



Company Presentation

29th June 2022



I. Company Highlights

Company Overview

- International player specialized in the **design, development, production and distribution of sneakers**
- **Innovative business model:**
 - Design and marketing of **own brands**
 - Design and development of collections for **third parties ('special projects')**
 - Design and marketing of **licensed trademarks**
 - Made in Italy production (**Favaro Manifattura Calzaturiera**)
- **Control over all stages of the production chain**
- Focus on **R&D** (with investment of € 2.2m in the last three years)
- **specialized international distribution, organized retailer chains and small retailers**
- With the acquisition of **Favaro Manifattura Calzaturiera S.r.l.** («Favaro»), NF enters the Made in Italy footwear sector for the prestigious luxury brands
- **44 employees**
- Pro forma consolidated key financials as at 30.4.2021¹:
 - **€ 24m in revenues (CAGR 27% last 5y²)**
 - **€ 2.8m EBITDA (CAGR 56% last 5y²)**
- Consolidated key financials as at 31.10.2021 half year:
 - **€ 14m in revenues**
 - **€ 1.1m EBITDA**



1. The Group closes its annual financial statements as at 30 April. Inclusive data of Favaro Manifattura Calzaturiera S.r.l.

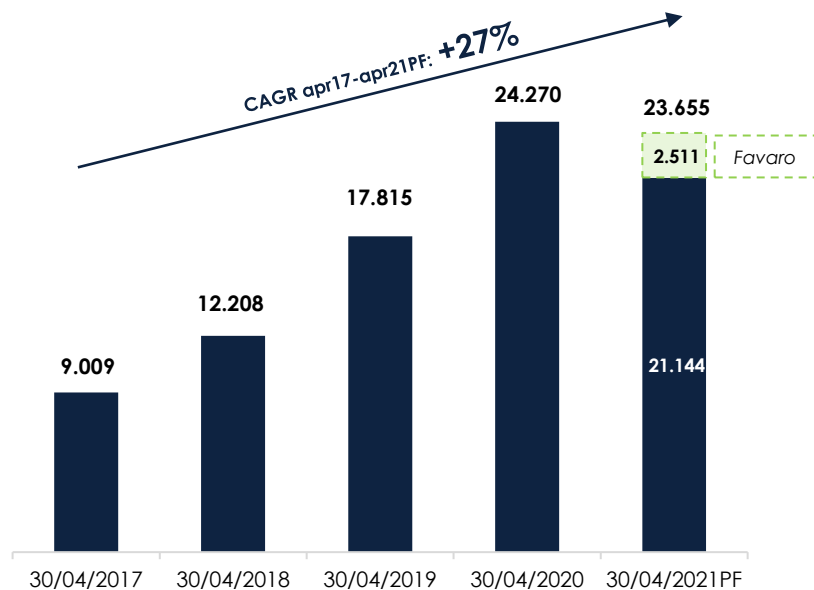
2. CAGR 30.4.2017-30.4.2021PF

Proven track record of growth and profitability

- Since the acquisition by Bruno Conterno (2016), Nice Footwear's business model has been transformed, with **continued growth in revenue and margins**
- The business is also characterized by **low capital intensity, reduced credit risk and substantially no warehouse risk**

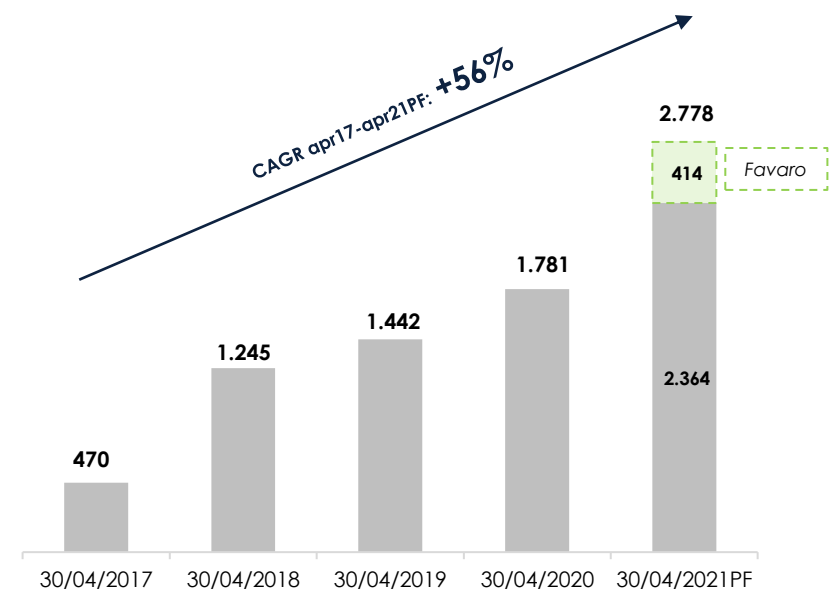
Turnover evolution apr17-apr21PF

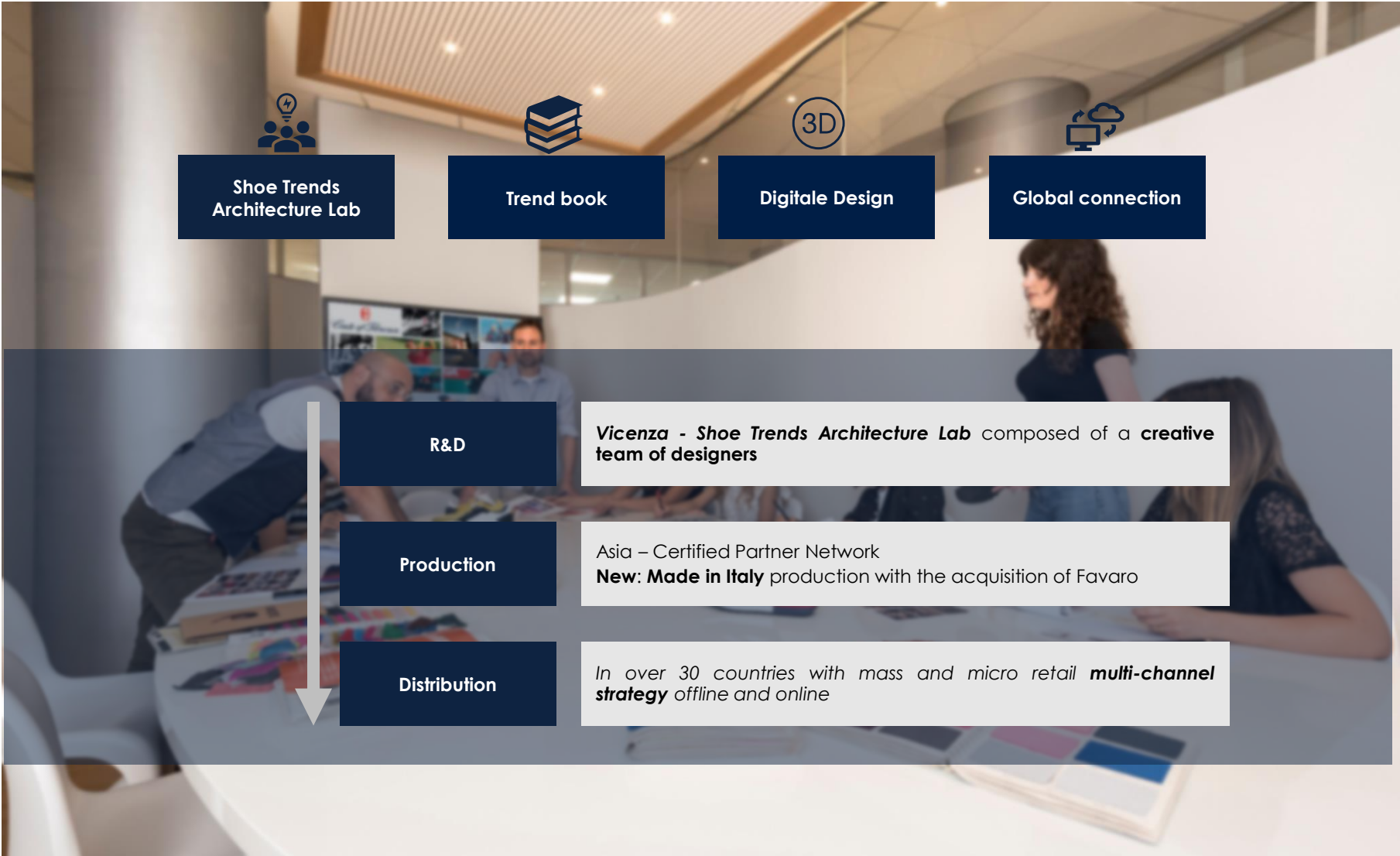
Euro k



EBITDA evolution apr17-apr21PF

Euro k





R&D activities

3%
R&D expenditure in
relation to turnover
(30/04/21PF)

> 10,000 hours
dedicated to R&D
activities

€ 2.2m
value of investments in
R&D in the last three
years

Development of
innovative products
and methods





Sustainable materials

Choice of **sustainable, recyclable, organic and plant-based materials**



Green logistics

Solutions for the **transport, delivery and recycling** of goods and products in accordance **with respect for the environment**



Sustainable innovation

Approach to the development of **innovative** ideas and sustainable



Sustainable Chain

The selection and **evaluation of suppliers** is based on principles of transparency, fairness and sustainability



Peoples's Value

The importance of the **human, professional and creative contribution** of people in carrying out daily activities is recognized

REDUCE, REUSE, REPURPOSE, RECYCLE, REFUSE

In 2021 Nice Footwear creates the **first sustainable sneaker** by Fred Mello, LINCOLN model in the off-white dirty finishing.

The shoe expresses all the ambition to protect the planet through the use of components and materials that are highly sustainable and at the same time offer uncompromising quality.

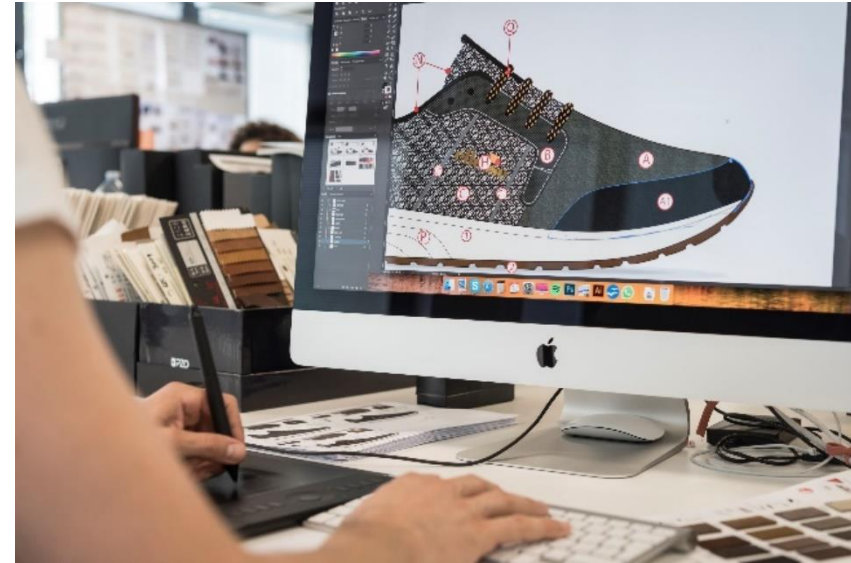


Significant opportunities for organic growth and through acquisitions

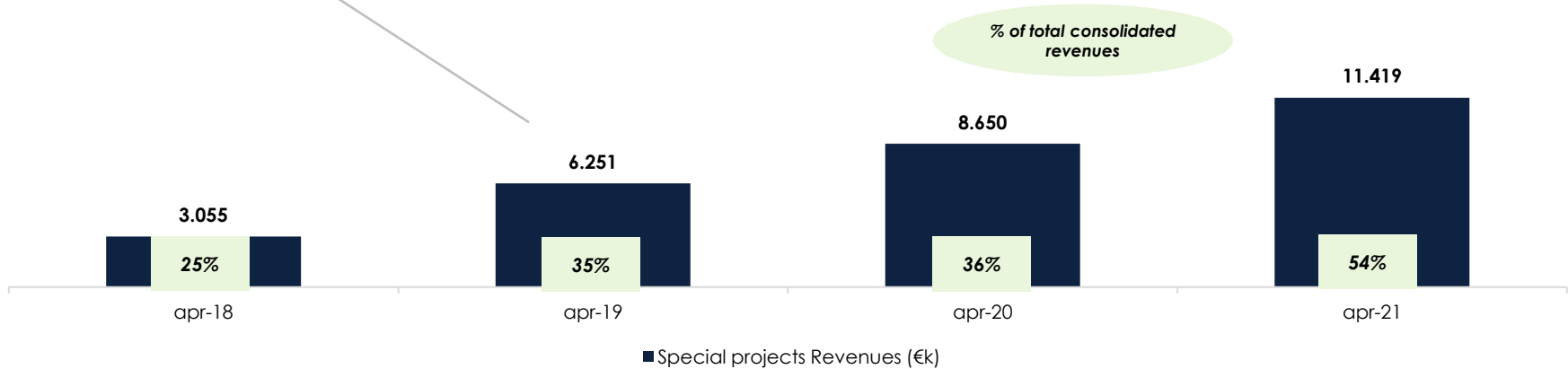


II. Business Overview & Products

- The Company makes its creativity and expertise available to brand customers by creating continuous collections with a complete method to create tailor-made solutions.
- The process concerns:
 - **Trends study**
 - **development of prototypes and samples**
 - **production**
 - **distribution** (if required)



Significant increase favored by the inclusion of a new project with a Premium Brand. Nice Footwear has passed all production tests in Chinese factories, obtaining the necessary certifications from the Group that owns the brand.

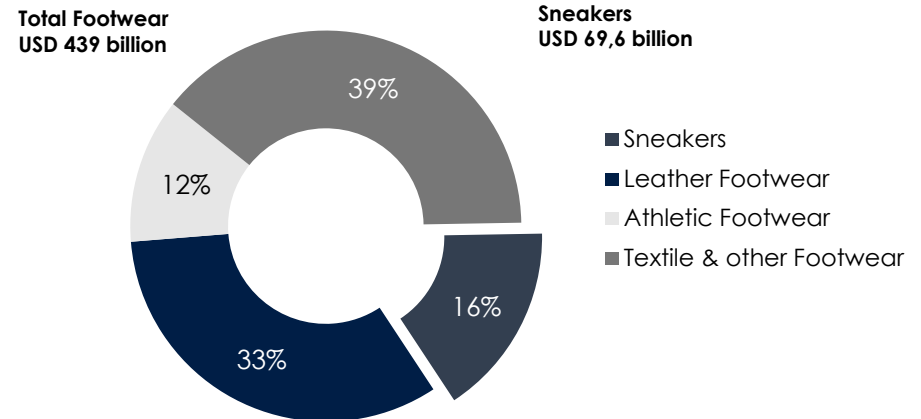


Note: The chart shows the consolidated data

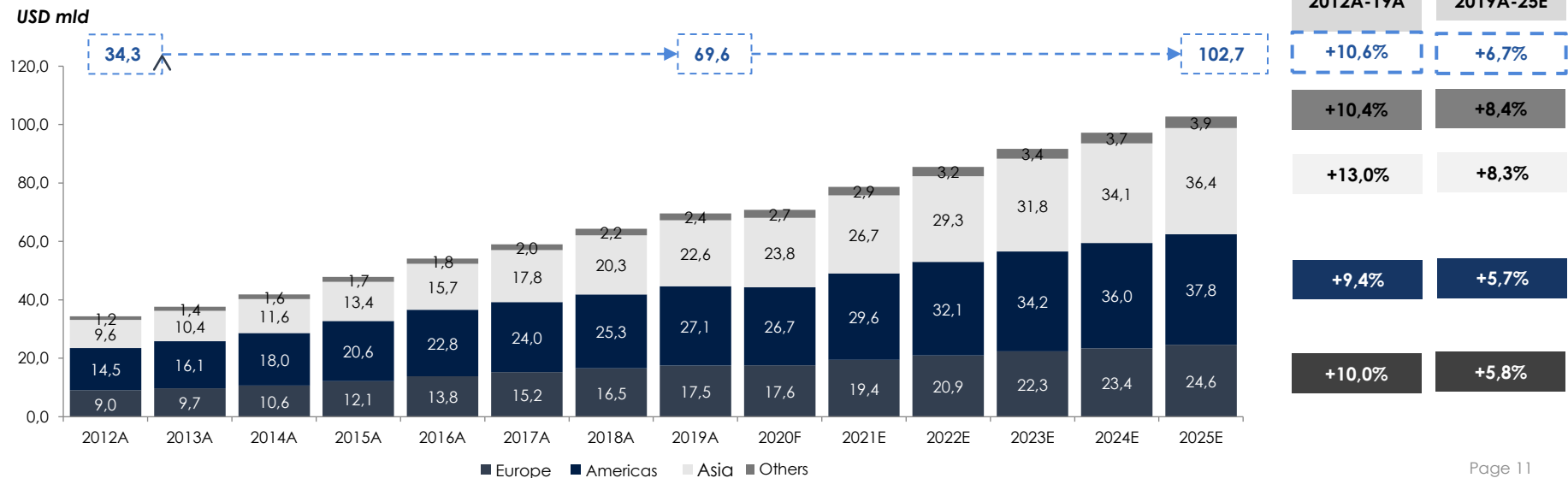
Focus on the Sneakers market, double-digit growth

- **Sneakers** are the most dynamic segment of the Footwear sector, with a 2012A-2019A CAGR of 10.6%, thanks to sustained growth in all geographical areas of the world
- The growing popularity of athleisure and streetwear clothing, especially among generation Y and Z, drives the trend of the global sneaker market, with **strong expectations of growth also in the coming years**

Worldwide Footwear Market by Segment (FY2019)



Sneakers Sales Trend 2012A-2025E (USD/bln)



Source: Statista Consumer Market Outlook 2020

“Una nuova filiera per il nuovo lusso”

A new production chain for a new luxury

- PambiancoNews

**“M&A, la moda in prima linea:
aumenta l’appeal dei terzisti”**

*M&A, fashion at the forefront:
increasing appeal of subcontractors*

-Il Sole 24ORE

**“Scatta il risiko sui terzisti made in Italy.
A colpi di M&A, ecco i poli della manifattura”**

Risk game on Made in Italy subcontractors.

M&A waves, here are the poles of manufacturing

- PambiancoNews

Focus on luxury products

Made in Italy production – Favaro Manifattura Calzaturiera S.r.l. and Emmegi S.r.l.

II. Business Overview & Products

Nice Footwear acquired 80% of the company's shares with the aim of **integrating the supply chain** and promoting its inclusion in the **premium/luxury segment**.



- **Favaro** is specialized since the 70s in the **production of high-end women's shoes for prestigious fashion houses in the Riviera del Brenta**
- Price: € 800k (80% of the Equity Value of € 1m)

Data in €k	31/12/2018	31/12/2019	31/12/2020	30/04/2021
Revenues	1,932	2,989	2,416	2,511 ²
EBITDA	301	780	415	414 ²
Equity	177	(268)	26	129
Net financial debt (cash)	132	303	140	(356)

- **Emmegi** is specialized since the 70s in the **production of high-end women's leather goods** for prestigious fashion houses in Maserà (Padova).
- Price: € 480k (80% of the Enterprise Value of € 600k)

Data in €k	31/12/2020	31/12/2021 - PC
Revenues	2,148	1,801
EBITDA	583	426
Equity ²	1,025	452
Net financial debt (cash)	(186)	(25)

III. Awards

Kronos enters the prestigious Italian ranking of **"Leader della Crescita"** (2022 edition), compiled by **Il Sole 24 Ore and Statista**, an award reserved for Italian companies that have recorded the greatest growth in turnover in the last three years (2017-2020)

First footwear company listed on Euronext Growth Milan with record-breaking debut +60%

November 2021



Kronos has been included in the prestigious ranking annual **"FT1000 Europe's Fastest-growing companies"** conducted by the Financial Times in collaboration with their search company Statista. Kronos is among the 1000 European brands that have achieved the highest growth in sales between 2017 and 2020

March 2022

Nice Footwear is participating in the **Animal Free Fashion** initiative, promoted by **LAV**, for the Kronos brand: the brand has been awarded the highest rating, **VVV +**. This means that no material of animal origin is used for the production of the footwear of the Kronos brand.

June 2022



Animal Free
a LAV label

From **2020** Nice Footwear joins the special fashion sports section of **PMI Innovative – Innovative SMEs**

January 2022

Nice Footwear is the winner for the **Northern Area of the Award Mario Unnia Talent & Enterprise**, an award that enhances Italian companies carriers of innovative ideas, capable of uniting talent and enterprise in a winning combination



April 2022

Nice Footwear gets one of the three highest scores for the category medium and small enterprises of the fashion sector in the first edition of the **"Sustainability Report Award of Sustainability"** by Corriere della Sera.

IV. Financial Highlights H1 2021

Consolidated Income Statement - GROUP NICE FOOTWEAR

IV. Financial Highlights H1 2021

Income Statement (ITA GAAP) data in €k	apr-19	apr-20	apr-21	apr-21	ott-21	% on revenues				
	Act	Act	Act	Pro Forma	Act	apr-19	apr-20	apr-21	apr-21 PF	ott-21
Revenues	17,815	24,27	21,144	23,655	14,356	100.0%	100.0%	100.0%	100.0%	100.0%
Contributions for the financial year	310	353	594	594	264	1.7%	1.5%	2.8%	2.5%	1.8%
Raw materials consumption	-12,847	-17,36	-14,294	-15,036	9,914	(72.1%)	(71.5%)	(67.6%)	(63.6%)	-69,1%
Services costs	-1,51	-2,657	-2,816	-3,691	2,087	(8.5%)	(10.9%)	(13.3%)	(15.6%)	-14,5%
Costs for the entitlement of third-party property	-1,215	-1,711	-999	-1,011	387	(6.8%)	(7.1%)	(4.7%)	(4.3%)	-2,7%
Personnel costs	-1,112	-1,113	-1,265	-1,732	1,109	(6.2%)	(4.6%)	(6.0%)	(7.3%)	-7,7%
EBITDA	1,442	1,781	2,364	2,778	1,123	8.1%	7.3%	11.2%	11.7%	7,8%
Depreciation of intangible assets	-432	-437	-451	-522	258	(2.4%)	(1.8%)	(2.1%)	(2.2%)	-1,8%
Depreciation of tangible fixed assets	-90	-190	-327	-355	218	(0.5%)	(0.8%)	(1.5%)	(1.5%)	-1,5%
Write-downs of receivables	-76	-244	-80	-80	-	(0.4%)	(1.0%)	(0.4%)	(0.3%)	0,0%
Other revenues and income	2	16	17	58	240	0.0%	0.1%	0.1%	0.2%	1,7%
Miscellaneous operating charges	-114	-101	-56	-61	263	(0.6%)	(0.4%)	(0.3%)	(0.3%)	-1,8%
EBIT	732	824	1,467	1,817	625	4.1%	3.4%	6.9%	7.7%	4,4%
Financial income	0	1	1	1	0	0.0%	0.0%	0.0%	0.0%	0,0%
Interest and other financial charges	-108	-123	-258	-261	133	(0.6%)	(0.5%)	(1.2%)	(1.1%)	-0,9%
Foreign exchange gains and losses	-47	-16	-234	-234	10	(0.3%)	(0.1%)	(1.1%)	(1.0%)	0,1%
Foreign exchange gains and losses for consolidation	9	48	-38	-38	-	0.0%	0.2%	(0.2%)	(0.2%)	0,0%
Financial corrections	-1	0	-1	-1	-	(0.0%)	0.0%	(0.0%)	(0.0%)	0,0%
EBT	584	734	936	1,283	502	3.3%	3.0%	4.4%	5.4%	3,5%
Taxes	-109	-168	-57	-88	144	(0.6%)	(0.7%)	(0.3%)	(0.4%)	-1,0%
Net result	474	566	879	1,195	358	2.7%	2.3%	4.2%	5.1%	2,5%
Result attributable to third parties				77	19					

The following table provides Net sales on the Group's geographical segments:

	EURO	%
Italy	7.4 mln	49,6%
Other Countries	7.5 mln	50,4%
Revenues and other income	14.9 mln	100%

1. Pro-forma financial statements as at 30/04/2021 with inclusion in the scope of consolidation of Favaro Manifattura Calzaturiera S.r.l.
Note: Shanghai Nice International Trading Co Ltd and Nice Footwear France S.A.S. not included in the scope of consolidation

Consolidated Balance sheet - GROUP NICE FOOTWEAR

IV. Financial Highlights H1 2021

Balance Sheet(ITA GAAP)	apr-19	apr-20	apr-21	apr-21	ott-21
<i>data in €k</i>	Act	Act	Act	Pro Forma ¹	Act
Intangible assets	1,262	830	1429	2,068	2.035
Tangible fixed assets	474	851	1322	1,356	1.146
Financial fixed assets	27	14	118	21	8
Total fixed assets	1,764	1,696	2,87	3,446	3.190
Deferred tax activities	31	88	116	116	80
Inventories	499	1,159	1001	1,138	2.310
Receivables from customers	3,35	4,067	6537	6,686	9.416
Payables to suppliers	-1,369	-3,009	-2986	-3,207 -	3.172
Advances	-69	0	-108	-108 -	1.035
Other current assets	991	1,152	1329	1,422	1.617
Other current liabilities	-467	-405	-446	-495 -	675
Net Working Capital	2,934	2,965	5,327	5,435	8.462
Funds for risks and charges	-51	-55	-130	-130 -	280
Severance Pay	-63	-104	-145	-181 -	237
Net Invested Capital	4,615	4,59	8,038	8,686	11.215
Equity	1,672	2,23	4059	3,982	4.207
Minorities				22	33
Cash equivalents	-13	-1,075	-2563	-2,609 -	2.033
Short-term banks	982	582	3	52	2.657
Banks and other lenders in MLT	1,974	2,852	6539	6,539	6.351
Net Financial Position	2,943	2,36	3979	3,982	6.975
Debts to Favaro sellers				700	-
Funding sources	4,615	4,59	8038	8,686	11.215

1. Pro-forma financial statements as at 30/04/2021 with inclusion in the scope of consolidation of Favaro Manifattura Calzaturiera S.r.l.
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Income Statement (ITA GAAP)	ott-20	ott-21
<i>data in €k</i>	Act	Act

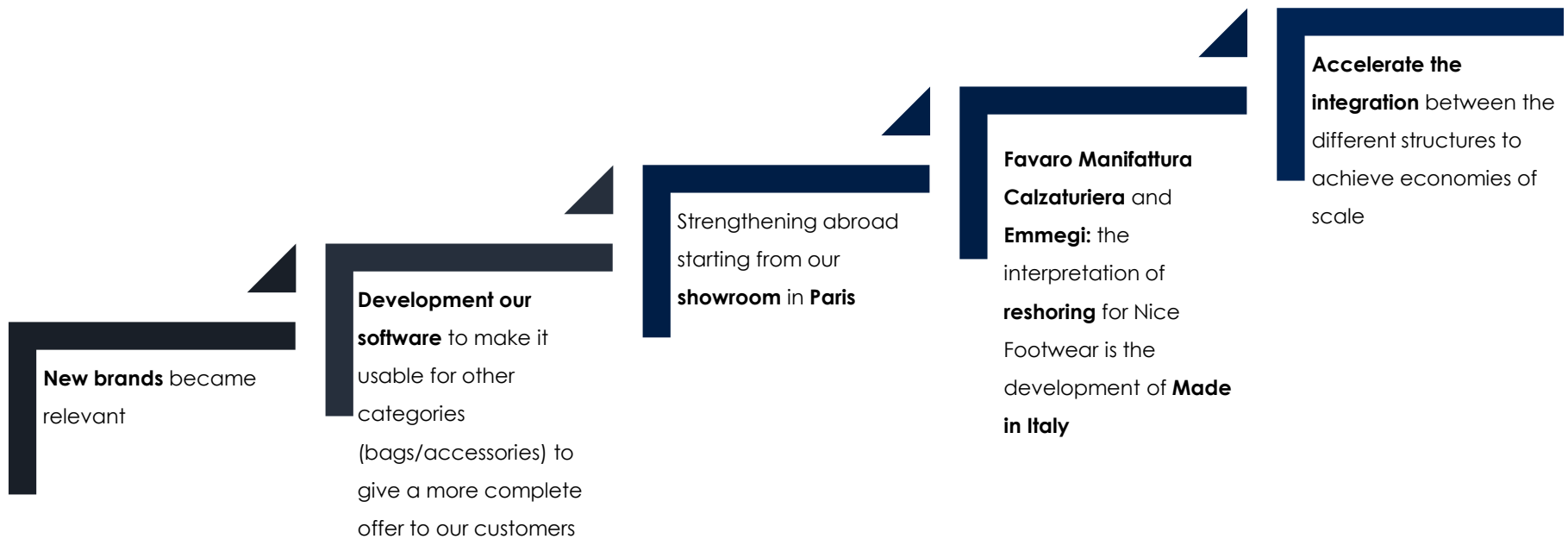
Revenues	8.019	10.691
Contributions for the financial year	69	393
Raw materials consumption	- 5.163	- 7.301
Services costs	- 1.177	- 1.677
Costs for the entitlement of third-party property	- 520	- 342
Personnel costs	- 529	- 728
EBITDA	699	1.037
Depreciation of assets	- 318	- 410
Write-downs of receivables	-	-
Other revenues and income	-	-
Miscellaneous operating charges	- 26	- 232
EBIT	355	395
Financial income	-	3
Interest and other financial charges	- 83	- 132
Foreign exchange gains and losses	- 143	42
Foreign exchange gains and losses for consolidation	-	-
Financial corrections	-	-
EBT	128	308
Taxes	- 50	- 112
Net result	79	196

Result attributable to third parties

Balance Sheet(ITA GAAP)	ott-20	ott-21
<i>data in €k</i>	Act	Act
Intangible assets	549	1.254
Tangible fixed assets	1.061	1.095
Financial fixed assets	14	1.892
Total fixed assets	1.624	4.242
Deferred tax activities	88	80
Inventories	1.342	2.209
Receivables from customers	3.930	7.301
Payables to suppliers	- 2.571	- 2.409
Advances	- 127	- 578
Other current assets	1.048	1.549
Other current liabilities	- 347	- 501
Net Working Capital	3.275	7.572
Funds for risks and charges	- 55	- 280
Severance Pay	- 123	- 174
Net Invested Capital	4.810	11.439
Equity	2.274	3.826
Minorities	-	-
Cash equivalents	- 2.042	- 1.535
Short-term banks	827	4.846
Banks and other lenders in MLT	3.751	4.302
Net Financial Position	2.536	7.613
Debts to Favaro sellers	-	-
Funding sources	4.810	11.439

Financial Statement (ITA GAAP)	ott-21	
€k		Act
EBITDA		1.037
Δ Inventory	-	867
Δ Receivables	-	3.371
Δ Payables	-	161
Δ Advances		450
Δ Operating Working Capital	-	3.950
Δ Other current receivables	-	501
Δ Other current payables		154
Δ Net Working Capital	-	4.297
Net investments in intangible assets	-	1.116
Net investments in tangible assets	-	34
CAPEX	-	1.149
Δ Prepaid taxes		9
Δ Funds		276
Cash flow from operating activities (pre-tax pre-finance)	-	4.124
Financial investments	-	878
Net financial items	-	319
Taxes	-	112
Kronos brand revaluation	-	1.000
Δ Shareholder's equity (incl. Δ Changes due to consolidation)		1.357
Δ Net financial position	-	5.077
Δ Financial debt		4.570
Δ Cash and cash equivalents	-	507

V. What's next?





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