OVS increases market share and continues strong digital growth
EBITDA at 73 million Euro

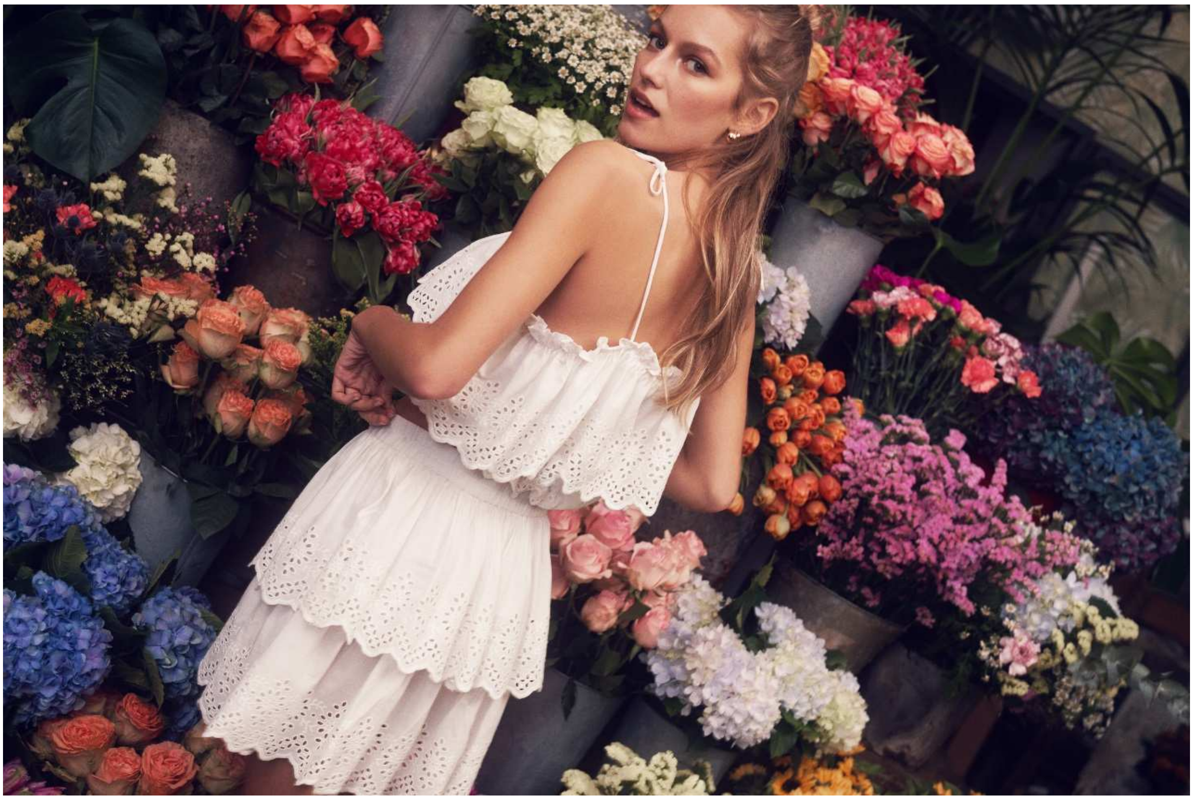
- ✓ In a year heavily impacted by the pandemic, the clothing market in Italy, excluding e-commerce, fell by 36%. Sales made by OVS through its own network of stores contracted by 27%, outperforming the market.

- ✓ Sales made through the ovs.it website increased by 63% during the year, the double of the trend posted by the related channel.

- ✓ These trends resulted in a significant increase in market share, which went from 8.1% to 8.4%, in the absence of an increase in sales surfaces.

- ✓ Profitability was naturally impacted by lower sales, with quarterly developments fully attributable to lockdown periods. In fact, second and third quarters, less impacted by the closures, were in line with the previous year. The year ended with an adjusted EBITDA of €72.9 million and a negative net result of €4.8 million, after depreciation and amortisation at a full rate despite the reduced use of equipment and plant. Reported net income was positive and equal to €35.1 million, benefiting from €95.1 million of a positive effect on taxes deriving from the fiscal realignment of the OVS and Upim brands.

- ✓ The adjusted net financial position at 31 January 2021 was €401 million, with cash absorption caused by the pandemic contained in light of the events, mainly thanks to timely action to contain costs and reduce goods orders.



OVS

✓ the main business objectives achieved during the year include:

(i) improving the navigability of our **site** and increasing organic traffic in our online channels, which consistently exceeded **4 million visitors per month**, and **12 million unique visitors** (+43% vs 2019);

(ii) the successful launch of the **Piombo** brand, which was introduced to all OVS stores and enabled us to achieve strong productivity growth in the intended spaces;

(iii) the launch of a **platform** logic, where OVS acts as a brand but also as a physical and virtual location, capable of increasingly satisfying the diverse lifestyles of the extensive customer base. Also through the introduction of complementary brands, each with its own precise positioning. **Grand & Hills**, young men and boys, outdoor casual; **Piombo** men, Italian style smart casual; **Everlast**, men/women, sport casual. In addition to these brands, for which we manufacture the entire range, we invited some well known international brands, such as **Gap**, to our website and to a number of stores, to form part of our **marketplace.** Many other brands that combine effectively with our own offer will follow;

(iv) **upgrading** our portfolio of **stores**, with the "***Balanced Store***" campaign which, in light of the pandemic, has seen an acceleration in the process of exiting from stores without adequate profitability parameters; in Italy, twenty-six locations have been definitively abandoned and four repositioned or converted into other Group brands, with significant advantages in terms of profitability. Of the thirty-four withdrawals in 2020, 85% of the ensuing negotiations concluded with the maintenance of positions thanks to average **rent reductions** of 35%;

(v) Thanks to the OVS "**Ecovalore**" project, the 2020 **Circular Fashion System Commitment Report of the Global Fashion Agenda**, has selected our Group among the 10 most relevant and innovative best practices for the implementation of the product circularity index. The commitment to sustainability is increasingly central and the objectives achieved in 2020 are numerous: from the use of **organic** or certified **cotton** which accounted for 85% of our offer, thus allowing an estimated saving of **25 billion** liters of **water**, to the gradual increase in **recycled materials** such as **polyester**, which made it possible to avoid the dispersion of over **20 million plastic** bottles.

(vi) purchasing the **Stefanel** brand, further enriching the multibrand approach, in order to exploit our sourcing synergies with a view to further diversifying positioning and optimising the use of commercial spaces.

OVS

Key Consolidated Economic and Financial Results

The table shows the results reported and adjusted to represent the Group's operating performance net of non-recurring events, which are unrelated to ordinary operations. The adjusted results therefore enable a uniform analysis of performance in the periods indicated.
For details of non-recurring items unrelated to the core business, see page 13 of the document.

€ mln	31.01.2021 Reported	31.01.2021 Adjusted	31.01.2020 Reported	31.01.2020 Adjusted	*Chg. (Adjusted)*	*Chg. % (Adjusted)*
Net Sales	1,017.8	1,018.5	1,374.8	1,370.1	(351.6)	(25.7%)
Gross Margin	563.4	565.3	758.0	778.2	(212.9)	(27.4%)
GM%	55.4%	55.5%	55.1%	56.8%		(130ppt)
EBITDA	205.1	72.9	293.0	156.3	(83.3)	(53.3%)
EBITDA%	20.1%	7.2%	21.3%	11.4%		
EBIT	(1.7)	14.0	(84.0)	97.4	(83.3)	(85.6%)
EBIT%	(0.2%)	1.4%	(6.1%)	7.1%		
PBT	(78.7)	(8.0)	(134.4)	77.9	(85.8)	n.m.
Net Income	35.1	(4.8)	(140.4)	57.7	(62.5)	n.m.
Net Financial Position	1,315.5	401.1	1,191.4	309.9	91.2	29.4%
Market Share	8.4%		8.1%			+33ppt

NB: The main differences between adjusted and reported values refer to the application of IFRS 16 and the tax benefit arising from the fiscal realignment of the brands. See page 13 for more information.

New campaign PIOMBO men

OVS

Statement from the Chief Executive Officer, Stefano Beraldo

A year has ended that has led to exceptionally unfavourable conditions for our sector and the companies that operate in it. In this context, our company has shown strong resilience, demonstrating its positioning, determination and strategic vision, which are solid foundations for future growth.

We are aware that the events we have undergone have irreversibly accelerated trends that were already well under way. In particular: increasing consumer attention to issues of sustainability and the circular economy; greater importance of digital sales channels; more interest in clothing for domestic use or activewear to the detriment of office or formal clothes, as well as the transition from a "fast" fashion approach, aimed at frequently changing clothes, towards a greater focus on the quality and durability of one's wardrobe.
We believe that the attention given to natural fibres, such as certified organic cotton or Better Cotton Initiative, which now characterises 85% of our range (with our goal to reach 100% in 2021), low water consumption denim and the many other achievements relating to sustainability, together with our positioning for families, place us among the most credible brands in Italy in this field in terms of approach.
With regard to the digital evolution, many goals have been achieved, both where operations and customer services are concerned. We also believe that the "OVS platform" strategy, characterised by the introduction of new brands, particularly "international icons" or "unexpected discoveries", which will occupy an increasing part of our website, and sometimes stores, and effectively combine with our positioning, will allow us to be highly scalable. Just two weeks after Gap's inclusion in our site, early indications are very promising, both in terms of increased traffic and online sales.
Finally, the emergence of "softer" dressing and less formal clothes but instead simpler garments such as sweatshirts, t-shirts and jumpers, not to mention the explosion of pyjamas, reinterpreted as key homewear, see us as the natural first choice in Italy, from which we've certainly been able to draw advantage.

These factors contribute to explaining the significant growth in market share in 2020, from 8.1% to 8.4%, above previous years' achievements, despite no increase in floor space, rather, a reduction of 9 DOS in Italy. We believe that, given the external conditions, the results obtained in terms of both sales and profitability are satisfactory.

Our offline channel sales alone were down by 9 percentage points less than the figure for this channel. Ovs.it grew 63%, as anticipated, approximately twice the market rate.
With EBITDA of 72.9 million, we managed to meet the redefined targets in light of the first lockdown, albeit facing a fourth quarter characterised by further unexpected and severe restrictions, such as the closure of shopping centres during the weekends and about 30% of opening hours lost compared to the same quarter of the previous year. Despite the unexpected restrictions, the fourth quarter contributed 32.8 million to EBITDA. Overall, these results have been achieved through immediate and effective cost containment measures, made possible also as a result of our Company's solidity and credibility, especially with regard to rents.

Further comforting the future outlook is that during periods of non-store closures, despite general consumer caution and travel restrictions, sales were at or above those of the previous year - a further sign of our strong positioning.

Sales lost during the first lockdown, together with goods already procured and paid, resulted in a loss of cash flow greater than the reduction in profitability, causing an increase in working capital. However, the effective slowdown in purchases planned for the second half of the year, combined with the good sell-out recorded by those spring goods which, due to their weight and colour, we decided to display for sale in the autumn, enabled us to limit cash absorption, thus achieving a better financial position than expected.

1. Priorities

We believe that there are significant growth opportunities ahead, involving a strategy that enhances our specific characteristics and is in line with structural trends in the market. We intend to address growth in an ecosystem logic, through the development of various channels, from physical to digital to B2B, with our own and new brands - some owned, others licensed and others granted in concession. The Ovs.it website will be gradually transformed into a marketplace, always duly fortified by products developed and manufactured by us but hosting selections of well-known or lesser-known brands, always complementing our offering, and characterised by a clear positioning. Physical stores will also be inspired by the same logic, in order to generate more interest and traffic into OVS.

We still see opportunities to grow market share in the brick-and-mortar channel, where penetration in Italy is still lower than that of leading groups in their domestic markets in Europe. Growth will mainly come from taking over existing companies or existing market shares, rather than through pure competition to take new market shares. The acquisition of 18 large commercial spaces previously held by Auchan, for example, is in line with this approach. Spaces already used for clothing, with related goodwill, mainly transformed into Upim stores, a brand where we are particularly suited to replacing the clothing sales already generated in the same spaces, due to its characteristics. Otherwise the takeover of spaces already launched and previously held by companies, including our competitors, in small towns, where their positioning too young/fashionable is incompatible with local consumer demand. Of course, bricks-and-mortar development will only take place in locations where real estate has rationalised what is happening and understands that the rent required must be compatible with the new equilibrium. This is what is happening in general. Ceasing to trade in locations that were unprofitable owing to the rent or a change of commercial conditions will also continue with careful resolve. We expect that after 37 DOS closures in 2020, others will follow after the six notices to quit that are active to date. Many will be relocations, with moves to stores offering better commercial and rental conditions.

EVERLAST: one of the brands included in OVS' offer

Market consolidation may occur through agreements or acquisitions of companies interested in seeking synergies or interested in divesting their business. Small-format growth will also continue in secondary commercial areas with less coverage, using the various formats available to us. We believe that as a result of the various lockdowns, and the reduced appetite for mobility in the foreseeable future, these formats, which have already demonstrated better than average trends and, in some cases, even absolute growth compared to 2019 levels, will play an increasingly important role in the geography of clothing consumption. Upim is perfectly placed in this context: its functional offering of quality clothing, at the right price, makes it correctly positioned to seize opportunities in neighbouring areas and small municipalities, where international brands are less suited to the needs of local customers, and the numerous multibrands are inefficient. Acquisitions will also cover brands that combine effectively with our strategy. The acquisition of Stefanel is in line with this approach. Although its position is above current ones, it is still a service product, able to meet the needs of different customers who, whilst often already shopping with us, are nevertheless willing to spend more on average. The brand will benefit from production synergies that allow us to lower production costs for the same quality offered, with a price reduction compared to the previous positioning.

OVS

Again with reference to our own brands, we want to enhance and accelerate the development of the Croff brand, specialised in home décor products, particularly on trend today and for which we have developed a very interesting format that is appreciated by customers. We expect multiple openings, largely in franchising, given the wide availability of small spaces left unoccupied by struggling sectors.
Our willingness to be wherever the customer is present will lead us to further increase our commitment to multiple channels. As a platform that hosts various brands, sometimes in store and always online, OVS is moving in this direction. We want to enhance the particular feature of being the most distributed clothing group in Italy, able to deliver any brand on our site not only to homes but also for collection from one of our more than a thousand stores in Italy. This paves the way for greater logistical efficiency and, therefore, environmental sustainability. Already, more than 50% of the products sold through Ovs.it are collected from stores.

2. The digital evolution

The sales generated on the Ovs.it website have grown at twice the rate of the online market, and this trend is continuing to this day. In 2020, the engagement of our customers also increased: online visits grew by 41%, while OVS' loyal customer base reached 4.5 million at year-end (+12% compared with 2019). We reached 12 million unique customers per year - a considerable number, based on which we intend to scale up the concept of OVS open to external brands. Also worthy of note is the 70% growth in OVS customers who buy both online and in store, with an annual spend in the digital channel of twice the average, in the last two years.

During 2020, the company continued to expand its omnichannel services. These include: "chat and purchase" with the aim of enabling sales assistants to engage with customers and sell products via video chat; "choose and come", which allows visitors to the website to view the range in around 300 stores in the OVS network in real time, select garments and reserve them in store; the new customer support "chat service"; and the "pay after" interest-free payment service. Of particular importance, for the purposes of future developments that enhance our network, is the pilot project "The whole range in one click", successfully tested at the end of 2020. The service allows Franchisee stores to sell products, in store, through i-pads, that are not present in their range but available on the OVS e-commerce website. The project will be progressively extended to the network.
In 2020, OVS continued to support investments related to the Company's digital transformation programme: a multiyear programme, intensified in 2021, which aims to digitise the entire value chain and guide the Company to a real-time model of operations and decision-making processes, supported by the progressive adoption of new technologies (data, cloud and micro-services) and the evolution of enabling infrastructure. Investments in recent years have been particularly important for responding flexibly to the impacts of COVID, particularly in stock management. For example, approximately 20% of total e-commerce revenue growth in 2020 was possible thanks to integrated storeroom vision systems on the various distribution channels, which enabled stores' inventory to be used to meet growing online demand.
Again in terms of the company's digitalisation, 2020 saw the launch of a major project called "new buying and sourcing", which is of particular strategic importance as it opens the way to radical innovation in the sourcing processes and organisation. The main objectives are to increase the flexibility of processes ("buy better by later"), support for the implementation of the sustainability programme, the digitalisation of the product construction phases, together with a change management programme involving more than 500 people. Operating since January 2021, it involves a digital collaboration platform, based on interactive cameras and whiteboards, that remotely connects our headquarters' offices, foreign offices and suppliers, enabling remote negotiation and quality control of samples. This will lead to a drastic reduction in travel and an increase in digital interaction with our overseas offices and suppliers.

Further progress is expected in developing the customer experience and omnichannel sales during 2021. The projects include: (i) opening the Ovs.it website to new brands, such as GAP, as mentioned earlier, launched in early 2021, with more to follow; (ii) developing a digital community dedicated to future and new mothers; (iii) launching the new OVS app dedicated to loyal customers, with the aim of connecting bricks-and-mortar stores and the online channel and offering personalised services; (iii) launching a strategic project to digitise store sales systems and increasingly integrate online and offline; (iv) releasing an order management platform in the cloud, by the end of the year, directly linked to e-commerce, which will allow real-time access to all the stock available to OVS for sale, increasing the chances of fulfilment of online and store orders; and the "new picking model" logistics project, aiming to bring a "single piece" logistics management model up to speed, using the multichannel mode, making it possible to optimise costs and scale up the development of the digital business.

3. Outlook

Although it began with a third wave of virus infections and consequently restrictive measures, we expect a significant increase in sales in 2021 compared to 2020. This will be accompanied by a material recovery in profitability, also thanks to a reduction of structural and non-structural costs.
The country's expected better governance and the vaccination campaign that is gradually bringing the first positive effects will help with a return to normality. We believe that our sector, which has been one of the most affected by the restrictive measures, will also be among those that will enjoy the increased propensity to spend that will characterise the post-pandemic period.

As anticipated, 2021 still began with numerous restrictions aimed at containing the pandemic, with many different areas and periods in Italy still seeing part of the sales network non-operational. In particular, around 20% of floor areas were closed in February, 60% in March and approximately 50% in April, even though the network is gradually reopening.
Sales in the first months of 2021 were much better with respect to the reduction in opening hours. The possibility of keeping stores open in red areas, albeit for children's clothing and underwear sales only, as well as the fluidity of the operations underlying the Ovs.it website, has meant a good performance, taking account of external conditions.

Overall, therefore, we expect a topline performance in the first quarter of 2021 that will continue to outperform the Italian clothing market and a marked recovery in profitability compared with 2020, a period in which the lockdown had impacted the entire Group network for a long time. Therefore, the expectations of a strong recovery in profitability for the current year and a progressive deleverage are confirmed.
The liquidity deriving from the proposed Capital Increase unanimously approved by our shareholders, up to a potential of 80 million Euros, which is expected to be completed by July 2021, will allow our Group to further accelerate the consolidation of the market in Italy.

OVS

SALES

Total sales for the year closed at €1,018.5 million, down 25.7% compared with 2019, with opening hours down 27%. The decrease in sales was less than the fall in the clothing market in Italy, the latter down 28.6% or 35.9% excluding online sales, allowing the increase in market share to accelerate. Considering the actual hours during which stores opened, like-for-like sales were positive, as also shown by the performance recorded in the third quarter, characterised by months of reduced restrictions and a 6.1% increase in sales over the same quarter of 2019. Sales through the Ovs.it website grew by 63% in the twelve months, twice the growth of the online channel in Italy. This is a clear sign that our customers are seeking out our range, whatever the distribution channel used.
The Upim brand's sales fell to a lesser extent than those of the OVS brand, due to the greater weight of the franchise channel, mainly dedicated to the kids segment and therefore less subject to closure, and to fewer sites in shopping centres that were more restricted than other locations.

NET SALES: aggregate performance

€mln	FY20	FY19	Chg.	Chg. %
DOS & e-commerce	828.1	1,134.6	(306.5)	(27.0%)
Franchise & Marketplace	190.3	235.5	(45.1)	(19.2%)
Total	**1,018.5**	**1,370.1**	**(351.6)**	**(25.7%)**

NET SALES: performance by brand

€mln	FY20	FY19	Chg.	Chg. %
OVS LOVE PEOPLE. NOT LABELS.	815.6	1,117.4	(301.8)	(27.0%)
upim	202.8	252.7	(49.9)	(19.7%)
Total	**1,018.5**	**1,370.1**	**(351.6)**	**(25.7%)**

EBITDA

Adjusted EBITDA amounted to €72.9 million, down €83.3 million from €156.3 million in 2019. The EBITDA loss was mainly concentrated in the first quarter of the year, with the initial, unexpected arrival of COVID-19 in Italy. The second and third quarters, also characterised by some periods of restrictions albeit minor, closed with EBITDA in line with that of 2019. The last quarter of the year, although affected by the second wave of the pandemic that resulted in significant restrictions on the sales network, was positive thanks to prompt action on costs and ended at €32.8 million. In the entire year, the prompt actions implemented to reduce costs for a total amount of €130m compared to 2019, allowed to reduce the decrease in EBITDA by approximately 60% arising from lower sales due to of the lockdown periods.

EBITDA: performance by brand

	FY20		FY19		
€mln	EBITDA Adjusted	EBITDA%	EBITDA Adjusted	EBITDA%	Var.
OVS LOVE PEOPLE. NOT LABELS.	55.5	6.8%	126.4	11.3%	(71.0)
upim	17.5	8.6%	29.9	11.8%	(12.4)
Total	**72.9**	7.2%	**156.3**	11.4%	**(83.3)**

NB: the data in this document has been adjusted to give a clearer picture of the Group's performance.

CASH FLOW SUMMARY(*)

€mln	FY20	FY19
EBITDA Adjusted	**72.9**	**156.3**
Adjustments [1]	(14.3)	(11.6)
Change in Trade Working Capital	(79.4)	10.0
Other changes in Working Capital	(12.9)	(2.1)
Capex	(32.3)	(43.1)
Operating Cash Flow	**(65.9)**	**109.5**
Financial charges	(22.0)	(20.1)
Taxes & others	(3.3)	(23.6)
Net Cash Flow excl derivatives MtM and IFRS 16	**(91.2)**	**65.9**
MtM derivatives, amortized cost and exchange differences	(16.8)	(3.1)
Net cash flow	**(108.0)**	**62.7**

(*) The summary statement of cash flows constructed using the indirect method reflects pre- IFRS 16 balance sheet items
1 These refer to non-recurring costs (see page 13 for further details).

Grand & Hills: brand available in OVS

GAP: one of the brands within OVS' offer

Cash absorption during the year was €91.2 million, better than expected, considering the store closures, which resulted in lower sales than in 2019, for €351.6 million.

This absorption reflects the exceptional year faced by the Group, which resulted in EBITDA falling by €83.3 million compared with 2019 and an absorption of commercial working capital of €79.4 million.

In view of the significant decrease in sales during the first lockdown in relation to goods already supplied, the latter could have resulted in much greater cash absorption: the effective reduction in purchases planned for the second half of the year, together with good sales of spring goods that were put up for sale in the autumn, due to their weight and colour characteristics, significantly reduced cash absorption.

Finally, investments for the year decreased by €10.8 million compared with 2019, in order to preserve cash within a context that was very uncertain, especially in the first part of the year.

NET FINANCIAL POSITION

€ mln	31 January 2021	31 January 2020
Net Debt Reported	1,315.5	1,191.4
Net Debt ***MtM of Derivatives&IFRS 16 Excluded***	401.1	309.9
EBITDA FY	72.9	156.3
Leverage on EBITDA (*) **Adjusted Net Debt/EBITDA Adjusted LTM**	5.50x	1.98x

Notes:

(*) calculated on Net Debt at 31st January excluding the MtM and the IFRS16

At 31 January 2021, the Group's adjusted net financial position was €401 million net of the negative mark-to-market impact of €9.1 million and the negative impact deriving from the application of IFRS 16, amounting to €905.3 million.

The Group's financial structure is solid: at 31 January 2021, the total lines available amounted to approximately €550 million, partly due to the new €100 million financing line obtained in 2020 and guaranteed by Sace, which was unused at the end of the year.

Mainly due to the temporary contraction in EBITDA, recorded principally in the first quarter of 2020, leverage at 31 January 2021 was 5.5x. In 2020, an average interest rate of 3.4% + Euribor 3M was applied. In March 2021, a waiver was obtained, which provides for an extension of the covenant test suspension period up to and including 31 January 2022.

BALANCE SHEET SUMMARY

€mln	31 January '21 - Reported	31 January '20 - Reported	Chg.
Trade Receivables	102.1	86.0	16.1
Inventory	420.1	393.1	27.0
Trade Payables	(264.0)	(321.1)	57.1
Trade Working Capital	**258.2**	**157.9**	**100.3**
Other assets/(liabilities)	(88.9)	(99.5)	10.6
Net Working Capital	**169.3**	**58.4**	**110.9**
Tangible and Intangible Assets	1,960.7	2,037.1	(76.4)
Net deferred taxes	(2.5)	(127.8)	125.3
Other long term assets/(liabilities)	(7.6)	(5.8)	(1.9)
Pension funds and other provisions	(40.1)	(41.7)	1.7
Net Capital Employed	**2,079.8**	**1,920.2**	**159.6**
Net Equity	764.3	728.8	35.5
Net Financial Debt	1,315.5	1,191.4	124.2
Total source of financing	**2,079.8**	**1,920.2**	**159.6**

Net invested capital increased by €159.6 million at 31 January 2021, due to the exceptional year that was 2020, which resulted in an increase in net working capital of €110.9 million, and for the realignment of the brands that caused an increase of assets for €95.1m (following a release of deferred tax liabilities for €106.3 million and higher tax liabilities for €11.1 million). This increase was partially offset by a €76.4 million decrease in net fixed assets, due to lower investments, fewer store openings and fewer renewals of existing leases.

OVS

REALIGNMENT OF BRANDS

In 2020, the OVS financial statements benefited from the full realignment of the "Brands" (OVS and Upim) for a total amount of €371.4 million. As required by art. 110, co. 8-bis, of the D.L. 104/2020, this will involve: (i) the payment of a tax equal to 3% for a total of €11.1 million, (ii) the placing of a restriction on the "share premium reserve", currently available, for a total amount of €360.2 million. The advantage of the operation will consist in an overall tax saving in the coming years, estimated at €95 million.

PROPOSED ALLOCATION OF NET RESULT FOR THE YEAR

The Board of Directors has resolved not to propose the payment of dividends to the Shareholders' Meeting.

NON-FINANCIAL DECLARATION PURSUANT TO LEGISLATIVE DECREE NO. 254 OF 30 DECEMBER 2016.

The Board has reviewed the non-financial declaration pursuant to Legislative Decree no. 254 of 30 December 2016. The declaration, which was drawn up pursuant to GRI (Global Reporting Initiative) standards, describes the main social, environmental and economic activities carried out in 2020, and publicly discloses the medium/long-term objectives of the Sustainability Plan, demonstrating the Company's aim of growing and pursue the sustainable success of the company, substantiating itself in the creation of long-term value for the benefit of the shareholders, taking into account the interests of the other stakeholders relevant to the Company. The Declaration will be made public in the manner and within the terms established by current legislation.

AUTHORISATION TO PURCHASE AND DISPOSE OF TREASURY SHARES

The Board resolved to propose that the Ordinary Shareholders' Meeting authorise the purchase and sale of the Company's treasury shares, pursuant to and for the purposes of Article 2357 and 2357-ter of the Italian Civil Code, Article 132 of Legislative Decree no. 58 of 24 February 1998 and Article 144-bis of the Consob Regulation adopted by Resolution 11971 of 14 May 1999 as subsequently amended and supplemented.

The request for authorisation to purchase and sell treasury shares, which is the subject of this proposal, is intended to enable the Company to purchase and sell ordinary shares, in strict compliance with current Community and national legislation and in accordance with market practice, from time to time admitted, for the purposes described in the illustrative report that will be published within the deadlines.

The Shareholders' Meeting will also be asked to authorise the purchase, in one or more tranches, up to a maximum number that, taking into account the ordinary shares held from time to time by the Company and its subsidiaries, will not exceed, in total, 10% of the Company's share capital, pursuant to Article 2357, paragraph 3, of the Italian Civil Code. The purchases will take place in accordance with Article 2357, paragraph 3, of the Italian Civil Code. Authorisation to purchase treasury shares is requested for the maximum term permitted by law, established by Article 2357, paragraph 2, of the Italian Civil Code as a period of 18 months from any resolution to approve the proposal by the Shareholders' Meeting.

For further information regarding the proposed authorisation of the purchase and disposal of treasury shares, including price of each share and the operating procedures, please see the directors' explanatory report, which will be published within the deadlines and according to the procedures established by the laws and regulations in force.

It should be reminded that the Company holds 809,226 treasury shares (equal to 0.356% of the share capital), purchased in execution of a purchase plan approved by the Shareholders' Meeting on 31 May 2018.

The Board of Directors:

- approved the Annual Report on the remuneration policy and compensation paid approved the Report on corporate governance and ownership structure.
- has taken note of the self-assessment report of the Board of Statutory Auditors which has carried out, in accordance with current legislation, its own self-assessment, regarding the recurrence and permanence of the suitability requirements of the members and about the correctness and the effectiveness of its operation

OVS

OTHER INFORMATION

Company information
OVS S.p.A. has its registered office in Venice-Mestre (Italy). The shares of OVS SpA. have been listed on the Milan Electronic Stock Market since 2 March 2015.

Notice convening the shareholders' meeting, in single call, for 28 May 2021
In the coming days, the notice convening the shareholders' meeting will be available on the Company's website at www.ovscorporate.it/it/governance/assemblea-degli-azionisti and in "1info", the centralised storage system for regulated information, where the explanatory reports by the directors to the shareholders' meeting on the proposals regarding the items on the agenda will also be made available, as well as any other documentation required by law.

Attestation by the Director responsible for preparing the Company's accounting statements
The Director responsible for preparing corporate accounting documents, Nicola Perin, declares, pursuant to paragraph 2 of Article 154-bis of the Italian Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the company documents, books and accounting records.

Conference call for presentation of results
Tomorrow, 16 April 2021 at 11:00 local time (CET), a conference call will take place with analysts and investors during which the main results for the financial year ended 31 January 2021 will be presented. The conference call can be followed on these numbers: +39 02 805 88 11 (from Italy); +44 121 281 8003 (from the UK); +1 718 7058794 (from the US); or +39 02 8058827 (for journalists) using access code 875#. A presentation will be available and can be downloaded from the 'Investor Relations/Results and Presentations' section of the Company website at www.ovscorporate.it. From the day after the call, a recording of the conference call will also be available on the website.

Forthcoming events in the financial calendar

Interim Report on Operations for the first quarter of the year to 30 April 2021	**17 June 2021**
Half-year Financial Report as at 31 July 2021	**22 September 2021**
Interim Report on Operations for the third quarter of the year to 31 October 2021	**14 December 2021**

For further information, contact:

Federico Steiner
Barabino & Partners SpA
Email: f.steiner@barabino.it
Mob. +39 335.42.42.78

Investor Relations
investor.relations@ovs.it
Via Terraglio n. 17, 30174,
Venice – Mestre

Disclaimer

i) The information presented in this document has not been audited.

ii) The document may contain forward-looking statements relating to future events and the operating, economic and financial results of OVS. By their very nature, such forecasts include an element of risk and uncertainty, as they depend on the occurrence of future events and developments. The actual results may differ significantly from those announced due to a variety of factors.

OVS

CONSOLIDATED PROFIT AND LOSS _ Appendix

€ mln	31.01.2021 Reported	of which Relignment (Brands)	of which IFRS 16 Impact	o/w: non recurring	o/w: non recurring; Stock Option; Derivatives; PPA; forex	31.01.2021 Adjusted	31.01.2020 Reported	of which IFRS 16 Impact	o/w: non recurring	o/w: Impairment IAS36	o/w: non recurring; Stock Option; Derivatives; PPA; forex	31.01.2020 Adjusted
Net Sales	**1,017.8**			(0.7)		**1,018.5**	**1,374.8**		4.7			**1,370.1**
Purchases of consumables	454.4			0.0	1.2	453.2	616.7		2.7	0.0	22.2	591.9
Gross Margin	**563.4**		**0.0**	(0.7)	(1.2)	**565.3**	**758.0**	**0.0**	2.0	0.0	(22.2)	**778.2**
GM%	*55.4%*					*55.5%*	*55.1%*					*56.8%*
Personnel costs	228.9		(0.1)	0.7	2.1	226.2	290.5	(0.1)	3.6		0.1	286.8
Costs for services	159.8		(1.0)	9.0	0.0	151.8	179.1	(1.3)	2.3		0.0	178.1
Rent costs	(55.2)		(147.0)	(0.5)	0.0	92.2	(38.1)	(170.5)	1.8		0.0	130.6
Provisions	2.9		0.0	0.0	0.0	2.9	7.0	0.0	4.0		0.0	3.0
Other operating costs	22.0		0.4	2.3	0.0	19.3	26.5	1.4	1.7			23.5
Total operating costs	358.3		(147.6)	11.5	2.1	492.4	465.1	(170.5)	13.5	0.0	0.1	621.9
EBITDA	**205.1**		**147.6**	**(12.2)**	**(3.4)**	**72.9**	**293.0**	**170.5**	**(11.5)**	**0.0**	**(22.3)**	**156.3**
EBITDA%	*20.1%*					*7.2%*	*21.3%*					*11.4%*
Depreciation & Amortization	206.7		139.3	0.0	8.5	58.9	376.9	148.0	0.0	161.4	8.6	58.9
EBIT	**(1.7)**		**8.4**	**(12.2)**	**(11.9)**	**14.0**	**(84.0)**	**22.4**	**(11.5)**	**(161.4)**	**(30.9)**	**97.4**
EBIT%	*(0.2%)*					*1.4%*	*(6.1%)*					*7.1%*
Net financial (income)/charges	77.1		(46.8)	0.0	(8.3)	22.0	50.5	(50.8)	0.1	0.0	19.7	19.5
PBT	**(78.7)**		**(38.4)**	**(12.2)**	**(20.2)**	**(8.0)**	**(134.4)**	**(28.3)**	**(11.4)**	**(161.4)**	**(11.2)**	**77.9**
Taxes	(113.8)	(95.1)	(7.8)	(2.9)	(4.8)	(3.1)	5.9	(7.4)	(2.8)	(1.3)	(2.7)	20.1
Net Income	**35.1**	**95.1**	**(30.7)**	**(9.2)**	**(15.3)**	**(4.8)**	**(140.4)**	**(21.0)**	**(8.6)**	**(160.0)**	**(8.5)**	**57.7**

The table shows the results adjusted to represent the Group's operating performance net of the effects of the application of the international accounting standard IFRS 16, of the realignment of the brands, as well as non-recurring events unrelated to the core business.

In 2020 the results were adjusted mainly for the impacts related to IFRS 16, and specifically: (i) €147.6 million on EBITDA to reflect rent mainly net of the impact relating to the renegotiations triggered following the pandemic completed after 31 January 2021, (ii) €8.4 million in lower net costs on EBIT due to the reversal of depreciation and amortisation of €139.3 million, and (iii) €30.7 million in lower net costs on the reported result for the period due to the reversal of €46.8 million relating to net financial expenses and €7.8 million in higher taxes. Lastly, (iv) the net financial position was adjusted by €905.3 million in lesser liabilities.

EBITDA in 2020 was also adjusted mainly as follows: (i) €0.7 million in an extraordinary one-off premium granted to a foreign partner; (ii) €1.2 million in net foreign exchange gains on forward hedging of purchases of goods in foreign currency sold in the period, (iii) €9 million in non-recurring expenses directly attributable to the COVID-19 emergency; (iv) €2.1 million in costs relating to stock option plans (non-cash costs); and (v) other less significant net one-off costs.

Other adjustments that impacted EBIT and the result before tax concerned: (i) costs of €8.5 million related to the amortisation of intangible assets relating to purchase price allocation and (ii) adjusted net costs of €8.3 million, mainly relating to foreign exchange differences arising from the valuation of items denominated in foreign currency, including with respect to forward derivatives and realised foreign exchange differences.

Lastly, the adjusted net income does not reflect the €95.1 million of fiscal benefit arising from the fiscal realignment of the brands following the release of the net deferred tax liabilities and for €7.7 million of taxes recalculated following the above adjustments.