



**REPORT OF THE BOARD OF DIRECTORS FOR
THE ORDINARY AND EXTRAORDINARY
SHAREHOLDERS' MEETING
OF
SAFILO GROUP S.p.A.
CALLED ON APRIL 27, 2023, IN SINGLE CALL**

**ITEM NO. 1 ON THE AGENDA – EXTRAORDINARY SESSION
(Report drafted pursuant to Articles 125-ter of the T.U.F. and Article 72 of the
Issuer's Regulation)**

Dear Shareholders,

this report is drafted by the Board of Directors of Safilo Group S.p.A. (the “**Company**”) pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998, (the “**TUF**”) and Article 84-ter of the regulation adopted by CONSOB with resolution no. 11971 of May 14, 1999, as subsequently amended and supplemented (the “**Issuers’ Regulation**”) and according to Annex 3A of the same Issuers’ Regulation and is made available to the public in the manner and within the terms provided for in the applicable laws and regulations.

With this report we would like to illustrate item no. 1 - extraordinary session - on the agenda of the Ordinary and Extraordinary Shareholders’ Meeting of the Company, called at the registered office of the Company on April 27, 2023, at 10 am, in single call.

- 1. Proposal of issuance in cash up to a maximum number of 11,000,000 ordinary shares without any indication of par value, with exclusion of the preemption right pursuant to Article 2441, Paragraph 8 of the Italian Civil Code, at the service of a stock option plan (“Stock Option Plan 2023-2025 of Safilo Group S.p.A. and Safilo S.p.A.”) reserved to executive directors who are also employees and other employees of Safilo Group S.p.A. and/or other companies within the Safilo Group; consequent amendments to Article 5 of the Articles of Association; related and consequent resolutions**

The Board of Directors brings to your attention the proposed issuance in cash up to a maximum number of 11,000,000 Safilo Group ordinary shares without any indication of par value, with exclusion of the pre-emption right pursuant to Article 2441, Paragraph 8 of the Italian Civil Code (the “**Shares’ Issuance**”), to service a stock option plan named “Stock Option Plan 2023-2025 of Safilo Group S.p.A. and Safilo S.p.A.” reserved to executive directors who are also employees and other employees of Safilo Group S.p.A. and/or other companies within the Safilo group (the “**Group**”), to be subscribed by June 30, 2033 (date coinciding with the end of the period for the subscription of the options under the Plan, as defined below).

1. Reasons and aim of the Shares’ Issuance

The Shares’ Issuance is at the service of the share incentive plan called “Stock Option Plan 2023 - 2025 of Safilo Group S.p.A. and Safilo S.p.A.” (the “**Plan**”), whose guidelines have been submitted for approval to the ordinary Shareholders’ Meeting by the Board of Directors of the Company; for this purpose, reference should be made to the report related to item no. 4 on the agenda, ordinary session.

In particular, it is hereby pointed out that the Plan covers a maximum of 22,000,000 options (the “Options”) valid for the assignment of a maximum number of 22,000,000 ordinary shares, at the rate of no. 1 (one) ordinary share every no. 1 (one) option awarded and exercised pursuant to the terms and conditions of the Plan.

Such maximum 22,000,000 ordinary shares shall derive from: (i) the issuance in cash from the Company of up to a maximum number of 11,000,000 ordinary shares without any indication of par value, with exclusion of the pre-emption right pursuant to Article 2441, Paragraph 8 of the Italian Civil Code; and (ii) the provision of Safilo Group ordinary shares that its subsidiary Safilo S.p.A. may purchase and dispose, in execution of specific shareholders' meeting authorizations, in favor of its own employees and/or employees of its subsidiaries, pursuant to Article 2359-*bis* of the Italian Civil Code, Article 132 of the TUF and Article 144-*bis* of the Issuers' Regulation and in compliance with current European legislation.

The Options shall be granted free of charge to the beneficiaries identified by the Board of Directors of the Company (the “Beneficiaries”), upon the proposal of the Remuneration and Nomination Committee in case the Beneficiary is the Chief Executive Officer of the Company, or upon the proposal of the Chief Executive Officer after consulting the Remuneration and Nomination Committee, for the other Beneficiaries of the Plan. In compliance with Article 2441, paragraph 8 of the Italian Civil Code, the Beneficiaries may only be employees of the Company and/or other Group companies.

The reasons for the implementation of a share incentive plan, that may be in part fulfilled with the Shares' Issuance, can be found in the opportunity to provide the Company with an efficient instrument for retention of employees who hold an important role or who are deemed to play a significant role in the achievement of the medium-long term goals of the Group.

In addition to employees retention's purposes, the Plan is also implemented to offer incentives to the same Beneficiaries, through the use of an instrument aimed at aligning Beneficiaries and shareholders' economic interest towards a common goal of share price increase.

The Shares' Issuance serving the Plan, in case of full subscription of the shares following the exercise of all the Options that may be assigned by the Company, shall determine for the shareholders of the same a dilution of approximately 2.60% of their shareholding.

2. Issue price

Provided that, according to the Plan guidelines submitted to the Ordinary Shareholders' Meeting for approval by the Board of Directors: (i) the Options under the Plan shall be awarded in no more than three tranches and the amount of each tranche shall be determined by the Board of Directors of the

Company; and (ii) such Board of Directors, with reference to each tranche, shall not be subject to any obligation in the determination of the number of Options to be assigned to each Beneficiary, being able to discretionally resolve e.g. to not identify any Beneficiary under one or more tranches or to identify multiple Beneficiaries within the same tranche in one or more times. The Board of Directors decided to propose to the Shareholders' Meeting to set the criterium used to determine the issue price of the Company shares as illustrated here below.

The issue price of the new shares shall be equal to the average weighted by volume (rounded to the second decimal place) of the daily official prices of the Company shares for the preceding month leading up to the day on which the Board of Directors determines the number of Options to be assigned under the Plan (therefore, it means the period starting from the day preceding the Board of Directors' meeting which determines such number of Options and ending on the same day of the previous calendar month, it being understood that, during the aforesaid period, only trading days will be taken into account to determine the weighted average).

It should be noted that any payments made by the Beneficiaries for the purpose of exercising the Options assigned to them that are served through the Shares' Issuance shall be fully charged to the share premium reserve, without any increase in the share capital of the Company; consequently, the Shares' Issuance shall lead to an increase of maximum no. 11,000,000 shares in relation to the number of shares into which the share capital is divided, currently equal to 384,857,848.45 Euro the latter remaining unchanged.

3. Characteristics of the newly issued shares

The Company shall make available to the Beneficiaries the ordinary newly issued shares subscribed through the exercise of Options under the Plan in accordance with the provisions of the same. The ordinary shares of the Company subscribed by the Beneficiary shall provide regular dividend rights and therefore the same as the other outstanding Company's shares at the date of their issuance.

4. Amendments to Company's Articles of Association

The Shares' Issuance above described will imply the need to supplement Article 5 of the current Articles of Association including a new paragraph. The proposed wording to be inserted into the Article 5 is hereinafter attached.

<i>Current Text</i>	<i>Amended Text</i>
Article 5 Share capital amounts to Euro 384,857,848.45	Article 5 Share capital amounts to Euro 384,857,848.45

(three hundred eighty-four million eight hundred and fifty-seven thousand eight hundred and forty-eight/45) divided into no. 413,745,466 (four hundred and thirteen million seven hundred and forty-five thousand four hundred and sixty-six) ordinary shares without any indication of par value.

Option rights may be excluded, in respect of the capital increase, up to the limit of ten per cent of existing capital, on the condition that the issue price corresponds to the market value and this is confirmed in a report by the Company's auditors, pursuant to article 2441, paragraph 4, point 2, of the Italian Civil Code.

By virtue of what has been specified above, the extraordinary meeting of April 15th, 2014 resolved to increase the share capital by a maximum value of Euro 7,500,000.00 (seven million five hundred thousand/00) by issuing new ordinary shares for an amount up to a maximum of no. 1,500,000 (one million five hundred thousand/00) without any indication of par value, to be offered for subscription to directors and/or employees of the Company and its subsidiaries.

On April 26, 2017, the extraordinary general meeting resolved to increase the share capital, in cash and in more tranches, by a maximum value of Euro 12,500,000.00 (twelve million five hundred thousand/00) attributable to the entire share capital by issuing new ordinary shares for an amount up to a maximum of no. 2,500,000 (two million five hundred thousand) without any indication of par value, having the same characteristics as those already issued, with regular enjoyment, with the exclusion of the option right pursuant to article 2441, paragraph 4, second part of the Italian Civil Code, to be offered for subscription to the beneficiaries of the 2017-2020 Stock Option Plan, at a certain exercise price, equal to the volume weighted average of the official price of the Safilo Group's shares registered on the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A. (Mercato Telematico Azionario) for the preceding month leading up to the granting of options (therefore the period starting from the day preceding the Board of Directors' meeting which resolves the granting of options and ending on the same day of the previous calendar month, it being understood that, during the aforesaid period, only trading days will be taken into account to determine the

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weighted average).

On April 28, 2020, the extraordinary shareholders' meeting resolved to issue, without capital increase, up to a maximum number of 7,000,000 (seven million) ordinary shares without any indication of par value, having the same characteristics as those already issued, with exclusion of the pre-emption right pursuant to Article 2441, Paragraph 8, of the Italian Civil Code, to be offered for subscription to the beneficiaries of the 2020-2022 Stock Option Plan, at an issue price, fully charged to the share premium reserve, equal to the volume weighted average (rounded down to the second decimal place) official price of the Company shares for the preceding month leading up to the day on which the Board of Directors resolves the assignment of the Options under the Plan (therefore, it means the period starting from the day preceding the Board of Directors' meeting which resolves the assignment and ending on the same day of the previous calendar month, being understood that, during the aforesaid period, only trading days will be taken into account to determine the weighted average).

On July 30, 2021 the extraordinary shareholders' meeting resolved to increase the share capital, in divisible form, for consideration in compliance with the option right pursuant to Article 2441, paragraph 1, of the Italian Civil Code, up to a maximum amount of Euro 135,000,000 (one hundred and thirty-five million), including any share premium, through the issuance of ordinary shares without any indication of par value with the same characteristics as those in circulation to be subscribed by April 30, 2022 at a unit price calculated taking into account, inter alia, market conditions in general and the trend of the Company's share price and volumes, expressed on the stock exchange, as well as the Company's economic, financial and capital performance and market practice for similar transactions. Without prejudice to the above criteria, the issue price will be calculated by applying, in accordance with market practices for similar transactions, a discount to the so-called Theoretical Ex-Right Price (TERP) of existing shares, calculated using current methodology.

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	<p>calculated by applying, in accordance with market practices for similar transactions, a discount to the so-called Theoretical Ex-Right Price (TERP) of existing shares, calculated using current methodology.</p> <p>On April 27, 2023, the extraordinary shareholders' meeting resolved to issue up to a maximum number of 11,000,000 (eleven million) ordinary shares without any indication of par value, having the same characteristics as those already issued, with exclusion of the pre-emption right pursuant to Article 2441, Paragraph 8 of the Italian Civil Code, to be offered for subscription to the beneficiaries of the "Stock Option Plan 2023-2025 of Safilo Group S.p.A. and Safilo S.p.A." (the "Plan"), at an issue price, fully charged to the share premium reserve, equal to the average weighted by volume (rounded to the second decimal place) of the daily official prices of the Company shares for the preceding month leading up to the day on which the Board of Directors determines the number of options to be assigned under the Plan (the "Options") (therefore, it means the period starting from the day preceding the Board of Directors' meeting which determines such number of Options and ending on the same day of the previous calendar month, being understood that, during the aforesaid period, only trading days shall be taken into account to determine the weighted average).</p>
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It is hereby specified that the amendment to the Articles of Association do not imply the right of withdrawal pursuant to Article 2437 of the Italian Civil Code.

The Board of Directors therefore submits the following resolution for your approval:

"The Extraordinary Shareholders' Meeting of Safilo Group S.p.A.,

- *having taken into account the approval by the Ordinary Shareholder's Meeting of the Company held on April 27, 2023, pursuant to Article 114-bis of the Legislative Decree no. 58 of February 24, 1998, of the stock option plan named "Stock Option Plan 2023-2025 of Safilo Group S.p.A. and Safilo S.p.A.";*

- *having taken into account the Illustrative Report of the Board of Directors;*
- *having taken into account that the share capital is Euro 384,857,848.45 (three hundred eighty-four million eight hundred and fifty-seven thousand eight hundred and forty-eight/45) divided into no. 413,745,466 (four hundred and thirteen million seven hundred and forty-five thousand four hundred and sixty-six) ordinary shares without any indication of par value.;*

resolves

- 1) *to issue in cash up to a maximum number of 11,000,000 Safilo Group ordinary shares without any indication of par value, having the same characteristics as those already issued, with exclusion of the pre-emption right pursuant to Article 2441, Paragraph 8 of the Italian Civil Code, reserved for subscription to the beneficiaries of the “Stock Option Plan 2023-2025 of Safilo Group S.p.A. and Safilo S.p.A.”, stating that, according to Article 2439, paragraph 2, of the Italian Civil Code, the deadline for the subscription is June 30, 2033, and providing that should all the shares not be subscribed according to the terms and conditions stated herein and by the set deadline, the number of shares representing the share capital shall be increased by an amount equal to the number of shares subscribed until that time;*
- 2) *to grant to the Board of Directors of the Company the right to set the issue price of the Safilo Group shares, that shall be equal to the average weighted by volume (rounded to the second decimal place) of the daily official prices of the Company shares for the preceding month leading up to the day on which the Board of Directors determines the number of Options to be assigned under the Plan (therefore, it means the period starting from the day preceding the Board of Directors’ meeting which determines such number of Options and ending on the same day of the previous calendar month, being understood that, during the aforesaid period, only trading days shall be taken into account to determine the weighted average);*
- 3) *to amend accordingly the text of Article 5 of the Company’s Articles of Association:*
Share capital amounts to Euro 384,857,848.45 (three hundred eighty-four million eight hundred and fifty-seven thousand eight hundred and forty-eight/45) divided into no. 413,745,466 (four hundred and thirteen million seven hundred and forty-five thousand four hundred and sixty-six) ordinary shares without any indication of par value.
Option rights may be excluded, in respect of the capital increase, up to the limit of ten per cent of existing capital, on the condition that the issue price corresponds to the market value and this is confirmed in a report by the Company’s auditors, pursuant to article 2441, paragraph 4, point 2, of the Italian Civil Code.
By virtue of what has been specified above, the extraordinary meeting of April 15th, 2014 resolved to increase the share capital by a maximum value of Euro 7,500,000.00 (seven million five hundred thousand/00) by issuing new ordinary shares for an amount up to a maximum of no. 1,500,000 (one million five hundred thousand/00) without any indication of

par value, to be offered for subscription to directors and/or employees of the Company and its subsidiaries.

On April 26, 2017, the extraordinary general meeting resolved to increase the share capital, in cash and in more tranches, by a maximum value of Euro 12,500,000.00 (twelve million five hundred thousand/00) attributable to the entire share capital by issuing new ordinary shares for an amount up to a maximum of no. 2,500,000 (two million five hundred thousand) without any indication of par value, having the same characteristics as those already issued, with regular enjoyment, with the exclusion of the option right pursuant to article 2441, paragraph 4, second part of the Italian Civil Code, to be offered for subscription to the beneficiaries of the 2017-2020 Stock Option Plan, at a certain exercise price, equal to the volume weighted average of the official price of the Safilo Group's shares registered on the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A. (Mercato Telematico Azionario) for the preceding month leading up to the granting of options (therefore the period starting from the day preceding the Board of Directors' meeting which resolves the granting of options and ending on the same day of the previous calendar month, it being understood that, during the aforesaid period, only trading days will be taken into account to determine the weighted average).

On April 28, 2020, the extraordinary shareholders' meeting resolved to issue, without capital increase, up to a maximum number of 7,000,000 (seven million) ordinary shares without any indication of par value, having the same characteristics as those already issued, with exclusion of the pre-emption right pursuant to Article 2441, paragraph 8, of the Italian Civil Code, to be offered for subscription to the beneficiaries of the 2020-2022 Stock Option Plan, at an issue price, fully charged to the share premium reserve, equal to the volume weighted average (rounded down to the second decimal place) official price of the Company shares for the preceding month leading up to the day on which the Board of Directors resolves the assignment of the Options under the Plan (therefore, it means the period starting from the day preceding the Board of Directors' meeting which resolves the assignment and ending on the same day of the previous calendar month, being understood that, during the aforesaid period, only trading days will be taken into account to determine the weighted average).

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On April 27, 2023, the extraordinary shareholders' meeting resolved to issue up to a maximum number of 11,000,000 (eleven million) ordinary shares without any indication of par value, having the same characteristics as those already issued, with exclusion of the pre-emption right pursuant to Article 2441, Paragraph 8 of the Italian Civil Code, to be offered for subscription to the beneficiaries of the "Stock Option Plan 2023-2025 of Safilo Group S.p.A. and Safilo S.p.A.", at an issue price, fully charged to the share premium reserve, equal to the average weighted by volume (rounded to the second decimal place) of the daily official prices of the Company shares for the preceding month leading up to the day on which the Board of Directors determines the number of Options to be assigned under the Plan (therefore, it means the period starting from the day preceding the Board of Directors'

meeting which determines such number of Options and ending on the same day of the previous calendar month, being understood that, during the aforesaid period, only trading days shall be taken into account to determine the weighted average)."

- 4) *to grant severally the Chairman and the Chief Executive Officer of the Company, who can sub-delegate someone else, any power necessary to implement the above resolutions as well as to take care of the required and/or appropriate formalities needed, with the power to make any non-substantial amendments, adjustments or integrations that might be appropriate or required by the competent Authorities, even upon filing and in general for the precise execution of the present resolutions, with the right to amend, following the full and/or partial exercise of the options and related full and/or partial subscription of the shares' issuance serving the Plan, Article 5 of the Company's Articles of Association, every time this is required, and provide for the related official registration, pursuant to Article 2436, paragraph 2, of the Italian Civil Code".*

Padua, March 28, 2023

for the Board of Directors
Eugenio Razelli
Chairman