GOLDEN GOOSE S.P.A.

FINANCIAL RESULTS FOR SIX MONTHS ENDED JUNE 30, 2021

TABLE OF CONTENTS

1 PRESENTATION OF FINANCIAL INFORMATION

The financial information included in this report (the "Report") is that of the Issuer and its consolidated subsidiaries (the "Group"). In particular, this Report includes and presents unaudited consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards (IFRS), which comprise consolidated profit and loss for the first six months of 2021, the consolidated balance sheet as at June 30, 2021, and the consolidated statements of cash flows for the first six months of 2021.

1.1 NON-IFRS FINANCIAL MEASURES

This Report contains non-IFRS measures and ratios, including EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, Pre-IFRS 16 Adjusted EBITDA, Pre-IFRS 16 Adjusted EBITDA margin, Operating Cash Flow, Adjusted Operating Cash Flow, Cash Conversion and Adjusted Cash Conversion that are not required by, or presented in accordance with, IFRS. Our non-IFRS measures are defined by us as follows:

- EBITDA consists of net result for the year before income taxes, financial expenses, financial income and depreciation and amortization;

- EBITDA margin consists of EBITDA divided by net turnover;

- Adjusted EBITDA is defined as EBITDA adjusted to reflect the net effect of non-recurring expenses and income;

- Adjusted EBIT before PPA amortization is defined as Operating Result (EBIT) less the net effect of non-recurring expenses and income and excluding the depreciation of the 2020 Purchase Price Allocation

- Trade Working Capital consists of Inventories + Receivables - Trade Payables (as represented in the Balance Sheet);

- Adjusted Trade Working Capital consists of Inventories + Receivables - Trade Payables (as represented in the Balance Sheet) - Trade Payables (reclassified under Current Financial Liabilities);

- Operating Cash Flow comprises the sum of cash flow generated (absorbed) by operations and cash flow generated (absorbed) by investment activities, less interest collected/(paid) and (income tax paid) for the period;

- Cash Conversion is measured as Operating Cash Flow divided by Adjusted EBITDA

We present non-IFRS measures because we believe that they are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-IFRS measures may not be comparable to other similarly titled measures of other companies and should not be considered in isolation or be used as a substitute for an analysis of our operating results as reported under IFRS. Non-IFRS measures and ratios are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to consolidated profit/(loss) for the year or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities. The non-IFRS measures have limitations as analytical tools. Some of these limitations are:

- they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;

- they do not reflect changes in, or cash requirements for, our trade working capital needs;

- they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments, on our debts;

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and certain of these non-IFRS measures do not reflect any cash requirements that would be required for such replacements; and

- some of the exceptional items that we eliminate in calculating Adjusted EBITDA reflect cash payments that were made or will in the future be made.

EBITDA, Adjusted EBITDA, Pre-IFRS 16 Adjusted EBITDA as used in this Report are not calculated in the same manner as "Consolidated EBITDA" is calculated pursuant to the Indenture governing the Notes, as described under "*Description of the Notes*" or for purposes of any of our other indebtedness.

1.2 NON-FINANCIAL OPERATING DATA

Certain key performance indicators and other non-financial operating data included in this Report are derived from management estimates, are not part of our financial statements or financial accounting records and have not been audited or otherwise reviewed by outside auditors, consultants or experts. Our use or computation of these terms may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these terms should not be considered in isolation or as an alternative measure of performance under IFRS.

1.3 ROUNDING

Certain numerical figures set out in this Report, including financial information presented in millions or thousands and percentages, have been subject to rounding adjustments and, as a result, the totals of the data in this Report may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other information are calculated using the numerical data in each of the Consolidated Financial Statements or the tabular presentation of other information (subject to rounding) contained in this Report, as applicable, and not using the numerical data in the narrative description thereof. With respect to financial information set out in this Report, a dash ("—") signifies that the relevant figure is not available, while a zero ("0.0") signifies that the relevant figure is available but is or has been rounded to zero.

2 DEFINITIONS

Unless otherwise specified or the context requires otherwise in this Report:

- "Acquisition" means the acquisition of the entire share capital of Sneakers Maker by Astrum 3 (both of which were subsequently merged into the Issuer on August 5, 2020 upon completion of the Reverse Merger) pursuant to the Acquisition Agreement, which was consummated on June 16, 2020;

- "Acquisition Agreement" or "SPA" means the sale and purchase agreement dated February 11, 2020, between Astrum 3 as buyer and the sellers named therein for the sale and purchase of the entire share capital of Sneakers Maker;

- "Americas" means our regional sales market comprised of North America and South America;

- "APAC" means our regional sales market comprised of Asia-Pacific countries;

- "Astrum 3" means Astrum 3 S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of Italy, which was merged into the Issuer upon completion of the Reverse Merger;

- "Bridge Facility" means the €470 million bridge facility made available under the Bridge Facility Agreement;

- "Bridge Facility Agreement" means the bridge facility agreement dated June 8, 2020, among, inter alios, the Issuer (formerly Astrum 3), as borrower, and Credit Suisse AG, Milan Branch, Goldman Sachs International Bank, Banca IMI S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Bank of America Merrill Lynch International Designated Activity Company and Barclays Bank Ireland PLC, as arrangers;

- "EMEA" means our regional sales market comprised of Europe, the Middle East and Africa;

- "EU" means the European Union;
- "EU Member State" means each member state of the European Union;
- "euro," "EUR" or "€" means the lawful currency of the EU Member States participating in the European Monetary Union;
- "Group," "we," "us" or "our" refer, collectively, to the Issuer and its subsidiaries;
- "IFRS" means the International Financial Reporting Standards, as adopted by the European Union;
- "Indenture" means, the indenture dated May 14, 2021 governing the Notes by and among, inter alios the Issuer and the Trustee;
- "Issuer" means Golden Goose S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of Italy, with its registered office in Milan, Italy, at Via Privata Ercole Marelli no. 10, and registered under number 08347090964 with the Companies Register of Milan-Monza-Brianza-Lodi;
- "Italian Civil Code" means the Italian civil code (*codice civile*) approved by the Royal Decree No. 262 of March 16, 1942, as subsequently amended and restated;
- "Notes" means the Floating Rate Senior Secured Notes denominated in euro due 2027 amounting to €480 million and issued pursuant to the offering memorandum dated May 7, 2021;
- "Offering Memorandum" means the offering memorandum dated May 7, 2021 in relation to the Notes;
- "Refinancing" means the refinancing described in "*Summary—The Transactions—The Refinancing*" of the Offering Memorandum;
- "Reverse Merger" means the merger of Astrum 3, the former indirect parent of the Issuer, and Sneakers Maker, former direct parent of the Issuer, into the Issuer, in accordance with Article 2501-bis (et seq.) of the Italian Civil Code, which was consummated on August 5, 2020;
- "Revolving Credit Facility" means the multi-currency revolving credit facility of €75 million made available under the Revolving Credit Facility Agreement;
- "Revolving Credit Facility Agreement" means the revolving credit facility agreement dated June 8, 2020, among, inter alios, the Issuer (formerly Astrum 3), as borrower, and Credit Suisse AG, Milan Branch, Goldman Sachs International Bank, Banca IMI S.p.A. (now merged into Intesa Sanpaolo S.p.A.), Bank of America Merrill Lynch International Designated Activity Company and Barclays Bank Ireland PLC, as arrangers;
- "Trustee" means Wilmington Trust, National Association, in its capacity as trustee, legal representative (*mandatario con rappresentanza*) under the terms of the Indenture, any successor trustee under the Indenture and common representative (*rappresentante comune*) of the holders of the Notes pursuant to Articles 2417 and 2418 of the Italian Civil Code; and
- "United States" or "U.S." means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

3 CONSOLIDATED FINANCIAL INFORMATION

3.1 RESULTS SUMMARY

The Group, a global luxury fashion brand specialized in the sourcing, design and distribution of a "total look" product offering, primarily consisting of footwear and, in particular, sneakers, generated €167.4 million of revenues in the six three months of 2021, recording a 52.8% increase over the prior year's figure of €109.6 million, despite many countries still being affected by stringent mandatory social distancing measures imposed by their respective national governments.

Wholesale channel grew to €79.5 million, +50% as compared to prior year period, while DTC reached €85.1 million, increasing by 55% as compared to first semester of 2020.

The Group posted an Adjusted EBITDA of €55.3 million, +51% as compared to €36.7 million reported in the first semester of 2020, driven by solid topline rebound observed in the second quarter. The Adjusted EBITDA margin was 33.0% for the first six months of 2021, slightly lower than prior year period (33.5%), mainly due to persistence of stringent anti-COVID-19 measures, whilst the Group is keeping investing in retail expansion, organization, marketing and IT&Digital to create a solid platform for future growth.

Group cash and cash equivalents stood at €81.1 million as of June 30, 2021, including a €25 million drawing of the Revolving Credit Facility which has a total size of €75 million.

Key Financial and Operating Data

	1H21	1H20	Change %	LTM 1H21
Revenues	167.4	109.6	52.8%	323.7
Net Margin	107.3	69.8	53.7%	203.8
Net Margin %	64.1%	63.7%		63.0%
Adjusted Ebitda	55.3	36.7	50.7%	106.5
Adjusted Ebitda %	33.0%	33.5%		32.9%
Operating Cash Flow	35.9	24.3	47.6%	81.5
Cash conversion	65%	66%		76%

3.2 SUBSEQUENT EVENTS

On July 15, 2021 and on August 16, 2021 We paid back €5 million and €7.5 million respectively of the outstanding drawn amount of the Revolving Credit Facility. Therefore, as of September 7, 2021 the drawing of the Revolving Credit Facility is €12.5 million.

No other events occurred between July 1, 2021, and September 7, 2021, that would require adjustments to the amounts recognized in the consolidated financial statements or would need to be disclosed under this heading.

3.3 UNAUDITED CONSOLIDATED INCOME STATEMENT

€ millions	1H21	1H20	Change	Change %
Net Turnover	**167.4**	**109.6**	**57.8**	**52.8%**
Cost of Good sold	(60.1)	(39.8)	(20.3)	51.1%
Net Margin	**107.3**	**69.8**	**37.5**	**53.7%**
Net Margin (%)	*64.1%*	*63.7%*		
Selling and distribution expenses	(41.0)	(29.0)	(12.0)	41.6%
General and Administration expenses	(29.0)	(15.3)	(13.6)	88.7%
Marketing and Advertising	(7.0)	(2.8)	(4.2)	151.5%
Operating Result (EBIT)	**30.4**	**22.7**	**7.7**	**33.7%**
EBIT Margin (%)	*18.1%*	*20.7%*		
Financial Income	7.6	1.7	5.9	341.0%
Financial Expenses	(32.7)	(14.4)	(18.3)	127.8%
Profit before tax	**5.3**	**10.1**	**(4.8)**	**(47.6%)**
Income taxes	88.3	(4.5)	92.8	(2060.1%)
Net result	**93.6**	**5.6**	**88.0**	**1573.9%**
Minority result of the period	**0.0**	**-**	**0.0**	**n.a.**
Group interest	**93.6**	**5.6**	**88.0**	**1573.2%**
General and Administration expenses - PPA Effect	6.1	-		
General and Administration expenses - Non-recurring items	1.5	0.6		
Adjusted IFRS EBIT before PPA amortizatio	**38.0**	**23.3**	**14.7**	**63.0%**
Adjusted EBIT Margin (%)	*22.7%*	*21.3%*		
Depreciations and devaluations	17.3	13.4	3.9	**29.1%**
Adjusted IFRS EBITDA	**55.3**	**36.7**	**18.6**	**50.7%**
Adjusted EBITDA Margin (%)	*33.0%*	*33.5%*		

The Operating Result (EBIT) and EBITDA have been adjusted excluding:

- €6.1 million in the H1-2021 of amortization of the customer relationship intangible asset identified in the purchase price allocation exercise performed subsequent to the completion of the Acquisition

- €1.5 million of non-recurring items, including i) €0.9 million of penalties arising from early termination of former logistic partner, ii) €0.4 million of one-off costs related to exit of two company's directors and iii) €0.3 million of fees related to takeover of 11 franchise stores operated in China from our existing franchise partner in early2021

3.5 UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ millions	**30-06-2021**	**31-12-2020**	**Change**	**Change %**
ASSETS				
Intangible assets	1,434.2	1,441.6	(7.4)	(0.5%)
Tangible assets	41.2	37.1	4.1	11.2%
Right of use	115.5	94.2	21.3	22.6%
Deferred tax asset	71.0	16.6	54.4	327.4%
Non-current financial assets	0.9	0.7	0.2	28.5%
Other non-current assets	5.3	5.3	0.1	1.2%
Non-current assets	**1,668.2**	**1,595.5**	**72.7**	**4.6%**
Inventories	58.6	53.3	5.3	9.9%
Accounts receivable	36.9	33.7	3.2	9.4%
Current Tax assets	11.8	0.1	11.7	10149.5%
Other current non-financial assets	14.7	9.4	5.3	56.1%
Current financial assets	1.7	5.8	(4.1)	(69.9%)
Cash and cash equivalents	81.1	78.3	2.9	3.6%
Current assets	**204.9**	**180.6**	**24.2**	**13.4%**
Total Assets	**1,873.0**	**1,776.1**	**96.9**	**5.5%**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Share capital	1.0	1.0	-	-
Share premium	182.6	182.6	-	-
Other reserves	660.2	684.8	(24.5)	(3.6%)
Results for the year	93.6	(24.8)	118.4	(477.1%)
Shareholders' equity	**937.4**	**843.6**	**93.8**	**11.1%**
Minority reserves	(0.2)	(0.1)	(0.1)	106.9%
Minority result of the period	0.0	0.1	(0.0)	(30.7%)
Minority's equity	**(0.2)**	**(0.1)**	**(0.1)**	**240.8%**
Total Equity	**937.2**	**843.6**	**93.7**	**11.1%**
Provisions for severance indemnities	1.9	1.7	0.2	13.5%
Deferred tax liabilities	197.3	246.2	(48.9)	(19.9%)
Non current Provisions for risks and charges	0.4	0.3	0.1	17.1%
Non-current financial debt	567.8	544.4	23.4	4.3%
Other non-current debt	-	-	-	-
Non-current liabilities	**767.4**	**792.6**	**(25.3)**	**(3.2%)**
Trade payables	64.9	64.3	0.6	0.9%
Other current non-financial liabilities	16.7	13.0	3.7	28.4%
Current Tax liabilities	22.9	0.8	22.1	2907.6%
Current provisions for risks and charges	4.2	6.1	(1.9)	(31.1%)
Current financial liabilities	59.7	55.8	4.0	7.1%
Current liabilities	**168.4**	**139.9**	**28.5**	**20.4%**
Total liabilities and shareholders' equity	**1,873.0**	**1,776.1**	**96.9**	**5.5%**

3.6 UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

€ millions	1H21	1H20	Change	Change %
A. Cash flow generated (absorbed) by operations				
Profit (loss) for the year	93.6	5.6	88.0	1574%
Income taxes	(88.3)	4.5	(92.8)	(2060%)
Interest expense (interest income)	25.1	11.4	13.7	121%
Accruals to provision	5.3	3.4	1.9	55%
Depreciation of fixed assets	23.4	13.4	10.0	75%
Other adjustments for non-monetary items	(1.3)	(1.1)	(0.1)	12%
Decrease / (increase) in inventories	(6.9)	(9.0)	2.1	(23%)
Decrease / (increase) in trade receivables	(3.6)	8.5	(12.1)	(142%)
Increase / (decrease) in trade payables	(0.2)	1.8	(2.0)	(113%)
Other changes in net working capital	(1.6)	(2.6)	1.0	(38%)
Interest collected / (paid)	(23.6)	(10.8)	(12.8)	119%
(Income tax paid)	(4.3)	(3.0)	(1.3)	45%
(Use of provision)	(3.5)	(0.0)	(3.5)	16340%
CASH FLOW GENERATED (ABSORBED) BY OPERATIONS (A)	**14.0**	**22.1**	**(8.1)**	**(36%)**
B. Cash flow generated (absorbed) by investment activities				
Tangible assets	(7.9)	(7.1)	(0.7)	10%
Intangible assets	(1.3)	(4.3)	3.0	(70%)
Non-current financial assets	3.1	(0.1)	3.2	(2697%)
CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES (B)	**(6.1)**	**(11.5)**	**5.5**	**(47%)**
C. Cash flow from financing activities				
Debt				
Proceeds of borrowings	463.0	318.4	144.5	45%
Repayment of borrowings	(469.9)	(246.2)	(223.7)	91%
CASH FLOW GENERATED (ABSORBED) BY FINANCIAL ACTIVITIES (C)	**(6.9)**	**72.2**	**(79.1)**	**(110%)**
INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS (A +B +C)	**1.1**	**82.8**	**(81.7)**	**(193%)**
Exchange Effect	1.8			
Cash and cash equivalent at the beginning of the year	78.3	27.2		
Cash and cash equivalent at the end of the period	**81.1**	**110.0**		

4 MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

4.1 RESULTS OF OPERATIONS

€ millions	1H21	1H20	Change	Change %
Net Turnover	**167.4**	**109.6**	**57.8**	**52.8%**
Cost of Good sold	(60.1)	(39.8)	(20.3)	51.1%
Net Margin	**107.3**	**69.8**	**37.5**	**53.7%**
Net Margin (%)	*64.1%*	*63.7%*		
Selling and distribution expenses	(41.0)	(29.0)	(12.0)	41.6%
General and Administration expenses	(29.0)	(15.3)	(13.6)	88.7%
Marketing and Advertising	(7.0)	(2.8)	(4.2)	151.5%
Operating Result (EBIT)	**30.4**	**22.7**	**7.7**	**33.7%**
EBIT Margin (%)	*18.1%*	*20.7%*		
Financial Income	7.6	1.7	5.9	341.0%
Financial Expenses	(32.7)	(14.4)	(18.3)	127.8%
Profit before tax	**5.3**	**10.1**	**(4.8)**	**(47.6%)**
Income taxes	88.3	(4.5)	92.8	(2060.1%)
Net result	**93.6**	**5.6**	**88.0**	**1573.9%**
Minority result of the period	**0.0**	**-**	**0.0**	**n.a.**
Group interest	**93.6**	**5.6**	**88.0**	**1573.2%**
General and Administration expenses - PPA Effect	6.1	-		
General and Administration expenses - Non-recurring items	1.5	0.6		
Adjusted IFRS EBIT before PPA amortizatioı	**38.0**	**23.3**	**14.7**	**63.0%**
Adjusted EBIT Margin (%)	*22.7%*	*21.3%*		
Depreciations and devaluations	17.3	13.4	3.9	**29.1%**
Adjusted IFRS EBITDA	**55.3**	**36.7**	**18.6**	**50.7%**
Adjusted EBITDA Margin (%)	*33.0%*	*33.5%*		

4.1.1 Net Turnover

Net Turnover by distribution channel

€ millions	1H21	1H20	Change	Change %
Wholesale	79.5	52.9	26.6	50%
Retail	65.5	41.9	23.7	56%
Digital	19.5	12.9	6.7	52%
Other	2.8	1.9	0.9	47%
Total Net Turnover	**167.4**	**109.6**	**57.8**	**53%**

Net Turnover by geography

€ millions	1H21	1H20	Change	Change %
Amer	53.3	26.1	27.2	104%
Emea	66.9	47.4	19.6	41%
Apac	44.3	34.2	10.2	30%
Other	2.8	1.9	0.9	47%
Total Net Turnover	**167.4**	**109.6**	**57.8**	**53%**

Our revenue increased by €57.8 million, or 53%, from €109.6 million for the six months ended June 30, 2020 to €167.4 million for the three months ended June 30, 2021.

Revenue growth reflects the solid topline acceleration in Q2-2021 across all channels achieved despite the persistence of the COVID-19 which continues to affect the retail traffic.

Wholesale business reached €79.5 million in the first six months of 2021, up to 50% as compared to the first semester of 2020, reaping the full benefit from the strategic initiatives taken in 2020 aimed at reducing shipments to our wholesalers since the beginning of pandemic crisis.

DTC channel grew by 55% as compared to prior year period driven by the combined effect of a (i) very positive performance of digital channel (+€6.7 million, or +51%, as compared to first semester of 2020), supported by solid channel fundamentals with a strong organic growth on direct e-commerce and successful successful launch of GG store on T-Mall and a (ii) sharp progression on retail channel (+€23.7 million, or +57% as compared to prior year period) with a positive performance in all geographies, despite the negative impact of some regional lockdowns and prolonged social distancing measures.

In terms of geographic mix, the Group posted a positive performance in all geographies.

Americas doubled in the first six months of 2021, generating a net turnover of €53.3 million for the period ended June 30, 2021 compared to a net turnover of €26.1 million for prior year period, with a positive performance in all channels and strong DTC acceleration in Q2-2021 (+54% Quarter-on-Quarter), confirming the continued strong brand momentum in the region.

EMEA generated a net turnover of €66.9 million in the first semester of 2021 compared to €47.4 million in the first six months of prior year (an increase of 41%), driven by the combined effect of strong growth in wholesale and DTC channels. Good DTC acceleration in the Q2-2021 (+49% Quarter-on-Quarter) with the easing of some anti-COVID measures in the region in the second quarter

Sales in APAC generated a net turnover of €44.3 million in the first semester of 2021 as compared to €34.2 million in the prior year period (an increase of 30%), fuelled by an encouraging rebound in retail, despite the slowdown of Duty Free business, continued growth in digital sales and good recovery of wholesale business. Double-digit quarterly DTC performance (+14% Quarter-on-Quarter)

4.1.2 Cost of goods sold

Cost of goods sold increased by €20.3 million, or 51%, reaching €60.1 million for the period ended June 30, 2021 from a cost of goods sold of 39.8 million for the prior year period, driven by the growth in sales volumes observed in the first semester of 2021 as compared to the first semester on 2020. Correspondingly, our cost of goods as a percentage of net turnover decreased to 35.9% for the period ended June 30, 2021 from 36.3% for the period ended June 30, 2020.

4.1.3 Selling and distribution costs

Selling and distribution expenses increased by €12.0 million, or 42%, to €41.0 million for the period ended June 30, 2021 from selling and distribution expenses of €29.0 million for the period ended June 30, 2020. This increase was primarily due to (i) store network expansion (+€6.2m due to higher depreciation on stores and increased store personnel and operating expenses), (ii) higher logistic expenses (+€2.4m due to increased sales volume, DTC growth and higher pressure on logistic unit cost due to COVID), and (iii) increase on variable commissions (+€2.9m due to growth of DTC business. Incidence on net turnover equal to 25%, slightly lower than H1-2020 (26%)

4.1.4 General and Administrative expenses

General and administration expenses adjusted for PPA effect and non-recurring items, increased by €6.6 million, or 45%, to €21.3 million for the period ended June 30, 2021 from general and administration expenses of €14.8 million for the period ended June 30, 2020, driven by significant investment in HCs, IT&Digital and new HQ. Incidence on net turnover equal to 13% in line with H1-2020.

4.1.5 Marketing and advertising

Marketing and advertising expenses increased by €4.2 million, or 151%. We are keeping investing in brand and client engagement across all touchpoints and reinforcing marketing team to support brand growth.

4.1.6 Adjusted Operating result (EBIT)

Adjusted Operating result (EBIT) increased by €14.7 million, or 63.0%, to a total value of €38.0 million for the period ended June 30, 2021 from an Adjusted Operating result (EBIT) of €23.3 million for the period ended June 30, 2020, due to operating leverage effect whilst we are continuing to invest in organization, marketing and IT&Digital to create a solid platform for future growth.

4.1.7 Financial income

Our financial income increased by €5.9 million, to a total amount of €7.6 million for the period ended June 30, 2021 from a financial income of €1.7 million for the period ended June 30, 2020. This increase was primarily due to increased foreign exchange gains, equal to €5.7 million

4.1.8 Financial expenses

Financial expenses increased by €18.3 million, to an amount of €32.7 million for the period ended June 30, 2021 from financial expenses of €14.4 million for the period ended June 30, 2020. This increase was primarily due to increased interest expenses compared to the prior period, amounting to €16.3 million, of which €11 million related to amortizing costs effect arising from the repayment and cancellation of the Bridge Facility completed in May 2021 (the "Refinancing"), and to foreign exchange losses, equal to €2.5 million.

4.1.9 Income taxes

Income taxes decreased by €93 million, generating a positive effect of €88 million for the period ended June 30, 2021. This decrease was primarily due to alignment of the tax base of goodwill and trademark to the carrying amount previously recognized in the separate financial statement of Golden Goose S.p.A. as of December 31, 2019, with a payment of a substitute tax of 3%, to be paid in three annual equal instalments, as provided by Law Decree 14 August 2020. The accounting effect of the above operation consists of:

- Reversal of DTL related to trademark with a positive effect on P&L income taxes (+€48 million);
- Recognition of DTA connected to goodwill with a positive effect on P&L income taxes (+€53 million);
- Accounting for the substitute tax of €11m (P&L income taxes -€11 million)
- Recognition of an equity reserve in tax suspension of €366 million

4.1.10 Net result

Net result for the period increased to €93.6 million for the period ended June 30, 2021 from a net result of €5.6 million for the period ended June 30, 2020.

4.1.11 Adjusted EBITDA

Adjusted EBITDA increased by €18.6 million, or 50.7%, to a total value of €55.3 million for the period ended June 30, 2021 from an Adjusted EBITDA of €36.7 million for the period ended June 30, 2020.

4.2 LIQUIDITY AND CAPITAL RESOURCES

4.2.1 Consolidated cash flows

Cash flow generated (absorbed) by operations

Cash flow generated (absorbed) by operations comprises our operating profit before interest, tax, profit/(loss) on disposals, depreciation, amortization and impairment charges, net of the movement in net trade working capital and less tax, exceptional costs paid, net interest and debt issuance costs paid.

Our cash flow generated (absorbed) by operations for the period ended June 30, 2021 was €14.0 million, a decrease of €8.1 million, compared to €22.1 million in the period ended June 30, 2020. This decrease was mainly due €11.2 millions of extraordinary financial interests related to repayment and cancellation of the Bridge Facility completed in May 2021 (the "Refinancing")

Cash flow generated (absorbed) by investment activities

Cash flow generated (absorbed) by investment activities consists of expenditure on property, plant and equipment and intangibles and amounts paid for acquisitions, less proceeds from disposals and the portion of any capital expenditure funded through finance leases.

Our cash flow generated (absorbed) by investment activities for the period ended June 30, 2021 amounted to an outflow of €6.1 million, a decrease in outflows of €5.5 million, compared to an outflow of €11.5 million in the period ended June 30, 2020. Investment activities in tangible and intangible assets for the period ended June 30, 2021 amounted to an outflow of €9.2 million, a decrease in outflows of €2.3 million as compared to an outflow of €11.4 million for the period ended June 30, 2020. The cash generation from financial assets of €3.1 million observed in the first semester of 2021 is explained by the transfer of PayPal deposits (considered as financial assets) to Group's cash deposits.

Cash flow generated (absorbed) by financial activities

Cash flow generated (absorbed) by financial activities consists of the drawdown and repayment of bank loans, finance leases and shareholder debt.

Our Cash flow generated (absorbed) by financial activities for the period ended June 30, 2021 amounted to an outflow of €6.9 million, a decrease of €79.1 million, compared to an inflow of €72.2 million in the period ended June 30, 2020. This decrease was primarily due to the €318 million of intercompany loan between Astrum 3 and Golden Goose and the repayment of €240 million of bond loan occurred in June 2020 in the context of Acquisition.

4.2.2 Trade working capital

€ millions	**30-06-2021**	**30-06-2020**	**Change**	**Change %**
Inventories	58.6	53.9	4.8	8.9%
Accounts receivable	36.9	27.4	9.5	34.6%
Trade payables	(64.9)	(45.8)	(19.1)	41.8%
Trade Working Capital	**30.6**	**35.5**	**(4.9)**	**(13.8%)**
Trade Payables reclass. under NFP (*)	(12.6)	(11.0)	(1.6)	14.5%
Adjusted Trade Working Capital	**18.0**	**24.5**	**(6.5)**	**(26.5%)**

(*) According to IFRS accounting principles, reclassified under the net Financial Position but considered as Trade Payables in Cash Flow Statem

Our Adjusted Trade Working Capital for the period ended June 30, 2021 amounted to €18.0 million, a decrease of €6.5 million, compared to €24.5 million in the period ended June 30, 2020. This decrease was due a combined effect of an increase in Inventories and Account Receivables amounting to €4.8 million and €9.5 million, respectively, more than offset by the increase of Payables amounting to €19.1 million.

We manage our trade working capital through the use of reverse factoring agreements with the aim of increasing our days payable outstanding ("DPO") while taking into account the needs of our long-term and valued suppliers. Through these reverse factoring arrangements, we have successfully extended our DPOs with a number of our key suppliers and, if we are able to secure favorable terms in the future, we may seek to expand such arrangements to additional suppliers.

4.2.3 Capital expenditures

€ millions	30-06-2021	30-06-2020	Change	Change %
Retail Expansion	5.7	6.9	(1.2)	(17.1%)
HQ facilities	2.3	2.4	(0.1)	(2.4%)
Other	1.1	2.1	(1.0)	(48.1%)
Capital Expenditure	**9.2**	**11.4**	**(2.3)**	**(19.7%)**

We categorize our capital expenditures as retail capital expenditures, HQ facilities capital expenditures or other capital expenditures. Our retail capital expenditures primarily consist of costs to open new directly-operated stores and refurbish existing stores. Our HQ facilities capital expenditures consist of projects related to the expansion and refurbishment of our headquarters key to sustain the development of our growing business. Other capital expenditures are mainly attributable to information technology and digital.

Our capital expenditures during the period ended June 30, 2021 were €9.2 million compared to €11.4 million during the period ended June 30, 2020, with the decrease primarily attributable to a different time shift on retail expansion, with a decrease of €1.2 million and to investments in our new headquarters facilities in Korea, that occurred during the period ended June 30, 2020.

4.2.4 Financial indebtedness

	30-06-2021	31-12-2020
Notes	(480.0)	
Bridge Facility		(470.0)
RCF	(25.0)	(25.0)
Consolidated Senior Secured Debt	**(505.0)**	**(495.0)**
Cash and cash equivalents	81.1	78.3
Net Consolidated Senior Secured Debt	**(423.9)**	**(416.7)**
Lease liabilities	(120.2)	(98.7)
Net Debt (including lease liabilities)	**(544.0)**	**(515.4)**
LTM Adjusted IFRS Ebitda	**106.5**	**88.0**
Leverage Ratio (incl.Lease liabilities)	**5.1x**	**5.9x**

(*) Notes and Bridge Facility amount are expressed at their gross, facial value

5 RISK FACTORS

For a detailed list of the risks and uncertainties which we face we refer to the Offering Memorandum. The risks and uncertainties we describe in the Offering Memorandum are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, financial condition and results of operations. If any of the possible events described in our Offering Memorandum were to occur, our business, results of operations and financial condition could be materially and adversely affected. If that happens, the trading prices of the Notes could decline, we may not be able to pay interest or principal on the Notes when due and you could lose all or part of your investment.

We are exposed to numerous potential risks. In order to achieve targets and maximize value, management's role is to continually identify these risks and minimize potential exposure to these risks. Group's management continuously reviews both internal and external risks in all business areas and subsidiaries, evaluates them with respect to exposure and probability of occurrence and ensures, where appropriate, that amounts are reflected in the financial statements to cover such exposure.

6 GENERAL INFORMATION

These Interim Consolidated Financial Statements should be read in conjunction with the Group's financial information included in the Offering Memorandum and Group's last Annual Consolidated Financial Statements for the financial year ended December 31, 2020. They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance during the period ended June 30, 2021.

This Interim Consolidated Financial Statements were authorized for issue by the Group's management board on September 8, 2021.