



## **SAFILO LAUNCHES A SHARE CAPITAL INCREASE UP TO A MAXIMUM OF EURO 135 MILLION AIMED AT THE REPAYMENT OF THE SHAREHOLDER LOAN AND AT FURTHER STRENGTHENING THE GROUP'S CAPITAL STRUCTURE**

- **The repayment will provide the Group with a more cost-efficient financial structure**
- **The share capital increase is also aimed at further strengthening Safilo's capital structure, supporting the Group's future development, also by external lines**
- **Call of the Extraordinary Shareholders' Meeting for 30 July, 2021**
- **The share capital increase is supported by the reference shareholder**

**Padua, June 29, 2021** – The Board of Directors of Safilo Group S.p.A. (“Safilo”) met today and resolved to convene the Extraordinary Shareholders Meeting for 30 July 2021 to decide upon a proposed **Share Capital Increase for cash consideration, for a maximum amount of Euro 135,000,000.00**, including any share premium, in separable form, through the issue of new ordinary shares to be offered to the Company's shareholders via a rights offering pursuant to Article 2441, paragraph 1, 2 and 3 of the Italian Civil Code (the “**Share Capital Increase**”). Subject to corporate and regulatory approvals, the Company intends to complete the transaction as soon as possible, during the second half of 2021.

The Share Capital Increase is mainly aimed at the repayment of the existing Shareholder Loan of original Euro 90 million, plus the relative amount of interests accrued, granted to Safilo in two tranches in 2020 by Multibrands Italy BV (“**Multibrands**”), a subsidiary of HAL Holding NV (“**HAL**”) and Safilo's main shareholder, to support the timely closing of the acquisitions of Blenders Eyewear and Privé Goods. Therefore, with the Share Capital Increase and the related repayment of the Shareholder Loan, the objective of supporting the two transactions completed in the year of the pandemic is fulfilled mainly through the strengthening of the capital structure. The repayment of the Shareholder Loan, compared to its maturity set on 31 December 2026, will result in a substantial saving in financial charges for interest expenses, equal now to 9% for each year of residual duration of the loan. On 30 June 2021, the notional amount of the financing becomes equal to ca. Euro 96,5 million (Euro 93,5 million as of 31 December 2020), including the relevant accrued and capitalized interest expenses.

The residual part of the proceeds from the Share Capital Increase, net of transaction costs, is aimed at further strengthening the Group's capital structure, supporting its investments and drivers of future growth, including new opportunities that may come available in the sector.

With regards to the Share Capital Increase, Safilo has entered into an agreement (the “**Subscription Agreement**”) with its reference shareholder, Multibrands, holding no. 137,417,972 shares, or 49.84% of Safilo's share capital, pursuant to which Multibrands committed: (i) to subscribe for the new shares underlying the option rights relating to its existing holding (the “**Option Shares**” and “**Commitment on Option Shares**”); and (ii) subject to an agreement with the Company on the issue price, to subscribe any new shares which remained unsubscribed after the offer in option and the subsequent offer on the stock exchange pursuant to Article 2441 (3) of the Italian Civil Code (respectively, the “**Remaining New Shares**” and the “**Commitment on the Remaining New Shares**” and, together with the Commitment on the Option Shares, the “**Commitments**”).

Angelo Trocchia, Safilo Chief Executive Officer, commented: “*We play in a healthy and growing industry, which offers many untapped opportunities that are rapidly evolving. In 2020, also thanks to the Shareholder Loan made available by HAL, we were able to timely finalize two important acquisitions for our Group, which have been effectively supporting*

## Press release

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*us on the path of recovering a solid and sustainable economic and financial profile. It is now the right moment for us to repay this loan, to close a chapter and face new opportunities.*

*Taking into account the performance of the business and the market situation, we believe that the conditions exist for this capital increase, with which we have the opportunity, on the one hand, to pursue with determination our consolidated cost savings program, considerably limiting financial charges for the next five years, and on the other hand, to further enable our growth strategy with additional resources and new strength.”*

The commitments under the Subscription Agreement are subject to certain conditions precedent, customary for this type of transactions (which may be waived at Multibrands' discretion).

Moreover, Multibrands shall have the right to withdraw from the Subscription Agreement in case of (a) a material adverse change relating to Safilo or to its Group, (b) a material adverse change in the financial markets and “force majeure”, (c) non-compliance by Safilo with its representations, warranties and undertakings and/or (d) the conditions to the Subscription Agreement will be no longer capable of being satisfied.

As a result of the fulfilment of the Commitments, in accordance with applicable laws Multibrands could increase its stake, also significantly, above 50% of the Company's share capital without being required to launch a mandatory tender offer on all the shares of the Company.

In consideration of the Commitment on the Remaining New Shares, the Company shall pay to Multibrands an amount equal to 2% of the risk effectively undertaken by the latter. Such risk will be calculated on the basis of the actual amount of the Share Capital Increase, net of the countervalue of the Option Shares and of the new shares that eventually other shareholders of the Company may irrevocably commit to subscribe before the publication of the Rights Issue prospectus. The payment of such amount is in any case contingent upon completion of the Share Capital Increase. Such amount shall not exceed in any case ca. Euro 1,6 million, including the expenses related to the Subscription Agreement (the “Maximum Payment”).

The signing of the Subscription Agreement has been considered a transaction with a related party of lesser importance, applying the relevance index of the countervalue, given by the ratio between the Maximum Payment and Safilo market capitalization as at 31 December 2020. The Subscription Agreement has been approved today by the Board of Directors upon the favourable opinion of the Related Parties Committee on the interest of Safilo in entering the Agreement and on the convenience and substantial fairness of the relevant terms and conditions.

In accordance with market practice, the Board of Directors has proposed to the Extraordinary Shareholders' Meeting to empower the Board of Directors to define the terms and conditions of the Share Capital Increase, including: (i) the timetable within the final deadline set by the Shareholders' Meeting, i.e. 30 April 2022; (ii) the final amount of the Share Capital Increase, within the limits of the maximum amount of Euro 135,000,000.00; (iii) the issue price (the “**Issue Price**”) of each of the new shares and, therefore, the portion of the Issue Price to be allocated to the share premium reserve; (iv) the number of new ordinary shares to be issued and the option ratio applicable to each of Safilo's existing ordinary shares, proceeding, where appropriate, to the appropriate rounding of the number of shares. The Issue Price shall be determined by the Board of Directors by applying, among other considerations, a discount to the so-called Theoretical Ex-Right Price (TERP) of existing shares, defined using current methodology, in accordance with market practices for similar operations.

The launch of the Share Capital Increase is subject to approval by the Extraordinary Shareholders' Meeting, as well as to the approval by CONSOB of the prospectus relating to the offer and admission to trading on the Mercato Telematico Azionario of the Company's new shares.

For more information regarding the Share Capital Increase, please refer to the report of the Board of Directors drafted pursuant to Article 72 and Annex 3A of CONSOB Regulation No. 11971/1999, as subsequently amended, that will be published within the terms and in accordance with the applicable law and regulations.

## **BUSINESS UPDATES**

Safilo informs that, based on the business rebound recorded in April, its performance in May and preliminary data for the month of June, still to be closed, the Group's total net sales for the second quarter of 2021 are now expected to grow high single digit at constant exchange rates versus Q2 2019 (compared to the estimate, provided on May 11, 2021, of a slight improvement), mainly thanks to the continuing strong momentum experienced by the business in North America.

The financial results of the first half of 2021 will be submitted for approval to the Board of Directors on August 3, 2021.

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This document contains certain forward-looking statements, estimates and forecasts reflecting management's current views with respect to certain future events. Forward-looking statements, estimates and forecasts are generally identifiable by the use of the words “may,” “will,” “should,” “plan,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” “project,” “goal” or “target” or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Group participates.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The issuer's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

All forward-looking statements included herein are based on information available as of the date hereof. No undertaking or obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law is accepted.

### About Safilo Group

Established in 1934 in Italy's Veneto region, Safilo Group is one of the eyewear industry's principal players in the design, manufacturing and distribution of optical frames, sunglasses, sports eyewear, goggles and helmets. The Group designs and manufactures its collections by blending stylistic, technical and industrial innovation with quality and skillful craftsmanship. With an extensive global presence, Safilo's business model enables it to monitor its entire production and distribution chain. From research and development in five prestigious design studios, located in Padua, Milan, New York, Hong Kong and Portland, to its company-owned production facilities and network of qualified manufacturing partners, Safilo Group ensures that every product offers the perfect fit and meets the highest quality standards. Reaching approximately 100,000 selected points of sale worldwide with an extensive wholly owned network of subsidiaries in 40 countries and more than 50 partners in 70 countries, Safilo's well-established traditional wholesale distribution model, which encompasses eyecare retailers, chains, department stores, specialized retailers, boutiques, duty free shops and sporting goods stores, is complemented by Direct-to-Consumer and Internet pure player sales platforms, in line with the Group's development strategies.

Safilo Group's portfolio encompasses own core brands: Carrera, Polaroid, Smith, Safilo, Blenders, Privé Revaux and Seventh Street. Licensed brands include: Banana Republic, BOSS, David Beckham, Elie Saab, Fossil, Givenchy, havaianas, HUGO, Isabel Marant, Jimmy Choo, Juicy Couture, kate spade new york, Levi's, Liz Claiborne, Love Moschino, Marc Jacobs, Missoni, M Missoni, Moschino, Pierre Cardin, PORTS, rag&bone, Rebecca Minkoff, Tommy Hilfiger, Tommy Jeans and Under Armour.

The parent company, Safilo Group S.p.A., is listed on the Italian Stock Exchange (“MTA”) organized and managed by Borsa Italiana (ISIN code IT0004604762, Bloomberg SFL.IM, Reuters SFLG.MI). In 2020, Safilo Group recorded net revenues for Euro 780.3 million.

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