1INFO
DIGITAL SIGN

TOD'S s.p.a.

2021 IAS/IFRS Half Year Financial Report

(Translation of the 2021 Half Year Report approved in Italian solely for the convenience of international readers)

TABLE OF CONTENTS

Company's data 1
Corporate Governance bodies 2
TOD'S Group 3
Group's organizational chart 4
Distribution network as of June 30th, 2021 5
Key consolidated financial figures 6
Highlights of results 8
Interim Report on operations 9
Group's activity 10
Group's brands 11
Main events and operations during the period 12
Foreign currency markets 14
Group's results in HY 2021 14
Items or transactions resulting from unusual and/or exceptional transactions 23
Main risks and uncertainties 23
Business Outlook 24
Half-Year Condensed Financial Statements 25
Consolidated Income Statement 26
Consolidated Statement of Comprehensive Income 27
Consolidated Statement of Financial Position 28
Consolidated Statement of Cash Flows 30
Consolidated Statement of Changes in Equity 31
Explanatory notes to the Half Year Condensed Financial Statements 32
1. General notes 33
2. Basis of preparation 33
3. Accounting standards 35
4. Seasonal or cyclical nature of interim transactions 38
5. Alternative indicators of performances 38
6. Scope of consolidation 39
7. Segment reporting 41
8. Management of financial risks 43
9. Comments on the main income statement figures 48
10. IFRS 16 49
11. Intangible and Tangible fixed assets 51
12. Impairment losses 51
13. Deferred tax assets and liabilities 52
14. Inventories 52
15. Trade receivables 53
16. Equity 53
17. Provisions for risks and charges 53
18. Net Financial Indebtedness 54
19. Earnings/(Losses) per share 56
20. Transactions with related parties 57
21. Significant non-recurring transactions and events 60
22. Significant events occurred after the reporting period 60
Attestation of the Half-Year condensed financial statements of TOD'S Group pursuant article 154 bis of D.LGS. 58/98 and of article 81-ter of Consob Regulation n. 11971 of May 14th 1999 and further modifications and integrations. 61

Company's data

Registered office Parent company

TOD'S S.p.A.
Via Filippo Della Valle, 1
63811 Sant'Elpidio a Mare (Fermo) - Italy
Tel. +39 0734 8661

Legal data Parent company

Share capital resolved euro 66,187,078
Share capital subscribed and paid euro 66,187,078
Fiscal Code and registration number: 01113570442 on Company Register of Chamber of Commerce of Marche
Registered with the Chamber of Commerce of Marche under n. 114030 R.E.A.

Offices and Showrooms

Munich – Domagkstrasse, 1/b, 2
Hong Kong – 35/F Lee Garden One, 33 Hysan Avenue, Causeway Bay
London – Wilder Walk, 1
Milan - Corso Venezia, 30
Milan - Via Savona, 56
Milan - Via Serbelloni, 1-4
New York - 450, West 15th Street
Paris – Rue de Faubourg Saint-Honore, 29
Paris – Rue du Général FOY, 22
Paris – Rue Royale, 25
Seoul – 11/F Pax Tower 609, Eonju-ro, Gangnam-gu
Shanghai - 1717 Nanjing West Road, Wheelock Square 45/F
Tokyo – 1-5-8 Jingumae Shibuya Ku

Group's Headquarter and main production site

Via Filippo Della Valle, 1
63811 Sant'Elpidio a Mare (Fermo) – Italy

Other production facilities

Arquata del Tronto (AP) – Zona Industriale Pescara del Tronto
Bagno a Ripoli, Loc. Vallina (FI) - Via del Roseto, 50 (*)
Bagno a Ripoli, Loc. Vallina (FI) - Via del Roseto, 60 (*)
Comunanza (AP) - Via S.Maria, 2-4-6
Comunanza (AP) - Via Merloni, 7
Durres (Albania) – Rr. Jakov Xoxa Prane – Nish Goma – Shkozet
Tolentino (MC) - Via Sacharov 41/43

(*) Starting from August 16th, 2021, the manufacturing activities located at Bagno a Ripoli moved to the new plant at Pontassieve (FI), Via Tifariti 10.

Corporate Governance bodies

Board of directors [1]	Diego Della Valle	Chairman
	Andrea Della Valle	Vice - Chairman
	Luigi Abete	
	Maurizio Boscarato	
	Marilù Capparelli	
	Luca Cordero di Montezemolo	
	Sveva Dalmasso	
	Chiara Ferragni	
	Romina Guglielmetti	
	Umberto Macchi di Cellere	
	Emilio Macellari	
	Vincenzo Manes	
	Cinzia Oglio	
	Emanuela Prandelli	
	Pierfrancesco Saviotti	
	Michele Scannavini [4]	
Executive Committee	Diego Della Valle	Chairman
	Andrea Della Valle	
	Umberto Macchi di Cellere	
	Emilio Macellari	
Nomination and Remuneration Committee	Vincenzo Manes	Chairman
	Sveva Dalmasso	
	Luigi Abete	
Control and Risk Committee	Romina Guglielmetti	Chairman
	Vincenzo Manes	
	Emanuela Prandelli	
Board of statutory Auditors [2]	Giulia Pusterla	Chairman
	Enrico Colombo	Acting stat. auditor
	Fabrizio Redaelli	Acting stat. auditor
	Myriam Amato	Substitute auditor
	Gilfredo Gaetani	Substitute auditor
Independent Auditors [3]	Deloitte & Touche S.p.A.	
Manager charged with preparing Company's financial report	Rodolfo Ubaldi	

[1] Term of the office: 2021-2023 (resolution of the Shareholders' meeting as of April 21st, 2021)
[2] Term of the office: 2019-2021 (resolution of the Shareholders' meeting as of April 18th, 2019)
[3] Term of the office: 2021-2029 (resolution of the Shareholders' meeting as of June 3rd, 2020)
[4] Cooptated with board resolution of June 7th, 2021

TOD'S Group

TOD'S S.p.A.
Parent Company, owner of TOD'S, HOGAN, FAY brands and ROGER VIVIER brand under a licence agreement. It operates DOS in Italy and online sales.

TOD'S International B.V.
Sub-holding for operation of international subsidiaries and DOS in the Netherlands

An.Del. Usa Inc.
Sub-holding for operation of subsidiaries in the United States

Del.Pav S.r.l.
Company that operates DOS in Italy

Filangieri 29 S.r.l.
Company that operates DOS in Italy

Gen.del. SA
Company that operates DOS in Switzerland

TOD'S Belgique S.p.r.l.
Company that operates DOS in Belgium

TOD'S Deutschland Gmbh
Company that manages DOS in Germany

TOD'S Espana SL
Company that operates DOS in Spain

TOD'S France Sas
Company that operates DOS in France

TOD'S Japan KK
Company that operates DOS in Japan and online sales

TOD'S Macao Ltd
Company that operates DOS in Macao

TOD'S Hong Kong Ltd
Company that distributes and promotes products in Far East and South Pacific and manages DOS in Hong Kong. Sub-holding for operation of international subsidiaries in Asia

TOD'S Korea Inc.
Company that distributes and promotes products in Korea and operates DOS in Korea

TOD'S Retail India Private Ltd
Company that operates DOS in India

TOD'S (Shanghai) Trading Co. Ltd
Company that distributes and promotes products in China and operates DOS in China

TOD'S Singapore Pte Ltd
Company that operates DOS in Singapore

TOD'S UK Ltd
Company that operates DOS in Great Britain

Webcover Ltd
Company that operates DOS in Great Britain

Cal.Del. Usa Inc.
Company that operates DOS in California (USA)

Deva Inc.
Company that distributes and promotes products in North America, and manages DOS in the State of NY (USA)

Flor. Del. Usa Inc.
Company that operates DOS in Florida (USA)

Hono. Del. Inc.
Company that operates DOS in Hawaii (USA)

Il. Del. Usa Inc.
Company that operates DOS in Illinois (USA)

Neva. Del. Inc.
Company that operates DOS in Nevada (USA)

Or. Del. Usa Inc.
Company that operates DOS in California (USA)

TOD'S Tex. Del. Usa Inc.
Company that operates DOS in Texas (USA)

Alban.Del Sh.p.k.
Production company

Un.Del. Kft
Production company

Re.Se.Del. S.r.l.
Company for services

Roger Vivier S.p.A.
Owner of ROGER VIVIER brand and Sub-holding for operation of international subsidiaries and DOS in Italy

Roger Vivier Hong Kong Ltd
Company that distributes and promotes products in Far East and South Pacific and manages DOS in Hong Kong. Sub-holding for operation of subsidiaries in Asia

Roger Vivier Singapore Pte Ltd
Company that operates DOS in Singapore

Roger Vivier (Shanghai) Trading Co. Ltd
Company that operates in China and online sales

Roger Vivier UK Ltd
Company that operates DOS in Great Britain

TOD'S Georgia Inc.
Not operating company

Roger Vivier France Sas
Company that operates DOS in France

Roger Vivier Korea Inc.
Company that operates DOS in Korea and that distributes and promotes products in Korea

Roger Vivier Switzerland S.A.
Not operating company

Roger Vivier Macau Ltd
Company that operates DOS in Macao

Roger Vivier Japan KK
Company that operates DOS in Japan and online sales

TOD'S Austria GMBH
Company that operates DOS in Austria

TOD'S Washington Inc.
Company that operates DOS in Washington (USA)

Ala Del Inc.
Company that operates DOS in California (USA)

TOD'S Massachussets Inc.
Company that operates DOS in Massachussets (USA)

Roger Vivier Paris Sas
Company that operates DOS in France

Buena Ltd.
Company that provides services in Great Britain

Roger Vivier Deutschland GmbH
Company that operates DOS in Germany

Roger Vivier Espana SL
Company that operates DOS in Spain

Roger Vivier Australia PTY Ltd
Company that operates DOS in Australia

TOD'S Australia PTY Ltd
Company that operates DOS in Australia

Roger Vivier Canada Ltd
Company that operates DOS in Canada

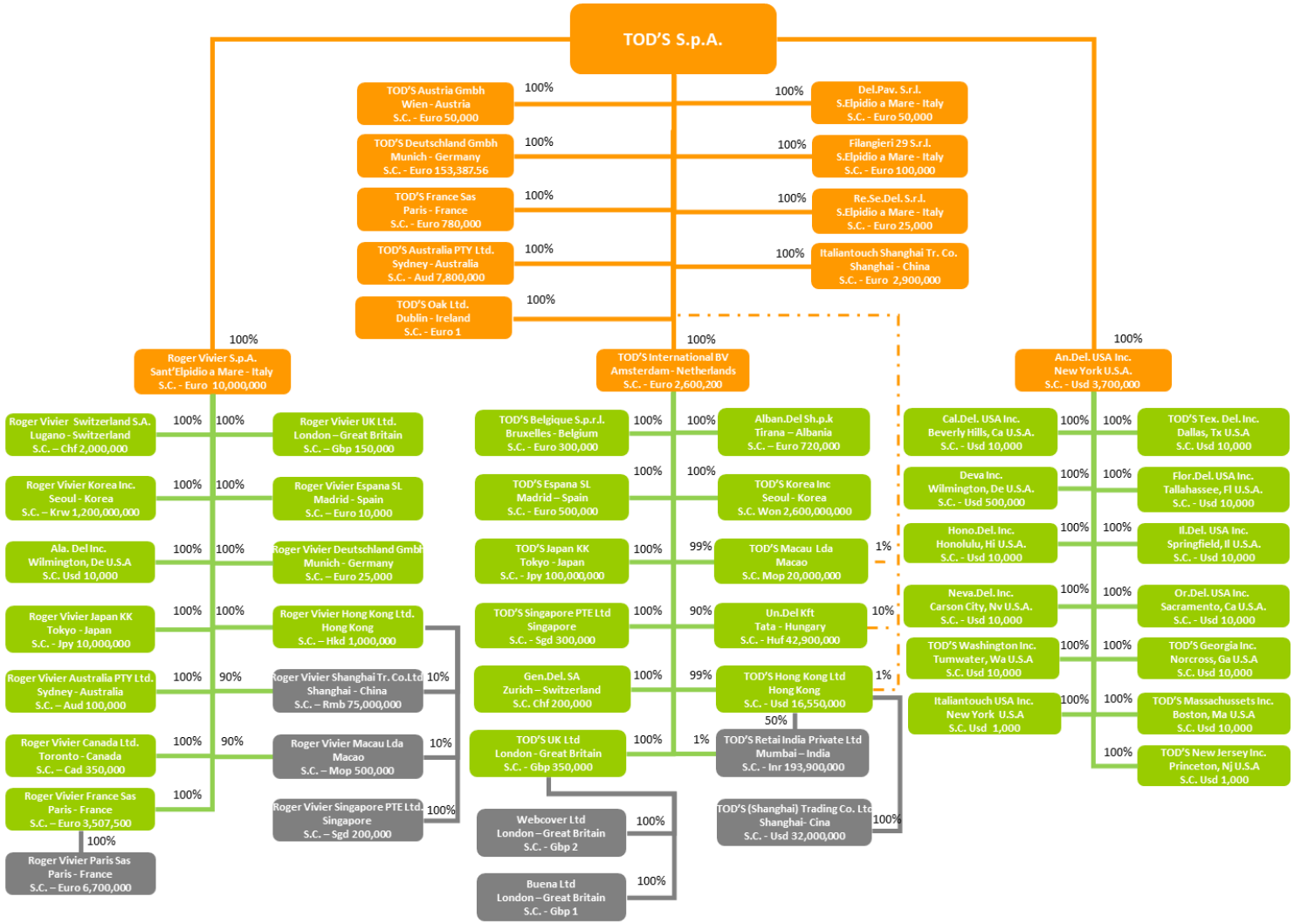
Italiantouch USA Inc.
Company that manages online sales in the USA market.

Italiantouch Shanghai Trading Co. Ltd
Company under liquidation

TOD'S New Jersey Inc.
Company that operates DOS in New Jersey (USA)

TOD'S OAK Ltd.
Company that operates DOS in Ireland

Group's organizational chart



Distribution network as of June 30th, 2021

Greater China	(D)	(F)
Mainland China	80	16
Hong Kong SAR	13	
Macau SAR	5	1
Taiwan Region		20
Total	**98**	**37**

Europe	(D)	(F)
Italy	47	1
Belgium	1	1
France	18	
Germany	10	2
Great Britain	7	
Greece		2
Netherlands	3	
Portugal		2
Russia		3
Spain	8	1
Switzerland	3	
Turkey		5
Czech Republic		1
Austria	3	
Ukraine		1
Total	**100**	**19**

Rest of the World	(D)	(F)
Saudi Arabia		2
Bahrain		1
U.A.E.		6
Kuwait		3
Qatar		1
Japan	38	
Korea	34	9
Philippines		5
India	2	2
Malaysia		2
Singapore	4	
Thailand		1
Azerbaijan		1
Australia	4	
Kazakistan		1
South Africa		1
Jordan		1
Total	**82**	**36**

Americas	(D)	(F)
U.S.A.	23	
Brazil		2
Panama		1
Puerto Rico		1
Canada	1	
Total	**24**	**4**

(D)=DOS (F)=FRANCHISED STORES

DOS, 2021 new openings

Greater China

Shenyang	(Mainland China)
Ningbo	(Mainland China)
Ningbo	(Mainland China)
Ningbo	(Mainland China)
Macau	(Macau SAR)

Rest of the World

Seoul	(South Korea)
Seoul	(South Korea)
Seoul	(South Korea)
Daejeon	(South Korea)

Europe

Noventa di Piave	(Italy)

Franchised stores, 2021 new openings

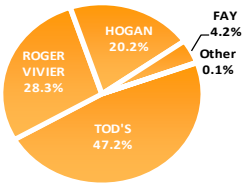
Rest of the World

Istanbul	(Turkey)

For a complete list of retail outlets operated by the DOS and franchising network, reference should be made to the corporate web site: www.todsgroup.com.

Key consolidated financial figures

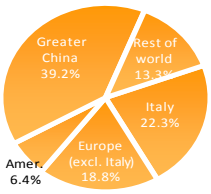
2021 Revenues - % by brand



P&L key figures (euro mn)

	H1 2021		H1 2020		H1 2019	
Revenues	398.4		256.9		454.6	
EBIT	(2.7)	-0.7%	(94.1)	-36.6%	5.8	1.3%
Profit/(Loss) before tax	(13.9)	-3.5%	(106.1)	-41.3%	(6.0)	-1.3%
Profit/(Loss) for the period	(20.7)	-5.2%	(81.0)	-31.5%	(6.0)	-1.3%

2021 Revenues - % by region

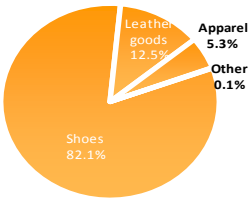


Main Balance Sheet indicators (euro mn)

	06.30.21	12.31.20	06.30.20	06.30.19
Net working capital (*)	314.5	322.4	367.8	338.3
Intangible and tangible fixed assets	716.1	716.0	734.5	797.0
Shareholders' equity	984.6	1,007.2	1,001.7	1,027.8
Net financial indebtedness/(surplus)	557.4	529.7	587.5	517.9
Capital expenditures	19.0	30.3	14.9	22.4

(*) Trade receivable + inventories - trade payables

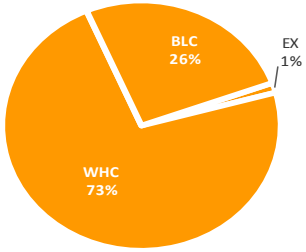
2021 Revenues - % by product



Financial key indicators (euro mn)

	H1 2021	FY 2020	H1 2020	H1 2019
Operating cash flow	68.2	28.9	(66.8)	89.5
Net operating cash flow	57.2	(2.2)	(93.2)	82.7
Cash flow generated/(used)	(141.3)	155.6	331.6	(4.2)

2021 Group's employees



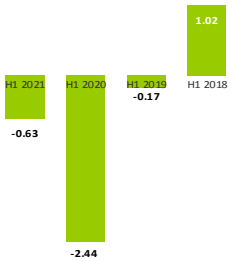
The Group's employees

	06.30.21	12.31. 20	06.30.20	06.30.19
Year to date	4.596	4.588	4.657	4.809

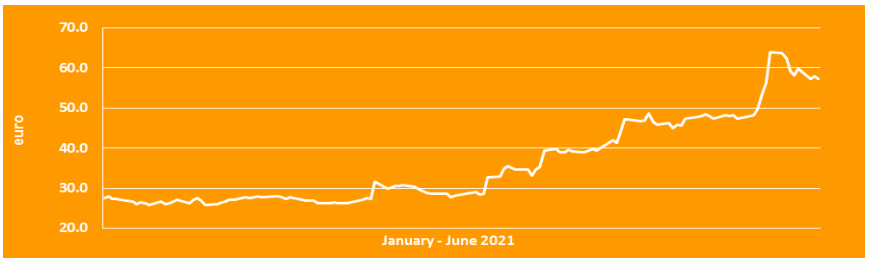
EX = executives
WHC = white collar employees
BLC = blue collar employees

Main stock Market indicators	
Official price at 01.04.2021 (euro)	27.62
Official price at 06.30.2021 (euro)	57.85
Minimum price (euro)	25.82
Maximum price (euro)	63.85
Market capitalization at 01.04.2021 (million euros)	914.04
Market capitalization at 06.30.2021 (million euros)	1,914.34
Number of outstanding shares at 06.30.21	33,093,539

Earning/(Loss) per share (euro)



Stock performance



Highlights of results

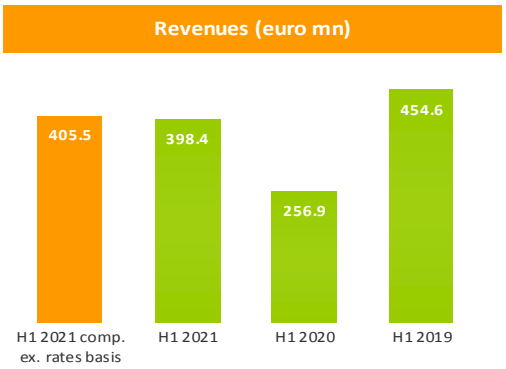
Revenues: revenues totalled 398.4 million euros during the period increased by 55.1% in respect to H1 2020 (the exchange rate impact was negative for 7.1 million euros) . Sales of the retail channel totalled 292 million euros.

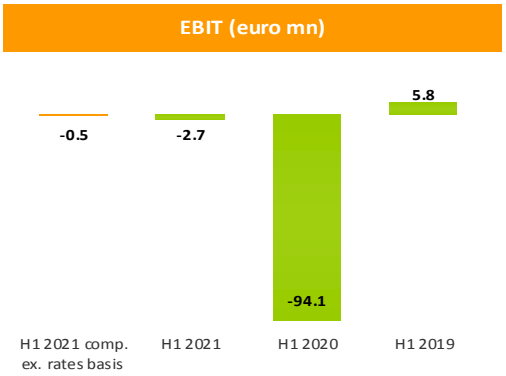
Operating profit (EBIT): negative for 2.7 million euros (negative for 94.1 million euros was the EBIT at June 30th, 2020). At constant exchange rate EBIT would have been -0.5 million euros.

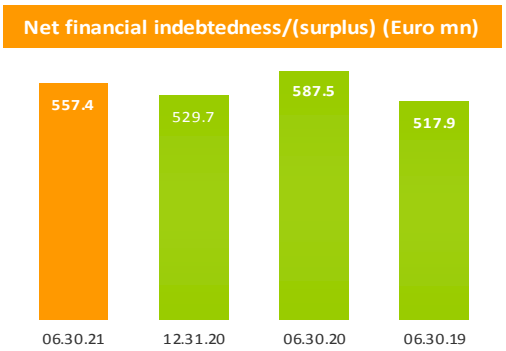
Net financial indebtedness (NFI): the NFI is 557.4 million euros at June 30th, 2021 (at June 30th, 2020 it was 587.5 million euros). Excluding lease liabilities, the NFI would be 131.7 million euros (at June 30th, 2020 it was 165.1 million euros). Net liquid assets are 174.9 million euros (they were 492.2 million euros at June 30th, 2020).

Capital expenditures: 19 million euros capital expenditures for tangible and intangible fixed assets were made in H1 2021, while in H1 2020 they amounted to 14.9 million euros.

Distribution network: as at June 30th, 2021 the mono brand distribution network comprised 304 DOS and 96 Franchised stores.







TOD'S Group

Interim report on operations

TOD'S Group

Group's activity

TOD'S Group operates in the luxury sector with its brands TOD'S, HOGAN, FAY and ROGER VIVIER. The Group actively creates, produces and distributes shoes, leather goods and accessories, and apparel. The mission of the Group is to offer global customers top-quality products that satisfy their functional requirements and aspirations.

Organizational structure of the Group Group's organisational configuration rotates around its parent company TOD'S S.p.A. (the "Company"), which is at the heart of Group's organisation, managing Group's production and distribution, owning TOD'S, HOGAN and FAY brands and holding the license of the ROGER VIVIER brand, the latter owned by the fully controlled subsidiary ROGER VIVIER S.p.A. The activities of the parent company also include some activities relating to retail distribution, dedicated, in particular, to the management of most of the direct stores (DOS) located in Italy and on-line sales mainly in Italy and Europe.
The organisation of the Group is rounded out by a series of sub-holdings commercial companies that are delegated complete responsibility for retail distribution in the remaining geographical areas where the Group operates, both through the DOS network and on-line sales. Some of them, strategically located on international markets, are assigned major roles in product distribution, marketing and promotion, and public relations processes along the "value chain", while simultaneously guaranteeing the uniform image that Group brands must have worldwide.

Production structure The Group's production structure is based on complete control of the production process, from creation of the collections to production and then distribution of the products. This approach is considered key to assuring the prestige of its brands.
Shoes and leather goods are produced in Group-owned plants, with partial outsourcing to specialized workshops. All of these outsourcers are located in areas with a strong tradition of shoe and leather good production. This preference reflects the fact that an extremely high standard of professional quality is required to make these items, with a significantly high level of added value contributed to the final product by manual work.

Distribution structure The prestige of Group's brands and the high degree of specialization necessary to offer the respective products to customers entails distribution through a network of similarly specialized stores. Accordingly, the Group relies principally on following distribution channels: directly operated single-brand stores (DOS), e-commerce channel, franchised stores, and a series of selected, independent multibrand stores.
The e-commerce channel, in particular, is assuming, in line with the rapid dynamics of the sector, an increasingly central role in the Group's distribution strategy, with the presence of the e-commerce sites of the Group's brands in 35 countries around the world.

The online sales channel and that of directly operated stores, however, are rapidly evolving towards a concept of "omnichannel", in which the commercial and distribution interrelationships of the two channels make it possible to offer innovative services and have a privileged and direct contact with the customer, in order to meet their expectations and build lasting and trusting relationships.

Group's brands

The TOD'S brand is synonymous with luxury footwear and leather goods. Characterised from the outset by models that have become cult contemporary lifestyle items, in the world of luxury accessories it represents the perfect combination of tradition, high quality and modernity. Every product is made by hand with superior craftsmanship to become, after numerous steps and checks, an exclusive, recognisable, modern and functional item. Some of the designed products, such as the Driving Shoe or D-Bag, popular among celebrities and personalities worldwide, have become icons of a new style of masculine and feminine elegance. Each collection is a different take on "Contemporary Living", an iconic lifestyle imbued with Italian spirit, a value that the whole world recognises as synonymous with impeccable taste and elegance, handed down from generation to generation.

Roger Vivier, who created the first stiletto heel in the '50s, designed extravagant and luxuriously embellished shoes that he described as "sculptures". A skilled artisan who loved feminine elegance, Vivier elevated shoes to art objects through the savoir-faire of French embroidery houses. The artistic heritage and traditional roots of the Vivier fashion house have now been given a new lease of life. Thanks to the Group's work, ROGER VIVIER's creativity and vision live on and new chapters are added to this unique story every season, going beyond footwear expertise to include bags, small leather goods, jewelry and sunglasses. Today, ROGER VIVIER's womenswear is sophisticated and elegant, yet slightly eccentric: it is designed for a woman who tries, through her clothes, to express her timeless elegance, without forgetting to add a cheeky, extravagant touch.

HOGAN

The HOGAN brand was founded in 1986 and is positioned in the luxury market, combining style, functionality and innovation. HOGAN translates the original vision of the concept of casual luxury suitable for any occasion into a contemporary lifestyle, in which quality and style are always appreciated. The brand offers footwear and accessories with a modern, essential design that perfectly balances versatility and elegance. HOGAN products, which are made from extraordinarily high-quality materials, are iconic objects designed to remain fashionable from season to season.

Fay

FAY, a brand launched in the second half of the '80s, boasts a range of high-quality clothing products distinguished by the brand's specific outerwear expertise, by the technical treatment of its fabrics and by the meticulous design and extreme functionality of its clothes, which stand out due to their excellence, comfort and durability, combining style, quality and versatility. Every season, the brand presents a menswear/womenswear collection and a junior collection consisting of both iconic garments, restyled according to current trends and technologies, and brand-new additions to all its product categories. The brand, which is strongly anchored in Italian vintage fashion, is now taking on the challenge of communicating its distinct identity to new generations, combining innovative and practical fabrics with the timeless characteristics of authentic Italian style.

Main events and operations during the period

The first half of 2021 was still marked by the COVID-19 pandemic, which continued to affect the global economy and the international markets in which the Group operates. During the half-year, the effects of the pandemic were felt in the various international markets to a different extent, as a result of various factors, including the decisions regarding the restrictive measures put in place by the various Governments, the different timing of the spread of certain variants of the virus and the evolution of the vaccination campaigns, which are still in progress.
Above all, the pandemic continued to limit tourist flows, which are very important to the luxury sector's success, thus fully eliminating in practice travel outside the regions. On the other hand,

demand from domestic consumers was on the rise, reflecting the physiological need for a return to normal life.

The results recorded by the Group in the first half-year were obviously affected by the abovementioned particular context, in which, it should be pointed out, it was not yet possible to run all the DOS in full operation (with a world average of 85% for the opening of the Group's DOS in the first half of 2021). Nevertheless, the performance for the period already showed satisfactorily the first successful results of the projects that had been launched as from the second half of 2019, aimed at strengthening the visibility of the brands and collections and, more in general, at relaunching the business, which led to a significant recovery in revenues and profit margins, and which will bring further benefits when the markets return to full normality.

The online channel achieved very positive results in the period, continuing to grow at substantial rates and in line with our management's highest expectations, thus giving a valuable contribution to sales in the geographical areas that were most impacted by the closures imposed by the various Governments in order to counter the spread of the pandemic. The excellent performance of this channel was significantly boosted by digital communication strategies, in which more substantial resources were invested during the half-year.

Furthermore, particularly noteworthy results were achieved within the scope of the projects for an efficient management of inventories, which, as a result of the adoption of new approaches to the management of supplies at DOS, enabled greater efficiency in distributing new collections at the stores, while contributing to an overall reduction in stock. Following the further development of the digital channel, which by the end of the year will see the full implementation of "omnichannel" retail in all the markets in which the Group operates, efficiency in distribution will be further enhanced, with significant returns in terms of both expected sales and further stock turnover and reduction.

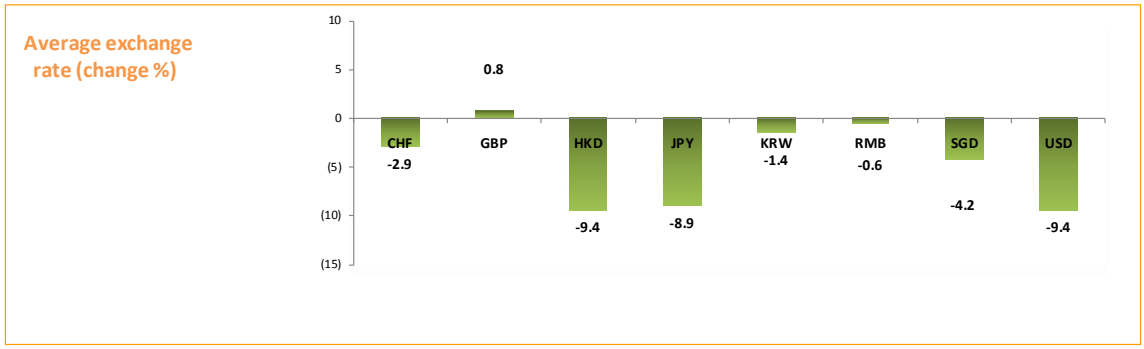
With regard to distribution strategies, we must also note the work to develop the DOS network, which led to the inauguration, during the period, of 10 new direct sales outlets, mainly aimed at strengthening the footprint in some key Asian markets, which are expected to grow strongly in the short- and medium-term (including 5 openings in Greater China regions).

Finally, with regard to the Group's financial position, it should be noted that, as already mentioned in the Annual Financial Report at December 31st, 2020, on January 22nd, 2021, the parent company TOD'S S.p.A. signed a loan agreement with a pool of banks coordinated by Intesa Sanpaolo S.p.A., for a maximum total amount of 500 million euros, structured into a Term Facility of 250 million euros and a Revolving Credit Facility for an additional amount of 250 million euros, with a term of five years. By using the Term Facility and available cash funds, it was possible to repay almost all existing loans and pay off the RCF lines of credit still outstanding, while the Revolving Credit Facility, which was available for 250 million euros, was not used at all. The abovementioned transaction, which was also characterized by a bonus system linked to the

achievement of specific ESG objectives, further strengthened the Group's financial structure that was already solid, thus mitigating the risk associated with the current macro-economic scenario and ensuring the availability of the financial resources required to support investments for the pursuit of business strategies.

Foreign currency markets

The trends in the average exchange rates of the first six months of 2021, compared to the same period of 2020, see a general devaluation of the main currencies with which the Group operates against the euro. The strengthening of the euro is the result of the various monetary policies put in place by central banks to deal with the economic crisis that arose following the COVID-19 pandemic. In particular, the Federal Reserve, continues with its expansive monetary policy, avoiding interest rate increase. The Hong Kong dollar followed the trend of the US dollar being the former pegged to the latter.



Group's results in HY 2021

Premise

The main economic indicators and assets of the Group in the first half of 2021, as mentioned, were still affected by the consequences deriving from the spread of the Covid-19 pandemic, as happened in 2020, the year in which the impacts were most significant. For the sake of completeness of information, it should be noted that the data commented below include, where deemed appropriate for the purpose of a better understanding of the trend, also information relating to the first half of 2019, a period not impacted by the COVID-19 pandemic.

With reference to the economic indicators for the period, it should also be noted that, starting from this Half-Year Financial Report, the Group, in accordance with the reference best practice, no longer displays the EBITDA, as alternative performance indicator, in the consolidated income statement, consequently also adjusting the comparative data of the previous period. This

indicator is however provided in the information below, relating to the presentation of the results in the first half of 2021, together with a specific reconciliation table, for the purpose of a more comprehensive understanding of economic performances.

Results for the period

The Group's consolidated sales amounted to 398.4 million euros in the first half of 2021, showing an increase of 55.1% compared to the first half of 2020. The effect arising from a change in average exchange rates was negative, so, on a constant exchange rates, revenues would amount to 405.5 million euros, showing an increase of 57.8% compared to the first half of 2020.
EBITDA is positive for 65 million euros, while EBIT is negative for 2.7 million euros. The trends in the exchange rates for the period had a negative impact on such indicators, which would have been respectively positive for 68.8 million euros and negative for 0.5 million euros on a comparable cross rate basis.

FY 20	euro 000's Main economic indicators	H1 2021	H1 2020	Change	%
637,111	Sales Revenues	398,365	256,913	141,452	55.1
(772,473)	Operating costs and other income	(401,025)	(351,056)	49,969	14.2
(135,362)	EBIT	(2,660)	(94,143)	91,483	97.2
(157,975)	Profit/(Loss) before taxes	(13,866)	(106,076)	92,210	86.9
(73,190)	Profit/(Loss) for the period	(20,729)	(80,966)	60,238	74.4
	Foreign exchange impact on revenues	7,097			
	Sales Revenues at constant exchange rates	405,462	256,913	148,549	57.8
	Foreign exchange impact on operating costs and other income	(4,949)			
	EBIT at constant exchange rates	(513)	(94,143)	93,630	99.5
	EBIT %	(0.7)	(36.6)		
	EBIT % at constant exchange rates	(0.1)	(36.6)		
	Tax Rate %	49.5	23.7		

FY 20	euro 000's EBITDA reconciliation	H1 2021	H1 2020	Change	%
(135,362)	EBIT	(2,660)	(94,143)	91,483	97.2
144,766	Amortisations and depreciations	67,624	75,408	(7,783)	(10.3)
28,673	Impairment/Reversing of fixed assets				
38,077	EBITDA	64,964	(18,736) (*)	83,700	446.7
6.0	EBITDA %	16.3	(7.3)		
38,077	EBITDA at constant exchange rates	68,796	(18,736)	87,531	467.2
6.0	EBITDA % at constant exchange rates	17.3	(7.3)		

(*) With respect to the EBITDA presented in the Half Year Report at June 30th, 2020 it does not include the write downs of trade receivables.

06.30.20	euro 000's Main Balance Sheet Indicators	06.30.21	12.31.20	Change
367,800	Net working capital (*)	314,494	322,364	(7,870)
424,169	Right of use assets	411,684	382,521	29,163
734,502	Intangible and tangible fixed assets	716,112	715,989	123
62,797	Other current assets/liabilities	99,763	116,041	(16,278)
1,589,268	**Invested capital (A)**	**1,542,053**	**1,536,915**	**5,137**
587,532	Net financial indebtedness/(surplus) (B)	557,404	529,740	27,664
1,001,736	**Shareholders' equity (A) - (B)**	**984,648**	**1,007,176**	**(22,527)**
14,938	Capital expenditures (**)	18,960	30,267	(11,307)
(93,226)	Net cash flows from operating activities	57,244	(2,188)	59,432
331,626	Cash flow generated/(used)	(141,322)	155,563	(296,884)

(*) Trade receivable + inventories - trade payables
(**) Right of use assets are not included

Revenues In the first half of 2021, the consolidated sales of TOD'S Group amounted to 398.4 million euros, while in the first half of 2020 revenues amounted to 256.9 million euros. The impact of currencies is negative, which is particularly visible for TOD'S and ROGER VIVIER brands, which have a greater presence abroad; at constant exchange rates, i.e. using the same average exchange rates of the first six months of 2020, including the effects of hedges, revenues amounted to 405.5 million euros, up 57.8% compared to the first half of 2020.

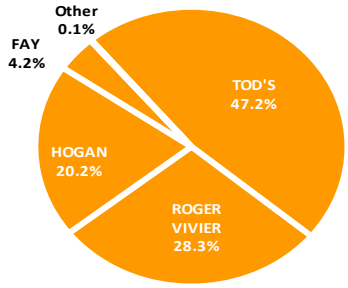
For the sake of completeness, it should be noted that the data shown in the following tables also include the comparison with the first half of 2019, which is more significant bearing in mind the heavy impact that the COVID-19 pandemic had on the business of the various regions of the world during the first half of 2020. For the purposes of a better understanding of the data, it should be noted, as already mentioned before, that in the first half of 2021, the average opening rate of the existing stores was only the 85% and that, given the persistent pandemic context, the Group has decided to maintain an attitude of prudence and not to place too many goods on the market, to protect the prestige of the brands.

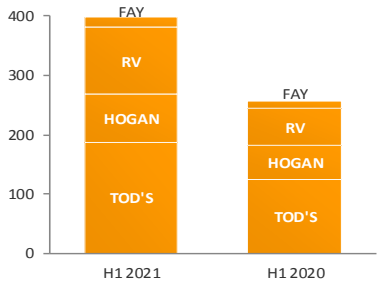
The pandemic affected the sales results of all the Group's brands, in all geographic areas, product categories and on both sales channels.

The revenue trend of each brand reflects its geographical composition and its distribution structure; obviously, the ROGER VIVIER brand, which has the greatest exposure to the Asian market, was the one that recorded the best result in the period, thanks to the less pandemic impact in that geographical area.

The results of the TOD's brand are very satisfactory in the geographical areas where the stores have been regularly operational. An excellent start has been made in sales of the autumn collections, since their arrival in the stores. The sales recorded by TOD'S brand amounted to 188 million euros (+50.9% compared to the first half of 2020 and -17.1% compared to the first half of 2019).

(euro mn)	H1 2021	%	H1 2020	%	% current exch. rates	H1 2021 constant rates	% constant exch. rates	% change H1 2019
TOD'S	188.0	47.2	124.5	48.5	50.9	192.0	54.2	(17.1)
ROGER VIVIER	112.7	28.3	61.4	23.9	83.6	115.5	88.0	14.2
HOGAN	80.5	20.2	58.4	22.7	38.0	80.9	38.6	(19.4)
FAY	16.8	4.2	12.4	4.8	35.0	16.8	35.1	(22.2)
Other	0.4	0.1	0.2	0.1	n.s.	0.4	n.s.	n.s.
Total	**398.4**	**100.0**	**256.9**	**100.0**	**55.1**	**405.5**	**57.8**	**(10.9)**





The ROGER VIVIER brand, which, as already mentioned, was the one that reached better results in respect to the other brands of the Group, recorded sales of 112.7 million euros, recording an increase of 14.2% compared to the first half of 2019.

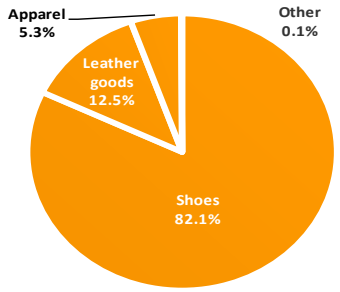
Revenues of the HOGAN brand amounted to 80.5 million euros (+38% compared to the first half of 2020 and -19.4% compared to the first half of 2019).

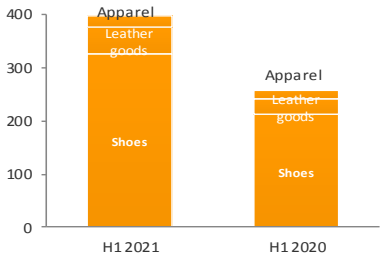
Finally, the FAY brand totaled revenues of 16.8 million euros (+35% compared to the first half of 2020 and -22.2% compared to the first half of 2019).

Good results were recorded both in the core business of shoes and in the new families of leather goods and accessories. Revenues from shoes amounted to 327.1 million euros in the first half of 2021 (+54.5% compared to the first half of 2020 and -9.5% compared to the first half of 2019).

Revenues from leather goods and accessories totalled 49.8 million euros (+65.9% compared to the first half of 2020 and -18.3% compared to the first half of 2019).

(euro mn)	H1 2021	%	H1 2020	%	% current exch. rates	H1 2021 constant rates	% constant exch. rates	% change H1 2019
Shoes	327.1	82.1	211.8	82.4	54.5	332.7	57.1	(9.5)
Leather goods	49.8	12.5	30.0	11.7	65.9	51.2	70.5	(18.3)
Apparel	21.1	5.3	14.9	5.8	41.4	21.2	41.8	(12.2)
Other	0.4	0.1	0.2	0.1	n.s.	0.4	n.s.	n.s.
Total	**398.4**	**100.0**	**256.9**	**100.0**	**55.1**	**405.5**	**57.8**	**(10.9)**

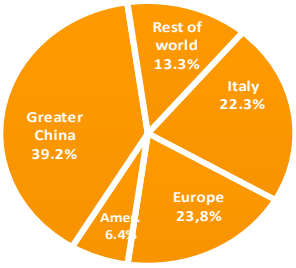


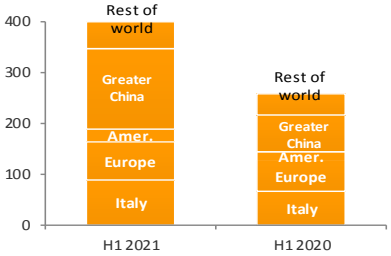


Finally, apparel revenues amounted to 21.1 million euros (+41.4% compared to the first half of 2020 and -12.2% compared to the first half of 2019), the trend substantially mirrors that of the FAY brand.

As already mentioned above, the pandemic has heavily affected business in the various regions of the world, both in the present and in the previous semester; for this reason, commenting on the comparison with the 2019 semester, it should be remembered that in the first half of 2021, the average opening rate of the total existing stores was only 85%. This percentage of operations drops to 76%, if referring to Italy, and even 61%, if referring to the rest of Europe.

(Euro mn)	H1 2021	%	H1 2020	%	% current exch. rates	H1 2021 constant rates	% constant exch. rates	% change H1 2019
Italy	88.8	22.3	65.6	25.5	35.5	88.8	35.5	(29.0)
Europe (excl. Italy)	74.9	18.8	61.2	23.8	22.1	74.9	22.3	(35.2)
Americas	25.4	6.4	16.1	6.3	58.2	27.4	70.6	(21.6)
Greater China	156.2	39.2	74.3	28.9	110.2	159.6	114.7	43.5
Rest of world	53.1	13.3	39.7	15.5	33.8	54.8	37.8	(20.0)
Total	**398.4**	**100.0**	**256.9**	**100.0**	**55.1**	**405.5**	**57.8**	**(10.9)**



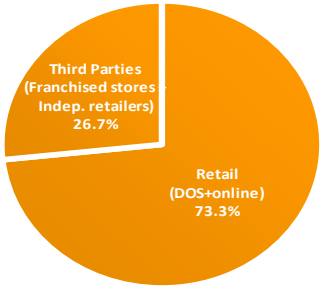


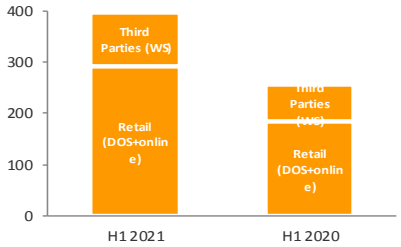
Revenues in Greater China recorded a growth of 43.5% compared to H1 2019 (+110.2% compared to the first half of 2020), showing an acceleration in the second quarter of the year compared to the first. Conversely, new cases of infections and new closures in Japan, Korea and other Asian countries caused a slight slowdown in the "Rest of the World" area in the second quarter. Obviously, the results of European countries, including Italy, are still very weak, penalized by the absence of tourist flows, even if the behaviour of local customers is very satisfactory.

Excellent results for the retail channel, also driven by the excellent growth of the e-commerce channel. At June 30th, 2021, the Group's distribution network was made up of 304 DOS and 96 franchised stores, compared to 292 DOS and 112 franchised stores at June 30th, 2020.

The results of the wholesale channel were also influenced by the different timing of deliveries between quarters; as expected, the trend of the channel in the half year, when compared with the 2019 data, reflects the physiological downsizing taking place worldwide.

(euro mn)	H1 2021	%	H1 2020	%	% current exch. rates	H1 2021 constant rates	% constant exch. rates	% change H1 2019
Retail (DOS+online)	292.0	73.3	185.1	72.1	57.7	297.8	60.9	(6.7)
Third Parties (Frinchised stores + Indep. retailers)	106.4	26.7	71.8	27.9	48.2	107.7	50.0	(20.8)
Total	**398.4**	**100.0**	**256.9**	**100.0**	**55.1**	**405.5**	**57.8**	**(10.9)**





Operating results.

The results recorded by the Group during the first half of 2021 improved significantly thanks to the recovery of sales revenues on the one hand and the maintenance of an adequate threshold of attention for containment and savings of operating costs on the other, in order to limit the significant economic impacts deriving from the COVID-19 pandemic.

Profitability at the gross margin level recorded a slight improvement compared to the previous period, thanks to the greater weight of turnover developed in some geographic areas with higher margins, but it showed a slight decrease with respect to the first half of 2019.

Transport costs and duties increased, mainly as a result of the increase in tariffs applied by international carriers, mainly determined by the pandemic situation.

The increase recorded in costs for services is a direct and physiological consequence of the recovery of normal business dynamics which, in the same period of the previous year, were more characterized by the containment and saving of operating costs, in order to mitigate the significant economic impacts deriving from the pandemic.

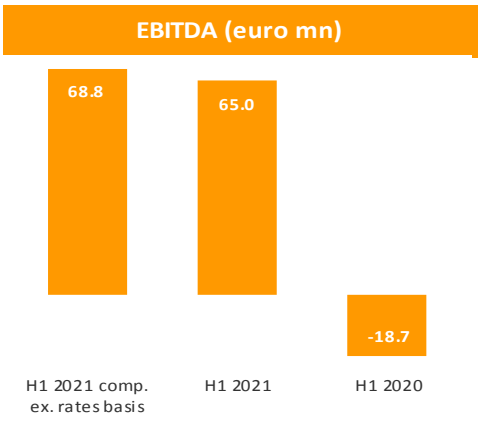
Communication expenses increased, reflecting the acceleration of investments in support of the enhancement of brands and new collections.

Alongside the growth of communication activities linked to the digital channel, there is also the recovery of some more traditional communication activities, carried out at direct stores and/or dedicated locations which, in the same period of the previous year, had been contained, taking into account the reference context and the greater restrictions imposed as a result of the pandemic.

The costs of use of third party assets went from 8.7 million euros at June 30th, 2020 to 23.7 million euros at June 30th, 2021 (28 million euros in the first half of 2019). The increase with respect to the first half of 2020, is mainly due to leases with variable fees depending on sales, as well as to a reduction in concessions deriving from the renegotiation of rents following the prolonged closing periods to which the directly operated stores were subjected as a consequence of the COVID-19 pandemic; such concessions went from 10.6 million euros at June 30th, 2020 to 4.4 million euro at June 30th, 2021.

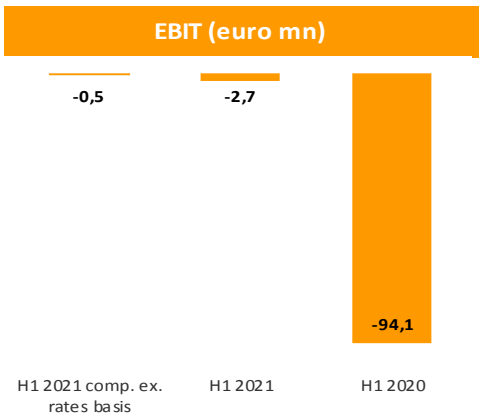
The cost incurred for the remuneration of the staff employed by the Group increased from 93.3 million euros in the first six months of 2020 to 102.5 million euros at June 30th, 2021, mainly due to the lower impact of the support measures employment made available by the governments of the countries affected by the pandemic and for the variable component of salary linked to sales. The incidence on sales went from 36.3% in the first six months of 2020 to 25.7% in the first six months of 2021 (107.5 million of euros in the first half of 2019 for an incidence on sales equal to 23.6%). As of June 30th, 2021, the workforce in the Group numbered 4,596 employees, an increase of 8 units compared to December 31st, 2020 and down by 61 units compared to June 30th, 2020.

As a result of these trends, EBITDA for the first six months of 2021 is positive for 65 million euros and represents 16.3% of consolidated turnover, while it was negative for 18.7 million euros in the first half of 2020, when it included , however, an extraordinary write-down of inventories of 30 million euros (positive EBITDA of 11.3 million in the first half of 2020, net of this write-down). At constant exchange rates, EBITDA for the first half of 2021 would have been 68.8 million euros, accounting for 17.3% of consolidated revenues.



Amortization and depreciation of fixed assets amounted to 67.6 million euros (75.4 million euros in the first half of 2020) and include amortization of rights of use (IFRS 16) for 48.4 million euros (54.7 million euros as at June 30th, 2020). The incidence on revenues was 17% as at June 30th, 2021, while it was 29.4% as at June 30th, 2020. They were 73.2 million euros the Amortization and depreciation in the first half of 2019 for an incidence on revenues of 16.1%.

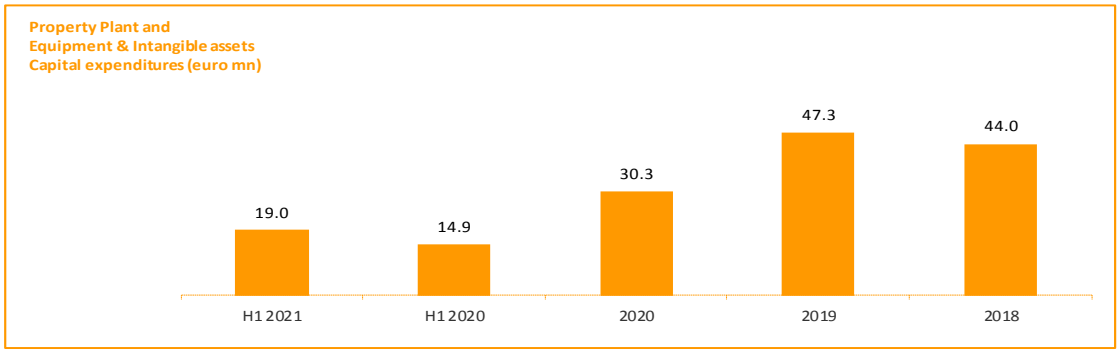
Net of additional operating impairment of 0.3 million euros, Operating profit (EBIT) in H1 2021 is negative for 2.7 million euros while it was negative for 94.1 million euros at June 30th, 2020 which however included the already mentioned extraordinary inventory write down. At constant exchange rate, EBIT for the period would have been -0.5 million euros.



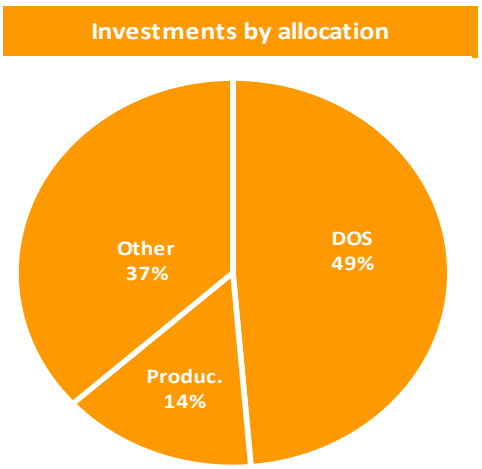
Financial income and expenses posted a negative value of 11.2 million euros, slightly improved in respect of June 30th of the previous period, when it was 11.9 million euros. The balance includes also both financial interests on long-term loans for 2.5 million euros and financial charges on lease liabilities for 5.8 million euros.

The trends mentioned above have determined a negative result for the period, at June 30th, 2021, net of income and deferred taxes, equal to 20.7 million euros, while in the first half of 2020 it was negative for 80.6 million euros.

Capital expenditures of intangible and tangible fixed assets. Capital expenditure in H1 2021 totalled 19 million euros, increased in respect of the first half 2020 while they were 14.9 million euros.



Capital expenditures during the period for the DOS network totalled about 9.2 million euro (8 million euros in the first half 2020), primarily used for both new DOS fitting out, and the usual renovation activities of some historical boutiques. The remaining investments in the period regarded not only the normal processes of modernising the structures and industrial equipment (mainly lasts and moulds), but also the development of the digital channel, further to the company management software.



Net financial indebtedness (NFI). At June 30th, 2021 net financial indebtedness was 557.4 million euros (529.7 million euros at December 31st, 2020) and it includes lease liabilities related to the application of IFRS 16 for 425.8 million euros (396.4 million euros at December 31st, 2020); net of the latter, the NFI would have been 131.7 million euros (133.4 million euros at December 31st, 2020).

Current indebtedness shows a significant improvement compared to December 31st, 2020 thanks to the consolidation of the debt through the stipulation of the syndicated loan, coordinated by Intesa Sanpaolo S.p.A. through the IMI Corporate and Investment Banking Division, disbursed for 250 million euros (the Term Loan), which will expire on December 2025, and the simultaneous repayment of previous loans and revolving credit lines that were mainly due in 2021.

Cash and cash equivalents at June 30th, 2021 are 188.1 million euros (cash and cash equivalents net of bank overdrafts are 174.8 million euros). Change in respect to December 31st, 2020 is due to the repayment of the previous loans commented above.

06.30.20	euro/000 Net financial indebtedness	06.30.21	12.31.20	Change
2,302,858	Cash and cash equivalents	1,936,823	2,065,244	(128,421)
(2,353)	Current financial liabilities	(2,465)	(2,213)	(253)
(19,392)	Current financial liabilities	(569,569)	(542,541)	(27,029)
2,281,113	**(Passività finanziarie nette)/surplus**	**1,364,789**	**1,520,491**	**(155,702)**
(1,301,121)	Passività per leasing	(952,175)	(1,058,068)	105,894
979,991	**(Totale Indebitamento finanziario netto)/surplus**	**412,614**	**462,422**	**(49,809)**

euro 000's Statement of cash flows	H1 2021	H1 2020
Net Cash and cash equivalents at the beginning of the period	**316,172**	**160,609**
Cash flows from operating activities	68,224	(66,812)
Interests and taxes collected/(paid)	(10,980)	(26,413)
Net cash flows from operating activities	**57,244**	**(93,226)**
Cash flow generated (used) in investing activities	**(18,206)**	**(14,603)**
Cash flow generated (used) in financing activities	**(182,268)**	**438,886**
Translation differences	1,907	569
Net Cash and cash equivalents at the end of the period	**174,849**	**492,235**

The cash flow from operating activities for the period generated liquidity for 68.2 million euros, in respect to the first half 2020 when operating cash was absorbed for 66.8 million euros. The considerable improvement is mainly due to both the increase in sales revenue further to the cost containment measures commented above and the prudent management of operating working capital.

Cash flows deriving from financing activities in the first half of 2021 includes the repayments and proceeds of medium / long-term loans and the payment of principal amount of lease liabilities for 42.6 million euros.

Items or transactions resulting from unusual and/or exceptional transactions

There were no items or transactions resulting from unusual and/or exceptional transactions during the first half.

Main risks and uncertainties

The duration of the pandemic and its consequences for the global economy still give rise to great uncertainty for the whole sector in which the Group operates. As it has done since the COVID-19 epidemiological emergency started, the Company will continue to monitor developments in the situation and take all the necessary steps to safeguard its employees, collaborators and customers' health and to preserve the Group's profitability and financial position, responding to the continuously evolving scenarios as swiftly as possible.

Moreover, it should be noted that, taking into account the results achieved in the first half, as well as the data available regarding the operating performance for the second part of the year and the trends regarding the foreseeable future, which are consistent with the assumptions and assumptions used during the preparation of the impairment test for the Consolidated Financial Statements of the Group as at December 31st, 2020, no indicators of possible impairment were identified, and, therefore, no specific impairment tests were carried out on the assets recognized in the Financial Statements.

As regards potential liquidity risks, the Directors, in consideration of the financial position in place as at June 30th, the available credit lines, the financial forecasts for the short term, and

taking into account the Group's capitalization, believe that the going concern is fully guaranteed with reference to both financial solidity of the Group, and its ability to pursue corporate strategies.

Consequently, the condensed Consolidated Financial Statements of the TOD'S Group at June 30th, 2021 have been prepared on a going-concern basis.

For more details on the financial risks to which the Group is exposed, reference should be also made to the specific section of the Explanatory Notes.

Business Outlook

The results for the period, as widely commented, were again influenced by the COVID-19 pandemic, although to a lesser extent than in the previous year. The pandemic, in particular, will also continue in the second half of the year, despite the vaccination campaigns proceeding rapidly in several countries. The risk that new variants may develop and the incomplete vaccination of the population still entail, in particular, a climate of uncertainty for the whole sector, determining the risk of having to again face restrictive measures imposed by Governments to deal with the possible resurgence of the contagion. Certainly, the main tourist flows will still remain severely limited, at least for a large part of the second half, with obvious consequences on the performance of sales in the various geographic markets, which will have to rely almost exclusively on domestic demand.

The described context makes it increasingly complex to make short and medium-term forecasts, but the results achieved in the first half, the signs of appreciation of the new collections, and the trend of the online channel, confirm the goodness of the actions recently taken. Considering also the large availability of financial resources of the Group, both to react quickly to any emergencies, and to support business strategies for growth, it is possible to confirm the expectations of the beginning of the year and consider the current year as a transition stage in the path of growth and return to profits of the Group in a reasonable time.

Milan, September 8th, 2021

The Chairman of the Board of Directors
Diego Della Valle

TOD'S Group

2021 Half-Year Condensed Financial Statements

Consolidated Income Statement

euro 000's	Note	H1 2021	H1 2020
Revenue			
Sales revenue	9.1	398,365	256,913
Other income		6,691	4,224
Total revenue and income		**405,056**	**261,137**
Operating Costs			
Change in inventories of work in progress and finished goods		(22,704)	(4,039)
Cost of raw materials, supplies and materials for consumption		(85,088)	(82,879)
Costs for services	9.2	(94,751)	(77,461)
Costs of use of third party assets	9.3	(23,705)	(8,671)
Personnel costs	9.4	(102,482)	(93,301)
Other operating charges		(11,013)	(12,511)
Amortisation and depreciation	9.5	(67,624)	(75,408)
Write downs/Reversing of assets	12-15	(349)	(1,010)
Total operating costs		**(407,716)**	**(355,280)**
Operating profit		**(2,660)**	**(94,143)**
Financial income and expenses			
Financial income	9.6	9,701	13,601
Financial expenses	9.6	(20,907)	(25,534)
Total financial income (expenses)		**(11,206)**	**(11,933)**
Income (losses) from equity investments			
Profit before taxes		**(13,866)**	**(106,076)**
Income taxes	13	(6,862)	25,110
Profit/(loss) for the period		**(20,729)**	**(80,966)**
Non-controlling interests			344
Profit/(loss) of the Group		**(20,729)**	**(80,622)**
Basic Earnings/(Loss) per share (in euro)		(0.63)	(2.44)
Diluted Earnings/(Loss) per share (in euro)		(0.63)	(2.44)

Consolidated Statement of Comprehensive Income

euro 000's	H1 2021	H1 2020
Profit (loss) for the period (A)	**(20,729)**	**(80,966)**
Other comprehensive income that will be reclassified subsequently to profit and loss:		
Gains/(Losses) on derivative financial instruments (cash flow hedge)	(4,092)	1,330
Gains/(Losses) on currency translation of foreign subsidiaries	1,477	2,951
Gains/(Losses) on net investments in foreign operations	532	(1,106)
Total other comprehensive income that will be reclassified subsequently to profit and loss (B)	**(2,083)**	**3,176**
Other comprehensive income that will not be reclassified subsequently to profit and loss:		
Cumulated actuarial gains/(losses) on defined benefit plans	284	
Total other comprehensive income that will not be reclassified subsequently to profit and loss (C)	**284**	
Total Comprehensive Income (A) + (B) + (C)	**(22,528)**	**(77,790)**
Of which:		
Attributable to Shareholders of the Parent company	(22,528)	(77,446)
Attributable to non-controlling interests		(344)

Consolidated Statement of Financial Position

euro 000's	Note	06.30.21	12.31.20	06.30.20
Non current assets				
Right of use assets				
Right of use assets	10	411,684	382,521	424,169
Total Right of use assets		**411,684**	**382,521**	**424,169**
Intangible fixed assets				
Assets with indefinite useful life	11	554,234	554,234	565,934
Other intangible assets	11	27,166	25,628	24,465
Total Intangible fixed assets		**581,400**	**579,862**	**590,398**
Tangible fixed assets				
Buildings and land	11	52,777	53,706	54,609
Plant and machinery	11	9,031	9,563	10,032
Equipment	11	10,919	10,700	11,309
Leasehold improvement	11	30,969	31,507	36,333
Others	11	31,016	30,652	31,819
Total Tangible fixed assets		**134,712**	**136,127**	**144,103**
Other assets				
Investment properties		10	11	13
Deferred tax assets	13	106,570	105,655	70,972
Others		18,847	18,329	18,914
Total other assets		**125,427**	**123,995**	**89,899**
Total non current assets		**1,253,223**	**1,222,505**	**1,248,571**
Current assets				
Inventories	14	334,787	353,982	378,349
Trade receivables	15	78,117	73,653	72,860
Tax receivables		11,515	15,437	18,696
Derivative financial instruments		483	2,739	4,254
Others		70,553	65,987	70,667
Cash and cash equivalents	18	188,147	330,940	509,461
Total current assets		**683,601**	**842,739**	**1,054,287**
Total assets		**1,936,823**	**2,065,244**	**2,302,858**

to be continued

euro 000's (continuing)	Note	06.30.21	12.31.20	06.30.20
Equity				
Share capital	16	66,187	66,187	66,187
Capital reserves	16	416,588	416,588	416,588
Hedging and translation reserves	16	15,228	17,311	18,616
Other reserves	16	507,374	580,280	582,368
Profit/(loss) attributable to the Group	16	(20,729)	(73,190)	(80,622)
Total Equity attributable to the Group		**984,648**	**1,007,176**	**1,003,137**
Non-controlling interest				
Share capital and reserves				(1,057)
Profit/(loss) attributable to non-controlling interests				(344)
Total Equity attributable to non-controlling interests				**(1,401)**
Total Equity		**984,648**	**1,007,176**	**1,001,736**
Non-current liabilities				
Provisions for risks	17	13,112	12,692	11,534
Deferred tax liabilities	13	7,288	4,030	36,254
Employee benefits		15,695	15,234	14,980
Derivative financial instruments		567		90
Bank borrowings	18	227,902	9,375	533,285
Non-current lease liabilities	10	333,887	305,013	330,826
Others		12,165	12,801	12,251
Total non-current liabilities		**610,615**	**359,145**	**939,222**
Current liabilities				
Trade payables		98,410	105,270	83,409
Tax payables		7,428	11,426	5,218
Derivative financial instruments		4,935	1,827	1,559
Others		53,057	40,350	43,620
Banks	18	83,401	446,501	134,088
Current lease liabilities	10	91,863	91,337	91,653
Provisions for risks		2,465	2,213	2,353
Total current liabilities		**341,560**	**698,924**	**361,899**
Total Equity and liabilities		**1,936,823**	**2,065,244**	**2,302,858**

Consolidated Statement of Cash Flows

euro 000's	Jan.-Jun. 21	Jan.-Jun. 20
Profit/(Loss) for the period	**(20,729)**	**(80,966)**
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:		
Amortizat., deprec., revaluat., and write-downs	70,603	112,265
Other non monetary expenses/(income)	3,222	(5,817)
Income taxes for the period	6,862	(25,110)
Changes in operating assets and liabilities:		
Trade receivables	(2,303)	23,953
Inventories	14,228	(30,218)
Tax receivables and tax payables	(2,547)	(1,468)
Trade payables	(6,860)	(53,782)
Other assets and liabilities	5,003	(6,064)
Change in reserve for employee	745	394
Cash flows from operating activities	**68,224**	**(66,812)**
Interests (paid)/collected	(2,998)	(614)
Interests (paid) on lease liabilities	(5,934)	(7,132)
Income taxes (paid)/refunded	(2,049)	(18,667)
Net cash flows from operating activities (A)	**57,244**	**(93,226)**
Acquisitions of intangible and tangible fixed assets	(18,960)	(14,938)
Transfers of intangible and tangible fixed assets	754	335
Cash flows generated (used) in investing activities (B)	**(18,206)**	**(14,603)**
Repayments of lease liabilities	(42,585)	(38,055)
Repayments of financial liabilities	(397,292)	(40,833)
Proceeds from financial liabilities	257,609	517,774
Cash flows generated (used) in financing (C)	**(182,268)**	**438,886**
Translation differences (D)	1,907	569
Cash flows from continuing operations (E)=(A)+(B)+(C)+(D)	**(141,322)**	**331,626**
Cash flow from assets held for sale (F)		
Cash flows generated (used) (G)=(E)+(F)	**(141,322)**	**331,626**
Net cash and cash equivalents at the beginning of the period	316,172	160,609
Net cash and cash equivalents at the end of the period	174,850	492,235
Change in net cash and cash equivalents	**(141,322)**	**331,626**

Consolidated Statement of Changes in Equity

January-June 2021 euro 000's	Share Capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non-controlling interests	Total
Balances as of 01.01.21	**66,187**	**416,588**	**17,311**	**507,090**	**1,007,176**		**1,007,176**
Profit & Loss account				(20,729)	(20,729)		(20,729)
Directly in equity			(2,083)	284	(1,799)		(1,799)
Total Comprehensive Income			**(2,083)**	**(20,445)**	**(22,528)**		**(22,528)**
Dividend paid							
Capital increase							
Share based payments							
Other							
Balances as of 06.30.21	**66,187**	**416,588**	**15,228**	**486,645**	**984,648**		**984,648**

January-June 2020 euro 000's	Share Capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non-controlling interests	Total
Balances as of 01.01.20	**66,187**	**416,588**	**15,441**	**583,421**	**1,081,637**	**(1,089)**	**1,080,548**
Profit & Loss account				(80,622)	(80,622)	(344)	(80,966)
Directly in equity			3,176		3,176		3,176
Total Comprehensive Income			**3,176**	**(80,622)**	**(77,446)**	**(344)**	**(77,790)**
Dividend paid							
Capital increase							
Share based payments							
Other				(1,053)	(1,053)	32	(1,022)
Balances as of 06.30.20	**66,187**	**416,588**	**18,616**	**501,746**	**1,003,137**	**(1,401)**	**1,001,736**

TOD'S Group

Explanatory notes to the half-year Condensed Financial Statements

1. General notes

TOD'S Group operates in the luxury sector under its proprietary brands (TOD'S, HOGAN, FAY and ROGER VIVIER). It actively creates, produces and distributes shoes, leather goods and accessories, and apparel. The mission is to offer global customers top-quality products that satisfy their functional requirements and aspirations.

The parent company TOD'S S.p.A., registered office in Sant'Elpidio a Mare (Fermo) at Via Filippo Della Valle 1, is listed on Mercato Telematico Azionario (MTA) of Borsa Italiana S.p.A..

At June 30th, 2021 TOD'S S.p.A. share capital is owned by DI.VI. FINANZIARIA di DIEGO DELLA VALLE & C. S.r.l. for 50.291%.

The half-year condensed financial statements at June 30th, 2021 was approved by the Board of Directors of TOD'S S.p.A. on September 8th, 2021. It was audited (limited review) by the independent auditor DELOITTE & TOUCHE S.p.A..

2. Basis of preparation

The half-year Financial Report, which includes the half-year condensed financial statements of TOD'S Group at June 30th, 2021, has been prepared in accordance with Article 154 ter (2, 3 and 4) of the Consolidated Law on Financial Intermediation ("TUF"), introduced by Legislative Decree 195/2007 in implementation of Directive 2004/109/EC (the "Transparency" directive) as amended by Legislative Decree 25/2016 in implementation of Directive 2013/50/UE. The half-year condensed financial statements complies with IAS 34 – Interim Financial Reporting, adopted according to the procedure envisaged in Article 6 of EC Regulation no. 1606/2002. Consequently, it does not include all the information required for the annual report and must be read together with the annual report prepared for the financial year at December 31st, 2020.

The half-year condensed financial statements includes the half-year condensed financial statements of TOD'S S.p.A. and its Italian and foreign subsidiaries, together identified as TOD'S Group, drafted with the reference date of June 30th, 2021 (January 1st – June 30th).

The half-year condensed financial statements (consolidated income statements, comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, and consolidated statement of changes in equity) were drafted in the long form and are the same as those used for the consolidated financial statements at December 31st, 2020 with the exception of a change in the consolidated income statement. It should be noted that the Group, starting with this half year condensed financial statements, in line with the reference best practice, the consolidated income statement does not include the alternative performance indicator EBITDA. The comparative information of the previous period has been updated consequently. Anyway, this indicator is shown in the interim report on operations in order to achieve a better understanding of the economic performance. Moreover, it should be noted that, starting from

this half year condensed financial statements: i) the amortization of intangible fixed assets and the depreciation of tangible fixed assets and right of use (IFRS 16) have been grouped together and they have been presented in only one line of the consolidated income statements; ii) the lines related to "Provisions" and "Other adjustments" of the Income Statement have been grouped together in only one line called "Write downs/Reversing of assets", which include impairment/reversing of fixed assets and write downs of trade receivables. The comparative information of the previous period has been consequently updated.

As envisaged in IAS 34, the notes to the financial statements were drafted in summary form and refer only to the components of the profit and loss account, statement of financial position, and statement of cash flows, whose composition or change in amount or nature was significant. Thus, they illustrate additional information for accurate comprehension of Group's financial position at June 30th, 2021.

Following art. 3 of Consob resolution n.18079 dated January 20th, 2012 we inform you that the Company adopt the waiver provided by art. 70 (8) and art. 71 (1-bis) of Consob regulation n. 11971/99 (and following modifications and integrations) with regard to the documents made available to the public at the registered office and concerning mergers, demergers, capital increases, acquisitions and disposals. If it proves necessary or appropriate to amend items in the half-year Financial Report as a result of the application of a new accounting standard, a change in the nature of a transaction or an accounts review, in order to provide reliable and more relevant information for the users of the half-year Financial Report, the comparative data are reclassified accordingly in order to improve the comparability of the information between one financial year and another. In this case, if the changes are significant, they are suitably disclosed in the explanatory notes. In this regard, it should be noted the reclassification done in the consolidated income statements in application of the IFRS 16 amendment related to the lease accounting, as further illustrated in Note 10.

Finally it is highlighted that the economic and financial results of the Group at June 30th, 2021 have been still impacted by the effects caused by the Coronavirus pandemic and as one would have expected are likely to remain so for the rest of the year, although they cannot be determined clearly concerning both possible evolution of the pandemic and the effects of vaccination campaigns which are proceeding in different part of the world. As regards potential liquidity risks, in view of the outstanding liquidity at June 30th and available credit facilities, as well as taking into account the short-term cash flow forecasts and also the Group's assets, the Directors of TOD'S S.p.A. deem that there are ample guarantees that it will continue to operate as a going concern, owing to both its financial solidity and its capacity to pursue its corporate strategies. Consequently, the condensed consolidated financial statements of the TOD'S Group at June 30th, 2021 have been prepared on a going-concern basis.

3. Accounting standards

The accounting standards and principles of consolidation applied to the preparation of these Condensed Consolidated Half-Year Financial Statements are consistent with those applied to the preparation of the Consolidated Financial Statements at December 31st, 2020, except for the new standards or interpretations endorsed by the European Union and applicable from January 1st, 2021.

Accounting standards, amendments and interpretations endorsed by the European Union, which are applicable from January 1st, 2021 and which were first adopted in the TOD'S Group's Condensed Consolidated Half-Year Financial Statements at June 30th, 2021.

- On August 27th, 2020 the IASB published, following the reform on interbank interest rates such as IBOR, the "Interest Rate Benchmark Reform-Phase 2", which made amendments to the following standards:
  - IFRS 9 Financial Instruments;
  - IAS 39 Financial Instruments: Recognition and Measurement;
  - IFRS 7 Financial Instruments: Disclosures;
  - IFRS 4 Insurance Contracts;
  - IFRS 16 Leases.

  All the amendments became applicable from January 1st, 2021. The adoption of this amendment had no effect on the Group's Consolidated Financial Statements.

- On March 31st, 2021 the IASB published "Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)", whereby it extended by one year the period of application of the amendment to IFRS 16, which had been issued in 2020, concerning the method of accounting for the concessions granted to lessees due to the Covid-19 pandemic.

  The changes introduced with the above amendment, endorsed by the European Union last August 31st, 2021, are applicable from April 1st, 2021, but the Group choose to early adopt it in the Half Year Financial Report at June 30th, 2021.

  In particular, it should be noted that, on the basis of the first-time adoption of this new amendment, the Group recognised proceeds arising from renegotiations of existing lease agreements for a total amount of 4.4 million euros, as Costs for use of third-party assets in the Consolidated Income Statement at June 30th, 2021 (Note 10).

Accounting standards, amendments and interpretations IFRS and IFRIC endorsed by the European Union but not yet mandatory applicable and not early adopted in the preparation of the condensed Consolidated Financial Statements at June 30th, 2021.

On May 14th, 2020 the IASB published the following amendments:

- Amendments to IFRS 3 – Business Combinations: the purpose of these amendments is to update the reference to the Conceptual Framework in revised version of IFRS 3, without this entailing amendments to the provisions of the standard.
- Amendments to IAS 16 - Property, Plant and Equipment: the purpose of these amendments is not to allow any deduction from the cost of tangible assets of the amount received from the sale of goods produced during the testing phase of the asset itself. Therefore, these revenues from sales and related costs shall be recognised in the income statement.
- Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that the assessment of whether a contract is onerous should include all costs that are directly attributable to the contract itself. Accordingly, the assessment of whether a contract is onerous includes incremental costs (such as, for example, the cost of direct material used in the work), as well as any costs that the entity cannot avoid because it has entered into the contract (such as, for example, the amount of depreciation of machinery used to perform the contract).
- Annual improvements 2018–2020: the amendments were made to IFRS 1 - First-time Adoption of International Financial Reporting Standards, as well as to IFRS 9 - Financial Instruments, IAS 41 - Agriculture and to the Illustrative Examples of IFRS 16 - Leases.

All the amendments will become applicable from January 1st, 2022. The directors do not expect any significant effect on the Group's consolidated financial statements from the adoption of these amendments.

Accounting standards, amendments and IFRS interpretations not yet endorsed by the European Union

- On January 23rd, 2020 the IASB published "*Amendments to IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.*" The purpose of the document is to clarify how to classify payables and other liabilities among short- or long-term items. The amendments will become applicable from January 1st, 2023, with early adoption permitted. The directors do not expect any significant effect on the Group's consolidated financial statements from the adoption of this amendment.

- On February 12th, 2021 the IASB published two documents, "*Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2*" and *"Definition of Accounting Estimates- Amendments to IAS 8"*. The amendments are aimed at improving disclosure of accounting policies so as to provide more useful information to investors and other primary users of financial statements, as well as at helping entities distinguish changes in accounting estimates from changes in accounting policies. The amendments shall apply from January 1st, 2023, with early adoption permitted. The directors do not expect any significant effect on the Group's consolidated financial statements from the adoption of these amendments.

- On May 7th, 2021 the IASB published "*Amendments to IAS 12 - Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*". The document clarifies how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. The amendments shall apply from January 1st, 2023, with early adoption permitted. The directors do not expect any significant effect on the Group's consolidated financial statements from the adoption of this amendment.

Estimates and assumptions. Preparation of the financial figures reported on the half-year condensed financial statements entails making estimates and assumptions based on the management's best valuation. Estimates and assumptions are reviewed regularly. If these estimates and assumptions should change in future from the actual circumstances, they will obviously be modified for the period in which those circumstances changed.
It should be noted that, even to the prolong of the COVID-19 pandemic, the management has updated the estimates and assumptions compared to the financial statements for the financial year ended December 31st, 2020, mainly in relation to the recoverable value of goodwill and of other assets with an indefinite useful life (trademarks), the provision for bad debts, the provision for write-down of inventories, the recoverability of receivables for deferred tax assets, right-of-use assets and related financial liabilities.
Specifically with regard to determination of eventual impairment losses affecting fixed assets, we remind that the tests are carried out in a complete manner only in the annual financial statements, except in cases where there are indicators of impairment that require an immediate assessment of any loss in value, or that events have occurred that in any case require repetition of the procedure. From the analyses conducted by the directors, at the reference date of this half-yearly financial report, no impairment indicators emerged (Note 12).

Presentation of financial statements drafted in foreign currency. The rates applied for translation of the financial statements of subsidiaries using a functional currency other than the currency used for consolidation, are illustrated in the following table and compared with those used in the previous period:

	H1 2021		H1 2020	
	Exch. rates as of end of period	Average exch. rate	Exch. rates as of end of period	Average exch. rate
U.S. dollar	1.19	1.21	1.12	1.10
British pound	0.86	0.87	0.91	0.87
Swiss franc	1.10	1.09	1.07	1.06
Hong Kong dollar	9.23	9.36	8.68	8.55
Japanese yen	131.43	129.87	120.66	119.27
Hungarian forint	351.68	357.88	356.58	345.26
Singapor dollar	1.60	1.61	1.56	1.54
Korean won	1,341.41	1,347.54	1,345.83	1,329.53
Macao pataca	9.51	9.64	8.94	8.81
Chinese renmimbi	7.67	7.80	7.92	7.75
Indian rupee	88.32	88.41	84.62	81.70
Albanian lek	122.57	123.25	124.09	123.62
Canadian dollar	1.47	1.50	1.53	1.50
Australian dollar	1.59	1.56	1.63	1.68
Danish krone	7.44	7.44	7.45	7.46

4. Seasonal or cyclical nature of interim transactions

TOD'S Group engages in a business that, despite the fact that it is not perfectly homogeneous in the various months of the year in the flow of revenues and costs arising from industrial activity, it does not show any profound seasonal or cyclical variations in overall annual sales.

5. Alternative indicators of performances

In order to strip the results of the first six months of 2021 from the effects of exchange rates fluctuations, compared to the average values for the six months of 2020, the typical economic indicators (Revenues, EBITDA, EBIT) have been restated by applying the average exchange rates for the six months of 2020, thus making them fully comparable with those of the previous comparison period.

These criteria for measuring business performance must not be considered alternative to those established by IFRS.

Furthermore – as it has already been mentioned in the preceding paragraph, the Group's revenues and costs flows is uneven from quarter to quarter, largely on account of its industrial

activity. Consequently, the analysis of interim results and financial statement indicators (EBITDA, EBIT, net financial indebtedness and working capital) cannot be considered fully representative, and it would thus be improper to consider the indicators for the reference period to be in proportion to the results for the entire financial year.

6. Scope of consolidation

The scope of consolidation at June 30th, 2021 changed in respect to June 30th, 2020 as explained below:

- On August 18th, 2020 Tod's Oak Ltd has been incorporated. It's 100% owned by Tod's S.p.A.;
- On September 17th, 2020 Tod's S.p.A. acquired further 50% of the quotas representing the share capital of Filangieri 29 S.r.l., already owned for 50%.

With respect to the financial statements at December 31st, 2020 no changes occurred in the scope of consolidation.

With respect to companies in which the Group does not hold more than 50% of the capital and consequently has the same percentage of the voting rights exercisable at the Shareholders' Meeting, control is assumed to reflect the fact that the Group has i) power, that is the ability to direct significant activities that have a significant impact on the returns; ii) it is exposed to the variability of the benefits deriving from the involvement with it and, therefore, iii) exercises the power to gain benefits from its business, as defined by IFRS 10 - Consolidated Financial Statements.

The following list illustrates the entire consolidation scope at June 30th, 2021:

Parent Company

TOD'S S.p.A.
S.Elpidio a Mare - Italy
Share Capital (S.C.) - euro 66,187,078

Direct Subsidiaries

TOD'S Deutsch. Gmbh
Munich - Germany
S.C. - euro 153,387.56
% held: 100%

TOD'S France Sas
Paris - France
S.C. - euro 780,000
% held: 100%

An.Del. USA Inc.
New York - U.S.A
S.C. - Usd 3,700,000
% held: 100%

TOD'S International BV
Amsterdam – Netherlands
S.C. - euro 2,600,200
% held: 100%

Roger Vivier S.p.A.
S.Elpidio a Mare – Italy
S.C. – euro 10,000,000
% held: 100%

TOD'S Austria Gmbh
Vienna - Austria
S.C. – euro 50,000
% held: 100%

TOD'S Australia PTY Ltd.
Sydney – Australia
S.C. – Aud 3,300,000
% held: 100%

Re.Se.Del. S.r.l.
S.Elpidio a Mare - Italy
S.C. - euro 25,000
% held: 100%

Del.Pav. S.r.l.
S.Elpidio a Mare - Italy
S.C. - euro 50,000
% held: 100%

Filangieri 29 S.r.l.
S.Elpidio a Mare - Italy
S.C. - euro 100,000
% held: 50%

Italiantouch Shanghai Tr
Shanghai – China
S.C. – euro 2,900,000
% held: 100%

TOD'S Oak Ltd.
Dublin – Ireland
S.C. – euro 1
% held: 100%

Indirect subsidiaries

Cal.Del. USA Inc.
Beverly Hills, Ca - U.S.A.
S.C. - Usd 10,000
% held: 100%

TOD'S Tex Del USA Inc.
Dallas, Tx - U.S.A
S.C. - Usd 10,000
% held: 100%

Deva Inc.
Wilmington, De – U.S.A.
S.C. - Usd 500,000
% held: 100%

Flor.Del. USA Inc.
Tallahassee, Fl - U.S.A.
S.C. - Usd 10,000
% held: 100%

Hono.Del. Inc.
Honolulu, Hi - U.S.A.
S.C. - Usd 10,000
% held: 100%

Il.Del. USA Inc.
Springfield, Il - U.S.A.
S.C. - Usd 10,000
% held: 100%

Neva.Del. Inc.
Carson City, Nv - U.S.A.
S.C. - Usd 10,000
% held: 100%

Or.Del. USA Inc.
Sacramento, Ca - U.S.A.
S.C. - Usd 10,000
% held: 100%

Gen.Del SA
Zurich - Switzerland
S.C. - Chf 200,000
% held: 100%

TOD'S Belgique S.p.r.l.
Bruxelles - Belgium
S.C. - euro 300,000
% held: 100%

TOD'S Espana SL
Madrid – Spain
S.C. - euro 500,000
% held: 100%

Buena Ltd.
London – Great Britain
S.C. – Gbp 1
% held: 100%

TOD'S Hong Kong Ltd
Hong Kong
S.C. - Usd 16,550,000
% held: 100%

TOD'S Japan KK
Tokyo - Japan
S.C. - Jpy 100,000,000
% held: 100%

Alban.Del Sh.p.k.
Tirana - Albania
S.C. - euro 720,000
% held: 100%

TOD'S Retail India Pte Ltd
Mumbai - India
S.C. - Inr 193,900,000
% held: 51%

TOD'S Singapore Pte Ltd
Singapore
S.C. - Sgd 300,000
% held: 100%

Un.Del Kft
Tata - Hungary
S.C. - Huf 42,900,000
% held: 100%

TOD'S UK Ltd
London - Great Britain
S.C. - Gbp 350,000.00
% held: 100%

Webcover Ltd
London - Great Britain
S.C.- Gbp 2
% held: 100%

Roger Vivier Paris Sas
Paris - France
S.C. - euro 6,700,000
% held: 100%

TOD'S Korea Inc.
Seoul - Korea
S.C. - Won 2,600,000,000
% held: 100%

TOD'S Macao Lda
Macau
S.C. - Mop 20,000,000
% held: 100%

TOD'S (Shanghai) Tr. Co.
Shanghai - China
S.C. - Usd 32,000,000
% held: 100%

Roger Vivier Japan KK
Tokyo – Japan
S.C. – Jpy 10,000,000
% held: 100%

Italiantouch USA Inc.
New York – USA
S.C. – Usd 1,000
% held: 100%

Roger Vivier Espana SL
Madrid – Spain
S.C. – euro 10,000
% held: 100%

Roger Vivier Deutsch.
Munich – Germany
S.C. – euro 25,000
% held: 100%

Roger Vivier Hong Kong Ltd
Hong Kong
S.C. – Hkd 1,000,000
% held: 100%

Roger Vivier Sing. PTE Ltd
Singapore
S.C. – Sgd 200,000
% held: 100%

Roger Vivier (Shan.) Tr.Co.
Shanghai – China
S.C. – Rmb 75,000,000
% held: 100%

Roger Vivier UK Ltd
London – Great Britain
S.C. – Gbp 150,000
% held: 100%

TOD'S Georgia Inc.
Norcross, GA – USA
S.C. – Usd 10,000
% held: 100%

Roger Vivier France Sas
Paris – France
S.C. – euro 3,507,500
% held: 100%

Roger Vivier Korea Inc.
Seoul – Korea
S.C. – Won 1,200,000,000
% held: 100%

Roger Vivier Switzerland
Lugano – Switzerland
S.C. – Chf 2,000,000
% held: 100%

Roger Vivier Macau Lda
Macau
S.C. – Mop 500,000
% held: 100%

TOD'S Washington Inc.
Tumwater, Wa – U.S.A.
S.C. – Usd 10,000
% held: 100%

Ala. Del. Inc.
Wilmington, De – U.S.A.
S.C. – Usd 10,000
% held: 100%

Tod's Massachussets Inc.
Boston, Ma – U.S.A.
S.C. – Usd 10,000
% held: 100%

Roger Vivier Australia
Sydney – Australia
S.C. – Aud 100,000
% held: 100%

Roger Vivier Canada Ltd.
Toronto – Canada
S.C. – Cad 350,000
% held: 100%

TOD'S New Jersey Inc.
Princeton NJ – U.S.A.
S.C. – Usd 1,000
% held: 100%

7. Segment reporting

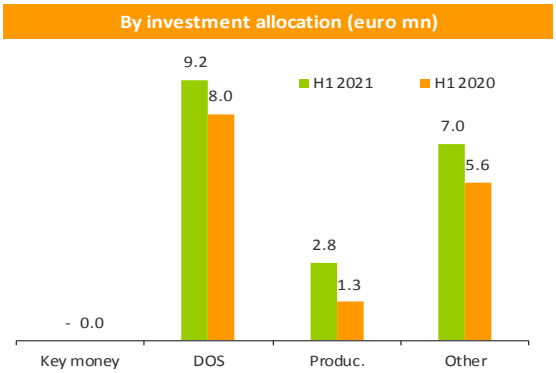
The search for higher levels of operating efficiency has identified as key element for maximising profitability via the sharing of a significant portion of service activities (first and foremost production), both at the central and peripheral levels; on the contrary, possible aggressive segmentation of the business appears uneconomical, under current circumstances.

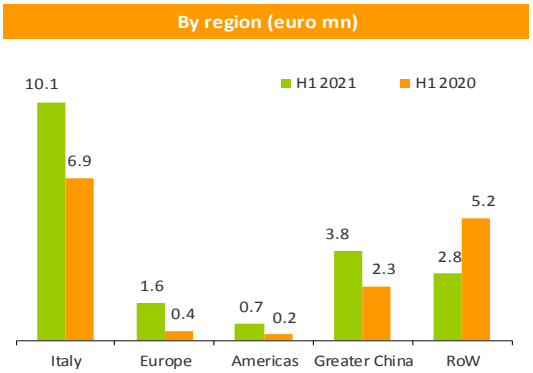
At the operating level, the Group's organisation is based on an articulated matrix structure according to the different functions/activities in the value chain, alternatively according to brand, product, channel and geographical area. The overall organisation envisages a unified strategic vision of the business.

This type of organisation is reflected in the ways in which management monitors and strategically focuses the Group's activities.

The economic disclosure set out in the Interim Report on operations includes operating information, including a break-down of consolidated revenues by BRAND, CHANNEL, PRODUCT TYPE and REGION. Below are provided some further details for completion:

Capital expenditures at June 30th,2021

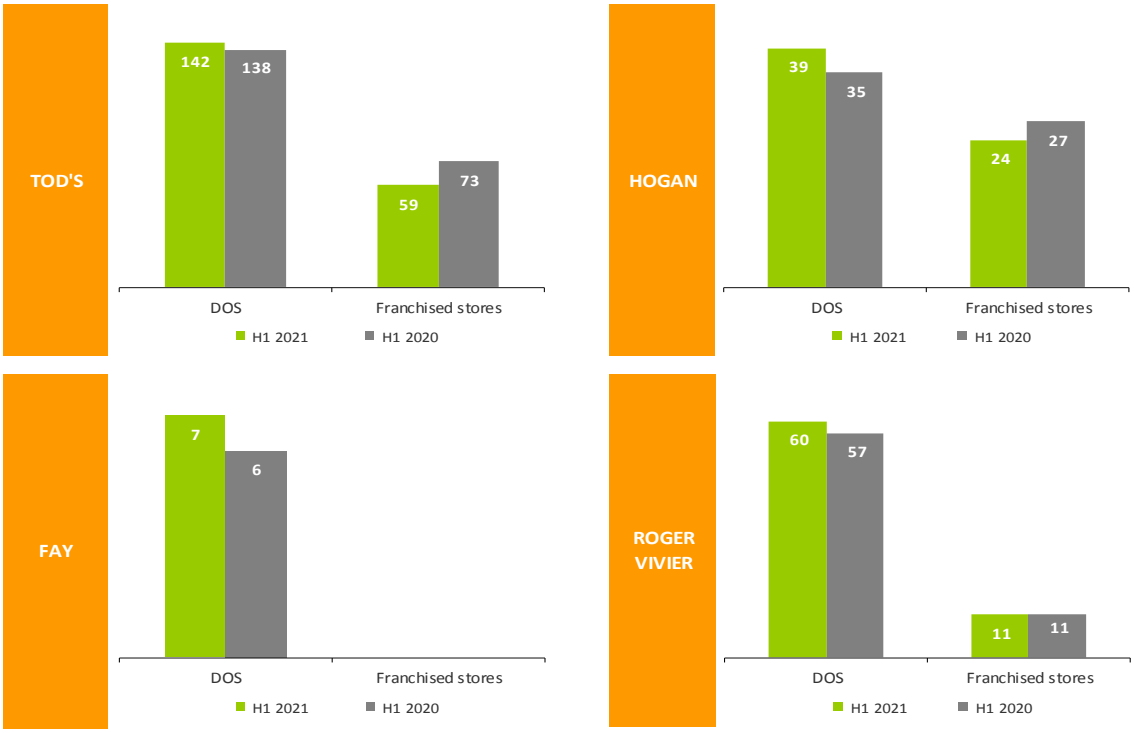




Distribution network

TOD'S Group - Distribution channel		H1 2021	H1 2020
Italy	DOS	47	45
	FRANCHISED STORES	1	1
Europe	DOS	53	54
	FRANCHISED STORES	18	20
Americas	DOS	24	24
	FRANCHISED STORES	4	5
Greater China	DOS	98	92
	FRANCHISED STORES	37	40
RoW	DOS	82	77
	FRANCHISED STORES	36	46
Total DOS		**304**	**292**
Total FRANCHISED STORES		**96**	**112**

The table below, which shows the breakdown of the distribution network by brand, doesn't include the DOS which sell products of more than one brand of the Group.



8. Management of financial risks

The TOD'S Group has implemented a system for monitoring its financial risks in accordance with the guidelines set out in the Corporate Governance Code of Listed Companies. As part of this policy, the Group constantly monitors the financial risks connected with its operations, in order to assess their potential negative impact and undertake appropriate action to mitigate them.

An analysis of the risks to which the TOD'S Group is exposed is reported below, while also showing the level of its exposure in consideration of the evolution of COVID-19 pandemic:

i. Credit risk. This represents the exposure of TOD'S Group to potential losses stemming from default on the obligations assumed by commercial counterparties. Sales of the wholesale channel showed an incidence of 26.7% of consolidated revenue in the first half of the year.

For sales to third party customers, the Group adopts a policy aimed at optimizing credit management and reducing associated risk through credit insurance transactions and stand-by letters of credit to protect collections. In particular, it is the policy of the Group, in granting credit limits to customers, to periodically analyse the creditworthiness of all customers, both consolidated and potential, in order to monitor and prevent potential solvency crises.

Below it is shown the ageing of trade receivables at June 30th, 2021, gross of allowances for doubtful accounts, compared with the one reported at December 31st, 2020:

06.30.21		Overdue			
euro 000's	Current	0 > 60	60 > 120	Over	Total
From third parties	59,826	10,566	6,337	4,803	81,532

12.31.20		Overdue			
euro 000's	Current	0 > 60	60 > 120	Over	Total
From third parties	58,154	11,987	2,507	6,581	79,229

As it can be seen from the table reported above, in the current economic and financial context, still impacted by the Coronavirus pandemic, the Group has not seen a significant change in its exposure in terms of risks associated with past due receivables compared to December 31st, 2020 (26.6% is the percentage weight of past due trade receivables at June 30th, 2021 unchanged compared to 26.6% at December 31st, 2020). This result has been achieved thanks to the adoption since the beginning of the pandemic of a timely approach in the management of the most critical positions, allowing to anticipate the potentially negative effects, for credit quality, deriving from the persistence of the epidemiological crisis.

The allowances for doubtful accounts at June 30th, 2021 is 3.4 million euros (5.6 million euros at December 31st, 2020), it completely and accurately represents the estimated risk of the Group versus the third party receivables, also taking into account the current economic situation and the uncertainties related to the foreseeable future.

ii. Liquidity risk. The liquidity risk represents the risk stemming from the unavailability of financial resources as necessary to meet the short-term commitments assumed by the Group and its own financial requirements.

The main factors that determine the Group's degree of liquidity are the resources generated or used by operating and investment activities and, on the other hand, the due dates or renewal dates of its payables or the liquidity of its financial investments and market conditions.

This risk is limited by taking actions aimed at ensuring a balanced structure of the Group's capital and by maintaining such a level of cash and cash equivalents as is required to meet its financial debt requirements at the relevant maturity dates in an adequate manner.

Particular attention is paid to the definition of the credit counterparty that is considered to be suitable for cash operations and that is identified according to increasingly selective liquidity, security and yield criteria and in line with the Management's instructions.

In order to have the financial resources to support the investments necessary for the recovery and development of the business, while rebalancing the financial debt in the medium-long term, on January 22nd, 2021, TOD's S.p.A. signed a loan agreement with a pool of banks, coordinated by Intesa Sanpaolo S.p.A. - through the IMI Corporate and Investment Banking Division - for a maximum total amount of 500 million euros, divided into a Term Facility of 250 million euros and a Revolving Credit Facility for a further 250 million euros, with a duration of five years. Through the Term part of the loan, and the available liquid resources, all pre-existing loans were repaid, with the exception of two loans taken out in May 2020 for 20 million euros each, maturing in November 2021. The previous RCF lines were extinguished.

The Revolving Credit Facility, still available for the entire amount of 250 million euros, was not used at June 30th, 2021.

The aforementioned operation, which is also characterized by a reward mechanism linked to the achievement of specific ESG objectives, further strengthened the Group's already solid financial structure, mitigating the risk profile linked to the current macro-economic context.

Below it is shown the breakdown of the net financial debt in accordance with their maturities:

euro 000's	Within 1 year	Between 1 and 5 years	Beyond 5 years	Total
06.30.2021				
Bank borrowings		227,902		227,902
Other non-current liabilities		8,498		8,498
Trade payables	98,410			98,410
Bank	83,401			83,401
Derivative financial instruments	4,935	567		5,501
Other current liabilities	127			127
Total	**186,873**	**236,966**		**423,839**
Cash and cash equivalents	(188,147)			(188,147)
Cash and self-liquidating credit lines	(419,428)			(419,428)
Total	**(607,575)**			**(607,575)**
Total net financial liabilities	**(420,702)**	**236,966**		**(183,736)**

euro 000's	Within 1 year	Between 1 and 5 years	Beyond 5 years	Total
06.30.2021				
Lease liabilities	91,863	215,357	118,530	425,750
Total	**91,863**	**215,357**	**118,530**	**425,750**

In the table shown below it is represented the breakdown of credit lines:

Credit lines euro 000's	Cash Credit lines	Self-liquidating Credit lines	Financial Credit lines	Total
06.30.2021				
Credit lines	58,130	42,941	331,725	432,796
Utilizations	(13,367)			(13,367)
Total	**44,762**	**42,941**	**331,725**	**419,428**

Furthermore, it should be noted that the existing loan agreements do not provide for financial covenants to be determined as at June 30th, 2021, while, on the syndicated loan only, they are envisaged starting from 31 December 2021.

Finally, as regards financial assets, the Group's policy is to continue to invest all of its available liquid funds in sight bank deposits or in short-term liquidity, without making use of financial instruments, including those of the money market, and dividing its deposits among an adequate number of banks, which are carefully selected by taking account the level of remuneration offered, in addition to the financial soundness and reliability.

iii. Market risk. IFRS 7 includes in this category all risks that are directly or indirectly connected with the fluctuation in prices on physical and financial markets to which the company is exposed:

– exchange rate risk;

– interest rate risk;

– commodity risk, which is tied to the volatility of prices for the raw materials used in the production process.

Concerning the above mentioned risks, TOD'S Group is exposed to exchange rate and interest rate risk, since there is no physical market subject to actual fluctuations in the purchase prices for raw materials used in the production process.

Exchange rate risk. Due to its commercial operations, the Group is exposed to fluctuations in the exchange rates for currencies in which some of its commercial transactions are denominated (particularly USD, GBP, CHF and currencies of Far East countries), against a cost structure that is concentrated principally in the eurozone. The TOD'S Group realises greater revenues than costs in all these currencies; therefore, changes in the exchange rate between the euro and the aforementioned currencies can impact the Group's results.

Moreover, due to the geographical composition of the Group structure, which is formed by subsidiaries with different currencies, the Group is exposed to exchange rate risk related to intercompany financial flows (mainly dividends, loans, transactions on share capital).

Finally, the Group is exposed to "translation risk". This risk stems from the fact that the assets and liabilities of consolidated companies whose functional currency is different from the euro can have different countervalues in euros according to changes in foreign exchange rates. The measured amount of this risk is recognised in the "translation reserve" in equity.

The Group monitors the changes of such exposure. No hedges of this risk existed at the reporting date. Governance of individual foreign currency operations by the Group's subsidiaries is highly simplified by the fact that they are wholly owned by the parent company.

The main goal of Group's risk management policy is to minimize the economic and transactional exchange rate risk which is achieved converting in euro the collections from sales in foreign currencies, for each season, net of related costs, using an average exchange rate in line with the related exchange rates used for the pricing list; in addition to the promptly conversion in euro of present and future financial cash flows in foreign currencies (i.e. bank loans, intercompany loans etc.) using market exchange rates. The Group pursues these aims by entering into forward contracts for each individual currency to hedge a specific percentage of the expected revenue (and cost) volumes in the individual currencies other than the functional currency. These positions are not hedged for speculative or trading purposes, consistently with the strategic policies adopted for prudent management of cash flows.

The Group defines its commercial hedging activities, for each single season, in accordance with the progress of sales and costs budgeting process in foreign currencies.

The process of hedging exchange rate risk inside the Group is broken down into a series of activities that can be grouped into the following distinct phases:

- definition of operating limits;
- identification and quantification of exposure;
- define hedging activities and related executions on the market;
- monitoring of position and alert procedures;

In connection with the exchange rate risk on financial intercompany transactions, the Group monitors the risk underlying outstanding transactions (loans) and forecast transactions (dividends and capital increases), in view of guaranteeing that no material operating and financial impact for the entities involved results from these transactions in relation to fluctuations in exchange rates. These goals are pursued by the Group through monitoring the foreign exchange rate trends related to outstanding or expected capital transactions and entering into forward contracts if they will have material contingent effects. These forward contracts are made to hedge the individual transactions, and not for speculation or trading. This is consistent with the strategic policies focused on prudent management of cash flows.

Interest rate risk. TOD'S Group is exposed to interest rate fluctuations, limited to its variable-rate debt instruments. Interest rate risk is managed in conformity to long-established practice with the aim of cutting down the risk of interest rate volatility, at the same time pursuing the goal of reducing the financial costs involved to a minimum.

The Group has only one outstanding loan at a variable interest rate, obtained during the period by TOD'S S.p.A. for 250 million euros (Term loan part), as already commented, refundable half-yearly, starting from June 30th, 2022 and expiring on December 2025, on which a variable interest rate are accumulated applying EURIBOR 6M + 250 basis points (Note 18).

The spread is subject to future variations based on the trends in the financial and sustainability indicators provided for in the contract.

To hedge the risk of possible changes in the interest rates on the above mentioned loan, six derivative contracts (interest rate swaps - IRSs), have been signed, each for an amount representing the participation of the banks in the pool and for a total amount equal to the Term Loan part.

These derivatives protect the Group from the risk of a generalised rise in interest rates, swapping the variable rate on the loan for a contractually fixed rate (-0.185% + *spread* equal to 2.50%) subject to change based on the contractual ESG indicators.

The above mentioned hedging transaction has been recognised in accordance with cash flow hedge methodology provided by IFRS 9, and the fair value is negative for 1,309 thousand euros at June 30th, 2021.

8.1 Categories of measurement at fair value

The fair value of derivative financial instruments outstanding at June 30th, 2021 is classified as Level 2 and has been determined using exchange rate that are quoted in active markets.

Note that during the first half 2021 there have not been any transfers between fair value levels indicated by the IFRS 13.

9. Comments on the main income statement figures

9.1 Sales revenues

Sales revenues at June 30th, 2021 have been equal to 398,365 thousand euros while they were 256,913 thousand euros at June 30th, 2020. For further comments see the interim report on operations.

9.2 Costs for services

Costs for services increased from 77,461 thousand euros at June 30th, 2020 to 94,751 thousand euros at June 30th, 2021. The increase is mainly linked to higher investments for communication, aimed at enhancing proprietary brands and new collections, and to the normal business dynamics which, in the same period of the previous year, were characterized by greater containment and saving activities of some operating costs, linked to non-priority activities, in order to mitigate the significant economic impacts deriving from the pandemic.

9.3 Costs of use of third party assets

At June 30th, 2021, the costs of the use of third party assets amounted to 23.7 million euros while at June 30th, 2020 they amounted to 8.7 million euros. The increase is mainly due to leases with variable rent based on sales, as well as to lower economic benefits recognized in application of the amendment to IFRS 16 (Note 10). In particular, the item included, at June 30th, 2020, economic benefits equal to 10.6 million euros, deriving from the reductions, linked to the COVID-19 pandemic, obtained by the lessors on the existing leasing contracts, while they amount to 4.4 million euros the benefits recognized at June 30th, 2021, relating to further concessions obtained following the protracted effects of the pandemic (Note 10).

9.4 Personnel costs

The cost for employees increased, compared to June 30th, 2020, from 93,301 thousand euros to 102,482 thousand euros. The increase is mainly attributable to the variable component based on sales, as well as to the lower weight, compared to the same period of the previous year, of the employment support measures implemented by the various Governments following the COVID-19 pandemic, adopted by the Group, if possible. At June 30th, 2021, the Group's workforce numbered 4,596 employees, increased of 8 units compared to 31 December 31st, 2020, while they decreased by 61 units compared to June 30th, 2020.

9.5 Amortisation and depreciation

Below it is shown the breakdown of amortisation and depreciation:

euro 000's	H1 2021	H1 2020	Change
Amortisation of intangible assets	3,873	4,106	(233)
Depreciation of tangible assets	15,366	16,643	(1,277)
Depreciation of right of use assets	48,386	54,659	(6,273)
Total	**67,624**	**75,408**	**(7,784)**

9.6 Financial income and expenses

The breakdown of financial income and expenses are illustrated below:

euro 000's	H1 2021	H1 2020	Change
Income			
Interest income on bank account	127	97	30
Foreign exchange gains	9,562	13,389	(3,826)
Other	12	115	(103)
Total income	**9,701**	**13,601**	**(3,900)**
Expenses			
Interest on medium-long term financing	(2,459)	(1,131)	(1,328)
Interest on short term borrowings	(89)	(104)	15
Interest expenses on leases	(5,825)	(7,183)	1,358
Foreign exchange losses	(10,795)	(16,081)	5,287
Other	(1,740)	(1,035)	(705)
Total expenses	**(20,907)**	**(25,534)**	**4,627**
Total net financial income and expenses	**(11,206)**	**(11,933)**	**727**

10. IFRS 16

IFRS 16 defines the principles for the recognition, measurement, presentation and disclosure of leases (contracts that give the right to use third-party assets) and requires lessees to account for all lease agreements in accordance with the methodology envisaged for financial leases by the old accounting standard IAS 17, effectively eliminating the previous dichotomy between operating and financial leases.

The application of IFRS 16 has a significant impact on the consolidated financial statements of TOD'S Group as a consequence of the operational activity linked to the retail distribution network which represents the main part of the business. In fact, TOD'S Group is the lessee of a series of lease contracts which mainly concern the directly operate stores (DOS), warehouses, production facilities, offices and showrooms, company cars, office and electronic machinery and

equipment. The leases of DOS represent the main category, representing approximately 90% of the total lease liabilities.

Right of use assets at June 30th, 2021 are 411,684 thousand euros while they were 382,521 thousand euros at December 31st, 2020. The net increases for the period, following new lease agreements signed during the first half and lease modifications of current agreements, are 73,044 thousand euros while depreciations for the first half are 48,386 thousand euros.
Lease liabilities at June 30th, 2021 are 424,099 thousand euros while they were 394,658 thousand euros at December 31st, 2020. The increases for the period are 71,550 thousand euros while payments are 42,585 thousand euros.
Lease financial charges are 5,825 thousand euros at June 30th, 2021 while they were 7,183 thousand euros at June 30th, 2020.
It should be noted that the Group has adopted, in these condensed interim consolidated financial statements, the amendment to IFRS 16 relating to the accounting of the concessions granted to lessees due to Covid-19, which provides, for lessees, the option, having met certain conditions, to record the reduction in rental fees connected with Covid-19 directly in the income statement.
In particular, the Group recognized, under the item Costs for the use of third party assets, this economic benefit, equal to 4.4 million euros, also taking into account the application of the "Covid-19-Related Rent Concessions beyond June 30th, 2021 (Amendments to IFRS 16)" which extends the period of application of the amendment to IFRS 16 (Note 3) by one year.
The amendment to IFRS 16, applied by the Group in the financial statements as at December 31st, 2020, had not been adopted in the Half-year Financial Report as at June 30th, 2020, in consideration of the fact that this amendment had not yet completed all the formal steps necessary for its endorsment by the EU and, consequently, could not be adopted (endorsment took place on 9 October 2020).
However, taking into account the strictly operational nature of leasing contracts, the concessions obtained by the lessors by June 30th, 2020, amounting to 10.6 million euros, were accounted for as a partial elimination of a lease liability by applying paragraph 3.3.1 of IFRS 9 - Financial instruments, recognizing the benefit, in the Consolidated Income Statement of the condensed interim financial statements at June 30th, 2020, as a reduction in operating costs, highlighted in a separate line of the income statement.
In order to improve the comparability of information between periods and considering the adoption by the Group of the aforementioned amendment in the financial statements closed as at December 31st, 2020 (with retroactive application as at January 01st, 2020), in this Half-Year Financial Report as at June 30th, 2021, the comparative data of the Consolidated Income Statement as at June 30th, 2020 have been restated, representing such income, deriving from the

concessions obtained on the lease agreements, under the item Costs for the use of third party assets, as also done at December 31st, 2020.

In addition to the information provided above it is noted that:

- Lease payments included in the definition of the short term leases envisaged by IFRS 16 amounted to 2,386 thousand euros at June 30th, 2021 (3,103 thousand euros at June 30th, 2020);
- Lease payments relating to those assets included in the definition of low value assets envisaged by IFRS 16 amounted to 460 thousand euros at June 30th, 2021 (122 thousand euros at June 30th, 2020);
- The rents relating to those contracts which provide for a variable fee and which therefore were not included in the valuation of the lease liability amounted to 21,848 thousand euros at June 30th, 2021 (11,332 thousand euros at June 30th, 2020).

11. Intangible and Tangible fixed assets

Intangible assets with undefined useful life include the values of the Group own brands, for about 554,234 thousand euros (unchanged in respect to December 31st, 2020).

Intangible assets with definite useful life include long-term amounts to protect the brands owned by the Group, software and other intangible assets. This item includes the net book value related to the agreement signed by the holding TOD'S S.p.A. for financing the restoration work on the Coliseum, amounting to 4,128 thousand euros.

The increase in the period, relating to intangible assets, amounted to 5,466 thousand euros, mainly referring to the development activities of the digital channel and company management systems (software).

Tangible assets capital expenditure in H1 2021 totalled 13,494 thousand euros, of which 9,229 thousand euros invested in the DOS network for both new DOS openings and for renovation activities of the existing stores. The remaining investment quota in the period regarded the normal processes of modernising the structures and industrial equipment (mainly lasts and moulds).

12. Impairment losses

Assets with an indefinite useful life (proprietary brands and goodwill) are not subject to the normal amortization process but, in accordance with the provisions of IAS 36, the directors assess the possible existence of impairment indicators. In this regard, it should be noted that the results achieved in the half-year just ended, the updating of estimates for the remainder of the year and the forecasts available regarding trends in the foreseeable future, are consistent with the assumptions and hypothesis used in the preparation of the impairment test for the

Consolidated Financial Statements of the Group as at December 31st, 2020. In consideration of these elements, no indicators of possible losses in value have been identified as at June 30th, 2021 (so-called trigger events) and, consequently, no impairment test.
Moreover, it should be noted that also the value of the market capitalization of TOD'S S.p.A. at June 30th, 2021, equal to approximately 1,914.3 million euros, which is well above the value of the consolidated shareholders' equity at the same date (984.6 million euros), confirms the absence of exogenous signs of impairment.

13. Deferred tax assets and liabilities

At June 30th, 2021, recognition of the effects of deferred taxes, determined on the basis of temporary differences between the carrying amount of assets/liabilities and its tax base, lead to the following tax assets and liabilities:

euro 000's	06.30.21	12.31.20	Change
Deferred tax assets	106,570	105,655	915
Deferred tax liabilities	(7,288)	(4,030)	(3,258)
Net Balance	**99,282**	**101,625**	**(2,342)**

Deferred tax assets, recognized on tax losses that can be carried forward on the basis of local tax regulations, not yet used by the Group at June 30th, 2021, amount to 32,722 thousand euros (33,658 thousand euros at December 31st, 2020).
The recoverability of these deferred tax assets, mainly attributable to the parent company, was assessed on the basis of the update of the analysis, conducted at December 31st, 2020, prepared taking into account the income forecasts for the period 2021-2025.
In the first half of 2021, deferred tax assets were used, on losses previously recognized, for 1,100 thousand euros, while no write-down was necessary, in the period, in relation to deferred tax assets on losses allocated in previous years, nor were reinstated deferred assets previously written down. Deferred assets on losses that can be carried forward prudently not recorded, since, on the basis of the analysis conducted, there is no reasonable certainty about recovery through future taxable income during the aforementioned time period, totalling 34,885 thousand euros.

14. Inventories

They totalled 334,787 thousand euros at June 30th, 2021 (353,982 thousand euros at December 31th, 2020). The allowance for inventory write-downs reasonably reflects the technical and stylistic obsolescence of the Group's inventories.

euro 000's	06.30.21	12.31.20
Opening balance	**(100,349)**	**(62,333)**
Increase	(10,547)	(43,921)
Utilization	5,685	5,850
Reversal		
Translation effects	(105)	55
Closing balance	**(105,316)**	**(100,349)**

The provision for the previous year included an extraordinary portion of 30 million euros, attributable to the effect of the COVID-19 pandemic, which had already been recognized as at June 30th, 2020. In the first half of 2021, there was no need to proceed with any extraordinary devaluation.

15. Trade receivables

At June 30th, 2021 the breakdown of trade receivables is shown below:

euro 000's	06.30.21	12.31.20	Change
Trade receivables	81,532	79,229	2,303
Allowances for doubtful accounts	(3,414)	(5,576)	2,161
Net trade receivables	**78,117**	**73,653**	**4,464**

The allowances for doubtful accounts represent the reasonable estimate of impairment due to the expected losses arising from the risk of not being able to collect the trade receivables recognised on the financial statements and it take into account even the possible credit losses as a consequence of the current COVID 19 pandemic. The amount accrued for HY 2021 totalled 350 thousand euros (1,000 thousand euros for HY 2020).

16. Equity

16.1 Share Capital

At June 30th, 2021, the parent company share capital totalled 66,187,078 euros, and was divided into 33,093,539 shares, fully subscribed and paid in.

The Group did not own treasury shares in the parent TOD'S S.p.A., and it did not execute any transactions on those shares during the period.

17. Provisions for risks and charges

They include the estimate of liabilities, with uncertain maturity date or amount, on which the Group might incur in case of a legal or constructive obligation in connection with a past event.

The figure mainly includes provisions related to both legal and tax lawsuits, risks and costs for employees and reinstatement costs.

Below it is showed the variation of the provision for risks and charges:

euro 000's	06.30.21	12.31.20
Provisions for risks - non current		
Opening balance	**12,692**	**11,530**
Increase	821	2,121
Utilization	(615)	(435)
Reversal		(185)
Translation effects	214	(330)
Other		(10)
Closing balance	**13,112**	**12,692**
Provisions for risks - current		
Opening balance	**2,213**	**1,166**
Increase	318	1,773
Utilization	(68)	(731)
Reversal		
Translation effects	2	(5)
Other		10
Closing balance	**2,465**	**2,213**

It should also be noted that, during the previous year, the parent company TOD'S S.p.A. has been audited by the Italian Tax Authority, with reference to the 2015, 2016 and 2017 tax periods. The audit at the date of this report has not yet been completed and the Company is actively collaborating in providing the documentation requested by verifiers.

18. Net Financial Indebtedness

At June 30th, 2021, net financial indebtedness was 557,403 thousand euros (it was 529,740 thousand euros at December 31st, 2020 and 587,532 thousand euros at June 30th, 2020 respectively). Cash and cash equivalents are 188,147 thousand euros while financial liabilities are 745,551 thousand euros, of which 570,287 thousand euros as non-current financial liabilities. It is noted that the net financial indebtedness includes both non-current and current lease liabilities for 425,750 thousand euros (Note 10).

The following is the net financial indebtedness, as defined by the ESMA guidelines contained in the Guidelines on disclosure requirements under the Prospectus Regulation of March 4th, 2021 (Consob attention no. 5/21):

euro 000's Net financial indebtedness	06.30.21	12.31.20	Change
Cash (A)	188,147	330,940	(142,793)
Cash equivalents (B)			
Other current financial assets (C)			
Liquidity (D) = (A) + (B) + (C)	**188,147**	**330,940**	**(142,793)**
Current financial debt (E)	23,188	17,140	6,047
Current portion of non-current financial debt (F)	152,077	520,698	(368,621)
Current financial indebtedness (G) = (E) + (F)	175,265	537,838	**(362,574)**
Net current financial indebtedness/(surplus) (H) = (G) - (D)	**(12,883)**	**206,898**	**(219,780)**
Non-current financial debt (I)	561,789	314,388	247,401
Debt instruments (J)			
Non-current trade and other payables (K)	8,498	8,454	44
Non-current financial indebtedness (L) = (I) + (J) + (K)	**570,287**	**322,842**	**247,445**
Total Net financial indebtedness/(surplus) (H) + (L)	**557,404**	**529,740**	**27,664**

Below it is shown the breakdown of financial indebtedness:

euro 000's Breakdown of financial indebtedness	06.30.21	12.31.20	Change
Bank overdraft	13,296	14,769	(1,472)
Short Term loan	9,891	2,372	7,519
Current portion of m/l loan	59,255	428,481	(369,226)
Current lease liabilities	91,863	91,337	526
Other current financial liabilities	959	880	79
Current financial indebtedness	**175,265**	**537,838**	**(362,574)**
Non-current portion of m/l loan	227,902	9,375	218,527
Non-current lease liabilities	333,887	305,013	28,874
Other non-current liabilities	8,498	8,454	44
Non-current financial indebtedness	**570,287**	**322,842**	**247,445**

The other non-current liabilities consist of the long-term liability recorded in relation to the agreement stipulated for the financing of the restoration works of the Coliseum.

The breakdown of current and non-current financial liabilities at June 30th, 2021 is shown below (excluded bank overdraft, lease liabilities and other non-current liabilities):

Currency 000's Type	Counterpart	Currency	Maturity	Res. Debt in currency	Res. Debt in Euro
Medium and long term bank pool loan	IntesaSanPaolo - Crédit Agricole - BPM - BNL - Unicredit	Eur	2025		250,000
Medium and long term loan	Cassa di Risparmio di Fermo S.p.A.	Eur	2021		20,000
Medium and long term loan	Cassa Depositi e Prestiti S.p.A.	Eur	2021		20,000
Short term loan	BNP Paribas S.A. - Tokyo branch	Jpy	2021	1,300,000	9,891
Total financing					**299,891**
Other financial liabilities		Inr	n.a.	84,661	959
Interest accruals and amortised cost		Eur	n.a.		(2,843)
Total financing and other financial liabilities					**298,007**

In respect to the financial statements of December 31st, 2020, the following loan has been signed during the first half of 2021:

- loan agreement signed with a pool of banks on January 22nd, 2021 coordinated by Intesa SanPaolo S.p.A. through IMI Corporate and Investment Banking Division, consisting of a Term Loan portion, disbursed for 250 million euros, and a portion of Revolving Credit Facility, for a total of 250 million euros, entirely unused as at June 30th, 2021. The expiry of the loan is scheduled for December 31st, 2025 and the repayment of the Term Loan part will take place in increasing half-yearly installments starting from June 30th, 2022. This loan will accrue interest at a variable rate equal to the EURIBOR 6M + 250 basis points. The spread is subject to future variations based on the trends in the financial and sustainability indicators provided for in the contract. To hedge the risk arising from the possible change in interest rates on this syndicated loan, there are derivative contracts (interest rate swaps - IRS), for a notional amount equal to the amount of the Term Loan share (Note 8).

Further to the above mentioned loan, the following loans are still outstanding:

- loan signed on May 13th, 2020 with Cassa di Risparmio di Fermo S.p.A. for an amount of 20 million euros, totally refundable at the expiring date on November 13th, 2021. The agreed interest rate is 0.7% payable quarterly;
- loan signed on May 12th, 2020 with Cassa Depositi e Prestiti S.p.A. for an amount of 20 million euros, totally refundable at the expiring date on November 11th, 2021. The agreed interest rate is 0.96% payable half-yearly;

It should be noted that the existing loan agreements do not provide for financial covenants to be determined as at June 30th, 2021, while, on the syndicated loan only, they are envisaged starting from December 31st, 2021.

19. Earnings/(Losses) per share

The calculation of base and diluted earnings/(losses) per share is based on the followings:

i. Reference profit/(loss)

euro 000's For continuing and discontinued operations	H1 2021	H1 2020
Profit/(loss) used to determine basic earning/(loss) per share	(20,729)	(80,622)
Dilution effects		
Profit/(loss) used to determine diluted earning/(loss) per share	**(20,729)**	**(80,622)**

euro 000's For continuing operations	H1 2021	H1 2020
Profit/(loss) for the year	(20,729)	(80,622)
Income/(Loss) from discontinued operations		
Profit/(loss) used to determine basic earning/(loss) per share	**(20,729)**	**(80,622)**
Dilution effects		
Profit/(loss) used to determine diluted earning/(loss) per share	**(20,729)**	**(80,622)**

In both periods, first half 2021 and 2020, there were no dilutions of net consolidated earnings/(losses), partly as a result of activities that were discontinued during the periods in question.

ii. Reference number of shares

	H1 2021	H1 2020
Weighted average number of shares to determine basic earning/(loss) per share	33,093,539	33,093,539
Share Options		
Weighted average number of shares to determine diluted earning/(loss) per share	33,093,539	33,093,539

20. Transactions with related parties

The Group's related parties transactions were executed in compliance with the procedural sequence and implementing procedures set out in the Procedure on Related parties transactions of TOD'S S.p.A adopted by the Group. The Procedure on Related parties transactions of TOD'S S.p.A. is archived in the "Governance" section of the corporate web site *www.todsgroup.com*. In accordance with market best practices, significant related party transactions are subject to an in-depth review involving, inter alia:

(i) complete, prompt transmission of material information to the in charge Control and Risk Committee appointed by the Board of Directors within the scope of their delegated responsibilities. Such Committee, made of independent directors, who in the performance of their functions also avail themselves of the assistance of independent experts;

(ii) the issuance of an opinion (either binding or non-binding, as applicable) before approval of the transaction by the Board of Directors (or, if appropriate, by the body delegated to resolve on the transaction). All transactions – which are connected with the normal operations of TOD'S Group companies – were executed solely on behalf of the Group by applying contractual conditions consistent with those that can theoretically be obtained on an arm's length basis.

Most significant transactions concluded during the period.

No significant transactions are reported, which were completed during the period. With regard to new transactions of lesser importance, the following are provided:

- The renewal of the existing lease, relating to the commercial spaces in which the DOS activity of the TOD'S brand in Saint Tropez continues, until July 31st, 2029; the renewal operation, carried out under normal market conditions with the involvement of an independent expert for the determination of the contractual rent, is configured as a transaction with related parties since the lessor Difran s.a.s. is company linked to the President (Diego Della Valle) and to the Vice-President (Andrea Della Valle) through the Diego Della Valle & C S.r.l., controlled by the former;
- The stipulation of a consultancy contract between the parent company and the director, co-opted by the board resolution of June 7th, 2021, Michele Scannavini, concerning the provision of some general consultancy services to be provided, in support of the Chairman of the Board of Directors and the top management of the Group, starting from June 14th, 2021, for a period of one year;
- The stipulation of a consultancy contract, effective from January 1st, 2021 and lasting 8 months, with the related company FV&C S.r.l., concerning the organization, management and coordination of a series of editorial/digital and marketing projects & communication for the TOD'S brand. The consultancy agreement stipulated, the consideration of which is lower than the threshold provided for transactions of a small amount carried out with related parties attributable to the controlling shareholder, represents a transaction with related parties since FV&C S.r.l. is a company directly controlled by the President (Diego Della Valle). It is also specified that after 30 June 30th, 2021, the parties signed an agreement for the extension of this consultancy relationship for a further two years (September 1st, 2021 – August 31st, 2023), concerning the same services, with reference to the collections of the TOD'S brand included in the two-year term of the agreement. The consideration agreed between the parties is proportionate as a percentage of the value of the costs incurred for the realization of the individual projects relating to activities managed and coordinated by FV&C S.r.l..

Related party transactions at June 30th, 2021.

In continuation of contractual relationship already existing in 2020, during the first half of 2021, TOD'S Group continued to maintain a series of contractual relationship with related parties (directors/controlling or significant shareholders). The main objects of the transactions were the sale of products, lease of sales spaces, show rooms and offices.

i. Commercial transactions with related parties – Revenue

euro 000's	Sales of products	Rendering of services	Royalties	Operating lease	Other operations
06.30.21					
Parent Company (*)	213	7		5	
Total	**213**	**7**	**-**	**5**	**-**
06.30.20					
Parent Company (*)	75			5	
Total	**75**	**-**	**-**	**5**	**-**

(*) Companies directly or indirectly controlled by Chairman of the Board of Directors Diego Della Valle.

ii. Commercial transactions with related parties – Costs

euro 000's	Purchases of products	Rendering of services	Royalties	Operating lease	Other operations
06.30.21					
Parent Company (*)	2	139		2,998	23
Total	**2**	**139**	**-**	**2,998**	**23**
06.30.20					
Parent Company (*)		39		3,207	2
Total	**-**	**39**	**-**	**3,207**	**2**

(*) Companies directly or indirectly controlled by Chairman of the Board of Directors Diego Della Valle.

iii. Commercial transactions with related parties – Receivables and payables

euro 000's	06.30.21				06.30.20			
	Asset		Liabilities		Asset		Liabilities	
	Right of use	Trade Receivables	Leasing liability	Trade Payables	Right of use	Trade Receivables	Leasing liability	Trade Payables
Parent Company (*)	19,965	6	21,202	225	23,661	60	24,127	89
Total	**19,965**	**6**	**21,202**	**225**	**23,661**	**60**	**24,127**	**89**

(*) Companies directly or indirectly controlled by Chairman of the Board of Directors Diego Della Valle.

Note that the figure Assets with indefinite useful life includes, for 415 million euros, the carrying amount of ROGER VIVIER brand, purchased by Roger Vivier S.p.A. on January 2016 from the related party Gousson Consultadoria e Marketing S.r.l., a company controlled by the President of the board of directors, Mr. Diego Della Valle.

Transactions between Group companies included in the scope of consolidation have been eliminated from the half-year condensed financial statements. Consequently, they have not been highlighted in these notes.

Compensation of Directors, Statutory Auditors and General Managers

Compensation of Directors and Executives with strategic responsibilities of TOD'S S.p.A. have been determined in accordance with the Compensation Policy adopted by TOD'S S.p.A. Board of Directors resolution at March 10th, 2021 as approved by the shareholder meeting at April 21st, 2021, and by subsequent meetings of May 12th, 2021 and June 7th, 2021. For the first half of 2021 (including compensation for the activities performed at subsidiaries) compensation amount to respectively 2.1 million euros and 1 million euro.

Compensation for Statutory Auditors of TOD'S S.p.A. at June 30th, 2021 amount to 0.2 million euros.

21. Significant non-recurring transactions and events

The Group did not carry out any significant non-recurring transactions in the first half of year 2021.

22. Significant events occurred after the reporting period

No significant events occurred after the reporting period.

Attestation of the Half-Year condensed financial statements of TOD'S Group pursuant article 154 bis of D.LGS. 58/98 and of article 81-ter of Consob Regulation n. 11971 of May 14th 1999 and further modifications and integrations.

1. The undersigned Umberto Macchi Di Cellere, Chief Executive Officer of TOD'S S.p.A., and Rodolfo Ubaldi, manager responsible for the drawing up of the financial reports of TOD'S S.p.A. certify, in accordance with the provisions of Article 154-bis, subsections 3 and 4, of Legislative Decree no. 58 of February 24th, 1998:

• the adequacy in terms of the company's characteristics and

• effective application

of administrative and accounting procedures for preparation of the 2021 Half Year condensed financial statements during the period January 1st to June 30th, 2021.

2. They also certify that Half-Year condensed financial statements:

a) have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated July 19th, 2002;

b) correspond with the account book and ledger entries;

c) give a true and fair view of the assets, liabilities, income and financial position of the issuer and entities included in the scope of consolidation.

3. Interim report on operations provides a reliable analysis of the significant events for the first six months of the current fiscal year and the impact of such events on the Half year condensed financial statements as well as a description of the main risks and uncertainties for the second half of the year in addition to a reliable analysis of the information on the significant related party transactions.

Milan, September 8th, 2021

Chief Executive Officer
Umberto Macchi Di Cellere

Manager responsible for drawing up of the financial report
Rodolfo Ubaldi