

BasicNet S.p.A.

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BASICNET – 2020 preliminary figures: good results, despite general COVID-related closures, confirm the strength of the business model.

Turin, February 10, 2021. The Board of Directors of BasicNet S.p.A. have reviewed the 2020^(*) preliminary figures. The definitive results will be approved on March 2.

The Group for 2020 reports:

- **aggregate sales** of Group products by the Global licensee Network of Euro 814.1 million, decreasing 20.6% on Euro 1,025.3 million in 2019. They consist of:
 - commercial licensees of Euro 602 million (Euro 742.9 million in 2019, -19.0%)
 - productive licensees of Euro 212.1 million (Euro 282.4 million in 2019, -24.9%).
 Commercial licensee sales saw a recovery in the second half of the year. Overall, Europe which represents over 65% of sales held up well, curbing the drop in sales to 14.5% annually, despite the closure of stores for approx. three months. Sales in the Americas were down 26.4%, while Asia and Oceania and the Middle East and Africa respectively declined 27.1% and 27.8%;
- **consolidated revenues** of Euro 259.7 million (Euro 305.7 million in 2019, -15.0%, reducing to -9.6% in the fourth quarter alone), as follows:
 - royalties from commercial and productive licensees: Euro 46 million (Euro 55.6 million in 2019, -17.2%);
 - direct sales: Euro 213.8 million (Euro 250.1 million in 2019, -14.5%);
- **EBITDA:** Euro 19.8 million (Euro 42.5 million in 2019);
- **EBIT:** Euro 7.6 million (Euro 30.6 million in 2019);
- **net financial position:** contained increase in debt to Euro 82.2 million, from Euro 78.3 million at December 31, 2019.

Major investments were rolled out in the year to support the growth of the Brands and the Group's consolidation: in January, the acquisition of BasicVillage in Milan was finalised for consideration of Euro 10.5 million, while in September the Kappa brand in Japan was reacquired for consideration of Euro 10.9 million and the acquisition of Kappa Europe was completed for consideration of Euro 1.9 million.

"The Group business model has demonstrated its robustness and reliability within such a highly unstable environment: once the restrictive measures had been loosened, sales recovered - highlighting the strong appeal of Group brand products among consumers across the various markets - stated Chief Executive Officer Federico Trono. In 2020, we continued to invest in new strategic projects to sustain long-term growth."

On conclusion of the meeting, the Chairman, on behalf of the Board, thanked all Group Human Resources for their extraordinary courage, commitment and dedication over the last twelve months.

(*) The figures and information reported herein were not audited.

The Chief Executive Officer Federico Trono will present the 2020 preliminary results to the market in a video conference to be held today at 5:30 PM CET.

Attend on a PC or through the mobile app

[Click here to attend the meeting](#)

Alternatively, attend by calling (only audio)

+39 02 0062 4808697120219# Italy, Milan

Telephone ID conference: 697 120 219#

The presentation may be downloaded from the website www.BasicNet.com, from the section: "financial data/other information and presentations" shortly before the video conference, at the following link:

www.basicnet.com/contenuti/datifinanziari/informazioniannuali.asp?menuSelectedID=3g&language=IT

In relation to the "alternative performance measures", as defined by the ESMA/2015/1415 guidelines, we provide below a definition of the measures used in this press release:

- **Commercial licensees or licensees:** independent business owners, granted licenses to distribute Group brand products in their respective regions.
- **Productive licensees or sourcing centers:** third-party firms to the Group. Their function is to manufacture and market merchandise and are located in various countries worldwide, depending on what type of goods they produce.
- **Commercial licensee aggregate sales:** sales by commercial licensees, recognised by the BasicNet Group to the "royalties and sourcing commissions" account of the income statement.
- **Productive licensee aggregate sales:** sales by productive licensees, recognised by the BasicNet Group to the "royalties and sourcing commissions" account of the income statement.
- **Consolidated Revenues** the sum of royalties, sourcing commissions and sales of the licensee company BasicItalia S.p.A. and its subsidiaries BasicRetail S.r.l., BasicRetail Suisse S.A. and the companies of the Kappa Europe S.A.S. Group, in addition to the parent company BasicNet S.p.A..
- **EBITDA:** "operating result" before "amortisation and depreciation".
- **EBIT:** "operating result".
- **Net financial position:** total of current and medium/long-term financial payables, less cash and cash equivalents and other current financial assets.

The Executive Officer for Financial Reporting, Ms. Paola Bruschi, declares in accordance with Article 154-bis, paragraph 2, of the Consolidated Finance Act that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.