1INFO DIGITAL SIGN

Group BasicNet

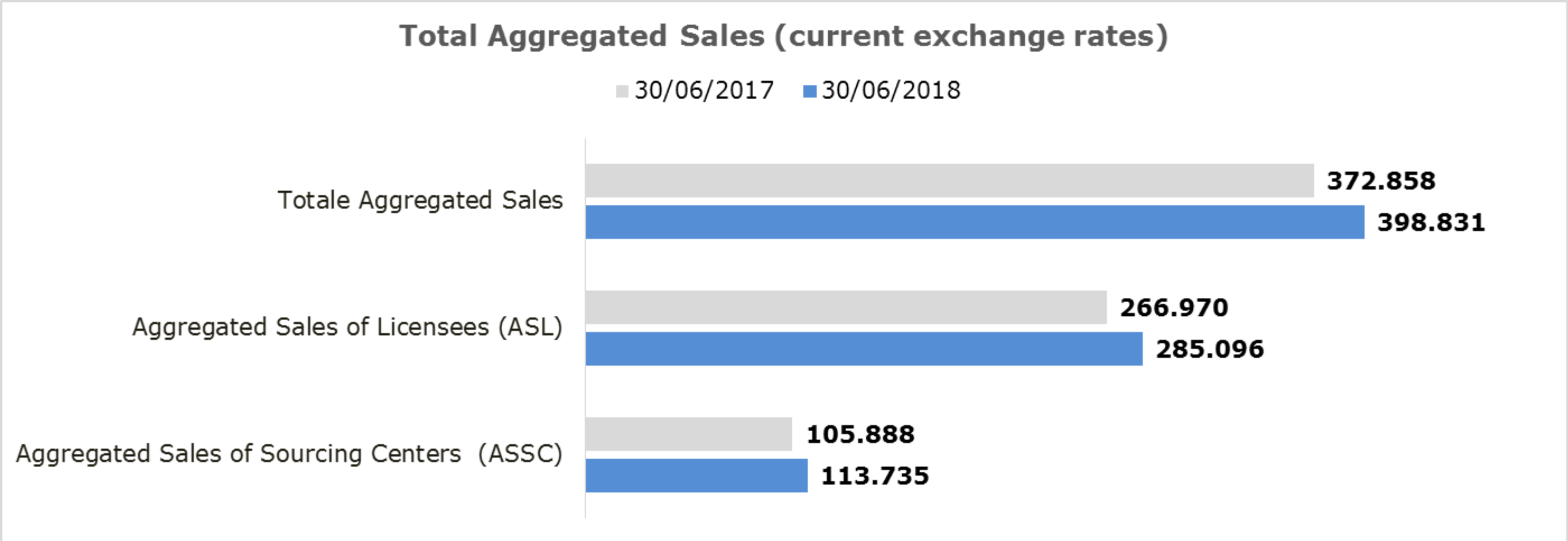
CONFERENCE CALL – 27th July 2018

H1 2018 Highlights

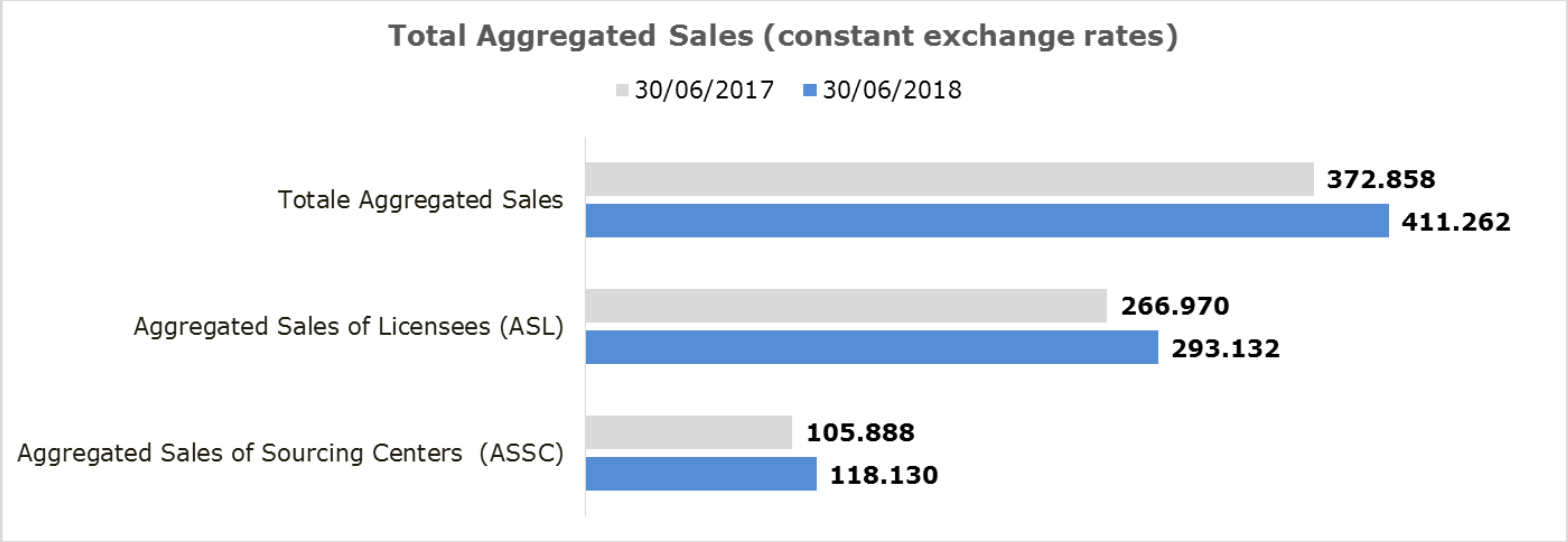
- Total aggregated sales € 398.8 million, up 7.0%
- Consolidated direct sales € 67.1 million, up 11.6%
- Royalties from ASL and ASSC € 25.7 million, up 5.3%
- EBITDA € 13.1 million, up 54.9%
- Operating income (EBIT) € 10.1 million, up 88.5%
- Net Result € 6.5 million, up 87.0%
- Net Financial Position € 57.2 million, a decrease of € 4.2 million as compared to year-end 2017

Total Aggregated Sales

€ /000

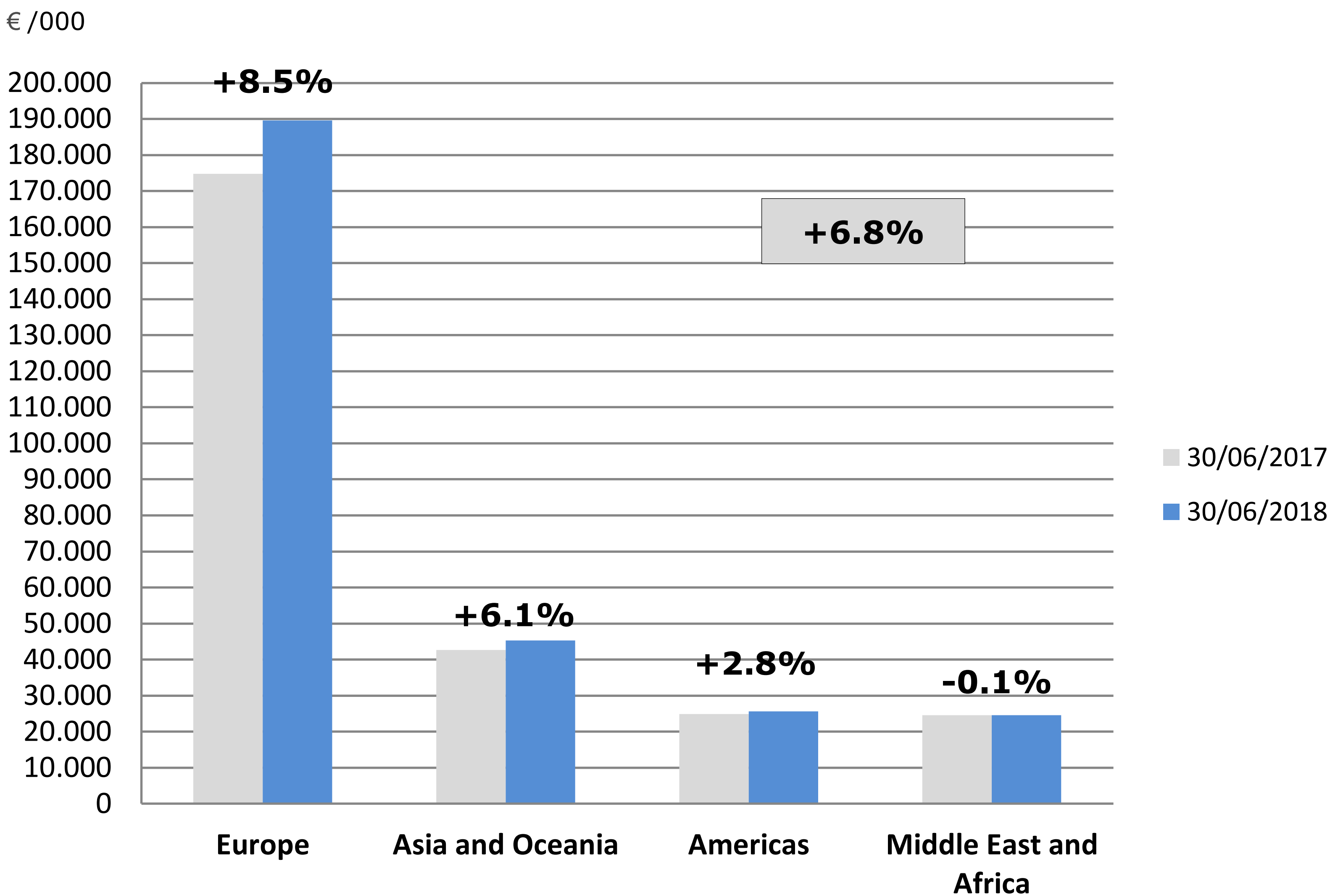


+ 7.0%



+ 10.1%

Aggregated sales of licensees (ASL) – geographic area -



BasicNet Group – Income Statement

	€/000	30/06/2018		30/06/2017		Variances	
	Aggregated Sales of Licensees (ASL)	**285.096**		**266.970**		**18.126**	**6,8%**
	Aggregated Sales of Sourcing Centers (ASSC)	**113.735**		**105.888**		**7.847**	**7,4%**
	Total Aggregated Sales	**398.831**		**372.858**		**25.973**	**7,0%**
	Royalties from ASL	19.912		19.104		808	4,2%
	Royalties from ASSC	5.759		5.266		493	9,4%
	Licensing revenues	**25.671**		**24.370**		**1.300**	**5,3%**
	Royalties expenses	(128)		(212)		84	-39,6%
	Pro-rata entry fees of Licensees	175		237		(62)	-26,3%
a)	**I.P. net revenues**	**25.718**		**24.396**		**1.322**	**5,4%**
	Consolidated sales of goods	67.080		60.113		6.967	11,6%
	Cost of goods sold	(36.411)		(33.438)		(2.973)	8,9%
	Fulfilment costs	(2.805)		(3.096)		290	-9,4%
	Sales commissions	(3.466)		(3.482)		16	-0,5%
	Other income	265		498		(233)	-46,7%
b)	**Goods contribution margin**	**24.663**		**20.595**		**4.068**	**19,8%**
c)	**Real estate income**	**403**		**402**		**1**	**0,3%**
	Total revenues	**92.751**	**100%**	**84.483**	**100%**	**8.268**	**9,8%**
a)+b)+c)	**GROSS MARGIN**	**50.784**	**54,8%**	**45.393**	**53,7%**	**5.391**	**11,9%**
	Sponsorship, media and marketing costs	(13.604)		(13.831)		228	-1,6%
	Labour cost	(14.018)		(12.616)		(1.403)	11,1%
	General and administrative expenses	(9.416)		(9.651)		234	-2,4%
	Doubtful debt provision	(813)		(1.020)		208	-20,3%
	Extraordinary income and expenses	211		209		2	0,9%
	Structure, management and operating costs	**(37.640)**	**-40,6%**	**(36.909)**	**-43,7%**	**(731)**	**2,0%**
	EBITDA	**13.144**	**14,2%**	**8.484**	**10,0%**	**4.660**	**54,9%**
	Amortisation and depreciation	(3.005)		(3.105)		100	-3,2%
	EBIT	**10.140**	**10,9%**	**5.379**	**6,4%**	**4.760**	**88,5%**
	Financial income/(charges)	(615)		(393)		(222)	56,6%
	Net exchange gains/(losses)	(371)		(41)		(330)	800,4%
	Income/(charges) from investments	(13)		(14)		0	-2,4%
	EBT	**9.140**	**9,9%**	**4.932**	**5,8%**	**4.208**	**85,3%**
	Income taxes	(2.643)		(1.458)		(1.185)	81,3%
	NET PROFIT	**6.497**	**7,0%**	**3.474**	**4,1%**	**3.023**	**87,0%**

BasicNet Group – Balance Sheet

€/000 **ASSETS**	**30/06/2018** **Actual**	**31/12/2017** **Actual**	**30/06/2017** **Actual**
Property, plant and equipment	29.465	29.892	29.972
Intangible assets	63.019	63.290	52.227
Other non current assets	929	927	973
Net inventories	51.509	46.517	50.784
Trade receivables	55.716	58.578	49.292
Other current assets	21.309	20.332	21.198
TOTAL ASSETS	**221.947**	**219.536**	**204.446**
LIABILITIES			
Share capital and other reserves	109.503	100.861	101.585
Net Result	6.497	10.646	3.474
Total Shareholders' Equity	*116.000*	*111.506*	*105.059*
Treasury shares	(16.140)	(14.495)	(12.722)
Total Shareholders' Equity net of treasury shares	*99.860*	*97.011*	*92.337*
Non-current liabilities	6.490	4.922	5.005
Bank debts and leasing	24.773	28.430	19.218
Short-term Bank debt, net	36.820	38.869	35.776
Other current liabilities	54.003	50.305	52.110
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**221.947**	**219.537**	**204.446**

BasicNet Group – Change in Net Financial Position

€ /000

	30/06/2018	30/06/2017
Net Financial Position, beg. of the period	**(61.480)**	**(49.459)**
Net result	**6.497**	**3.474**
Depreciation and amortization	3.005	3.105
Change in Operating Working Capital	1.740	(151)
Change in Employee and Director Benefits	282	335
Change in other Current Assets, net	(48)	(171)
Operating Cash Flow	**11.476**	**6.592**
Capital expenditures	(2.389)	(4.261)
Disposals	67	768
Capital expenditures,net	**(2.322)**	**(3.493)**
Acquisition of treasury shares	(1.645)	(832)
Dividends	(3.273)	(3.324)
Change in Net Financial Position	**4.236**	**(1.057)**
Net Financial Position, end of the period	**(57.244)**	**(50.517)**

Treasury shares buy-back programme

As of today's date, the company owns:

- N. 6,575,882 equal to 10.78% of the share capital
- Average price Euro 2.45
- Current exchange price Euro 4.08
- Investment of Euro 16 million
- Implicit capital gain of Euro 11 million

- % share price change from January 1st 2018 until Today: **+9,4%**

Group

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