

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE
SHAREHOLDERS' MEETING OF SAFILO GROUP S.P.A.
(Pursuant to Article 153 of Legislative Decree No. 58/1998)**

Dear Shareholders,

the Board of Statutory Auditors of Safilo Group S.p.A. (hereinafter also "Safilo" or the "Company"), pursuant to Article 153 of Legislative Decree No. 58/1998 (hereinafter also "TUF") is required to report to the Shareholders' Meeting convened to approve the financial statements on the supervisory activity carried out during the year, on any omissions and censurable facts that may have been detected and on the results of the Company's financial year.

The Board of Statutory Auditors is also called upon to make any proposals regarding the budget and its approval, as well as matters within its competence.

This report reports on the activities of Safilo's Board of Statutory Auditors during the year ended December 31, 2023.

1. BACKGROUND

The Board of Statutory Auditors in office as of the date of this report consists of Maria Francesca Talamonti (chair), Roberto Padova (standing member) and Bettina Solimando (standing member), appointed by the shareholders' meeting of April 27, 2023; Tina Marcella Amata and Marco Michielon are alternate auditors.

During the fiscal year ended December 31, 2023, the Board of Statutory Auditors carried out the supervisory activities required by law (and in particular, by Article 149 of the TUF and Article 19 of Legislative Decree No. 39/2010), taking into account the principles of conduct recommended by the National Council of Certified Public Accountants and Accounting Experts, Consob provisions on corporate controls, and the indications contained in the *Corporate Governance Code* of listed companies promoted by Borsa Italiana, to which the Company has declared to adhere.

Supervisory activities were carried out at the 9 meetings of the Board of Statutory Auditors held in 2023, attending 9 meetings of the Board of Directors, also participating in the shareholders' meeting held on April 27, 2023, 5 meetings of the Audit and Risk Committee, 5 meetings of the Compensation Committee, 4 meetings of the Sustainability Committee, 3 meetings of the Related Party Transactions Committee, and 3 meetings of the Supervisory Board.

On this point, it should be noted that in order to ensure greater effectiveness of supervisory activities, the Board has adopted, as an operational practice, that of active participation of the entire supervisory body in all meetings of endo-committees.

The Board of Statutory Auditors has met periodically with the auditing firm, and from the meetings held, there have been no significant reportable facts concerning the auditing activities, nor have there been any decisive deficiencies concerning the integrity of the internal control system with regard to the financial reporting process.

In this regard, it should be noted that, by a resolution passed by the shareholders' meeting on April 27, 2023, the independent auditors PricewaterhouseCoopers SpA (hereinafter also "PwC") were appointed to audit the statutory and consolidated financial statements for the period 2023- 2031.

It should also be noted that in the course of the supervisory activities carried out and on the basis of the information also obtained from the auditing company, no omissions, censurable facts or irregularities or otherwise significant facts were detected that would require reporting to the supervisory bodies.

2. SUPERVISORY ACTIVITIES UNDER ARTICLE 149 OF THE TUF.

Pursuant to Article 149 of the TUF, the Board of Statutory Auditors supervises:

- on compliance with the law and statutes;
- on adherence to the principles of proper administration;
- on the adequacy of the company's organizational structure for the aspects under its responsibility, the internal control system and the administrative-accounting system, as well as the reliability of the latter in correctly representing operating events;
- on how to concretely implement the corporate governance rules set forth in codes of conduct drawn up by regulated market management companies or trade associations, which the company, by means of public disclosures, declares that it complies with;
- on the adequacy of the provisions issued by the company to its subsidiaries pursuant to Article 114(2) of the TUF.

■ *Activities to supervise compliance with the law and statutes*

The Board of Statutory Auditors acquired the information instrumental to the performance of the supervisory duties assigned to it through participation in the meetings of the Board of Directors and endo-consiliar committees, hearings of the *management of the Company and the Group*, meetings with the auditing firm, analysis of the information flows acquired from the corresponding supervisory bodies of the Group companies and the relevant corporate structures, and further control activities.

In particular, the Board of Statutory Auditors:

- pursuant to Article 150, paragraph 1 of the TUF, has obtained from the directors, at least quarterly, information on the activities carried out and on the most significant economic, financial, and equity transactions carried out by the Company, as well as on the Group's strategic guidelines. The Board of Statutory Auditors can reasonably assure that the transactions resolved and implemented comply with the law and the bylaws and are not manifestly imprudent or risky, or in conflict with resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the Company's assets. There are also no atypical or unusual transactions;

- pursuant to Article 150, paragraph 3 of the TUF, held periodic meetings with representatives of the auditing firm in order to be able to exchange with it consolidated data and information relevant to the performance of its duties. In this regard, it is noted that no relevant data and information emerged that should be reported in this report;
- pursuant to Article 151 paragraph 1 and 2 of the TUF, had exchanges of information with the Boards of Statutory Auditors of the subsidiaries regarding the activities carried out during 2023: in particular, the Board points out that the two standing members of Safilo's Board of Statutory Auditors are also members of the Boards of Statutory Auditors of the two main subsidiaries, Safilo S.p.A. and Safilo Industrial S.r.l., which made it easier and more immediate to exchange information;
- received information from the Supervisory Board about its activities, from which there were no anomalies or significant reprehensible facts;
- Supervised compliance with the *privacy* provisions of the EU Regulation No. 2016/679 (so-called GDPR);
- has not received any complaints *under* Article 2408 of the Civil Code, nor have any complaints of any kind been filed;
- has not made any reports to Consob *under* Article 149(3) of the TUF;
- Issued the following opinions:
 - pursuant to Article 13 of Legislative Decree No. 39/2010, on the appointment of PwC as statutory auditor;
 - pursuant to art. 154-bis, para. 1, TUF, on the appointment of Michele Melotti as manager in charge of drafting corporate accounting documents;
- in accordance with the *Corporate Governance Code*, expressed its opinion (i) on the approval of the work plan prepared by the head of the *internal audit* function and (ii) on the assessment of the results set forth by the independent auditors in the supplementary report addressed to the supervisory board;
- supervised the fulfillment of requirements related to the "*Market abuse*" and "*Protection of savings*" regulations on corporate disclosure and *internal dealing*, with particular reference to the handling of inside information and the procedure for the dissemination of announcements and information to the public.

Further, the Board of Statutory Auditors, as to corporate bodies and functions, reports that in financial year 2023:

- the Board of Directors met 9 times;
- the Audit and Risk Committee met 5 times;
- the Remuneration Committee met 5 times;
- the Sustainability Committee met 4 times;
- the Related Party Transactions Committee met 3 times;
- the Supervisory Board met 3 times.

- *Supervisory activities on compliance with the principles of proper administration and the adequacy of the organizational structure*

The Board of Auditors:

- acquired knowledge of and supervised, to the extent of its competence, the adequacy of the Company's organizational structure and compliance with the principles of proper administration through direct observation, collection of information from the heads of corporate functions, and meetings with the auditing firm for the purpose of mutual exchange of relevant data and information, and in this regard has no particular observations to report, considering the Company's organizational structure to be substantially adequate to its needs and suitable for ensuring compliance with the principles of proper administration;
- assessed and supervised the adequacy of the administrative-accounting system, as well as the reliability of the latter to correctly represent operating events, by obtaining information from the heads of the respective functions, examining company documents, and analyzing the results of the work performed by the independent auditors, and in this regard has no particular observations to report;
- did not find any facts and circumstances involving the unsuitability of the administrative and accounting system of the non-EU subsidiaries to regularly provide the management and auditor of the parent company with the income statement, balance sheet and financial data necessary for the preparation of the consolidated financial statements, as required by Article 15(1)(c)(ii) of the Market Regulations.

The Board of Statutory Auditors found that adequate documentation supporting the topics discussed at board meetings is made available to directors and auditors well in advance, in accordance with the *Corporate Governance Code*.

On the basis of the information acquired, the Board of Statutory Auditors acknowledges that management decisions are based on the principle of fair information and reasonableness, and that the directors have been made aware of the riskiness and effects of the transactions made.

The Board of Statutory Auditors found no significant atypical and/or unusual transactions, including intragroup transactions or transactions with intragroup and non-intergroup related parties.

The Board also assessed the adequacy of the information made within the management report about the non-existence of significant atypical and/or unusual transactions.

■ *Supervisory activities on how corporate governance rules are actually implemented*

In relation to the provisions of Article 149, paragraph 1, letter *c-bis*, of the TUF regarding the supervision by the Board of Statutory Auditors "on the procedures for the concrete implementation of the corporate governance rules laid down in codes of conduct drawn up by management companies of regulated markets or by trade associations, which the company, by means of public disclosures, declares that it complies with," the Board of Statutory Auditors reports that:

- monitored how the corporate governance rules set forth in codes of conduct to which the Company, by means of public disclosure and on the basis of the "comply or explain" principle, declares to comply, expressing - from time to time - its recommendations;
- noted that the *Report on Corporate Governance and Ownership Structure* for 2023, approved on March 14, 2024, in fulfillment of relevant legal and regulatory obligations, contains information on the ownership structure, adherence to codes of conduct and compliance with consequent commitments, highlighting the choices the Company has made in applying the self-regulatory principles.

The Board of Statutory Auditors further acknowledges:

- that it has ascertained that all of its regular members meet the requirements of independence, professionalism, honorability and limits to the accumulation of offices provided for by law, the bylaws and the *Corporate Governance Code*, as well as the proper and effective functioning of the body as a whole, formalizing in a report the results of the self-assessment process carried out and informing the Board of Directors, which has given notice of them in the *Report on Corporate Governance and Ownership Structure*;
- that it has ascertained the proper application of the criteria and procedures adopted by the Board of Directors to assess annually the independence of its independent directors. In this regard, the Board of Auditors notes that declarations have been received from the directors, in connection with the periodic assessment to be carried out pursuant to the *Corporate Governance Code*, regarding their possession of the independence requirements set forth in Article 148, paragraph 3, of the TUF (referred to in Article 147-ter, paragraph 4, of the TUF).

■ *Supervisory activities on the adequacy of the arrangements made by the company to its subsidiaries*

Pursuant to Article 114(2) of the TUF: (i) listed issuers shall issue the necessary instructions for subsidiaries to provide all the news necessary to fulfill the disclosure obligations required by law; (ii) subsidiaries shall promptly transmit the required news.

The Board of Statutory Auditors monitored the adequacy of the instructions given to the subsidiaries, having ascertained that the Company is able to promptly and regularly fulfill the reporting obligations required by law; this was also done by collecting information from the heads of organizational functions, for the purpose of mutual

exchange of relevant data and information. In this regard, there are no particular comments to report.

■ *Intercompany or related party transactions*

Pursuant to Article 2391-bis of the Italian Civil Code and Consob Resolution No. 17221 of March 12, 2010 on Related Party Transaction Regulations (hereinafter also the "Regulations"), Safilo on November 5, 2010 adopted *Regulations governing related party transactions*, most recently updated on July 1, 2021.

The procedure currently in force (hereinafter also referred to as the "Procedure") (i) is consistent with the principles contained in the Regulations in effect as of the date of this report and (ii) is published on the Company's *website*.

During fiscal year 2023, based on the information received, a number of transactions with related parties, both intercompany and third parties, have been entered into; these transactions, to the best of our knowledge:

- were carried out in substantial adherence to the Procedure and Regulations;
- appear to have been carried out in the interest of the Company, of an ordinary nature and concluded on terms equivalent to market or *standard* terms;
- do not include atypical or unusual transactions.

Transactions with related parties are adequately described in the annual and consolidated financial statements, in which the main income statement and balance sheet balances arising from transactions with related parties are also reported, including-when present-those relating to directors, auditors, and key management personnel.

Detailed information on the compensation payable for the year 2023 to members of the management and control bodies and key management personnel is provided in the *Remuneration Report 2023* prepared in accordance with Article 123-ter of the TUF.

3. SUPERVISORY ACTIVITIES PURSUANT TO LEGISLATIVE DECREE NO. 39/2010

Pursuant to Legislative Decree No. 39/2010 as amended by Legislative Decree 135/2016 (hereinafter also

"Decree") the Board of Statutory Auditors, identified by the Decree as the Audit Committee, is responsible for:

- inform the administrative body of the audited entity of the outcome of the statutory audit and transmit to this body the additional report referred to in Article 11 of EU Reg. No. 537/2014 (hereinafter also "European Regulation"), together with any comments;
- monitor the financial reporting process and make recommendations or proposals to ensure its integrity;
- monitor the effectiveness of the firm's internal quality control and risk management systems and, if applicable, internal audit, with respect to the audited entity's financial reporting, without violating its independence;

- monitor the statutory audit of the annual financial statements and consolidated financial statements, including taking into account any findings and conclusions of quality audits conducted by Consob pursuant to Article 26(6) of the European Regulation, where available;
- verify and monitor the independence of statutory auditors or auditing firms in accordance with Articles 10, *10-bis*, *10-ter*, *10-quater* and 17 of the Decree and Article 6 of the European Regulations, particularly with regard to the appropriateness of the provision of non-audit services to the audited entity, in accordance with Article 5 of those Regulations;
- be responsible for the procedure to select statutory auditors or statutory audit firms and recommend statutory auditors or statutory audit firms to be appointed pursuant to Article 16 of the European Regulation.

With reference to the activities under the Decree, the following should be noted.

- *Disclosure to the board of directors on the outcome of the statutory audit and the additional report referred to in Article 11 of the European Regulation*

The Board of Statutory Auditors represents that on March 22, 2024, the auditing firm PwC issued the supplementary report *pursuant to* Article 11 of the European Regulations (hereinafter also "Supplementary Report"), which represents the results of the statutory audit carried out and includes the declaration on independence referred to in Article 6(2)(a) of the Regulations, as well as the disclosures required by Article 11 of the Regulations, without identifying any significant deficiencies.

The Board of Statutory Auditors will inform the Company's Board of Directors about the results of the statutory audit by forwarding the Additional Report to the Chairman of the Board of Directors in accordance with Article 19 of the Decree.

- *Supervisory activities on the financial reporting process*

The Board of Statutory Auditors has verified the existence of rules and procedures to guard the process of formation and dissemination of financial information; in this regard, the *Annual Report on Corporate Governance and Ownership Structure* defines the reference guidelines for the establishment and management of the system of administrative and accounting procedures.

The Board of Statutory Auditors reviewed the procedures related to the preparing of the Company's statutory and consolidated financial statements, as well as any other financial communications.

Certifications on the consolidated and the statutory financial statements were issued by the Chief Executive Officer, the Chairman of the Board of Directors, and the manager responsible for preparing the Company's financial statements pursuant to Article *154-bis* of the TUF.

Therefore, the Board of Statutory Auditors expresses an assessment of the adequacy of the financial reporting process and believes there are no issues to be submitted to the Shareholders' Meeting.

- *Supervisory activities on the effectiveness of internal control, internal audit and risk management systems*

The Board of Statutory Auditors supervised the adequacy and effectiveness of the system of internal control and risk management ("SCIGR").

The Board of Statutory Auditors met periodically with the Head of *Internal Audit*, being informed in relation to (i) the results of *audit* interventions (aimed at verifying the adequacy and operation of the internal control system, compliance with the law, procedures and business processes, (ii) the activity of implementing related improvement plans, and (iii) the activity of identifying, assessing, managing and monitoring the risks identified within the company's *business model*.

The Board has received the plan of *audit* activities for the year 2023, and has been periodically updated on the progress of the plan; it has also received the report of the Head of *Internal Audit* for the year 2023 on the evaluation of the internal control system, which shows an opinion on the reliability and suitability of the Group's SCIGR.

In addition, the Board has always attended all meetings of the Audit and Risk Committee, in the course of which no indicators have emerged to suggest that the Company's SCIGR is inadequate.

Regarding the proper compliance with the regulations contained in Legislative Decree 231/2001, the Board of Statutory Auditors noted that, during 2023, Safilo's Supervisory Board reported jointly to the Audit and Risk Committee and the Board of Directors on its activities. The Board of Statutory Auditors has reviewed the reports of the Supervisory Board on its activities during 2023, which show that during 2023, no reprehensible facts or violations of the organizational model were found.

The Board reports that PwC's Additional Report does not reveal any deficiencies in the internal control system in relation to the financial reporting process such that they should be reported to the supervisory body.

In light of all of the above, the Board of Statutory Auditors believes that there is no evidence that the internal control system as a whole is not substantially adequate and effective; likewise, the Board of Statutory Auditors believes that there are no issues to be submitted to the Shareholders' Meeting.

- *Supervisory activities on the statutory audit of the annual financial statements and consolidated financial statements*

The accounts have been subjected to the checks required by the regulations by the auditing firm, which, in the course of its periodic meetings with the Board of Statutory Auditors, has not pointed out any issues in this regard.

The Board of Auditors analyzed the work carried out by the auditing firm and, in particular, the methodological framework, the audit approach used for the different significant areas of the financial statements, and the planning of the audit work.

The Board of Statutory Auditors also shared issues related to business risks with the auditing firm, thus being able to appreciate the adequacy of the response planned by the

auditor in terms of the audit approach with the profiles, structural and risk, of the Company and the Group.

PwC issued, on March 22, 2024, the Additional Report *under* Article 11 of the European Regulations, the report on the audit of the annual financial statements and the report on the audit of the consolidated financial statements.

As for the last two reports, it is represented that:

- both reports contain: (i) an opinion on the true and fair representation of the financial position of Safilo and the Group as of December 31, 2023, the results of operations and cash flows for the year then ended in accordance with the *International Financial Reporting Standards* adopted by the European Union, as well as the measures issued in implementation of Article 9 of the D. Lgs. 38/05; (ii) the description of any key aspects of the audit and the audit procedures in response to the key aspects; (iii) the opinion on the consistency of the Directors' Report with the statutory and consolidated financial statements as of December 31, 2023 and its compliance with the law; (iv) the opinion on the consistency of certain specific information in the *Report on Corporate Governance and Ownership Structure* with the statutory and consolidated financial statements as of December 31, 2023; (v) confirmation that the opinion on the statutory financial statements and the opinion on the consolidated financial statements expressed in the respective reports are in line with what is indicated in the Additional Report addressed to the undersigned Board of Statutory Auditors, in its capacity as the Audit Committee, prepared pursuant to Art. 11 of the European Regulations;
 - the aforementioned reports do not contain any remarks or calls for disclosure;
 - in its report on the audit of the consolidated financial statements, PwC acknowledges that it has verified the directors' approval of the non-financial statement.
- *Audit firm independence oversight activities, particularly with regard to the provision of non-audit services*

The Board of Statutory Auditors supervised, also with reference to the provisions of Article 19 of the D. Legislative Decree 39/2010, on the independence of the auditing firm: in this regard, it should be noted that during the 2023 financial year PwC provided the parent company and subsidiaries with services other than auditing in the amount of 45.0 thousand euros. These assignments were approved in advance by the Board of Statutory Auditors and, based on the checks carried out, the Board of Statutory Auditors did not consider that there were any critical issues regarding the independence of the auditing firm.

The fees paid by Safilo Group to the auditing firm PwC and companies belonging to the PwC network are as follows (amounts in Euro/000):

Company and reporting period	Auditing		Attestation services	Other services	Total
	PwC	Network			
Safilo Group S.p.A. 2023	170	-	26	-	196
Subsidiaries 2023	119	1.096	19	-	1.234
Total	289	1.096	45	-	1.430

The Board of Auditors considers that the aforementioned fees are appropriate for the size, complexity and characteristics of the work performed.

The Board also considers the independence requirement of the auditing firm to be met, which provided, as part of the Additional Report *under* Article 11 of the European Regulations issued on March 22, 2024, annual confirmation of independence in accordance with Article 6(2)(a) of the European Regulations.

4. CONSOLIDATED NON-FINANCIAL STATEMENT (DNF)

Safilo, as a public interest entity (PIE) and a large Group, is required to disclose non-financial information by submitting, in accordance with the provisions of Legislative Decree 254/2016, a consolidated non-financial statement ("DNF").

In compliance with the aforementioned regulations, Safilo Group's DNF has been prepared to the extent necessary to ensure an understanding of the Group's *business*, its performance, results, and impact produced by it, and includes data from the parent company and its subsidiaries consolidated on a line-by-line basis as of December 31, 2023, and covers the issues deemed relevant and provided for in Article 3 of Legislative Decree 254/2016.

The DNF was prepared in accordance with the Global Reporting *Initiative Sustainability Reporting Standards* defined in 2021 by the *Global Reporting Initiative (GRI)*, according to the "in accordance" option, as well as the ESMA recommendations and guidelines published on October 25, 2023.

For 2023, Safilo confirmed the materiality analysis developed in 2019 through formal approval by the Board of Directors: there were no changes in the organization's sectors, value chain, and other *business* relationships since the previous reporting period.

In this regard, the Board of Statutory Auditors monitored compliance with the provisions set forth in the D. Lgs. 254/2016, within the scope of the powers attributed to it by the system; in this regard, it is represented that:

- the Board of Statutory Auditors obtained periodic updates regarding the performance of activities preparatory to the preparation of the DNF;
- pursuant to Article 3, paragraph 10, of Legislative Decree 254/2016 and Article 5 of the Consob Regulations No. 20267, the Company commissioned PwC to conduct the limited review of Safilo Group's DNF;

- PwC issued a report on March 22, 2024, expressing, on the basis of the procedures carried out, an opinion of DNF's compliance with the requirements of the Decree and the GRI *Sustainability Reporting Standards*.

The Board of Statutory Auditors has not become aware of any violations of the relevant regulatory provisions and, therefore, expresses an assessment of the adequacy of the nonfinancial disclosure formation process and believes there are no issues to be submitted to the Shareholders' Meeting.

5. STATUTORY FINANCIAL STATEMENTS, CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT REPORT

Safilo's financial statements, approved by resolution of the Company's Board of Directors on March 14, 2024, have been prepared in accordance with IAS-IFRS issued by the *International Accounting Standards Board* (IASB) and endorsed by the European Union.

With specific regard to the examination of the statutory financial statements for the year ended December 31, 2023, the consolidated financial statements, and the management report, the Board of Statutory Auditors reports the following:

- the financial statements were delivered to the Board of Auditors in time to be filed at the Company's registered office accompanied by this report;
- the Company's financial statements and consolidated financial statements are prepared in accordance with the structure and formats required by current regulations;
- the financial statements are accompanied by the directors' report on operations, which summarizes the main risks and uncertainties and gives an account of the foreseeable development of operations; it complies with current regulations and is consistent with the resolutions of the administrative body and the results of the financial statements. It also contains adequate information on the year's activities and intercompany transactions. The section containing information on related party transactions has been included, in accordance with IFRS, in the notes to the financial statements;
- the *Report on Corporate Governance and Ownership Structure* and, pursuant to Article 123-*bis* of the TUF, the *Report on Remuneration* were also prepared;
- the Board of Auditors has verified the correspondence of the financial statements to the facts and information of which it has become aware as a result of the performance of its duties, having, therefore, no observations in this regard;
- to the best of the Board of Statutory Auditors' knowledge, the directors, in preparing the financial statements, have not departed from the provisions of the law pursuant to Article 2423 of the Civil Code.

6. PROPOSAL TO THE ASSEMBLY

The Board of Statutory Auditors is in favor of approving the financial statements as of December 31, 2023, and has no objections to the proposed resolution submitted by the Board of Directors to carry forward the loss for the year.

7. FINAL CONSIDERATIONS

The Board of Statutory Auditors has no findings to report with regard to the information obtained and the supervisory activities carried out; it did not find any omissions, censurable facts or irregularities or circumstances that would require reporting in this report or to the Supervisory Authority.

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Pursuant to Article *144-quinquiesdecies* of the Issuers' Regulations, approved by Consob Resolution 11971/99, as amended and supplemented, the list of positions held by members of the Board of Statutory Auditors at companies under Book V, Title V, Chapters V, VI and VII of the Civil Code is published by Consob on its *website* (www.consob.it).

Padua, March 22, 2024

For the Board of Statutory Auditors.

Maria Francesca Talamonti (Chairman)

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