

REPORT OF THE BOARD OF STATUTORY AUDITORS

**To the Shareholders' Meeting of Safilo Group S.p.A.
on the financial year 2022
pursuant to art. 153 T.U.F. and art. 2429 co. 2, C.C.**

Dear Shareholders,

during the financial year ended 31 December 2022, the Board of Statutory Auditors of Safilo Group S.p.A. carried out the supervision activity required by law, in accordance with the requirements of the Civil Code, articles 148 and following of T.U.F., the Legislative Decree no.39 of 27 January 2010 as modified from the Legislative Decree 17 July 2016 no.135 and the Legislative Decree 254/2016, considering also the recommendations included in Consob's Communications on company controls and the activities of the Board of Statutory Auditors, as well as principles of conduct of the Board of Statutory Auditors recommended by the *Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili* (Italian national council of graduate accountants and accounting experts). As premise, it should be noted that the Board of Statutory Auditors of Safilo Group S.p.A. has been appointed by the Shareholders' Meeting held on 28 April 2020 and is in charge until the approval of the financial statements as at 31 December 2022.

As regards the methods employed by the Board of Statutory Auditors to carry out its institutional activities, it confirms the following:

- it monitored compliance with the law and by laws;
- it attended the Shareholders' Meeting and all the meetings of the Board of Directors held during this year, and obtained from the Directors quarterly reports on activities carried out and significant operations executed by the company or its subsidiaries and verified that the aforesaid operations were coherent with the assumed deliberations and in respect for the principles of correct management;
- it monitored, within our area of responsibility, the organisational adequacy of the company, its respect for the principles of correct management and the organisational evolution of the Group;
- it monitored the operation of the administrative and accounting system, in order to assess its adequacy for management requirements and its reliability for the reporting of business operations. During this activity, it relied on the information supplied by the executive Director in charge of the internal control system, on information obtained as part of the regular participation to the activities of the Control Risk Committee, on examination of reports prepared by the Head of the Internal Audit function on the adequacy of administrative and accounting procedures pursuant to Law 262/05 and on the outcome of related tests carried out, together with the information obtained during periodic meetings with the auditing firm Deloitte & Touche S.p.A. which reported on the outcome of systematic checks and on the proper keeping of accounting records. We have no particular comments to make in this respect;
- not having been appointed to perform an analytical inspection of the content of the financial statements, we verified the general structure of the financial statements and consolidated financial statements, drawn up in compliance with IAS/IFRS international accounting principles, and of the respective management reports through direct checks and using specific information supplied by the auditing company;
- it verified that the impairment test had been carried out for items subject to evaluation in the consolidated financial statements, and in the statutory financial statements.
- it monitored, to the best of our knowledge, the Directors did not infringe the provisions of article 2423 paragraph 4 of the Civil Code in the Notes to the Financial Statements;

- it verified that, following adoption of its own "Internal Dealing Code", the Company has set up specific operational and management procedures for any communications from "relevant" parties;
- it verified that, pursuant to the provisions of Legislative Decree No. 231 of 8 June 2001, the company has equipped itself with an Organisation, Management and Control Model that complies with the *Confindustria* Guidelines and fulfils the requirements of the aforementioned legislative decree, disseminated the Code of Ethics and established a Supervisory Committee that reported to the Control and Risk Committee and the Board of Directors on its activities. The necessary actions and measures have been taken to ensure that the organisational model remains appropriate and up-to-date for the purpose of fulfilling its functions and complying with new regulatory requirements;
- we have verified that the company has complied with the provisions of law 15/11/2017 n. 179 concerning Whistleblowing, adopting its Worldwide Business Conduct Manual (WBCM) and related reporting system of alleged violations to the same.

In accordance with the aforementioned Consob communications, the Board hereby provides the following information:

1. Events incurred during the year: the events characterizing the 2022 financial year that had an impact on the group's economic performance are illustrated in the management report in the consolidated financial statements and in the separate financial statements.

As far as the Board is responsible, it should be noted in particular that:

- in September 2022, the Group entered into a new loan agreement for a total of Euro 300,000,000 expiring in September 2027, consisting of a Term Loan line of Euro 150,000,000, a Revolving line of Euro 75,000,000 and a Capex line of Euro 75,000,000; the impacts of the refinancing on the Group's net financial position are illustrated in detail in the appropriate paragraph of the explanatory notes to the consolidated financial statements;
- with reference to the risk of pandemics, the Group has implemented a series of procedures and action plans to guarantee the health and safety of all employees and consequently the continuity of the business;
- with reference to the risk associated with the Russia/Ukraine conflict, the Group confirmed the limited exposure to financial and business impacts related to this context, also in consideration of the fact that Safilo's net sales and operations in Russia and Ukraine respectively represent approximately 2% of the Group's total revenues and 3% of its shareholders' equity of the Group;
- at the balance sheet date, the company has not carried out any significant transactions applicants pursuant to the Consob Communication of July 28, 2006.

2. Events after the year end: in the specific paragraph of the Report on Operations of the consolidated and statutory financial statements, to which reference should be made, in the appropriate paragraph of the report on operations of the consolidated and statutory financial statements, to which reference should be made for details, events classified as "subsequent non-adjusting event" and therefore not considered in the financial statements as at 31.12.2022 are reported, which pertain to:

- the communication on the approval by the Board of Directors on 9 March 2023 of the medium-term economic-financial objectives, which management presented to the market on 10 March 2023 during a Capital Market Day held in Milan;

- the exploration of alternative solutions for the Longarone plant which is no longer considered strategic for the Group in the light of the evolution of the product portfolio, the economic context, competitive dynamics and persistent production overcapacity;
 - the agreement, reached in March 2023, on the extension of the second and third tranches of the put and call options on the minority stake in Blenders, from 2024 and 2025 to 2026 and 2027 respectively, with the minority shareholder, founder and director company delegate. In this regard, it should be noted that the net result as at 31.12.2022 was affected by the profit deriving from changes in the fair value of the liability relating to the option in question as detailed in notes 4.18 and 5.6 of the consolidated financial statements.
3. The significant economic, financial and capital operations carried out by the company and its subsidiaries were executed in accordance with the law and company by laws. Based on the information acquired, the Board was able to ascertain that they were not manifestly imprudent or risky, that they did not result in a conflict of interest and did not compromise the integrity of the company's assets.
 4. It has been ascertained that no atypical and/or unusual operations, as defined by Consob communication DEM/6064293 of 28 July 2006, were carried out within the group or with related or third parties, having found confirmation of this in the information supplied by the Board of Directors and the Auditing Firm. Furthermore, the Board ascertained that the standard operating procedures in force within the Group guarantee that all commercial operations with related parties take place according to market conditions.
 5. The Board of Statutory Auditors verified the effective implementation and concrete functioning of the Related Party Transactions Procedure adopted by the Company, attending the meetings of the Transactions with Related Parties Committee.
 6. The Board believes that the information presented by the Directors in their report on operations and explanatory notes in respect of the operations mentioned in paragraphs 1, 2, 3 and 4 are adequate.
 7. The reports prepared by the audit firm Deloitte & Touche S.p.A., issued on 15 March 2022, regarding the individual and consolidated balance sheet of Safilo Group S.p.A. as of 31 December 2022 do not contain significant findings and/or disclosure requests. The auditing firm issued its assessment of the consistency of the Management Report with the relevant financial statements without any observations and/or objections. With reference to the compliance of the consolidated financial statements with the Delegated Regulation EU 2019/815 of the European Commission on regulatory technical standards relating to the specifications of the single electronic communication format (ESEF - European Single Electronic Format), the auditing firm issued its favorable opinion, and in particular that the consolidated financial statements have been prepared in XHTML format and have been marked in all significant aspects in compliance with the ESEF Delegated Regulation.
On 15 March 2023, the auditing company also issued its additional report for the Internal Control and Audit Committee, pursuant to art. 11 of EU Regulation 537/2014 on which the board has no observations to communicate.
 8. During 2022, no reports were made to the Board of Statutory Auditors under article 2408 of the Civil Code, and no complaints were submitted by shareholders.
 9. During 2022, Safilo Group S.p.A. has appointed to Deloitte & Touche S.p.A. engagement other than to perform the legal audit of the statutory and consolidated financial statements. In the appendix to the consolidated financial statement is reported, in accordance with the principle 149-Duodecies of the Issuers' Regulations, the statement of the fees recognized for the year to Deloitte & Touche S.p.A. and its network for statutory audit and other services provided by the same Independent Auditor to the company and to the Group. In accordance with the article 17, ninth paragraph, of the Legislative Decree 39/2010, the

Independent Auditor has regularly communicated to the Board of Statutory Auditors additional engagements to those of auditing the accounts, obtaining the relative authorization from the Board after assessment of possible risks for the independence of the Auditor.

10. During the 2022 financial year, the Board of Statutory Auditors expressed its opinion when required by current laws.
11. On November 29, 2022, the Board, following a specific selection procedure, issued its "*Reasoned opinion of the Board of Statutory Auditors of Safilo Group S.p.A. for the appointment of the statutory auditor for the period 2023-2031 and approval of the related fee, - pursuant to articles 13, paragraph 1, and 17, paragraph 1, of Legislative Decree no. 39 of 27 January 2010 as amended, respectively, by articles 16 and 18 of Legislative Decree no. 135 of 17 July 2016, by art. 16 of the European Regulation n. 537/2014 of the European Parliament and of the Council of 16 April 2014*".
12. On 22 February 2023, the Board, as the outgoing body, based on the rules of conduct of the board of statutory auditors of listed companies of the National Council of Chartered Accountants and Accounting Experts of 26/4/2018 issued the document entitled "*Guidelines relating to the new Board of Statutory Auditors of Safilo Group Spa which will be elected at the next shareholders' meeting*".
13. The Board of Statutory Auditors verified the accuracy of the criteria and assessment procedures employed by the Board of Directors to assert the independence of its members.
14. The Board of Statutory Auditors verified the correctness of the assessment criteria and procedures adopted by the Board of Directors to assess the absence of subjection to the Direction and Coordination activity by any other entities, including Hal Holding N.V..
15. The Board of Statutory Auditors carried out the self-assessment process of its members, also verifying their possession of the requisites of integrity and independence, as well as compliance with the provisions on the accumulation of offices contained in art. 148bis, c.2, of the TUF and in the articles 144-duodecies and following of the Issuers' Regulation; to the Report on Corporate Governance and Ownership Structures for the year 2022, approved by the Board of Directors of the 9 March 2023, the list of offices held by the members of the Board of Statutory Auditors at the date of issue of the Report is attached, drawn up in compliance with attachment 5 bis of the Issuers' Regulation.
16. During 2022 financial year, the following were held: 1 (one) meeting of the Shareholders' Meeting, 8 (eight) meetings of the Board of Directors and 9 (nine) meetings of the Board of Statutory Auditors, which the board regularly attended in its entirety composition. Furthermore, it is noted that the Control and Risk Committee met 5 (five) times, the Sustainability Committee met 3 (three) times, while the Remuneration and Appointments Committee met 2 (two) times and the Transactions with Related Parties Committee met 1 (once) once, with the constant participation of the entire Board of Statutory Auditors (unless the justified absence of a single member).
17. The Board believes that the principles of correct administration have been constantly observed as confirmed by the information obtained from the managers of the various administrative functions, from the Internal Audit function and during the periodic meetings held with the Independent Auditors.
18. The Board gathered information about and monitored the company's organisational structure to the extent of our responsibilities.
19. Based on the analyses performed and the information obtained during meetings with the Director in charge of the internal control system and risk management, with the Manager in charge of preparing the accounting documentation and during meetings of the Control Risk Committee, the Sustainability Committee and the Supervisory Board, the Board verified the adequacy and reliability of the internal control system and risks management.

20. The Board verified the adequacy of the administrative and accounting system and the reliability of the same in correctly representing business operations.
21. The Board verified the adequacy of the manner in which the parent company hands down instructions to its main subsidiaries.
22. During systematic meetings between the Board of Statutory Auditors and the Auditing Firm under art. 150, paragraph 2, Legislative Decree 58/1998, no significant findings emerged.
23. The Remuneration Report is prepared pursuant to art. 84 quarter of the Issuers' Regulations and to Consob resolution No. 11971/1999 and subsequent amendments, and is structured in two sections: the first section which contains the remuneration policy for the year 2023 and will be submitted to the shareholders' meeting, and the second section which describes the methods by which the remuneration policy in force for the financial year 2022 has been implemented, providing a summary of the remuneration paid.
24. The 2022 Report on Corporate Governance and Ownership Structure prepared by the Board of Directors contains a description of the governance of the Company and the Group that appears to be in line with the principles of the Self-Regulation Code and the Issuers' Regulations. This Report also presents information on the ownership structure pursuant to art. 123 bis of the TUF (consolidated finance act). The Board of Statutory Auditors monitored implementation of the corporate governance rules, based on the Corporate Governance Code promoted by Borsa Italiana in the version in force from 1 January 2021, in the terms illustrated within the 2022 Report on Corporate Governance and Ownership Structure.
25. The Chief Executive Officer and the Manager responsible for preparing the company's financial statements provided the statements required by article 154-bis, paragraph 5, regarding the financial statements and consolidated financial statements in accordance with the model provided in appendix 3c-ter of the Issuers' Regulations.
26. Impairment Test: with regard to the verification process carried out on the items subject to evaluation, the outcome of the impairment test did not reveal the need for an impairment. On 9 March 2023, the Board of Directors approved the Group Business Plan 2023-2027 and the related financial projections which were used to determine the cash flow projections considered for the purposes of the test. In estimating growth over the period of the plan, the Group took into consideration both its own internal expectations and the indications obtained from independent external sources.

The strategic objectives of the 2023-2027 Plan, the complex assessment process, as well as the assumptions on which the impairment test is based are illustrated in the Explanatory Notes to the Consolidated Financial Statements, note 4.9.

During 2022, the value of the Company which can be deducted from the prices of the Stock Market has always been higher than the value of its assets.

The Board of Directors believes that the assumptions incorporated in the financial projections approved for the impairment test are reasonable, also taking into account all the other elements and parameters considered in the impairment test execution.
27. Based on the same Financial Projection for the period 2023 – 2027 approved by the Board of Directors on 9 March 2023, the impairment test, in the separate financial statement of Safilo Group S.p.a., on the equity investment value in Safilo S.p.a. did not result in any impairment loss, as described in the note 4.5 of the Notes to the separate financial statement.
28. The Board also took note about the topics described in the "Key Audit Matters" paragraph included in the report of Independent Auditor.

29. Consolidated Non-Financial Information Statement: the Board verified the compliance with the provisions pursuant to the Legislative Decree 30 December 2016 no.254, regarding the consolidated non-financial information statement of Safilo Group S.p.A. and its subsidiaries (hereinafter NFD).

The Board of Statutory Auditors finds that the Company, in its capacity as Parent Company, has prepared, following the issue of Legislative Decree 30 December 2016, n. 254 ("Implementation of directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending directive 2013/34/EU as regards the disclosure of non-financial information and information on diversity by certain companies and certain large groups" - the "Decree"), the 2022 Consolidated Non-Financial Information Statement of the Safilo Group as required by Articles 3 and 4 of the Decree and by the "Global Reporting Initiative Sustainability Reporting Standards" (hereinafter GRI Standards), defined in 2016 and subsequently updated in 2021 by the GRI - Global Reporting Initiative - identified by the directors as a reporting standard.

The Board of Statutory Auditors supervised compliance with the provisions established by the Decree in the preparation of the NFS, ascertaining that the same allows the understanding of the business activity, its performance, its results and the impact produced by the same, and that relations in regarding environmental, social, personnel-related issues, respect for human rights, the fight against active and passive corruption, taking into account the activities and characteristics of the company, in compliance with the provisions of art. 3 of the aforementioned legislative decree.

The Board of Statutory Auditors also acknowledged that, pursuant to art. 3 paragraph 10, the Company Deloitte & Touche S.p.A., the entity in charge of auditing the Group's financial statements, issued on 15 March 2023 a specific Report on the Consolidated Non-Financial Information Statement attesting the compliance of the information provided in this Document with Articles 3 and 4 of the Decree and the GRI Standards.

30. The Board confirms that no omissions, irregularities or wrongful actions emerged from our supervisory activities that would need to be reported to the Supervisory Bodies or Shareholders.

To conclude, the Board expresses its approval, to the extent of its responsibilities, of the 2022 financial statements as presented by the Board of Directors, with the Report on Operations, and of Directors' proposal to cover the loss for the year of Euro 11,846,054 as formulated by the Directors. It also expresses its assent to the proposal to cover the losses carried forward for Euro 654,775,002 as formulated by the Directors.

Padua, 15 March 2023

THE BOARD OF STATUTORY AUDITORS

Signed by

Carmen Pezzuto

Chairman

Roberto Padova

Regular auditor

Bettina Solimando

Regular auditor

This report has been translated into the English language solely for the convenience of international readers.