



MONNALISA®

INVESTOR PRESENTATION
October 1st, 2021

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- ❑ ***Strategy roadmap and 1H 2021 key facts and results***
- ❑ *Financial results as at 1H 2021*
- ❑ *Strategic guidelines*

- ⊕ Sustainable development – Integrated report, 2021-2023 Sustainability Plan, ESG Governance
- ⊕ Brand equity – full-funnel, data-driven, customer oriented marketing approach; extension
- ⊕ D2C – Direct-to-Consumer focus: digital sales; retail profitability and growth; omnichannel approach
- ⊕ Efficiency – Margins; capacity utilization; costs control
- ⊕ Selective licensing



REVENUES UP 34% IN H1 2021 TO EURO 20.3 MILLION, ALONGSIDE MARGIN GROWTH

- ⊕ Revenues of Euro 20.3 million (Euro 15.1 million in H1 2020), of which 67% overseas, picking up particularly strongly in Q2 (+184% vs Q2 2020)
- ⊕ Considerable direct online channel growth of 139% vs H1 2020
- ⊕ Reported EBITDA of Euro 0.2 million (loss of Euro 5.9 million in H1 2020), with adjusted EBITDA of Euro 0.4 million (loss of Euro 2.1 million in H1 2020), also thanks to the continued cost streamlining policy in the period
- ⊕ Net Financial Debt Euro 9.3 million, compared to Euro 8 million at December 31, 2020
- ⊕ Sales growth continues in July, August and September, particularly on both the DOS and online direct-to-consumer channels
- ⊕ Summer sales campaign also concludes successfully, with good wholesale channel response



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Worldwide presence as at 30/06/2021

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⊕ Monnalisa operates globally through:

49 **Retail Stores** as at 30/06/21: direct single brand stores and outlet (DOS and DOO);

500+ **Wholesale Stores:** independent multibrand and monobrand stores;

As at September 2021 we opened:

- ⊕ 1 store at Istinye Park (Istanbul)
- ⊕ 1 store at The Market (San Marino)
- ⊕ 1 store at Deji Plaza (Nanjing)

8 **E-commerce platforms:** 1 proprietary e-shop and 7 multibrand online marketplaces.

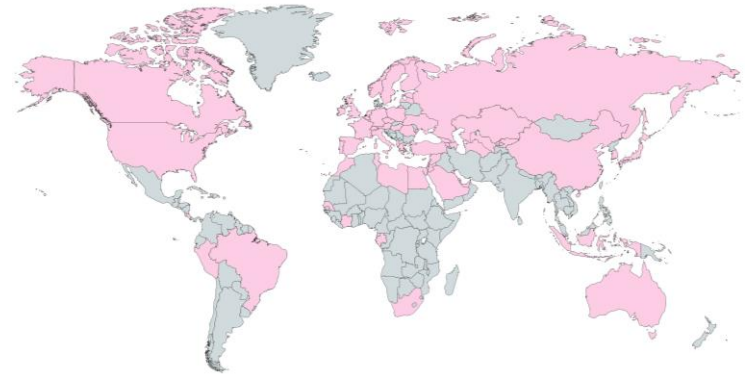


	HY 2020	FY 2020	HY 2021	Net change
Retail Monobrand	47	47	49	2
Asia	13	13	14	1
EMEA (Italy ex.)	15	15	16	1
Italy	11	14	14	0
America	8	5	5	0

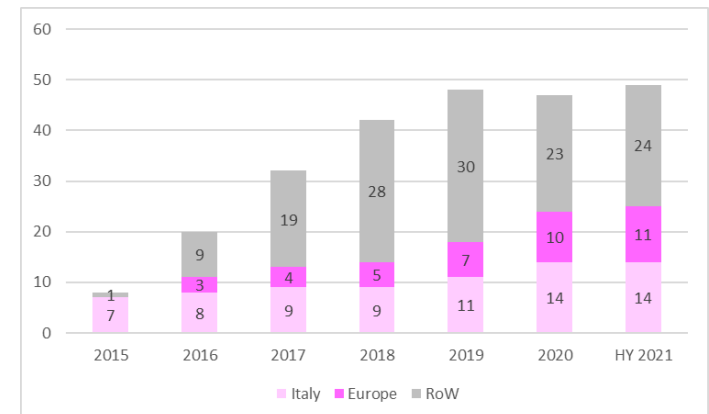
⊕ 67% of HY2021 foreign sales

⊕ 60+ countries around the World.

Geographical area expansion



Retail Evolution



****Europe:** Austria, Belgium, Cyprus, Finland, France, Germany, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and UK

⊕ Total Revenue at €20.3mn

(€15.1 mn in H12020)

⊕ Online revenues (*) at €1.5 mn

(€0.6 mn in H12020)

Online Channel (both direct and indirect) share at 20% vs 13%
in the same period of the previous year

⊕ Retail revenues at €5.9mn

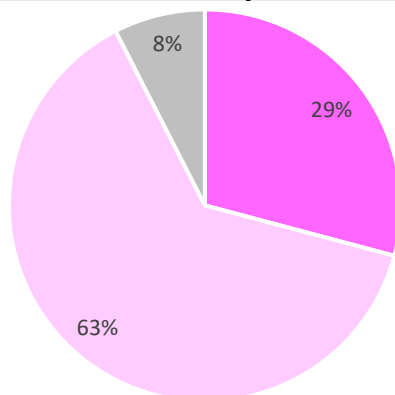
(€4.2 mn in H12020)

representing 29% of the total consolidated revenues

⊕ Wholesale revenues at 12.8mn

(€10.3 mn in H12020)

1H 2021 Breakdown per channel

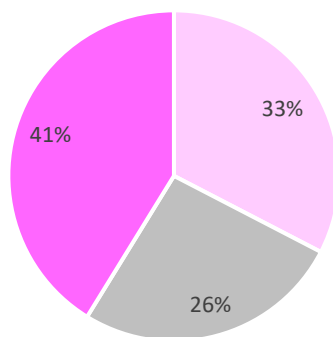


■ Retail ■ Wholesale ■ B2C diretto

Six months ended June 30 at current exchange rates						
In thousands of €	2021	%	2020	%	Change	% Change
Retail	5.910	29%	4.184	28%	1.726	41%
Wholesale	12.845	63%	10.314	68%	2.531	25%
B2C	1.528	8%	639	4%	889	>100%
Total	20.283	100%	15.137	100%	5.146	34%

(*) including only direct and T-mall

1H2021 Breakdown per region



■ Italy ■ Europe ■ Rest of the world

Six months ended June at current exchange rates						
In thousands of €	2021	%	2020	%	Change	% Change
Italy	6.613	33%	5.072	34%	1.541	30%
Europe	5.312	26%	3.992	26%	1.320	33%
Rest of the world	8.358	41%	6.073	40%	2.285	38%
Total	20.283	100%	15.137	100%	5.146	34%



Significant improvement in 1H results thanks to investment in brand awareness, digital strategy and cost reduction policy

Description	30/06/2021	Inc. %	30/06/2020	Inc. %
Revenues from sales	20.283.067		15.137.096	
Other revenues	910.484		250.836	
Total Revenues	21.252.428	100%	15.387.932	100%
Costs of Production	-8.392.912		-8.426.848	
Raw materials, consumables and goods for resale	-5.954.249		-6.409.898	
Production Services	-2.438.662		-2.016.950	
Use of third party assets	-2.914.655		-2.682.707	
Marketing costs	-510.405		-1.025.468	
Services costs	-3.898.489		-3.329.463	
ADDED VALUE	5.477.091	26%	-76.554	0%
Personnel Costs	-4.940.830		-4.752.567	
Other operating charges	-247.747		-617.927	
Write-down of receivables	-92.111		-464.328	
EBITDA	196.403	1%	-5.911.377	-38%
Adjusted EBITDA	440 716		-2.142.962	
Depreciation of tangibles	-897.992		-901.246	
Amortization of intangibles	-755.147		-782.095	
EBIT	-1.456.736	-7%	-7.594.717	-49%
Financial income and expenses	-208.424		-167.033	
Foreign exchange management	265.987		-276.084	
EBT	-1.399.173	-7%	-8.037.834	-52%
Taxes	-40.512		1.241.205	
NET RESULT	-1.439.685	-7%	-6.796.630	-44%

Marginality recovery compared to last year due to: considerable reduction in the incidence of cost of sales; greater weight of B2C channel with higher margins (71%); advance of WS winter shipments in June of about 50,000 garments compared to last year (marginality 57% on parent company net IC); review of overheads

Adjusted EBITDA: Profit of Euro 0.4 million (Adjusted EBITDA loss in 2020 of Euro 2.1 million). The adjustments to EBITDA concerned the sales point openings in the period and one-off costs incurred.

	1H2021	1H2020	1H21 vs 1H20
Costs of Production	-8.392.912	-8.426.848	-33.936
Use of third party assets	-2.914.655	-2.682.707	231.948
Marketing costs	-510.405	-1.025.468	-515.063
Services costs	-3.898.489	-3.329.463	569.026
Personnel Costs	-4.940.830	-4.752.567	188.263
Other operating charges	-247.747	-617.927	-370.180
Write-down of receivables	-92.111	-464.328	-372.217

⊕ 1H21 Reviews of overheads:

- in order to contain non-strategic costs;
- cutting and postponement of marketing spend,
- renegotiation of rents, use of government subsidies and business supports when existing,
- voluntary reduction of executives' remuneration;

1H 2021 Consolidated Balance Sheet

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ASSETS	30/06/2021	%	31/12/2020	%	30/06/2020	%
FIXED ASSETS	22.263.129	39%	24.672.784	42%	24.690.713	41%
Intangible assets	3.434.240		3.983.926		3.535.232	
Tangible assets	17.532.006		18.275.120		17.513.066	
Financial assets	1.296.883		2.413.738		3.642.415	
CURRENT ASSETS	34.701.958	61%	33.555.935	58%	35.548.624	59%
Inventories	16.152.324		16.434.588		16.545.884	
Receivables	14.131.844		13.042.460		16.870.423	
Cash and cash equivalents	4.417.790		4.078.887		2.132.317	
TOTAL ASSETS	56.965.088	100%	58.228.719	100%	60.239.337	100%

LIABILITIES AND SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY	29.125.031	51%	30.507.216	52%	31.805.210	53%
Share capital	10.000.000		10.000.000		10.000.000	
Reserves	20.564.716		28.319.915		28.601.839	
Result of the period	-1.439.471		-7.805.982		-6.791.054	
Result of the period attributable to minority interests	-214		-6.717		-5.575	
CONSOLIDATED LIABILITIES	12.855.513	23%	13.598.794	23%	9.761.755	16%
Financial	9.367.379		10.140.004		7.205.472	
Non financial	3.488.134		3.458.790		2.556.283	
CURRENT LIABILITIES	14.984.544	26%	14.122.709	24%	18.672.372	31%
Financial	5.686.012		4.370.432		8.064.002	
Non financial	9.298.532		9.752.277		10.608.370	
FINANCING CAPITAL	56.965.088	100%	58.228.719	100%	60.239.337	100%

The Group reports shareholders' equity of Euro 29.1 million.

1H 2021 Net Financial Position

	1H2020	2020 FY	1H2021
Cash and cash equivalents	-2,132	-4,079	-4,417
Current financial receivables	-3,634	-2,405	-1,288
Current financial debt	5,493	1,771	2,504
Current portion M/L debt	2,389	2,433	3,182
Other financial current debts	0	0,166	0
NFP s/t	2,116	-2,114	-19
M/L Financial Debt	7,205	10.140	9,367
NFP	9,503	8,026	9,348

1H21 Net Financial Position was Euro 9.3 million, compared to Euro 8 million at December 31, 2020.

During the semester, the bond issued by Jafin S.p.A. and subscribed by Monnalisa maturing on 31 December 2021 was repaid in advance.

Two subsidised loans with Simest were agreed in the first half of the year, one for capitalisation purposes and the other to pursue international expansion, both with a portion issued as a grant.

The US subsidiary benefited from the conversion into a grant of a loan received in 2020 under the Pay Protection Program. In the same period.

HY 2021 Consolidated Cash Flow Statement

Consolidated CF (€'000)	HY2021	HY2020
Profit (loss) of the year before taxes, interests, dividends, capital gains/losses on disposal	(1,197)	(7,879)
Cash flows before charges in net working capital	697	(5,649)
Cashflows after charges in net working capital	(346)	(4,759)
CASH FLOWS FROM OPERATING ACTIVITIES	(704)	(4,997)
CASH FLOWS FROM INVESTMENT ACTIVITIES	334	(1,663)
CASH FLOWS FROM FINANCING ACTIVITIES	709	395
Change in cash and net cash equivalents	339	(6,224)
Initial cash and cash equivalents	4,079	8,357
Final cash and cash equivalents	4,418	2,132

- ⊕ Despite the increase in wholesale turnover and the return to normality in relations with suppliers, in terms of payment terms, the Group managed to **contain cash absorption**, thanks to the significant improvement in profitability
- ⊕ **Investment activities** generated cash for € 0,3 mn
- ⊕ **Financing activities** brought cash for € 0,7 mn
- ⊕ The **cash and cash equivalents** at the end of HY 2021 reached € 4,4 mn

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- ☐ ***Strategic guidelines***

1. Strategic guidelines: Sustainability and CSR





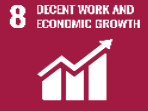




- Starting from 2018 Monnalisa presented the annual **Integrated Report** according to the guidelines of the International Integrated Reporting Council (IIRC)
- The *Materiality Analysis* undertaken in the 2018 Report allowed Monnalisa to identify and report on the content deemed most relevant to the Group and its stakeholders. Some aspects of the analysis have been updated, with the involvement of senior management, to place a greater emphasis on topics that have become more relevant in light of the pandemic. In particular, all topics pertaining to **Human Resources** (health and safety, working conditions, work-life balance, development and training, respect for human rights, diversity and equal opportunities), the **Environment** (material sustainability), **Governance** (sustainability strategies) and **Product and Consumer Responsibility** (protection, health and safety, eco-design and product innovation) have been selected.



Strategic guidelines: Sustainability and CSR

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- 🌐 Confirming its concrete commitment to ESG topics and the Group's sustainable identity, the Board of Directors also presented the **2021-2023 Sustainability Plan**, which represents Monnalisa's strategic vision. The Sustainability Plan is a response to some of the United Nations SDGs, which have been aligned with the eleven material topics deemed most relevant to Monnalisa and its stakeholders, as set out in its 2020 Integrated Report

SDG	Material topic	Objective
 3 GOOD HEALTH AND WELL-BEING	Workplace health and safety and work-life balance	Improve people's well-being
 5 GENDER EQUALITY	Manage diversity and equal opportunities	Promote equal opportunities
 8 DECENT WORK AND ECONOMIC GROWTH	Working conditions Development and training of human resources	Develop talent and provide job security
 10 REDUCED INEQUALITIES	Respect human rights	Sustainable supply chain management
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Eco-design Sustainability of materials	Consume materials responsibly Promote a culture of sustainability in production patterns, raise consumer awareness of sustainable consumption, and reduce the environmental impact of Monnalisa products
 13 CLIMATE ACTION	Carbon footprint	Reduce Monnalisa's environmental impact
 17 PARTNERSHIPS FOR THE GOALS	Sustainability reports, sustainability strategies, standards/ethics codes	Attract ESG-aware investors Promote a culture of sustainability among external and internal stakeholders, collaborating with others on these topics Strengthen corporate governance

2. Strategic guidelines: Marketing Strategy

- ⊕ A new way of planning marketing campaigns through a **Full-Funnel** model, following the customer journey path with the right message in the right time
- ⊕ Take strategic decisions based on data analysis and interpretation using a **Data-Driven** approach to increase ROI
- ⊕ Leveraging on **Marketing Automation** tool to increase conversion rate and AOV
- ⊕ New business opportunities via **Affiliate Marketing** partnership with a revenue sharing model



2. Strategic guidelines: Marketing strategy

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- ⊕ Influencer Marketing and Product Placement are the main channels through which Monnalisa enhance its brand visibility and identity.
- ⊕ Continuing investing in partnerships, including aficionados such as @cliomakeup, @fashion_laerta and @clementstwins, as well as expanding the reach with local micro-influencers.



@cliomakeup - IG stories

- 1,1M TOTAL REACH
- 7.2 K TOTAL INTERACTIONS
- 95% AVERAGE COMPLETION RATE

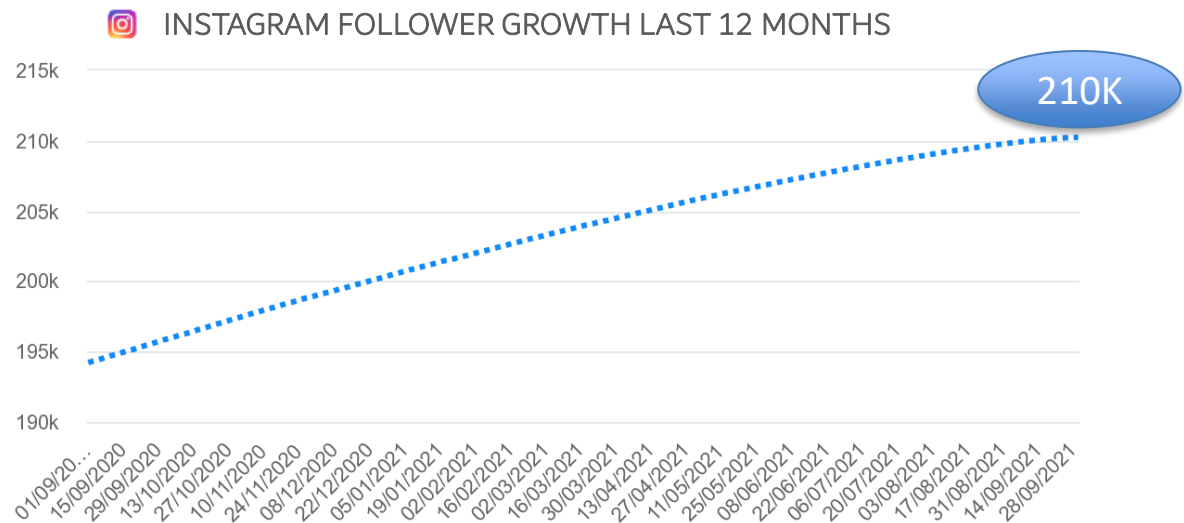
2. Strategic guidelines: Marketing strategy

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Monnalisa is active on the main **social media** channels such as Facebook, Instagram, Pinterest, Youtube and Tik Tok, not only by posting pictures, but also by interacting with followers in order to better understand user needs, monitor conversations and improve the relationship with end-customers.



- ⊕ A Global Social network community of about 340,000 organic subscribers
- ⊕ Additional 10,000 TikTok followers activated at the end of 2020, through a paid acquisition campaign



3. Strategic guidelines: Brand extension

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- ⊕ Further implement our **newborn** products line
- ⊕ More capsules and **exclusive** products, for special clients (e.g., the recent exclusive stories for our largest e-tailers), for special occasions (e.g., this year Ramadan collection), also through co-branding
- ⊕ Further develop our **accessories** offering
- ⊕ Further strengthening of our **boy** line



4. Strategic guidelines: D2C

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- ⊕ Retail revenues growth
- ⊕ Increase current retail network **profitability** (retail operations plan)
- ⊕ **Stores turnover** (closing low profitability ones with stores with a more solid profitability potential)
- ⊕ From 2023, **further retail expansion**, in existing markets, and in new Countries, especially in APAC
- ⊕ Direct **e-commerce revenues growth** (digital strategy)
- ⊕ Full integration of physical and digital retail



London, HARRODS Sept.2021



Singapore, The Shoppes at Marina Bay Sands'



Istanbul, İstinye Park

5. Strategic guidelines: Digital Sales

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- ⊕ Farfetch direct integration launched in May will enable Monnalisa to deliver the latest collections and reach a potential 4,5M monthly kidswear visitors globally
- ⊕ Continuing the expansion in China with a shop-in-shop on TMALL which registered +46% YoY sales in H1
- ⊕ Planning to launch the WeChat mini-program by end of year



6. Strategic guidelines: Beyond Omnichannel

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- ⊕ We are currently designing a long term new project which will be transversal to our current distribution channel
- ⊕ It will involve our **wholesalers**
- ⊕ It will **leverage** their assets and will give them better access to ours
- ⊕ It will be based on a "**sharing** economy" concept
- ⊕ At its maximum extent, it will overcome the traditional idea of competition and will mitigate it with a **community** kind of approach
- ⊕ It will take time, and its success will depend on the cooperation of different actors



7. Strategic guidelines: Efficiency

In order to improve the company profitability, besides the growth of our revenues, and other initiatives mentioned above, we will work on the following directions:

- ⊕ **Cost cuts** – we will maintain a strict control of all the costs, and especially the most discretionary ones
- ⊕ **Contribution margin increase** – through pricing and operational efficiency-oriented actions
- ⊕ Higher production **capacity utilization**
- ⊕ Higher logistics capacity utilization



8. Strategic guidelines: Selective Licensing

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- ⊕ Chiara Ferragni Kids license was a first milestone on a new growth path
- ⊕ It was aimed at:
 - increasing turnover and profits
 - accessing to a new customer cluster
 - exploiting their brand notoriety
 - testing and fine-tuning our processes in order to be at our best to exploit other potential licensing opportunities
- ⊕ We will not change our **business model**; we will rather **integrate** it with this new part, in order **to make it stronger**
- ⊕ We don't intend to become a company specialized in licensing; rather, we will work to find **one, maximum two brands** that we can develop with the same care and effort we have put for the past 53 years and will put on Monnalisa brand, which we are dedicating to the development of Chiara Ferragni Kids
- ⊕ The goal is to **fully exploit the great potential of our resources and competencies system** engrained in all the process of our business, from design, to production, to international distribution, to retailing, to logistics, etc.



8. Strategic guidelines: Selective Licensing

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London, HARRODS



Paris, Lafayette



Thanks!

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