TEDDY

GROUP

DRESSING PEOPLE TO MAKE
OUR DREAM COME TRUE

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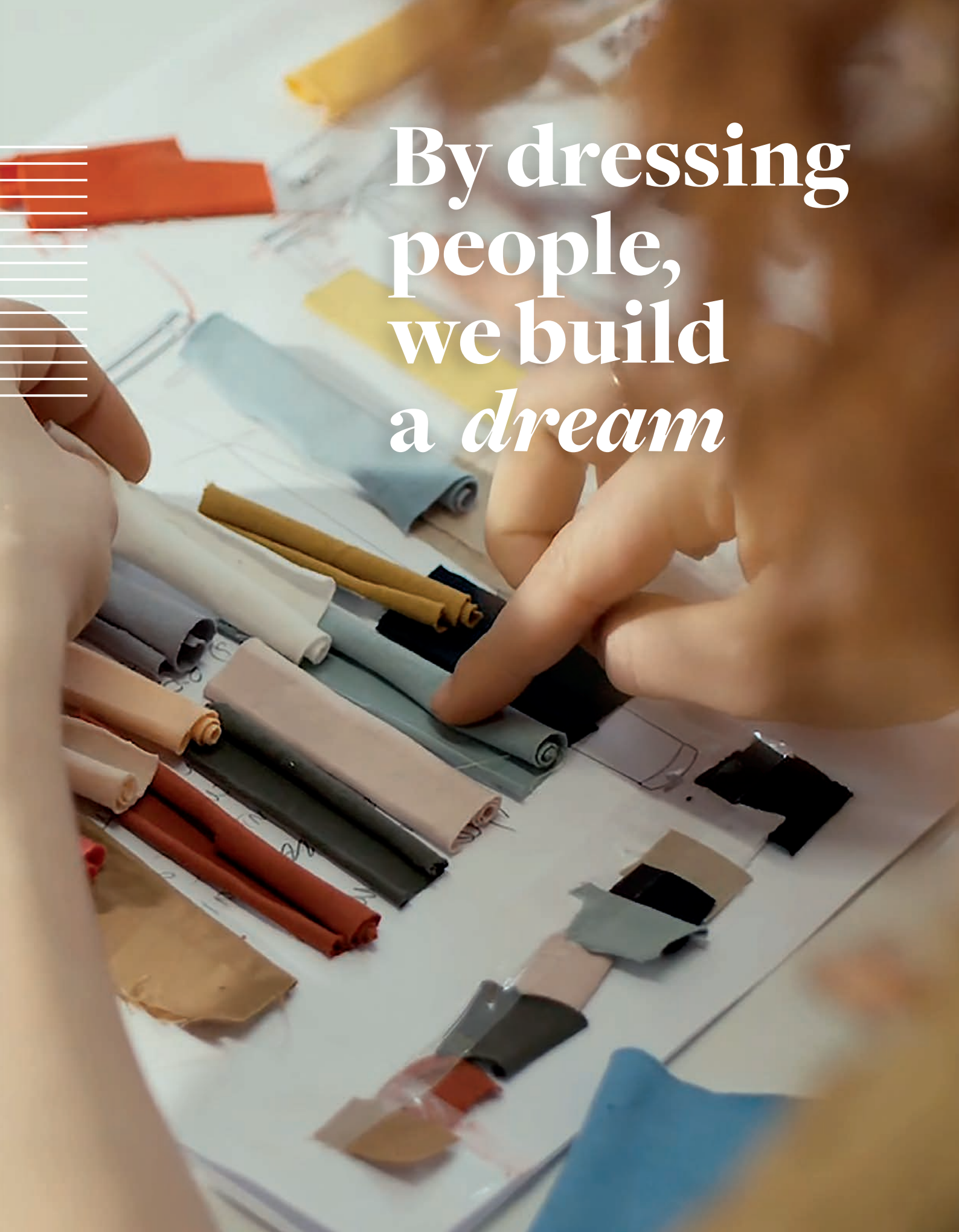
Unless otherwise stated, all company profile data refers to the 2019 consolidated balance sheet.



By dressing people, we build a *dream*

About us

All our brands are the result of Teddy corporate culture and express all our creativity and taste for beautiful things. Thanks to them, we accompany our customers through their life.

We're **a global fast fashion company with an Italian heart and a great Dream** (you'll find it on page 34 and it's the reason for our business activity). Our work is dressing people.

We do it thanks to **5 different brands: Terranova, Rinascimento, Calliope, Kitana and QB24**.
They all come from Teddy's corporate culture and express all our creativity and taste for beautiful things, but above all, it is thanks to these brands that we accompany our customers in their daily life.

We don't only create a product, we have the capacity to distribute it, with a great added value compared to others: **we like to do business together with other entrepreneurs**.
For this reason, all distribution models for our brands are created and grow thanks to our partners, as over 50 years of history clearly show.
First of all, there's our **on consignment franchise formula:** we've grown thanks to franchising and the entrepreneurs who have chosen our brands for their adventure. Now, with them, in hundreds of streets, squares and shopping centres, thanks to our flagship stores, we're key players in the world of fast fashion.

Alongside this is our **wholesale distribution** network, thanks to which, every day, we take Made in Italy fast fashion by Rinascimento, Kitana and QB24 to thousands of boutiques and department stores around the world, with a cash & carry offer that's renewed every week and with a constant focus on style, to respond promptly to the latest fashion trends.

This is what we are today.
It's all designed to help us increasingly become key international players in the fast fashion sector and market, making our Dream come true.

terranova
terranova
terranova
terranova
terranova
terranova
CALLIOPE
CALLIOPE
CALLIOPE

A company targeting leadership in the fast fashion market

What has always fascinated me about Teddy is its Dream.

What has always fascinated me about Teddy is its Dream. In fact, even before hearing about the Dream, I met the people who were living this Dream and was fascinated by them; starting with Vittorio Tadei and followed by many other people, from the most diverse backgrounds who, each in their own way, faced the entrepreneurial and values-driven challenges that our founder had shaped into the Dream and expressed them concretely in their work.

This is exactly what fascinated me and what continues to fascinate many of the people involved in working together to build Teddy every day, whether they are young or not so young, employees, collaborators, customers, suppliers, friends or colleagues.

Who wouldn't want to be involved in building something as great as the company described in the Dream? That's precisely why the Teddy Dream isn't only thedream of its founder, it is in fact, the dream of each and every one of us. That is why, every day, we invest all our passion, creativity, skills and know-how to build a company that aims for leadership in the fast fashion market.

We're dreamers, but our eyes are wide open!
We're always focused on the reality of our market, on the needs of our customers and in this we're very pragmatic. We're never fully satisfied: we know that every day we have to learn what we thought we already knew. Above all, we know that we have to offer our customers a product that lives up to their expectations and our Dream.

This is our recipe to doing a good job, growing and lasting 500 years..

Alessandro Bracci,
Chairman and Managing Director

A story in step with the market

We work every day to build a company that is a market leader, loved by its customers and by those who collaborate with it.

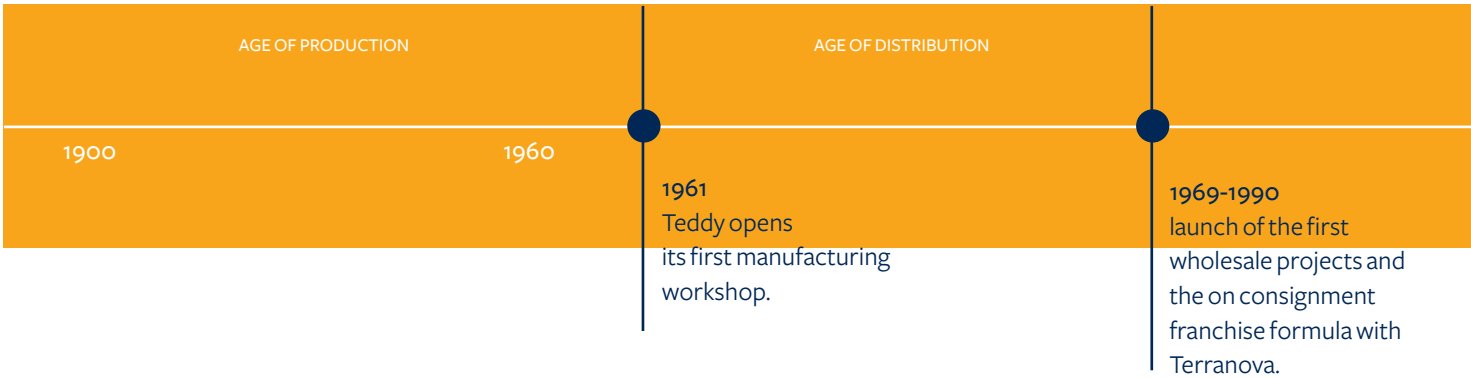
1961

We were born in store, surrounded by clothes and customers

Everything began when Vittorio Tadei, a young man from Rimini, a cycling enthusiast who was curious to discover more of the world, decided to leave his job as an accountant and work in his sisters' clothes shop in Riccione. That's where he discovered his passion for clothing and a great rapport with customers; two passions that would shape the very soul of Teddy in the future.

Bye-bye Riviera: the first shops and wholesale outlets

Vittorio began in Rimini with his first artisan knitwear workshop supplying local stores. But the province began to feel a bit tight and in the 1970's he began wholesale distribution in Italy and the first brand shops opened in Emilia Romagna and the Marche. Vittorio understood one thing: it's important to produce, but also to have your pulse on distribution and be as close as possible to customers.



1988

Working together: retail franchising and wholesale distribution

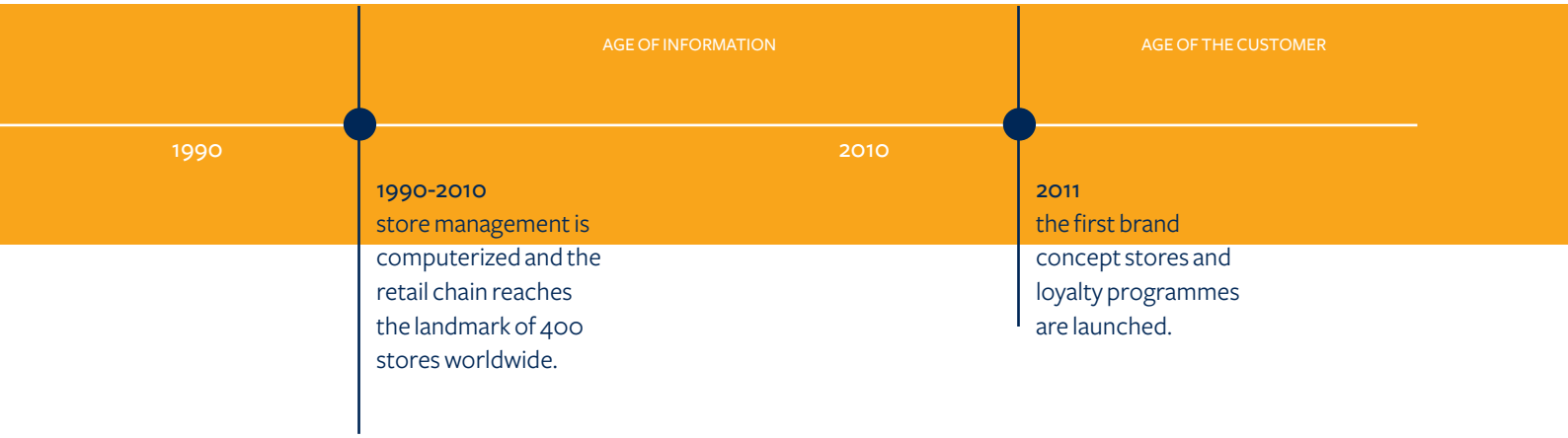
This was the turning point for Teddy. It was 1988, Terranova had been set up, along with the formula that would take it around the world, defining how Teddy carried out retail business for years to come. Teddy's on consignment franchise formula was established, as well as its "border factor", that constant desire to explore new markets that would take Terranova to 20 countries over the next 10 years. In the meantime, wholesale distribution of Italian ready fashion continued and in 2000 took the shape of the Rinascimento brand, which would develop worldwide via a network of international wholesale outlets.

2008

Brand values, Calliope is born

As Terranova continued to expand, reaching the landmark of 400 stores around the world, in 2005, Calliope - the third Teddy brand - was established. It was a time of r-evolution.
A company that has always focused on working hard, realised that the time had come to offer customers not only a product, but a benchmark world.
Two new concept stores were opened and the identity of the Terranova and Calliope brands developed.

Always in step with the market.
Above is how the American research institute Forrester divided the last century with regard to the factors that deem the success of businesses. Below is the evolution of Teddy.
ELABORATED BY TEDDY BASED ON FORRESTER RESEARCH



2011

From Teddy SpA to the Teddy Group:

"The joy of seeing Teddy move forward on its own two feet is the greatest joy of all" (V. Tadei), 30 November 2011: the day a generational transition is completed.

Teddy was 50 years old and Vittorio handed the task of leading it into the future over to the younger generation, laying the foundations to ensure it would last 500 years. At that time, the company consolidated its organisation, began management training and restructured corporate governance, to look forward with even greater serenity to tackling the challenges of the future.

Today

And what now?

We now work every day to build a company that's a market leader, loved by its customers and those who collaborate with it.

SELFIES WELCOME!

ThinkPad

Our style: entrepreneurs of ourselves

A corporate culture based on entrepreneurship and shared leadership, with a strong focus on developing talent.

Solid and expanding
We continue to grow every year and we don't want to stop. The driving force of our growth are the net profits we set aside each year and reinvest in research, development and creating jobs.
Our growth is constant and independent.
This means we can make decisions autonomously and in a timescale designed to respond promptly to changes in our market sector.

Together for Marinella
Who is Marinella? She's our ideal customer. Vittorio Tadei always said "if you listen to your customers, you can never go wrong". As a company, we want to focus on our customers, on their needs, their desires and even their criticism. How do we do that? Firstly, we've given our customer a name and she's called Marinella. Secondly, we study her and talk to her every day. And thirdly, through our brands, we make her a promise - a promise we try to keep every day.

Entrepreneurship and shared leadership
A corporate culture based on the spirit of entrepreneurship and shared leadership, on team work, on our values, on the passion and strong sense of belonging of our people, on the possibility to grow and build something important, along with a very strong focus on looking for, motivating and developing "talents" and future leaders, in line with our corporate culture. In other words, developing lots of future self-entrepreneurs.

GROUP TAKINGS AT RETAIL PRICES

1.1

BILLION €

TURNOVER

621

MILLION €

PEOPLE

2,977

EMPLOYEES

RETAIL MARKETS

37

WHOLESALE MARKETS

94

1 CORPORATE ACADEMY

150,000

hours of training provided each year

Our key numbers

EBITDA

36.7
MILLION €

PERCENTAGE TURNOVER
ITALY/OVERSEAS

56.4% Italy

43.6% overseas

STORES

688

STORES PER BRAND AT 31/12/2019

504 Terranova

123 Calliope

61 Rinascimento

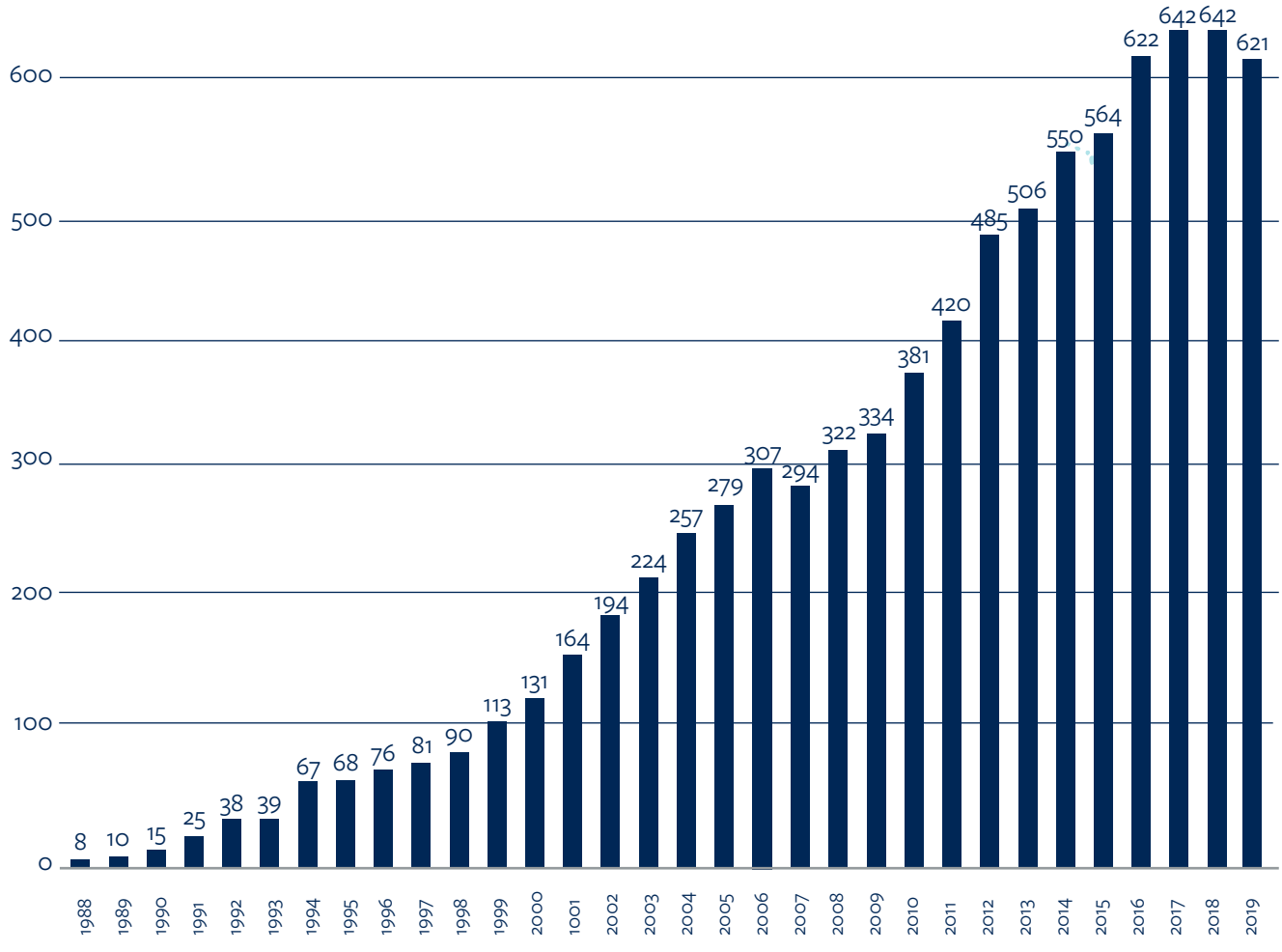
ONLINE MARKETS

28

WHOLESALE CLIENTS

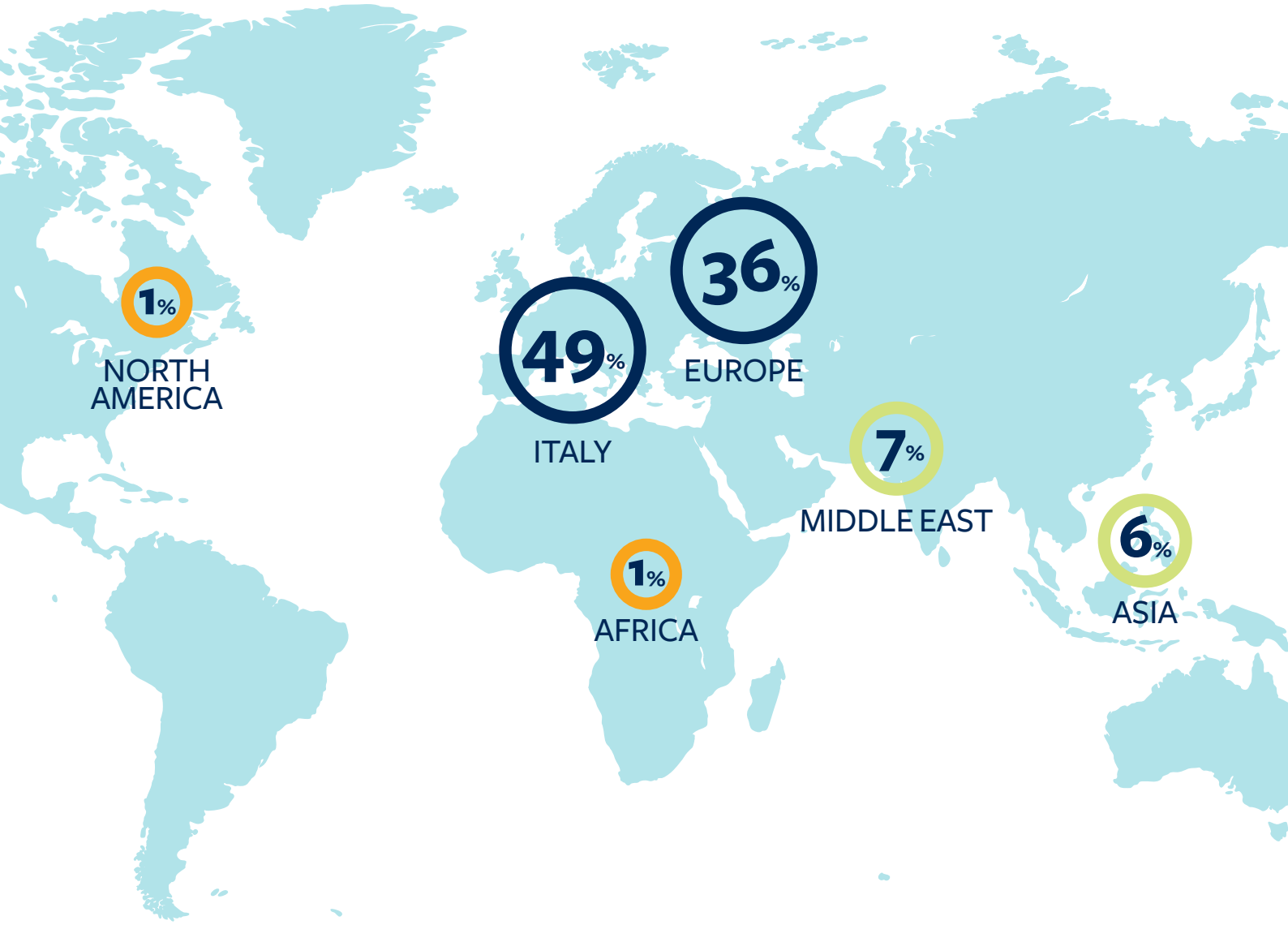
6,000

Evolution of turnover Teddy Group



In millions of euro

15.1 % RAGE ANNUAL INCREASE



Distribution of stores and wholesale outlets by geographical area

TERRANOVA

RINASCIMENTO

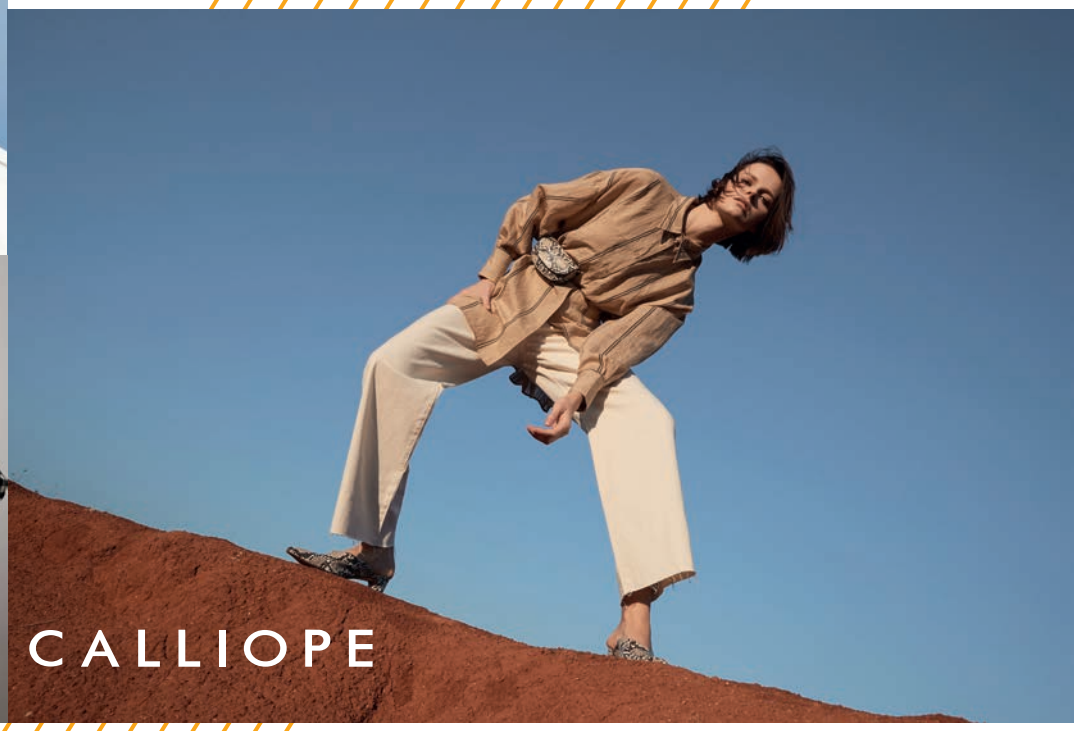
How we dress people: our brands

Our brands aim to convey to our customers a positive message and an unforgettable experience that can live up to our Dream.

Our passion for our customers is best represented by our brands and the experience they can have with them, both online and in store. Our brands want to convey a positive message and an unforgettable experience to our customers that can live up to our Dream.

TERRANOVA
Terranova is a sunny, cheerful brand that offers young, affordable and trendy products, with an eye for detail and available in a wide range of colours that embrace three key styles: easy-glam, urban and sporty.
The brand is for the whole family: its aspirational target are men and women, aged 20 - 30 and it has menswear, womenswear, kidswear, underwear and accessories collections.

RINASCIMENTO
Rinascimento is a feminine, glamourous and modern brand. Its style features in collections that are updated weekly, in line with the latest trends, and the offer of a total-look that is contemporary, feisty and affordable that declares in every detail a passion for beautiful things, made with care and designed for the female universe.
An ambassador for Made in Italy fast fashion, the brand's aspirational target are women aged 25 - 45. It offers them clothing for various different occasions: from leisure time through to special events.


CALLIOPE

Kitana

QB
24

CALLIOPE
Calliope offers its customers a "new" modern Italian taste that is influenced by the latest international trends, reinterpreted in a gutsy, but never excessive style, with collections to satisfy all their needs.
The brand's target are men and women aged 25 - 40 and it offers menswear, womenswear, kidswear and accessories collections.

KITANA
Kitana is the Italian fast fashion brand with a modern and elegant style, designed for women ranging from Italian size 46 (US:10; UK:12) to 56 (US:20; UK:24).
Fashionable clothing that's comfortable and easy to wear, designed to bring out the femininity and beauty of curvy women, with a special focus on the fit, the choice of fabrics and the fashion content.
Kitana is a made in Italy brand that targets a sparkling, metropolitan woman who follows the latest trends and focuses on the quality of her clothes.
Kitana is the perfect blend of Italian quality and taste, with the great variety of fast fashion, to give women the opportunity to choose from new and trendy clothing offers every week.

QB24
The QB24 line was created to accompany men through the day and make them feel at ease on any occasion, with a look that's always appropriate. QB or "Quanto Basta" in Italian, can be translated as "All you need" - a search for simplicity and the desire to express oneself without excess, but with personality.

PRODUCT QUALITY AND SAFETY
Every day, from Rimini to China, over two hundred people work to ensure the quality and safety of our products. It is a process that begins when a piece is conceived and designed in Rimini and continues through to production, in full compliance with the international and national legal standards of the markets the Group operates in, thanks also to the tests carried out every year in certified independent laboratories. Located in 10 different countries, our suppliers must comply with a quality and health and safety manual, in line with Teddy's ethical code.

RINASCIMENTO

kids

UOMO
DONNA
CALLIOPE

TERRANOVA

Our partners are essential to our business

For over 30 years, more than 150 franchisees in 37 countries have been helping us build our Dream, at the same time realising theirs. With Teddy, the franchise formula offers the opportunity to be a key player in the fast fashion market, along with a solid, stable company that constantly innovates its strategies and where the franchisee is not just a number, but a partner we work with every day towards the same goal.

Why choose Teddy?

Because Teddy is a solid and reliable company.

The fact the company is family run, its excellent financial position and constant and self-funded growth, thanks to net profits set aside each year, are the best guarantees for an entrepreneur who wants to go into business with us, with a long-term vision for the future.

Because Teddy constantly innovates its strategies.

Fifty years of activity have taught us to always look towards the market and to always be ready to innovate our strategies from year to year on this basis. As entrepreneurs of ourselves, we never tire of changing and imagining what our future will be like, sharing our commercial vision with our partners and helping them to grow their business along with us.

Because at Teddy you are not a number, but a partner.

Our franchisees represent a key part of the success of our business.
Every day, we're ready to listen, talk and engage with them, because at Teddy, doing business together is fundamental, strategic and gratifying.

Because investing with us has excellent return expectations (ROI).

Our franchisees can count on a good return on their initial investment, considering that they don't run any risk on unsold stock as this belongs to Teddy.
Assessment of the profitability of the business is calculated on the capital the franchisee initially invests in creating the sales outlet.
The annual return expectations vary from 20% - 40% of the average capital invested, depending on the characteristics of the sales outlet and the country where it is located.

Because you can share our Dream with us.

For us, profits are not an end to themselves: we want to make profit in order to realise our great "raison d'être", our Dream that, if you wish, you can share with us.

CALLIOPE
CALLIOPE

RINASCIMENTO

BASIC

ENJOY LIFE
TOGETHER

How do we work? The franchise formula

No business is risk free, but our franchisees can tackle it in a calculated manner

On consignment.
No business is risk free, but our franchisees can tackle it in a calculated manner because they only pay for what they sell, without worrying about unsold stock, which remains at the expense of Teddy. Furthermore, they don't have the onus of selecting sample collections and restocking stores, which is done by Teddy, with the possibility therefore, of drastically reducing internal costs.

A constant and guaranteed margin of earnings on store takings.
A great safety net for our franchisees is the margin calculated on the takings, which remains constant even during sales periods.

Wholesale: real Made in Italy fast fashion.
Thanks to our integrated suppliers and through a network of distributors, agents, B2B e-commerce and marketplace, our ready fashion brands Rinascimento, Kitana and QB24 are sold through thousands of boutiques and department stores.
Speed, trends, Made in Italy and accessible prices. This is what Italian ready fashion is all about and since we began, we've always championed it, both in Italy and overseas, even when the international giants didn't exist yet.
We guarantee our customers an offer that is updated weekly, with a constant focus on different styles, in order to respond promptly to changing fashions, with rapid restocking of the latest trends so retailers are able to satisfy their customers' needs increasingly quickly.

Rinascimento
4,200,000 pieces sold in 94 countries through 6,000 store owners. Distribution through wholesalers, B2B e-commerce and marketplace, agents, department stores.

Kitana
Distributed in 60 countries, 8 sample collections a year, B2B e-commerce.

QB24
Distributed in 20 countries, 2 main collections a year.

The Foundation and us: learning from those most in need

THE RAINBOW PROJECT

The Rainbow Project was launched in 1998 thanks to the friendship between Vittorio Tadei and Elisabetta Garuti, a missionary in Africa working for the charity organisation Pope John XXIII: a large-scale model of intervention aimed at helping as many children as possible who have been orphaned by AIDS and families living in poverty and hunger. Over 20 years, the Rainbow Project, which is active in Zambia, Kenya, Tanzania and Burundi, has helped about 20,000 people a year in different ways.

STUDY ROOMS PROJECT

As never before, education has become an emergency, a key issue that plays a decisive role in laying the foundations for building the society of the future. The Gigi Tadei Foundation has therefore built 2 study rooms in Rimini, equipped with an audio-video system, PCs and Wi-Fi, which are available to students to use. A welcoming and functional home-from-home where young people can study, learn and come into contact with charitable organisation that can guide them on this journey.

“Man is the manager of the assets at his disposal, not the owner of them.”

Our social responsibility lies in the principles and values of our Dream. One of these is supporting works of solidarity, one of the Group’s «raisons d’être» and one of the reasons why we work and tackle the challenges of the market every day. “Man is the manager of the assets at his disposal, not the owner of them”.
Vittorio Tadei educated his family and all of us with this phrase, which he had read in an afternoon in 1948 in the rubble of his house in Rimini after it had been bombed. This is why the company and the Tadei family in general, have always taken part in numerous solidarity projects all over the world, thanks also to the foundation set up in memory of Vittorio’s son, Luigi.
Thanks to our work, we tangibly help hundreds of different organisations and people in their journey, in collaborations triggered by the emotions Vittorio Tadei felt after personally meeting missionaries, Zambian children, the street children of Bolivia, educators, the disabled of Bangladesh or the young people of Rimini looking for real mentors. Whenever we look at the work we support, when they tell us what they’re doing, we understand that what they’re giving us is so much more than what we’re giving them.

KARIS FOUNDATION SCHOOLS

Founded in 1973 thanks to the Catholic experience and passion for education of a group of families and parents, there are now 11 Karis Foundation schools in Rimini and Riccione, divided into 5 different orders with over 1,400 students and 200 staff. An active organisation, based on the principles of freedom of education and subsidiarity, its mission is to help children to grow into free and creative men and women, capable of facing the challenges of contemporary culture.

“AMICI DI GIGI” COOPERATIVE

The Amici di Gigi (Gigi’s Friends) Cooperative, including socio-educational communities, residential communities and a socio-occupational centre, welcomes and provides support to children, teenagers and the disabled, as well as their families. The aim of this work is to be able to accompany these people, offer them help and friendship and welcoming places from where to start interacting with the world.

For more information:
fondazionegigitadei.com

Our great reason for being: the Teddy Dream

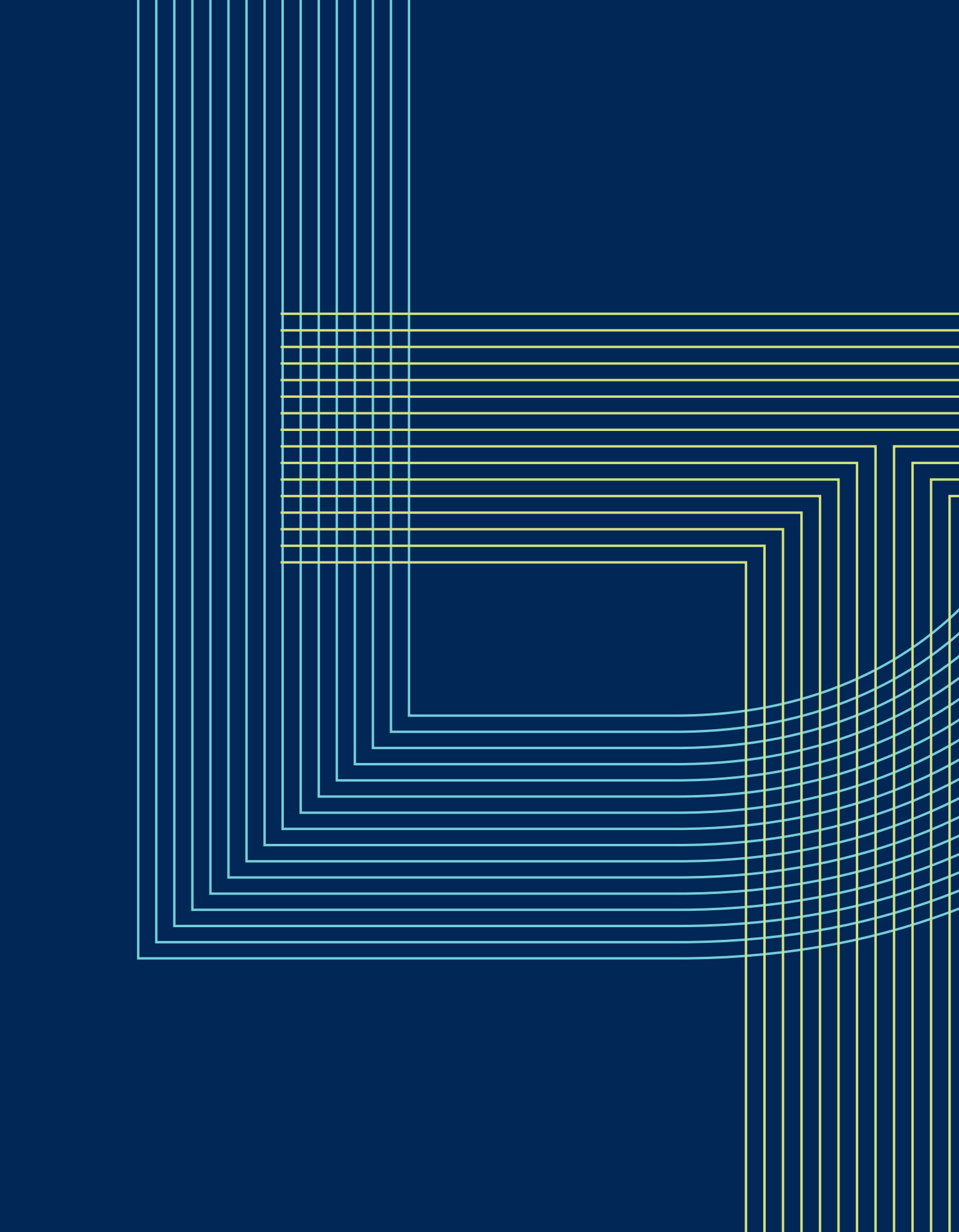
Teddy's dream is to build a large global company with a huge turnover to allow the company to expand, create jobs and use part of its net profits each year to help the less fortunate, through social projects, both in Italy and abroad.

Our dream is to build a company in which both the young and old can give meaning to their lives through their work.

Our dream is to build a company in which, for every 5 so-called "normal" employees, there is one with problems, where the 5 so-called "normal" employees help the less fortunate to live a normal life, because it is only through work that a person can acquire dignity.

Our dream is to create a brave, responsible, competent, forward-thinking and fearless managerial group that will pass on all the values I have mentioned to those who follow in their footsteps.

Vittorio Tadei, *founder of the Teddy Group*



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