



THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A. APPROVES 2023 RESULTS¹

- **2023 sales approach 2022 level:**
 - Net sales at €1,024.7 M, -2.3% at constant exchange rates, +1.7% organic² performance and net of the business in the former GrandVision chains
 - Home brands at 44%⁴ of sales from 42%
 - Online channel at 16%⁴ of sales from 15% thanks to Blenders and Smith's DTC business
 - Early renewal of core partnerships gives unprecedented visibility, of around six years, on the license portfolio
- **Significant improvement in gross margin reinvested in the projects instrumental to the long-term growth of the Group:**
 - Adj.³ Gross margin at 58.7% from 55.5%
 - Adj.³ EBITDA margin at 9.0% from 9.4%
- **Net performance affected by the accounting effect of the valuations of the options of non-controlling interests:**
 - Adj.³ Net result at €14.0 M from 58.3 M
- **Positive Free Cash Flow in all quarters leading to lower Net Debt and financial leverage:**
 - Free Cash Flow at €35.1 M* from -16.5 M
 - Net Debt at €82.7 M from €113.4 M and Financial leverage (also pre-IFRIC SaaS) at 0.48x from 0.72x

* Before the payment of €5.9M for the acquisition of an additional 10% of Blenders.

Padua, March 14 2024 - The Board of Directors of Safilo Group S.p.A. has today approved the Company's consolidated financial statements for the year ended December 31, 2023¹ and examined the separate financial statements for the year ended December 31, 2023¹, which will be submitted for approval by the shareholders at the Annual General Meeting to be held in a single call on April 24, 2024. The Board of Directors has decided not to propose the payment of a dividend at the next Annual General Meeting.

Angelo Trocchia, Safilo Chief Executive Officer, commented:

"In a complex year like 2023, in which a tense and unstable geopolitical and macroeconomic environment added to our direct challenges, it was particularly important for us to achieve a level of revenue very close to the strong performance recorded in 2022, when growth, compared to pre-pandemic 2019, was +12%.

North America continued to be affected by the prudent attitude of the main eyewear distribution channels and by an unfavourable sun season, while in Europe the incredible job of our teams allowed us to effectively offset the decline of the business in the former GrandVision chains, further demonstrating the resilience of our Group and the value of a strategy that sees our customers as the focus of the entire company.

In 2023, we had to take another look at our industrial footprint in light of a brand portfolio that was no longer aligned with the know-how present in the historic Longarone plant. The project was complex, but we managed to reach the conditions for the best possible outcome, with the disposal of the plant and the full employment of all the workers, also allowing for the preservation of the sector's existing know-how.

In the year, we obtained the early renewal of our core licenses, from Kate Spade and Tommy Hilfiger to BOSS and HUGO in January 2024, and other important partnerships. We also signed two new agreements, with Etro and Stuart Weitzman, adding to what is today a rich and complementary license portfolio, with unprecedented visibility, of around 6 years. This was a very important achievement for us, which sits alongside the solid and long-lasting growth of our home brands, an almost unique portfolio in the industry, which, in 2023, at approximately 44% of our sales, progressed on our target of representing over 50% by 2027.

From an economic standpoint, our performance was characterized by the significant improvement of the adjusted gross margin, close to the Group's historical highs, which we decided to reinvest in those projects instrumental to the growth of the company in the long term. Notwithstanding the inflationary pressures and an unfavourable operating leverage, we progressed with the investments envisaged in our business plan, closing the year with an adjusted EBITDA margin not far from the 2022 level, the best in the last seven years. The adjusted net profit, on the other hand, contracted, mainly due to the revaluation of the options on minority interests.

The past year was above all one in which we returned to a positive cash generation, the first after many years.

In 2023, our sustainability strategy also reached another accomplishment through the presentation of our medium-term objectives, an official commitment also for our scope 1, 2 and 3 greenhouse gas reduction targets, which we decided to validate with the Science Based Target initiative, receiving a positive response this February.

We look to 2024 with confidence, hoping that both our challenges and the opportunities arising from the continuous growth of our portfolio of home brands and core licenses will find their place in a more stable international scenario."

2023 ECONOMIC AND FINANCIAL RESULTS

NET SALES PERFORMANCE

2023 closed for Safilo with net sales of Euro 1,024.7 million, down 2.3% at constant exchange rates and 4.8% at current exchange rates compared to Euro 1,076.7 million recorded in 2022.

In the year, organic² sales, which represent the most significant indicator of the underlying business performance, recorded a deviation of -1.3%, further approaching the level of revenues recorded in the previous year, despite the headwinds represented by the continuing weakness of the North American market, and the over 60% drop in revenues recorded in the former GrandVision chains. Net of the latter effect, the Group's organic² performance was up 1.7%, thanks to the good performance of home brands, in particular Carrera and Polaroid, which grew well for the second consecutive year, and Blenders, back to growth after the post-pandemic sales normalization in online channels. 2023 also continued to highlight Smith's excellent development in the direct-to-consumer (DTC) channel, which allowed the brand to return to growth in the second half of a year which, for the sports sector, was influenced by a business slowdown in physical stores.

The above-described dynamics allowed Safilo to increase both the weight of its home brands portfolio, which came to represent 44%⁴ of sales from 42% in the previous year, and that of the business in online channels, which rose to 16%⁴ of revenue from 15% in 2022.

On the licensed brands front, 2023 further confirmed BOSS and Tommy Hilfiger's collections as key points of reference in the eyewear landscape, while among the most recent partnerships, Carolina Herrera, which joined Safilo's portfolio in 2022, and David Beckham, a brand launched for the very first time in eyewear in 2020 and already one of the Group's core brands, stood out for their double-digit performances.

FULL YEAR 2023 NET SALES PERFORMANCE BY GEOGRAPHY:

(Euro million)	2023		2022		Change at current forex		Change at constant forex	
					Reported	Organic ²	Reported	Organic ²
	2023	%	2022	%	Reported	Reported	Organic ²	
North America	452.9	44.2	497.7	46.2	-9.0%	-6.4%	-3.7%	
Europe	411.8	40.2	424.9	39.5	-3.1%	-0.6%	-1.3%	
Asia Pacific	59.9	5.8	57.7	5.4	+3.9%	+9.1%	+9.6%	
Rest of the world	100.1	9.8	96.4	8.9	+3.8%	+3.9%	+3.9%	
Total	1,024.7	100.0	1,076.7	100.0	-4.8%	-2.3%	-1.3%	

Sales trends by geographical area were characterized for Safilo by the aforementioned weakness of the North American market, which, after a subdued 2022 closing and a prudent start to the new year by the traditional eyewear channels, highlighted the greatest difficulties during the second and third quarters.

To suffer the most were, in particular, the contemporary segment, where the Group's offering is more concentrated, and the sunglass product category, due to a not favourable summer season. During the year, after the significant growth during the pandemic years, Smith's sports business was instead penalized by the continuous destocking by physical stores, especially of products dedicated to the bike segment.

In the United States, 2023 saw the growth of DTC sales, both for Blenders, following the success of the exclusive collaboration launched in the last quarter of the year with the American football icon nicknamed "Coach Prime", and for Smith, which today generates in the channel almost 40% of its North American business.

In 2023, Safilo's sales in North America amounted to Euro 452.9 million, down 6.4% at constant exchange rates (-9.0% at current exchange rates) compared to Euro 497.7 million recorded in 2022 (-3.7% at organic² level).

In Europe, Safilo almost completely recovered the sharp decline in business in the former GrandVision chains following their integration in EssilorLuxottica's network, thus closing the year substantially stable compared to the strong growth sales of 2022.

In the year, Europe's organic² performance, also excluding the GV effect, amounted to a growth of approximately 7%, reflecting the good progress recorded by the main markets of the area, in particular Italy and France, where the Group continued to strengthen its commercial partnerships through the development of its You&Safilo digital platform.

The year was also characterized by the excellent growth of Turkey, Hungary and Poland, markets in which Safilo has invested in recent years through the creation of direct commercial operations.

In 2023, Safilo's sales in Europe stood at Euro 411.8 million, recording a performance of -0.6% at constant exchange rates and -3.1% at current exchange rates compared to Euro 424.9 million recorded in 2022 (-1.3% at organic² level).

In the year, Asia Pacific and Rest of the World's emerging markets grew to 15.6% of the Group's total turnover, from the 14.3% in the previous year, thanks to the good progress of the business in both regions, in line with the development plans by geographical area envisaged in the Group's medium-term objectives.

In 2023, Safilo's sales in Asia Pacific reached Euro 59.9 million, up 9.1% at constant exchange rates and 3.9% at current exchange rates, compared to Euro 57.7 million recorded in 2022, while in the Rest of the World the year closed at Euro 100.1 million, up 3.9% at constant exchange rates and 3.8% at current exchange rates, compared to Euro 96.4 million recorded in 2022.

Key drivers of the positive performance were, in particular, BOSS, Ports and Polaroid in China and Hong Kong, and the strong development of Smith in both Australia and Japan, while Carrera and Tommy Hilfiger were the undisputed drivers of the double-digit growth recorded in the year by India and the Middle East.

In Q4 2023, Safilo's net sales stood at Euro 239.6 million, marking the best performance at constant exchange rates of the year, equal to a growth of 2.0% (-2.4% at current exchange rates), while the improvement, also net of sales in the former GrandVision chains, stood at +3.6%.

Q4 2023 NET SALES PERFORMANCE BY GEOGRAPHY:

(Euro million)	Q4 2023	%	Q4 2022	%	Change at current forex	Change at constant forex
North America	111.9	46.7	114.3	46.6	-2.2%	+3.0%
Europe	90.7	37.9	92.2	37.6	-1.7%	+2.5%
Asia Pacific	16.2	6.8	16.4	6.7	-0.9%	+4.5%
Rest of the world	20.8	8.7	22.5	9.2	-7.5%	-6.6%
Total	239.6	100.0	245.4	100.0	-2.4%	+2.0%

The fourth quarter was characterized by the improved trends of the North American market, where sales stood at Euro 111.9 million, up 3.0% at constant exchange rates (-2.2% at current exchange rates), mainly thanks to the aforementioned growth of Blenders and Smith in their DTC channels. In the traditional channels of independent opticians and chains, the eyewear business was more stable than in the previous quarters of the year thanks to an easier comparison base, while Smith's sales in physical sports shops were affected by a slow start to the winter season.

In Europe, Q4 sales, equal to Euro 90.7 million, were back to a positive performance, up 2.5% at constant exchange rates compared to the same quarter of 2022 (-1.7% at current exchange rates), while the progress, net of the business in the former GrandVision chains, accelerated from +1% in Q3 to around +6% in Q4.

On the emerging markets front, in Q4 the Group's sales recorded progress again in Asia and Pacific, reaching Euro 16.2 million and a growth of 4.5% at constant exchange rates (-0.9% at current exchange rates), while revenues in the Rest of the World, equal to Euro 20.8 million, recorded a decline of 6.6% at constant exchange rates (-7.5% at current

exchange rates), entirely due to a challenging comparison base for the Brazilian market. On the other hand, the main markets in the Middle East continued to grow in the quarter.

ECONOMIC PERFORMANCE

Throughout the entire year, Safilo's operating performance was characterized by two very distinct dynamics.

On one hand, the significant improvement, in all quarters, of the gross margin, an important result achieved thanks to an effective pricing policy, a more favourable channel mix, the higher efficiency of some procurement activities and to the decline of transport costs which had most impacted the Group in 2022.

On the other, below gross margin, the operating leverage continued to have a negative impact, influenced by higher personnel costs due to salary inflation, as well as by the investments in marketing and IT and digital projects, which management implemented in line with the medium-term Group Business Plan, with the aim of progressively strengthening home brands and the company's IT and digital infrastructure.

Key Economic highlights - in Euro million	2023	% on net sales	2022	% on net sales	% Change
Net sales	1,024.7		1,076.7		-4.8%
Performance at cFX					-2.3%
Organic ² performance at cFX					-1.3%
Gross profit	585.7	57.2%	597.4	55.5%	-2.0%
Adjusted³ Gross profit	601.8	58.7%	597.6	55.5%	+0.7%
EBITDA	62.9	6.1%	96.8	9.0%	-35.1%
Adjusted³ EBITDA	92.0	9.0%	101.2	9.4%	-9.1%
Operating result	7.7	0.7%	48.5	4.5%	-84.2%
Adjusted³ operating result	49.6	4.8%	53.5	5.0%	-7.4%
Group net result	(24.6)	(2.4%)	54.2	5.0%	-145.5%
Adjusted³ Group net result	14.0	1.4%	58.3	5.4%	-76.0%
IFRS 16 impact on EBITDA	11.9		11.8		
on Operating result	1.5		1.5		
on Net result	(0.2)		(0.4)		
IFRIC SaaS impact on EBITDA	(11.7)		(9.7)		

In 2023, the Group's operating performance was significantly impacted by non-recurring costs mainly related to the disposal of the Longarone plant, and, in the fourth quarter, also to the termination of activities related to existing licensed brands and to a partial write-down of some intangible assets related to a previous acquisition.

The impact of such costs stood at Euro 16.0 million at the gross profit level, Euro 29.1 and 41.9 million at the EBITDA and EBIT level respectively. The adjusted results exclude such non-recurring items.

In 2023:

- the adjusted³ gross profit equalled Euro 601.8 million, slightly up, by 0.7% compared to 2022, while the adjusted³ gross margin improved by 320 basis points, from 55.5% to 58.7%;
- selling, general and administrative expenses increased by 1.7%, with a significant increase of their incidence on sales mainly due to higher personnel costs and to the marketing and IT investments;
- the adjusted³ EBITDA equalled Euro 92.0 million and a margin on sales of 9.0%, down respectively 9.1% and 40 basis points compared to 2022;
- the adjusted³ operating result equalled Euro 49.6 million and a margin on sales of 4.8%, down respectively 7.4% and 20 basis points compared to 2022;

- the Group's adjusted³ net result, equal to Euro 14.0 million, was down 76.0% compared to 2022, particularly affected by the revaluation, already accounted for in the first half of the year, of the liability for options on the interests in Blenders, in relation to the extension of the second and third tranche of the related put and call options. In the year, the overall impact of the valuations of the liability for options on minority interests amounted to a loss of 7.9 million euros, which compared with the profit of 31.2 million euros recorded in 2022.
Net financial charges also increased during the year, from Euro 15.5 million to Euro 19.2 million euros, mainly due to the increase in interest rates.

Key Economic highlights - in Euro million	Q4 2023	% on net sales	Q4 2022	% on net sales	% Change
Net sales	239.6		245.4		-2.4%
Performance at cFX					+2.0%
Gross profit	134.8	56.2%	139.1	56.7%	-3.1%
Adjusted³ Gross profit	142.6	59.5%	139.2	56.7%	+2.4%
EBITDA	4.9	2.0%	13.3	5.4%	-63.3%
Adjusted³ EBITDA	16.5	6.9%	15.9	6.5%	+3.8%
IFRS 16 impact on EBITDA	3.1		3.2		
IFRIC SaaS impact on EBITDA	2.4		4.2		

In Q4 2023:

- Safilo's adjusted³ gross margin continued to improve year-on-year, going from 56.7% to 59.5%, thanks above all to a particularly favourable channel mix, due to the excellent progress in the quarter of the direct-to-consumer (DTC) channel. The adjusted³ gross profit amounted to Euro 142.6 million, up 2.4% compared to Q4 2022;
- adjusted³ EBITDA was equal to Euro 16.5 million and a margin on sales of 6.9%, up respectively by 3.8% and 40 basis points compared to Q4 2022.

FINANCIAL PERFORMANCE

Thanks to a positive cash generation also in the fourth quarter, equal to Euro 13.3 million, **Safilo closed 2023 with a Free Cash Flow of Euro 29.1 million** compared to the cash absorption of Euro 16, 5 million recorded in 2022.

In the year, the cash flow from operating activities grew to Euro 47.7 million, thanks to a cash generation of Euro 21.5 million at the working capital level. The latter, in particular, benefitted from the decrease in inventory and the good cash collection, which was in turn supported by the excellent performance of the direct-to-consumer (DTC) business in the fourth quarter.

In 2023, the cash flow for investment activities was characterized, on the one hand, by a capital expenditure of Euro 13.3 million, while, on the other, by the sales consideration for the disposal of the Longarone plant, equal to around Euro 11 million, which partially counterbalanced the total cash-out, of around Euro 16 million, connected to the deal (mainly accounted for in the cash flow from operating activities before the change in working capital).

2023 Free Cash Flow included the payment of Euro 5.9 million made in the third quarter to exercise the first option on an additional 10% of Blenders non-controlling interests. Before this acquisition, Free Cash Flow for the year amounted to Euro 35.1 million.

Free Cash Flow - in Euro million	2023	2022
Cash Flow from operating activities before change in working capital	26.2	71.5
Change in working capital	21.5	(62.4)
Cash Flow from operating activities	47.7	9.2
Cash Flow from investment/disinvestment activities	(2.7)	(15.7)
Cash payments for the principal portion of lease liabilities IFRS 16	(10.0)	(10.0)
Free Cash Flow pre-acquisitions	35.1	(16.5)
Cash Flow for the acquisition of minority interests	(5.9)	-
Free Cash Flow	29.1	(16.5)

As at December 31, 2023, the Group's net debt decreased to Euro 82.7 million (Euro 43.7 million pre-IFRS 16, corresponding to a financial leverage, also pre-IFRIC SaaS, of 0.48x), from Euro 113.4 million (Euro 69.6 million pre-IFRS 16) recorded at the end of December 2022. The key components of the Group's net debt at the end of December 2023 are the following:

- a long-term debt position of Euro 117.7 million, made of bank loans for Euro 88.3 million, related to the Credit Facility signed in September 2022, and an IFRS-16 effect for Euro 29.4 million;
- a short-term debt position of Euro 39.9 million, made of bank loans for Euro 30.3 million, related to the Credit Facility, and an IFRS-16 effect for Euro 9.6 million;
- a cash position of Euro 74.9 million.

Notes to the press release:

- ¹ The auditing process of the consolidated and separate financial statements is currently under finalization.
- ² Organic sales include only the proprietary brands and not terminated licenses, present in both of the compared periods, excluding the business attributable to the production supply contract with Kering Eyewear.
- ³ In 2023, the adjusted economic results exclude non-recurring costs for Euro 41.9 million at the EBIT level, Euro 29.1 million at the EBITDA level and Euro 16.0 million at the gross profit level, mainly related to the disposal of the Longarone plant, to some other restructuring costs, and in the fourth quarter, also to the termination of activities related to exiting licensed brands and to a partial write-down of some intangible assets related to a previous acquisition.
In Q4 2023, the adjusted EBITDA and gross profit exclude non-recurring costs for Euro 11.7 million and Euro 7.9 million respectively.
In 2022, the adjusted economic results excluded net non-recurring costs for Euro 5.0 million (Euro 4.4 million at the EBITDA level), due to some special projects costs and restructuring expenses, partially offset by the release of a restructuring provision.
In Q4 2022, the adjusted EBITDA excluded non-recurring cost for Euro 2.7 million.
- ⁴ % of sales, excluding business attributable to the production supply contract with Kering Eyewear.

OTHER RESOLUTIONS BY THE BOARD OF DIRECTORS

Approval of the Consolidated Non-Financial Information (Sustainability Report)

Together with the 2023 Annual Report, the Board of Directors of Safilo Group S.p.A. approved the 2023 Consolidated Non-Financial Information (Sustainability Report), in line with the application of the non-financial reporting obligation under Legislative Decree 254/2016.

Statement by the manager responsible for the preparation of the company's financial documents

The manager responsible for the preparation of the company's financial documents, Mr. Michele Melotti, hereby declares, in accordance with paragraph 2 article 154 bis of the "Testo Unico della Finanza", that the accounting information contained in this press release corresponds to the accounting results, registers and records.

Disclaimer

This document contains forward-looking statements, relating to future events and operating, economic and financial results for Safilo Group. Such forecasts, due to their nature, imply a component of risk and uncertainty due to the fact that they depend on the occurrence of certain future events and developments. The actual results may therefore vary even significantly to those announced in relation to a multitude of factors.

Alternative Performance Indicators

The definitions of the "Alternative Performance Indicators", not foreseen by the IFRS-EU accounting principles and used in this press release to allow for an improved evaluation of the trend of economic-financial management of the Group, are provided below:

- EBITDA (gross operating profit) is calculated by Safilo by adding to the Operating profit, depreciation and amortization;
- The Net Debt is for Safilo the sum of bank borrowings and short, medium and long-term loans, net of cash on hand and at bank. Such indicator does not include the valuation at the reporting date of derivative financial instruments and the liability for options on non-controlling interests;
- The Free Cash Flow for Safilo is the sum of the cash flow from/(for) operating activities and the cash flow from /(for) investing activities and the cash payments for the principal portion of IFRS 16 lease liabilities.

Conference Call and Webcast

Today, at 6:15 pm CET (5:15pm GMT; 1.15pm EST) a conference call will be held with the financial community during which 2023 Results will be discussed.

It is possible to follow the conference call by calling +39 02 8020911, +44 1212 818 004, +33 1 70918704 or +1 718 7058796 (for journalists +39 02 8020927). The presentation will be available and downloadable from the company's website, <https://www.safilogroup.com/en/investors>.

The conference call is also available via webcast at: <https://87399.choruscall.eu/links/safilo240314.html>

A recording of the conference call will be available from March 14 to March 16, 2024 by dialing +39 02 802 0987 – passcode: 700712# - pin: 712#.

Sàfilo Group S.p.A.

Consolidated income statement

<i>(Euro/000)</i>	2023	2022	Change %
Net sales	1,024,732	1,076,745	-4.8%
Cost of sales	(438,997)	(479,296)	8.4%
Gross profit	585,735	597,450	-2.0%
Selling and marketing expenses	(428,780)	(420,488)	-2.0%
General and administrative expenses	(138,080)	(128,426)	-7.5%
Other operating income/(expenses)	(11,214)	(78)	n.s.
Operating profit/(loss)	7,661	48,458	(84.2%)
Gains/(losses) on liabilities for options on non-controlling interests	(7,895)	31,191	-125.3%
Financial charges, net	(19,223)	(15,512)	-23.9%
Profit/(Loss) before taxation	(19,456)	64,136	(130.3%)
Income taxes	(6,633)	(11,788)	43.7%
Profit/(Loss) of the period	(26,089)	52,349	-149.8%
Non-controlling interests	(1,440)	(1,811)	20.5%
Net profit/(loss) attributable to the Group	(24,649)	54,160	-145.5%
Earnings/(Losses) per share - basic (Euro)	(0.060)	0.131	
Earnings/(Losses) per share - diluted (Euro)	(0.059)	0.130	

Sàfilo Group S.p.A.

Consolidated Balance sheet

<i>(Euro/000)</i>	December 31, 2023	December 31, 2022	Change
ASSETS			
Current assets			
Cash and cash equivalents	74,898	77,710	(2,811)
Trade receivables	203,075	214,034	(10,959)
Inventory	228,991	258,980	(29,990)
Derivative financial instruments	585	698	(113)
Other current assets	40,119	44,878	(4,759)
Total current assets	547,667	596,300	(48,632)
Non-current assets			
Tangible assets	88,750	109,088	(20,339)
Right of Use assets	33,988	38,997	(5,009)
Intangible assets	108,117	132,993	(24,876)
Goodwill	33,682	34,895	(1,213)
Deferred tax assets	35,320	36,274	(954)
Derivative financial instruments	271	780	(510)
Other non-current assets	7,668	8,623	(955)
Total non-current assets	307,795	361,649	(53,854)
Non-current assets held for sale	-	2,320	(2,320)
Total assets	855,462	960,268	(104,806)

Sàfilo Group S.p.A.

Consolidated Balance sheet

<i>(Euro/000)</i>	December 31, 2023	December 31, 2022	Change
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Borrowings	30,250	30,000	250
Lease liabilities	9,643	9,051	593
Trade payables	172,107	180,701	(8,595)
Tax payables	23,382	22,492	890
Derivative financial instruments	3,909	7,656	(3,746)
Liabilities for options on non-controlling interests	-	6,195	(6,195)
Other current liabilities	40,772	47,291	(6,518)
Provisions	9,017	9,166	(149)
Total current liabilities	289,081	312,552	(23,471)
Non-current liabilities			
Borrowings	88,345	117,329	(28,984)
Lease liabilities	29,359	34,727	(5,368)
Employees benefits obligations	9,734	13,975	(4,240)
Provisions	9,443	14,512	(5,069)
Deferred tax liabilities	10,291	12,863	(2,572)
Derivative financial instruments	-	-	-
Liabilities for options on non-controlling interests	20,770	13,349	7,421
Other non-current liabilities	2,653	2,041	612
Total non-current liabilities	170,596	208,796	(38,201)
Total liabilities	459,676	521,348	(61,672)
Shareholders' equity			
Share capital	384,858	384,846	12
Share premium reserve	27,388	692,521	(665,132)
Retained earnings and other reserves	(8,668)	(722,392)	713,724
Cash flow hedge reserve	271	780	(510)
Income/(Loss) attributable to the Group	(24,649)	54,160	(78,809)
Total shareholders' equity attributable to the Group	379,200	409,915	(30,716)
Non-controlling interests	16,586	29,005	(12,419)
Total shareholders' equity	395,786	438,920	(43,134)
Total liabilities and shareholders' equity	855,462	960,268	(104,806)

Sàfilo Group S.p.A.

Consolidated statement of cash flows

<i>(Euro/000)</i>	2023	2022
A - Opening net cash and cash equivalents	77,710	99,002
B - Cash flow from (for) operating activities		
Net profit/(loss) for the period (including minority interests)	(26,089)	52,349
Depreciation and amortization	44,877	38,064
Right of Use amortization IFRS 16	10,345	10,326
Non-monetary changes related to liabilities for options on non-controlling interests	7,895	(31,191)
Other items	(9,662)	(9,067)
Interest expenses, net	8,974	5,912
Interest expenses on lease liabilities IFRS 16	1,745	1,862
Income tax expenses	6,633	11,788
Flow from operating activities prior to movements in working capital	44,718	80,043
(Increase) Decrease in trade receivables	6,335	(36,222)
(Increase) Decrease in inventory, net	22,652	(17,618)
Increase (Decrease) in trade payables	(5,751)	(14,842)
(Increase) Decrease in other receivables	7,702	8,467
Increase (Decrease) in other payables	(9,432)	(2,138)
Interest expenses paid	(8,050)	(4,266)
Interest expenses paid on lease liabilities IFRS 16	(1,745)	(1,862)
Income taxes paid	(8,717)	(2,405)
Total (B)	47,712	9,156
C - Cash flow from (for) investing activities		
Investments in property, plant and equipment	(10,527)	(12,733)
Net disposals of property, plant and equipment and assets held for sale	10,513	196
Acquisition of minorities (in subsidiaries)	(5,948)	-
Purchase of intangible assets, net of disposals	(2,686)	(3,131)
Total (C)	(8,648)	(15,669)
D - Cash flow from (for) financing activities		
Proceeds from borrowings	-	147,001
Repayment of borrowings	(30,000)	(153,000)
Repayment of principal portion of lease liabilities IFRS 16	(9,956)	(10,026)
Increase in share capital, net of transaction costs	39	89
Dividends paid	(552)	(875)
Total (D)	(40,469)	(16,811)
E - Cash flow for the period (B+C+D)	(1,405)	(23,324)
Translation exchange differences	(1,407)	2,032
Total (F)	(1,407)	2,032
G - Closing net cash and cash equivalents		
(A+E+F)	74,898	77,710

Sàfilo Group S.p.A.

Separate income statement

<i>(Euro)</i>	2023	2022	Change %
Net sales	996,457	956,134	4%
Gross profit	996,457	956,134	4%
General and administrative expenses	(9,212,192)	(10,382,685)	11%
Other operating income/(expenses)	(13,428)	(2,700,806)	100%
Operating (loss)	(8,229,163)	(12,127,357)	32%
Financial charges, net	(12,861)	(78,668)	84%
(Loss) before taxation	(8,242,024)	(12,206,025)	32%
Income taxes	728,880	359,971	102%
Net (loss) of the period	(7,513,144)	(11,846,054)	37%

Sàfilo Group S.p.A.

Separate Balance sheet

(Euro)	December 31, 2023	December 31, 2022	Change
ASSETS			
Current assets			
Cash and cash equivalents	852,292	865,512	(13,220)
Trade receivables	1,343,208	1,008,563	334,645
Other current assets	26,484,223	29,190,402	(2,706,179)
Total current assets	28,679,723	31,064,477	(2,384,754)
Non-current assets			
Right of Use	226,532	313,380	(86,848)
Investments in subsidiaries	414,473,273	414,415,074	58,199
Other non-current assets	737,880	1,529,539	(791,659)
Total non-current assets	415,437,685	416,257,993	(820,308)
Total assets	444,117,408	447,322,470	(3,205,062)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Lease liabilities	106,494	116,887	(10,393)
Trade payables	4,196,545	3,916,220	280,325
Tax payables	304,818	299,821	4,997
Other current liabilities	28,984,609	25,416,735	3,567,874
Provisions	2,250,000	-	2,250,000
Total current liabilities	35,842,466	29,749,663	6,092,803
Non-current liabilities			
Lease liabilities	131,963	208,762	(76,799)
Employee benefit obligations	150,308	149,047	1,261
Provisions	-	2,000,000	(2,000,000)
Total non-current liabilities	282,271	2,357,809	(2,075,538)
Total liabilities	36,124,737	32,107,472	4,017,265
Shareholders' equity			
Share capital	384,857,848	384,846,311	11,537
Share premium reserve	27,388,371	692,520,684	(665,132,313)
Retained earnings (losses) and other reserves	3,259,596	(650,305,943)	653,565,539
Net (loss) of the period	(7,513,144)	(11,846,054)	4,332,910
Total shareholders' equity	407,992,671	415,214,998	(7,222,327)
Total liabilities and shareholders' equity	444,117,408	447,322,470	(3,205,062)

Sàfilo Group S.p.A.

Separate statement of cash flows

<i>(Euro)</i>	2023	2022
A - Opening net cash and cash equivalents	865,512	1,363,709
B - Cash flow from (for) operating activities		
Net (loss) for the period	(7,513,144)	(11,846,054)
Depreciation IFRS 16	121,125	131,659
Stock Options figurative cost	185,580	303,309
Net changes in provision for risks	1,000,000	1,000,000
Other non monetary P&L items	66,241	46,992
Interest expenses on lease liability IFRS 16	11,634	12,956
Income tax expenses	(728,879)	(359,972)
Income (loss) from (for) operating activities prior to movements in working capital	(6,857,444)	(10,711,110)
(Increase) Decrease in trade receivables	(334,645)	134,818
(Increase) Decrease in other receivables	4,134,242	5,451,932
Increase (Decrease) in trade payables	280,325	(24,044)
Increase (Decrease) in other payables	2,858,410	4,696,406
Interests expenses paid	(11,634)	(12,956)
Total (B)	69,254	(464,954)
C - Cash flow from (for) investing activities		
(Investments) disinvestments in subsidiaries	-	-
Total (C)	-	-
D - Cash flow from (for) financing activities		
Repayment of principal portion lease liabilities IFRS 16	(121,470)	(122,483)
Share capital increase, net of transaction costs	38,996	89,240
Total (D)	(82,474)	(33,243)
E - Cash flow for the period (B+C+D)	(13,220)	(498,197)
F - Closing net cash and cash equivalents (A+E)	852,292	865,512

About Safilo Group

Safilo is a global player in the eyewear industry that has been creating, producing, and distributing for over 90 years sunglasses, prescription frames, outdoor eyewear, goggles and helmets. Thanks to a data-driven approach, Safilo goes beyond the traditional boundaries of the eyewear industry: in just one company it brings together Italian design, stylistic, technical and industrial innovation, and state-of-the-art digital platforms, developed in its digital hubs in Padua and Portland, and made available to Opticians and Clients for an unmatched customer experience. Guided by its purpose, See the world at its best, Safilo is leading its Group legacy, founded on innovation and responsibility, onwards towards the future.

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 high 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 home brands: Carrera, Polaroid, Smith, Blenders, Privé Revaux and Seventh Street. Licensed brands include: Banana Republic, BOSS, Carolina Herrera, Dsquared2, Etro, Eyewear by David Beckham, Fossil, havaianas, HUGO, Isabel Marant, Juicy Couture, Kate Spade New York, Levi's, Liz Claiborne, Love Moschino, Marc Jacobs, Missoni, M Missoni, Moschino, Pierre Cardin, PORTS, rag&bone, Stuart Weitzman, Tommy Hilfiger, Tommy Jeans and Under Armour.

The parent company, Safilo Group S.p.A., is listed on the Euronext Milan organized and managed by Borsa Italiana (ISIN code IT0004604762, Bloomberg SFL.IM, Reuters SFLG.MI). In 2023, Safilo Group recorded net revenues for Euro 1,024.7 million.

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