

TAKE-OFF GROUP: FOR 2022, REVENUES +13%, NET PROFIT AT 3.5 MILLION EURO AND NFP CASH POSITIVE AT 7.0 MILLION EURO. PROPOSED DIVIDEND EQUAL TO 0.06 EURO P.A.

- Revenues: 29.8 €M, +13% (2021: 26.4 €M)
- EBITDA of 7.3 €M, -24% (2021: 9.5 €M) and EBITDA margin 24.4% (2021: 36.1%)
- EBIT: 5.0 €M, -35% (2021: 7.7 €M) and EBIT margin 16.8% (2021: 29.1%)
- Net Profit: 3.5 €M, -38% (2021: 5.6 €M)
- Net Financial Position: cash positive at 7.0 €M (2021: cash positive at 12.1 €M)

Milan, 27th March 2023

The Board of Directors of **TAKE OFF** (TKO:IM), a company operating in the retail trade of clothing and accessories for adults and children, today approved the Draft Annual Financial Statements and the Consolidated Financial Statements as at 31st December 2022.

Aldo Piccarreta, TAKE OFF President and CEO, states, “*The year 2022 closed with optimal and satisfactory results once again, above our expectations and those of the sector of reference, confirming the reliability of the Group and the validity of our strategy. Despite the still-uncertain historical context, thanks to our adaptability we achieved a growth in revenue of 13% and a net profit of 3.5 million euro, confirming the distribution of a unitary dividend of 0.06 euro again this year. In 2022, we worked on the consumer all-round, significantly increasing interaction and loyalty. We strengthened the quality of our customer network and further developed Take Off’s presence on the digital channel nationwide. In 2022, Take Off continued its strategy of new openings and consolidation of its leading position at a national level. All this whilst remaining true to our unique heritage and maintaining a high degree of control over the business. Still, our task remains to look beyond, to think about tomorrow’s Take Off, which we want to be increasingly stronger. The market is changing profoundly and at an even faster pace than in the past. This is why we need to implement actions to address such changes and strengthen our brand by setting ourselves increasingly challenging objectives. Creativity has always been our energy, multiplicity our strength, self-consistency our credo and change what makes us grow. Take Off sets out to continue exploring its world and that within its vicinity, seeking to do so by engaging in dialogue with an ever-broadening customer base.*”

Key consolidated results as at 31st December 2022

Revenues amounted to 29.8 million euro, up 13% from 26.4 million euro in 2021.

The parent company Take Off S.p.A., Italy’s leading outlet chain with own- and third-party branded products, recorded revenues of 23.7 million euro, up 19.2% compared to 2021 (19.9 million euro), whilst Over S.p.A., specialising in the production of products under the Overkids brand for children up to 14 years of age, recorded revenues of 6.1 million euro, down 5.8% compared to 2021 (6.5 million euro). The Group’s average selling price stands at 18.42 euro (15.11 euro in 2021). Specifically for Take Off S.p.A., the figure came to 27.22 euro (23.97 euro in 2021), whilst for Over S.p.A. the amount rose from 7.09 euro in 2021 to 8.18 euro in 2022.

EBITDA was 7.3 million euro, down 24% from 9.5 million euro in 2021, with an EBITDA margin of 24.4%, down from 36.1% in 2021. The change in EBITDA was mainly impacted by higher service costs, which were affected by consultancy expenses incurred in the post-listing period and advertising costs for the opening of new shops, along with higher personnel costs that rose due to the new openings of directly-operated outlets.

Net Operating Margin (EBIT) was 5.0 million euro, -35% compared to 7.7 million euro in 2021, with an EBIT margin of 16.8%, compared to 29.1% in 2021, after depreciation and amortisation of 2.3 million euro (1.8 million euro in 2021).

Profit before tax was 4.6 million euro, down 36% from 7.2 million euro in 2021, after financial expenses of 396,000 euro (491,000 euro in 2021).

Net Profit amounted to 3.5 million euro, -38.2% compared to 5.6 million euro in 2021, after taxes of 1.1 million euro (1.6 million euro in 2021).

Shareholders' Equity was 24.4 million euro, up from 23.7 million euro as of 31st December 2021 due to the profit for the period, taking into account the distribution of 2.8 million euro in dividends.

The **Net Financial Position** is *cash positive* at 7.0 million euro, down from 31st December 2021 (*cash positive* at 12.1 million euro). Net financial liquidity decreased due to the distribution of dividends, the recognition of the financial liability of the Right of Use due to entering into new lease agreements and the increase in net working capital (related to the rise in inventories for the procurement of goods for the 2022/2023 Winter season and the increase in receivables from advances to suppliers for the A/W 2022, S/S 2023 seasons). In view of the particular historical context, the current increase in interest rates, the economic impact and the high liquidity available, the Group deemed it necessary and prudent to repay almost all loans in order to mitigate the aforementioned risk, resulting in repayments of 5.4 million euro in 2022.

The **adjusted Net Financial Position**, which excludes the debt for Right of Use amounting to 9.0 million euro (6.9 million euro in 2021) and which, according to IFRS 16, is classified under the item "Other Financial Payables", is *cash positive* at 16.0 million euro, down from 31st December 2021 (*cash positive* at 19.1 million euro).

Main results for Take Off S.p.A. as at 31st December 2022

Revenues amounted to 23.7 million euro, up 19% from 19.9 million euro in 2021.

EBITDA amounted to 5.0 million euro, -28.2% compared to 7.0 million euro in 2021. **EBIT** equalled 2.8 million euro, -46.7% compared to 5.3 million euro in 2021. The **Net Profit** came to 1.8 million euro, -52.9% compared to 3.9 million euro in 2021.

Net Equity was 19.7 million euro (20.6 million euro in 2021).

The **Net Financial Position** is *cash positive* at 5.5 million euro, down from 31st December 2021 (*cash positive* at 10.3 million euro). The **adjusted Net Financial Position**, which excludes the liability for Rights to Use of 8.7 million euro (6.6 million euro in 2021), is *cash positive* at 14.3 million euro (*cash positive* at 17.0 million euro as at 31st December 2021).

Proposed allocation of profit for the year

The Board of Directors resolved to propose to the Shareholders' Meeting the following allocation of the profit for the year, amounting to 1,832,312 euro:

- 894,824 euro to the extraordinary reserve;
- 937,488 euro as a dividend through the distribution of a gross ordinary dividend of 0.06 euro p.a., relative to the 15,624,800 ordinary shares in circulation, net of treasury shares held in portfolio.

If approved in the first call of the Shareholders' Meeting, ex-dividend date no. 2 shall be 2nd May 2023 (record date 3rd May 2023). The dividend will then be paid on 4th May 2023. If approved in the second call of the Shareholders' Meeting, ex-dividend date no. 2 will be 8th May 2023 (record date 9th May 2023) and the dividend will be paid on 10th May 2023. The *dividend yield* was 1.82% compared to the last closing price, whilst the *payout ratio* was 51.2%.

Significant events after the end of the period

On 6th February, Take Off S.p.A. received notice from majority shareholder Summit S.p.A. that it had sold a total of 1,694,009 ordinary shares and a total of 5,721,636 warrants to leading Italian and foreign institutional investors. The transaction took place off-market on 3rd February 2023 at a price of 4.166 euro per share and 0.0099 euro per warrant. As a result of this transaction, Summit S.p.A.'s shareholding in Take Off S.p.A. went from 64.33% to 53.49% of the share capital, upping the free float from 28.29% to 39.13%.

Sales results for the months of January–March 2023 were in line with the budget, also in terms of margins, confirming the Group's positive trend and, for the time being, there are no direct repercussions of the current macroeconomic scenario as a result of international tensions.

Rising energy, fuel and raw material costs undoubtedly have a negative impact by burdening the income statement with costs that, no matter how carefully controlled and efficient, certainly affect our planning. Costs and upsurges unfortunately incurred due to exogenous variables, being predictable but unfortunately not always controllable, shall be managed as best as possible. Still, the Group has already demonstrated the resilience of its business model as well as the high variability and flexibility of its cost structure by maintaining significant margins even during the most complex years of the pandemic. Within the actual complex context there are currently no elements that cannot be managed by the Group in line with what has been done in the recent past.

In this market environment, the company will continue with its purchasing, procurement and research and design strategy, trying to be more aggressive in view of the solid net financial position and more flexible in the rotation of collections and inventory.

Considering these general market conditions, the management bodies continued to take actions to contain corporate costs in order to nonetheless ensure the economic and financial balance of the Group.

Business Outlook

Given the persistent uncertainty regarding the evolution of the geopolitical context, following the Russian-Ukrainian crisis, the reduced visibility of the Group's business performance over the coming months persists. To this complex situation, the Group was able to promptly respond in 2022, maintaining (albeit with a small decline) an excellent level of profitability. Thanks to the cost-containment policies put in place and the ability to cope with difficulties, not only is there confidence in the good performance of the prospective economic results but it is also considered necessary to continue investing along the growth and development path, also seizing the opportunities that shall be generated by the possible crisis of some market players.

Call of the Ordinary General Meeting

The Board of Directors resolved to convene the Ordinary Shareholders' Meeting on 27th April 2023 on first call and, if necessary, on 28th April 2023 on second call, to discuss and resolve on the following Agenda:

- Approval of the Annual Financial Statements as at 31st December 2022 and presentation of the Group's Consolidated Financial Statements as at 31st December 2022;
- Allocation of the result for the year and the proposed dividend distribution;
- Appointment of the Board of Directors.

The documentation pertaining to the items on the Agenda shall be made available to the public at the company's registered office and on the website www.takeoffoutlet.com within the terms established by the regulations in force.

The TAKE OFF Group (TKO:IM – ISIN IT0005467425) operates in the retail trade of clothing and accessories for adults and children, with a nationwide presence of 163 shops, of which 42 are operated directly and 121 through affiliation agreements. The company pursues a project of strategic development based on shop expansion by leveraging five competitive advantages: knowledge of the preferences of a broad customer base, a strong focus on the customer experience, exceptional operational competence, strong supplier relations and effective purchasing policies.

The parent company Take Off S.p.A. is the leading Italian outlet chain, with own and third-party brand products. Besides distributing internationally-renowned labels, Take Off S.p.A. offers 'fashion boutique' shopping experiences through a broad portfolio of proprietary



brands aimed at both male and female customers (Andrea Maggi Milano, Henry Smith London, 121, Gaia Galli Milano, Stella Berg, Yuko Hayate, Tokyo, Massimo Moresco). With 49 sales outlets, of which 42 are directly operated and 7 are under affiliation, Take Off S.p.A. boasts an innovative business model based on discounting and inventory management, thanks to 'active' logistics management and a database of around 147,000 affiliated customers. In 2021, the company inaugurated its proprietary e-commerce channel as a tool for maximising brand awareness.

The subsidiary Over S.p.A., with 114 exclusively-affiliated sales outlets and a database of 261,000 customers, produces own-brand products for children up to 14 years of age under the Overkids label, which combines high quality with affordable prices, allowing the Group to serve customers of all age brackets and increase their loyalty rate.

The communiqué is available at www.1info.it and on www.takeoffoutlet.com.

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RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(Euro)	2022	%	2021	%	Var %
Revenue from contracts with customers	29,838,343	100.0%	26,398,965	100.0%	13.0%
REVENUE	29,838,343	100.0%	26,398,965	100.0%	13.0%
Other income	791,029	2.7%	1,591,518	6.0%	-50.3%
Costs for raw materials and consumables	(14,276,088)	-47.8%	(12,067,419)	-45.7%	18.3%
Costs for services	(2,907,105)	-9.7%	(1,806,071)	-6.8%	61.0%
Personnel costs	(5,633,885)	-18.9%	(4,311,107)	-16.3%	30.7%
Other operating costs	(543,032)	-1.8%	(288,922)	-1.1%	88.0%
EBITDA*	7,269,263	24.4%	9,516,965	36.1%	-23.6%
Amortisation, depreciation and write-downs	(2,270,845)	-7.6%	(1,829,281)	-6.9%	24.1%
EBIT (Operating Income)*	4,998,417	16.8%	7,687,683	29.1%	-35.0%
Financial management result	(396,294)	-1.3%	(490,618)	-1.9%	-19.2%
PRE-TAX RESULT	4,602,123	15.4%	7,197,066	27.3%	-36.1%
Income taxes	(1,116,929)	-3.7%	(1,557,753)	-5.9%	-28.3%
RESULT OF THE YEAR	3,485,195	11.7%	5,639,312	21.4%	-38.2%

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Euro)	31st December 2022	31st December 2021
Property, plants and machinery	1,760,128	1,375,266
Intangible assets	23,025	23,058
Right-of-use assets	8,852,278	6,635,092
Other non-current assets	641,277	424,478
Deferred tax liabilities	962,854	1,261,777
Capital assets (A)	12,239,561	9,719,671
Inventories	12,112,228	8,733,667
Trade receivables	392,885	227,184
Other current receivables	2,322,372	1,320,113
Tax receivables	230,615	184,568
Short-term operating assets (B)	15,058,099	10,465,532
Trade payables	(6,215,216)	(4,890,388)
Tax payables	(1,268,018)	(1,819,464)
Other current payables and liabilities	(1,292,079)	(881,370)
Short-term operating liabilities (C)	(8,775,313)	(7,591,222)
Net working capital* (D) = (B) + (C)	6,282,786	2,874,310
Liabilities for future employee benefits	(991,393)	(929,803)
Provisions for risks and charges	(52,000)	(42,531)
Other non-current payables and liabilities	(139,450)	(94,500)
Deferred tax liabilities	(108)	(108)
Medium- to long-term liabilities (E)	(1,182,951)	(1,066,943)
INVESTED CAPITAL** (A) + (D) + (E)	17,339,397	11,527,039
Net assets	24,380,853	23,654,135
Net non-current indebtedness	7,654,062	9,862,837
Current net liquidity	(14,695,518)	(21,989,934)
EQUITY AND NET FINANCIAL POSITION	17,339,397	11,527,039

CONSOLIDATED NET FINANCIAL POSITION

(Euro)	31st December 2022	31st December 2021
A - Cash and Cash Equivalents	19,479,276	26,455,694
B - Machinery equivalent to cash and cash equivalents	0	0
C - Other current financial assets	0	0
D - Liquidity (A + B + C)	19,479,276	26,455,694
E - Current financial payables	(2,651,465)	(2,951,044)
F - Part of current financial payables	(2,132,292)	(1,514,716)
G - Current financial indebtedness (E + F)	(4,783,758)	(4,465,760)
H - Net current financial indebtedness (D + G)	14,695,518	21,989,934
I - Non-current financial payables	(6,847,808)	(8,656,468)
K - Trade and other non-current payables	(806,255)	(1,206,369)
L - Non-current financial indebtedness (I + J + K)	(7,654,062)	(9,862,837)
M - Net financial assets/(liabilities) (H + L)	7,041,456	12,127,096
<i>N - Payables from the application of IFRS 16</i>	<i>8,980,100</i>	<i>6,946,520</i>
<i>O - Availability/Adjusted net financial (indebtedness) (M + N)</i>	<i>16,021,556</i>	<i>19,073,616</i>

CONSOLIDATED CASH FLOW STATEMENT

	31st December 2022	31st December 2021
Operational assets		
Profit before tax from continuing operations	4,604,021	7,197,066
Profit before tax from discontinued operations	0	0
Pre-tax result	4,604,021	7,197,066
<i>Adjustments to reconcile the pre-tax result with the net cash flow from operating activities:</i>		
Depreciation and Impairment of Property, Plants and Machinery	373,659	296,485
Amortisation and impairment of intangible assets and Right of Use	1,811,512	1,532,124
Provisions for future employee benefits	250,823	291,055
Profits on Disposal of Property, Plant and Equipment	0	(17,600)
Financial income	(68,877)	(43,138)
Financial expenses	465,171	533,756
Changes in working capital:		
Trade receivables	(165,701)	(47,404)
Other current receivables	(1,048,322)	(750,086)
Inventories	(3,378,561)	2,248,206
Trade payables and contractual liabilities	1,363,106	(1,727,601)
Other current liabilities	(285,581)	(651,140)
Net change in non-current receivables/payables	(171,848)	91,125
Net change in deferred tax assets and liabilities	277,900	241,377
Payments for employee benefits	(136,805)	(78,637)
Interest (paid)/received	(32,986)	(488,243)
Income taxes paid	(1,605,865)	(2,148,531)
Net cash flow from operating activities	2,251,646	6,478,813
Investment Activities		
Investments in property, plants and machinery	(764,979)	(399,693)
Disposal of property, plants and machinery	6,458	706,651
Investments in Intangible Assets and Rights of Use	(3,973,327)	(12,913)
Net cash flow from investing activities	(4,731,848)	294,045
Financing assets		
Medium- to long-term financing taken out	1,918,367	1,754,700
Repayment of medium- and long-term financing	(5,442,610)	(1,171,910)
Repayment of financial liabilities for Right of Use on leases	1,801,699	(1,493,722)
Increase in share capital	0	312,480
Increase in Share Capital - Euronext Growth Italy	0	11,683,100
Dividends paid	(2,773,670)	(6,800,000)
Net cash flow from financing activities	(4,496,214)	4,284,648
Net (decrease)/increase in cash and cash equivalents and in short-term deposits	(6,976,126)	11,050,178
Availability of cash and cash equivalents and in short-term deposits at the beginning of the year	26,455,694	15,405,808
Availability of cash and cash equivalents and in short-term deposits at the end of the year	19,479,276	26,455,986

RECLASSIFIED TAKE OFF SPA PROFIT AND LOSS STATEMENT

(Euro)	2022	%	2021	%	Var %
Revenue from contracts with customers	23,714,011	100%	19,898,713	100%	19.2%
REVENUE	23,714,011	100%	19,898,713	100%	19.2%
Other income	194,214	1%	1,494,707	8%	-87.0%
Costs for raw and ancillary materials and consumables and changes in inventories	(10,984,148)	-46%	(8,977,791)	-45%	22.3%
Costs for services	(2,275,967)	-10%	(1,411,498)	-7%	61.2%
Personnel costs	(5,094,997)	-21%	(3,765,809)	-19%	35.3%
Other operating costs	(515,438)	-2%	(218,696)	-1%	135.7%
EBITDA	5,037,675	21%	7,019,627	35%	-28.2%
Amortisation, depreciation and write-downs	(2,216,613)	-9%	(1,727,901)	-9%	28.3%
EBIT	2,821,062	12%	5,291,726	27%	-46.7%
Financial management result	(256,938)	-1%	(263,041)	-1%	-2.3%
PRE-TAX RESULT	2,564,125	11%	5,028,685	25%	-49.0%
Income taxes	(731,813)	-3%	(1,140,048)	-6%	-35.8%
RESULT FOR THE PERIOD	1,832,312	8%	3,888,637	20%	-52.9%

RECLASSIFIED BALANCE SHEET FOR TAKE OFF SPA

(Euro)	31st December 2022	31st December 2021
Property, plants and machinery	1,739,480	1,361,365
Intangible assets	14,086	16,111
Right-of-use assets	8,662,504	6,364,739
Shareholding in subsidiaries	250,000	250,000
Other non-current assets	613,279	408,518
Deferred tax liabilities	72,912	128,355
Capital assets (A)	11,352,262	8,529,088
Inventories	7,057,180	5,152,481
Trade receivables	141,587	93,931
Other current receivables	844,807	592,763
Tax receivables	230,207	182,338
Short-term operating assets (B)	8,273,781	6,021,513
Trade payables	(3,122,005)	(1,920,645)
Tax payables	(293,473)	(838,726)
Other current payables and liabilities	(1,200,845)	(716,394)
Short-term operating liabilities (C)	(4,616,323)	(3,475,766)
Net working capital (D) = (B) + (C)	3,657,457	2,545,747
Liabilities for future employee benefits	(826,972)	(748,434)
Provisions for risks and charges	(52,000)	(42,531)
Deferred tax liabilities	(108)	(108)
Medium- to long-term liabilities (E)	(879,080)	(791,074)
INVESTED CAPITAL (A) + (D) + (E)	14,130,639	10,283,761
Net assets	19,660,021	20,600,584
Non-current financial indebtedness	6,653,037	8,379,775
Net current financial indebtedness	(12,182,418)	(18,696,597)
EQUITY AND NET FINANCIAL POSITION	14,130,639	10,283,761

NET FINANCIAL POSITION OF TAKE OFF SPA

(Euro)	31st December 2022	31st December 2021
A - Cash and Cash Equivalents	16,928,228	23,129,918
B - Machinery equivalent to cash and cash equivalents	0	0
C - Other current financial assets	0	0
D - Liquidity (A + B + C)	16,928,228	23,129,918
E - Current financial payables	(2,651,465)	(816,926)
F - Part of non-current financial payables	(2,094,344)	(3,616,395)
G - Current financial indebtedness (E + F)	(4,745,810)	(4,433,321)
H - Net current financial indebtedness (D + G)	12,182,418	18,696,597
I - Non-current financial payables	(6,653,037)	(8,379,775)
J - Debt instruments	0	0
K - Trade and other non-current payables	0	0
L - Non-current financial indebtedness (I + J + K)	(6,653,037)	(8,379,775)
M - Net financial assets/(liabilities) (H + L)	5,529,382	10,316,822
<i>N - Payables from the application of IFRS 16</i>	<i>8,747,381</i>	<i>6,637,387</i>
<i>O - Availability/Adjusted net financial (indebtedness) (M + N)</i>	<i>14,276,763</i>	<i>16,954,209</i>

CASH FLOW STATEMENT OF TAKE OFF SPA

(Euro)	31st December 2022	31st December 2021
Operational assets		
Profit before tax from continuing operations	2,564,125	5,028,685
Pre-tax result	2,564,125	5,028,685
Depreciation and Impairment of Property, Plants and Machinery	368,126	292,259
Amortisation and impairment of intangible assets and Right of Use	1,764,081	1,435,642
Provisions for future employee benefits	234,795	252,893
Financial income	(62,785)	(36,698)
Financial expenses	319,722	299,739
Changes in working capital:		
Trade receivables	(47,656)	(59,484)
Other current receivables	(299,912)	(579,906)
Inventories	(1,904,699)	2,168,455
Trade payables and contractual liabilities	1,220,134	(2,038,522)
Other current liabilities	577,667	12,224
Net change in non-current receivables/payables	(204,761)	(9,928)
Net change in deferred tax assets and liabilities	42,960	45,169
Payments for employee benefits	(119,406)	(63,733)
Interest (paid)/received	(31,234)	(259,745)
Income taxes paid	(1,454,262)	(1,820,138)
Net cash flow from operating activities	2,966,894	4,666,912
Investment Activities		
Investments in property, plants and machinery	(752,699)	(390,835)
Disposal of property, plants and machinery	6,458	688,954
Investments in Intangible Assets and Rights of Use	(3,936,829)	(5,650)
Net cash flow from investing activities	(4,683,070)	292,469
Financing assets		
Medium- to long-term financing taken out	1,918,366	1,754,700
Repayment of medium- and long-term financing	(5,442,610)	(1,171,910)
Repayment of financial liabilities for Right of Use on leases	1,812,401	(1,405,940)
Increase in share capital	0	11,995,288
Dividends paid	(2,773,670)	(4,800,000)
Net cash flow from financing activities	(6,201,689)	6,372,138
Net (decrease)/increase in cash and cash equivalents and in short-term deposits	6,211,159	11,331,519
Availability of cash and cash equivalents and in short-term deposits at the beginning of the year	23,129,918	11,798,400
Availability of cash and cash equivalents and in short-term deposits at the end of the year	16,918,759	23,129,919