

BETTY BLUE: FIRST QUARTER 2020 RESULTS

Milan, 3rd June 2020 – Following the press release of May 14th, Spactiv (the “**Company**” or “**Spactiv**”) informs that Betty Blue S.p.A. (“**Betty Blue**”), a company owned by the designer Elisabetta Franchi, has provided Spactiv with information on Betty Blue’s managerial, commercial, and financial performance of the first quarter of 2020, supported by explanatory notes, summarised below.

Key figures¹ communicated by Betty Blue relating to the first quarter of 2020

- Turnover in the first quarter of 2020: €37.9 million, an increase of €1.0 million, or +2.7%, on the first quarter of 2019
- EBITDA in the first quarter of 2020: €9.2 million, or 24.4% of turnover, an increase of €0.8, or +10.0%, on the first quarter of 2019
- EBIT in the first quarter of 2020: €8.6 million, or 22.7% of turnover, an increase of €0.9 million, or +12.1%, on the first quarter of 2019
- Net liquidity at 31st March 2020: €8.6² million, net of the €6.0 million in debts to shareholders for dividends not yet fully paid
- Inventory at 31st March 2020: €21.3 million

Table 1 below shows key figures relating to the first quarter of 2020 compared with the same figures for the first quarter of 2019, and with historical performance from the financial statements from 2017 to 2019.

Table 1 – Key Data

€ million	2017	2018	2019 adjusted	1Q 2019	1Q 2020	1Q2020 vs 1Q 2019
Sales	109.2	115.0	120.4	36.8	37.9	+2.7%
<i>YoY Growth</i>	+ 7.1%	+ 5.4%	+ 4.7%		+ 2.7%	
EBITDA	20.4	22.3	23.5	8.4	9.2	+10.0%
<i>% on sales</i>	18.7%	19.4%	19.5%	22.8%	24.4%	
EBIT	17.9	19.8	21.6	7.7	8.6	+12.1%
<i>% on sales</i>	16.4%	17.2%	17.9%	20.8%	22.7%	-
Net Profit	12.0	15.0	14.7	-	-	-
<i>% on sales</i>	11.0%	13.1%	12.2%	-	-	-
Dividend	10.5	10.0	15.0	-	-	-
Net cash	1.8	9.3	11.3	-	8.6	-

¹ The figures above are unconsolidated data provided by Betty Blue, which have not been subject to statutory audit and on which Spactiv has not carried out any independent checks. They are calculated according to Italian accounting principles applied by Betty Blue in coherence with the “Disclosure Document” published on 17th October 2019 and available in the “Operazione Rilevante” section on the www.spactiv.com website.

² Adjusted Net Liquidity of €9.6 million, adjusted to take into account the amount already spent on transaction costs, of €1.0 million, in line with the definitions provided in the afore-mentioned “Disclosure Document”.

Table 2 below breaks down Betty Blue's turnover by distribution channel and by geographic area.

Table 2 – turnover by geographical area and by sales channel

Revenues by channel (€ million)	1Q 2019	1Q 2020	Var %
Wholesale	29.1	30.4	4.2%
Retail	5.5	4.6	-16.3%
E-commerce	2.2	2.9	31.5%
Total	36.8	37.9	2.7%

Revenues by geography (€ million)	1Q 2019	1Q 2020	Var %
Italy	24.4	24.5	0.5%
EU	7.8	8.1	4.0%
Rest of world	4.7	5.3	12.3%
Total	36.8	37.9	2.7%

The increase in Betty Blue's turnover in the first quarter of 2020 was due to the combined effect of the following factors:

- An increase in wholesale turnover (franchisees, mono-brand and multi-brand stores) of €1.2 million, or +4.2%, compared with the first quarter of 2019.
- A decrease in retail turnover of €0.9 million, or -16.3%. This is due to the combination of positive performance during the months of January and February 2020 – with a 10.0% increase in like-for-like sales compared with the same period in 2019 – and the subsequent slowdown and complete halt of commercial operations because of the extraordinary measures linked to the spread of COVID-19, including the closure of shops in Italy by government decree from 12th March to 18th May 2020, and subsequently in other relevant countries.
- An increase in turnover from e-commerce – which has remained open throughout – of €0.7 million, or +31.5%.

The profitability increase in the first quarter was due to the increase in turnover, and to a reduction in overheads particularly personnel costs, in part because of the activation of the *Cassa Integrazione Guadagni in Deroga* scheme (CIGD, "exceptional redundancy fund").

Additional information on the current situation

Betty Blue also informed Spactiv that:

- Betty Blue's primary facilities and supply chain returned to operation on May 4th, having been closed from March 25th. Ms. Franchi herself and the top management team have been active throughout.
- All directly owned stores are open. In Italy they closed from March 12th to May 18th. Some franchised points of sale in the Middle East are still closed. In order to mitigate the effects of the lockdown, the end of the season for selling the Spring-Summer 2020 collection to retail clients has been extended, with the end-of-season sales beginning in Italy on August 1st.
- The sales efforts related to the Autumn-Winter 2020 collections ("Pre" and "Main") were concluded before the lockdown and generated a volume of orders that was initially in line with the company's best expectations. Subsequently, however, Betty Blue received requests for exceptional cancellations and/or reductions, which are still being negotiated. Moreover, although the fashion show took place normally, and successfully,



on February 22nd, because of the lockdown, orders were not received for the “Catwalk” collection, which is in any case the least important in terms of sales volumes, though key for brand image.

- Extraordinary requests for cancellations and/or reductions have been also received related to the ongoing Spring-Summer 2020 collection.
- The plan for 10 to 12 openings of mono-brand stores in 2020 has been confirmed, albeit with some delays.

Finally, the financial situation of the company is sound. As mentioned earlier, net liquidity at 31st March 2020 was €8.6 million. Furthermore, profits for 2019 have been allocated to reserves, in line with the agreements on the business combination reached with Spactiv.

Spactiv, through dialogue with Betty Blue, will continue to monitor events as they develop, including through requests for further information to support ongoing assessments.

* * *

Finally, it should be noted that there is a 12th June deadline for Spactiv shareholders to exercise option and pre-emption rights in relation to Spactiv shares which were subject to the right of withdrawal. After that time, shares can be placed also with third parties. When the business combination is completed, the owners of Spactiv ordinary shares will receive three warrants for each ten ordinary shares held.

UBI Banca is serving as Nomad and Specialist for Spactiv, and UBI and Mediobanca have been joint global coordinators of the Spactiv IPO as well as financial advisors.

For further information:

Spactiv S.p.A.

E-mail: InvestorRelations@Spactiv.com

Tel: +39 02 8718 9232

Investor Relations

Mara Di Giorgio

Twin S.r.l

E-mail: mara@twin.services

Tel: +39 335 7737417

Nomad

UBI Banca S.p.A.

E-mail: nomad@ubibanca.it

Tel: + 39 02 77811

Ufficio Stampa

SEC & Partners Srl

E-mail: calcaterra@segrp.com

E-mail: steinbach@segrp.com

Tel: +39 02 624999 1