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**BasicNet announces strategic investment in K-Way from Permira**

Torino – 25<sup>th</sup> October 2024 - BasicNet and Permira, a global private equity firm, have entered into an agreement regarding Permira's acquisition of a significant minority stake in K-Way S.p.A., the entire share capital of which is currently owned by BasicNet.

BasicNet shall maintain approximately a 60% interest in K-Way and Permira – through Permira Growth Opportunities II – will come to hold approximately 40%.

Founded in 1965 in Paris, K-Way has firmly established itself as a fast-growing, outdoor-inspired lifestyle brand with a unique identity. The brand is the creator of the category-defining waterproof packable jacket, the "Claude", with its distinctive colourful zip and logo inspired by the French flag. Renowned for its signature windbreakers, lifestyle fashion and sportswear products, K-Way has cultivated a loyal following that resonates with its iconic, timeless and universal appeal.

K-Way's diverse customer base is drawn to its exceptional craftsmanship and innovative designs, which seamlessly blend functionality and style, setting new standards in the fashion industry. With a rich heritage rooted in craftsmanship, the company has solidified its strong brand reputation of creating premium products.

BasicNet has successfully elevated the K-Way brand over the past decade by revamping stores, enhancing the customer experience and improving the design and quality of products. Under the BasicNet ownership, K-Way has established itself as a leader in the outerwear market, leveraging the playful, colourful and inclusive characteristics of the brand.

In 2023, the Company achieved consolidated revenues (through direct sales, royalties and sourcing commissions) of 147.7 million euros and EBITDA of 44.7 million euros.

The transaction values K-Way at a IFRS 16 enterprise value of 505 million euros. Subject to standard final computation of Net Financial Position and Net Working Capital at closing, the anticipated cash payable to BasicNet on the date of completion of the transaction should be approximately between 180 and 190 million euros, of which 65 million euros being paid in the form of a vendor loan.

Marco Boglione, Chairman and Founder of BasicNet, said: *"I consider this moment as crucial as only two others have been for BasicNet: the acquisition of Maglificio Calzificio Torinese in 1994 and the stock exchange listing in 1999. We worked hard for K-Way to be in this position and we are glad to welcome onboard Permira, one of the world's most prestigious and successful investors in our industry."*

Alessandro and Lorenzo Boglione, Executive Vice Presidents of BasicNet and CEOs of K-Way, commented: *"We welcome the Permira team on board as we embark on the next phase of K-Way's exciting growth journey. Over the past years, we have made significant strides in expanding the brand and enhancing its product offering. Permira's partnership will provide K-Way with the necessary resources, expertise and global network to accelerate its expansion plans and solidify its position as a leading player in the premium outerwear market. We look forward to working closely with Permira to capitalise on new opportunities and drive sustainable growth for the brand while maintaining its heritage and legacy."*

Francesco Pascalizi, Partner and Head of Italy at Permira, said: *"K-Way is a brand we truly admire, and we are really excited about the future prospects of the brand and partnering with BasicNet and the Boglione family."*

Sebastien Floch, Principal and Head of France at Permira, commented: *"We are thrilled to partner with the Boglione family and the team at K-Way. We have followed the business for a number of years and have found that K-Way is a brand with real scarcity value which encompasses everything the Permira Consumer team loves to back: an iconic brand and product, strong heritage and DNA, universal customer appeal and distinctive*

*positioning. We look forward to bringing our experience and resources to the table to support K-Way's continued success and its global expansion plans."*

BasicNet has been advised by Mediobanca as exclusive financial advisor, Pavesio e Associati – with Negri-Clementi as legal firm, and STS Deloitte on tax matters.

#### Terms and timing of the transaction

The transaction is subject only to the clearance by the competent antitrust authority and, upon receipt of such clearance, is expected to be completed in the first quarter 2025.

The agreements relating to the transaction provide for the incorporation of a company (TopCo) – directly owned by BasicNet, Permira and some key managers of K-Way – as well as companies directly (MidCo) and indirectly (BidCo) owned by TopCo. BidCo will own the entire share capital of Rainbow. BidCo and K-Way will be merged in due course after the closing.

It is envisaged that – with effect from the date of completion of the transaction:

- BasicNet grants BidCo a "Vendor Loan" of 65 million euros with a duration of 90 months, refinable, repayable in a single instalment at maturity and remunerated with the payment on a quarterly basis of interest at 7.21% p.a.;
- BasicNet, Permira, the *key managers*, TopCo, MidCo and BidCo enter into a shareholders' agreement concerning the management and ownership structure in K-Way and in the common vehicles that directly and indirectly hold the entire share capital of K-Way ("Shareholders' Agreement").

The Shareholders' Agreement provides for a two years lock-up undertaking of the parties concerning their interest in TopCo and the exit rights of Permira, including the right of Permira to ask that BasicNet joins Permira in the possible sale of its entire shareholding at the same terms and conditions.

The Shareholders' Agreement also provides that if the voting power of the shareholdings directly or indirectly held by Marco Boglione and its descendants in BasicNet decreases below 40 %, Permira will have the right to dispose of its entire shareholding to BasicNet, which will be obliged to purchase it at fair market value on a pro rata basis.

In any event of exit from its investment in K-Way (sale to a third party, sale to BasicNet or IPO), Permira shall have the right to receive at no cost a number of shares such as to ensure that its investment reaches an agreed minimum internal rate of return, provided the BasicNet shareholding will in no event fall below 51%.

In addition, an earn-out of 10 million euros will be paid to BasicNet following Permira's exit from its investment subject to Permira achieving a minimum money multiple.

Corporate transactions that lead to the final structure of the structure, as described above, constitute transactions with related parties of relevant significance in relation to which BasicNet avails itself of the exemption provided for by its "Procedure for Transactions with Related Parties".

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Below a definition of the measures used in this press release:

Consolidated revenues	the sum of royalties, sourcing commissions and sales of the K-Way Group companies.
EBITDA	"operating result" before "amortisation and depreciation".
Net financial position	total of current and medium/long-term financial payables, less cash and cash equivalents and other current financial assets.
Net working capital	the total of trade accounts receivable, trade accounts payable, inventory, other

current assets and liabilities, other than those included in the net financial position

Enterprise value                      total value of the company as a multiplier of its EBITDA

IFRS 16 Enterprise value            enterprise value increased by the total amount of IFRS 16 debt

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