship is terminated for any reason except for death or total and permanent disability resulting in the termination of the relationship.

Shares in the Company were to be awarded free of charge under the Plan by using treasury shares arising from purchases authorized by the Shareholders' Meeting, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code. The Restricted Shares Plan incentive is subject to ex-post adjustment mechanisms under the Company's remuneration policies (including claw back and malus clauses).

Changes in the period in the number of rights to receive shares assigned*

	31 December 2024	31 December 2023
(i) Outstanding at the start of the year	147,732	114,766
(ii) Assigned in the period	205,255	147,732
(iii) Canceled in the period	-	-
(iv) Exercised in the period	(147,732)	(114,766)
(v) Expired in the period	-	-
(vi) Outstanding at the end of the period	205,255	147,732
(vii) Exercisable at the end of the period	-	147,732

* The average price for the period has not been indicated since it is a plan with free assignment of shares

b) Changes to the Stock Grant Reserve

	31 December 2024		31 December 2023	
Fair Value (In thousands of Euro)	**Number**	***Fair value***	**Number**	***Fair value***
Rights to receive shares assigned to the CEO and General Manager				
- at the start of the year	147,732	2,398	114,766	2,547
- assigned in the year	205,255	2,488	147,732	2,398
- exercised in the year	(147,732)	(2,398)	(114,766)	(2,547)
- at the end of the period	-	-	147,732	2,398

On 6 March 2024, the Board of Directors, with the favorable opinion of the Nomination and Remuneration Committee, determined that the minimum targets (so-called underpins) relating to 2023 had been achieved and, therefore, the CEO and General Manager Marco Gobbetti has accrued the right to receive, free of charge, 147,732 shares of Salvatore Ferragamo S.p.A. ("Restricted Shares 2023") awarded to him on 1 January 2023 under and in pursuance of the provisions of the Restricted Shares Plan. The Restricted Shares 2023, which are entirely made up of treasury

shares purchased by Salvatore Ferragamo S.p.A., were transferred to the securities account in the name of the CEO and General Manager in April 2024, on the understanding that they are subject to a twelve-month lock-up period.

The Board of Directors, at its meeting held on 25 January 2024, granted the CEO and General Manager Marco Gobbetti the right to receive, free of charge, 205,255 shares of Salvatore Ferragamo S.p.A. ("Restricted Shares 2024"), effective 1 January 2024. The Restricted Shares 2024 will not be transferred with effect from 1 January 2025, as they have been waived as described above.

c)) Fair value measurement

The fair value of the Restricted Shares Plan was determined as the fair value of the shares at the time of assignment, discounted by the expected dividends.

The assumptions for the valuation of the Restricted Shares Plan for the CEO and General Manager are as follows:

Date of assignment	1 January 2024	1 January 2023
Share price at the assignment date (Euro)	12.21	16.49
Fair value per share at the assignment date (Euro)	12.12	16.23

Special Award 2022-2026 Plan

a) Plan description

The Special Award Plan is intended to strengthen the alignment of interests between top management and all the Ferragamo Group's stakeholders in order to create value, providing recipients with an incentive to meet the Company's medium/long-term targets – also reflected in the strategic plan – and boosting retention.
In consideration and for the purpose of pursuing these targets, the Special Award Plan provides for a single cycle subject to a five-year performance period. This timeframe is considered to be appropriate for the achievement of the aforementioned long-term targets pursued through the Special Award Plan.

As at 31 December 2024 and as at the date of this Report, the recipient of the Special Award Plan was the CEO and General Manager of the Company. The Board of Directors, at its sole discretion, may identify additional recipients (at the beginning of the Plan or during the Vesting Period, with the application, in this case, of a pro-rata temporis parameter that re-proportions the Special Award Bonus taking into account the actual period of service during the Vesting Period) among the top managers who hold and will hold the role of directors, employees and/or collaborators of the Company and of subsidiaries.

Object of the Plan

The Special Award Plan provides for the disbursement of a "Special Award Bonus" in two installments, respectively: (a) at the end of the first three-year period from 1 January 2022 (i.e. 31 December 2024), once the first target has been reached; and (b) at the end of the following two-year period (i.e. 31 December 2026), once the second target has been reached, subject to the existence at such dates of a management and/or employment relationship between each Recipient and the Company or Subsidiary, on a case by case basis. The disbursement of the "Special Award Bonus", for both installments, will be paid 50% in cash and the remaining 50% in Company shares.

Each installment shall be equal to a percentage (determined by the Company's competent bodies and equal to 0.50% for the CEO and General Manager) of the Company's average capitalization in a period between the three months before and after the end of the first three years and the subsequent two years from the start of the relationship (the "Average Value").

For the portion of the Special Award Bonus that will be paid through the free allocation of Company shares, this shall take place using treasury shares arising from purchases authorized by the Shareholders' Meeting, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code, and/or any specific share capital increases pursuant to Article 2349, paragraph 1, of the Italian Civil Code.

The shares allocated to recipients will be locked up for 3 months.
The Plan's incentive is subject to ex-post adjustment mechanisms under the Company's remuneration policies (including claw back clauses, limited to any conduct that constitutes malice attributable to the recipients).

b) Changes to the Stock Grant Reserve and Plan Cost

(In thousands of Euro)	31 December 2024 Fair Value	31 December 2023 Fair Value
Rights to receive shares assigned to the CEO and General Manager		
- at the start of the year	5,153	2,576
- assigned in the year	-	-
- at the end of the period*	7,737	5,153

(In thousands of Euro)	2024	2023
Cost of share-based payment transactions (payment in shares)	2,584	2,577
(Cost adjustment)/Cost of share-based payment transactions (payment in cash)	(345)	(1,112)

Following the mutual agreement on the termination of the relationship between the Company and the CEO, on 3 February 2025, with the simultaneous waiver of the 2024 STI and Restricted Shares 2024 LTI bonuses known as "special award" 2022-2026, the following should be noted with reference to the Special Award Plan 2022-2026:

- the first installment (for the 2022-2024 three-year period) was due on 31 December 2024, therefore, as a result of the waiver, in 2025 there will be no disbursements and/or changes in the accumulated cost recognized under personnel costs during the three-year period (2022-2024), which amounts to 5,231 thousand Euro;
- the second installment (for the 2025-2026 two-year period), which is also subject to waiver, has not yet accrued, and in 2025 it will determine a positive change in the income statement of 2,511 thousand Euro, to reflect the failure to achieve the condition of remaining in service.

c) Fair value measurement

Considering the allocation mechanism set out above, the measurement concerns the total fair value of the plan, influenced by the degree to which performance targets related to the Company's share price have been achieved. Therefore, with respect to the accounting standard these are so-called "market-based" targets. Fair value was estimated using stochastic simulation with the Monte Carlo Method that, based on the appropriate assumptions, allowed to define a substantial number of alternative scenarios in the timeframe considered. In particular, in each scenario, the projection of the share price was carried out starting from the initial value, according to a Brownian geometric movement. Expected dividends are included in estimated fair value measurement.

Below are the main assumptions for the evaluation of the Special Award Plan for the CEO and General Manager as at the date of assignment, for the valuation of the installment involving share-based payment and, as at the reporting dates (31 December 2024 and 31 December 2023), for the valuation of the installment involving payment in cash. The fair value of the installment involving payment in cash must be measured at each reporting date.

Measurement at assignment	1 January 2022
Date of assignment	1 January 2022
Share price at the assignment date (Euro)	22.53
Expected volatility*	34.00%
Outflow rate	0%
Rate of Return on Salvatore Ferragamo S.p.A. Shares**	(0.07%)

Measurement at the reporting date	31 December 2024	31 December 2023
Date of assignment	1 January 2022	1 January 2022
Share price at the reporting date (Euro)	6.77	12.21
Expected volatility*	31.62%	31.60%
Outflow rate	0%	0%
Rate of Return on Salvatore Ferragamo S.p.A. Shares**	2.19%	3.00%

* Reasonable estimate based on historical volatility calculated with reference to the measurement date.
** Average interest rate swap rates at the measurement date, respectively at the three-year and five-year maturities.

Performance and Restricted Shares 2023-2025 Plan

a) Plan description

The Performance and Restricted Shares 2023-2025 Plan, approved by the Shareholders' Meeting of 26 April 2023, is intended to strengthen, as part of the recipients' overall remuneration package, the alignment of management interests with all the Group's stakeholders, boosting specifically their motivation and loyalty (with a view to retention) to Salvatore Ferragamo S.p.A. and the Group, in a logic of sustainability and value creation in the medium and long term. For these reasons, the Plan is divided into three cycles, each with a three-year vesting period. This timeframe seems appropriate to achieve the above objectives.

The Performance and Restricted Shares Plan 2023-2025 is reserved for selected employees and/or directors and/or collaborators of Salvatore Ferragamo S.p.A. and/or other companies belonging to the Ferragamo Group who are considered key to the pursuit of sustainable success in the medium to long term and who have been identified by the Board of Directors of Salvatore Ferragamo S.p.A., after consulting with the Nomination and Remuneration Committee (for each of the Plan cycles) at its sole discretion ("Recipients").

As at 31 December 2024, the Recipients of the Plan were 56 (390,716 rights granted) and they have been identified among the employees of Salvatore Ferragamo S.p.A. and the following subsidiaries: Ferragamo USA Inc., Ferragamo Brasil Roupas e Acessorios Ltda., Ferragamo Japan K.K., Ferragamo Korea Ltd., Ferragamo Hong Kong Ltd., Ferragamo Fashion Trading (Shanghai) Co. Ltd. and Ferragamo Retail HK Limited.

A member of the Board of Directors is among the recipients of the plan.
The Board of Directors, at its sole discretion, may identify additional recipients (during the first vesting year of each cycle, with the application, in this case, of a pro-rata temporis parameter that re-proportions rights taking into account the actual period of service during the Vesting Period) among the top managers who hold and will hold the role of directors, employees and/or collaborators of the Company and of subsidiaries.

Object of the Plan

The Plan is divided into three Cycles. The first covers the 2023-2025 vesting period, the second covers the 2024-2026 vesting period, and the third covers the 2025-2027 vesting period.

Each individual cycle of the Performance and Restricted Shares 2023-2025 Plan includes:

a) the free allocation to the Recipients of a certain number of initial rights (the "Initial Rights") to acquire (each) ownership of 1 share of Salvatore Ferragamo S.p.A., subject to the achievement of retention and performance targets, and, in the aggregate, any number of additional rights at the end of each vesting period;
b) the definition of performance indicators for each cycle during the allocation of Initial Rights;
c) the allocation of shares to the Recipients, depending on the level of the performance indicators achieved and in relation to the achievement of the retention targets, at the end of each vesting period and subject to the verification of the fulfillment of the conditions set out in the Performance and Restricted Shares 2023-2025 Plan.

The vesting of the Initial Rights – divided into an amount equal to 75% of the same, linked to the achievement of retention and performance targets (the "Performance Rights"), and the remaining amount equal to 25% linked to the achievement of retention-only targets (the "Retention Rights") – and the corresponding allocation of the shares will be subject to verification by the Board of Directors:

a) or Performance Rights, of the achievement of the condition of continued employment and/or collaboration and/or management relationship between the recipient and Salvatore Ferragamo S.p.A. and/or any other company of the Ferragamo Group (the "Relationship") at the end of the vesting period of each cycle of the Plan and the achievement of one or more performance indicators at the end of the vesting period of each cycle of the Plan; and
b) for Retention Rights, of the achievement of the sole condition of continued Relationship at the end of the vesting period of each cycle of the Plan.

The relevant indicators for the vesting of Performance Rights for the first Plan Cycle (2023-2025) and the second Plan Cycle (2024-2026) are divided between economic and financial performance indicators (in line with the Strategic Plan) and ESG indicators (in accordance with the recommendations of the Corporate Governance Code and market best practices) and are as follows:

a) average % growth relating to product net sales, which is defined as the sum of DTC and wholesale channel sales (as shown in the financial statements) net of allocations and returns (i.e. excluding other revenue components such as royalties, cash flow hedging effect on revenues, rental income investment properties, etc.);
b) cumulative EBITDA over the 2023-2025 three-year period (for the first Plan Cycle) and over the 2024-2026 three-year period (for the second Plan Cycle), which is defined as operating profit (as shown in the financial statements) before amortization, depreciation and write-downs of tangible/intangible assets and right-of-use assets;
c) i. average ROIC over the 2023-2025 three-year period, which is defined as net income for the period (as reported in the Salvatore Ferragamo Group's annual consolidated financial statements for the reporting year) divided by average adjusted net invested capital (the latter represented by net invested capital excluding right-of-use assets and assets classified as investment property), applicable to the first Plan Cycle only;
   ii. Net Cash Flow: difference between Adjusted net financial debt/(surplus) at the end of the 2024-2026 three-year period and Adjusted net financial debt/(surplus) at the end of FY2023, only applicable for the second Cycle;
d) ESG, which represents the level of achievement of targets related to the environmental and social sustainability of the Group's operations.

These targets, with reference to the first Cycle, are:

i. climate metrics: 100% renewable energy in all company locations worldwide by 2029;
ii. Gender pay gap measurement for employees of Salvatore Ferragamo S.p.A. and subsidiaries in North America, Korea and China;

iii. Uni PdR 125/22 certification (i.e. certification on the effective adoption of the gender equality management system in 6 main areas: Culture and strategy, Governance, HR processes, Opportunities for growth and inclusion of women in business, Gender pay equity, Parental protection and work-life balance).

These targets, with reference to the second Cycle, are:

i. Metric on Supply chain: increase the supply chain transparency by mapping 60% of leather suppliers (tier 1 and 2) and acquiring ESG information (focus on social aspects and governance);

ii. measurement of the Gender pay gap, certification of the result, definition of a roadmap, and implementation of initiatives to bridge the gap;

iii. Engagement: measuring employee engagement by 2024 and improving it in 2026.

The number of Initial Rights is determined by the Board of Directors, subject to the favorable opinion of the Nomination and Remuneration Committee, on the basis of an indicator equal to a multiple/percentage of the fixed remuneration of each recipient and dividing this monetary amount by the average of the official price of the Shares during the 30 days preceding the 1st of January of the year in which each cycle of the Plan begins.

Moreover, at the end of the vesting period of each cycle of the Plan, each recipient will be granted, free of charge, an additional number of rights calculated on the basis of the Initial Rights accrued and the cumulative amount of dividends per Share distributed to the shareholders of Salvatore Ferragamo S.p.A. during the period between the first day of the vesting period and the day preceding the date of grant of the Shares, both inclusive.

The allocation of Shares is further dependent on:

a) continued Relationship (not in notice period); and

b) the absence of particularly serious violations of the Group's Code of Ethics leading to termination of employment.

The shares, in the number corresponding to the total number of rights, will be allocated to the recipients by means of a communication from Salvatore Ferragamo S.p.A. no later than the thirtieth calendar day following the date of approval of the consolidated financial statements for the last year of each cycle.

Shares are to be awarded free of charge under the Plan by using treasury shares arising from purchases authorized by the Shareholders' Meeting, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code.

Changes in the period in the number of rights to receive shares assigned*

	31 December 2024	31 December 2023
(i) Outstanding at the start of the year	160,149	-
(ii) Assigned in the period	257,069	164,475
(iii) Canceled in the period	26,502	4,326
(iv) Exercised in the period	-	-
(v) Expired in the period	-	-
(vi) Outstanding at the end of the period	390,716	160,149
(vii) Exercisable at the end of the period	-	-

* The average price for the period has not been indicated since it is a plan with free assignment of shares.

b) Changes to the Stock Grant Reserve

	2024		2023	
Fair Value (In thousands of Euro)	**Number**	***Fair value***	**Number**	***Fair value***
Rights to receive shares assigned to employees of Salvatore Ferragamo S.p.A.				
- at the start of the year	80,247	100	-	-
- assigned in the year	137,313	7	80,247	100
- canceled in the year	15,564	19	-	-
- at the end of the period	201,996	218	80,247	100
Rights to receive shares assigned to employees of subsidiaries				
- at the start of the year	79,902	99	-	-
- assigned in the year	119,756	6	84,228	107
- canceled in the year	10,938	14	4,326	8
- at the end of the period	188,720	230	79,902	99
Total rights to receive shares assigned				
- at the start of the year	160,149	199	-	-
- assigned in the year	257,069	13	164,475	207
- canceled in the year	26,502	33	4,326	8
- at the end of the period	390,716	448	160,149	199

With regard to the first Cycle, with 2023-2025 vesting period, at the starting date of the Plan (which took place in October 2023, following the completion of the verifications in preparation for the communication of the plan to the recipients identified by the Board of Directors, and their formal acceptance), the recipients of the Plan were 47 and 164,475 rights had been assigned. The recipients were initially identified among the employees of Salvatore Ferragamo S.p.A. and the following subsidiaries: Ferragamo USA Inc., Ferragamo Mexico S. de R.L. de C.V., Ferragamo Brasil Roupas e Acessorios Ltda., Ferragamo Japan K.K., Ferragamo Korea Ltd., Ferragamo Hong Kong Ltd., Ferragamo Fashion Trading (Shanghai) Co. Ltd., Ferragamo Retail Taiwan Limited and Ferragamo Retail HK Limited. As at 31 December 2024, the recipients of the Plan

were 36 (133,647 rights granted), owing to the departure of seven employees of subsidiaries during 2023 and 2024, and of four employees of Salvatore Ferragamo S.p.A. during 2024. A member of the Board of Directors is among the recipients of the plan.

Based on the forecast data prepared by company management, which represents the best estimate that the Group can make of the economic conditions expected in the three-year period of the first Plan Cycle (2023-2025), the estimates for the achievement of the economic and financial performance targets and ESG indicators have been revised, adjusting the relevant costs also with respect to 2023, as required by accounting standards in the case of the non-market condition. Therefore, the number of rights that will be exercised at the end of the plan was estimated to be 63,483; the stock grant reserve as at 31 December 2024 reflects this adjustment.

With regard to the second Cycle, with 2024-2026 vesting period, at the starting date of the Plan (which took place in December 2024, following the completion of the verifications in preparation for the communication of the plan to the recipients identified by the Board of Directors, and their formal acceptance), the recipients of the Plan were 56 and 257,069 rights had been assigned. The recipients were identified among the employees of Salvatore Ferragamo S.p.A. and the following subsidiaries: Ferragamo USA Inc., Ferragamo Brasil Roupas e Acessorios Ltda., Ferragamo Japan K.K., Ferragamo Korea Ltd., Ferragamo Hong Kong Ltd. and Ferragamo Fashion Trading (Shanghai) Co. Ltd.. As at 31 December 2024, all recipients of the Plan are working in the company. A member of the Board of Directors is among the recipients of the plan.

c) Fair value measurement

The fair value measurement of the rights assigned was based on the financial market conditions valid at the measurement date, using a methodology consistent with the risk neutral approach typical for these plans. In order to quantify the Additional Rights for the purpose of estimating the average stock value as at December 2025 and December 2026, the stochastic simulation with the Monte Carlo Method was used which, based on the appropriate assumptions, allowed to define a substantial number of alternative scenarios in the timeframe considered. In particular, in each scenario, the projection of the share price was carried out starting from the initial value, according to a Brownian geometric movement. Expected dividends are included in estimated fair value measurement.

The main assumptions for the evaluation of the Performance and Restricted Shares Plan 2023-2025 at the assignment date are as follows.

Measurement at assignment	
Date of assignment	11 October 2023
Share price at the assignment date (Euro)	12.03
Expected volatility*	32.43%
Outflow rate	0%
Rate of Return on Salvatore Ferragamo S.p.A. Shares**	3.58%

* Reasonable estimate based on historical volatility calculated with reference to the measurement date.
** Derived from the interest rate swap curve at the measurement date with reference to the maturity of the plan

The main assumptions for the evaluation of the Performance and Restricted Shares Plan 2023-2025 at the assignment date, relative to the second Cycle, are as follows.

Measurement at assignment	
Date of assignment	27 December 2024
Share price at the assignment date (Euro)	6.815
Expected volatility*	44.31%
Outflow rate	0%
Rate of Return on Salvatore Ferragamo S.p.A. Shares**	2.19%

43. Put and call agreements on minority interests

In recent years the Salvatore Ferragamo Group has expanded largely through internal growth. In some areas, mainly in Asia, it has also grown through partnerships with local distributors. In relation to these partnerships, the Shareholders' Agreements regulate dealings between the partners, define the governance rules and contain some provisions on put and call options which shareholders can exercise under certain conditions.

As at 31 December 2024, the only remaining agreement on minority interests relates to Ferragamo Japan K.K. and allows minority shareholders, collectively holding, since July 2022, a 10.87% (previously 29%) stake, to sell their shares to Salvatore Ferragamo S.p.A. at a contractually set price in the case of proven financial need or in the case of a change in their investment strategies in the luxury sector. Consequently, since the financial statements as at 31 December 2010, the Group has been recognizing a financial liability to take into account the possibility of minority shareholders exercising the put option on their stake; the liability amounted to 1,334 thousand Euro as at 31 December 2024, 898 thousand Euro as at 31 December 2023, while it was nil as at 31 December 2022, 2021 and 2020. Since the Salvatore Ferragamo Group believes it does not have access to the economic benefits associated with this interest, at each measurement date, any changes in the value of the put are recognized directly in equity.

44. Segment reporting

Accounting Standard IFRS 8 – Operating segments requires that detailed information is provided for each operating segment, understood as a component of an entity whose operating results are regularly reviewed by the entity's top management to make decisions about resources to be allocated to the segment and assess its performance.

At management level, the organization of the Salvatore Ferragamo Group is based on a matrix structure, divided by distribution channel, geographic area, and product category. Operating segments cannot therefore be identified, and top management reviews financial performance across the Group as a whole. Therefore, the Group's activity has been represented as a single reportable segment pursuant to IFRS 8.

(In thousands of Euro)	**2024**	**2023**
DTC revenues	776,700	824,204
Wholesale revenues	232,579	295,290
Net sales	**1,009,279**	**1,119,494**
Cash Flow Hedging Effect on Revenues	4,842	16,845
Licenses and services	17,530	17,218
Rental income investment properties	3,455	2,714
Revenues	**1,035,106**	**1,156,271**
of which in Italy	*122,016*	*128,534*
Gross profit	**740,008**	**839,432**
Gross Profit %	**71.5%**	**72.6%**
Personnel costs	(217,893)	(223,102)
Rental costs	(72,391)	(81,203)
Amortization, depreciation and write-downs of non-current assets	(264,079)	(179,623)
Communication costs	(79,300)	(105,436)
Other costs (net of other income)	(155,346)	(178,046)
Operating profit/(loss)	**(49,001)**	**72,022**
Net financial (charges)/income	(26,576)	(26,438)
Profit/(loss) before taxes	**(75,577)**	**45,584**
Income taxes	7,508	(19,349)
Net profit/(loss)	**(68,069)**	**26,235**
EBITDA*	**215,218**	**251,811**

* As regards the definition of EBITDA, reference should be made to the specific paragraph in the Directors' report on operations on alternative performance measures.

(In thousands of Euro)	31 December 2024	31 December 2023
Inventories and Right of return assets	313,799	304,389
Trade receivables	84,580	106,821
Tangible assets and Investment property	212,023	223,354
Right-of-use assets	528,627	616,612
Intangible assets with a finite useful life and Goodwill	38,551	43,551
Other assets	234,284	212,342
Assets held for sale, net	67	63
Total assets gross of cash and cash equivalents and current financial receivables	**1,411,931**	**1,507,132**
Net financial debt	503,566	486,653
Trade payables and Refund liabilities	175,927	182,886
Other liabilities	112,352	115,430
Shareholders' equity	620,086	722,163
Total liabilities and shareholders' equity (net of cash and cash equivalents and current financial receivables)	**1,411,931**	**1,507,132**

As regards the information required by IFRS 8, reference should be made to the Directors' Report on Operations for details and the relevant comments on revenues, broken down by geographic area, distribution channel and product category.

Below is the information relating to non-current assets (excluding financial instruments and deferred tax assets) broken down by geographical area.

(In thousands of Euro)	Italy	Europe (excluding Italy)	North America	Japan	Asia Pacific	Central and South America	Consolidated
31 December 2024	285,628	162,669	220,139	30,961	90,842	6,257	796,496
31 December 2023	290,709	190,832	245,429	31,892	123,711	19,200	901,773

45. Transactions with related parties

This section describes the transactions with related parties undertaken in the years ended 31 December 2024 and 2023.

31 December 2024

(In thousands of Euro)	Revenues	Cost of goods sold and Operating costs (net of other income)	Financial charges	Right-of-use assets	Trade receivables	Other current assets and other non-current financial assets	Trade payables	Other current and non-current liabilities	Lease liabilities
Holding company									
Ferragamo Finanziaria S.p.A.((company which exercises management and coordination on Salvatore Ferragamo S.p.A.)	58	(87)	(17)	416	-	12,576	-	-	(455)
Related companies									
Palazzo Feroni Finanziaria S.p.A.	25	(9,370)	(3,248)	69,411	1	-	(53)	-	(79,035)
Lungarno Alberghi S.r.l.	12	(2,995)	(574)	13,427	-	-	(84)	-	(15,619)
Ferragamo Foundation	2	(189)	-	-	-	-	(50)	-	-
Companies connected to members of the Board of Directors									
Dal Borro S.r.l.	56	(8)	-	-	35	-	-	-	-
Club Swan Racing S.r.l.	22	(22)	-	-	-	-	-	-	-
Il Borro S.r.l. Società agricola	2	(1)	-	-	-	-	-	-	-
Il Borro Tuscan Bistro S.r.l.	-	(2)	-	-	-	-	-	-	-
Rubino S.r.l.	-	(61)	(1)	-	-	5	(1)	-	-
Sole Studio S.r.l.	1	-	-	-	-	-	-	-	-
Halldis Italia S.r.l.	-	-	-	-	1	-	-	-	-
Other related parties									
Massimo Ferragamo	-	(140)	-	-	-	-	(12)	-	-
Riccardo Ferragamo	-	(76)	-	-	-	-	-	(6)	-
Giovanna Ferragamo	-	(90)	-	-	-	-	-	-	-
Angiolo Anichini	-	(182)	-	-	-	-	-	(32)	-
Directors, Statutory Auditors and Managers with strategic responsibilities									
Directors, Statutory Auditors and Managers with strategic responsibilities	-	(6,658)	-	-	-	-	-	(277)	-
Total	**178**	**(19,881)**	**(3,840)**	**83,254**	**37**	**12,581**	**(200)**	**(315)**	**(95,109)**
Group total	**1,035,106**	**(1,084,107)**	**(64,743)**	**528,627**	**84,580**	**59,608**	**(164,446)**	**(58,874)**	**(676,346)**
% ratio	**0.0%**	**1.8%**	**5.9%**	**15.7%**	**0.0%**	**21.1%**	**0.1%**	**0.5%**	**14.1%**

31 December 2023

(In thousands of Euro)	Revenues	Cost of goods sold and Operating costs (net of other income)	Financial charges	Right-of-use assets	Trade receivables	Other current assets and other non-current financial assets	Trade payables	Other current and non-current liabilities	Change 2024 vs 2023
Holding company									
Ferragamo Finanziaria S.p.A. (company which exercises management and coordination on Salvatore Ferragamo S.p.A.)	57	(85)	(19)	500	-	14	-	(4,942)	(538)
Related companies									
Palazzo Feroni Finanziaria S.p.A.	26	(9,228)	(3,387)	76,524	1,001	6	(212)	-	(83,519)
Lungarno Alberghi S.r.l.	19	(2,797)	(644)	15,564	8	-	(24)	-	(17,654)
Ferragamo Foundation	2	(189)	-	-	-	-	(50)	-	-
Companies connected to members of the Board of Directors									
Dal Borro S.r.l.	42	(42)	-	-	-	-	(5)	-	-
Club Swan Racing S.r.l.	22	(26)	-	-	-	-	-	-	-
Il Borro S.r.l. Società agricola	-	16	-	-	19	-	-	-	-
Il Borro Tuscan Bistro S.r.l.	-	(1)	-	-	-	-	-	-	-
Rubino S.r.l.	-	(55)	(1)	57	-	5	(2)	-	(57)
Windows on Italy S.r.l.	-	-	-	-	1	-	-	-	-
Sole Studio S.r.l.	1	-	-	-	-	-	-	-	-
Halldis Italia S.r.l.	-	(9)	-	-	-	-	1	-	-
Harbour City Estates Limited	-	(4,553)	(115)	-	-	-	-	-	-
Times Square Ltd.	-	(695)	-	-	-	-	-	-	-
Harriman Leasing Limited	-	(2)	-	-	-	-	-	-	-
Lane Crawford (Hong Kong) Limited	8	-	-	-	-	-	-	-	-
Long Jin Complex Development (Chengdu) Co. Ltd	-	(1,965)	(267)	-	-	-	-	-	-
Dalian Times Square Commercial Co. Ltd.	-	(550)	(17)	-	-	-	-	-	-
Pedder Group Limited	(1)	-	-	-	-	-	-	-	-
Pedder Vision Limited	19	-	-	-	-	-	-	-	-
OIS Realty Limited	-	(478)	(10)	-	-	-	-	-	-
Shanghai Wheelock square Development Co. Ltd.	-	(834)	(22)	-	-	-	-	-	-
Shanghai Harriman Property Management Co. Ltd.	-	(103)	-	-	-	-	-	-	-
Wharf (China) Property Management Co. Ltd - IFS Branch	-	(133)	-	-	-	-	-	-	-
Chongquing Jiayi Real Estate Development Co Ltd.	-	(299)	(30)	-	-	-	-	-	-
Chengdu Times Outlets Commerce Co., Ltd	-	(222)	-	-	-	-	-	-	-
Other related parties									
Massimo Ferragamo	-	(104)	-	-	-	-	-	-	-
Riccardo Ferragamo	-	(50)	-	-	-	-	-	(3)	-
Giovanna Ferragamo	-	(90)	-	-	-	-	-	-	-
Directors, Statutory Auditors and Managers with strategic responsibilities									
Directors, Statutory Auditors and Managers with strategic responsibilities	8	(10,339)	-	-	-	-	-	(5,063)	-
Total	**203**	**(32,833)**	**(4,512)**	**92,645**	**1,029**	**25**	**(292)**	**(10,008)**	**(101,768)**
Group total	**1,156,271**	**(1,084,249)**	**(69,387)**	**616,612**	**106,821**	**51,472**	**(173,323)**	**(65,029)**	**(711,042)**
% ratio	**0.0%**	**3.0%**	**6.5%**	**15.0%**	**1.0%**	**0.0%**	**0.2%**	**15.4%**	**14.3%**

Sales and purchases between related parties are carried out at normal market prices. The outstanding balances at the end of the period are not backed by guarantees, do not generate interest, and are settled in cash. Bank guarantees were issued in favor of Palazzo Feroni Finanziaria S.p.A. (2,243 thousand Euro), in favor of Lungarno Alberghi S.r.l. (488 thousand Euro), and in favor of Ferragamo Finanziaria S.p.A. (23 thousand Euro): they concerned the leasing of properties owned by said companies. There are no other guarantees, given or received, relating to receivables and payables with related parties. The Group has not set aside any provision for bad debt in relation to amounts due from related parties.

Below are the comments to the above tables:

Holding company

Ferragamo Finanziaria S.p.A.

Under the Italian tax consolidation regime, in which the Parent company Salvatore Ferragamo S.p.A. participates together with Ferragamo Finanziaria S.p.A. (consolidating entity), Other current assets included 12,567 thousand Euro referring to Salvatore Ferragamo S.p.A.'s IRES net credit relating to advances paid during 2024 and unused at the end of the year.

Furthermore, Salvatore Ferragamo S.p.A. has one outstanding lease contract with Ferragamo Finanziaria S.p.A. concerning the lease of an industrial shed adjacent to the Osmannoro facility, which the Parent company converted into a design and prototyping laboratory for the development of leather goods. Since it falls within the scope of IFRS 16, the lease was accounted for by recognizing a right-of-use asset, depreciated over the lease term, and a corresponding lease liability.

Related companies

These transactions mainly refer to trade transactions that affected revenues, operating costs, trade receivables and payables, right-of-use assets, lease liabilities, and other assets and liabilities. They include mainly:

- sale of products;
- leases; if they fall within the scope of IFRS 16, they are accounted for accordingly (i.e. by recognizing right-of-use assets, lease liabilities, depreciation expense, and financial charges), otherwise lease payments are recognized through profit or loss on a straight-line basis over the lease term and the relevant payables are included in Trade payables;
- rendering of services.

In particular, the following transactions should be noted:

Palazzo Feroni Finanziaria S.p.A.

Revenues and the relevant receivables largely refer to IT and administrative services.
Right-of-use assets and lease liabilities, operating costs, and finance expense largely refer to leases for the headquarters in Florence and some stores of the Italian chain, which mostly fall within the scope of IFRS 16.

Lungarno Alberghi S.r.l.

Revenues (and the related accounts receivable) refer to product sales; right-of-use assets, lease liabilities, operating costs, and interest expense largely refer to the lease of a space used as a store of the Italian DTC chain, which falls within the scope of IFRS 16.

Ferragamo Foundation

Costs (and the related accounts payable) refer for 99 thousand Euro to the services provided for the management of the Salvatore Ferragamo historical archive (99 thousand Euro in 2023) and for 90 thousand Euro to donations to support the institutional activities of the Foundation (90 thousand Euro in 2023).

Companies connected to members of the Board of Directors

These transactions mainly refer to trade transactions that affected revenues, operating costs, trade receivables and payables, right-of-use assets, lease liabilities, and other assets and liabilities. They include mainly:

- sale of products;
- leases; if they fall within the scope of IFRS 16, they are accounted for accordingly (i.e. by recognizing right-of-use assets, lease liabilities, depreciation expense, and financial charges), otherwise lease payments are recognized through profit or loss on a straight-line basis over the lease term and the relevant payables are included in Trade payables;
- rendering of services.

Other related parties

With respect to the other related parties, costs, and the relevant payables, refer to the cost incurred primarily by Salvatore Ferragamo S.p.A. and Ferragamo Usa Inc. under the working relationship in place during the year.

Directors, Statutory Auditors and Managers with strategic responsibilities

For information on Directors and Statutory Auditors, please refer to note 46 "Fees paid to Directors and Statutory Auditors".

Managers with strategic responsibilities in FY2024 are listed in the following table:

Full name	Role
Giacomo Ferragamo	Chief Transformation & Sustainability Officer
Pierre Giorgio Sallier de La Tour	Chief Financial Officer and Financial Reporting Manager

Costs related to Managers with strategic responsibilities refer to the cost incurred by the Group in connection with the existing employment relationship, including the variable bonus and the imputed cost of the Performance and Restricted Shares 2023-2025 Plan. In 2024, they amounted to 809 thousand Euro (compared to 872 thousand Euro in 2023). Typically, Managers with strategic responsibilities receive non-monetary benefits such as cars, mobile phones, and insurance policies.

46. Fees paid to Directors and Statutory Auditors

Directors

(In thousands of Euro)				2024						
				Fees						
Full name	Position held	Term of office	End of term of office	for the position held	as committee member	Non-monetary benefits	Salaries, bonuses and other incentives	Other fees	Stock Grant	Total
Leonardo Ferragamo	Chair	1.01-31.12	a)	400	-	c)	-	-	-	400
Angelica Visconti	Deputy Chair	1.01-31.12	a)	200	-		-	-	-	200
Marco Gobbetti	CEO and General Manager	1.01-31.12	b)	120	-	c) d) e) f)	2,180	-	2,239	4,539
Giacomo Ferragamo	Director	1.01-31.12	a)	50	-	c) d) e)	457	-	19	526
Patrizia Michela Giangualano	Director	1.01-31.12	a)	50	45		-	-	-	95
Umberto Tombari	Director	1.01-31.12	a)	50	15		-	-	-	65
Laura Donnini	Director	1.01-31.12	a)	50	34		-	-	-	84
Niccolò Ferragamo	Director	23.04-31.12	a)	35	4		-	-	-	39
Sara Ferrero	Director	23.04-31.12	a)	35	40		-	-	-	75
Ernesto Greco	Director	1.01-23.04		11	-		-	29	-	40
Fabio Gallia	Director	23.04-07.05		2	-		-	-	-	2
Annalisa Loustau Elia	Director	1.01-23.04		16	6		-	-	-	22
Frédéric Biousse	Director	1.01-23.04		16	6		-	-	-	22
Total				**1,035**	**150**		**2,637**	**29**	**2,258**	**6,109**

a) upon approval of the 2025 financial statements. b)mutual agreement on the termination of employment effective from the date of approval of the draft financial statements for FY2024, i.e. 6 March 2025 c) car; d) mobile phone; e) insurance policies; f) accommodation.

Statutory Auditors

(In thousands of Euro)			2024				
Full name	Position held	Term of office	End of term of office	Fees for the position held	Other fees*	Other fees received from subsidiaries	Grand total
Andrea Balelli	Chair	01.01-31.12	a)	64	15	-	79
Paola Caramella	Acting Statutory Auditor	01.01-31.12	a)	48	12	-	60
Giovanni Crostarosa Guicciardi	Acting Statutory Auditor	01.01-31.12	a)	48	12	-	60
Total				**160**	**39**	**-**	**199**

a) upon approval of the 2025 financial statements
* Other fees refer to amounts due for the position as Chair or member of the Supervisory Body pursuant to Italian Legislative Decree 231/2001
Please note that the members of the Board of Statutory Auditors have not received other fees from Group companies.

It should be noted that for Directors and Statutory Auditors no severance indemnities are envisaged.

47. Commitments and risks

The breakdown of commitments and risks is as follows:

(In thousands of Euro)	31 December 2024	31 December 2023
Sureties and guarantees provided by third parties to third parties in the interests of Group companies	25,950	26,730
Guarantees provided by Group companies to third parties in the interests of Group companies	60,034	85,087
Total	**85,984**	**111,817**

The sureties and guarantees provided by third parties in the interests of Group companies largely refer to sureties and guarantees on leases entered into by Group companies, including a guarantee for 6 million US Dollars (equal to 5,775 thousand Euro) relating to a lease of the Ferragamo USA Group.
The guarantees provided by Group companies are mainly in favor of banks to guarantee credit lines which may be used locally.

48. Public funds – Disclosure as per Article 1, paragraphs 125-129 of Italian Law 124/2017

Pursuant to Article 1, paragraph 125, of Italian Law 124/2017, as for the requirement to disclose in the explanatory notes any sums of money received during the financial year by way of grants, contributions, paid assignments, or other economic benefits of any kind from public administrations and entities referred to in paragraph 125 of the same Article, in 2024 Salvatore Ferragamo S.p.A. did not receive any grants, contributions, paid assignments, or other economic benefits of any kind from public administrations. In accordance with Article 3-quater of Italian Law Decree 135/2018, converted with the relevant amendments into Law no. 12 of 11 February 2019, with respect to the funds received, please refer to the information in the National State Aid Register as per Article 52 of Italian Law no. 235 of 24 December 2012.

49. Significant non-recurring events and transactions

During FY2024, the Salvatore Ferragamo Group did not carry out significant non-recurring transactions, and no significant non-recurring events occurred.

50. Transactions arising from atypical and/or unusual transactions

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

51. Subsidiaries highlights

Subsidiaries highlights are shown in the table below.

(In thousands)		2024		2023	
Company	Currency	Revenues	Shareholders' equity	Revenues	Shareholders' equity
Ferragamo Australia Pty Ltd.	AUD	20,873	23,099	22,757	23,076
Ferragamo Japan K.K.	JPY	13,592,373	1,487,800	13,139,599	1,430,279
Ferragamo Korea Ltd.	KRW	85,877,141	84,020,923	98,392,189	81,574,307
Ferragamo Espana S.L.	EURO	20,207	4,475	15,768	4,247
Ferrimag Limited	HKD	-	44,013	-	130,253
Ferragamo Retail HK Limited	HKD	156,673	(377,938)	220,174	(397,162)
Ferragamo Retail Taiwan Limited	TWD	516,820	439,591	628,732	429,300
Ferragamo Mexico S. de R.L. de C.V.	MXN	1,165,496	874,011	1,145,802	856,699
Ferragamo Retail Nederland B.V.	EURO	2,640	1,479	4,287	1,613
Ferragamo Fashion Trading (Shanghai) Co. Ltd.	CNY	919,687	685,522	1,067,029	783,214
Ferragamo (Singapore) Pte. Ltd.	SGD	16,805	(9,983)	17,352	(8,861)
Ferragamo (Thailand) Limited	THB	207,990	(119,862)	234,984	(222,472)
Ferragamo (Malaysia) Sdn Bhd	MYR	38,304	13,636	42,586	16,786
Ferragamo Hong Kong Ltd.	USD	120,671	90,248	181,927	93,593
Gruppo Ferragamo USA	USD	336,971	63,193	344,737	91,352
Ferragamo Deutschland GmbH	EURO	8,184	507	8,123	2,881
Ferragamo Belgique SA	EURO	1,274	667	1,090	685
Ferragamo Monte-Carlo S.A.M.	EURO	872	(3,537)	732	(1,358)
Ferragamo (Suisse) SA	CHF	6,672	(1,748)	7,383	1,866
Ferragamo U.K. Limited	GBP	15,187	1,483	16,648	6,187
Ferragamo France S.A.S.	EURO	18,182	7,562	18,739	10,950
Ferragamo Chile S.A.	CLP	1,410,076	712,669	1,574,334	681,769
Ferragamo Austria GmbH	EURO	3,487	3,233	2,920	4,242
Ferragamo Retail India Private Limited	INR	-	(474,058)	-	(467,175)
Ferragamo Retail Macau Limited	MOP	68,487	(10,315)	78,586	235
Ferragamo Moda (Shanghai) Co.Ltd.	CNY	143,078	(182,660)	198,562	(105,957)
Ferragamo Brasil Roupas e Acessorios Ltda.	BRL	77,316	21,898	63,848	21,888
Ferragamo Argentina S.A.	ARS	2,261,441	(34,823)	1,371,660	(1,205,826)

52. Significant events occurred after 31 December 2024

On 3 February 2025, the Company and Marco Gobbetti reached a mutual agreement on the termination of employment and administrative relationship, effective from the date of approval of the draft financial statements for FY2024, i.e. 6 March 2025, as announced to the market on the same date.

In addition, it was announced that: (i) Marco Gobbetti will be entitled to receive his salary and fixed remuneration until the date of termination, and to maintain certain fringe benefits until 31 December 2025, (ii) Marco Gobbetti will be paid, within 30 days of termination of the relationships, a total gross amount of 4,450 thousand Euro for the termination of employment relationship and a gross amount of 50 thousand Euro for the waivers granted in relation to the execution and termination of the relationships, including, in particular, the waiver of the 2024 STI and Restricted Shares 2024 LTI (Special Award 2022-2026) bonuses; (iii) with reference to the governance of the Company for the period between 6 March 2025, and the date of appointment of the new Chief Executive Officer, the executive powers will be conferred on the Chair, who will propose a distribution of delegated powers and will be supported in the transition by an advisory committee composed of experts with consolidated experience in the sector and who have already worked in top management positions within the Company – namely, James Ferragamo, Ernesto Greco and Michele Norsa (who will take on the role of Chairman Special Advisor) – to consolidate the new phase of sustainable development of the brand's founding values, building on the work done so far with the aim of entering a new phase in the renewal process, accelerating its implementation and strengthening its fundamental link with the brand's heritage.
Further to the announcement made on 3 February 2025, Marco Gobbetti officially resigned from his administrative positions with the Company, effective 6 March 2025, in accordance with the mutual termination agreement reached between the parties. At the same time, Marco Gobbetti's duties and responsibilities towards the Company ended in accordance with the same mutual termination agreement.

The Board of Directors, which met on the same day, determined that co-opting a new member was not necessary, leaving the relevant decisions to the Shareholders' Meeting scheduled for 16 April 2025.

At the same meeting, at the proposal of the Chair and with the favorable opinion of the Nomination and Remuneration Committee, the Board of Directors also made certain decisions regarding the corporate offices, redistributing the delegated powers. This will remain in effect until a new Chief Executive Officer is identified through an efficient and effective search process. Specifically, Executive Chair Leonardo Ferragamo and Directors James Ferragamo and Ernesto Greco were granted management powers. The support of the Chair Advisory Committee, composed of the Directors with delegated powers and the Chairman Special Advisor, Michele Norsa, remains confirmed, as communicated on 3 February 2025.

In the light of the new structure, in accordance with Recommendation no. 13 of the Corporate Governance Code and Article 5 of the Board of Directors Regulation, Patrizia Michela Giangualano was appointed as lead independent director.

At the meeting held on 6 March 2025, the Board of Directors, inter alia: (i) approved the draft Separate Financial Statements as at 31 December 2024, the Consolidated Financial Statements as at 31 December 2024, and the Directors' Report on Operations for 2024, containing the Ferragamo Group's Sustainability Report prepared in accordance with the new provisions introduced by the Corporate Sustainability Reporting Directive ("CSRD"), implemented by Italian Legislative Decree 125/2024, and with the European Sustainability Reporting Standards ("ESRS") prepared by EFRAG and issued by the European Commission through Delegated Regulation (EU) 2023/2772; (ii) approved the Corporate Governance Report for 2024, prepared by the Company pursuant to Article 123-bis of the Consolidated Law on Finance; (iii) approved, with the favorable opinion of the Nomination and Remuneration Committee, the Remuneration Policy Report 2025 and Fees Paid 2024, prepared pursuant to Article 123-ter of the Consolidated Law on Finance,

Article 84-quater and Annex 3A, Scheme 7-bis of CONSOB Regulation no. 11971/1999 as amended, and Article 5 of the Corporate Governance Code for listed companies; for approval by the next Shareholders' Meeting. For further details, please refer to the documentation made available on the Company's website https://group.ferragamo.com/en, section governance/shareholders-meetings/2025; (iv) resolved to call the Ordinary and Extraordinary Shareholders' Meeting of Salvatore Ferragamo S.p.A. for 16 April 2025; and (v) confirmed the appointment of the CFO and Financial Reporting Officer as the Sustainability Reporting Officer for 2025.

Disclosure pursuant to Article 149-duodecies of the Issuers' Regulation

(In thousands of Euro)

Type of services	Subject providing the service	Recipient	Notes	Total fees for 2024
Audit	Parent company's Independent Auditors	Parent company		371
Other Services	i) Parent company's Independent Auditors	Parent company	1	198
	ii) Network of the Parent company's Independent Auditors	Parent company		-
Subtotal				**569**
Audit	i) Parent company's Independent Auditors	Subsidiaries		107
	ii) Network of the Parent company's Independent Auditors	Subsidiaries		647
Other Services	Network of the Parent company's Independent Auditors	Subsidiaries		4
Subtotal				**758**
Total				**1,327**

1) The item primarily refers to the certification of the Consolidated Non-Financial Statement and to the certifications of the Research and Development credit.

Florence, 6 March 2025

On behalf of the Board of Directors

The Chair
Leonardo Ferragamo

Statement pursuant to Article 154-bis of Italian Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance)

1. The undersigned Marco Gobbetti in his capacity as "Chief Executive Officer" and Pierre Giorgio Sallier de la Tour in his capacity as "Financial Reporting Manager" of Salvatore Ferragamo S.p.A. certify, having also taken account of the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998: • l'adeguatezza in relazione alle caratteristiche dell'impresa e

- the adequacy in relation to the company's structure and
- the effective application of the administrative and accounting procedures for the preparation of the consolidated financial statements for the period 1 January-31 December 2024.

2. The adequacy of the administrative and accounting procedures for the preparation of the consolidated financial statements for 2024 has been assessed on the basis of the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission which is the generally accepted model internationally.

3. It is also certified that

3.1 The consolidated financial statements for the year ended 31 December 2024:

a. have been prepared in accordance with the applicable international accounting standards as endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council, dated 19 July 2002, and subsequent integrations;

b. correspond with accounting books and records;

c. are suitable to provide a true and fair representation of the financial conditions, results of operations and cash flows of the Company and of the group of companies included in the consolidation area.

3.2 The Directors' report on operations includes a reliable analysis of operating performance and results, as well as of the situation of the Company and of the group of companies included in the consolidation area, as well as a description of the main risks and uncertainties to which they are exposed.

Florence, 6 March 2025

Chief Executive Officer
Marco Gobbetti

Financial Reporting Manager
Pierre Giorgio Sallier de La Tour


FERRAGAMO



INDEPENDENT AUDITOR'S REPORT

KPMG S.p.A.
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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Salvatore Ferragamo S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Salvatore Ferragamo Group (the "group"), which comprise the statement of financial position as at 31 December 2024, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Salvatore Ferragamo Group as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Salvatore Ferragamo S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Measurement of finished products

Notes to the consolidated financial statements: note 2 "Basis of presentation" and note 13 "Inventories"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2024 include finished products of €284 million, net of the allowance for inventory write-down of €83 million. Determining the allowance for finished products write-down is a complex accounting estimate, entailing a high level of judgement as it is affected by many factors, including: • the characteristics of the group's business sector and the geographical segments in which it operates; • the market performance and fashion trends; • the age of the collection in stock; • pricing policies and sales ability through the different distribution channels. For the above reason, we believe that the measurement of finished products is a key audit matter.	Our audit procedures included: • understanding the process for the measurement of finished products and assessing the design and implementation of material controls; • checking changes in inventories during the year, considering finished products' expected life cycle based on their age; • analysing documents and discussing the assumptions adopted to calculate the allowance for finished products write-down with the relevant internal departments, in order to understand the assumptions underlying the expectations of how finished products will be sold and comparing those assumptions with historical figures and the group's operating environment; • assessing the appropriateness of the disclosures provided in the notes about finished products.

Impairment losses on property, plant and equipment, right-of-use assets, intangible assets with a finite useful life and investment property

Notes to the consolidated financial statements: note 2 "Basis of presentation" and note 10 "Impairment losses on property, plant and equipment, right-of-use assets, intangible assets with a finite useful life and investment property"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2024 include property, plant and equipment, right-of-use assets, intangible assets with a finite useful life and investment property of €205 million, €529 million €32 million and €6 million, respectively. The group tests these assets for impairment annually whenever there are triggering events, by comparing the carrying amounts of the groups of CGUs, including goodwill, to the related recoverable amounts. In the case of an asset that do not generate cash inflows that are largely independent of those from other assets, the group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset is allocated. The analysis of the triggering events, carried out in accordance with the impairment testing procedure approved by the board of directors, identified indicators of impairment of certain CGUs. Accordingly, the group calculated the recoverable amount of its property, plant and equipment, right-of-use assets and intangible assets with a finite useful life. As a result of its	Our audit procedures, which also involved our own specialists, included: • understanding the process adopted to prepare the impairment test; • checking any discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the estimation process adopted by the directors; • understanding the process adopted for preparing the expected cash flows used for impairment testing; • analysing the reasonableness of the main assumptions used by the directors to prepare the expected cash flows; • assessing the reasonableness of the impairment testing model and main assumptions adopted by the directors, including by means of a comparison with external data and information;

Key audit matter	Audit procedures addressing the key audit matter
impairment testing, carried out with the assistance of an external advisor, the group recognised impairment losses of €11 million, €53 million and €16 million on property, plant and equipment, right-of-use assets and investment property, respectively, in 2024. As described by the directors, the group calculated the recoverable amount based on the expected cash flows of each CGU discounted using an appropriate rate (discounted cash flow model). Impairment testing entails a complex accounting estimates and a high level of judgement, especially in relation to: • the expected cash flows, which reflect management estimates of the group's future performance, based on internal and external sources, calculated starting from the 2025 budget and the 2026-2029 cash flow projections prepared by management. After 2029, the group applied the perpetual method and a growth (g) rate determined on the basis of the expected inflation of the reference market in the medium to long term; • the financial parameters used to calculate the discount rate. For the above reasons and due to the materiality of the relevant captions, we believe that the recoverability of property, plant and equipment, right-of-use assets and intangible assets with a finite useful life is a key audit matter.	• assessing the appropriateness of the disclosures provided in the notes about property, plant and equipment, right-of-use assets, intangible assets with a finite useful life and investment property and the related impairment tests.

Other matters - Management and coordination

As required by the law, the parent disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own consolidated financial statements. Our opinion on the consolidated financial statements of the Salvatore Ferragamo Group does not extend to such data.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 18 April 2019, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2020 to 31 December 2028.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2024 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2024 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the consolidated financial statements;
- express an opinion on the consistency of the directors' report, excluding the section that includes the consolidated sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the group's consolidated financial statements at 31 December 2024.

Moreover, in our opinion, excluding the section which includes the consolidated sustainability statement, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Our opinion on compliance with the applicable law does not extend to the section of the directors' report which includes the consolidated sustainability statement. Our conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report prepared in accordance with article 14-bis of Legislative decree no. 39/10.

Florence, 25 March 2025

KPMG S.p.A.

(signed on the original)

Andrea Rossi
Director of Audit



SEPARATE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

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Financial Statements

Statement of Financial Position – Assets

(In Euro)	Notes	31 December 2024	of which with related parties	31 December 2023	of which with related parties
NON-CURRENT ASSETS					
Property, plant and equipment	5	97,318,742		102,920,811	
Investment property	6	1,064,337		-	
Right-of-use assets	7	149,633,780	83,253,575	144,677,426	92,644,628
Goodwill	8	6,679,274		6,679,274	
Intangible assets with a finite useful life	9	29,203,346		34,501,994	
Equity investments in subsidiaries	10	128,514,369		150,248,691	
Other non-current assets	11	1,495,705		1,758,243	
Other non-current financial assets	12	231,707	4,800	171,287	10,600
Deferred tax assets	40	26,579,603		17,491,939	
TOTAL NON-CURRENT ASSETS		**440,720,863**	**83,258,375**	**458,449,665**	**92,655,228**
CURRENT ASSETS					
Inventories	13	76,298,538		79,684,770	
Right of return assets	14	10,499,661		12,008,809	
Trade receivables	15	173,040,051	148,720,975	182,345,025	150,234,870
Tax receivables	16	13,318,334		18,247,520	
Other current assets	17	24,871,364	12,575,552	13,967,992	14,077
Other current financial assets	18	243,540,289	192,835,346	185,140,741	148,366,294
Cash and cash equivalents	19	172,324,249		203,179,524	
TOTAL CURRENT ASSETS		**713,892,486**	**354,131,873**	**694,574,381**	**298,615,241**
TOTAL ASSETS		**1,154,613,349**	**437,390,248**	**1,153,024,046**	**391,270,469**

Statement of Financial Position – Liabilities and Shareholders' Equity

(In Euro)	Notes	31 December 2024	of which with related parties	31 December 2023	of which with related parties
SHAREHOLDERS' EQUITY					
Share capital	20	16,879,000		16,879,000	
Reserves	20	677,525,128		613,706,508	
Net profit/(loss) for the period		(70,534,828)		86,999,603	
TOTAL SHAREHOLDERS' EQUITY		**623,869,300**		**717,585,111**	
NON-CURRENT LIABILITIES					
Provisions for risks and charges	22	43,030,990		34,331,023	
Employee benefit liabilities	23	4,344,112		4,881,818	
Other non-current liabilities	24	506,296	-	2,360,816	350,830
Non-current lease liabilities	25	145,808,564	84,155,031	140,632,632	92,409,952
Deferred tax liabilities	41	2,897,557		4,228,560	
TOTAL NON-CURRENT LIABILITIES		**196,587,519**	**84,155,031**	**186,434,849**	**92,760,782**
CURRENT LIABILITIES					
Trade payables	26	259,662,739	151,284,741	178,139,354	55,018,418
Refund liabilities	27	20,170,277		22,915,198	
Interest-bearing loans & borrowings	21	5,575,218	5,575,218	-	-
Tax payables	28	2,584,472		4,093,512	
Other current liabilities	29	24,037,055	314,407	25,231,864	9,657,510
Current lease liabilities	25	20,416,135	10,954,156	18,255,587	9,359,124
Other current financial liabilities	30	1,710,634		368,571	
TOTAL CURRENT LIABILITIES		**334,156,530**	**168,128,522**	**249,004,086**	**74,035,052**
TOTAL LIABILITIES		**530,744,049**	**252,283,553**	**435,438,935**	**166,795,834**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,154,613,349**	**252,283,553**	**1,153,024,046**	**166,795,834**

Income Statement

(In Euro)	Notes	2024	of which with related parties	2023	of which with related parties
Revenues from contracts with customers	32	630,795,200	427,957,766	734,820,182	499,407,482
Change in inventories of finished products		178,009		(297,203)	
Costs for raw materials, goods and consumables	33	(166,075,290)	(74,422)	(185,852,707)	(125,293)
Costs for services	34	(244,177,403)	(17,388,975)	(255,207,747)	(7,087,146)
Personnel costs	35	(80,901,143)	(5,560,399)	(86,645,637)	(9,004,474)
Amortization, depreciation and write-downs	36	(48,983,815)	(11,441,763)	(42,315,737)	(11,252,969)
Other operating costs	37	(149,077,244)	(142,875,219)	(63,596,702)	(52,222,686)
Other income	38	19,683,114	6,958,358	13,793,850	2,774,266
Operating profit/(loss)		**(38,558,572)**		**114,698,299**	
Financial charges	39	(77,376,327)	(3,846,373)	(67,902,625)	(4,305,205)
Financial income	40	38,859,546	9,131,455	66,551,445	30,340,966
Profit/(loss) before taxes		**(77,075,353)**		**113,347,119**	
Income taxes	41	6,540,525		(26,347,516)	
Net profit/(loss) for the period		**(70,534,828)**		**86,999,603**	

Statement of Comprehensive Income

(In thousands of Euro)	Notes	2024	2023
Net profit/(loss) for the period (A)		**(70,535)**	**87,000**
Other income/(losses) that will be subsequently reclassified to net profit/(loss) for the period			
- Net gain/(loss) from cash flow hedge	3	(12,533)	(3,943)
- Tax consequences on components that will be subsequently reclassified to net profit/(loss) for the period		3,008	947
Total other gains/(losses) that will be subsequently reclassified to net profit/(loss) for the period, net of taxes (B1)		**(9,525)**	**(2,996)**
Other income/(losses) that will not be subsequently reclassified to net profit/(loss) for the period			
- Net gain/(loss) from recognition of defined-benefit plans for employees	23	105	(164)
- Tax consequences on components that will not be subsequently reclassified to net profit/(loss) for the period		(25)	39
Total other income/(losses) that will not be subsequently reclassified to net profit/(loss) for the period, net of taxes (B2)		**80**	**(125)**
Total other income/(losses) for the period, net of taxes (B1+B2 = B)		**(9,445)**	**(3,121)**
Total comprehensive income for the period, net of taxes (A+B)		**(79,980)**	**83,879**

Statement of Cash Flows

In Euro	Notes	2024	of which with related parties	2023	of which with related parties
NET PROFIT/(LOSS) FOR THE PERIOD		**(70,534,828)**		**86,999,603**	
Adjustments to reconcile net profit (loss) to net cash from/(used in) operating activities:					
Amortization, depreciation and write-downs of tangible/intangible assets, right-of-use assets and investment property	5-6-7-9	48,983,815	11,441,763	42,315,737	11,252,969
Income taxes	41	(6,540,525)		26,347,516	
Provision for employee benefit plans	23	124,827		168,652	
Allocation to/(use of) the provision for obsolete inventory	13	6,482,516		4,867,142	
Allocation to/(use of) the provisions for risks and charges	22	428,835		5,148,143	
Losses and net provisions for bad debt	15	395,410	-	1,282,563	-
Losses/(gains) on disposal of tangible and intangible assets		202,852	-	19,157	(15,500)
Write-down/(revaluation) of equity investments in subsidiaries	10	41,120,665		23,564,074	
Stock grant plan costs	35	2,356,366	2,258,574	3,962,273	3,871,451
Interest expense and interest expense on lease liabilities	39	5,899,614	3,846,373	5,932,510	4,051,517
Interest income	40	(15,650,032)	(9,131,455)	(11,260,212)	(4,828,936)
Dividend income from subsidiaries	40	-	-	(25,512,030)	(25,512,030)
Other non-monetary items		(2,884,458)	-	2,548,601	-
Changes in operating assets and liabilities:					
Trade receivables	15	12,287,720	1,513,895	(33,653,033)	(14,695,622)
Inventories	13	(3,096,285)		(11,173,747)	
Trade payables	26	81,523,385	96,266,323	34,675,361	29,592,629
Other tax receivables and payables	16-28	3,929,289		(253,118)	
Employee benefits payments	23	(557,965)		(761,159)	
Other assets		(3,603,316)	(12,555,675)	(699,335)	(19,417)
Other liabilities		(5,470,439)	(9,343,103)	(5,175,448)	(17,761,289)
Other net	22	(4,827,288)		(199,087)	
Income taxes paid		(18,645,525)	-	(48,899,785)	-
Interest expense and interest expense on lease liabilities paid		(5,866,743)	(3,885,448)	(4,585,781)	(4,305,205)
Interest received		15,650,032	9,131,455	11,260,212	4,828,936
Dividends received		-	-	25,512,030	25,512,030
NET CASH FROM/(USED IN) OPERATING ACTIVITIES		**81,707,922**	**89,542,702**	**132,430,839**	**11,971,533**
Cash flow from investing activities:					
Purchase of tangible assets	5	(11,204,132)	-	(18,854,882)	(2,200)
Purchase of intangible assets	9	(8,265,649)		(12,684,618)	
Proceeds from the sale of tangible and intangible assets		28,078	-	53,081	15,500
Equity investments in subsidiaries	10	(5,077,496)	(5,077,496)	(1,159,398)	(1,159,398)
Net change in Other current financial assets	18	(59,629,291)	(44,469,052)	(81,364,581)	(56,123,757)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		**(84,148,490)**	**(49,546,548)**	**(114,010,398)**	**(57,269,855)**
Cash flow from financing activities:					
Net change in financial payables	21	5,575,218	5,575,218	(21,389,547)	(21,389,547)
Repayment of lease liabilities	25	(17,422,255)	(8,589,520)	(16,334,111)	(9,003,009)
Dividends paid	20	(16,567,670)	(10,785,488)	(46,350,212)	(33,539,989)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		**(28,414,707)**	**(13,799,790)**	**(84,073,870)**	**(63,932,545)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(30,855,275)**		**(65,653,429)**	
OPENING NET CASH AND CASH EQUIVALENTS		**203,179,524**		**268,832,953**	
Increase/(decrease) in cash and cash equivalents		(30,855,275)		(65,653,429)	
CLOSING NET CASH AND CASH EQUIVALENTS	**19**	**172,324,249**		**203,179,524**	

Statement of changes in shareholders' equity

Note 20

(In thousands of Euro)	Share capital	Treasury share reserve	Legal reserve	Share capital contributions	Extraordinary reserve	Revaluation reserve	Cash flow hedge reserve	Effect IAS 19 Equity	Other reserves	Net profit/ (loss) for the period	Total shareholders' equity
As at 01.01.2024	**16,879**	**(56,223)**	**4,188**	**2,995**	**613,476**	**25,478**	**4,220**	**(1,255)**	**20,827**	**87,000**	**717,585**
Profit/(loss) for 2024										(70,535)	(70,535)
Other comprehensive income/(losses)							(9,525)	80			(9,445)
Total comprehensive income/(loss)	-		-	-	-	-	**(9,525)**	**80**	-	**(70,535)**	**(79,980)**
Allocation of 2023 result					87,000					(87,000)	-
Distribution of dividends					(16,568)						(16,568)
Treasury share award		2,547							(2,547)		-
Stock Grant Reserve									2,832		2,832
As at 31.12.2024	**16,879**	**(53,676)**	**4,188**	**2,995**	**683,908**	**25,478**	**(5,305)**	**(1,175)**	**21,112**	**(70,535)**	**623,869**

Note 20

(In thousands of Euro)	Share capital	Treasury share reserve	Legal reserve	Share capital contributions	Extraordinary reserve	Revaluation reserve	Cash flow hedge reserve	Effect IAS 19 Equity	Other reserves	Net profit/ (loss) for the period	Total shareholders' equity
As at 01.01.2023	16,879	(58,202)	4,188	2,995	570,585	25,478	7,216	(1,130)	17,633	89,239	674,881
Profit/(loss) for 2023										87,000	87,000
Other comprehensive income/(losses)							**(2,996)**	**(125)**			**(3,121)**
Total comprehensive income/(loss)	-		-	-	-	-	(2,996)	(125)	-	87,000	83,879
Allocation of 2022 result					89,239					(89,239)	-
Distribution of dividends					(46,348)						(46,348)
Treasury share award		1,979							(1,979)		-
Stock Grant Reserve									**5,173**		**5,173**
As at 31.12.2023	**16,879**	**(56,223)**	**4,188**	**2,995**	**613,476**	**25,478**	**4,220**	**(1,255)**	**20,827**	**87,000**	**717,585**

Explanatory Notes to the Separate Financial Statements

1. Corporate information

Salvatore Ferragamo S.p.A. is incorporated in Italy, with registered office in via Tornabuoni 2 Florence, as a joint-stock company under Italian law and adopts a conventional administration and control model, with the Shareholders' Meeting, the Board of Directors, and the Board of Statutory Auditors. The Company's Shares are traded on Euronext Milan (formerly known as Mercato Telematico Azionario), organized and operated by Borsa Italiana S.p.A..

The Company is one of the main players in the luxury sector and dates back to 1927.

The separate financial statements for the year ended 31 December 2024 were approved by the Board of Directors of Salvatore Ferragamo S.p.A. on 6 March 2025.

The Company is active in the creation, production and sale of luxury goods for men and women: footwear, leather goods, apparel, silk goods, jewels, and other accessories. The product range also includes fragrances, eyewear, and watches manufactured under license by third parties. Salvatore Ferragamo S.p.A. is also active in the licensing of the Salvatore Ferragamo brand.

The Salvatore Ferragamo Group is present in more than 90 countries around the world, directly through subsidiaries in 26 countries, and sells its products primarily through a network of Salvatore Ferragamo single-brand stores, either directly operated (DOS) or operated through third parties, as well as through a significant and well-established presence in department stores and multi-brand specialty stores, and through the e-commerce channel. For further details on the of the Company's main activities, reference is made to the Directors' Report on Operations.

1.1 Management and coordination

Pursuant to Article 2497 et seq. of the Italian Civil Code, the Company Salvatore Ferragamo S.p.A. is subject to management and coordination by Ferragamo Finanziaria S.p.A., whose consolidated financial statements are available at the registered office in Florence, Via Tornabuoni, 2.

In compliance with the provisions of Article 2497-bis, paragraph 4 of the Italian Civil Code, the key data from the financial statements of the Holding company Ferragamo Finanziaria S.p.A. as at 31 December 2023 and 2022 is given below.

Ferragamo Finanziaria S.p.A.

(In Euro)	31 December 2023	31 December 2022
STATEMENT OF FINANCIAL POSITION		
ASSETS		
B) Fixed assets	178,205,886	175,302,990
C) Current assets	33,403,828	49,269,615
D) Accruals and deferrals	49,584	2,440
TOTAL ASSETS	**211,659,298**	**224,575,045**
LIABILITIES AND SHAREHOLDERS' EQUITY		
A) Shareholders' equity		
- Share capital	49,749,960	49,749,960
- Reserves	132,261,860	127,448,376
- Profit/(loss) for the year	24,394,471	29,688,465
B) Provisions for risks and charges	-	-
D) Payables	5,152,163	17,522,360
E) Accruals and deferrals	100,844	165,884
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**211,659,298**	**224,575,045**
INCOME STATEMENT		
A) Value of production	470,930	366,866
B) Costs of production	(2,398,774)	(3,306,037)
Difference between value and costs of production	**(1,927,844)**	**(2,939,171)**
C) Financial income and charges	25,938,008	32,304,452
Profit before taxes	**24,010,164**	**29,365,281**
Income taxes for the year, current and deferred	384,307	323,184
Profit/(loss) for the year	**24,394,471**	**29,688,465**

2. Statement of compliance with IFRS and basis of presentation

The Separate Financial Statements of Salvatore Ferragamo S.p.A. have been prepared in compliance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), endorsed by the European Union and in force at the reporting date. The explanatory notes to the separate financial statements have been supplemented with the extra information requested by CONSOB and by the provisions it has issued in implementation of Article 9 of Italian Legislative Decree 38/2005 (resolutions 15519 and 15520) dated 27 July 2006 and communication DEM/6064293 dated 28 July 2006, pursuant to Article 78 of the Issuers' Regulation, the EC document of November 2003 and, where applicable, the Italian Civil Code. The term "IFRS" used herein includes International Accounting Standards ("IAS") which are still in force as well as all the interpretations issued by the IFRS Interpretation Committee, previously referred to as International Financial Reporting Interpretations Committee ("IFRIC") and, before that, Standing Interpretations Committee ("SIC").

Financial statement structure adopted

The separate financial statements of Salvatore Ferragamo S.p.A. as at 31 December 2024 comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in shareholders' equity and the related explanatory notes.

The statement of financial position, the income statement and the statement of cash flows are presented in Euro, while the statement of comprehensive income and the statement of changes in shareholders' equity and the related explanatory notes are presented in thousands of Euro, unless otherwise indicated.

The Company's statement of financial position distinguishes between current and non-current assets and liabilities, where:

- non-current assets refer to positive balances to be realized after more than 12 months and include intangible, tangible and financial assets, as well as deferred tax assets;
- current assets refer to positive balances to be realized within 12 months;
- non-current liabilities refer to liabilities due after more than 12 months, including financial payables, provisions for risks and charges and employee benefit liabilities, as well as deferred tax liabilities;
- current liabilities refer to liabilities due within 12 months, including the short-term portion of medium/long-term loans, provisions for risks and charges, and employee benefit liabilities.

The income statement is shown in accordance with a classification of costs by nature. The statement of cash flows has been prepared according to the indirect method and is presented in compliance with IAS 7, breaking down financial flows into operating, investing and financing activities.

It should be noted that in reference to CONSOB Resolution no. 15519 of 27 July 2006 and Communication no. DEM/6064293 of 28 July 2006, the financial statements show significant transactions with related parties, in order to provide better disclosure.

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

Accounting standards

General notes

The Separate Financial Statements have been prepared according to the historical cost principle, except for derivatives and financial assets classified as held for sale, which are recorded at fair value and on a going concern basis.

The accounting standards adopted in the separate financial statements as at 31 December 2024 are the same as those adopted in previous years, with the exception of international accounting standards newly adopted in 2024. For more details, please refer to "Changes in international accounting standards".

Discretionary valuations and significant accounting estimates

The preparation of the Separate Financial Statements has entailed the use of estimates and assumptions, both in determining some assets and liabilities, and in assessing contingent assets and liabilities, by using the best available information. Actual results might not fully correspond to estimates.

The main estimated data refer to:

- provisions for obsolete inventory of raw materials, accessories and finished products; since the Company's products are subject to market trends and changes in fashion trends, product inventories at the end of the season are subject to impairment. Specifically, the provision for obsolete inventory of finished products reflects management's estimate of the expected impairment losses on the products of the collections of previous seasons, considering the ability to sell them through the Company's various distribution channels. Generally, impairment assumptions involve percentages of impairment that become greater the older the collections are, so as to reflect the decline in selling prices in secondary channels (mainly outlets) on the one hand, and on the other hand, the decrease in the probability of selling them as time goes by. This percentage is based on both a statistical analysis of the change in inventory age and an assessment of the consistency in the use of percentages over time. In case of changes in available information, the percentages are reassessed and adjusted as needed. The provision for obsolete raw materials reflects management's estimates of the decline in the probability they will be used based on the calculation of slow-moving raw materials;
- impairment/reversal of impairment of non-current assets: for more details, please refer to the section *"Impairment/Reversal of impairment of Property, plant and equipment, Right-of-use assets, Intangible assets with a finite useful life, Investment property, Equity investments, and Goodwill"* below.
- provision for bad debt relating to wholesale sales, which is linked to the solvency and standing of customers with which the Company has well-established and consolidated relations; the Company uses a matrix to calculate Expected Credit Losses (ECLs) on trade receivables. The provisioning rates are based on the days past due for each customer category grouped in the different segments that present similar historical loss experiences (for instance, by geographic area, product type, customer type, rating, and guarantees). The matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (for example, country risk) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the country concerned, the historical default rates are adjusted accordingly. At every reporting date, the Company updates historical observed default rates and analyzes changes in forward-looking estimates. The assessment of the correlation between historical observed default rates, forecast economic conditions, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and in forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. For more details on the analysis of credit risks, please refer to notes 3 and 15;
- provisions for risks and charges, specifically expected future expenses and costs for ongoing or foreseeable disputes;

- rights of return to adjust revenues from contracts with customers, where envisaged under contracts to sell items or customary business practices. The Company has concluded that the expected value method is the most appropriate to estimate the amount of variable consideration on sales of goods with rights of return, considering the large number of contracts with similar characteristics;
- useful life of property, plant and equipment and intangible assets, as well as ensuring that development costs meet the recognition and measurement requirements for intangible assets;
- employee benefits, which are measured using actuarial assumptions; for the main actuarial assumptions, reference should be made to note 23 "Employee benefit liabilities";
- deferred tax assets, which are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences or any tax losses can be utilized. In this regard, the Company's management estimates the likely timing and amount of future taxable profit;
- fair value of financial instruments, chief among them derivative instruments, which the Company uses extensively to hedge exchange rate risk; for details about the assumptions underlying the measurement of fair value, reference should be made to notes 3 and 31;
- fair value of share-based payment plans, settled in either cash or shares, that the Company uses to provide incentives to the Group's management; for details about the assumptions underlying the measurement of share-based payment plans at fair value, reference should be made to note 43; risk of defeat in the disputes involving the Company; the Company recognizes a liability when facing legal disputes and lawsuits if it believes it is probable that they will require an outflow of financial resources and a reliable estimate can be made of the amount of the potential losses. Given the uncertainty surrounding the outcome of these proceedings, it is hard to reliably estimate the outflow of resources that will be required to settle them, therefore the amount of the provisions for legal disputes may change as a result of future developments in the outstanding proceedings. The Company monitors the status of ongoing lawsuits and proceedings and consults with its legal advisors as well as legal experts. Moreover, the Company assesses uncertain tax positions and, if required, recognizes a liability.

With reference to IFRS 16, the Company, in its capacity as lessee, made the significant accounting estimates reported below:

- Lease term: the identification of the lease term is a very significant issue, as the form, regulations, and business practices related to property leases vary significantly from one jurisdiction to another, and assessing the impact on the estimated lease term of the options to renew the lease at the end of the non-cancellable period requires using assumptions. The IFRS Interpretation Committee clarified that, for the purposes of identifying the enforceable period, a lessee shall consider the contractual moment when both parties may exercise their right to terminate the contract without incurring penalties that are not immaterial; the concept of penalty is not to be interpreted in a strictly contractual sense, but shall rather be viewed considering all the economics of the contract. The Company has considered these conclusions in identifying the lease term. In defining the lease term, the Company considered whether either the lessee or lessor, or both, have renewal and termination options, respectively. When renewal options exercisable by both parties to the agreement exist, the Company considered whether there are significant economic disincentives to refuse the renewal request, in accordance with paragraph B34 of IFRS 16. When there are options exercisable by only one of the two parties, the Company considered paragraph B35 of IFRS 16.
  Applying the above, considering the specific facts and circumstances as well as the estimate of whether it will be reasonably certain that the option will be exercised, resulted in the following:
  - For annual leases that are automatically renewed except in the event of termination, an average term of five years was considered, based on historical analyses;
  - In the other cases, if only the Company can exercise the option, a lease term up to the end of the second renewal period was considered, based on historical evidence and the fact that a renewal beyond the second term could not be considered reasonably certain.

After the lease commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the Company and affects whether the lessee is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

- Definition of the discount rate: as most leases entered into by the Company do not contain an implicit interest rate, the Company calculated an Incremental Borrowing Rate (IBR). To determine the IBR it should use to discount future lease payments, the Company identified existing leases as a portfolio of leases with similar characteristics and determined the relevant IBR as the interest rate of a risk-free instrument in Italy (where the leases were entered into), based on the different lease terms, increased by the Group's Credit spread.

The estimates and the assumptions are made by directors with the assistance of company departments and, when appropriate, independent experts, and are periodically reviewed – recognizing, if necessary, the impact of each change in the income statement in the period in which these estimates and assumptions should differ from actual circumstances.

Impairment/Reversal of impairment of Property, plant and equipment, Right-of-use assets, Intangible assets with a finite useful life, Investment property, Equity investments, and Goodwill

The Company constantly monitors its business to assess whether there is any indication that any of its non-current assets may be impaired, including goodwill, investment property, intangible assets with a finite useful life (including intangible assets in progress), tangible assets, right-of-use assets, and equity investments.

Goodwill and intangible assets in progress are tested for impairment at least once a year (as at 31 December) or more often, when circumstances indicate that the carrying amount may be subject to impairment.

As required by IAS 36, at each reporting date the Company performs an analysis to identify any indicators of impairment and/or impairment losses for Property, plant and equipment, Investment property, Right-of-use assets, Intangible assets with a finite useful life, Goodwill, and Equity investments. Following these analyses, CGUs showing impairment indicators are tested for impairment.

With regard to equity investments, the impairment test is carried out by considering the individual geographic areas in which the subsidiaries operate as cash-generating units ("CGUs").

The impairment loss for Goodwill is determined by measuring the recoverable amount of the cash-generating unit (or group of cash-generating units) to which Goodwill has been allocated.
If indicators of impairment exist, the carrying amount of an asset is reduced to its recoverable amount, which is the higher of its fair value less the costs of sale and its value in use. The recoverable amount is determined for the individual asset, unless the asset generates incoming cash flows that are largely independent of the incoming cash flows from other assets or groups of assets, in which case the asset is tested as part of the CGU to which the asset belongs.

The calculation of the fair value less the costs of sale is based on the data available relating to sale transactions between free and independent parties involving similar assets or observable market prices, less the extra costs relating to the disposal of the asset. The value in use is calculated based on discounted cash flow models using a pre-tax discount rate which reflects the current market estimate of the cost of money over time and the specific risks of the asset. The value in use is the present value of future cash flows (DCF: discounted cash flow) expected to be generated by the asset.

The recoverable amount of the CGU is estimated based on the value in use, i.e. using the Discounted Cash Flow (DCF) method, which considers the ability to generate cash flows as the fundamental element for the purpose of measuring the target CGU by discounting them on the basis of an appropriate discount rate.

The main assumptions to determine the recoverable amount are given below:

- the discount rate (Weighted Average Cost of Capital – WACC) was estimated according to the formulation of the unconditional Extended Capital Asset Pricing Model ("CAPM") for the cost of equity, while the cost of debt was estimated as the sum of the risk-free rate of the country of reference and the interest coverage ratio of the panel companies for estimating beta and debt equity ratio.
- The growth rate "g" is determined as the inflation rate expected to prevail over the medium-long term in the reference market.
- The terminal value is determined using the perpetuity model with a long-term growth rate "g".

The cash flows are taken from the estimates made by management, which represent the best estimate made by the Company on the economic conditions set for the plan period, also taking into account studies by sector analysts. Such flows do not include restructuring activities for which the Company does not have a current obligation, or significant future investments which will increase the yield on the assets that make up the cash-generating unit that is being valued. The recoverable amount is very dependent on the discount rate used in the discounted cash flow model and also on the expected future incoming cash flows and on the growth rate used for the purposes of the extrapolation.

The plan forecasts cover a maximum timeframe of five years, in line with the provisions of IAS 36, and the long-term growth rate (g) used to estimate the terminal value of the asset was assumed to be equal to the rate of inflation expected to prevail over the medium-long term in the main markets where the Group operates, as published in the major databases available. Therefore, according to what is suggested by the doctrine, the growth rate g thus defined represents the growth rate that the company can reasonably maintain indefinitely, taking into account the maturity of the sector and geographical markets in which the Group operates; in any case, it is difficult to sustain growth above that of the economy as a whole over the long term.

The recoverable amount is very dependent on the discount rate used in the discounted cash flow model and also on the expected future incoming cash flows and on the growth rate used for the purposes of the extrapolation.

An impairment loss is recognized when the recoverable amount is lower than the carrying amount.

The results of the valuations carried out to determine the recoverable amount for all the CGUs tested for impairment are compared with the related carrying amount and, if the net carrying amount of the CGU (including the allocated goodwill) is higher than the Recoverable Amount, an impairment loss is recognized for the difference between the two amounts. In each CGU, the loss will be recognized in the following order:

a. reduction of the carrying amount of the goodwill allocated to the unit (until it is zeroed), if the reduction refers to the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated;
b. proportional reduction of the carrying amount of the unit's other assets, excluding current assets already measured at their recoverable amount.

The recognition of impairment for Goodwill cannot be reversed in subsequent reporting periods.
It should be noted that, as part of the impairment process, a sensitivity analysis is also carried out, which aims to evaluate the results obtained even if the main cash flows, the WACC parameters and the growth rate g change.

Disclosure on impairment

Based on the provisions of the Impairment test procedure approved by the Board of Directors on 30 January 2025, the Company analyzed the presence of any impairment indicators and/or impairment losses in relation to its

non-current assets, or whether the reasons that had led to the recognition of impairment losses during previous years no longer exist.

In FY2024, the Company reported an operating loss, a decline from the previous year, as it was adversely affected by a complex market environment. The uncertainty surrounding the demand for luxury goods leads to maintaining a cautious stance regarding near-term expectations.

The analysis identified signs of weakness, with all CGUs performing below expectations, which were consequently tested for impairment. The result of impairment tests determined an impairment loss of 23.9 million Euro. For more details, please refer to note 10 "Equity investments in subsidiaries" in this document.

Climate change impact assessment

As stated in the "Main risks and uncertainties" section of the Directors' Report on Operations, in 2024 the Group continued the process initiated in 2023 to implement a Climate Change Risk Management Framework. This initiative was undertaken to enhance the Group's capacity to identify potential financial impacts and ensure effective management and adaptation to the challenges posed by climate change. The analyses provided an assessment of the risk associated with climate change, which focused on the main climate-related exposures for the Group's most relevant sites and key business suppliers. Specifically, the analyses quantified the short-term financial impact of extreme weather events in terms of lost turnover due to business interruption and of property damage costs. Furthermore, a possible evolution of the exposure of the assets within the scope of the analyses to climate change in the medium (2030) and long term (2050) was studied and analyzed in depth, according to the reference climate scenarios (RCP/SSC 8.5), identifying any significant deviations from the short-term analyses.

Over the years, the Group has strengthened its proactive approach to the dynamics associated with climate change, and several measures have been implemented in 2024 to mitigate potential exposure to sustainable transition risks. These include:

- The Group manages the risks of temporary business interruption due to external events or natural catastrophes by taking out insurance policies to cover direct damage to company assets and any related indirect losses due to business interruption.
- The Performance and Restricted Shares Plan 2023-2025, approved by the Shareholders' Meeting of 26 April 2023 – reserved for selected employees and/or directors and/or collaborators of Salvatore Ferragamo S.p.A. and/or other companies belonging to the Ferragamo Group, who are considered key to the pursuit of sustainable success in the medium-long term – provides for ESG goals, including those related to environmental sustainability. For more details, please refer to note 41 "Share-based payments" in the Consolidated Financial Statements.
- During 2024, a workshop on product circularity was organized, which involved 60 colleagues engaged in rethinking a selection of products from an eco-design perspective. The results of the initiative were presented to the CEO, the Creative Director and the entire ESG Steering Committee, marking a significant step forward towards a sustainable and innovative company strategy.
- In 2024, the Group launched a Life Cycle Assessment (LCA) project for three iconic products, to analyze in depth the impact of procurement and production. The project included an engagement activity with suppliers to actively involve them and ensure transparent assessment along the production chain.
- In 2024, the data collection activity with regard to the main textile and tanning suppliers was increased, focusing on the use of chemicals in the production phases, in order to monitor and mitigate the impacts of the related supply chain risks.

For more information, please refer to the Sustainability Report in the Directors' Report on Operations.

During 2025, the Company will continue to strengthen its assessment of the potential impacts of climate change risk on the Group's assets and processes, making it possible to appropriately address and implement further control measures to help limit exposure to these risks.

Property, plant and equipment

Tangible assets are recorded at historic cost, including the additional costs directly attributable and necessary to use the asset for the purpose for which it has been bought. This cost includes the costs to replace part of the plant and equipment when incurred, if they comply with the recognition criteria. The net value (cost less accumulated depreciation and accumulated impairment) of parts of replaced plant and equipment is recognized in the income statement at the time of replacement.

Maintenance and repair expenses, which do not involve the creation of value from and/or extension of the residual life of the assets, are recognized in the income statement in the year in which they are incurred, otherwise they are capitalized.

Tangible assets are shown net of the related accumulated depreciation and any accumulated impairment determined in accordance with the method described below. Depreciation is calculated on a straight-line basis according to the estimated useful life of the asset, which is reviewed on an annual basis and any changes, if necessary, are applied on a prospective basis.

The useful lives of the main classes of tangible assets are as follows:

	Useful life
Buildings	33 years
Plant and Equipment	5 years
Industrial and commercial equipment	5 years
Other assets:	
- Office furniture and furnishings	5.5 years
- Electronic machines	3 years
- Historic collection	5 years
- Vehicles	4 years
Leasehold improvements	The shorter of the useful life of the asset and the remaining term of the asset lease agreement

The residual value of the asset, its useful life, and the depreciation methods applied are reviewed at the end of each year and adjusted on a prospective basis if necessary.

Should significant parts of these tangible assets have different useful lives, these components are accounted for separately. Land, whether it is free of construction or attached to buildings, is recorded separately and is not depreciated since it has an unlimited useful life.

The carrying amount of property, plant and equipment is subject to review to record any impairment, should events or changed situations indicate that the carrying amount cannot be recovered. If there is an indication of impairment, and should the carrying amount exceed the presumed realizable value, assets are written down to

reflect their realizable value. The realizable value of property, plant and equipment is the higher of the net sale price and the value in use.

In defining the value in use, the expected future cash flows are discounted using a pre-tax discount rate which reflects the current market estimate of the cost of money over time and the specific risks of the asset. The realizable value of an asset which does not generate broadly independent cash flows is determined in relation to the cash-generating unit to which this asset belongs. Impairment is recognized in the income statement under amortization, depreciation and write-down costs. Impairment is reversed should the reasons for it no longer exist.

The carrying amount of an item of property, plant and equipment and each initially recognized significant component is derecognized on disposal (i.e. on the date the buyer obtains control over it) or when no future economic benefits are expected from its use or disposal. The gain/loss arising from the derecognition of the asset (calculated as the difference between the net carrying amount of the asset and the consideration received) is included in profit or loss when the item is derecognized.

Investment property

Tangible assets held for income purposes and not for instrumental use are shown in a specific item called "Investment property", in accordance with IAS 40, and are recognized at cost. The assets which fall under this category are represented by land and/or buildings (or parts of buildings) held by the owner or lessee under a financial or operating lease in order to lease them out.

These types of property are classified separately from other property assets held. Investment property is shown net of the relevant accumulated depreciation and any impairment. The useful life of investment property is 33 years.

The carrying amount of investment property is subject to review to record any impairment, should events or changed situations indicate that the carrying amount cannot be recovered. Impairment is recognized in the income statement under amortization, depreciation and write-down costs. Impairment is reversed should the reasons for it no longer exist.

Investment property is derecognized on disposal (i.e., on the date the buyer obtains control over it) or when the investment is permanently unusable and no future economic benefits are expected from its disposal. The amount of consideration to be taken in account to calculate the gain or loss on the derecognition of an investment property is determined in accordance with transaction pricing requirements in IFRS 15.

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. The contract is, or contains, a lease if it provides the right to control the use of a specific asset for a period of time in exchange for consideration.

The Company uses the exemption under IFRS 16 for intangible assets.

The Company as lessee

The Company applies a single accounting model for all leases to which it is lessee, except for short-term leases and leases of low-value assets. The Company recognizes a financial lease liability and a right-of-use asset.

Right-of-use assets:

The Company recognizes a Right-of-use asset at the lease commencement date (that is the date on which the underlying asset is available for use by the lessee). Right-of-use assets are measured at cost, less any accumulated

depreciation and impairment losses determined as described below, and adjusted for any remeasurement of lease liabilities.

The cost of Right-of-use assets includes the amount of the recognized lease liability, initial direct costs incurred, lease payments made at or before the commencement less any lease incentives received, and the estimate of costs to be incurred by the Company in restoring the underlying asset to its original condition, if required by the lease.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, depreciation is calculated on a straight-line basis over the shorter of the lease term and the useful life of the asset as follows:

	Useful life
Buildings	33 years
Equipment and other assets	3-5 years
Vehicles	3-4 years

Right-of-use assets are tested for impairment should events or changes in circumstances indicate that the carrying amount cannot be recovered. If there is an indication of impairment, and should the carrying amount exceed the presumed realizable value, assets are written down to reflect their realizable value. The realizable value is the higher of the net sale price and the value in use. In defining the value in use, the expected future cash flows are discounted using a pre-tax discount rate which reflects the current market estimate of the cost of money over time and the specific risks of the asset. The realizable value of an asset which does not generate broadly independent cash flows is determined in relation to the cash-generating unit to which this asset belongs. Impairment is recognized in the income statement under amortization, depreciation and write-down costs. Impairment is reversed should the reasons for it no longer exist.

Lease liabilities:
At the commencement date of the lease, the Company recognizes a lease liability measured at the present value of future lease payments to be made over the lease term. Future payments include fixed payments, less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the Company is reasonably certain to exercise the option to terminate. The variable lease payments that do not depend on an index or a rate, but that in the case of the Company mainly depend on sales volumes, continue to be recognized as costs for services in profit or loss. In calculating the present value of future payments, the Company uses the Incremental Borrowing Rate (IBR) at the lease commencement date. Subsequently, the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the lease liability is remeasured to account for any change in the terms of the lease.

Short-term leases and leases of low-value assets:
the Company has elected not to apply IFRS 16 to short-term leases (leases with a lease term of 12 months or less) and leases for which the underlying asset is of low value (less than 5,000 Euro). Payments on these leases are recognized as expense on a straight-line basis in accordance with the terms and conditions of the lease.

The Company as lessor
Lease contracts in which the Company largely retains all the risks and benefits of ownership of the asset are classified as operating leases.

Initial direct costs incurred in obtaining an operating lease are capitalized and recognized as an expense over the lease term on the same basis as the lease income.

Business combinations and goodwill

Business combinations are accounted for using the purchase method.

The acquisition cost is valued as the total of the transferred consideration measured at fair value at the acquisition date and the amount of any minority interests in the acquired company.

Business combinations between entities subject to joint control do not fall within the scope of application of IFRS 3. Should the business combination between entities subject to joint control not be of an economic nature but a mere corporate reorganization, the company will apply the business combination accounting method called "pooling of interest", thus aggregating the assets and liabilities to the book values on a line-by-line basis.

Intangible assets

Intangible assets are recorded among assets at purchase cost when the use of the asset is likely to generate future income and when the cost of the asset can be reliably established. Intangible assets acquired through business combinations are recorded at fair value as established at the acquisition date, if this value can be reliably established. Intangible assets with a finite useful life are amortized on a straight-line basis over their estimated useful life; the useful life is reviewed on an annual basis and any changes, where necessary, are applied on a prospective basis.

Intangible assets are shown net of the related accumulated amortization and any accumulated impairment determined in accordance with the method described below.

The useful lives of the main categories of intangible assets with a finite useful life are the following:

	Useful life
Industrial patents and intellectual property rights	2-5 years
Concessions, licenses and trademarks	10 years
Development costs	3-5 years
Know-how	8 years

An intangible asset is derecognized on disposal (i.e. on the date the buyer obtains control over it) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

The carrying amount of intangible assets is subject to review to record any impairment, should events or changed situations indicate that the carrying amount cannot be recovered. Impairment is recognized in the income statement under amortization, depreciation and write-down costs. Impairment is reversed should the reasons for it no longer exist.

Development costs

Research costs are charged to the income statement when they are incurred.
Development costs incurred in relation to a particular project are capitalized only when the Company can demonstrate the technical possibility of completing the intangible asset in such a way as to make it available for use or for

sale, as well as its intention to complete the asset in order to use it or sell it, the means by which it will generate probable future income, the availability of technical, financial or other resources to complete the development and its ability to make a reliable assessment of the cost attributable to the asset during its development.

During the development period, the asset is reviewed annually to assess any impairment. Following the initial recognition, development costs are assessed at cost less any accumulated amortization or impairment loss. Amortization of the asset starts when the development is completed and the asset is available for use. It is amortized with reference to the period in which the project is likely to generate revenues for the Company.

Industrial patents and intellectual property rights

Industrial patents and intellectual property rights refer to costs for software licenses and to costs for the filing and registration of trademarks and patents relating to Company products.

Concessions, licenses, trademarks and similar rights

This item refers to costs for the filing and registration of the Salvatore Ferragamo trademark. Purchase costs are amortized over the useful life of the right purchased.

Know-how

The item includes the know-how acquired through the business combination of Arts S.r.l. and Aura 1 S.r.l., recognized at its fair value at the acquisition date. This charge is amortized over 8 years.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The general rule in IFRS 9 is that an entity shall recognize a financial asset or a financial liability on its balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument.

Financial assets

On initial recognition, financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The assessment of the contractual cash flow characteristics is known as the SPPI (Solely Payments of Principal and Interest) test and is conducted for each instrument. However, identical financial instruments may be analyzed in groups, since the outcome of the test would not be different than under an individual or separate assessment.

The Company's business model for managing financial assets refers to how the Company manages financial assets in order to generate cash flows. The business model determines whether the cash flows will result from the collection of contractual cash flows, sales proceeds, or both. Based on these characteristics, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income with reclassification of cumulative gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income without reclassification of cumulative gains or losses on disposal (equity instruments);
- Financial assets at fair value through profit or loss.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing

component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

After initial recognition, the Company measures financial assets at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)
The Company measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include trade receivables, loans to subsidiaries, and guarantee deposits.

Financial assets at fair value through other comprehensive income (debt instruments)
The Company measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, gains and losses are recognized through other comprehensive income except for changes resulting from exchange differences and impairment losses, as well as reversals, which are recognized in the statement of profit or loss. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss; the amounts recognized through profit or loss are the same that would have been recognized if the financial assets had always been measured at amortized cost. The Company currently does not have this type of instruments.

Investments in equity instruments
Under IFRS 9, all equity instruments, including derivatives on these instruments, shall be measured at fair value through profit or loss on the assumption that they do not give rise to the contractual cash flows required to pass the SPPI test. However, upon initial recognition, the Company may irrevocably classify its equity investments as equity instruments at fair value through other comprehensive income when they meet the definition of equity instruments as per IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined for each individual instrument. This category includes Equity investments in subsidiaries.

Equity investments
Equity investments in subsidiaries are measured at purchase cost, in compliance with the provisions of IAS 27.

Should there be indications that the cost is no longer recoverable in full or in part, the carrying amount is reduced to the relevant recoverable amount, in accordance with the provisions of IAS 36. When, subsequently, this loss is

reversed or reduced, the carrying amount is increased to the new estimated recoverable amount, which cannot exceed the original cost.

Financial assets at fair value through profit or loss

In general, IFRS 9 defines the classification at fair value through profit or loss as a residual category to be applied to all those financial assets that, because of their contractual characteristics, are not measured at amortized cost or at fair value through other comprehensive income. However, the Company may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so would eliminate or significantly reduce an accounting mismatch that would otherwise arise from recognizing the gains and losses on the asset on different bases. Although this may be considered an accounting policy choice, the standard does not require applying it consistently to all similar transactions.

Financial instruments at fair value through profit or loss are carried in the statement of financial position at fair value, with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments. Derivatives, including separated embedded derivatives, are classified as financial instruments held for trading, unless they are designated as effective hedging instruments.

A derivative embedded in a non-derivative hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

Reclassification

A financial asset is reclassified only if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be expected or the Company changes its business model for managing financial assets. The reclassification shall be applied prospectively from the date of reclassification, without restating any previously recognized gains, losses, and interest.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, whereby it retains the contractual rights to receive cash flows from the asset, but assumes a contractual obligation to pay the cash flows to one or more recipients, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When all the risks and rewards of ownership of the financial assets are substantially transferred, the Company derecognizes the financial asset and recognizes any rights and obligations created or retained as separate assets or liabilities; otherwise, the financial asset continues to be recognized. When it has neither transferred nor retained substantially all of the risks and rewards, nor lost control over the asset, the Company continues to recognize the asset to the extent of its continuing involvement; when control over the financial assets is not retained, the Company derecognizes the financial asset and recognizes any rights and obligations created or retained

as separate assets or liabilities. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. Specifically, the impairment model applies to all financial assets measured at amortized cost and at fair value through other comprehensive income, but not to financial assets at fair value through profit or loss. In addition, the following types of instruments also fall within the scope of the model:

- Loan Commitments not measured at FVTPL;
- Financial guarantees within the scope of IFRS 9;
- Lease receivables within the scope of IFRS 16;
- Contract Assets within the scope of IFRS 15.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The cash flows that the Company expects to receive depend on the probability of a default by the counterparty and the amount it expects to be able to recover; the expected cash flows will therefore include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Under the general approach of the Standard, the impairment of financial assets is determined based on the monitoring of the counterparties' credit standing. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. More specifically, for the above financial assets, the Company adopts the practical expedient of the provision matrix to calculate impairment, i.e. has established a matrix system based on historical collection information, adjusted for forward-looking factors specific to the debtors and the economic environment, as a means to determine expected credit losses.

Financial liabilities
Financial liabilities are classified and measured at amortized cost using the effective interest rate method, except for those financial liabilities that are classified at fair value through profit or loss because they do not meet the conditions for the measurement at amortized cost. This is the case of financial liabilities held for trading. In addition, the Company may, at initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so would result in more relevant information, as:

- it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases;

- a group of financial assets or liabilities is managed and measured at fair value in accordance with a risk management policy or based on an investment strategy, and information about the group is provided internally on that basis to key management personnel.

Derivatives with negative fair values are also classified and measured at fair value through profit or loss, except for those held as effective hedging instruments. All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings as well as payables, directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

The measurement of financial liabilities depends on their classification as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost (loans and borrowings).

Financial liabilities at fair value through profit or loss: financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of settling or transferring them in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities are designated at fair value through profit or loss upon initial recognition, only if the criteria in IFRS 9 are satisfied. Upon initial recognition, the Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost (loans and borrowings): after initial recognition, loans are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in the statement of profit or loss.

It is not possible to reclassify financial liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as currency forward contracts, to hedge financial risks relating to exchange rate fluctuations affecting commercial transactions in foreign currency. Such derivative financial

instruments are initially recognized at fair value on the date on which a derivative contract is entered into, and are subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. As allowed under IFRS 9 paragraph 7.2.21, the Company elected to apply IAS 39 for the purpose of hedge accounting.

In keeping with the provisions of IAS 39.88 and IFRS 9.6.4.1, hedging derivatives are eligible for hedge accounting only when:

- at the inception of the hedge, there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
- the hedge is likely to be highly effective;
- for cash flow hedges, the forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to the measurement of cash flows that may have an impact on the income statement;
- the effectiveness can be reliably measured; and
- the hedge itself is highly effective during the various accounting periods for which it is designated.

All derivatives are measured at fair value. When derivatives possess the necessary features to be accounted for in accordance with hedge accounting, the following accounting treatments are applied:

- Fair value hedge – if a derivative is designated as a hedge against changes in the current value of an asset or a liability or a firm commitment that may have an impact on the income statement, the change in the fair value of the hedging instrument is recognized in the income statement and the change in the fair value of the hedged instrument attributable to the hedged risk is recognized as part of the carrying value of the item being hedged and is also recognized in the income statement. In the case of a firm commitment, the fair value of the component related to the hedged risk is recognized as an asset or liability, adjusting the line item in the statement of financial position that will be affected by the firm commitment upon its realization.
- Cash flow hedge – if a derivative is designated as a hedge against the changes in cash flows from an asset or liability or from a transaction which is considered as highly likely or a firm commitment and which could affect the income statement, the effective portion of the gains or losses on the derivative is recorded under shareholders' equity and accounted for in the statement of comprehensive income; the accumulated gain or loss is reversed from shareholders' equity and charged to the income statement in the same period in which the hedged transaction is recorded; the gain or loss associated with a hedge or that part of the hedge which has become ineffective, is recorded in the income statement when its ineffectiveness is recognized.

Should the conditions to apply hedge accounting not occur, the effects arising from the fair value assessment of the derivative are charged directly to the income statement.

Cash and cash equivalents

Cash and short-term deposits refer to cash on hand and sight/short-term deposits, in the latter case originally expiring in no more than three months.

Treasury shares

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale or cancellation of treasury shares. Any difference between the purchase value and the consideration, in the event of a sale and/or grant, is recognized in a reserve in Equity.

Inventories

Inventories are measured at the lower of purchase and/or production cost, determined using the weighted average cost method, and the net realizable value. Purchase cost includes ancillary charges; production cost includes direct

costs and a share of indirect costs which may be reasonably attributable to products. The presumed net realizable value is the normal estimated sale price less the estimated costs to complete the product and the estimated costs to complete the sale.

Provisions for risks and charges

Provisions for risks and charges are allocated when the Company must meet a current (legal or implicit) obligation resulting from a past event, whose occurrence is deemed as likely and whose amount can be reasonably estimated.

When the Company believes that an allocation to the provision for risks and charges will be partly or fully reimbursed, for example in the case of risks covered by insurance policies, the indemnity is recorded separately among assets if, and only if, it is almost certain. In this case, in the income statement the cost of any allocation is shown net of the amount recorded for the indemnity.

If there is a significant effect from discounting the value of money, the allocations are discounted using a pre-tax discount rate which reflects, where appropriate, the specific risks of the liabilities. When the discounting is carried out, the increase in the allocation due to the passing of time is recorded as a financial charge.

Employee benefit liabilities

The Company's net obligation deriving from defined-benefit plans is calculated separately for each plan by estimating the amount of the future benefit which employees have accrued in return for the service provided in the current and previous years; this benefit is discounted in order to calculate the current value. Actuarial gains and losses are recorded directly in the statement of comprehensive income, as provided for by IAS 19.

Effective 1 January 2007, the 2007 Budget Law and the relevant enabling legislation have introduced significant changes to employee severance indemnities, requiring to allocate them to either supplementary pension schemes or the Treasury Fund of the Italian Social Security Institute (INPS). Starting from said date, in accordance with IAS 19, severance indemnities are classified as "Defined-contribution plans", while the amounts paid into the provision for employee severance indemnities up to 31 December 2006 still qualify as "Defined-benefit plans".

The actuarial assessment of liabilities has been entrusted to an independent actuary.

Fair value

IFRS 13 establishes a single source of guidance for fair value measurement and for the relevant disclosures when such measurement is required or permitted. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets or liabilities whose fair value is measured or recognized are categorized based on the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – Valuation techniques using unobservable inputs for the asset or liability.

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
The methods for determining fair value in reference to financial instruments, for accounting or disclosure purposes, are summarized below in reference to the main financial instrument categories, to which they have been applied:

- Derivatives: adequate pricing models have been adopted, based on the market values of interest and exchange rates;
- Receivables and payables and unquoted financial assets: for financial instruments expiring after more than one year, the discounted cash flow method has been applied, i.e. the discounting of expected cash flows given current interest rate and creditworthiness conditions;
- Quoted financial instruments: the market value at the reference date is used.

Costs

Costs are recognized when related to goods or services sold or consumed during the period or systematically allocated, or when it is not possible to identify their future usefulness.

Advertising and research costs, in accordance with IAS 38, are charged in full to the income statement, when the service has been provided and delivered to the Company.

Costs are recognized according to their nature considering the standards applicable under IFRS.

Revenues from contracts with customers

Revenues from contracts with customers are recognized when control of goods or services is transferred to the customer in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Sale of goods

Revenues from the sale of goods are recognized when control of the good passes to the customer, generally upon shipment depending on the terms applied.

The Company considers whether the contract includes other promises representing performance obligations to which part of the consideration for the transaction must be allocated (for example guarantees). When determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Right of return

Some contracts allow customers to return goods within a specified period of time. The Company uses the expected value method to estimate the goods that will not be returned, as this method better predicts the amount of variable consideration to which the Company will be entitled. The guidance in IFRS 15 regarding the constraints on the recognition of variable consideration applies to the determination of the amount of variable consideration that can be included in the transaction price. The Company adjusts revenues for the goods expected to be returned, and recog-

nizes a liability for the refunds. The right of return of an asset (and the corresponding adjustment to the changes in inventories of finished products) is recognized also for the right to recover goods from customers.

Royalties

Revenues from royalties derive from sales-based royalties arrangements with customers, and are therefore recognized based on the stage of completion of the licensee's sales in accordance with the terms of the agreement.

Right of return assets

A right of return asset represents the Company's right to recover goods expected to be returned from customers. The asset is measured at the previous carrying amount of inventories less any costs for its recovery, including any impairment of the returned products. The Company regularly updates the estimated amount of returns from customers as well as any additional impairment of the returned products.

Refund liabilities

The refund liability represents the obligation to refund some or all of the consideration received (or to be received) from the customer and is measured based on the amount the Company expects will have to be refunded to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Share-based payment plans

The Company recognizes additional benefits to some employees, directors and collaborators holding key positions, through equity-settled share-based payments, which provide for the physical delivery of shares, and through cash-settled plans based on share value.

Equity-settled transactions

In accordance with the provisions of IFRS 2 – Share-based payments – rights in favor of employees are valued at fair value when the recipient is informed of their allocation, and this value is determined using the binomial model. This model takes account of all the features of the rights (duration, exercise price and conditions, etc.), as well as the value of the underlying shares at the grant date and their expected volatility.

If the right can be exercised after a certain period (vesting period) and on the occurrence of specific performance conditions, the cost of transactions settled with equity instruments, together with the corresponding increase in shareholders' equity, is recorded in the period in which the conditions relating to the achievement of objectives and/or the provision of the service are satisfied, ending at the time the recipients have fully accrued the right to receive payment ("vesting date").

At the end of each year, the fair value of the rights which has been determined previously is not reviewed, but on this date the estimate of the number of rights which will vest up to the expiry is updated. The accumulated costs recorded for these transactions at the end of each year up to the vesting date are proportionate to the expiries of the vesting period and to the best available estimate of the number of options which will actually vest. The cost or revenue recorded in the income statement for the year represents the change in the accumulated cost recorded at the start and at the end of the year.

No cost is recorded for rights which do not ultimately vest, except in the case of rights whose allocation is subordinate to market conditions.

The impact of the dilution of the rights not yet exercised is reflected in the calculation of the dilution of earnings per share.

Cash-settled transactions

In case of cash-settled share-based transactions, the cost of the cash-settled transactions is initially valued at the fair value at the date the recipient is informed of their allocation. This fair value is recognized in the income statement in the period until vesting, with the recognition of a corresponding liability. Until the liability is settled, the fair value is recalculated at each year-end date and at the settlement date, charging the related changes to the income statement. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

Financial income and charges

Financial income and charges are recorded on an accrual basis according to the interest accrued on the net value of the related financial assets and liabilities, using the effective interest rate.

Dividends

Dividends are recognized when the shareholders' right to receive payment arises.

Government grants

Government grants are recognized when there is reasonable certainty that said grants will be received, and all the conditions of said grants are met. Grants related to income are shown as a positive component in the income statement.

Income taxes

Current taxes

Current income taxes are determined in relation to taxable income and in compliance with the rates and provisions in force; payables for current taxes are recognized in the statement of financial position, net of any tax advances paid. The Company regularly assesses the position taken in its income tax filings where tax regulations are subject to interpretation and makes provisions, when appropriate.

Current taxes relating to items recorded directly under shareholders' equity or in the statement of comprehensive income are also charged directly to shareholders' equity or to the statement of comprehensive income.

Deferred taxes

Deferred taxes are calculated on the temporary differences existing at the reporting date between the fiscal values taken as a reference for assets and liabilities and the values recognized in the financial statements.

Deferred tax liabilities are recorded for all taxable temporary differences, except:

- when the deferred tax liabilities derive from the initial recognition of goodwill or of an asset or a liability in a transaction which is not a business combination and which, at the time of the transaction, has no effect on the profit/(loss) for the year calculated for financial statement purposes or on the profit or loss calculated for tax purposes;
- in reference to taxable temporary differences relating to equity interests in subsidiaries, associated companies and joint ventures, when the reversal of temporary differences may be managed and it is not likely to occur in the foreseeable future.

Deferred tax assets are recorded against all deductible temporary differences and for tax assets and liabilities which are carried forward, to the extent that adequate future tax profits are likely to exist which make it possible to use the deductible temporary differences and the tax assets and liabilities which have been carried forward, except when:

- the deferred tax asset connected to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, does not affect profit/(loss) for the year calculated for financial statement purposes or the profit or loss calculated for tax purposes;
- in reference to taxable temporary differences relating to equity interests in subsidiaries, associated companies and joint ventures, deferred tax assets are only recorded to the extent that the deductible temporary differences are likely to be reversed in the immediate future and there are adequate tax profits against which the temporary differences may be used.

The value to be recorded for deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer likely that sufficient tax profits will be available in the future so as to allow all or part of this credit to be used. Unrecognized deferred tax assets are reviewed annually at the reporting date and are recorded to the extent that it has become likely that the tax profit is sufficient to ensure that these deferred tax assets can be recovered.

To determine whether taxable profit will be available against which a deductible temporary difference can be utilized, the entity shall consider whether local tax laws restrict the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference.

Deferred tax assets and liabilities are measured on the basis of the tax rates which are expected to be applied in the year in which the assets are realized or the liabilities are settled, taking into account the rates in force and those already issued or basically issued at the reporting date.
Current and deferred taxes relating to items recorded directly under shareholders' equity or in the statement of comprehensive income are also charged directly to shareholders' equity or to the statement of comprehensive income.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets against current tax liabilities and the deferred taxes refer to the same fiscal entity and the same tax authority.

Value added tax

Revenues, costs and assets are recorded net of value added tax, except when:

- this tax, applied to the purchase of goods or services, is non-deductible, in which case it is recognized as part of the purchase cost of the asset or part of the cost item recognized in the income statement;
- it refers to trade receivables and payables for which the invoice has already been issued or received and which are shown including the tax amount.

The net amount of indirect taxes on sales and purchases which may be recovered from or paid to the Inland Revenue Office is recorded among tax receivables or payables depending on the nature of the balance.

Put and call agreements on minority interests

Put and call agreements are financial instruments in compliance with the provisions of IFRS 9.

The fair value of the financial instruments traded on an active market is determined at each reporting date with reference to market prices or operators' prices (ask price for long-term positions and bid price for short-term positions), without any deduction for transaction costs.

For financial instruments which are not traded on an active market, the fair value is determined using a valuation technique. This technique may include: the use of recent transactions at market conditions; reference to the current fair value of another instrument which is substantially the same; an analysis of discounted cash flows or other valuation models.

The accounting policy chosen by the Company envisages the recognition in the income statement and the recognition under financial liabilities of the fair value at the valuation date.

Changes in international accounting standards

The Company has not adopted in advance any standards, interpretations or improvements that have been issued but are not yet in force.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In 2020 and 2022, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current, including in relation to liabilities subject to covenants, and to define the disclosures required in the financial statements. The amendments are effective for annual periods beginning on or after 1 January 2024, and must be applied retrospectively. These amendments had no impact on the Company.

Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback

In September 2022, the IASB issued amendments to IFRS16 to clarify the parameters that the lessor/seller should use to recognize variable lease payments in a "Sale and Leaseback" transaction. The amendments introduce a new model for accounting for variable payments and will require the lessor/seller to reassess and potentially reformulate sale and leaseback transactions entered into as from 2019. The amendments are effective for annual periods beginning on or after 1 January 2024, and must be applied retrospectively to Sale and Leaseback transactions entered into after the date of initial application of IFRS16. Earlier application is permitted, provided that this fact is disclosed. These amendments had no impact on the Company.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments to clarify the characteristics of financial arrangements with suppliers and to require additional disclosures in the financial statements. The more detailed information required is intended to enable readers of the financial statements to understand the impact of financial arrangements with suppliers on liabilities, cash flows and exposure to liquidity risk. The amendments are effective for annual periods beginning on or after 1 January 2024; however, earlier application is permitted, provided that this fact is disclosed. The transition provisions clarified that application is not required in interim reporting in the year of first application; therefore, the amendments had no impact on the Company's financial statements.

Standards issued but not yet in force

Set out below are the standards which, when preparing the separate financial statements, had already been issued but were not yet in force. The list refers to the standards and interpretations which the Company expects will in all likelihood be applicable in the future. The Company intends to adopt these standards when they come into force.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued an amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates to clarify:

- when a currency is not exchangeable for other currencies;
- how a company should estimate spot exchange rates when a currency cannot be exchanged.

The amendments will require more detailed disclosures to enable readers of the financial statements to understand the precise exchange rate used, the estimation process, the nature and impact on the financial statement data of using an estimated exchange rate, and the risks to the company related to the non-exchangeability of currencies. The amendments will be effective for annual periods beginning on or after 1 January 2025. Earlier application is permitted. The Company is currently assessing the impact the amendments will have on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which supersedes IAS 1 – Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. Moreover, entities will be required to classify all costs and revenues in the income statement into five categories: operating, investing, financing, income taxes, and discontinued operations, the first three of which are new. The standard also requires disclosures based on the new definition of management-defined performance measures (MPMs), subtotals of costs and revenues, and includes new provisions for aggregating and disaggregating financial information based on the identified roles of the primary financial statements (PFS) and notes. Amendments have also been made to IAS 7 – Statement of Cash Flows, including changing the starting point for determining cash flows from operating activities using the indirect method: from profit or loss to operating profit or loss, also removing the option to classify cash flows related to dividends and interest. Moreover, consequential amendments were made to a number of other accounting standards. IFRS 18, and the amendments to the other standards, will apply to annual reporting periods beginning on or after 1 January 2027, and earlier application is permitted subject to disclosure. IFRS 18 will apply retrospectively. The Company is currently assessing the impact of the amendments on its financial statements and explanatory notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows "eligible" entities that meet certain requirements to elect to reduce their disclosure requirements while continuing to apply the recognition, measurement and disclosure requirements in other IFRS accounting standards. To be "eligible", an entity must be a subsidiary as defined in IFRS 19 at the end of the financial year, it must not have "public accountability" and it must have an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 will apply to annual reporting periods beginning on or after 1 January 2027, and earlier application is permitted. Considering that the shares of the Company are publicly listed, the Company is not eligible for the application of IFRS 19.

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued the document "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)", which clarifies a number of issues that arose from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:

- clarify the classification of financial assets with variable returns linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used in assessing the SPPI test;
- establish that the date of settlement of liabilities through electronic payment systems is the date on which the liability is settled. However, an entity is permitted to adopt an accounting policy that allows it to deem a financial liability that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met.

With these amendments, the IASB also introduced additional disclosure requirements for investments in equity instruments measured at FVOCI. The amendments will apply for annual periods beginning on or after 1 January 2026. The Company is assessing whether the amendments will have an impact on the financial statements.

Annual Improvements Volume 11

On 18 July 2024, the IASB published a document called "Annual Improvements Volume 11" which includes clarifications, simplifications, corrections and amendments aimed at improving the consistency of several IFRS Accounting Standards. The amended standards are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and related guidance on the implementation of IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

The amendments will apply for annual periods beginning on or after 1 January 2026, but earlier application is permitted. The Company is assessing whether the amendments will have an impact on the financial statements.

Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7

On 18 December 2024, the IASB issued an amendment called "Contracts Referencing Nature-dependent Electricity (Amendment to IFRS 9 and IFRS 7)", to assist entities in reporting the financial effects of contracts for the purchase of electricity produced from renewable sources (often structured as Power Purchase Agreements). Based on these contracts, the amount of electricity generated and purchased may vary due to uncontrollable factors such as the weather. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include:

- a clarification regarding the application of the "own use" requirements to this type of contracts;
- criteria to allow for the recognition of such contracts as hedging instruments; and,
- new disclosure requirements to enable users of financial statements to understand the effects of these contracts on an entity's financial performance and cash flows.

The amendments will apply for annual periods beginning on or after 1 January 2026, but earlier application is permitted. The Company is assessing whether the amendments will have an impact on the financial statements.

3. Management of financial risks (IFRS 7)

Salvatore Ferragamo S.p.A. monitors, also on a Group basis, the exposure in different measure to the various financial risks related to its business, in particular to the market risk category which includes the following types of risk:

- interest rate risks relating to the impact of changes in market interest rates;
- exchange rate risks, due to operations in currency areas other than that of the accounting currency;
- liquidity risks relating to the availability of financial resources and the ease of access to the credit market and connected to the need to fulfill the Group's financial commitments in the short term;
- credit, commercial or counterparty risks, representing the risks of default on commercial or financial obligations assumed by the various counterparties and arising from normal commercial transactions or from use, financing and risk hedging activities.

Financial risks are managed on the basis of guidelines defined by the Company, in compliance with the goals set centrally by the Board of Directors. This enables the supervision and coordination of the operations of the individual Group companies, also through more effective financial planning and control, the systematic monitoring of the levels of exposure to financial risks as well as the trend in cash management, and the provision of useful indications in order to optimize the management of dealings with the reference credit institutions.

In accordance with these directives, control over the management of individual financial risks is ensured through intervention aimed at containing their impact, also by using derivatives. Derivatives are used for hedging purposes only. In accordance with IFRS, some derivatives have been classified as held for trading, although they have been entered into solely for hedging purposes.

Financial liabilities largely consist of trade payables, payables to banks (if any), other financial payables, and lease liabilities following the introduction of the accounting standard IFRS 16. The management of these liabilities is largely aimed at financing the Group's operations.

Interest rate risk

Movements in market interest rates affect the level of net financial charges and the market value of financial assets and liabilities.

Interest rate risk can be classified as follows:

- flow risk, which refers to the variability in interest income and expense received and paid following changes in market interest rates;
- price risk, relating to the sensitivity of the market value of assets and liabilities to changes in the level of interest rates (it refers to fixed-rate assets or liabilities).

Salvatore Ferragamo S.p.A. is mainly exposed to flow risk, i.e. to the risk of recording in the income statement an increase in financial charges due to an unfavorable change in interest rates. The Company uses third-party financial resources largely in the form of floating-rate bank debt and deploys the available liquidity mainly in money market instruments. Changes in market interest rates only affect the cost of loans and the yield on uses and thus the level of the Company's financial charges and income, and not their fair value.

Bank debt is represented by short-term, floating-rate loans, if any. The cost of bank debt is benchmarked to the market rate (generally Euribor/Libor/SOFR for the period or the benchmark of the loan currency on the specific interbank

market) in the period, increased by a spread which depends on the type of line of credit used. As at 31 December 2024, there were no drawdowns. The margins applied are in line with best market standards.

Cash surpluses are held in current accounts or used in short-term time deposits opened with reference banks, which bear interest at the Euribor/Libor/SOFR rate or the benchmark of the currency on the specific interbank market, in cash-pooling structures or invested in intercompany loans, regulated at current market conditions, in order to limit the Group's exposure to the banking system, counterparty risk, and the impact of financial charges.

The Company, with a view to moderately diversifying its cash management, made an insurance investment in a readily adjustable Type I policy in 2022, an investment in short-term Italian government bonds *(Buoni Ordinari del Tesoro)* in 2023, and an insurance investment in a multi-branch policy that can be quickly converted into cash in 2024.

Sensitivity to interest rate risk is monitored by keeping the overall exposure in due consideration, through coordinated management of debt and available liquidity and of the relevant due dates.

At the reporting date there were no outstanding interest rate risk hedge derivatives aimed at transforming floating-rate debt into fixed-rate debt, nor did the Company make use of such derivatives in the previous year.

The Company carried out the sensitivity analysis of the interest rate risk to which it is exposed by considering the financial statement items which give rise to floating-rate interests and by assuming parallel increases or decreases in the benchmark interest rate curves by individual currency in proportion to the respective annual volatility observed on the market. The result of the analysis undertaken on risk factors that generate significant exposure (interest rate curves in Canadian Dollar, Swiss Franc, Euro, British Pound Sterling, Hong Kong Dollar, Japanese Yen, Mexican Peso, Singapore Dollar, Thai Baht and US Dollar) showed potential losses or profits in the income statement amounting to 1,629 thousand Euro, compared to potential losses or profits in the income statement of 539 thousand Euro for 2023. The possible upward or downward change in the market's benchmark interest rates continues having a minor, albeit increasing, impact on the Company's income statement.

Sensitivity analysis of interest rate risk on floating rate items - Market risk

31 December 2024

(In thousands of Euro)	Underlying asset	Increase/ decrease in underlying interest rates	Impact on the income statement
POSITIVE CHANGE	CAD	0.700%	61
	CHF	0.370%	18
	EUR	0.410%	651
	GBP	0.340%	17
	HKD	0.370%	14
	JPY	0.230%	39
	MXN	0.970%	9
	SGD	0.280%	20
	THB	0.200%	20
	USD	0.680%	780
Total			**1,629**
NEGATIVE CHANGE	CAD	-0.700%	(61)
	CHF	-0.370%	(18)
	EUR	-0.410%	(651)
	GBP	-0.340%	(17)
	HKD	-0.370%	(14)
	JPY	-0.230%	(39)
	MXN	-0.970%	9)
	SGD	-0.280%	(20)
	THB	-0.200%	(20)
	USD	-0.680%	(780)
Total			**(1,629)**

31 December 2023

POSITIVE CHANGE	CAD	0.170%	9
	CHF	0.800%	35
	EUR	0.026%	54
	GBP	1.030%	67
	JPY	0.020%	5
	MXN	1.170%	9
	SGD	0.110%	15
	THB	0.130%	11
	USD	0.590%	334
Total			**539**
NEGATIVE CHANGE	CAD	-0.170%	(9)
	CHF	-0.800%	(35)
	EUR	-0.026%	(54)
	GBP	-1.030%	(67)
	JPY	-0.020%	(5)
	MXN	-1.170%	(9)
	SGD	-0.110%	(15)
	THB	-0.130%	(11)
	USD	-0.590%	(334)
Total			**(539)**

Exchange rate risk

The exposure to exchange rate risk derives from operations in currencies other than the accounting currency, i.e. the Euro.

In particular, the exchange rate risk can be classified based on the nature of the exposure and of the effects on operating results due to the different relevance of costs and revenues in foreign currency compared to the moment when the price conditions were defined (economic risk) and due to the translation of trade or financial receivables and payables denominated in foreign currency (settlement risk).

The Company operates internationally and therefore is exposed to risks arising from exchange rates fluctuations, which have an impact on the operating results and on the value of shareholders' equity.

The objective of the exchange rate risk hedging policy is to minimize the economic and settlement exchange rate risks, i.e. the risks arising from the possibility that currency parity changes unfavorably during the period between the moment in which a commitment to pay or a right to collect a currency other than the Euro is expected for a future date (definition of budgets, setting of price lists, arrangement of orders), the registration of the accounting document (invoicing) and the moment in which the receipt or payment effectively occurs, generating an effect in terms of translation differences, with an impact on the income statement.

In keeping with the exchange rate risk management policy adopted in recent years, the Company manages exchange rate risk arising from its business, in line with the provisions of the exchange rate risk management policy and the risk management objectives that are periodically established, through the systematic hedging of commercial flows arising from sales forecast in currencies other than the Euro, to both subsidiaries and third parties, with the aim of mitigating the expected risk of variability in margins arising from sales relating to future collections.

The Group has a strong presence in international markets, including through commercial companies located in countries which use currencies other than the Euro, mainly the US Dollar and Chinese Renminbi. In the year ended 31 December 2024, around 33% of the Company's net revenues were denominated in US Dollars, around 10% in Chinese Renminbi, around 6% in Japanese Yen, around 4% in South Korean Won, and around 4% in Mexican Peso. In the year ended 31 December 2023, around 31% of the Company's net revenues were denominated in US Dollars, around 9% in Chinese Renminbi, around 6% in South Korean Won, around 6% in Japanese Yen, and around 5% in Mexican Peso. The currency risks originate mainly from exports of the Company in US Dollars, Chinese Renminbi, Japanese Yen, South Korean Won, and Mexican Peso.

In relation to its business model, the Group incurs a significant part of its costs in Euro (costs relating to production and management of the corporate structure borne by Salvatore Ferragamo S.p.A.), while the revenues and costs recorded by Group companies are mainly expressed in the local currencies of the respective reference markets. Exchange rate risk management is mostly centralized at the Company, through direct invoicing in the subsidiary's accounting currency in order to hedge, by entering into derivatives, the exposure arising from sales in currencies other than the Euro. In particular, the Company is exposed to changes in the exchange rate between the Euro and the US Dollar, in relation to sales in Dollars both on the North American market and on few other markets, mainly Asian ones. In this context, the Company is exposed to changes in the exchange rates of the currencies in which sales are denominated. This implies the risk that the corresponding value in Euro of revenues determined at the moment of collection is insufficient to cover production costs or to achieve the desired profit margin. This risk is heightened during the significant period between the moment when the sale prices of a collection are set and the moment when revenues are converted into Euro, which extends up to 18 months.

The Company (as a manufacturing company) enters into currency forward contracts or options, to establish the conversion rate in advance, or a predefined range of conversion rates at future dates with an estimated period of max-

imum 24 months. In the years under examination, the Company hedged its exchange rate risk almost exclusively through currency forward contracts.

To this end, on the basis of market expectations and conditions, before establishing price lists, and in any case not after the beginning of the sales campaign, hedging is arranged for an amount generally between 50% and 90% of forecast sales in foreign currency. This proportion is calculated based on the expected overall exposure, rather than the individual foreign currency. In the period following the preparation of the price list, the total outstanding hedge is added for the orders effectively managed and put into production. This way, the Company limits the commercial risk just to the risk arising from sales volumes, excluding the risk arising from the exchange rate.

In addition, the Company controls the exposure and the related exchange rate risk management procedures of some Asian and Latin American subsidiaries that purchase goods in US Dollars or Euro and sell in the currency of the country in which they operate. The values of the contracts involved are, nonetheless, significantly lower than those concluded directly by the Company to mitigate the exchange rate risk arising from sales in the accounting currency of the various subsidiaries.

In addition, the Company controls and hedges exposure deriving from changes, due to exchange rate fluctuations, in the value of assets or liabilities denominated in currencies other than the accounting currency of the individual company, which may affect the income statement (typically intercompany financial receivables/payables) by offsetting financial receivables and payables denominated in the same currency or through financial instruments, whose recognition in accordance with IFRS follows the rules of fair value hedge: the profit or loss arising from subsequent assessments of the present value of the hedging instrument is recognized in the income statement as well as the profit or loss on the hedged item.

The hedges of the Company's future transactions in foreign currencies (which can be classified as cash flow hedges pursuant to IFRSs) are accounted for in accordance with hedge accounting rules.
The following table shows the changes in the Cash flow hedge reserve for the years ended 31 December 2024 and 31 December 2023:

Exchange rate risk

(In thousands of Euro)	2024	2023
Opening balance	**5,552**	**9,495**
+ increases for recognition of new positive effectiveness	4,535	15,707
- decreases for recognition of new negative effectiveness	(12,226)	(2,805)
- decreases due to the transfer of effectiveness from the Cash flow hedge reserve and recognition of income in profit or loss	(6,764)	(20,219)
+ increases due to the transfer of effectiveness from the Cash flow hedge reserve and recognition of cost in profit or loss	1,923	3,374
Closing balance	**(6,980)**	**5,552**

Overall, this Reserve, which consists of the value changes in hedges for expected transactions in foreign currency, decreased by 12,533 thousand Euro during 2024, whereas it had decreased by 3,943 thousand Euro in 2023. The changes in value reflect the performance of the Euro against the main hedged currencies. The decrease was mainly due to the strengthening of the US Dollar and the Chinese Renminbi in the second half of the year. The amount transferred from the Reserve to "Revenues from sales" on occurrence of the underlying flows was a positive total of 4,841 thousand Euro in 2024, compared to a positive 16,845 thousand Euro in 2023. In 2024, no hedge was interrupted and hedges were one hundred percent effective for the whole duration of the underlying asset.

A hedge may become ineffective as a result of:

- differences in the timing of cash flows of the hedged item and the hedging instrument;
- changes in the expected amount of cash flows of the hedged item and the hedging instrument.

The following tables set out the average time horizon and the relevance by risk factor of exchange rate hedges held by the Company at the end of 2024 and 2023. The number of foreign currencies in the tables shows how exchange rate risk management is all but centralized at the Parent company.

Cash flow analysis (hedged items)

31 December 2024

(In thousands)	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total expected flows
Currency forward contracts						
Notional amount in USD	15,000	60,000	60,000	40,000	40,000	**215,000**
Average forward exchange rate (EUR/USD)	1.104	1.093	1.101	1.104	1.085	
Notional amount in CAD	2,000	500	-	-	-	**2,500**
Average forward exchange rate (EUR/CAD)	1.501	1.516	-	-	-	
Notional amount in CNY	30,000	80,000	50,000	100,000	40,000	**300,000**
Average forward exchange rate (EUR/CNY)	7.795	7.797	7.782	7.792	7.719	
Notional amount in GBP	500	-	1,500	1,000	-	**3,000**
Average forward exchange rate (EUR/GBP)	0.847	-	0.850	0.856	-	
Notional amount in HKD	5,000	5,000	10,000	15,000	-	**35,000**
Average forward exchange rate (EUR/HKD)	8.601	8.509	8.610	8.505	-	
Notional amount in JPY	400,000	800,000	1,000,000	900,000	400,000	**3,500,000**
Average forward exchange rate (EUR/JPY)	159.448	155.798	155.395	155.401	156.120	
Notional amount in KRW	4,000,000	4,000,000	4,000,000	9,000,000	2,000,000	**23,000,000**
Average forward exchange rate (EUR/KRW)	1,433.000	1,470.000	1,481.000	1,480.167	1,468	
Notional amount in MXN	60,000	90,000	80,000	200,000	20,000	**450,000**
Average forward exchange rate (EUR/MXN)	20.043	21.093	22.926	22.768	21.922	

31 December 2023

(In thousands)	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total expected flows
Currency forward contracts						
Notional amount in USD	27,000	36,000	53,000	74,000	5,000	**195,000**
Average forward exchange rate (EUR/USD)	1.051	1.071	1.090	1.096	1.088	
Notional amount in CAD	2,000	500	5,000	2,000	-	**9,500**
Average forward exchange rate (EUR/CAD)	1.449	1.478	1.479	1.502	-	
Notional amount in CNY	40,000	100,000	50,000	110,000	-	**300,000**
Average forward exchange rate (EUR/CNY)	7.302	7.305	7.505	7.773	-	
Notional amount in GBP	1,000	1,700	1,000	-	-	**3,700**
Average forward exchange rate (EUR/GBP)	0.878	0.874	0.871	-	-	
Notional amount in HKD	8,000	11,000	7,000	18,000	-	**44,000**
Average forward exchange rate (EUR/HKD)	8.363	8.418	8.473	8.405	-	
Notional amount in JPY	400,000	1,000,000	600,000	800,000	-	**2,800,000**
Average forward exchange rate (EUR/JPY)	137.631	145.682	153.665	151.440	-	
Notional amount in KRW	4,000,000	10,000,000	12,000,000	14,000,000	-	**40,000,000**
Average forward exchange rate (EUR/KRW)	1,394.800	1,422.317	1,396.625	1,415.937	-	
Notional amount in MXN	30,000	80,000	100,000	40,000	-	**250,000**
Average forward exchange rate (EUR/MXN)	21.285	20.580	19.779	19.261	-	

Cash flow analysis (hedged items): impact on the income statement

31 December 2024

(In thousands)	Total expected flows	within 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	over 1 year
Exchange rate risk						
Expected sales in USD	**170,000**	85,000	35,000	45,000	5,000	-
Expected sales in JPY	**3,100,000**	1,200,000	900,000	800,000	200,000	-
Expected sales in GBP	**2,500**	500	2,000	-	-	-
Expected sales in MXN	**300,000**	80,000	200,000	20,000	-	-
Expected sales in CAD	**500**	500	-	-	-	-
Expected sales in CNY	**220,000**	60,000	90,000	70,000	-	-
Expected sales in HKD	**25,000**	5,000	15,000	5,000	-	-
Expected sales in KRW	**15,000,000**	4,000,000	7,000,000	4,000,000	-	-

31 December 2023

(In thousands)	Total expected flows	within 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	over 1 year
Exchange rate risk						
Expected sales in USD	**144,000**	56,000	73,000	15,000	-	-
Expected sales in JPY	**2,600,000**	1,300,000	500,000	700,000	100,000	-
Expected sales in GBP	**2,700**	1,700	1,000	-	-	-
Expected sales in MXN	**140,000**	100,000	40,000	-	-	-
Expected sales in CAD	**7,000**	1,000	6,000	-	-	-
Expected sales in CNY	**275,000**	110,000	90,000	75,000	-	-
Expected sales in HKD	**30,000**	8,000	17,000	5,000	-	-
Expected sales in KRW	**36,000,000**	14,000,000	14,000,000	8,000,000	-	-

The most important hedge, in terms of volumes of notional amounts in foreign currency being hedged, is aimed at mitigating the risk generated by fluctuations in the exchange rate between the Euro and the following currencies: US Dollar, Chinese Renminbi, Japanese Yen, South Korean Won, and Mexican Peso.

From a time viewpoint, hedges lasting over one year showed nil values as at 31 December 2024 as well as at 31 December 2023. The above tables set out the financial recognition dates of underlying assets by currency and the dates on which the impact on the income statement is recognized. This is determined upon the invoicing of the estimated flows, which are the object of the exchange rate hedge, as at 31 December 2024 and 2023.

Below is the impact of the hedged items on the statement of financial position:

Sensitivity Analysis

The sensitivity analysis carried out in order to assess the Company's exposure to exchange rate risk was undertaken on the basis of percentage increases and decreases in the exchange rates of the various currencies, proportional to their annual volatility, applied to all significant financial assets and liabilities expressed in original currencies. In particular, the analysis involved all currencies and the following items:

- exchange rate derivatives;
- trade and other receivables;
- trade and other payables;
- cash and cash equivalents;
- short- and long-term financial liabilities;
- short- and long-term lease liabilities.

In addition, the table shows the most important impacts and the related currencies, and refers to the exposure to exchange rate risk in accordance with IFRS requirements. Exchange rates were considered for currencies whose changes generate an impact on the Income Statement and Shareholders' Equity, in absolute terms, of over one million Euro.

Sensitivity analysis: exchange rate risk

31 December 2024

(In thousands of Euro)		Increase/ decrease in underlying foreign exchange rates	Underlying asset	Impact on the income statement	Impact on shareholders' equity
POSITIVE CHANGE	EUR/JPY	10.8%	Derivatives	1,913	1,853
			Non derivatives	(2,569)	-
	EUR/USD	7.9%	Derivatives	11,813	11,953
			Non derivatives	(7,107)	-
	EUR/KRW	7.9%	Derivatives	380	713
			Non derivatives	89	-
	EUR/CNY	6.2%	Derivatives	611	1,680
			Non derivatives	(606)	-
	EUR/MXN	13.7%	Derivatives	1,794	1,682
			Non derivatives	102	-
	EUR/GBP	5.4%	Derivatives	501	155
			Non derivatives	(114)	-
	EUR/THB	8.7%	Derivatives	788	-
			Non derivatives	(841)	-
	EUR/CAD	6.7%	Derivatives	690	21
			Non derivatives	(429)	-
	EUR/BRL	15.2%	Derivatives	553	-
			Non derivatives	(991)	-
	EUR/HKD	8.0%	Derivatives	1,383	230
			Non derivatives	(1,461)	
Total				**6,499**	**18,287**
NEGATIVE CHANGE	EUR/JPY	(10.8%)	Derivatives	(2,376)	(2,302)
			Non derivatives	3,192	-
	EUR/USD	(7.9%)	Derivatives	(13,834)	(13,998)
			Non derivatives	8,323	-
	EUR/KRW	(7.9%)	Derivatives	(445)	(834)
			Non derivatives	(104)	-
	EUR/CNY	(6.2%)	Derivatives	(691)	(1,899)
			Non derivatives	686	-
	EUR/MXN	(13.7%)	Derivatives	(2,365)	(2,217)
			Non derivatives	(135)	-
	EUR/GBP	(5.4%)	Derivatives	(559)	(172)
			Non derivatives	127	-
	EUR/THB	(8.7%)	Derivatives	(937)	-
			Non derivatives	1,001	-
	EUR/CAD	(6.7%)	Derivatives	(788)	(24)
			Non derivatives	490	-
	EUR/BRL	(15.2%)	Derivatives	(751)	-
			Non derivatives	1,345	-
	EUR/HKD	(8.0%)	Derivatives	(1,624)	(271)
			Non derivatives	1,716	
Total				**(7,729)**	**(21,717)**

31 December 2023

(In thousands of Euro)		Increase/ Decrease in underlying foreign exchange rates	Underlying asset	Impact on the income statement	Impact on shareholders' equity
POSITIVE CHANGE	EUR/JPY	9.8%	Derivatives	2,000	1,625
			Non derivatives	(2,376)	-
	EUR/USD	6.7%	Derivatives	12,070	9,764
			Non derivatives	(9,347)	-
	EUR/KRW	7.7%	Derivatives	441	1,984
			Non derivatives	(330)	-
	EUR/CNY	5.9%	Derivatives	526	2,068
			Non derivatives	(677)	-
	EUR/MXN	12.2%	Derivatives	1,726	833
			Non derivatives	(2,213)	-
	EUR/GBP	6.0%	Derivatives	1,133	228
			Non derivatives	(215)	-
	EUR/THB	8.2%	Derivatives	675	-
			Non derivatives	(772)	-
	EUR/CAD	5.9%	Derivatives	781	331
			Non derivatives	(634)	-
	EUR/BRL	14.0%	Derivatives	799	-
			Non derivatives	(1,034)	-
	EUR/HKD	6.7%	Derivatives	140	262
			Non derivatives	(247)	
Total				**2,446**	**17,095**
NEGATIVE CHANGE	EUR/JPY	(9.8%)	Derivatives	(2,486)	(2,020)
			Non derivatives	2,890	-
	EUR/USD	(6.7%)	Derivatives	(14,197)	(11,485)
			Non derivatives	10,678	-
	EUR/KRW	(7.7%)	Derivatives	(524)	(2,357)
			Non derivatives	385	-
	EUR/CNY	(5.9%)	Derivatives	(597)	(2,345)
			Non derivatives	761	-
	EUR/MXN	(12.2%)	Derivatives	(2,221)	(1,072)
			Non derivatives	2,830	-
	EUR/GBP	(6.0%)	Derivatives	(1,328)	(268)
			Non derivatives	243	-
	EUR/THB	(8.2%)	Derivatives	(801)	-
			Non derivatives	911	-
	EUR/CAD	(5.9%)	Derivatives	(907)	(385)
			Non derivatives	713	-
	EUR/BRL	(14.0%)	Derivatives	(1,171)	-
			Non derivatives	1,369	-
	EUR/HKD	(6.7%)	Derivatives	(165)	(309)
			Non derivatives	282	
Total				**(3,335)**	**(20,241)**

As the above table shows, a positive change in the listed exchange rates (EUR/JPY, EUR/USD, EUR/KRW, EUR/CNY, EUR/MXN, EUR/GBP, EUR/SGD, EUR/THB, EUR/CAD, EUR/BRL, and EUR/HKD) would have resulted in a profit of 6,499 thousand Euro as at 31 December 2024 and of 2,446 thousand Euro as at 31 December 2023; on the other hand, a negative change in exchange rates would have caused a loss of 7,729 thousand Euro as at 31 December 2024 and of 3,335 thousand Euro as at 31 December 2023. The increase in shareholders' equity caused by derivatives designated as hedges, as a result of the assumed positive exchange rate changes, would have amounted to 18,287 thousand Euro as at 31 December 2024 and 17,095 thousand Euro as at 31 December 2023, while the decrease in shareholders' equity as a result of the assumed negative exchange rate changes would have totaled 21,717 thousand Euro as at 31 December 2024 and 20,241 thousand Euro as at 31 December 2023. The sensitivity analysis carried out as described above, which is significantly affected by market volatility in the exchange rates considered, points to a material impact on the Company shareholders' equity from the potential change in the value of hedging derivatives. This is temporarily allocated to the Cash flow hedge reserve and will be recognized through profit or loss in the following years when the expected sales occur. The higher or lower impact on the income statement and on the statement of financial position in each of the years under consideration largely results from the trend in the individual currencies at the reference dates and from the change in the value of financial assets and liabilities exposed to fluctuations in exchange rates.

Liquidity risk

Liquidity risk represents the risk that the Company cannot meet its financial obligations due to problems in obtaining funds at current market price conditions (funding liquidity risk) or in liquidating assets on the market to find the necessary financial resources (asset liquidity risk).

The first consequence is a negative impact on the income statement, should the Company be forced to incur additional costs to meet its commitments.

The factors which mainly influence the Company's liquidity are the resources generated or absorbed by current operating and investing activities, the possible distribution of dividends and the expiry and possibility of renewal of debt or the expiry and possibility of liquidation of financial investments of surplus cash.

Liquidity needs or surpluses are monitored on a daily basis by the Company's Treasury Department in order to guarantee effective sourcing of financial resources or adequate investment of liquidity.

The negotiation and management of credit lines is coordinated by the Company at Group level with the aim of satisfying the short and medium/long-term needs of the individual companies according to efficiency and cost-effectiveness criteria.

As at 31 December 2024, there were outstanding uncommitted short-term credit lines with a number of banks made available to the Company to meet financing needs connected to the management of working capital for a total of 178,502 thousand Euro, as well as committed short- and medium/long-term credit lines negotiated on a bilateral basis by the Company for a total of 380,000 thousand Euro, entirely revolving.

As at 31 December 2024, Salvatore Ferragamo S.p.A. had no drawdowns on either committed and uncommitted credit lines. As at 31 December 2024, the Parent company had a net financial position amounting to a surplus of 242,353 thousand Euro, also considering lease liabilities under IFRS 16 accounting standard; as at 31 December 2023, the Company's net financial position amounted to a surplus of 229,064 thousand Euro.

As at 31 December 2024, committed credit lines had a maximum residual maturity of twenty-nine months and a weighted average residual maturity of thirteen months. The Parent company's current committed revolving credit

lines do not require compliance with financial covenants. For more details, see note 20 "Interest-bearing loans & borrowings – Limitations on the use of financial resources".

The credit lines and the related financial operations are spread among leading national and international banks. It has always been the Company's policy to sign and constantly maintain with various and diversified banks a total amount of committed credit lines that is considered consistent with the needs of the individual companies and suitable to ensure at any time the liquidity needed to satisfy and comply with all the Group's financial commitments, at the established economic conditions, as well as guaranteeing the availability of an adequate level of operational flexibility for any expansion programs. Also during FY2024, the policy of Salvatore Ferragamo S.p.A. was to use a significant part of its cash surpluses in time-deposit investments, as well as to take out intercompany loans, regulated at current market conditions, so as to contain the increase in bank debt and the related financial charges. Cash surpluses are used with reference banks in short-term (usually between one day and three months) time deposit transactions, referring to the Euribor/Libor/SOFR rate for the period or the benchmark of the investment currency on the specific interbank market. Liquidity investments are carried out with the prime objectives of making resources available at short notice (in the event of maturities longer than three months, the relevant contracts allow promptly liquidating them without penalties) and neutralizing the risk of capital losses, avoiding speculative transactions. In 2024, with a view to moderately diversifying its cash management, the Company maintained an investment in short-term Italian government bonds *(Buoni Ordinari del Tesoro)* of 9,958 thousand Euro, and an insurance investment in a readily adjustable Type I policy of 15,444 thousand Euro, in addition to a new insurance investment in a multi-branch policy that can be quickly converted into cash of 24,999 thousand Euro, with the main objective of making resources available at short notice and neutralizing the risk of capital loss, avoiding speculative transactions.

In 2022, with the aim of more efficient cash and liquidity management at Group level, Salvatore Ferragamo S.p.A. also entered into a cash pooling agreement with a number of subsidiaries. For more details, please refer to notes 18 and 21. In 2023, the Board of Directors of the Company also approved a policy for the management and mitigation of liquidity risk, the main objective of which is to ensure adequate coverage of the financial needs of Group companies.

These choices, which also take account of the likely future trend in cash flows together with prompt renegotiation of credit lines (even before their expiry), enable a significant reduction in the exposure to the risk under review and allow to adjust the cost of debt to the best market conditions. The Company has constantly maintained access to a wide range of financing sources at competitive costs, despite the external scenario, which continues to be characterized by rigidity in the credit market. Despite the Group's ability to generate high cash flows from current operations, the constant availability of an adequate amount of committed credit lines has allowed to face the most turbulent market phases and volatility in credit flows with confidence. The financial position of the Company and of the Group is measured on a monthly basis and compared with the latest Budget/Forecast. Management believes that the funds and credit lines currently available, with the addition of the funds which are likely to be generated from current operations, will enable the Company to safely address the repayment of loans at their natural maturity and to meet the needs arising from investment activities and working capital management.

Liquidity risk – Maturity analysis

31 December 2024

(In thousands of Euro)	< 3 months	3-12 months	1-5 years	> 5 years	Total
Trade payables	107,519	1,046	-	-	108,565
Payables to subsidiaries	151,098	-	-	-	151,098
Payables for loans due from subsidiaries	5,581	-	-	-	5,581
Lease liabilities	6,375	18,052	87,716	85,778	197,921
Derivatives – non-hedging component	2,268	-	-	-	2,268
Derivatives – hedging component	3,957	8,209	-	-	12,166
Total	**276,798**	**27,307**	**87,716**	**85,778**	**477,599**

31 December 2023

(In thousands of Euro)	< 3 months	3-12 months	1-5 years	> 5 years	Total
Trade payables	122,614	796	-	-	123,410
Payables to subsidiaries	54,714	15	-	-	54,729
Lease liabilities	5,741	16,029	80,263	86,931	188,964
Derivatives – non-hedging component	510	-	-	-	510
Derivatives – hedging component	350	566	-	-	916
Total	**183,929**	**17,406**	**80,263**	**86,931**	**368,529**

The analysis conducted on the items representing financial liabilities showed maturities distributed over time, with trade payables mainly concentrated within three months. In 2024, there were no payables to banks and other lenders, while the financial assets recognized in the financial statements have a maximum residual maturity of less than three months, as they mainly relate to cash and cash equivalents.

Credit risk

Credit risk represents the Company's exposure to potential losses arising from failure to meet trade or financial obligations taken on by counterparties.

The Company's exposure to credit risk depends on the nature of the activities which have generated the relevant receivables.

The Company's exposure to commercial credit risk refers mainly to sales to third parties and to receivables arising from revenues generated by licensing activities, which combined represent around 19.0% of global turnover: the remaining turnover refers to intercompany and DTC sales with cash payment or payment by credit or debit cards at the time of purchase. Trade receivables mainly relate to wholesale sales and generally have maturities of less than 90 days.

The Company usually favors trade dealings with customers with which it has well-established and consolidated relations. It is Salvatore Ferragamo S.p.A.'s policy to check credit ratings of customers who ask for extended payment

terms, based both on information which can be obtained from specialist agencies and on the observation and analysis of historical data of established customers. In addition, the balance of trade receivables is constantly monitored during the year in order to ensure prompt intervention and to reduce the risk of losses. The allocation of credit risk among a number of customers and obtaining, where possible, guarantees or the adoption of means of payment which are less risky for the creditor, such as documentary letters of credit, are all actions aimed at further mitigating this risk. Trade receivables are recorded net of write-downs, which are estimated based on the counterparty's insolvency risk, determined by considering the information available on the customer's solvency and historical data.

In general, the Company believes that the credit risk management policies implemented enabled overdue and bad debts, which required the adoption of legal credit collection measures, to be kept within reasonable limits.

The credit risk connected to financing, investing and operating activities in derivatives to hedge the exchange rate risk is represented by the inability of the counterparty or the issuer of the instruments to meet their contractual obligations, i.e. the so-called counterparty risk. The Company manages this type of risk by selecting counterparties with high credit ratings, which are considered solvent by the market and with which it has routine and ongoing trade and banking service relations. The Company negotiated and entered into master agreements, in accordance with the international standards (ISDA Master Agreement), with all counterparties of derivatives, in order to regulate the various cases.

The credit risk regarding the Company's other financial assets, consisting of cash and cash equivalents, financial assets at amortized cost and some derivatives, has a risk equal to the carrying amount of these assets in case of insolvency of the counterparty.

Maximum credit risk exposure

	31 December 2024		31 December 2023	
(In thousands of Euro)	Current portion	Non-current portion	Current portion	Non-current portion
Receivables and loans				
M/L-term receivables from others				
Trade receivables	173,040	-	182,345	-
Receivables for loans due from subsidiaries	192,835	-	148,366	-
Receivables due from credit cards	366	-	447	-
Cash and cash equivalents	172,324		203,180	
Guarantee deposits	-	267	-	206
Other current financial assets	50,400	-	35,240	-
Derivatives	1,917	-	8,348	-
Total	**590,882**	**267**	**577,926**	**206**

The table shows how the Company's exposure to both commercial and counterparty credit risk is defined by the carrying amount of the items representing outstanding financial assets as at 31 December 2024 and 31 December 2023, and is almost exclusively limited to the current portion. The non-current portion refers to the item "Guarantee deposits" which mainly includes the cash deposits made by the Company for property leases and is recognized at nominal value.

Concentration of credit risk by geographic area

(In thousands of Euro)	31 December 2024	%	31 December 2023	%
Italy	17,557	10.2%	22,292	12.1%
Europe	19,047	11.0%	24,161	13.3%
North America	72,089	41.7%	59,201	32.5%
Japan	4,520	2.6%	3,939	2.2%
Asia Pacific	33,293	19.2%	34,475	18.9%
Central and South America	26,534	15.3%	38,277	21.0%
Total	**173,040**	**100.0%**	**182,345**	**100.0%**

The table shows the concentration of commercial credit risk by geographic area of the Company's activity in the two years under review.

(In thousands of Euro)	Receivables neither past due nor impaired	Receivables past due but not impaired					Total
		<30 days	*30-60 days*	*60-90 days*	*90-120 days*	*>120 days*	
30 December 2024	144,686	8,027	3,705	2,459	2,894	11,269	173,040
31 December 2023	152,980	(1,013)	7,066	4,232	5,012	14,068	182,345
Figures in % as at 31 December 2024	83.7%	4.6%	2.1%	1.4%	1.7%	6.5%	100.0%
Figures in % as at 31 December 2023	84.0%	(0.6%)	3.9%	2.3%	2.7%	7.7%	100.0%

The table provides an analysis of the maturities of receivables which are past due but not impaired for the years ended 31 December 2024 and 31 December 2023.

The concentration of sales to the main third-party customers is shown in the table below; for the concentration of sales by geographic area, reference should be made to the specific section above:

Concentration of market risk

	2024	2023
Percentage of revenues with the biggest customer	12.4%	12.5%
Percentage of revenues with the 3 biggest customers	20.6%	20.1%
Percentage of revenues with the 10 biggest customers	36.3%	33.5%

Capital management

The main objective of the Company's capital management activity is to ensure that a solid credit rating as well as adequate levels of share capital indicators are maintained in order to support business and optimize value for shareholders. The Company manages the capital structure and modifies it according to changes in economic conditions. To maintain or adjust the capital structure, the Company can modify the dividends paid to shareholders, repay the capital or issue new shares. No change was made to the objectives, policies or procedures during 2024 and 2023.

To this end, the Company's capital management aims to, among other things, ensure compliance with any covenants associated with financial payables to banks that define capital structure requirements.

The Company includes under net debt, if any, interest-bearing loans, other financial payables, lease liabilities, trade and other payables, net of cash and cash equivalents. The table does not include the values and related effects produced by the derivatives used to manage exchange rate risk.

(In thousands of Euro)	31 December 2024	31 December 2023
Interest-bearing loans	5,575	-
Lease liabilities	166,225	158,889
Trade and other payables (net of hedging derivatives)	273,924	202,813
Cash and cash equivalents	172,324	203,180
Net debt	**273,400**	**158,522**
Total Shareholders' equity (net of the Cash flow hedge reserve)	**629,174**	**713,365**
Shareholders' equity and net debt	**902,574**	**871,887**
Debt/Shareholders' equity ratio	**43.45%**	**22.22%**

4. Business combinations

There were no business combinations during FY2024.

It should be noted that:

- on 16 April 2024, new shares were issued by the company Ferragamo Argentina SA for a total of 1,050 million Argentine Peso, subscribed 95% by Salvatore Ferragamo S.p.A. through the conversion of past receivables due for a total of 1,080 thousand Euro, and 5% by Ferragamo USA Inc;
- on 21 June 2024, new shares were issued by the company Ferragamo Retail Macau Limited for a total of 17.25 million Macau Pataca, fully subscribed by Salvatore Ferragamo S.p.A. through cash payment totaling 2,032 thousand Euro;
- on 27 June 2024, new shares were issued by the company Ferragamo (Thailand) Ltd for a total of 120 million Thai Bath, fully subscribed by Salvatore Ferragamo S.p.A. through cash payment totaling 3,045 thousand Euro.

Comments on the main statement of financial position items (assets, shareholders' equity and liabilities)

5. Property, plant and equipment

The breakdown of "Property, plant and equipment" as at 31 December 2024 and 2023 is shown in the following table:

	31 December 2024			31 December 2023		
(In thousands of Euro)	Historical Cost	Accumulated depreciation	Net value	Historical Cost	Accumulated depreciation	Net value
Land	17,561	-	17,561	18,010	-	18,010
Buildings	69,752	21,469	48,283	69,886	19,397	50,489
Plant and equipment	62,220	51,049	11,171	61,484	47,332	14,152
Industrial and commercial equipment	24,213	20,735	3,478	22,115	20,096	2,019
Other assets	52,834	47,145	5,689	50,716	44,318	6,398
Leasehold improvements	34,094	24,525	9,569	27,439	22,315	5,124
Tangible assets in progress and payments on account	1,568	-	1,568	6,729	-	6,729
Total	**262,242**	**164,923**	**97,319**	**256,379**	**153,458**	**102,921**

The following tables show the changes in the item "Property, plant and equipment" for the years ended 31 December 2024 and 2023.

(In thousands of Euro)	Value 01.01.2024	Increases	Decreases	Depreciation	Reclassification	Value as at 31.12.2024
Land	18,010	-	-	-	(449)	17,561
Buildings	50,489	124	(200)	(2,130)	-	48,283
Plant and equipment	14,152	735	-	(3,716)	-	11,171
Industrial and commercial equipment	2,019	2,560	(8)	(1,093)	-	3,478
Other assets	6,398	2,191	(18)	(2,882)	-	5,689
Leasehold improvements	5,124	6,729	(3)	(2,281)	-	9,569
Tangible assets in progress and payments on account	6,729	9,640	(10,777)	-	(4,024)	1,568
Total	**102,921**	**21,979**	**(11,006)**	**(12,102)**	**(4,473)**	**97,319**

(In thousands of Euro)	Value 01.01.2023	Increases	Decreases	Depreciation	Value as at 31.12.2023
Land	18,010	-	-	-	18,010
Buildings	50,148	2,439	-	(2,098)	50,489
Plant and equipment	13,848	4,762	(4)	(4,454)	14,152
Industrial and commercial equipment	1,929	965	(45)	(830)	2,019
Other assets	4,617	4,244	(1)	(2,462)	6,398
Leasehold improvements	2,083	4,059	(22)	(996)	5,124
Tangible assets in progress and payments on account	4,343	16,900	(14,514)	-	6,729
Total	**94,978**	**33,369**	**(14,586)**	**(10,840)**	**102,921**

The increase in 2024 in the item:

- "Buildings" refers to works at the Osmannoro-Sesto Fiorentino facility;
- "Plant and equipment" refers mainly to the purchase and installation of new equipment at the Osmannoro-Sesto Fiorentino facility;
- "Industrial and commercial equipment" refers largely to the purchase of new furniture and equipment for the stores that were renovated during the year;
- "Other assets" mainly refers to equipment, furniture and furnishings destined to the Milan showroom and offices on Corso Matteotti and to the Osmannoro-Sesto Fiorentino facility, as well as to the purchase of IT equipment.
- "Leasehold improvements" mainly refers to works carried out on the network of Italian stores (in particular, improvements on the Milan Woman store, opened in February 2024, where Ferragamo's new store concept was implemented), and the completion of the renovation of the Milan offices on Corso Matteotti.

The item "Tangible assets in progress and payments on account" mainly includes expenses incurred and advances disbursed, pertaining to store renovations not yet completed at the end of the year, as well as some works at the Osmannoro-Sesto Fiorentino facility.

The decrease in the item Buildings refers to the decommissioning of portion of the roof covering and a portion of the photovoltaic system of the logistics hub building at the Osmannoro-Sesto Fiorentino facility, which was damaged by a fire in August 2024; work is underway to replace the photovoltaic system.

The reclassification:

- under the item "Land" refers to the transfer of the portion of owned land to be used as investment property, in the amount of 449 thousand Euro; for further details, please refer to the following paragraph;
- under the item "Tangible assets in progress and payments on account", totaling 4,024 thousand Euro, refers to the reclamation work carried out on the land already owned to be used as investment property for 1,339 thousand Euro, and to the construction of a building to be used for general interest production activities for 2,685 thousand Euro; for further details, please refer to the following paragraph.

As required by the procedure adopted by the Company to analyze impairment indicators, at the end of the year an assessment was made of the possible presence of impairment indicators that could be identified through internal or external information sources. The analyses carried out did not show any indicators of impairment as regards this item.

6. Investment property

Investment property refers to the building to be used for general interest production activities at the area owned by Salvatore Ferragamo S.p.A., located in the municipality of Sesto Fiorentino-Osmannoro.

The item "Land" includes the reclassification from "Industrial Land" of 449 thousand Euro referring to the portion of land already owned and to be used for general interest production activities, and of 1,339 thousand Euro referring to the reclamation works carried out on the land reclassified from the item "Tangible assets in progress and payments on account". The item "Buildings" includes the property to be used for general interest production activities reclassified from the item "Tangible assets in progress and payments on account"; the property was completed in December 2024.

The following table shows the changes in investment property for the year ended 31 December 2024.

	31 December 2024			31 December 2023		
(In thousands of Euro)	Historical Cost	Accumulated depreciation	Net value	Historical Cost	Accumulated depreciation	Net value
Land	1,788	1,574	214	-	-	-
Buildings	2,685	1,835	850	-	-	-
Total	**4,473**	**3,409**	**1,064**	**-**	**-**	**-**

The following table shows the changes in Right-of-use assets for the year ended 31 December 2024.

(In thousands of Euro)	Value 01.01.2024	Reclassification	Depreciation	Impairment	Value as at 31.12.2024
Land	-	1,788	-	(1,574)	214
Buildings	-	2,685	(7)	(1,828)	850
Total	**-**	**4,473**	**(7)**	**(3,402)**	**1,064**

As required by the procedure adopted by the Company to analyze impairment indicators, at the end of the year an assessment was made of the possible presence of impairment indicators that could be identified through internal or external information sources.

The Company, through an independent third-party expert, carried out an assessment of the fair value of investment properties recognized in the financial statements; the impairment loss of 3,402 thousand Euro recognized in the financial statements was necessary to adjust the value to the lower of cost or fair value resulting from the assessment.

7. Right-of-use assets

The breakdown of "Right-of-use assets" as at 31 December 2024 and 2023 is shown in the following table:

	31 December 2024			31 December 2023		
(In thousands of Euro)	Historical Cost	Accumulated depreciation	Net value	Historical Cost	Accumulated depreciation	Net value
Right-of-use assets:						
- Buildings	222,634	75,966	146,668	200,873	59,106	141,767
- Vehicles	5,881	2,915	2,966	5,622	2,712	2,910
- Equipment and other assets	-	-	-	480	480	-
Total	**228,515**	**78,881**	**149,634**	**206,975**	**62,298**	**144,677**

The following tables show the changes in Right-of-use assets for the years ended 31 December 2024 and 2023.

(In thousands of Euro)	Value as at 01.01.2024	Increases	Decreases	Depreciation	Value as at 31.12.2024
Right-of-use assets:					
- Buildings	141,767	26,104	(1,229)	(19,974)	146,668
- Vehicles	2,910	1,683	(78)	(1,549)	2,966
- Equipment and other assets	-	-	-	-	-
Total	**144,677**	**27,787**	**(1,307)**	**(21,523)**	**149,634**

(In thousands of Euro)	Value as at 01.01.2023	Increases	Decreases	Depreciation	Value as at 31.12.2023
Right-of-use assets:					
- Buildings	115,244	45,944	(436)	(18,985)	141,767
- Vehicles	1,966	2,566	(129)	(1,493)	2,910
- Equipment and other assets	-	-	-	-	-
Total	**117,210**	**48,510**	**(565)**	**(20,478)**	**144,677**

The item "Buildings" includes Right-of-use assets largely relating to leases of stores (accounting for approximately 77.0% of Right-of-use assets – Buildings as at 31 December 2024) and, to a lesser extent, leases of offices, company lodgings, and other premises. The main increases recorded during the year refer to new leases entered into during the period, while the main decreases concern leases that were terminated early or for which a reduction in future lease payments has been negotiated.

For more details on cash outflows related to leases, see notes 25 Lease Liabilities and 34 Costs for services.

As required by the procedure adopted by the Company to analyze impairment indicators, at the end of the year an assessment was made of the possible presence of impairment indicators that could be identified through internal or external information sources. The analyses carried out did not show any indicators of impairment as regards this item.

8. Goodwill

The amount of Goodwill, totaling 6,679 thousand Euro, was entirely acquired in 2020 as a result of the acquisition and subsequent merger of Arts s.r.l. and Aura 1 S.r.l.. This item was unchanged in FY2024.

As required by the procedure adopted by the Company to analyze impairment indicators, and as required by IAS 36, goodwill is tested annually, and in any case when events occur that suggest an impairment loss, to determine the recoverable amount.

In reviewing its impairment indicators, the Company considers, among other factors, the ratio of its market capitalization to its carrying amount. As at 31 December 2024, the Company's market capitalization comfortably exceeded the carrying amount of equity, hence the Company did not record any impairment on this item.

9. Intangible assets with a finite useful life

The breakdown of the item "Intangible assets with a finite useful life" as at 31 December 2024 and 2023 is shown in the following table:

	31 December 2024			31 December 2023		
(In thousands of Euro)	Historical Cost	Accumulated amortization	Net value	Historical Cost	Accumulated amortization	Net value
Development costs	115,057	93,647	21,410	106,704	83,157	23,547
Know-how	6,380	3,788	2,592	6,380	2,991	3,389
Industrial patents and use of intellectual property rights	19,998	19,613	385	19,901	19,299	602
Concessions, licenses and trademarks	9,939	8,440	1,499	9,679	8,092	1,587
Intangible assets with a finite useful life in progress	3,317	-	3,317	5,377	-	5,377
Total	**154,691**	**125,488**	**29,203**	**148,041**	**113,539**	**34,502**

The following tables show the changes in "Intangible assets with a finite useful life" for the years ended 31 December 2024 and 2023:

(In thousands of Euro)	Value as at 01.01.2024	Increases	Decreases	Amortization	Impairment	Value as at 31.12.2024
Development costs	23,547	8,353	-	(8,798)	(1,692)	21,410
Know-how	3,389	-	-	(797)		2,592
Industrial patents and use of intellectual property rights	602	97	-	(314)		385
Concessions, licenses and trademarks	1,587	261	-	(349)		1,499
Intangible assets with a finite useful life in progress	5,377	6,482	(8,542)	-		3,317
Total	**34,502**	**15,193**	**(8,542)**	**(10,258)**	**(1,692)**	**29,203**

(In thousands of Euro)	Value as at 01.01.2023	Increases	Decreases	Amortization	Impairment	Value as at 31.12.2023
Development costs	21,704	11,381	-	(9,308)	(230)	23,547
Know-how	4,187	-	-	(798)		3,389
Industrial patents and use of intellectual property rights	494	405	-	(297)		602
Concessions, licenses and trademarks	1,512	440	-	(365)		1,587
Intangible assets with a finite useful life in progress	4,918	12,055	(11,596)	-		5,377
Total	**32,815**	**24,281**	**(11,596)**	**(10,768)**	**(230)**	**34,502**

The increase in 2024 in the item:

- "Development costs" mainly relates to the capitalization of costs for the development of business software applications (SAP accounting system, ERP, reporting systems, e-commerce platform development costs, "New Pos Solution" project aimed at implementing the new cash and back-office system). As at 31 December 2024, the Company reported no intangible assets arising from internal development;
- "Industrial patents and use of intellectual property rights", totaling 97 thousand Euro, refers to the cost of user licenses for software related to business management processes;
- "Concessions, licenses and trademarks" refers to the costs incurred for filing and registering the Salvatore Ferragamo trademark.

The item "Know-how" refers to the determination of know-how resulting from the fair value measurement of the assets and liabilities acquired in 2020 as a result of the acquisition and subsequent merger of the entities Arts S.r.l. and Aura 1 S.r.l.; for more details, see the 2020 Annual Report.

Intangible assets in progress as at 31 December 2024 are mainly represented by the investment in software development to support business processes.

As required by the procedure adopted by the Company to analyze impairment indicators, at the end of the year an assessment was made of the possible presence of impairment indicators that could be identified through internal or external information sources. The 1,692 thousand Euro impairment loss refers to the item "Development costs", for expenses capitalized in prior years and that no longer fit the Company's strategies. The analyses carried out did not show any further indicators of impairment as regards this item.

10. Investments in subsidiaries

The changes in "Investments in subsidiaries" are shown in the following table:

(In thousands of Euro) Company	% investment	Value as at 01.01.24	Increases	Write-downs	Stock Grant	Value as at 31.12.2024
Ferragamo Mexico S. de R.L. de C.V.	99.73	544	-	-	(6)	538
Ferragamo Austria Gmbh	100	4,434	-	(1,630)	-	2,804
Ferragamo Deutschland GmbH	100	4,627	-	(4,627)	-	-
Ferragamo Belgique SA	100	731	-	(120)	-	611
Ferragamo (Suisse) SA	100	890	-	(890)	-	-
Ferragamo U.K. Limited	100	5,591	-	(5,591)	-	-
Ferragamo Australia Pty Ltd.	100	4,132	-	-	-	4,132
Ferragamo France S.A.S.	100	9,006	-	(9,006)	-	-
Ferragamo Espana S.L.	100	1,001	-	-	-	1,001
Ferragamo USA Inc.	100	57,918	-	-	72	57,990
Ferragamo Hong Kong Ltd.	100	12,799	-	-	40	12,839
Ferragamo (Malaysia) Sdn. Bhd.	100	2,856	-	-	-	2,856
Ferragamo Retail Macau Limited	100	-	2,032	(2,032)	-	-
Ferragamo Korea Ltd.	100	36,041	-	-	11	36,052
Ferragamo Retail Nederland B.V.	100	1,337	-	-	-	1,337
Ferragamo Japan K.K.	89.13	7,470	-	-	11	7,481
Ferragamo Chile S.A.	99	870	-	-	-	870
Ferragamo Retail India Private Limited	100	-	-	-	-	-
Ferragamo Brasil Roupas e Acessorios Ltda.	99	2	-	-	2	4
Total		**150,249**	**2,032**	**(23,896)**	**130**	**128,515**

The increase of 2,032 thousand Euro in Ferragamo Retail Macau Limited is related to the issue of new shares on 21 June 2024 (for a total of 17.25 million Macau Pataca), fully subscribed by Salvatore Ferragamo S.p.A. through cash payment.

For details on the item "Stock Grant" reference should be made to note 43.

As required by the procedure adopted by the Company to analyze impairment indicators, at the end of the year an assessment was made of the possible presence of impairment indicators and/or impairment losses that could be identified through internal or external information sources, regarding the value of subsidiaries, or of whether the reasons that had led to the impairment of the investments in previous years no longer exist.

In particular, an assessment was made of the recoverability of the residual value of equity investments in order to ensure that they are not recognized at a value higher than their recoverable amount.

The impairment test was performed considering the subsidiary being tested as a CGU.

Following this analysis, the CGUs for which external and/or internal indicators of impairment were identified were also tested for impairment with the support of an external advisor, as shown in the table below. The Company has not identified indicators of impairment for the other equity investments.

The recoverable amount of the CGU was estimated based on the value in use, i.e. using the Discounted Cash Flow (DCF) method, which considers the ability to generate cash flows as the fundamental element for the purpose of measuring the target CGU. For the purpose of discounting operating cash flows, the rate is identified as the weighted average cost of post-tax capital. Therefore, the application of the financial method to determine the recoverable amount and the subsequent comparison with the respective carrying amounts resulted, for the CGUs tested for impairment, in the estimation of: the post-tax WACC, the value of the operating cash flows derived from the 2025 budget and from the 2026-2029 cash flows prepared by company management, the terminal value (TV), and the growth rate used for the projection of flows beyond the plan horizon. For more details, please refer to paragraph "Basis of presentation", section "Impairment/Reversal of impairment of Property, plant and equipment, Right-of-use assets, Intangible assets with a finite useful life, Investment property, Equity investments, and Goodwill".

The Board of Directors of Salvatore Ferragamo S.p.A. approved the impairment test procedure, the WACC, the growth rate (g), and the operating cash flows derived from the 2025 budget and from the 2026-2029 cash flows prepared by company management, used for the impairment test.

The main assumptions to determine the recoverable amount are given below.

CGUs tested for impairment	WACC (discount rate)	Growth rate "g"
Ferragamo Austria Gmbh	9.8%	2.1%
Ferragamo Deutschland GmbH	9.2%	2.0%
Ferragamo Belgique SA	10.0%	2.0%
Ferragamo (Suisse) SA	7.2%	1.0%
Ferragamo U.K. Limited	11.2%	2.0%
Ferragamo France S.A.S.	9.9%	1.5%
Ferragamo Retail Macau Limited	10.3%	2.2%

The main assumptions to determine the recoverable amount are given below:

- the discount rate (Weighted Average Cost of Capital – WACC) was estimated according to the formulation of the unconditional Extended Capital Asset Pricing Model ("CAPM") for the cost of equity, while the cost of debt was estimated as the sum of the risk-free rate of the country of reference and the interest coverage ratio of the panel companies for estimating beta and debt equity ratio.
- The growth rate "g" was determined as the inflation rate expected to prevail over the medium-long term in the reference market.
- The terminal value was determined using the perpetuity model with a long-term growth rate "g".

The impairment test resulted in an impairment of 23,896 thousand Euro, which zeroed out the value of the equity investments in Ferragamo Deutschland GmbH, Ferragamo (Suisse) SA, Ferragamo U.K. Limited, Ferragamo France S.A.S., and

Ferragamo Retail Macau Limited, and resulted in a partial write-down of the value of the equity investment in Ferragamo Austria Gmbh and Ferragamo Belgique SA.

The sensitivity analysis of the above assumptions (WACC and g) used to measure the recoverable amount, conducted on equity investments with indicators of impairment, showed that negative changes in key assumptions could result in additional impairment losses.

With regard to the equity investments impaired in previous years, it should be noted that it was decided not to carry out any reversal of the impairment, given the still uncertain macroeconomic scenario and the lower-than-expected results.

The following table illustrates the changes in the Provision for excess write-downs of equity investments, showing under the "Provisions" column the amount deemed appropriate, based on the value of the subsidiary's shareholders' equity, to cover the remaining losses (applying the due percentage) after the carrying amount of the equity investment is set to zero.

(In thousands of Euro) Company	% investment	Value as at 01.01.24	Increases/ (Decr.)	Provisions	Releases	Value as at 31.12.24
Ferragamo (Singapore) Pte Ltd	100	(6,073)	-	(975)	-	(7,048)
Ferragamo Argentina S.A.	95	(1,280)	1,080	-	169	(31)
Ferragamo (Thailand) Ltd	100	(5,858)	3,045	(547)	-	(3,360)
Ferragamo Monte-Carlo S.A.M.	100	(1,357)	-	(2,180)	-	(3,537)
Ferragamo Moda (Shanghai) Co. Ltd.	100	(13,496)	-	(10,591)	-	(24,087)
Ferragamo Retail Macau Limited	100	-	-	(1,243)		(1,243)
Ferragamo (Suisse) SA	100	-	-	(1,857)		(1,857)
Total		**(28,064)**	**4,125**	**(17,393)**	**169**	**(41,163)**

The increase:

- of 1,080 thousand Euro in Ferragamo Argentina SA is related to the issue of new shares on 16 April 2024 (for a total of 1,050 million Argentine Peso), subscribed 95% by Salvatore Ferragamo S.p.A. through the conversion of past receivables due, and 5% by Ferragamo USA Inc;
- of 3,045 thousand Euro in Ferragamo (Thailand) Ltd is related to the issue of new shares on 21 June 2024 (for a total of 120 million Thai Bath), fully subscribed by Salvatore Ferragamo S.p.A. through cash payment.

The following table shows the key data from the financial statements of the subsidiaries as at 31 December 2024, together with the historical cost of the equity investments as well as the Provision for write-downs and/or the Provision for excess write-downs of equity investments, if any, as at 31 December 2024:

(In thousands of Euro) Subsidiaries	% Equity investment	Total Shareholders' Equity	Profit/(loss) for the year	Historical cost of the equity investment	Provision for write-downs and Provision for excess write-downs of equity investments	Net Value of the Equity investment
Ferragamo Austria Gmbh	100	3,233	(1,009)	4,434	(1,630)	2,804
Ferragamo Deutschland Gmbh	100	507	(2,374)	9,246	(9,246)	-
Ferragamo Belgique SA	100	667	(18)	1,066	(455)	611
Ferragamo France S.A.S.	100	7,562	(3,388)	12,332	(12,332)	-
Ferragamo Espana S.L.	100	4,475	228	6,857	(5,856)	1,001
Ferragamo U.K. Limited	100	1,789	(5,556)	10,478	(10,478)	-
Ferragamo Retail Nederland B.V.	100	1,479	(133)	2,291	(954)	1,337
Ferragamo Australia Pty Ltd.	100	13,772	13	4,132	-	4,132
Ferragamo USA Inc.*	100	60,827	(26,060)	57,990	-	57,990
Ferragamo Mexico S. de R.L. de C.V.	99.73	40,557	882	538	-	538
Ferragamo Hong Kong Ltd.	100	86,869	(3,130)	12,839	-	12,839
Ferragamo (Malaysia) Sdn. Bhd.	100	2,935	(636)	2,856	-	2,856
Ferragamo Retail India Private Limited	100	(5,330)	(76)	10,211	(10,211)	-
Ferragamo Korea Ltd.	100	54,839	1,647	36,052	-	36,052
Ferragamo Japan K.K.	89.13	9,124	170	33,970	(26,489)	7,481
Ferragamo Chile S.A.	99	691	30	3,671	(2,801)	870
Ferragamo Brasil Roupas e Acessorios Ltda.	99	3,408	(1)	17,737	(17,733)	4
Subtotal equity investments in subsidiaries				**226,700**	**(98,185)**	**128,515**
Ferragamo Monte-Carlo S.A.M.	100	(3,537)	(2,177)	1,063	(4,600)	(3,537)
Ferragamo Argentina S.A.	95	(33)	1,197	4,877	(4,908)	(31)
Ferragamo Moda (Shanghai) Co. Ltd.	100	(24,087)	(9,850)	3,732	(27,819)	(24,087)
Ferragamo (Thailand) Limited	100	(3,360)	(459)	5,154	(8,514)	(3,360)
Ferragamo (Singapore) Pte Ltd	100	(7,048)	(776)	33,053	(40,101)	(7,048)
Ferragamo Retail Macau Limited	100	(1,243)	(3,197)	4,432	(5,675)	(1,243)
Ferragamo (Suisse) SA	100	(1,857)	(3,906)	**890**	**(2,747)**	**(1,857)**
Subtotal equity investments with Provision for excess write-downs of equity investments				**53,201**	**(94,364)**	**(41,163)**
Total				**279,901**	**(192,549)**	**87,352**

* Data refer to the Ferragamo USA Group.

11. Other non-current assets

The item "Other non-current assets" of 1,496 thousand Euro (1,758 thousand Euro as at 31 December 2023) refers to the non-current portion of certain tax credits, specifically the non-current portion of the Tax Credit for research and development, design and aesthetic conception, and technological innovation, and the Tax Credit for donations in support of cultural activities (known as "Art Bonus").

12. Other non-current financial assets

"Other non-current financial assets", totaling 232 thousand Euro (171 thousand Euro as at 31 December 2023), refer to guarantee deposits, mainly for existing leases (as lessee), and are accounted for at amortized cost.

13. Inventories

The breakdown of "Inventories" as at 31 December 2024 and 2023 is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Gross value of raw materials, accessories and consumables	30,476	34,895	(4,419)
Provision for obsolete inventory	(6,806)	(6,152)	(654)
Raw materials, accessories and consumables	23,670	28,743	(5,073)
Gross value of finished products and goods for resale	81,071	73,556	7,515
Provision for obsolete inventory	(28,442)	(22,614)	(5,828)
Finished products and goods for resale	**52,629**	**50,942**	**1,687**
Total	**76,299**	**79,685**	**(3,386)**

The stocks of raw materials, accessories and consumables decreased by 5,073 thousand Euro compared to 2023; the related provision reflects the obsolescence of raw materials (leather goods and accessories) which are no longer suitable for the Company's production plans for future collections. Raw materials also include leather and materials sent to third parties for subsequent processing.

Stocks of finished products show a net increase of 1,687 thousand Euro. The related provision reflects the difference between the purchase or production cost and the estimated realizable value of products belonging primarily to past collections.

For a better understanding of how the above provisions for obsolete inventory were calculated, please see note 2 "Statement of compliance with IFRS and Basis of presentation – Discretionary valuations and significant accounting estimates".

Net (uses of) and/or allocations to the provision for obsolete inventory were as follows:

(In thousands of Euro)	2024	2023	Change 2024 vs 2023
Raw materials	654	3,371	(2,717)
Finished products	5,828	1,496	4,332
Total	**6,482**	**4,867**	**1,615**

14. Right of return assets

Concerning the right of return under "Revenues from contracts with customers", the line item "Right of return assets", amounting to 10,500 thousand Euro as at 31 December 2024 (12,009 thousand Euro as at 31 December 2023), includes the estimated cost of the products expected to be returned, equal to the lower of the previous carrying amount of inventories (estimated cost of production) and net realizable value, less potential future costs associated with their recovery. This item is closely related to Refund liabilities (see note 27 "Refund liabilities") and largely refers to the Group's European companies as well as, to a lesser extent, external customers.

15. Trade receivables

The breakdown of "Trade receivables" as at 31 December 2024 and 2023 is shown in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Trade receivables from third parties	27,073	35,736	(8,663)
Provision for bad debt - third parties	(2,717)	(2,597)	(120)
Trade receivables from subsidiaries	154,183	154,429	(246)
Provision for bad debt - subsidiaries	(5,499)	(5,223)	(276)
Total	**173,040**	**182,345**	**(9,305)**

Trade receivables from third parties mainly refer to the credit exposure arising from sales made in the wholesale channel, they are interest-free and are generally due in 90 days or less. The related provision for bad debt is considered adequate to meet any cases of insolvency.

For detailed information on trade receivables from subsidiaries reference should be made to note 45 "Transactions with related parties" below.

The changes in the provision for bad debt during 2024 were as follows:

(In thousands of Euro)	Value as at 01.01.2024	Provisions	Uses	Value as at 31.12.2024
Provision for bad debt - third parties	2,597	321	201	2,717
Provision for bad debt - subsidiaries	5,223	276	-	5,499
Total	**7,820**	**597**	**201**	**8,216**

For an analysis of past due but not impaired trade receivables, reference should be made to note 3 "Management of financial risks – Credit risk". The 276 thousand Euro allocation to the "Provision for bad debt – subsidiaries" refers to the adjustment to year-end exchange rates of the provision for bad debt recognized for Ferragamo Retail India Private Limited, set up in previous years and referring to foreign currency trade receivables.

16. Tax receivables

The breakdown of the item is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Due from tax authorities (valued added tax)	4,491	10,985	(6,494)
Other tax receivables	6,710	5,467	1,243
Due from tax authorities (Irap)	2,117	1,796	321
Total	**13,318**	**18,248**	**(4,930)**

The amount due from tax authorities for VAT decreased compared to the previous year as a result of the repayment in 2024 of a large part of the credit existing as at 31 December 2023, together with a lower credit generated during the year.

As at 31 December 2024, the item "Other tax receivables" mainly included:

- the Research and development, design and aesthetic conception, and technological innovation tax credit, totaling 5,389 thousand Euro, of which 235 thousand Euro relating to the current portion of the credit estimated for 2024; the remainder refers to current portions accrued in previous periods. The non-current portion of said credit is recognized under "Other non-current assets";
- the 662 thousand Euro current portion of the tax credit for donations in support of cultural activities (known as "Art Bonus") made in 2024 and in previous years; the 389 thousand Euro non-current portion was included within "Other non-current assets"; the 325 thousand Euro tax credit for 2024, relating to donations made in 2024, was recognized in the income statement under "Other income".

17. Other current assets

The breakdown of "Other current assets" as at 31 December 2024 and 2023 is shown in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Other receivables for short-term hedging derivatives	1,612	6,813	(5,201)
Prepaid expenses	3,991	2,649	1,342
Other receivables	6,190	3,998	2,192
Receivables from the Holding company	12,576	14	12,562
Receivables due from credit card management companies	366	447	(81)
Receivables from social security institutions	136	47	89
Total	**24,871**	**13,968**	**10,903**

Hedging derivatives, totaling 1,612 thousand Euro (6,813 thousand Euro as at 31 December 2023), refer to the fair value measurement of outstanding derivative contracts (hedging component) entered into by the Company to manage exchange rate risk on sales in currencies other than the Euro.

Prepaid expenses included 2,039 thousand Euro (681 thousand Euro as at 31 December 2023) in contributions for the fit-out of tailored single-brand stores and/or stores-in-stores operated by third parties (TPOS).

The item "Other receivables" refers for 1,440 thousand Euro (1,364 thousand Euro as at 31 December 2023) to the receivable due from the Tuscany Region and the Ministry of Economic Development, relating to the Innovation Agreement (I-SUCCEED project). For more details, please refer to the Directors' Report on Operations, "Significant events occurred during the year" section;

The receivable from the Holding company Ferragamo Finanziaria S.p.A., in the amount of 12,576 thousand Euro, mainly refers to the corporate income tax (IRES) first advance payment.

18. Other current financial assets

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Financial receivables due from subsidiaries	76,664	65,219	11,445
Financial receivables due from subsidiaries (cash pooling)	116,171	83,147	33,024
Short-term derivatives	305	1,535	(1,230)
Other current financial assets	50,400	35,240	15,160
Total	**243,540**	**185,141**	**58,399**

Financial receivables due from subsidiaries included the loans granted to the subsidiaries Ferragamo Monte-Carlo S.A.M., Ferragamo (Suisse) S.A., Ferragamo U.K. Limited, Ferragamo Japan K.K., Ferragamo Canada Inc., Ferragamo (Singapore) PTE Ltd, Ferragamo Retail Hong Kong and Ferragamo (Thailand) Limited. In 2022, in order to manage cash and liquidity more efficiently at the Group level, the Company entered into a cash pooling agreement with a number of subsidiaries; specifically, the credit exposure as at 31 December 2024 was 116,171 thousand Euro (83,147 thousand Euro as at 31 December 2023). For detailed information on financial receivables due from subsidiaries, reference should be made to note 45 "Transactions with related parties" below.

The item "Short-term derivatives" totaled 305 thousand Euro and refers to the fair value measurement of derivatives for the non-hedging component (1,535 thousand Euro as at 31 December 2023). For further details, please refer to note 31 "Financial instruments and fair value measurement".

"Other current financial assets" include 40,443 thousand Euro relating to an insurance investment in a multi-branch policy that can be quickly converted into cash (15,444 thousand Euro as at 31 December 2023), and 9,957 thousand Euro relating to an investment in short-term Italian government bonds (Buoni Ordinari del Tesoro), both made by the Company with a view to moderately diversifying its cash management (19,796 thousand Euro as at 31 December 2023).

19. Cash and cash equivalents

The breakdown of "Cash and cash equivalents" as at 31 December 2024 and 2023 is shown in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Time deposits	51,000	127,000	(76,000)
Bank and post office sight deposits	121,087	75,957	45,130
Cash and values on hand	237	223	14
Total	**172,324**	**203,180**	**(30,856)**

Time deposits at banks have maturities ranging from one day to three months and, in any case, can be promptly liquidated without penalties. Bank and post office deposits refer to temporary cash holdings maintained mainly to meet imminent payments.

Also in FY2024, the Company's policy was to use a significant part of its cash surpluses in time-deposit investments, as well as to take out intercompany loans, regulated at current market conditions, so as to contain its bank debt.

As at 31 December 2024, the Company had unused credit lines amounting to 558,502 thousand Euro; as at 31 December 2023, unused credit lines totaled 556,199 thousand Euro. For more details, see note 21 "Interest-bearing loans & borrowings".

The item "Cash and cash equivalents" as at 31 December 2024 and 2023 is broken down as follows:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Cash and bank sight deposits	121,324	76,180	45,144
Time deposits	51,000	127,000	(76,000)
Total	**172,324**	**203,180**	**(30,856)**

20. Share capital and reserves

The authorized, subscribed, and paid up share capital of the Company as at 31 December 2024 totaled 16,879,000 Euro and consisted of 168,790,000 ordinary shares. During 2024, there were no changes in the number of shares issued.

The treasury share reserve, amounting to 53,676 thousand Euro, consisted of 3,113,302 shares in Salvatore Ferragamo S.p.A., at an average unit price of 17.24 Euro, purchased in 2018, 2019, 2021 and 2022 (no. 14,000, no. 136,000, no. 624,163, and no. 2,601,637, respectively), net of the free assignment to the CEO and General Manager, in the first half of 2023 and 2024, of 114,766 and 147,732 shares, respectively, under and in pursuance of the provisions of the Restricted Shares Plan (for details of which see note 43 "Share-based payments").

Share capital contributions, totaling 2,995 thousand Euro, were paid in a lump sum in 2003 by the Holding company Ferragamo Finanziaria S.p.A. and were reduced in 2007, due to the demerger.

The legal reserve of 4,188 thousand Euro was set up in previous years.

The extraordinary reserve of 683,908 thousand Euro was set up with retained earnings; the change recorded in the period was due to an increase of 87,000 thousand Euro, relating to the profit for the year 2023, and to a decrease of 16,568 thousand Euro, relating to dividends paid out in 2024.

The revaluation reserve, totaling Euro 25,478 thousand, is broken down as follows:

- Revaluation reserve as per Italian Law 342/00, amounting to 4,592 thousand Euro;
- Revaluation reserve as per Italian Law 350/03, amounting to 7,420 thousand Euro;
- Revaluation reserve as per Italian Law 266/05, amounting to 13,465 thousand Euro.

No deferred taxes have been allocated to the revaluation reserves based on the assumption that full taxation for these reserves will be indefinitely deferred. Indeed, no transactions are likely to be carried out which would cause their distribution.

The cash flow hedge reserve was negative for 5,305 thousand Euro and is the result of the measurement of the financial instruments defined as cash flow hedges as at 31 December 2024, against the Company's exchange rate risk hedging transactions, and is shown net of the tax effect.

The IAS 19 Equity reserve, negative for 1,175 thousand Euro, is the result of the valuation of actuarial gains and losses charged to shareholders' equity, as envisaged by IAS 19, and is shown net of the tax effect. This valuation was made by an independent actuary.

The item "Other reserves" totaled 21,113 thousand Euro and included the changes arising from the application of IASs/IFRSs instead of Italian accounting standards with reference to the Company's opening balance of shareholders' equity as at 1 January 2010 and the closing balance as at 31 December 2010, in addition to the changes arising from the application of IASs/IFRSs that concern Salvatore Ferragamo S.p.A. following the merger of Ferragamo Parfums S.p.A. into the Parent company in 2021.

In addition, the item "Other reserves" includes:

- the 2016-2020 Stock Grant Reserve, totaling 921 thousand Euro;
- the Stock Grant Reserve relating to prior years, totaling 5,037 thousand Euro;
- the Stock Grant reserve for the incentive plans for top management in place as at 31 December 2024, in the amount of 8,184 thousand Euro (for details, please refer to note 43).

Finally, the item "Other reserves" includes, in the amount of 1.4 thousand Euro, the Provision as per Article 55 of Italian Presidential Decree 597/1973, relating to VAT recovery under Article 15 of Italian Law 26/04/1983.

The amounts are net of the tax effects where applicable.

The following table shows, for each specific item of shareholders' equity, information concerning their possibility of use and distribution, as well as their use in the last three financial years.

Shareholders' equity (In thousands of Euro)	Value as at 31.12.24	Possibility of use	Amount available	Summary of uses made in the last three years
Share capital	16,879			
Treasury share reserve	(53,676)			
Share capital reserves				
Revaluation reserve Law 342/00	4,592	A - B	4,592	
Revaluation reserve Law 350/03	7,420	A - B	7,420	
Revaluation reserve Law 266/05	13,465	A - B	13,465	
Share capital contributions	2,995	A - B	2,995	
Provision as per Art. 55	1	A - B - C	1	
Net profit reserves				
Legal reserve	4,188	B	812	
Extraordinary reserve	683,908	A - B - C	683,908	(119,651)
Reserve for adoption of IASs/IFRSs	6,908	B*	2,007	
Reserve for treasury share price difference	419	A - B - C	419	
Accumulated gains/losses	(356)	B		
Cash flow hedge reserve	(5,305)			
IAS 19 reserve	(1,175)			
Stock Grant Reserve	14,141	A - B - C	5,958	
Net profit/(loss) for the year	(70,535)			
Total	**623,869**		**721,577**	**(119,651)**

Key: A - for share capital increase, B - to cover losses, C - for distribution to shareholders.
* The available part of the reserve can be used only to cover losses and it must be subsequently reintegrated.

21. Interest-bearing loans & borrowings

A breakdown of current and non-current interest-bearing loans & borrowings is given below:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Financial payables to subsidiaries (cash pooling)	5,575	-	5,575
Total	**5,575**	**-**	**5,575**

During FY2024, given its strong cash position and the general credit market conditions, the Company did not consider it appropriate to make any significant changes to its financial structure, maintaining its existing committed and uncommitted credit lines with diversified counterparties almost unchanged (slightly up).

As at 31 December 2024, the Company reported zero payables to banks, in line with 31 December 2023. The credit lines used by the Company are arranged at floating rates. The cost of debt is generally benchmarked to the market rate for the period (usually Euribor/Libor/SOFR or the benchmark of the loan currency on the specific interbank market), increased by a spread which depends on the type of credit line used. In case of drawdowns, the margins applied would be in line with the best market standards.

The financial instruments available are:

i) uncommitted credit lines made available to the Company in order to meet short-term financial needs linked to the management of working capital;

ii) short- and medium/long-term committed revolving credit lines, negotiated on a bilateral basis by the Company.

As at 31 December 2024, available committed credit lines had a maximum residual maturity of twenty-nine months and a weighted average residual maturity of thirteen months. The credit lines and the related financial operations are spread among leading national and international banks.

As of 2022, in order to manage cash and liquidity more efficiently at the Group level, the Company has entered into a cash pooling agreement with a number of subsidiaries; as at 31 December 2024, the Company's credit exposure amounted to 116,171 thousand Euro, while as at 31 December 2023 the Company had a credit exposure of 83,147 thousand Euro. For detailed information on financial receivables due from subsidiaries, reference should be made to note 45 "Transactions with related parties" below.

Further details of the credit lines granted by banks to the Company, broken down by type, are shown in the table below. In both financial years there were no drawdowns:

	31 December 2024		31 December 2023	
(In thousands of Euro)	**Agreed**	**Used**	**Agreed**	**Used**
Committed credit lines	380,000	-	380,000	-
Revolving credit lines	380,000	-	380,000	-
Term loans	-	-	-	-
Uncommitted credit lines	178,502	-	176,199	-
Total	**558,502**	**-**	**556,199**	**-**

The following table provides the breakdown of, and changes in, the net financial position as at 31 December 2024 and 31 December 2023, presented in accordance with the model included in CONSOB Communication no. DEM/6064293 of 28 July 2006 as supplemented by CONSOB's Warning no. 5/21.

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
A. Cash	121,324	76,180	45,144
B. Cash equivalents	51,000	127,000	(76,000)
C. Other current financial assets*	243,540	185,142	58,398
D. Cash and cash equivalents (A+B+C)	**415,864**	**388,322**	**27,542**
E. Current financial payables (including debt instruments)	7,286	369	6,917
F. Current portion of non-current financial payables**	20,416	18,256	2,160
G. Current financial debt (E+F)	**27,702**	**18,625**	**9,077**
H. Current financial debt, net (G-D)	(388,162)	(369,697)	(18,465)
I. Non-current financial payables (excluding debt instruments)***	145,809	140,633	5,176
J. Debt instruments	-	-	-
K. Trade and other current payables	-	-	-
L. Non-current financial debt (I+J+K)	**145,809**	**140,633**	**5,176**
M. Net financial debt (H+L)	**(242,353)**	**(229,064)**	**(13,289)**

* The item includes short-term loans of 192,835 thousand Euro granted to Group companies and a cash pooling agreement with some Group Companies; for further details, reference should be made to note 18 "Other current financial assets" and note 45 "Transactions with related parties" (intra-group transactions).

** The item relates to the current lease liability (note 25 "Lease liabilities"), including 10,954 thousand Euro due to related parties. For more details on related parties, reference should be made to note 45 "Transactions with related parties".

*** The item relates to the non-current lease liability (note 25 "Lease liabilities"), including 84,155 thousand Euro due to related parties. For more details on related parties, reference should be made to note 45 "Transactions with related parties".

Limitations on the use of financial resources

The Company's committed and uncommitted credit lines that are currently outstanding do not require compliance with financial covenants.

22. Provisions for risks and charges

The changes in "Provisions for risks and charges" as at 31 December 2024 are shown in the following table:

(In thousands of Euro)	Value as at 01.01.2024	Provisions	Uses	Increases)/ Decreases	Value as at 31.12.2024
Legal disputes	6,192	1,034	(5,433)	-	1,793
Provision for other risks	75	-	-	-	75
Provision for excess write-downs of equity investments	28,064	17,393	(169)	(4,125)	41,163
Total	**34,331**	**18,427**	**(5,602)**	**(4,125)**	**43,031**

Legal disputes mainly refer to allocations against likely future liabilities relating to legal proceedings against the Company for labor disputes as well as outstanding contractual disputes. Labor disputes refer both to litigations and estimated amounts that the Company expects to incur in pre-litigation settlement.

The provision for the period refers to some legal and labor disputes that arose during 2024, while the use of the provision for legal disputes, totaling 5,433 thousand Euro, refers to the settlement of a number of legal, tax and labor proceedings and/or disputes involving the Company that took place during the period. In particular, mention is made of the closure of the audit on tax credits relating to research and development activities (pursuant to Article 3 of Italian Law Decree no. 145 of 23 December 2013), which Salvatore Ferragamo S.p.A. benefited from for the tax years from 2015 to 2019, through the signing by the Company and the Tuscany Regional Unit of a report of formal consultation between the parties (*Processo verbale di contraddittorio*) on 2 August 2024. For more details on tax disputes, reference should be made to the section "Tax payables" below and to the Directors' Report on Operations, section "Significant events occurred during the year – Tax and customs audits and disputes".

The provision for other risks refers to the outstanding balance of the additional allowance for a former agent associated with the fragrances business that operated in Italy.

For detailed information and the changes in the "Provision for excess write-downs of equity investments" reference should be made to note 10 "Equity investments in subsidiaries".

As regards contingent liabilities, for which no provisions have been made, please refer to the section "Significant events occurred during the year – Tax and customs disputes and audits".

23. Employee benefit liabilities

This item included 4,344 thousand Euro in "Employee benefit liabilities" as at 31 December 2024 (4,882 thousand Euro as at 31 December 2023). The following table sets out the changes occurred during the period:

(In thousands of Euro)	31 December 2024	31 December 2023
Present value of the obligation at the beginning of the period	4,882	5,310
Financial charge/(income)	125	169
Benefits paid	(558)	(761)
Actuarial loss/(gain) arising from:		
- Financial assumptions	(58)	229
- Demographic assumptions	-	1
- Experience-based adjustments	(47)	(66)
Total actuarial loss / (gain)	(105)	164
Present value of the obligation at the end of the period	**4,344**	**4,882**

The main assumptions used in determining the present value of employee severance indemnities were as follows:

	2024	2023
Annual rate of salary increase	2.83%	2.84%
Annual discount rate	2.44%	2.56%
Inflation rate	2.10%	2.10%

As regards the demographic assumptions used in determining defined benefit liabilities, the figure used as a benchmark for the mortality rate is that for the Italian population recorded by ISTAT in 2000, less 25%, broken down by age and gender; meanwhile, the staff turnover rate has been estimated at 5.47% per year.

Here below is a quantitative sensitivity analysis for the main assumptions as at 31 December 2024 and 2023 concerning employee benefit obligations:

		2024		2023	
(In thousands of Euro)	Change %	Increases	Decreases	Increases	Decreases
Annual discount rate	+/- 0.5%	(157)	167	(179)	190
Mortality rate	+/- 0.025%	-	-	-	-
Staff turnover rate	+/- 0.5%	-	-	-	-

The above sensitivity analyses are based on reasonable changes in the key assumptions at the end of the two reporting periods being compared.

The average number of employees (in terms of full-time equivalents) by category is shown in the following table:

Average staff (Full time equivalent)	2024	2023
Top managers, middle managers and store managers	191	196
White collars	556	545
Blue collars	168	171
Temporary agency staff	16	14
Total	**931**	**926**

24. Other non-current liabilities

The item, totaling 506 thousand Euro, includes:

- payables for leasehold improvement contributions, amounting to 266 thousand Euro (1,296 thousand Euro as at 31 December 2023), and refers to the straight-lining of amounts received or to be received from lessors for the costs incurred to fit out the stores;
- payables for medium/long-term incentive plans to the Company's management amounting to 240 thousand Euro (1,065 thousand Euro as at 31 December 2023).

25. Lease liabilities

Below are the changes in lease liabilities occurred in 2024 and 2023, broken down between current and non-current.

	Lease liabilities		
(In thousands of Euro)	non-current	current	Total
Value as at 31.12.2023	140,633	18,256	**158,889**
Increases	26,173	-	**26,173**
Decreases	(1,447)	-	**(1,447)**
Reclassifications	(19,550)	19,550	**-**
Repayment of lease liabilities	-	(17,423)	**(17,423)**
Interest expense on lease liabilities	-	5,892	**5,892**
Interest expense on lease liabilities paid	-	(5,859)	**(5,859)**
Value as at 31.12.2024	**145,809**	**20,416**	**166,225**

	Lease liabilities		
(In thousands of Euro)	non-current	current	Total
Value as at 31.12.2022	111,674	14,251	**125,925**
Increases	48,516	-	**48,516**
Decreases	(559)	-	**(559)**
Reclassifications	(18,998)	18,998	-
Repayment of lease liabilities	-	(16,340)	**(16,340)**
Interest expense on lease liabilities	-	5,620	**5,620**
Interest expense on lease liabilities paid	-	(4,273)	**(4,273)**
Other changes	-	-	-
Value as at 31.12.2023	**140,633**	**18,256**	**158,889**

The average weighted IBR applicable to leases outstanding as at 31 December 2024 was 3.86%. As for the other cash outflows related to leases, see note 34 "Costs for services".

26. Trade payables

The breakdown of "Trade payables" as at 31 December 2024 and 2023 is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Trade payables to third parties	94,316	104,733	(10,417)
Invoices to be received	14,250	18,677	(4,427)
Payables to subsidiaries	151,097	54,729	96,368
Total	**259,663**	**178,139**	**81,524**

Trade payables do not bear interest and usually become due after 60/90 days. This item consists of payables relating to the normal commercial activity carried out by the Company, in particular costs for the purchase of raw materials, parts and manufacturing in outsourcing.

For detailed information on trade payables to subsidiaries, reference should be made to note 45 "Transactions with related parties" below.

27. Refund liabilities

Concerning the right of return under "Revenues from contracts with customers", the line item "Refund Liabilities" (20,170 thousand Euro as at 31 December 2024 and 22,915 thousand Euro as at 31 December 2023) refers to the liability to customers for the amount of the products expected to be returned. This item largely refers to the estimated returns to the Group's European companies and is related to the item "Right of return assets" (see note 14 "Right of return assets").

28. Tax payables

The breakdown of "Tax payables" as at 31 December 2024 and 2023 is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Tax payables due to foreign tax authorities for VAT (EU)	309	191	118
Tax payables for withholdings applied	2,263	1,888	375
Other tax payables	12	2,015	(2,003)
Total	**2,584**	**4,094**	**(1,510)**

As at 31 December 2023, "Other tax payables" included the liability arising from the R&D credit amnesty procedure for the tax periods from 2015 to 2018, totaling 2,012 thousand Euro. On 2 August 2024, the Company signed a report of formal consultation between the parties *(Processo verbale di contraddittorio)* with the Tuscany Regional Unit, in which it was agreed that the Company would comply with the voluntary payment procedure referred to in Article 5, paragraphs 7 to 12, of Italian Legislative Decree 146/2021, for a total amount of 6,809 thousand Euro for the years 2015 to 2019. On 14 October 2024, Salvatore Ferragamo S.p.A. submitted a request for access to the voluntary payment procedure (replacing the request submitted on 28 October 2022, for the amount of 2,012 thousand Euro), and paid the total amount due (equal to 6,809 thousand Euro) by the legal deadline of 16 December 2024. For more details, reference should be made to the Directors' Report on Operations, section "Significant events occurred during the year – Tax and customs audits and disputes".

29. Other current liabilities

The breakdown of "Other current liabilities" as at 31 December 2024 and 2023 is set out in the following table:

(In thousands of Euro)	31 December 2024	31 December 2023	Change 2024 vs 2023
Payables to the Holding company	-	4,942	(4,942)
Payables to staff	8,207	11,464	(3,257)
Payables to social security institutions	3,580	3,472	108
Other payables to third parties	726	2,798	(2,072)
Other payables for hedging derivatives	9,776	558	9,218
Accrued expenses	213	39	174
Deferred income	1,535	1,959	(424)
Total	**24,037**	**25,232**	**(1,195)**

The item "Payables to staff" mainly includes the Company's payables to employees for amounts accrued but not yet paid at the reporting date.

The item "Payables to social security institutions" refers to amounts due to social security institutions, paid in the month after the end of the reporting period, relating to amounts due to employees.

The item "Other payables to third parties" includes payables due to related parties in the amount of 277 thousand Euro. For more details, please refer to note 45 "Transactions with related parties".

The item "Hedging derivatives" shows the fair value measurement at the end of the year of outstanding derivatives (hedging component) entered into by the Company to manage exchange rate risk. For further details, please refer to note 31 "Financial instruments and fair value measurement".

The item "Deferred income" mainly includes i) the contribution for advertising activities, scheduled for 2025, relating to the eyewear licensee, ii) royalties invoiced but accruing in future years under the terms of contracts signed with counterparties, and iii) the share pertaining to future years of the key money received from Marchon Europe B.V. (US group Marchon), licensee of the Salvatore Ferragamo trademark for eyewear products (100 thousand Euro).

30. Other current financial liabilities

"Other current financial liabilities", totaling 1,711 thousand Euro as at 31 December 2024, include short-term derivatives (369 thousand Euro as at 31 December 2023) and refers to the fair value of derivatives with a negative mark-to-market at the reporting date. For further details, please refer to note 31 "Financial instruments and fair value measurement".

31. Financial instruments and fair value measurement

The classification of financial instruments under IFRS 9 involves various line items. The following table sets out the carrying amount of outstanding financial instruments, broken down by category, compared to the corresponding fair values, as at 31 December 2024 and 31 December 2023.

Classification of financial instruments and presentation of their fair value

Financial assets

	31 December 2024			31 December 2023		
	Carrying amount			Carrying amount		
(In thousands of Euro)	Current portion	Non-current portion	Fair value	Current portion	Non-current portion	Fair value
Financial assets at fair value through profit or loss						
Derivatives – non-hedging component	305	-	305	1,535	-	1,535
Assets measured at amortized cost						
Receivables due from credit cards	366		366	447	-	447
Trade receivables	173,040	-	173,040	182,345	-	182,345
Receivables for loans due from subsidiaries	192,835	-	192,835	148,366	-	148,366
Guarantee deposits	-	232	232	-	171	171
Other current financial assets	50,400		50,400	35,240	-	35,240
Cash and cash equivalents	172,324		172,324	203,180	-	203,180
Financial assets at fair value through other comprehensive income						
Derivatives – hedging component	1,612	-	1,612	6,813	-	6,813
Total	**590,882**	**232**	**591,114**	**577,926**	**171**	**578,097**

Financial liabilities

(In thousands of Euro)	31 December 2024			31 December 2023		
	Carrying amount			Carrying amount		
	Current portion	Non-current portion	Fair value	Current portion	Non-current portion	Fair value
Liabilities at amortized cost						
Trade payables and payments on account	259,663		259,663	178,139	-	178,139
Payables for loans due from subsidiaries	5,575	-	5,575	-	-	-
Payables due to shareholders for dividends	-	-	-	-	-	-
Lease liabilities	20,416	145,809	166,225	18,256	140,633	n/a*
Financial liabilities at fair value through profit or loss						
Derivatives – non-hedging component	1,711	-	1,711	369	-	369
Financial liabilities at fair value through other comprehensive income						
Derivatives – hedging component	9,776	-	9,776	558	-	558
Total	**297,141**	**145,809**	**442,950**	**197,322**	**140,633**	**179,066**

* Pursuant to IFRS 16, Lease liabilities are not measured at fair value.

The table shows that most outstanding financial assets and liabilities refer to short-term financial items, except for lease liabilities; taking into account their nature, the carrying amount of most of these items is a reasonable approximation of their fair value.

In all other cases, fair value is measured according to methods which can be classified in Level 2 of the hierarchy of significance of data used in determining fair value as defined by IFRS 13.

The Company uses internal valuation models, which are generally used in finance, on the basis of prices provided by market participants or prices collected on active markets through leading info-providers.

To determine the fair value of derivatives, the Company uses a pricing model based on market values of interest rates and exchange rates at the measurement date.

Also for "Guarantee deposits", the carrying amount is a reasonable approximation of the fair value.

There have been no changes in the measurement methods used compared to previous years or transfers from one Level to another in the hierarchy of assets or liabilities measured at fair value.

The Company calculates non-performance risk, i.e. the risk that one of the parties may not fulfill its contractual obligations due to a possible default before the derivative expires, both in reference to counterparty risk (Credit Value Adjustment: CVA), and to its own risk (Debt Risk Adjustment: DVA), applying it to the market value of the risk-free portfolio. Taking into account the type of derivatives in the portfolio (solely sales and purchases through currency forward contracts), the relevant maturity (not over twelve months), and the Company's and counterparties' ratings, these adjustments are immaterial.

In addition, it should be noted that, in compliance with the ISDA Master Agreements and the existing framework agreements relating to derivatives, it is generally possible to offset (through netting) all the outstanding financial assets and liabilities arising from these derivatives.

The following table summarizes the impacts on the Income Statement and Shareholders' Equity with reference to each category of financial instruments outstanding for the Company in 2024 and 2023.

(In thousands of Euro)	31 December 2024	31 December 2023
Net gains/(losses) on financial instruments recognized in profit or loss:		
Financial assets/liabilities held for trading	(13,351)	1,447
Derivatives – hedging component	4,841	16,845
Net gains/(losses) on financial instruments recognized in shareholders' equity:		
Derivatives – hedging component	(12,532)	(3,943)
Interest income/expense (calculated using the internal rate of return method) accrued on financial assets/liabilities not at FVTPL:		
Interest income	15,650	11,261
Interest expense	8	313
Interest expense on lease liabilities	5,892	5,620
Expenses and fees not included in the effective interest rate:		
regarding financial liabilities	*1,011*	*951*
Interest income accrued on financial instruments written-off		
Provisions for impairment on financial assets:		
Receivables/loans	597	1,283

Comments on the main income statement items

For a better understanding of the development in income statement items, reference should also be made to the comments in the Directors' report on operations relating to the comparison between the data for 2024 and 2023.

32. Revenues from contracts with customers

In 2024 and 2023, revenues from contracts with customers totaled 630,795 thousand Euro and 734,820 thousand Euro, respectively. The tables below provide the breakdown by channel and geographic area of the main categories of revenues from contracts with customers.

2024

(In thousands of Euro)	DTC	Wholesale	Royalties	Other income and services	Total Revenues from contracts with customers
Europe	73,339	134,328	13,792	2,854	224,313
North America	-	151,830	53	8,716	160,599
Asia Pacific	-	159,933	-	5,205	165,138
Japan	-	35,505	-	1,321	36,826
Central and South America	-	41,833	-	2,086	43,919
Total	**73,339**	**523,429**	**13,845**	**20,182**	**630,795**

2023

(In thousands of Euro)	DTC	Wholesale	Royalties	Other income and services	Total Revenues from contracts with customers
Europe	65,746	167,310	13,532	2,626	249,214
North America	-	170,450	-	8,981	179,431
Asia Pacific	-	210,421	-	7,021	217,442
Japan	-	38,416	-	2,123	40,539
Central and South America	-	45,730	-	2,464	48,194
Total	**65,746**	**632,327**	**13,532**	**23,215**	**734,820**

The Company discloses the disaggregation or revenue using a qualitative-quantitative approach. The Company recognizes revenues from the sale of goods through both the DTC and wholesale channels when control over the asset is transferred to the customer, generally upon delivery; in the case of other income and services, revenues are recognized when the service is rendered to customers.

DTC sales mainly refer to revenues generated by sales in directly operated stores (DOS) in Italy and, to a lesser extent, to sales generated through the Company's e-commerce channel.

Wholesale revenues mainly include sales to Group companies and to a lesser extent to retailers.

Revenues from royalties mainly derive from the licensing of the Salvatore Ferragamo trademark with reference to the product categories: eyewear, to the company Marchon Europe B.V.; watches, to the company Vertime B.V. (Timex Group); and fragrances, to the company Inter Parfums Inc.. Revenues from royalties are accounted for based on the stage of completion of the licensee's sales.

Other income and services mainly include the recovery of freight and packaging costs as well as services provided to subsidiaries.

For detailed information on revenues from subsidiaries, reference should be made to note 45 "Transactions with related parties" below.

33. Costs for raw materials, goods and consumables

The breakdown of "Costs for raw materials, goods and consumables" as at 31 December 2024 and 2023 is shown in the following table:

(In thousands of Euro)	2024	2023	Change 2024 vs 2023
Raw materials	107,345	118,436	(11,091)
Finished products	47,808	64,663	(16,855)
Packaging	4,239	6,358	(2,119)
Other purchases of materials	1,326	2,011	(685)
Stationery	284	343	(59)
Change in inventories of raw materials, accessories and consumables	5,073	(5,958)	11,031
Total	**166,075**	**185,853**	**(19,778)**

34. Costs for services

The breakdown of "Costs for services" as at 31 December 2024 and 2023 is set out in the following table:

(In thousands of Euro)	2024	2023	Change 2024 vs 2023
Manufacturing in outsourcing	123,693	131,571	(7,878)
Production, general, administrative and sales costs	108,633	112,647	(4,014)
Costs for the use of third-party assets	11,851	10,990	861
Total	**244,177**	**255,208**	**(11,031)**

As at 31 December 2024, "Production, general, administrative and sales costs" mainly included:

- 38,889 thousand Euro in communication costs (press advertising, public relations, store window display expenses, events and other advertising expenses);
- 28,367 thousand Euro in consultancy costs and fees to third parties (legal, administrative, product, manufacturing process, IT and other minor costs);

- 7,458 thousand Euro in freight and logistics costs;
- 14,736 thousand Euro in costs for services provided by subsidiaries; for details on these costs, reference should be made to note 45 "Transactions with related parties" below;
- 8,373 thousand Euro in maintenance and utility costs;
- 1,398 thousand Euro in fees paid to Directors, Statutory Auditors and the Supervisory Body; for detailed information on these fees, reference should be made to note 46 "Fees paid to Directors and Statutory Auditors" below.

The following table shows the impacts of leases, accounted for both under IFRS 16 and outside the scope of said standard, on the income statement in 2024 and 2023:

(In thousands of Euro)	2024	% of Total	2023	% of Total
Depreciation of right-of-use assets	21,522	70.3%	20,478	70.5%
Net interest on lease liabilities	5,752	18.8%	5,625	19.4%
Costs relating to short-term leases	312	1.0%	330	1.1%
Costs relating to low-value leases	503	1.6%	484	1.7%
Costs relating to leases with variable payments not included in the measurement of lease liabilities	2,549	8.3%	2,124	7.3%
Total	**30,638**	**100.0%**	**29,041**	**100.0%**

Some of the Company's leases contain variable lease payments linked to the revenues generated by stores (DOS), in leased premises that are not included in the measurement of leases, in accordance with the accounting standard IFRS 16, and are recognized on an accrual basis. As at 31 December 2024, overall variable lease payments accounted for 8.3% of the total expense recognized in the income statement related to leases either included or not in the lease liability as per the accounting standard IFRS 16. Variable lease payments depend on sales, and therefore on economic performance in subsequent years. The Group estimates that in the future variable lease payments will continue to be proportionate to the sales of finished goods.

In general, the Company's leases include clauses that prohibit subleasing the leased asset, but do not require the Company to comply with financial covenants.

The Company does not have any early termination options that it intends to exercise but did not consider when measuring the lease liability. With respect to renewal options, under its accounting policy for determining the lease term the Company considered the renewal options it intends to exercise.

The Company reports commitments for short-term leases expected for 2025 in line with those reported in the 2024 income statement.

35. Personnel costs

The breakdown of "Personnel costs" as at 31 December 2024 and 2023 is set out in the following table:

(In thousands of Euro)	2024	2023	Change 2024 vs 2023
Salaries and wages	58,955	62,162	(3,207)
Stock grant plan costs	2,356	3,962	(1,606)
MLT incentive plan costs	(360)	600	(960)
Social security and welfare cost	16,270	15,915	355
Allocation of severance indemnities and allocation to complementary pension funds	3,680	4,007	(327)
Total	**80,901**	**86,646**	**(5,745)**

For more details on "Stock grant plan costs", see note 43 "Share-based payments" and note 45 "Transactions with related parties".

36. Amortization, depreciation and write-downs

The breakdown of "Amortization, depreciation and write-downs" as at 31 December 2024 and 2023 is set out in the following table:

(In thousands of Euro)	2024	2023	Change 2024 vs 2023
Depreciation of tangible assets	12,102	10,840	1,262
Depreciation of investment property	7	-	7
Depreciation of right-of-use assets	21,523	20,478	1,045
Amortization of intangible assets	10,258	10,768	(510)
Write-downs of intangible assets and investment property	5,094	230	4,864
Total	**48,984**	**42,316**	**6,668**

For more details on "Write-downs of intangible assets and investment property", see note 9 "Intangible assets with a finite useful life" and note 6 "Investment property", respectively.

37. Other operating costs

(In thousands of Euro)	2024	2023	Change 2024 vs 2023
EBIT Adjustment to subsidiaries	142,704	52,072	90,632
Donations	1,103	1,645	(542)
Provision for risks and charges	1,034	5,298	(4,264)
Provision for bad debt – third parties	321	1,283	(962)
Provision for bad debt – subsidiaries	276	-	276
Taxes and charges	1,102	1,199	(97)
Membership fees	468	394	74
Other operating costs	1,070	884	186
Windfall losses	999	822	177
Total other operating costs	**149,077**	**63,597**	**85,480**

As at 31 December 2024, the item amounted to 149,077 thousand Euro and mainly included:

- costs for EBIT adjustments to subsidiaries in the amount of 142,704 thousand Euro, due to the effect of the renewal of the Transfer Pricing Agreement with the Inland Revenue Office – Central Assessment Department – International Ruling Office, which took place on 20 December 2022, and effective for another five years from 2022 to 2026; this agreement is fully in line with the previous one. For more details, please refer to the Directors' report on operations, section "Significant events occurred during the year", as well as to note 45 "Transactions with related parties" below;
- 1,103 thousand Euro in donations, including 794 thousand Euro in donations made in 2024 to support cultural activities (the so-called "Art Bonus") amounting to 500 thousand Euro.
- 1,034 thousand Euro in allocations to the provision for risks and charges;
- 597 thousand Euro in allocations to the Provision for bad debt – third parties and subsidiaries.

38. Other income

(In thousands of Euro)	2024	2023	Change 2024 vs 2023
Recovery of expenses from subsidiaries	2,631	2,229	402
Positive EBIT Adjustment to subsidiaries	4,327	530	3,797
Advertising contributions	5,449	4,774	675
Revenues from Tax Credits	1,586	2,152	(566)
Grants received for improvements-straight-lining	66	58	8
Operating grants	76	1,314	(1,238)
Uses of the Provision for risks and charges and Provision for bad debt	1,235	449	786
Insurance refunds	56	150	(94)
Revenues from museum exhibitions	150	119	31
Other income and revenues	4,107	2,019	2,088
Total Other income	**19,683**	**13,794**	**5,889**

As at 31 December 2024, the item amounted to 19,683 thousand Euro and mainly included:

- 4,327 thousand Euro in income from EBIT Adjustments by subsidiaries. For more details, please refer to the Directors' report on operations, section "Significant events occurred during the year", as well as to note 45 "Transactions with related parties" below;
- 5,449 thousand Euro in advertising contributions from third parties;
- 2,631 thousand Euro in recovery of expenses from subsidiaries;
- 1,586 thousand Euro in revenues deriving from the recognition of tax credits (including the recognition of estimated Research and development, design and aesthetic conception, and technological innovation tax credit and the tax credit amounting to 65% of donations in support of cultural activities, i.e. the so-called "Art Bonus", made during the year);
- 1,235 thousand Euro in uses of the provision for bad debt and the provision for risks and charges;
- operating grants, of which 76 thousand Euro referring to the non-repayable grant relating to the Innovation Agreement signed on 12 January 2021 between the Company, the Ministry of Economic Development and the Tuscany Region, recorded against costs already incurred by the Company. For further details, please refer to the section "Significant events occurred during the year" in the Directors' report on operations.

39. Financial charges

The breakdown of "Financial charges" as at 31 December 2024 and 2023 is set out in the following table:

(In thousands of Euro)	2024	2023	Change 2024 vs 2023
Financial charges for fair value adjustment of derivatives	22,507	14,535	7,972
Write-downs/Provision for excess write-downs of equity investments	41,289	23,564	17,725
Losses on exchange rate differences	6,125	22,376	(16,251)
Interest expense on lease liabilities	5,892	5,620	272
Other financial charges	1,429	1,314	115
Financial charges on employee benefits under IAS 19	125	169	(44)
Expenses on lease liabilities	1	12	(11)
Interest expense	8	313	(305)
Total	**77,376**	**67,903**	**9,473**

For more details on "Write-downs/Provision for excess write-downs of equity investments", see note 10 "Equity investments in subsidiaries".

40. Financial income

The breakdown of "Financial income" as at 31 December 2024 and 2023 is set out in the following table:

(In thousands of Euro)	2024	2023	Change 2024 vs 2023
Financial income for fair value adjustment of derivatives	9,156	15,982	(6,826)
Dividends from equity investments in subsidiaries	-	25,512	(25,512)
Financial income from lease liabilities	140	7	133
Restatement/Releases of Provision for excess write-downs of equity investments	169	-	169
Gains on exchange rate differences	13,745	13,789	(44)
Interest income	6,688	6,432	256
Interest income from subsidiaries	8,962	4,829	4,133
Total	**38,860**	**66,551**	**(27,691)**

In 2023, the item "Dividends from equity investments in subsidiaries" included the dividends paid by the subsidiary Ferragamo Hong Kong Ltd.

41. Income taxes

The breakdown of "Income taxes" as at 31 December 2024 and 2023 is set out in the following table:

(In thousands of Euro)	2024	2023	Change 2024 vs 2023
Current taxes	(895)	(29,199)	28,304
Deferred taxes	7,436	2,851	4,585
Total income taxes	**6,541**	**(26,348)**	**32,889**

The loss before taxes, amounting to 77,076 thousand Euro, caused the Company to recognize 6,541 thousand Euro in positive taxes, whereas in 2023 the Company had posted a 113,347 thousand Euro profit before taxes, recognizing 26,348 thousand Euro in taxes.

(In thousands of Euro)	2024	2023	Change 2024 vs 2023
Current taxes			
IRES	(979)	(24,719)	23,740
IRAP	83	(4,580)	4,663
Total	**(896)**	**(29,299)**	**28,403**
Deferred taxes:			
- IRES deferred in current year	12,666	4,081	8,585
- IRAP deferred in current year	99	245	(146)
Use of IRES deferred in previous years	(4,954)	(1,450)	(3,504)
Use of IRAP deferred in previous years	(374)	(25)	(349)
Total	**7,437**	**2,851**	**4,586**
Use of/(Allocation) to the provision for risks for taxes from previous years		100	(100)
Total income taxes	**6,541**	**(26,348)**	**32,889**

Deferred tax assets and liabilities

The following table provides a breakdown by nature of deferred tax assets and liabilities as at 31 December 2024 and 31 December 2023.

(In thousands of Euro)	31 December 2024	31 December 2023	31 December 2024	31 December 2023	2024	2023
	Statement of Financial Position		Other Comprehensive Income		Income statement	
Deferred tax assets						
- on employee benefits	397	416	372	397	5	17
- on tangible assets	1,456	1,106	-	-	350	(56)
- on intangible assets	745	1,118			(373)	(373)
- on the cash flow hedge reserve	1,676	-	1,676	-	-	-
- on the valuation of inventories	8,460	6,904	-	-	1,556	1,168
- on tax losses	9,778	-	-	-	9,778	-
- on receivables	417	417	-	-	0	82
- on taxed provisions	525	1,752	-	-	(1,227)	1,409
- for other temporary differences	3,126	5,779	-	-	(2,653)	604
Deferred tax assets	**26,580**	**17,492**	**2,048**	**397**	**7,436**	**2,851**
Deferred tax liabilities						
- on the Cash flow hedge reserve	-	(1,331)	-	(1,333)	-	-
- for other temporary differences	(2,898)	(2,898)	-	-	-	-
Deferred tax liabilities	**(2,898)**	**(4,229)**	**-**	**(1,333)**	**-**	**-**
Net effect	**23,682**	**13,263**	**2,048**	**(936)**	**7,436**	**2,851**

Deferred taxes reflect the net tax effect of temporary differences between the carrying amount and the taxable amount of assets and liabilities.

The recognition of deferred tax assets was duly adjusted to take account of the effective possibility of realization.

The reconciliation between the theoretical tax charge and the effective tax charge as at 31 December 2024 and 2023 is as follows:

(In thousands of Euro)	2024	%	2023	%
IRES				
Profit before taxes	**(77,076)**		**113,347**	
Theoretical taxes	(18,498)	24%	27,203	24.0%
Effective taxes	(6,733)	8.7%	21,988	19.4%
Difference due to:	**11,765**	**(15.3%)**	**(5,215)**	**(4.6%)**
i) Effect of pass-through mechanism of taxation of income of foreign companies resident in countries/ territories with a privileged tax regime	44	(0.1%)	68	0.1%
ii) Effect of allocation to/(use of) the provision for risks and charges for taxes from previous years	-	0.0%	(100)	(0.1%)
iii) Other effects	934	(1.2%)	653	0.6%
Increases				
Write-downs of investments	9,909	(12.9%)	5,655	5.0%
Other permanent differences	4,113	(5.3%)	1,216	1.1%
Decreases				
Income from subsidiaries (dividends)	-	-	(5,817)	(5.1%)
IRAP deduction	-	-	(213)	(0.2%)
Impact of the Patent Box	(882)	1.1%	(3,077)	(2.7%)
Tax Credits Impact	(380)	0.5%	(517)	(0.5%)
Other permanent differences	(1,973)	2.6%	(3,083)	(2.7%)
Total difference	**11,765**	**(15.3%)**	**(5,215)**	**(4.6%)**

(In thousands of Euro)	2024	%	2023	%
IRAP				
Net value of production	**(38,559)**		**114,698**	
Theoretical taxes	(1,504)	3.9%	4,473	3.9%
Effective taxes	192	(0.5%)	4,360	3.8%
Difference due to:	**1,696**	**(4.4%)**	**(113)**	**(0.1%)**
i) Effect of increases in regional IRAP rates	-	-	43	0.0%
ii) Effects from non-registration of deferred taxes	1,467	(3.8%)	-	-
iii) Other effects	83	(0.2%)	(56)	(0.0%)
Increases				
Personnel costs	3,106	(8.1%)	3,323	2.9%
Other permanent differences	413	(1.1%)	262	0.2%
Decreases				
Tax wedge	(3,010)	7.8%	(3,090)	(2.7%)
Impact of the Patent Box	(143)	0.4%	(500)	(0.4%)
Tax Credits Impact	(62)	0.2%	(84)	(0.1%)
Other permanent differences	(158)	0.4%	(11)	(0.0%)
Total difference	**1,696**	**(4.4%)**	**(113)**	**(0.1%)**

Other information

42. Dividends

The Parent company Salvatore Ferragamo S.p.A., in execution of the resolution of the Shareholders' Meeting of 23 April 2024, proceeded to distribute to Shareholders a part of the profits allocated to the Extraordinary Reserve, equal to a dividend of 0.10 Euro per share, for each of the 165,676,698 ordinary shares outstanding (net of 3,113,302 treasury shares) at the ex-coupon date, for a total of 16,567,669.80 Euro. As at 31 December 2024, dividends were fully paid.

43. Share-based payments

As announced in a specific press release dated 3 February 2025, on the same date the Company and Marco Gobbetti reached a mutual agreement on the termination of employment and administrative relationship, effective from the date of approval of the draft financial statements for FY2024, i.e. 6 March 2025, with concurrent waiver of the 2024 STI and Restricted Shares 2024 LTI Special Award 2022-2026 Plan. For more details, reference should be made to the section "Significant events occurred after 31 December 2024".

Restricted Shares Plan

a) Plan description

The Restricted Shares Plan, approved by the Shareholders' Meeting of 14 December 2021 and as amended by the Shareholders' Meeting of 26 April 2023, provides for the assignment of shares in the Company to the CEO and General Manager Marco Gobbetti (the "Recipient"), insofar as it pertains to the relevant employment relationship.

The plan was aimed at strengthening the alignment of interests between the Recipient and all the Group's stakeholders, particularly fostering his motivation and loyalty to the Company and the Group, which are key to the implementation of the major change in the Group's business and strategic plan.

Object of the Plan

At the beginning of each year, the Recipient shall be awarded the right to accrue, free of charge, a number of Restricted Shares worth 2,500,000 Euro on an annual basis, determined by dividing said monetary amount by the average value of the shares (i.e., the average of the stock's closing prices) in the 30 days prior to the 1st of January of each year. Each cycle of the Plan lasts for one year, starting on 1 January of each year (for FY2024, from 1 January 2024). Shares under the Restricted Shares Plan will then be assigned at the end of the 12-month vesting period, provided that, in line with the amendments approved by the Shareholders' Meeting on 26 April 2023 in ordinary session:

(1) the Company has met the following minimum targets (so-called underpins) in the reporting period:
   a) a total revenues level at CER (current exchange rates) for the reporting year equivalent to a minimum of 70% of that of the previous year; and
   b) Group ROIC at positive RER (reported exchange rates) for the reporting year, where ROIC is defined as net income for the period (as reported in the Group's annual consolidated financial statements for the reporting year) divided by average adjusted net invested capital (adjusted net capital represented by net invested capital excluding right-of-use assets and those classified as investment property);
(2) the relationship between the Recipient and the Company is still in place at the end of the vesting period of each cycle.

Once assigned, the Restricted Shares are still locked up for 12 months starting on 1 January of each subsequent year (without prejudice to the sell-to-cover mechanism). The lock-up obligation continues even if the relationship is terminated for any reason except for death or total and permanent disability resulting in the termination of the relationship.

Shares in the Company were to be awarded free of charge under the Plan by using treasury shares arising from purchases authorized by the Shareholders' Meeting, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code.

The Restricted Shares Plan incentive is subject to ex-post adjustment mechanisms under the Company's remuneration policies (including claw back and malus clauses).

Changes in the period in the number of rights to receive shares assigned*

		31 December 2024	31 December 2023
(i)	Outstanding at the start of the year	147,732	114,766
(ii)	Assigned in the period	205,255	147,732
(iii)	Canceled in the period	-	-
(iv)	Exercised in the period	(147,732)	(114,766)
(v)	Expired in the period	-	-
(vi)	Outstanding at the end of the period	205,255	147,732
(vii)	Exercisable at the end of the period	-	147,732

* The average price for the period has not been indicated since it is a plan with free assignment of shares

b) Changes to the Stock Grant Reserve

	31 December 2024		31 December 2023	
Fair Value (In thousands of Euro)	Number	Fair value	Number	Fair value
Rights to receive shares assigned to the CEO and General Manager				
- at the start of the year	147,732	2,398	114,766	2,547
- assigned in the year	205,255	2,488	147,732	2,398
- exercised in the year	(147,732)	(2,398)	(114,766)	(2,547)
- at the end of the period	-	-	147,732	2,398

On 6 March 2024, the Board of Directors, with the favorable opinion of the Nomination and Remuneration Committee, determined that the minimum targets (so-called underpins) relating to 2023 had been achieved and, therefore, the CEO and General Manager Marco Gobbetti has accrued the right to receive, free of charge, 147,732 shares of Salvatore Ferragamo S.p.A. ("Restricted Shares 2023") awarded to him on 1 January 2023 under and in pursuance of the provisions of the Restricted Shares Plan. The Restricted Shares 2023, which are entirely made up of treasury shares purchased by Salvatore Ferragamo S.p.A., were transferred to the securities account in the name of the CEO and General Manager in April 2024, on the understanding that they are subject to a twelve-month lock-up period.

The Board of Directors, at its meeting held on 25 January 2024, granted the CEO and General Manager Marco Gobbetti the right to receive, free of charge, 205,255 shares of Salvatore Ferragamo S.p.A. ("Restricted Shares 2024"), effective 1 January 2024. The Restricted Shares 2024 will not be transferred with effect from 1 January 2025, as they have been waived as described above.

c) Fair value measurement

The fair value of the Restricted Shares Plan was determined as the fair value of the shares at the time of assignment, discounted by the expected dividends.

The assumptions for the valuation of the Restricted Shares Plan for the CEO and General Manager are as follows:

Date of assignment	1 January 2024	1 January 2023
Share price at the assignment date (Euro)	12.21	16.49
Fair value per share at the assignment date (Euro)	12.12	16.23

Special Award 2022-2026 Plan

a) Plan description

The Special Award Plan is intended to strengthen the alignment of interests between top management and all the Ferragamo Group's stakeholders in order to create value, providing recipients with an incentive to meet the Company's medium/long-term targets – also reflected in the strategic plan – and boosting retention.

In consideration and for the purpose of pursuing these targets, the Special Award Plan provides for a single cycle subject to a five-year performance period. This timeframe is considered to be appropriate for the achievement of the aforementioned long-term targets pursued through the Special Award Plan.

As at 31 December 2024 and as at the date of this Report, the recipient of the Special Award Plan was the CEO and General Manager of the Company. The Board of Directors, at its sole discretion, may identify additional recipients (at the beginning of the Plan or during the Vesting Period, with the application, in this case, of a *pro-rata temporis parameter* that re-proportions the Special Award Bonus taking into account the actual period of service during the Vesting Period) among the top managers who hold and will hold the role of directors, employees and/or collaborators of the Company and of subsidiaries.

Object of the Plan

The Special Award Plan provides for the disbursement of a "Special Award Bonus" in two installments, respectively: (a) at the end of the first three-year period from 1 January 2022 (i.e. 31 December 2024), once the first target has been reached; and (b) at the end of the following two-year period (i.e. 31 December 2026), once the second target has been reached, subject to the existence at such dates of a management and/or employment relationship between each Recipient and the Company or Subsidiary, on a case by case basis. The disbursement of the "Special Award Bonus", for both installments, will be paid 50% in cash and the remaining 50% in Company shares.

Each installment shall be equal to a percentage (determined by the Company's competent bodies and equal to 0.50% for the CEO and General Manager) of the Company's average capitalization in a period between the three months before and after the end of the first three years and the subsequent two years from the start of the relationship (the "Average Value").

For the portion of the Special Award Bonus that will be paid through the free allocation of Company shares, this shall take place using treasury shares arising from purchases authorized by the Shareholders' Meeting, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code, and/or any specific share capital increases pursuant to Article 2349, paragraph 1, of the Italian Civil Code.

The shares allocated to recipients will be locked up for 3 months.

The Plan's incentive is subject to ex-post adjustment mechanisms under the Company's remuneration policies (including claw back clauses, limited to any conduct that constitutes malice attributable to the recipients).

b) Changes to the Stock Grant Reserve and Plan Cost

(In thousands of Euro)	31 December 2024 Fair value	31 December 2023 Fair value
Rights to receive shares assigned to the CEO and General Manager		
- at the start of the year	5,153	2,576
- assigned in the year	-	-
- at the end of the period*	7,737	5,153

(In thousands of Euro)	2024	2023
Cost of share-based payment transactions (payment in shares)	2,584	2,577
(Cost adjustment)/Cost of share-based payment transactions (payment in cash)	(345)	(1,112)

Following the mutual agreement on the termination of the relationship between the Company and the CEO, on 3 February 2025, with the simultaneous waiver of the 2024 STI and Restricted Shares 2024 LTI bonuses known as "special award" 2022-2026, the following should be noted with reference to the Special Award Plan 2022-2026:

- the first installment (for the 2022-2024 three-year period) was due on 31 December 2024, therefore, as a result of the waiver, in 2025 there will be no disbursements and/or changes in the accumulated cost recognized under personnel costs during the three-year period (2022-2024), which amounts to 5,231 thousand Euro;
- the second installment (for the 2025-2026 two-year period), which is also subject to waiver, has not yet accrued, and in 2025 it will determine a positive change in the income statement of 2,511 thousand Euro, to reflect the failure to achieve the condition of remaining in service.

c) Fair value measurement

Considering the allocation mechanism set out above, the measurement concerns the total fair value of the plan, influenced by the degree to which performance targets related to the Company's share price have been achieved. Therefore, with respect to the accounting standard these are so-called "market-based" targets. Fair value was estimated using stochastic simulation with the Monte Carlo Method that, based on the appropriate assumptions, allowed to define a substantial number of alternative scenarios in the timeframe considered. In particular, in each scenario, the projection of the share price was carried out starting from the initial value, according to a Brownian geometric movement. Expected dividends are included in estimated fair value measurement.

Below are the main assumptions for the evaluation of the Special Award Plan for the CEO and General Manager as at the date of assignment, for the valuation of the installment with share-based payment and, as at the reporting dates (31 December 2024 and 31 December 2023), for the valuation of the installment with payment in cash. The fair value of the installment with payment in cash was measured at each reporting date.

Measurement at assignment	1 January 2022
Date of assignment	1 January 2022
Share price at the assignment date (Euro)	22.53
Expected volatility*	34.00%
Outflow rate	0%
Rate of Return on Salvatore Ferragamo S.p.A. Shares**	(0.07%)

Measurement at the reporting date	31 December 2024	31 December 2023
Date of assignment	1 January 2022	1 January 2022
Share price at the reporting date (Euro)	6.77	12.21
Expected volatility*	31.62%	31.60%
Outflow rate	0%	0%
Rate of Return on Salvatore Ferragamo S.p.A. Shares**	2.19%	3.00%

* Reasonable estimate based on historical volatility calculated with reference to the measurement date.

** Average interest rate swap rates at the measurement date, respectively at the three-year and five-year maturities.

Performance and Restricted Shares 2023-2025 Plan (LTI Plan)

a) Plan description

The Performance and Restricted Shares 2023-2025 Plan, approved by the Shareholders' Meeting of 26 April 2023, is intended to strengthen, as part of the recipients' overall remuneration package, the alignment of management interests with all the Group's stakeholders, boosting specifically their motivation and loyalty (with a view to retention) to Salvatore Ferragamo S.p.A. and the Group, in a logic of sustainability and value creation in the medium and long term. For these reasons, the Plan is divided into three cycles, each with a three-year vesting period. This timeframe seems appropriate to achieve the above objectives.

The Performance and Restricted Shares Plan 2023-2025 is reserved for selected employees and/or directors and/or collaborators of Salvatore Ferragamo S.p.A. and/or other companies belonging to the Ferragamo Group who are considered key to the pursuit of sustainable success in the medium to long term and who have been identified by the Board of Directors of Salvatore Ferragamo S.p.A., after consulting with the Nomination and Remuneration Committee (for each of the Plan cycles) at its sole discretion ("Recipients").

As at 31 December 2024, the Recipients of the Plan were 56 (390,716 rights granted) and they have been identified among the employees of Salvatore Ferragamo S.p.A. and the following subsidiaries: Ferragamo USA Inc., Ferragamo Brasil Roupas e Acessorios Ltda., Ferragamo Japan K.K., Ferragamo Korea Ltd., Ferragamo Hong Kong Ltd., Ferragamo Fashion Trading (Shanghai) Co. Ltd. and Ferragamo Retail HK Limited.

A member of the Board of Directors is among the recipients of the plan.

The Board of Directors, at its sole discretion, may identify additional recipients (during the first vesting year of each cycle, with the application, in this case, of a pro-rata temporis parameter that re-proportions rights taking into account the actual period of service during the Vesting Period) among the top managers who hold and will hold the role of directors, employees and/or collaborators of the Company and of subsidiaries.

Object of the Plan

The Plan is divided into three Cycles. The first covers the 2023-2025 vesting period, the second covers the 2024-2026 vesting period, and the third covers the 2025-2027 vesting period.
Each individual cycle of the Performance and Restricted Shares 2023-2025 Plan includes:

a) the free allocation to the Recipients of a certain number of initial rights (the "Initial Rights") to acquire (each) ownership of 1 share of Salvatore Ferragamo S.p.A., subject to the achievement of retention and performance targets, and, in the aggregate, any number of additional rights at the end of each vesting period;

b) the definition of performance indicators for each cycle during the allocation of Initial Rights;

c) the allocation of shares to the Recipients, depending on the level of the performance indicators achieved and in relation to the achievement of the retention targets, at the end of each vesting period and subject to the verification of the fulfillment of the conditions set out in the Performance and Restricted Shares 2023-2025 Plan.

The vesting of the Initial Rights – divided into an amount equal to 75% of the same, linked to the achievement of retention and performance targets (the "Performance Rights"), and the remaining amount equal to 25% linked to the achievement of retention-only targets (the "Retention Rights") – and the corresponding allocation of the shares will be subject to verification by the Board of Directors:

a) for Performance Rights, of the achievement of the condition of continued employment and/or collaboration and/or management relationship between the recipient and Salvatore Ferragamo S.p.A. and/or any other company of the Ferragamo Group (the "Relationship") at the end of the vesting period of each cycle of the Plan and the achievement of one or more performance indicators at the end of the vesting period of each cycle of the Plan; and

b) for Retention Rights, of the achievement of the sole condition of continued Relationship at the end of the vesting period of each cycle of the Plan.

The relevant indicators for the vesting of Performance Rights for the first Plan Cycle (2023-2025) and the second Plan Cycle (2024-2026) are divided between economic and financial performance indicators (in line with the Strategic Plan) and ESG indicators (in accordance with the recommendations of the Corporate Governance Code and market best practices) and are as follows:

a) average % growth relating to product net sales, which is defined as the sum of DTC and wholesale channel sales (as shown in the financial statements) net of allocations and returns (i.e. excluding other revenue components such as royalties, cash flow hedging effect on revenues, rental income investment properties, etc.);

b) cumulative EBITDA over the 2023-2025 three-year period (for the first Plan Cycle) and over the 2024-2026 three-year period (for the second Plan Cycle), which is defined as operating profit (as shown in the financial statements) before amortization, depreciation and write-downs of tangible/intangible assets and right-of-use assets;

c) i. average ROIC over the 2023-2025 three-year period, which is defined as net income for the period (as reported in the Salvatore Ferragamo Group's annual consolidated financial statements for the reporting year) divided by average adjusted net invested capital (the latter represented by net invested capital excluding right-of-use assets and assets classified as investment property), applicable to the first Plan Cycle only;

ii. Net Cash Flow: difference between Adjusted net financial debt/(surplus) at the end of the 2024-2026 three-year period and Adjusted net financial debt/(surplus) at the end of FY2023, only applicable for the second Cycle;

d) ESG, which represents the level of achievement of targets related to the environmental and social sustainability of the Group's operations.

These targets, with reference to the first Cycle, are:

i. climate metrics: 100% renewable energy in all company locations worldwide by 2029;

ii. Gender pay gap measurement for employees of Salvatore Ferragamo S.p.A. and subsidiaries in North America, Korea and China;

iii. Uni PdR 125/22 certification (i.e. certification on the effective adoption of the gender equality management system in 6 main areas: Culture and strategy, Governance, HR processes, Opportunities for growth and inclusion of women in business, Gender pay equity, Parental protection and work-life balance).

These targets, with reference to the second Cycle, are:

i. Metric on Supply chain: increase the supply chain transparency by mapping 60% of leather suppliers (tier 1 and 2) and acquiring ESG information (focus on social aspects and governance);
ii. measurement of the Gender pay gap, certification of the result, definition of a roadmap, and implementation of initiatives to bridge the gap;
iii. Engagement: Measuring employee engagement by 2024 and improving it in 2026.

The number of Initial Rights is determined by the Board of Directors, subject to the favorable opinion of the Nomination and Remuneration Committee, on the basis of an indicator equal to a multiple/percentage of the fixed remuneration of each recipient and dividing this monetary amount by the average of the official price of the Shares during the 30 days preceding the 1st of January of the year in which each cycle of the Plan begins.

Moreover, at the end of the vesting period of each cycle of the Plan, each recipient will be granted, free of charge, an additional number of rights calculated on the basis of the Initial Rights accrued and the cumulative amount of dividends per Share distributed to the shareholders of Salvatore Ferragamo S.p.A. during the period between the first day of the vesting period and the day preceding the date of grant of the Shares, both inclusive.

The allocation of Shares is further dependent on:

a) continued Relationship (not in notice period); and
b) the absence of particularly serious violations of the Group's Code of Ethics leading to termination of employment.

The shares, in the number corresponding to the total number of rights, will be allocated to the recipients by means of a communication from Salvatore Ferragamo S.p.A. no later than the thirtieth calendar day following the date of approval of the consolidated financial statements for the last year of each cycle.

Shares are to be awarded free of charge under the Plan by using treasury shares arising from purchases authorized by the Shareholders' Meeting, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code.

Changes in the period in the number of rights to receive shares assigned*	31 December 2024	31 December 2023
(i) Outstanding at the start of the year	160,149	-
(ii) Assigned in the period	257,069	164,475
(iii) Canceled in the period	26,502	4,326
(iv) Exercised in the period	-	-
(v) Expired in the period	-	-
(vi) Outstanding at the end of the period	390,716	160,149
(vii) Exercisable at the end of the period	-	-

* The average price for the period has not been indicated since it is a plan with free assignment of shares

b) Changes to the Stock Grant Reserve

	2024		2023	
Fair Value (In thousands of Euro)	Number	Fair value	Number	Fair value
Rights to receive shares assigned to employees of Salvatore Ferragamo S.p.A.				
- at the start of the year	80,247	100	-	-
- assigned in the year	137,313	7	80,247	100
- canceled in the year	15,564	19	-	-
- at the end of the period	201,996	218	80,247	100
Rights to receive shares assigned to employees of subsidiaries				
- at the start of the year	79,902	99	-	-
- assigned in the year	119,756	6	84,228	107
- canceled in the year	10,938	14	4,326	8
- at the end of the period	188,720	230	79,902	99
Total rights to receive shares assigned				
- at the start of the year	160,149	199	-	-
- assigned in the year	257,069	13	164,475	207
- canceled in the year	26,502	33	4,326	8
- at the end of the period	390,716	448	160,149	199

With regard to the first Cycle, with 2023-2025 vesting period, at the starting date of the Plan (which took place in October 2023, following the completion of the verifications in preparation for the communication of the plan to the recipients identified by the Board of Directors, and their formal acceptance), the recipients of the Plan were 47 and 164,475 rights had been assigned. The recipients were initially identified among the employees of Salvatore Ferragamo S.p.A. and the following subsidiaries: Ferragamo USA Inc., Ferragamo Mexico S. de R.L. de C.V., Ferragamo Brasil Roupas e Acessorios Ltda., Ferragamo Japan K.K., Ferragamo Korea Ltd., Ferragamo Hong Kong Ltd., Ferragamo Fashion Trading (Shanghai) Co. Ltd., Ferragamo Retail Taiwan Limited and Ferragamo Retail HK Limited. As at 31 December 2024, the recipients of the Plan were 36 (133,647 rights granted), owing to the departure of seven employees of subsidiaries during 2023 and 2024, and of four employees of Salvatore Ferragamo S.p.A. during 2024. A member of the Board of Directors is among the recipients of the plan.

Based on the forecast data prepared by company management, which represents the best estimate that the Group can make of the economic conditions expected in the three-year period of the first Plan Cycle (2023-2025), the estimates for the achievement of the economic and financial performance targets and ESG indicators have been revised, adjusting the relevant costs also with respect to 2023, as required by accounting standards in the case of the non-market condition. Therefore, the number of rights that will be exercised at the end of the plan was estimated to be 63,483; the stock grant reserve as at 31 December 2024 reflects this adjustment.

With regard to the second Cycle, with 2024-2026 vesting period, at the starting date of the Plan (which took place in December 2024, following the completion of the verifications in preparation for the communication of the plan to the recipients identified by the Board of Directors, and their formal acceptance), the recipients of the Plan were 56 and 257,069 rights had been assigned. The recipients were identified among the employees of Salvatore Ferragamo S.p.A. and the following subsidiaries: Ferragamo USA Inc., Ferragamo Brasil Roupas e Acessorios Ltda., Ferragamo Japan K.K., Ferragamo Korea Ltd., Ferragamo Hong Kong Ltd. and Ferragamo Fashion Trading (Shanghai) Co. Ltd.. As at 31

December 2024, all recipients of the Plan are working in the company. A member of the Board of Directors is among the recipients of the plan.

c) Fair value measurement

The fair value measurement of the rights assigned was based on the financial market conditions valid at the measurement date, using a methodology consistent with the risk neutral approach typical for these plans. In order to quantify the Additional Rights for the purpose of estimating the average stock value as at December 2025 and December 2026, the stochastic simulation with the Monte Carlo Method was used which, based on the appropriate assumptions, allowed to define a substantial number of alternative scenarios in the timeframe considered. In particular, in each scenario, the projection of the share price was carried out starting from the initial value, according to a Brownian geometric movement. Expected dividends are included in estimated fair value measurement.

Measurement at assignment	
Date of assignment	11 October 2023
Share price at the assignment date (Euro)	12.03
Expected volatility*	32.43%
Outflow rate	0%
Rate of Return on Salvatore Ferragamo S.p.A. Shares**	3.58%

* Reasonable estimate based on historical volatility calculated with reference to the measurement date.

** Derived from the interest rate swap curve at the measurement date with reference to the maturity of the plan.

The main assumptions for the evaluation of the Performance and Restricted Shares Plan 2023-2025 at the assignment date, relative to the second Cycle, are as follows.

Measurement at assignment	
Date of assignment	27 December 2024
Share price at the assignment date (Euro)	6.815
Expected volatility*	44.31%
Outflow rate	0%
Rate of Return on Salvatore Ferragamo S.p.A. Shares**	2.19%

* Reasonable estimate based on historical volatility calculated with reference to the measurement date.

** Derived from the interest rate swap curve at the measurement date with reference to the maturity of the plan.

44. Segment reporting

Paragraph 4 of IFRS 8 requires that, should the annual report contain both the consolidated financial statements and the separate financial statements of the Holding company, segment reporting should be presented only by reference to the consolidated financial statements.

45. Transactions with related parties

This section describes the transactions with related parties for the years ended 31 December 2024 and 2023; in particular, the following table shows the overall values of transactions with related parties, excluding transactions with subsidiaries, as detailed below in this paragraph:

31 December 2024

(In thousands of Euro)	Revenues	Operating costs (net of other income)	Financial charges	Right-of-use assets	Trade receivables	Other assets	Trade payables	Other liabilities	Lease liabilities
Holding company									
Ferragamo Finanziaria S.p.A. (company which exercises management and coordination on Salvatore Ferragamo S.p.A.)	58	(87)	(17)	416	-	12,576	-	-	(455)
Related companies									
Palazzo Feroni Finanziaria S.p.A.	25	(9,370)	(3,248)	69,411	1	-	(53)	-	(79,035)
Lungarno Alberghi S.r.l.	12	(2,995)	(574)	13,427	-	-	(84)	-	(15,619)
Ferragamo Foundation	2	(189)	-	-	-	-	(50)	-	-
Companies connected to members of the Board of Directors									
Dal Borro S.r.l.	56	(6)	-	-	35	-	-	-	-
Club Swan Racing S.r.l.	22	(22)	-	-	-	-	-	-	-
Il Borro S.r.l. Società agricola	2	(1)	-	-	-	-	-	-	-
Il Borro Tuscan Bistro S.r.l.	-	(2)	-	-	-	-	-	-	-
Rubino S.r.l.	-	(61)	(1)	-	-	5	(1)	-	-
Sole Studio S.r.l.	1	-	-	-	-	-	-	-	-
Halldis Italia S.r.l.	-	-	-	-	1	-	-	-	-
Other related parties									
Riccardo Ferragamo	-	(76)	-	-	-	-	-	(6)	-
Angiolo Anichini	-	(182)	-	-	-	-	-	(32)	-
Massimo Ferragamo	-	(75)	-	-	-	-	-	-	-
Giovanna Ferragamo	-	(90)	-	-	-	-	-	-	-
Directors, Statutory Auditors and Managers with strategic responsibilities									
Directors, Statutory Auditors and Managers with strategic responsibilities	-	(6,658)	-	-	-	-	-	(277)	-
Total	**178**	**(19,814)**	**(3,840)**	**83,254**	**37**	**12,581**	**(188)**	**(315)**	**(95,109)**
Company's total	**630,795**	**(669,354)**	**(77,376)**	**149,634**	**173,040**	**25,103**	**(259,663)**	**(24,037)**	**(166,225)**
% ratio	**0.0%**	**3.0%**	**5.0%**	**55.6%**	**0.0%**	**50.1%**	**0.1%**	**1.3%**	**57.2%**

31 December 2023

(In thousands of Euro)	Revenues	Operating costs (net of other income)	Financial charges	Right-of-use assets	Trade receivables	Other assets	Trade payables	Other liabilities	Lease liabilities
Holding company									
Ferragamo Finanziaria S.p.A. (company which exercises management and coordination on Salvatore Ferragamo S.p.A.)	57	(85)	(19)	500	-	14	-	(4,942)	(538)
Related companies									
Palazzo Feroni Finanziaria S.p.A.	26	(9,228)	(3,387)	76,524	1,001	6	(212)	-	(83,519)
Lungarno Alberghi S.r.l.	19	(2,796)	(644)	15,564	8	-	(24)	-	(17,654)
Ferragamo Foundation	2	(189)	-	-	-	-	(50)	-	-
Companies connected to members of the Board of Directors									
Dal Borro S.r.l.	42	(24)	-	-	-	-	(2)	-	-
Club Swan Racing S.r.l.	22	(26)	-	-	-	-	-	-	-
Il Borro S.r.l. Società agricola	-	16	-	-	19	-	-	-	-
Il Borro Tuscan Bistro S.r.l.	-	(1)	-	-	-	-	-	-	-
Rubino S.r.l.	-	(55)	(1)	57	-	5	(2)	-	(57)
Windows on Italy S.r.l.	-	-	-	-	1	-	-	-	-
Sole Studio S.r.l.	1	-	-	-	-	-	-	-	-
Halldis Italia S.r.l.	-	(9)	-	-	-	-	1	-	-
Other related parties									
Riccardo Ferragamo	-	(50)	-	-	-	-	-	(3)	-
Giovanna Ferragamo	-	(90)	-	-	-	-	-	-	-
Directors, Statutory Auditors and Managers with strategic responsibilities									
Directors, Statutory Auditors and Managers with strategic responsibilities	8	(10,339)	-	-	-	-	-	(5,063)	-
Total	**177**	**(22,876)**	**(4,051)**	**92,645**	**1,029**	**25**	**(289)**	**(10,008)**	**(101,768)**
Company's total	**734,820**	**(620,122)**	**(67,603)**	**144,677**	**182,345**	**14,139**	**(178,139)**	**(27,593)**	**(158,888)**
% ratio	**0.0%**	**3.7%**	**6.0%**	**64.0%**	**0.6%**	**0.2%**	**0.2%**	**36.3%**	**64.1%**

Sales and purchases between related parties are carried out at normal market prices. The outstanding balances at the end of the period are not backed by guarantees, do not generate interest, and are settled in cash. Bank guarantees were issued in favor of Palazzo Feroni Finanziaria S.p.A. (2,243 thousand Euro), in favor of Lungarno Alberghi S.r.l. (488 thousand Euro), and in favor of Ferragamo Finanziaria S.p.A. (23 thousand Euro): they concerned the leasing of properties owned by said companies. There are no other guarantees, given or received, relating to receivables and payables with related parties. The Company did not make any allocations to the provision for bad debt with respect to the amounts due from related parties. Please note that, as of 2017, the Company has recognized a provision for bad debt with respect to the receivables due from the subsidiary Ferragamo Retail India Private Limited, amounting to 5,499 thousand Euro as at 31 December 2024. For further details, please refer to note 15 "Trade receivables".

Below are the comments to the above tables:

Holding company

Ferragamo Finanziaria S.p.A.

Under the Italian tax consolidation regime in which Salvatore Ferragamo S.p.A. participates together with Ferragamo Finanziaria S.p.A. (consolidating entity), Other current assets included 12,567 thousand Euro, mainly referring to IRES net credit relating to advances paid during 2024 and unused at the end of the year.

Furthermore, Salvatore Ferragamo S.p.A. has one outstanding lease contract with Ferragamo Finanziaria S.p.A. concerning the lease of an industrial shed adjacent to the Osmannoro facility, which the Parent company converted into a design and prototyping laboratory for the development of leather goods. Since it falls within the scope of IFRS 16, the lease was accounted for by recognizing a right-of-use asset, depreciated over the lease term, and a corresponding lease liability.

Related companies

These transactions mainly refer to trade transactions that affected revenues, operating costs, and trade receivables and payables. They include mainly:

- sale of products;
- leases; if they fall within the scope of IFRS 16, they are accounted for accordingly (i.e. by recognizing right-of-use assets, lease liabilities, depreciation expense, and financial charges), otherwise lease payments are recognized through profit or loss on a straight-line basis over the lease term and the relevant payables are included in Trade payables;
- rendering of services.

In particular, the following transactions should be noted:

Palazzo Feroni Finanziaria S.p.A.

Revenues and the relevant receivables largely refer to IT and administrative services.
Right-of-use assets and lease liabilities, operating costs, and finance expense largely refer to leases for the headquarters in Florence and some stores of the Italian chain, which mostly fall within the scope of IFRS 16.

Lungarno Alberghi S.r.l.

Revenues (and the related accounts receivable) refer to product sales; right-of-use assets, lease liabilities, operating costs, and financial charges largely refer to the lease of a space used as a store of the Italian DTC chain, which falls within the scope of IFRS 16.

Ferragamo Foundation

Costs (and the related accounts payable) refer for 99 thousand Euro to the services provided for the management of the Salvatore Ferragamo historical archive (99 thousand Euro in 2023) and for 90 thousand Euro to donations to support the institutional activities of the Foundation (90 thousand Euro in 2023).

Companies connected to members of the Board of Directors

These transactions mainly refer to trade transactions that affected revenues, operating costs, and trade receivables and payables. They include mainly:

- sale of products;
- leases; if they fall within the scope of IFRS 16, they are accounted for accordingly (i.e. by recognizing right-of-use assets, lease liabilities, depreciation expense, and financial charges), otherwise lease payments are recognized through profit or loss on a straight-line basis over the lease term and the relevant payables are included in Trade payables;
- rendering of services.

Other related parties

With respect to the other related parties, costs, and the relevant payables, refer to the cost incurred primarily by the Company under the cooperative relationship in place during the year.

Directors, Statutory Auditors and Managers with strategic responsibilities

For information on Directors and Statutory Auditors, please refer to note 46 "Fees paid to Directors and Statutory Auditors".
The Managers with strategic responsibilities are listed in the following table:

Full name	Role
Giacomo Ferragamo	Chief Transformation & Sustainability Officer
Pierre Giorgio Sallier de La Tour	Chief Financial Officer and Financial Reporting Manager

Costs related to Managers with strategic responsibilities refer to the cost incurred by the Company in connection with the existing employment relationship, including the variable bonus, if applicable, and the imputed cost of the Performance and Restricted Shares 2023-2025 Plan. In 2024, they amounted to 809 thousand Euro (compared to 872 thousand Euro in 2023). Typically, managers with strategic responsibilities receive non-monetary benefits such as cars, mobile phones, and insurance policies.

Intragroup transactions

The following tables show the overall values, in thousands of Euro, of transactions with subsidiaries.

(In thousands of Euro)	Trade receivables		Other current financial assets		Trade payables		Other current financial liabilities	
Company	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Ferragamo Deutschland GmbH	2,231	2,233	3,685	5,500	5,346	5,279	-	-
Ferragamo France S.A.S.	4,100	4,796	327	-	7,951	8,324	-	-
Ferragamo (Suisse) S.A.	- 4	829	6,641	5,022	3,521	2,099	-	-
Ferragamo Monte-Carlo S.A.M.	192	290	2,050	1,600	-	-	-	-
Ferragamo Belgique S.A.	473	419	-	-	485	525	-	-
Ferragamo Espana S.L.	4,283	3,661	-	-	6	10	1,626	-
Ferragamo U.K. Limited	884	1,253	7,598	10,126	7,237	8,295	-	-
Ferragamo Austria Gmbh	700	752	-	-	169	498	3,102	-
Ferragamo Retail Nederland BV	393	488	-	1,400	393	7	847	-
Total Europe	**13,252**	**14,721**	**20,301**	**23,648**	**25,108**	**25,037**	**5,575**	**-**
Ferragamo Hong Kong Ltd.	8,560	24,161	42,173	41,035	51,216	18	-	-
Ferragamo Retail Hong Kong Ltd.	-	-	17,351	-	-	-	-	-
Ferragamo Australia Pty Ltd.	437	1,753	-	-	-	5,871	-	-
Ferragamo Japan KK	4,521	3,851	17,172	17,911	97	352	-	-
Ferragamo Moda (Shanghai) Co. Ltd.	95	48	-	-	-	-	-	-
Ferragamo Retail India Private Limited	-	-	-	-	10	51	-	-
Ferragamo Retail Taiwan Limited	86	53	-	-	-	-	-	-
Ferragamo Retail Macau Limited	5	-	-	-	-	-	-	-
Ferragamo Fashion Trading (Shanghai) Co. Ltd	16,362	432	-	-	9,886	34	-	-
Ferragamo Korea Ltd	7,903	7,937	-	-	7,136	3,007	-	-
Ferragamo (Singapore) PTE LTD	129	122	7,060	6,854	-	-	-	-
Ferragamo Thailand Limited	176	100	9,895	8,611	-	-	-	-
Ferragamo (Malaysia) SDN BHD	38	27	-	-	-	-	-	-
Total Asia Pacific	**38,312**	**38,484**	**93,651**	**74,411**	**68,345**	**9,333**	**-**	**-**
Ferragamo USA Inc. Group	71,583	59,042	78,885	50,307	40,687	16,495	-	-
Total North America	**71,583**	**59,042**	**78,885**	**50,307**	**40,687**	**16,495**	**-**	
Ferragamo Mexico S. de R.L. de C.V.	12,898	22,425	-	-	15,483	1,997	-	-
Ferragamo Chile S.A.	1,748	2,017	-	-	269	247	-	-
Ferragamo Argentina S.A.	2,149	2,464	-	-	-	-	-	-
Ferragamo Brasil Roupas & Acessorios Ltda	8,742	10,053	-	-	1,204	1,620	-	-
Total Central and South America	**25,537**	**36,959**	**-**	**-**	**16,956**	**3,864**	**-**	**-**
Total	**148,684**	**149,206**	**192,837**	**148,366**	**151,096**	**54,729**	**5,575**	**-**

(In thousands of Euro)	Revenues from sales		Revenues from services (including royalties)		Other income		Financial income		Total	
Company	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Ferragamo Deutschland GmbH	3,296	4,441	76	77	50	45	180	117	3,602	4,680
Ferragamo France S.A.S.	7,178	9,416	130	135	108	65	3	5	7,419	9,621
Ferragamo (Suisse) S.A.	2,690	4,461	60	71	32	15	109	92	2,891	4,639
Ferragamo Monte-Carlo S.A.M.	147	500	28	29	8	5	89	56	272	590
Ferragamo Belgique S.A.	482	562	26	21	10	7	-	-	518	590
Ferragamo Espana S.L.	9,962	9,209	121	117	446	62	-	-	10,529	9,388
Ferragamo U.K. Limited	7,386	10,103	115	117	43	40	287	321	7,831	10,581
Ferragamo Austria Gmbh	1,139	1,454	34	38	11	11	-	-	1,184	1,503
Ferragamo Retail Nederland BV	1,425	603	34	33	13	540	31	53	1,503	1,229
Total Europe	**33,705**	**40,749**	**624**	**638**	**721**	**790**	**699**	**644**	**35,749**	**42,821**
Ferragamo Hong Kong Ltd.	98,645	147,989	438	597	157	256	2,450	25,836	101,690	174,678
Ferragamo Retail Hong Kong Ltd.	-	-	38	42	36	31	214	-	288	73
Ferragamo Australia Pty Ltd.	3,211	8,419	330	421	104	83	-	-	3,645	8,923
Ferragamo Japan KK	35,206	36,772	583	693	293	188	154	129	36,236	37,782
Ferragamo Moda (Shanghai) Co. Ltd.	-	-	41	45	61	34	-	-	102	79
Ferragamo Retail India Private Limited	-	-	-	-	-	-	-	-	-	-
Ferragamo Retail Taiwan Limited	-	-	30	36	67	42	-	-	97	78
Ferragamo Retail Macau Limited	-	-	7	6	12	10	-	-	19	16
Ferragamo Fashion Trading (Shanghai) Co. Ltd	23,107	-	244	334	196	244	-	-	23,547	578
Ferragamo Korea Ltd	36,591	50,187	492	604	304	245	-	-	37,387	51,036
Ferragamo (Singapore) PTE LTD	-	-	29	34	38	39	324	658	391	731
Ferragamo Thailand Limited	-	-	11	13	31	20	449	257	491	290
Ferragamo (Malaysia) SDN BHD	-	-	15	17	39	21	-	-	54	38
Total Asia Pacific	**196,760**	**243,367**	**2,258**	**2,842**	**1,338**	**1,213**	**3,591**	**26,880**	**203,947**	**274,302**
Ferragamo USA Inc. Group	152,273	155,132	7,875	7,991	4,682	502	4,672	2,817	169,502	166,442
Total North America	**152,273**	**155,132**	**7,875**	**7,991**	**4,682**	**502**	**4,672**	**2,817**	**169,502**	**166,442**
Ferragamo Mexico S. de R.L. de C.V.	27,843	40,981	544	631	198	246	-	-	28,585	41,858
Ferragamo Chile S.A.	390	1,404	-	-	2	1	-	-	392	1,405
Ferragamo Argentina S.A.	902	738	-	-	4	1	169	-	1,075	739
Ferragamo Brasil Roupas & Acessorios Ltda	4,604	4,758	-	-	13	5	-	-	4,617	4,763
Total Central and South America	**33,739**	**47,881**	**544**	**631**	**217**	**253**	**169**	**-**	**34,669**	**48,765**
Total	**416,477**	**487,129**	**11,301**	**12,102**	**6,958**	**2,758**	**9,131**	**30,341**	**443,867**	**532,330**

(In thousands of Euro)	Purchases of finished products, raw materials, accessories and consumables		Costs for services		Other operating costs		Financial charges		Total	
Company	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Ferragamo Deutschland GmbH	17	16	-	1	5,339	5,276	-	-	5,356	5,293
Ferragamo France S.A.S.	23	29	-	-	7,941	8,317	-	-	7,964	8,346
Ferragamo (Suisse) S.A.	3	-	377	-	2,516	2,099	-	-	2,896	2,099
Ferragamo Monte-Carlo S.A.M.	1	1	-	-	-	-	-	-	1	1
Ferragamo Belgique S.A.	3	3	-	-	483	524	-	-	486	527
Ferragamo Espana S.L.	20	17	-	-	-	-	2	-	22	19
Ferragamo U.K. Limited	-	-	4	44	7,237	8,250	-	-	7,241	8,294
Ferragamo Austria Gmbh	2	1	-	-	165	498	3	-	170	502
Ferragamo Retail Nederland BV	-	7	-	-	392	-	1	-	393	8
Total Europe	**69**	**74**	**381**	**45**	**24,073**	**24,964**	**6**	**-**	**24,529**	**25,089**
Ferragamo Hong Kong Ltd.	-	-	1,194	68	50,038	-	-	254	51,232	322
Ferragamo Retail Hong Kong Ltd.	-	-	-	-	-	-	-	-	-	-
Ferragamo Australia Pty Ltd.	-	-	46	351	-	5,710	-	-	46	6,061
Ferragamo Japan KK	-	-	569	1,061	-	-	-	-	569	1,061
Ferragamo Moda (Shanghai) Co. Ltd.	-	-	-	-	-	-	-	-	-	-
Ferragamo Retail India Private Limited	-	-	150	113	-	-	-	-	150	113
Ferragamo Retail Taiwan Limited	-	-	-	-	-	-	-	-	-	-
Ferragamo Retail Macau Limited	-	-	-	-	-	-	-	-	-	-
Ferragamo Fashion Trading (Shanghai) Co. Ltd	-	-	9,642	34	-	-	-	-	9,642	34
Ferragamo Korea Ltd	-	-	1,101	1,341	6,846	1,684	-	-	7,947	3,025
Ferragamo (Singapore) PTE LTD	-	-	-	-	-	-	-	-	-	-
Ferragamo Thailand Limited	-	-	-	-	-	-	-	-	-	-
Ferragamo (Malaysia) SDN BHD	-	-	-	-	-	-	-	-	-	-
Total Asia Pacific	**-**	**-**	**12,702**	**2,968**	**56,884**	**7,394**	**-**	**254**	**69,586**	**10,616**
Ferragamo USA Inc. Group	-	-	870	628	44,950	16,070	-	-	45,820	16,698
Total North America	**-**	**-**	**870**	**628**	**44,950**	**16,070**	**-**	**-**	**45,820**	**16,698**
Ferragamo Mexico S. de R.L. de C.V.	-	-	800	1,015	15,324	1,777	-	-	16,124	2,792
Ferragamo Chile S.A.	-	-	-	-	269	247	-	-	269	247
Ferragamo Argentina S.A.	-	-	-	-	-	-	-	-	-	-
Ferragamo Brasil Roupas & Acessorios Ltda	-	-	-	-	1,204	1,620	-	-	1,204	1,620
Total Central and South America	**-**	**-**	**800**	**1,015**	**16,797**	**3,644**	**-**	**-**	**17,597**	**4,659**
Total	**69**	**74**	**14,753**	**4,656**	**142,704**	**52,072**	**6**	**254**	**157,532**	**57,062**

46. Fees paid to Directors and Statutory Auditors

Directors

(In thousands of Euro)				2024						
				Fees						
Full name	Position held	Term of office	End of term of office	for the position held	as committee member	Non-monetary benefits	Salaries, bonuses and other incentives	Other fees	Stock Grant	Total
Leonardo Ferragamo	Chair	1.01-31.12	a)	400	-	c)	-	-	-	400
Angelica Visconti	Deputy Chair	1.01-31.12	a)	200	-		-	-	-	200
Marco Gobbetti	CEO and General Manager	1.01-31.12	b)	120	-	c) d) e) f)	2,180	-	2,239	4,539
Giacomo Ferragamo	Director	1.01-31.12	a)	50	-	c) d) e)	457	-	19	526
Patrizia Michela Giangualano	Director	1.01-31.12	a)	50	45		-	-	-	95
Umberto Tombari	Director	1.01-31.12	a)	50	15		-	-	-	65
Laura Donnini	Director	1.01-31.12	a)	50	34		-	-	-	84
Niccolò Ferragamo	Director	23.04-31.12	a)	35	4		-	-	-	39
Sara Ferrero	Director	23.04-31.12	a)	35	40		-	-	-	75
Ernesto Greco	Director	1.01-23.04		11	-		-	29	-	40
Fabio Gallia	Director	23.04-07.05		2	-		-	-	-	2
Annalisa Loustau Elia	Director	1.01-23.04		16	6		-	-	-	22
Frédéric Biousse	Director	1.01-23.04		16	6		-	-	-	22
Total				**1,035**	**150**		**2,637**	**29**	**2,258**	**6,109**

a) upon approval of the 2025 financial statements; b) mutual agreement on the termination of employment effective from the date of approval of the draft financial statements for FY2024, i.e. 6 March 2025; c) car; d) mobile phone; e) insurance policies; f) accommodation.

Statutory Auditors

(In thousands of Euro)			2024				
Full name	Position held	Term of office	End of term of office	Fees for the position held	Other fees*	Other fees received from subsidiaries	Grand total
Andrea Balelli	Chair	01.01-31.12	a)	64	15	-	79
Paola Caramella	Acting Statutory Auditor	01.01-31.12	a)	48	12	-	60
Giovanni Crostarosa Guicciardi	Acting Statutory Auditor	01.01-31.12	a)	48	12	-	60
Total				**160**	**39**	**-**	**199**

a) upon approval of the 2025 financial statements
* Other fees refer to amounts due for the position as Chair or member of the Supervisory Body pursuant to Italian Legislative Decree 231/2001
Please note that the members of the Board of Statutory Auditors have not received other fees from Group companies.

It should be noted that for Directors and Statutory Auditors no severance indemnities are envisaged.

47. Commitments and risks

The breakdown of the commitments and risks is as follows:

(In thousands of Euro)	31 December 2024	31 December 2023
Sureties and guarantees provided by third parties to third parties in the interests of the Company	8,137	9,945
Sureties and guarantees provided by third parties to third parties in the interests of Group companies	9,916	9,654
Guarantees provided by the Company to third parties in the interests of Group companies	109,027	88,969
Total	**127,080**	**108,568**

The Sureties and guarantees provided by third parties in the interests of the Company consist of bank sureties and guarantees on leases.

The sureties and guarantees provided by third parties in the interests of Group companies represent the sureties and guarantees on leases entered into by Group companies, including a guarantee for 6 million US Dollars (equal to 5,775 thousand Euro) relating to a lease of the Ferragamo USA Group.

The guarantees provided by the Company to third parties in the interests of Group companies are mainly in favor of banks to guarantee credit lines which may be used locally.

48. Public funds – Disclosure as per Article 1, paragraphs 125-129 of Italian Law 124/2017

Pursuant to Article 1, paragraph 125, of Italian Law 124/2017, as for the requirement to disclose in the explanatory notes any sums of money received during the financial year by way of grants, contributions, paid assignments, or other economic benefits of any kind from public administrations and entities referred to in paragraph 125 of the same Article, in 2024 Salvatore Ferragamo S.p.A. did not receive any grants, contributions, paid assignments, or other economic benefits of any kind from public administrations. In accordance with Article 3-quater of Italian Law Decree 135/2018, converted with the relevant amendments into Law no. 12 of 11 February 2019, with respect to the funds received, please refer to the information in the National State Aid Register as per Article 52 of Italian Law no. 235 of 24 December 2012.

49. Significant non-recurring events and transactions

During FY2024, the Company did not carry out significant non-recurring transactions, and no significant non-recurring events occurred.

50. Transactions arising from atypical and/or unusual transactions

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

51. Information on the direct and indirect subsidiaries of Salvatore Ferragamo S.p.A.

The direct and indirect subsidiaries of Salvatore Ferragamo S.p.A. as at 31 December 2024 are detailed below:

				31 December 2024		
				Controlling interest (%)		
Company name	Location	Currency	Share capital	Direct	Indirect	Notes
Ferragamo Retail Nederland B.V.	Amsterdam, the Netherlands	Euro	500,000	100%		
Ferragamo France S.A.S.	Paris, France	Euro	4,334,094	100%		
Ferragamo Deutschland GmbH	Munich, Germany	Euro	3,300,000	100%		
Ferragamo Austria GmbH	Vienna, Austria	Euro	1,853,158	100%		
Ferragamo U.K. Limited	London, United Kingdom	Pound Sterling	7,672,735	100%		
Ferragamo (Suisse) SA	Mendrisio, Switzerland	Swiss Franc	1,000,000	100%		
Ferragamo Belgique SA	Brussels, Belgium	Euro	750,000	100%		
Ferragamo Monte-Carlo S.A.M.	Principality of Monaco	Euro	304,000	100%		
Ferragamo Espana S.L.	Madrid, Spain	Euro	4,600,000	100%		
Ferragamo USA Inc.	New York, United States	US Dollar	74,011,969	100%		
Ferragamo Canada Inc.	Vancouver, Canada	Canadian Dollar	4,441,461		100%	(1)
S-Fer International Inc.	New York, United States	US Dollar	4,600,000		100%	(1)
Sator Realty Inc.	New York, United States	US Dollar	100,000		100%	(1)
Ferragamo Mexico S. de R.L. de C.V.	Mexico City, Mexico	Mexican Peso	4,592,700	99.73%	0.27%	(1)
Ferragamo Chile S.A.	Santiago, Chile	Chilean Peso	3,187,970,000	99%	1%	(1)
Ferragamo Argentina S.A.	Buenos Aires, Argentina	Argentine Peso	1,050,100,000	95%	5%	(1)
Ferragamo Brasil Roupas e Acessorios Ltda.	Sao Paulo, Brazil	Brazilian Real	55,615,000	99%	1%	(1)
Ferragamo Hong Kong Ltd.	Hong Kong, China	Hong Kong Dollar	10,000	100%		
Ferragamo Japan K.K.	Tokyo, Japan	Japanese Yen	305,700,000	89.13%		
Ferragamo Australia Pty Ltd.	Sydney, Australia	Australian Dollar	13,637,003	100%		
Ferrimag Limited	Hong Kong, China	Hong Kong Dollar	109,200,000		100%	(2)
Ferragamo Fashion Trading (Shanghai) Co. Ltd.	Shanghai, China	US Dollar	200,000		100%	(3)
Ferragamo Moda (Shanghai) Co. Ltd.	Shanghai, China	US Dollar	1,400,000	100%		
Ferragamo Retail HK Limited	Hong Kong, China	Hong Kong Dollar	88,000,000		100%	(3)
Ferragamo Retail Taiwan Limited	Taipei, Taiwan	New Taiwanese Dollar	136,250,000		100%	(3)
Ferragamo Retail Macau Limited	Macau, China	Macau Pataca	17,275,000	100%		
Ferragamo Retail India Private Limited	New Delhi, India	Indian Rupee	300,000,000	100%		(4)
Ferragamo Korea Ltd.	Seoul, South Korea	South Korean Won	3,291,200,000	100%		
Ferragamo (Singapore) Pte Ltd	Singapore	Singapore Dollar	47,600,000	100%		
Ferragamo (Thailand) Limited	Bangkok, Thailand	Baht	220,000,000	100%		
Ferragamo (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	Malaysian Ringgit	1,300,000	100%		

1.Through Ferragamo USA Inc.;
2.Through Ferragamo Hong Kong Ltd.;
3.Through Ferrimag Limited;
4.Non-operating company.

52. Significant events occurred after 31 December 2024

On 3 February 2025, the Company and Marco Gobbetti reached a mutual agreement on the termination of employment and administrative relationship, effective from the date of approval of the draft financial statements for FY2024, i.e. 6 March 2025, as announced to the market on the same date.

In addition, it was announced that: (i) Marco Gobbetti will be entitled to receive his salary and fixed remuneration until the date of termination, and to maintain certain fringe benefits until 31 December 2025, (ii) Marco Gobbetti will be paid, within 30 days of termination of the relationships, a total gross amount of 4,450 thousand Euro for the termination of employment relationship and a gross amount of 50 thousand Euro for the waivers granted in relation to the execution and termination of the relationships, including, in particular, the waiver of the 2024 STI and Restricted Shares 2024 LTI (Special Award 2022-2026) bonuses; (iii) with reference to the governance of the Company for the period between 6 March 2025, and the date of appointment of the new Chief Executive Officer, the executive powers will be conferred on the Chair, who will propose a distribution of delegated powers and will be supported in the transition by an advisory committee composed of experts with consolidated experience in the sector and who have already worked in top management positions within the Company – namely, James Ferragamo, Ernesto Greco and Michele Norsa (who will take on the role of Chairman Special Advisor) – to consolidate the new phase of sustainable development of the brand's founding values, building on the work done so far with the aim of entering a new phase in the renewal process, accelerating its implementation and strengthening its fundamental link with the brand's heritage.

Further to the announcement made on 3 February 2025, Marco Gobbetti officially resigned from his administrative positions with the Company, effective 6 March 2025, in accordance with the mutual termination agreement reached between the parties. At the same time, Marco Gobbetti's duties and responsibilities towards the Company ended in accordance with the same mutual termination agreement.

The Board of Directors, which met on the same day, determined that co-opting a new member was not necessary, leaving the relevant decisions to the Shareholders' Meeting scheduled for 16 April 2025.

At the same meeting, at the proposal of the Chair and with the favorable opinion of the Nomination and Remuneration Committee, the Board of Directors also made certain decisions regarding the corporate offices, redistributing the delegated powers. This will remain in effect until a new Chief Executive Officer is identified through an efficient and effective search process. Specifically, Executive Chair Leonardo Ferragamo and Directors James Ferragamo and Ernesto Greco were granted management powers. The support of the Chair Advisory Committee, composed of the Directors with delegated powers and the Chairman Special Advisor, Michele Norsa, remains confirmed, as communicated on 3 February 2025.

In the light of the new structure, in accordance with Recommendation no. 13 of the Corporate Governance Code and Article 5 of the Board of Directors Regulation, Patrizia Michela Giangualano was appointed as lead independent director.

At the meeting held on 6 March 2025, the Board of Directors, *inter alia*: (i) approved the draft Separate Financial Statements as at 31 December 2024, the Consolidated Financial Statements as at 31 December 2024, and the Directors' Report on Operations for 2024, containing the Ferragamo Group's Sustainability Report prepared in accordance with the new provisions introduced by the Corporate Sustainability Reporting Directive ("CSRD"), implemented by Italian Legislative Decree 125/2024, and with the European Sustainability Reporting Standards ("ESRS") prepared by EFRAG and issued by the European Commission through Delegated Regulation (EU) 2023/2772; (ii) approved the Corporate Governance Report for 2024, prepared by the Company pursuant to Article 123-bis of the Consolidated

Law on Finance; (iii) approved, with the favorable opinion of the Nomination and Remuneration Committee, the Remuneration Policy Report 2025 and Fees Paid 2024, prepared pursuant to Article 123-ter of the Consolidated Law on Finance, Article 84-quater and Annex 3A, Scheme 7-bis of CONSOB Regulation no. 11971/1999 as amended, and Article 5 of the Corporate Governance Code for listed companies; for approval by the next Shareholders' Meeting. For further details, please refer to the documentation made available on the Company's website https://group.ferragamo.com/en, section governance/shareholders-meetings/2025; (iv) resolved to call the Ordinary and Extraordinary Shareholders' Meeting of Salvatore Ferragamo S.p.A. for 16 April 2025; and (v) confirmed the appointment of the CFO and Financial Reporting Officer as the Sustainability Reporting Officer for 2025.

53. Proposal to approve the financial statements and allocation of profit

The Board of Directors of Salvatore Ferragamo S.p.A., in relation to the results achieved in 2024, proposes to:

1. approve the Separate Financial Statements for 2024;
2. cover the loss for 2024, totaling 70,534,828 Euro, by using the Extraordinary Reserve.

Disclosure pursuant to Article 149-duodecies of the Issuers' Regulation

(In thousands of Euro)				
Type of services	**Subject which supplied the service**	**Recipient**	**Notes**	**Total fees for 2024**
Audit	Parent company's Independent Auditors	Parent company		371
Other services	i) Parent company's Independent Auditors	Parent company	1	198
	ii) Network of the Parent company's Independent Auditors	Parent company		-
Total				**569**

1) The item primarily refers to the certification of the Consolidated Non-Financial Statement and to the certifications of the Research and Development credit.

Florence, 6 March 2025

On behalf of the Board of Directors

The Chair
Leonardo Ferragamo

Statement pursuant to Article 154-bis of Italian Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance)

1. The undersigned Marco Gobbetti in his capacity as "Chief Executive Officer" and Pierre Giorgio Sallier de la Tour in his capacity as "Financial Reporting Manager" of Salvatore Ferragamo S.p.A. certify, having also taken account of the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998:

   - the adequacy in relation to the company's structure; and
   - the effective application of the administrative and accounting procedures for the preparation of the separate financial statements for the period 1 January-31 December 2024.

2. The adequacy of the administrative and accounting procedures for the preparation of the separate financial statements for 2024 has been assessed on the basis of the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is the generally accepted model internationally.

3. It is also certified that
   3.1 The separate financial statements as at 31 December 2024:
      a. have been prepared in accordance with the applicable international accounting standards as endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council, dated 19 July 2002, and subsequent integrations;
      b. correspond with accounting books and records;
      c. are suitable to provide a true and fair representation of the financial conditions, results of operations and cash flows of the Company.

   3.2 The Directors' report on operations includes a reliable analysis of operating performance and results, as well as of the situation of the Company, together with a description of the main risks and uncertainties to which it is exposed.

Florence, 6 March 2025

Chief Executive Officer
Marco Gobbetti

Financial Reporting Manager
Pierre Giorgio Sallier de La Tour



REPORT OF THE BOARD OF STATUTORY AUDITORS

Report of the Board of Statutory Auditors to the Shareholders' Meeting

(pursuant to Article 153 of Italian Legislative Decree 58/1998)

Dear Shareholders,

The Board of Statutory Auditors of Salvatore Ferragamo S.p.A. (hereinafter also referred to as "Ferragamo" or "Company"), pursuant to Article 153 of Italian Legislative Decree 58/1998 ("TUF", which stands for *Testo Unico della Finanza* – Consolidated Law on Finance), shall report to the Shareholders' Meeting convened for the approval of the financial statements on the supervisory activities carried out during the year as well as any potentially material omissions or reprehensible events. In addition, the Board of Statutory Auditors shall also make proposals regarding the financial statements and their approval as well as the matters within its area of responsibility.

This report concerns the work performed by the Board of Statutory Auditors during the year ended 31 December 2024 (hereinafter also referred to as "Report").

The separate financial statements for 2024 closed with a loss of 70.5 million Euro compared to a profit of 87 million Euro in the previous year. At a consolidated level, the Group loss amounted to 68.1 million Euro, compared to a profit of 26.1 million Euro in the previous year.

Introduction

In the year ended 31 December 2024, the Board of Statutory Auditors performed the supervisory activities required by law in accordance with the standards of conduct recommended by the Italian National Board of Accountants and Auditors (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*), Consob's regulations on corporate controls, and the guidance in the Corporate Governance Code approved in January 2020 by the Corporate Governance Committee.

The activities described below were formally recorded in the minutes of the 19 meetings the Board of Statutory Auditors held during 2024, and the 5 meetings held in 2025 up to the date of this Report.

Throughout the year, the Board of Statutory Auditors alternated between in-person meetings, also held at the Company's headquarters, and remote videoconferences.

Appointment of the Board of Statutory Auditors

The Board of Statutory Auditors in office as at the reporting date was appointed, based on a slate-voting system, in accordance with the law and the bylaws, also taking into account the provisions on gender balance, by the Shareholders' Meeting of 26 April 2023 and consists of Andrea Balelli (Chair), Paola Caramella (Acting Statutory Auditor), and Giovanni Crostarosa Guicciardi (Acting Statutory Auditor).

The same Meeting also appointed the Substitute Statutory Auditors Roberto Coccia and Antonietta Donato.

Supervisory activities pursuant to Article 149 of the TUF

Pursuant to Article 149 of the TUF, the Board of Statutory Auditors supervises:

- compliance with the law and the bylaws;
- adherence to the principles of sound management;
- the adequacy of the Company's organizational structure as far as matters within its area of responsibility are concerned, the internal control system, and the administrative-accounting system – as well as the latter's reliability in presenting fairly the Company's operations;
- the implementation of the corporate governance rules set out in the codes of conduct issued by regulated market operators or trade associations that the Company has formally adopted through public disclosures;
- the adequacy of the instructions the Company gives to subsidiaries pursuant to Article 114, paragraph 2 of the TUF.

Supervision of compliance with the law and the bylaws

The Board of Statutory Auditors acquired the information necessary for the performance of the supervisory duties assigned to it through: *i) attending, as a body or with the presence of at least one member, the meetings of the Board of Directors and Board Committees, ii) hearings of the Company's and Group's management, and iii) meetings with the independent auditors.*

In particular, with specific reference to the Board Committees, the Board of Statutory Auditors has always attended the meetings (i) of the Control and Risks Committee – which acts also as the Committee responsible for Transactions with Related Parties and corporate sustainability – and (ii) of the Nomination and Remuneration Committee.

Events that materially impacted financial performance, financial position, and cash flows during the year

The Board of Statutory Auditors has obtained information on the operations carried out and the transactions that materially impacted on the Company's financial performance, financial position, and cash flows, as well as the Group's strategic guidelines, from the Directors on a monthly basis. The Board of Statutory Auditors can provide reasonable assurance that the transactions authorized and conducted by the Company comply with the law and the bylaws and are not manifestly imprudent, risky, in conflict of interest, contrary to the decisions of the Shareholders' Meeting, or such as to compromise the integrity of corporate assets. In addition, there were no atypical or unusual transactions;

Specifically, the Board of Statutory Auditors reports that the following significant transactions and events occurred in 2024.

On 23 April 2024, following the Shareholders' Meeting that appointed the current Board of Directors, Marco Gobbetti was confirmed as Chief Executive Officer of the Company. In addition, in line with the previous term, some powers were granted to the Chair, Leonardo Ferragamo, and to

the Deputy Chair, Angelica Visconti. At the same meeting, Pierre La Tour was appointed Financial Reporting Manager, pursuant to Article 154-bis of the TUF.

On 9 May 2024, the existence of the requirements for the integrity and independence of directors was verified and the establishment of the Board Committees was approved.

On 20 June 2024, the Board of Directors: (i) approved the Modern Slavery Statement 2023; (ii) approved the appointment of the new Head of Internal Audit with effect from 1 August 2024.

On 1 August 2024, the Board of Directors: (i) approved the update of the Strategic Plan; (ii) approved the Consolidated Half-Year Report as at 30 June 2024; (iii) approved the organizational and governance guidelines of the Tax Compliance Framework (the Tax Compliance Model and the Interpretative Risk Management Policy); and (iv) updated the 2024 Audit plan.

On 15 October 2024, it resolved: (i) to co-opt a director pursuant to Article 2386 of the Italian Civil Code and (ii) to convene the Ordinary and Extraordinary Shareholders' Meeting for 26 November 2024.

On 28 October 2024, the Board of Directors: (i) appointed Pierre La Tour, former CFO and Financial Reporting Manager, as Manager in charge of certifying the Sustainability Report for FY2024 in accordance with Article 154-bis, paragraph 5-ter, of the TUF; (ii) approved the update of the Organizational Model pursuant to Legislative Decree 231/01.

On 19 December 2025, the Board of Directors approved: (i) the 2025 Budget; (ii) the 2025-2027 Sustainability Plan; (ii) the update of the Organizational Model pursuant to Legislative Decree 231/01; (iv) the proposal to derogate from the Company's 2024 Remuneration Policy in relation to the Short-term Incentive Plan ("2024 STI Plan").

In addition, the following significant transactions and events occurred in 2025 up to the reporting date should be reported.

On 30 January 2025, the Board of Directors approved the Regulation for the Manager in charge of certifying the Sustainability Report pursuant to Article 154-bis, paragraph 5-ter, of the TUF.

On 3 February 2025, a mutual agreement was reached between the Company and Marco Gobbetti on the termination of the employment and administrative relationship, effective from the date of approval of the draft financial statements for FY2024.

On 6 March 2025, the Board of Directors: (i) approved the draft separate financial statements and the consolidated financial statements as at 31 December 2024, accompanied by the Sustainability Report for 2024, pursuant to Italian Legislative Decree 125/2024 (ii) approved the final sheets concerning the variable remuneration related to the Short-Term Incentive for the Head of Internal Audit for FY2024; (iii) approved the Remuneration Policy Report 2025 and Fees Paid 2024; (iv) noted the resignation tendered by the CEO on the same date and approved, for the period between 6 March 2025 and the appointment of the new CEO, a redistribution of management powers to the Chair and Directors Ernesto Greco and Giacomo (James) Ferragamo; (v) appointed a Lead Independent Director pursuant to Recommendation 13 lett. a) of the Corporate Governance Code and Article 5 of the Board of Directors Regulation; (vi) confirmed Pierre La Tour, already Group CFO and Financial Reporting Manager, as the Manager in charge of certifying the Sustainability

Report for FY 2025, in accordance with the provisions of Article 154-bis, paragraph 5-ter, of the TUF.

The Board of Statutory Auditors also reports that during the financial year it:

- performed the functions of the Supervisory Body pursuant to Article 6 of Legislative Decree 231/2001, as its members had been appointed as members of that Body; as such, it examined the matters addressed by said decree and found no significant reprehensible issues or events;
- held regular meetings with representatives of the independent auditors to mutually exchange data and information material to the discharge of the respective duties in accordance with Article 150, paragraph 3 of the TUF. In this regard, there is no material data or information to be disclosed in this report;
- did not receive any complaints as per Article 2408 of the Italian Civil Code;
- issued opinions on the remuneration of directors holding specific positions in accordance with Article 2389, paragraph 3 of the Italian Civil Code;
- expressed its mandatory opinion on the appointment of the Financial Reporting Officer pursuant to Article 154-bis of the TUF;
- issued opinions on the so-called "non-audit fees" for non-audit services rendered by the independent auditors, in accordance with applicable laws and the Company's internal procedure, examining specifically their impact on independence, with nothing to report in this regard.

In addition, concerning the Company's bodies and functions, the Board of Statutory Auditors reports that:

- the Board of Directors held 12 meetings in 2024;
- the Control and Risks Committee met 13 times in 2024 (of which 9 times acting as the Related Party Transactions Committee);
- the Nomination and Remuneration Committee held 10 meetings in 2024 (of which 8 times acting as the Nomination Committee);
- the Supervisory Body as per Italian Legislative Decree 231/2001 held 13 meetings in 2024.

Supervision of compliance with the principles of sound management and the adequacy of the organizational structure

The Board of Statutory Auditors:

- obtained information on and supervised, within the scope of its responsibilities, the adequacy of the Company's organizational structure and adherence to the principles of sound management through direct observation, as well as by gathering information from the heads of corporate departments and meeting with the independent auditors to mutually exchange material data and information. The Board of Statutory Auditors has nothing to report in this regard and considers the Company's organizational structure to be essentially suitable for its needs and those of the Group as well as for ensuring compliance with the principles of sound management;
- assessed and supervised the adequacy of the administrative-accounting system, as well as its reliability in presenting fairly the Company's operations, by obtaining information from the heads of the relevant departments, examining business documents, and analyzing the work of the independent auditors. The Board of Statutory Auditors has nothing to report in this regard.

The Board of Statutory Auditors has ascertained that directors and statutory auditors receive adequate supporting documents about the items on the agenda of Board of Directors' meetings with reasonable advance notice.

Based on the information acquired, the Board of Statutory Auditors acknowledges that management makes decisions in an informed and reasonable manner and directors are aware of the risks and impacts of the transactions carried out.

The Board of Statutory Auditors did not find any significant atypical and/or unusual transactions, including intragroup transactions as well as intragroup and non-intragroup related-party transactions.

In addition, the Board of Statutory Auditors also assessed the adequacy of the information disclosed in the Directors' report on operations on the lack of significant atypical and/or unusual transactions.

Supervision of the actual implementation of corporate governance rules

Pursuant to Article 149, paragraph 1, lett. c-bis of the TUF concerning the supervision by the Board of Statutory Auditors of "*the actual implementation of the corporate governance rules set out in the codes of conduct issued by regulated market operators or trade associations that the company has formally adopted through public disclosures*", the Board of Statutory Auditors supervised:

- the actual implementation of the corporate governance rules set out in codes of conduct that the Company has formally adopted through public disclosures. Pursuant to Article 123-bis of the TUF, the Company prepared the annual report on corporate governance and ownership structure (Corporate Governance Report) for 2024, in accordance with the corporate governance report format, 10th edition, approved by the Corporate Governance Committee in December 2024, and approved by the Board of Directors on 6 March 2025, which includes information about (i) the Company's ownership structure; (ii) the Company's actual corporate governance practices; (iii) the key characteristics of the existing risk management and internal control systems, including as far as the separate and consolidated financial reporting process is concerned; (iv) the functioning of the Shareholders' Meeting, its main powers, the rights of Shareholders, and how they can exercise them; (v) the information required by the ESRSs on corporate governance, taking into account the new sustainability reporting requirements under Article 4 of Italian Legislative Decree 125/2024; (vi) the composition and functioning of the governing and control bodies and the relevant committees, as well as the other disclosures required by Article 123-bis of the TUF;
- the assessments carried out by the directors regarding the Recommendations for 2025 formulated by the Chair of the Corporate Governance Committee and sent, among others, to the Chairs of the control bodies of listed companies on 17 December 2024;
- the adoption and implementation of the Remuneration Policy for Directors and Managers with strategic responsibilities, in accordance with the Corporate Governance Code;
- the LTI Share Plan called Performance and Restricted Shares 2023-2025 aimed at Group managers, in line with the provisions of the Corporate Governance Code;
- the implementation of the Share Plan called Restricted Shares;
- the implementation of the procedure for the commissioning of services to the independent auditors within the Ferragamo Group during the year.

In addition, the Board of Statutory Auditors acknowledges that: (i) in accordance with the requirements in Article 148, paragraph 3 of the TUF and the guidance provided by the Italian National Board of Accountants and Auditors as well as the Corporate Governance Code, it verified whether its members met the independence, professional expertise, competence and honesty requirements as per applicable laws; (ii) it found that the criteria and procedures adopted by the Board of Directors for the annual assessment of the independence of its independent directors were properly implemented, and that the Board of Directors conducted an analysis based on substantiated evidence and consistent with the decisions concerning the identification of Ferragamo's related parties. The assessment of independence was carried out during the year, and the Board has no comments to make in this regard; and (iii) it supervised the process aimed at adopting the policy for the remuneration of directors and managers with strategic responsibilities, in line with the provisions of the Corporate Governance Code.

Supervision of the adequacy of the instructions the Company gives to subsidiaries

Pursuant to Article 114, paragraph 2 of the TUF: (i) listed issuers give the instructions necessary for the subsidiaries to disclose all information required to meet disclosure requirements in accordance with the law; (ii) the subsidiaries provide the requested disclosures in a timely manner.

The Board of Statutory Auditors supervised the adequacy of the instructions given to subsidiaries and found that the Company is able to promptly and regularly meet disclosure requirements in accordance with the law – including by gathering information from the heads of organizational functions and regularly meeting with the independent auditors to mutually exchange material data and information. The Board of Statutory Auditors has nothing to report in this regard.

In addition, the Boards of Directors of the subsidiaries generally include among their members Directors and/or Managers of the Parent company vested with executive powers, thus ensuring a coordinated management and an adequate flow of information supported by appropriate accounting records.

Intragroup or related-party transactions

In accordance with Article 2391-bis of the Italian Civil Code as well as Consob resolution no. 17221 of 12 March 2010 containing provisions on transactions with related parties "Related-Party Transactions Regulation" (as amended), on 30 March 2011, Ferragamo's Board of Directors, with the favorable opinion of the Related Party Transactions Committee – which consists only of independent directors (and is appointed for this purpose with a specific resolution of the Board of Directors in accordance with Article 4, paragraph 1 of said Regulation) – adopted the "Related Party Transaction Procedure", which was subsequently last updated on 3 August 2023.

Pursuant to Article 4 of said Regulation, we certify that the Procedure adopted by the Company (i) is consistent with the principles set out in the Regulation, and (ii) is published on the Company's website (*https://group.ferragamo.com*).

Based on the acquired information, in 2024 several transactions with related parties were carried out both within the Group and with third parties. As far as we know, based also on our supervisory work, transactions with related parties were carried out essentially in accordance with said procedure and the Regulation.

The main transactions with related parties authorized in 2024 concerned: (i) the agreements with Lungarno Alberghi S.r.l. for the accommodation of guests during the events of the 2024 Milan Fashion Week; ii) payment of an additional fixed annual remuneration to the Chair of the Board of

Directors and to the Deputy Chair; iii) a framework agreement with the same related party identified above for the accommodation of its guests during the 2025 Milan Fashion Week events; and iv) the signing of a consultancy agreement with a Director.

The additional intragroup transactions we examined appear to be part of the ordinary course of business, as they concern commercial services as well as the exchange of administrative, financial and organizational services. These transactions were carried out on arm's length terms, determined in accordance with standard parameters reflecting the actual use of the services concerned, and were in the interest of the Company. The transactions with non-intragroup related parties that we examined also appear to be part of the ordinary course of business (as they fall within day-to-day operating activities or the relevant financing activities) and were concluded on arm's length or standard terms. The transactions with related parties are disclosed in the Explanatory notes to the separate and consolidated financial statements along with the relevant economic impact.

In our opinion, all said transactions were carried out in the interest of the Company.

Supervision pursuant to Italian Legislative Decree no. 39/2010

Pursuant to Article 19 of Italian Legislative Decree no. 39/2010, as amended by Italian Legislative Decree 135/2016), the Board of Statutory Auditors (referred to as the "Internal Audit Committee") shall:

- notify the audited entity's governing body of the audit findings, as well as submit the additional report as per Article 11 of Regulation (EU) no. 537/2014 to said body along with any observations;
- monitor the financial reporting process;
- monitor the effectiveness of the internal control, internal audit and risk management systems;
- monitor the statutory audit of the annual and consolidated financial statements;
- verify and monitor the independence of statutory auditors or independent auditors pursuant to Articles 10, 10-bis, 10-ter, 10-quater, and 17 of said decree as well as Articles 6 of the EU Regulation, concerning especially the adequacy of non-audit services provided to the audited entity, in accordance with Article 5 of said Regulation;
- oversee the procedure for the selection of statutory auditors or independent auditors and recommend the statutory auditors or independent auditors to be appointed pursuant to Article 16 of the EU Regulation.

The Board of Statutory Auditors worked with the Control and Risks Committee, established within the Board of Directors, in order to coordinate the respective duties and avoid potential overlaps.

In this regard, the practice introduced at Ferragamo of inviting the entire Board of Statutory Auditors to the meetings of the Control and Risks Committee makes relations fluid and facilitates coordination and exchange of information between the two bodies, even when the activities of the Control and Risks Committee refer to issues of specific relevance for the purposes of Italian Legislative Decree No. 39/2010 and the supervisory matters mentioned above.

Concerning specifically the activities set out in Italian Legislative Decree 39/2010 on Statutory Auditing, we report the following.

Disclosure of the audit findings and the Additional Report as per Article 11 of Regulation (EU) no. 537/2014 to the Governing Body

Pursuant to Article 19 of Italian Legislative Decree 39/2010, the Board of Statutory Auditors notified the governing body of the audit findings as well as submitted the additional report as per Article 11 of Regulation (EU) no. 537/2014, issued by the independent auditors on today's date.

Supervision of the financial reporting process

The Board of Statutory Auditors has ascertained the existence of rules and procedures concerning the preparation and disclosure of financial information. In this regard, the Corporate Governance Report reflects the guidelines of the internal control and risk management system as well as appropriate financial reporting methods and procedures.

The Board of Statutory Auditors, with the help of the Financial Reporting Manager, examined the procedures concerning the preparation of the Company's separate financial statements and the consolidated financial statements, as well as the other interim financial reports. In addition, the Board of Statutory Auditors obtained evidence of the process allowing the Financial Reporting Manager as well as the competent Director to issue the certifications required by Article 154-bis of the TUF.

The Board of Statutory Auditors learned that the administrative/accounting procedures for the preparation of the financial statements and any other financial disclosures are overseen by the Financial Reporting Manager, who, together with the CEO, certifies their adequacy and actual implementation for the purposes of preparing the separate and consolidated financial statements as well as the half-year report.

On 6 March 2025, the CEO and the Financial Reporting Manager issued the certifications of the consolidated and separate financial statements required by Article 154-bis of the TUF according to the templates complying with the provisions of Article 81-ter of Consob Regulation No. 11971/1999 as amended and supplemented.

Therefore, the Board of Statutory Auditors considers the financial reporting process to be adequate and has nothing to report to the Shareholders' Meeting.

Supervision of the effectiveness of internal control, internal audit and risk management systems

The Board of Statutory Auditors, including together with the Control and Risks Committee, regularly met with the *pro-tempore* Head of Internal Audit and was informed about both the findings of the audits aimed at verifying the adequacy and operation of the internal control system – in accordance with the law as well as corporate procedures and processes – and the implementation of the relevant plans for improvement. In addition, the Board of Statutory Auditors received the Audit Plan for FY2025, approved by the Board of Directors on 30 January 2025 (on which the Control and Risks Committee and the Board of Statutory Auditors issued a favorable opinion at the meeting held on 24 January 2025) as well as regular updates on the progress on the 2024 Plan and any potential corrective actions. In addition, it received the Report of the Head of Internal Audit for the year 2024, as well as the Control and Risks Committee's report, on a six-monthly basis.

The Company adopts an integrated risk management model, in line with ERM ("Enterprise Risk Management") standards and best practices, inspired by the framework issued by the "Committee of Sponsoring Organizations of the Treadway Commission" ("COSO ERM"). The Enterprise Risk

Management system is regulated by the "ERM Framework" Policy, approved by the Board of Directors at its meeting on 30 January 2025. This framework defines the methods and guidelines for identifying, assessing and managing the main business risks, as well as for organizing the control measures to protect against them. The ERM process supports senior management in the analysis of risks that have a direct or indirect impact on the achievement of strategic and sustainability objectives, and involves top management and Risk Owners in the assessment of risk exposures on a regular basis. In accordance with this Policy, the Group's risks are assessed on a six-monthly basis using a structured approach that combines qualitative and quantitative criteria. The Group Internal Control & Risk Management function assists management in analyzing the countermeasures and controls in place or being implemented, to ensure their effectiveness in mitigating risk. In this context, the ERM Committee was established, chaired by the CEO and coordinated by the Group Internal Control & Risk Management Function, with the participation of the Risk Owners. The Committee analyses and verifies the Group Risk Map, assesses risks and their interactions, and ensures that effective strategies are in place to reduce the most significant exposures. The ERM Committee meets at least once every three months and whenever risk reports are submitted to the Control and Risks Committee and the Board of Directors. Finally, it should be noted that the entry into force of the Corporate Sustainability Reporting Directive (CSRD), implemented in Italy by Italian Legislative Decree 125/2024, has expanded reporting requirements compared to the previous NFRD, introducing new transparency standards on environmental, social and governance (ESG) performance, with the aim of strengthening corporate sustainability and responsibility.

Therefore, the Board of Statutory Auditors considers the overall internal control system to be essentially adequate and has nothing to report to the Shareholders' Meeting.

Supervision of the statutory audit of the annual and consolidated financial statements

- Accounting procedures have been audited in accordance with the law by the audit firm KPMG, which the Shareholders' Meeting of 18 April 2019 appointed as independent auditors for the years 2020-2028;
- The Board of Statutory Auditors held regular meetings with the audit firm KPMG to mutually exchange information to perform the respective duties, including pursuant to Article 150, paragraph 3 of the TUF. Based on the meetings held, there are no material issues to report concerning auditing activities or significant deficiencies in the integrity of the internal control system as far as specifically the financial reporting process is concerned;
- Today, KPMG issued its report on the separate financial statements and the consolidated financial statements prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standard Board ("IASB") and endorsed by the European Union, as well as in compliance with the provisions issued in implementation of Article 9 of Legislative Decree no. 38/05. Furthermore, in the same report, KPMG issued (i) an opinion on compliance with the Single Disclosure Format ("ESEF") provisions of Delegated Regulation (EU) 2019/815 and (ii) an opinion on the consistency of the Directors' report on operations and the information in the Corporate Governance Report with the financial statements. This report did not include objections or requests for additional disclosures. In the report on the consolidated financial statements, the independent auditors declare that they have ascertained that the Directors have approved the Consolidated Sustainability Report.

Independence of the audit firm, specifically concerning the provision of non-audit services

Concerning the annual review of independence requirements, the Board of Statutory Auditors states it received a written confirmation from the audit firm with the submission of the Additional Report issued today in accordance with Article 11 of the EU Regulation.

The Board of Statutory Auditors supervised the independence of the audit firm and received evidence on a regular basis of the non-audit services to be assigned (or assigned pursuant to specific regulatory provisions) to the independent auditors. As the Ferragamo Group's consolidated financial statements show, in 2024 KPMG rendered the following services to the Group, including through its network:

Entity and reference period *(Euro/000)*		**Audit services**	**Non-audit services**	**Total**
Salvatore Ferragamo S.p.A.	(2024)	371	198	569
Ferragamo Group	(2024)	754	4	758
Total		**1,125**	**202**	**1,327**

The Board of Statutory Auditors believes the above fees are proportionate to the extent, complexity, and characteristics of the work carried out, and that the non-audit services (and the relevant fees) are not such to compromise the independence of the audit firm. The Board of Statutory Auditors also ensured that the duties assigned to the audit firm are not among those that cannot be assigned to it pursuant to the aforementioned EU Regulation.

In relation to the independent auditors, the Board of Statutory Auditors reports that the aforementioned Additional Report of KPMG does not reveal any deficiencies in the internal control system in relation to the financial reporting process such that they should be reported to this auditing body, nor have any cases of actual or alleged non-compliance with laws and regulations or statutory provisions emerged.

Consolidated Sustainability Report

As a public-interest entity (PIE), Ferragamo is required to publish a Consolidated Sustainability Report starting from FY2024, in line with the provisions of Legislative Decree 125/24, implementing the Corporate Sustainability Reporting Directive ("CSRD"). This regulation requires a dual approach, considering both the company's impact on society and the environment, and the impact of sustainability factors on the company itself.

In accordance with the above regulations, the Ferragamo Group's Consolidated Sustainability Report for the year ended 31 December 2024 – which was approved by resolution of the Board of Directors of 6 March 2025 and included in the Annual Report as at 31 December 2024 – was prepared as required to ensure an understanding of the Group's business, performance, results, and impact generated by it.

The Board of Statutory Auditors plays a central role in monitoring the adequacy and effective functioning of the internal control and risk management system, with particular reference also to sustainability issues and the new provisions introduced by the CSRD.

In this context, the Board of Statutory Auditors monitored compliance with the regulatory obligations for sustainability reporting and verified that the company has implemented suitable procedures and processes to ensure the reliability and transparency of non-financial information. To this end, the Board interacted with the corporate functions responsible for overseeing ESG issues, the Control and Risks Committee, and the Internal Audit function.

The information was collected through a centralized process in which the Ferragamo Group functions, coordinated by the Finance function, consolidated the data coming from all the subsidiaries.

In addition, the Board of Statutory Auditors monitored the integration of ESG factors into the Company's business models and risk management systems, promoting constant alignment with national and international best practices. Particular attention was also paid to the company's involvement in the double materiality analysis required by the CSRD, i.e. the assessment of the company's impact on the environment and society, as well as the risks and opportunities that sustainability issues may create for the business.

The Board of Statutory Auditors was actively involved in the processes of verification and assurance of sustainability information, also in collaboration with the independent auditors. This included assessing the reliability of the data, analyzing the methodologies used to measure ESG impacts and the consistency of the reported information with international sustainability standards.

Finally, the Board of Statutory Auditors fostered an ongoing dialog with governance bodies and relevant stakeholders to promote a proactive and integrated approach to sustainability, thereby contributing to the transparency and credibility of the company's ESG reporting.

Concerning specifically the examination of the Sustainability Report, the Board of Statutory Auditors supervised compliance with the provisions in Italian Legislative Decree 125/2024 within the responsibilities assigned to it by law. In this regard, the Board of Statutory Auditors states that:

- pursuant to Article 34, paragraph 1.2, of Directive (EU) 2013/34 as amended by the CSRD Directive, on 6 March 2024, the Company appointed KPMG to perform a limited audit of the Ferragamo Group's Consolidated Sustainability Report;
- the Board of Statutory Auditors received regular updates on the groundwork for the preparation of the Consolidated Sustainability Report;
- Today, KPMG issued its report certifying that the information contained in the Sustainability Report complies with the provisions of the Decree governing the basis for its preparation, with Article 4, paragraph 10 of Legislative Decree 125/2024, and with the disclosure requirements set out in Article 8 of Regulation (EU) 2020/852;
- today, KPMG issued its report on the compliance of the separate financial statements (hereinafter also referred to as "Financial Statements") and consolidated financial statements, in which it is stated that it has verified that the Consolidated Sustainability Report has been prepared.

The Board of Statutory Auditors did not find any violations of the relevant regulatory provisions, and therefore considers the process of preparing the Sustainability Report to be adequate, and has nothing to report to the Shareholders' Meeting.

Separate financial statements, consolidated financial statements, and Directors' report on operations

Ferragamo's draft financial statements, approved by the Company's Board of Directors' resolution on 6 March 2025, were prepared in accordance with the IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as with the legislation enacting Article 9 of Italian Legislative Decree no. 38/2005.

Concerning specifically the separate financial statements as at 31 December 2024, the consolidated financial statements as at 31 December 2024, and the Directors' report on operations for 2024, the Board of Statutory Auditors reports that:

- the separate financial statements and the consolidated financial statements were prepared in accordance with the structure and reporting formats required by applicable laws;
- the Financial Statements are accompanied by the Directors' report on operations, which summarizes the main risks and uncertainties as well as describes the Company's outlook. This report complies with applicable laws and is consistent with the resolutions of the governing body as well as the information in the financial statements. In addition, it includes adequate disclosures of the operations carried out during the year and of intragroup transactions. In accordance with IFRS, the section containing related-party transaction disclosures was included in the Explanatory notes to the financial statements;
- the Company also prepared the Corporate Governance Report, pursuant to Article 123-bis of the TUF, and the Remuneration Report pursuant to Article 123-ter of the TUF;
- the Board of Statutory Auditors received the financial statements in time for filing them at the Company's registered office along with this report;
- it verified the rationality of the assessments made and their consistency with international accounting standards;
- it verified the consistency of the Financial Statements with the events and information it is aware of as a result of the work carried out; therefore, it has nothing to report in this regard;
- as far as the Board of Statutory Auditors is aware, the Directors did not depart from the provisions as per Article 2423 of the Italian Civil Code in preparing the financial statements;
- Ferragamo's Board of Directors, in accordance with the joint document issued by the Bank of Italy/Consob/ISVAP on 3 March 2010, independently approved the procedure and results of the impairment test ahead of the approval of the draft financial statements, ensuring their compliance with IAS 36. The information and findings of the assessments carried out are reported in the Explanatory notes to the Financial Statements.

Proposal to the Shareholders' Meeting

1. Financial Statements as at 31 December 2024

In conclusion, the Board of Statutory Auditors – within the scope of its responsibilities, having noted the information in the Financial Statements as at 31 December 2024, and considering the observations included in this report – proposes that the Shareholders' Meeting approve the Financial Statements as presented by the Board of Directors.

2. Group Remuneration Policy

The Board of Statutory Auditors raises no objection to the Remuneration Policy for 2025 submitted to the binding resolution of the Shareholders' Meeting.

Final remarks

The Board of Statutory Auditors has no issues to report concerning the information obtained and the supervisory activities performed; the Board of Statutory Auditors did not find any omissions, reprehensible events, irregularities or circumstances to be reported in this document or to the Supervisory Authority.

Florence, 25 March 2025

THE BOARD OF STATUTORY AUDITORS

Andrea Balelli (Chair)

Paola Caramella (Acting Statutory Auditor)

Giovanni Crostarosa Guicciardi (Acting Statutory Auditor)



INDEPENDENT AUDITOR'S REPORT

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Salvatore Ferragamo S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Salvatore Ferragamo S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2024, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Salvatore Ferragamo S.p.A. as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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Measurement of finished products

Notes to the separate financial statements: note 2 "Statement of compliance with IFRS and basis of presentation" and note 13 "Inventories"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2024 include finished products of €53 million, net of the allowance for inventory write-down of €28 million. Determining the allowance for finished products write-down is a complex accounting estimate, entailing a high level of judgement as it is affected by many factors, including: • the characteristics of the company's business sector; • the market performance and fashion trends; • the age of the collection in stock; • pricing policies and sales ability through the different distribution channels. For the above reason, we believe that the measurement of finished products is a key audit matter.	Our audit procedures included: • understanding the process for the measurement of finished products and assessing the design and implementation of material controls; • checking changes in inventories during the year, considering finished products' expected life cycle based on their age; • analysing documents and discussing the assumptions adopted to calculate the allowance for finished products write-down with the relevant internal departments, in order to understand the assumptions underlying the expectations of how finished products will be sold and comparing those assumptions with historical figures and the company's operating environment; • assessing the appropriateness of the disclosures provided in the notes about finished products.

Other matters - Management and coordination

As required by the law, the company disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own separate financial statements. Our opinion on the separate financial statements of Salvatore Ferragamo S.p.A. does not extend to such data.

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 18 April 2019, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2020 to 31 December 2028.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The company's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements at 31 December 2024 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The company's directors are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at 31 December 2024 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the separate financial statements;
- express an opinion on the consistency of the directors' report, excluding the section that includes the consolidated sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the company's separate financial statements at 31 December 2024.

Moreover, in our opinion, excluding the section which includes the consolidated sustainability statement, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Our opinion on compliance with the applicable law does not extend to the section of the directors' report which includes the consolidated sustainability statement. Our conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report prepared in accordance with article 14-bis of Legislative decree no. 39/10.

Florence, 25 March 2025

KPMG S.p.A.

(signed on the original)

Andrea Rossi
Director of Audit