



THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A. APPROVES 2022 ECONOMIC AND FINANCIAL RESULTS AND THE GROUP'S MEDIUM-TERM TARGETS

2022 concludes four years of effective turnaround laying solid foundations for the Group's future growth

- **Net sales at €1,076.7 M, +11.1%**
- **Gross margin of 55.5% vs 51.7% in 2021**
 - **Adj.³ EBITDA at €101.2 M, +24.2% and margin of 9.4%**
- **Adj.³ Group Net result at €58.3 M**

Group's economic and financial targets for 2027:

- **Net sales at around €1.3bn**
- **Adj. EBITDA margin of 12%-13%**
 - **Positive FCF generation throughout the Plan period**

Padua, March 9, 2023 – 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, 2022¹ and examined the separate financial statements for the year ended December 31, 2022¹, which will be submitted for approval by the shareholders at the Annual General Meeting to be held in a single call on April 27, 2023. The Board of Directors has decided not to propose the payment of a dividend to the next Annual General Meeting.

Today, the Board of Directors also approved the Group's medium-term economic and financial targets.

Angelo Trocchia, Safilo Chief Executive Officer, commented:

“Starting from 2019, Safilo has embarked on an ambitious strategic turnaround journey to re-establish the Group as a healthy and competitive player in the attractive eyewear sector. We are proud of the effective progress made so far by Safilo, notwithstanding challenging years of global health and economic crises which have required us to face reality with great pragmatism, often making difficult choices.”

Press release

We look to 2022 as the year in which we completed our first, fundamental turning point, fully overcoming important portfolio challenges thanks to a particularly strong organic growth, especially of our main home brands, the acquisition of two American brands in 2020, which have also allowed us to strengthen our digital business and capabilities at a crucial time in the market, and thanks to the entry of new license partnerships.

The strong top line recovery recorded in the last two years has seen us close 2022 with a business growth of 4.2% at constant exchange rates compared to 2021 and of 12% compared to 2019. Sales performance was even stronger at the organic business level – net of the effects of new and exiting brands – equal to a growth of 7.7% versus the year before and to an impressive almost +22% compared to the pre-pandemic year.

In 2022 our revenues reached 1,076.7 million euros, exceeding the goal of our previous Plan to return the Group to around one billion sales by 2024, and allowing us to improve margins more rapidly.

Our gross margin significantly increased in 2022, reaching 55.5% of sales from 51.7% in 2021 and 50.8% in 2019. A very meaningful improvement for us, to which the early completion of the cost of goods sold saving plan gave a great contribution. Together with the overheads saving program, already concluded in 2021, the Group thus achieved its 45 million euros cost reduction program by 2022, two years ahead of plan.

All this allowed us to reach an adjusted EBITDA of 101.2 million euros, up 24.2% compared to 2021 and around 56% compared to 2019, recovering a margin on sales of 9.4%, also in this case reaching the target range we had set ourselves for 2024.

Last year, our operating performance improved despite the high inflationary context - which we managed to counter through effective pricing strategies and a richer sales mix - and notwithstanding the significant acceleration of investments to support the growth of our brands, modernization of our business intelligence processes, and digital transformation projects.

Finally, we closed the year with an adjusted net profit of 58.3 million euros, also thanks to a lighter financial structure, which benefited from the significant debt reduction following the capital increase that we successfully concluded in November 2021. Furthermore, in September 2022, we refinanced the Group debt, extending its duration and providing us with ample financial resources to support our growth in the years to come.

Thinking now ahead, while we maintain a cautious approach to the current year, which began in the wake of concerns regarding consumption trends in an uncertain and potentially volatile macroeconomic environment, we are, on the other hand, confident of the Group's medium-term growth prospects. A new chapter in our story has begun, a new phase of development that will continue to leverage the multiple drivers underpinning the long-term growth of the eyewear sector, and build on the main strategic choices we initiated 4 years ago.

Our medium-term ambitions therefore remain focused on our strong brand portfolio to effectively reach a broad audience of target consumers, powered by the sustained growth of our home brands, to be achieved organically but also via new acquisitions, and complemented by a diversified set of licensed brands.

It will be essential to continue to maintain a balanced business, aiming for a home brands portfolio that by 2027 accounts for more than 50% of our revenues and that decisively shapes the development of our geographical and distribution channel mix. For this reason, in the coming years, we expect more significant growth in North America and emerging markets, just as we expect our business to grow more in the sports channel dedicated to outdoor products, and in all the online channels that we have successfully developed in recent years, from B2C to revenue through internet pure players, to our innovative B2B platforms which will continue to put our Customer First.

Our portfolio strategies will keep leveraging two main enablers of growth. On the one hand, the 360° digital transformation, which we accelerated already last year to equip the company with the latest technologies in terms of business intelligence and data analytics, and which will see us further investing in particular in the coming two years. On the other hand, our growing commitment to developing a sustainable business.

Also on this front, 2022 represented a year of important results, thanks to a reduction of around 46% in scope 1 and 2 CO₂ emissions compared to 2021 and of around 57% compared to 2019, and new investments in photovoltaics and renewable energy. Starting from these achievements, today we want to set our medium-long term sustainability goals and objectives.”

This press release may use 'alternative performance indicators' not foreseen by the IFRS-EU accounting standards (EBITDA and Net debt), and whose meaning and contents are illustrated in the specific section of the press release and in accordance with the CESR/05-178b recommendation published on 3rd November 2005. 2

Press release

2022 ECONOMIC AND FINANCIAL RESULTS

NET SALES PERFORMANCE

In 2022, Safilo's net sales amounted to Euro 1,076.7 million, up 11.1% at current exchange rates and 4.2% at constant exchange rates compared to Euro 969.6 million recorded in 2021.

In the year, organic² sales grew by +7.7% at constant exchange rates, recording another significant improvement after the +10.5% achieved in 2021 compared to 2019. Home brands represented an important driving force behind the Group's overall performance, in particular Smith, which with another strong increase in sales confirmed its position as one of the leading brands in the rapidly growing segment and distribution channel of outdoor eyewear and sports products. Carrera and Polaroid also posted yet another year of double-digit growth, broad based by distribution channel and product category, with Carrera far exceeding pre-pandemic levels. At the end of the year, the sales of home brands accounted for around 42%⁴ of the Group's business.

Safilo's licensed business also delivered very solid growth in the year, thanks to the positive development achieved by the eyewear collections of its leading licensed brands, and to the inclusion of new licenses in the portfolio which effectively contributed to offset the sales recorded in 2021 with the discontinued business.

In terms of the main product categories, 2022 confirmed the good recovery of the sunglass business, the equally good resilience of prescription frames sales, growing respectively by 9.0% and 2.0% at an organic² level, and the further acceleration of Smith's snow goggles and snow and bike helmets, which led the annual growth of the so called 'Other' product category to a +22.0%.

During the year, Safilo's online sales, consisting of the direct to consumer (D2C) business and sales made through internet pure players (IPPs), accounted for 15%⁴ of the Group's business, up approximately 4% compared to the previous year.

By geographical area, Europe remained the key growth driver in 2022, with the main markets of the area and the surging business in Turkey and Poland, contributing to the upside in revenues of 12.3% at current exchange rates, +12.0% at constant exchange rates and +16.1% at the organic² sales level.

During the year, the North American market benefited from the strengthening of the dollar against the euro, closing up 6.8% at current exchange rates. The performance at constant exchange rates, in total down by 4.7%, was instead flattish versus 2021 at the organic² sales level (-0.3%), reflecting a challenging basis of comparison, especially in the second half of the year.

Safilo reported very positive sales trends also in the Rest of the World, composed of the business in the IMEA and Latin American countries, as well as in Asia and Pacific, with the two areas respectively up 33.1% and 9.8% at current exchange rates, +21.1% and +3.4% at constant exchange rates, and +17.0% and +13.1% at the organic² sales level.

FULL YEAR 2022 NET SALES PERFORMANCE BY GEOGRAPHY:

					Change at						Change at			
					current forex						constant forex			
(Euro million)	FY 2022	%	FY 2021	%	Reported	Reported	Organic ²							
North America	497.7	46.2	466.2	48.1	+6.8%	-4.7%	-0.3%	Europe	424.9	39.5	378.5	39.0	+12.3%	
	+12.0%	+16.1%	Asia Pacific	57.7	5.4	52.6	5.4	+9.8%	+3.4%	+13.1%	Rest of the world	96.4	8.9	72.4
	7.5	+33.1%	+21.1%	+17.0%										
Total	1,076.7	100.0	969.6	100.0	+11.1%	+4.2%	+7.7%							

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Press release

In Q4 2022, Safilo's net sales amounted to Euro 245.4 million, up 5.7% at current exchange rates and substantially in line with the business recorded in Q4 2021 at constant exchange rates (-0.6% reported and +0.7% at the organic² sales level). The quarter confirmed the strength of the Group's business in Europe, which grew by 5.5% at current exchange rates, +5.1% at constant exchange rates and by a resilient +8.5% at the organic² sales level notwithstanding the significant and expected contraction of the revenues generated through the GrandVision chain.

In North America, total sales were up 3.0% at current exchange rates and down 7.5% at constant exchange rates. At the organic² level, the business softened by 4.7% mainly due to the tough comparative base with the +19.7% recorded in Q4 2021 vs 2019, and a softer US wholesale demand in the entry and mid-tier price points, while the premium and upper end segments continued to hold up well. On the other hand, Smith posted a double-digit growth in the quarter, recovering a large part of the logistics delays impacting deliveries in the US sport shops channel in Q3, and Blenders also returned to growth posting a positive quarter, with its online business back to a double-digit upside.

Q4 sales trends remained supportive in Asia and Pacific, up 6.5% at current exchange rates, +3.3% at constant exchange rates and +4.4% at the organic² level, as well as in the Rest of the World thanks to a solid business development in IMEA, and the new brands in the portfolio well supporting growth in the key Latin American markets (+22.1% at current exchange rates, +10.5% at constant exchange rates and +0.4% at the organic² level).

Q4 2022 NET SALES PERFORMANCE BY GEOGRAPHY:

					Change at						Change at			
					current forex						constant forex			
(Euro million)	Q4 2022	%	Q4 2021	%	Reported	Reported	Organic ²							
North America	114.3	46.6	111.0	47.8	+3.0%	-7.5%	-4.7%	Europe	92.2	37.6	87.4	37.6	+5.5%	
	+8.5%	Asia Pacific	16.4	6.7	15.4	6.6	+6.5%	+3.3%	+4.4%	Rest of the world	22.5	9.2	18.4	7.9
	+10.5%	+0.4%												
Total	245.4	100.0	232.2	100.0	+5.7%	-0.6%	+0.7%							

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ECONOMIC PERFORMANCE

In 2022, the Group recorded a significant improvement of all the main economic metrics, both thanks to the growth in revenues driven by an increase in volumes and the positive dynamics in terms of price/mix, and thanks to the completion, during the year, of the structural cost of goods sold savings plan. These levers allowed Safilo to effectively counter the inflationary pressures that followed one another during the year, significantly increasing both transport costs and energy expenses. 2022 also recorded stronger marketing investments to support the growth of home brands, as well as an increase in software-as-a-service investments dedicated to the Group's technological and digital development.

In 2022, gross profit reached Euro 597.4 million, posting a growth of 19.1% compared to 2021, and bringing the margin on sales to 55.5% with an improvement of 380 basis points compared to the margin of 51.7% recorded in 2021 (up 16.6% and 260 basis points respectively compared to the adjusted³ gross profit and margin in 2021).

In 2022, selling, general and administrative expenses increased by 13.7% compared to 2021, mainly due to the aforementioned increases in marketing investments and those related to software-as-a-service projects, accounted in the income statement under EDP costs, according to the 2021 IFRIC agenda. The latter, in particular, increased from Euro 3.4 million in 2021 to Euro 9.7 million in 2022.

Adjusted³ EBITDA amounted to Euro 101.2 million, equal to a 9.4% margin on sales (10.3% ex IFRIC SaaS impact). Adjusted³ EBITDA was up 24.2% compared to the Euro 81.5 million recorded in 2021, while the margin improved by 100 basis points compared to the 8.4% of the previous year.

Adjusted³ EBIT was equal to Euro 53.5 million, up 62.8% compared to the adjusted³ EBIT of Euro 32.9 million recorded in 2021, while the adjusted³ EBIT margin grew by 160 basis points, from 3.4% to 5.0%.

Below the operating result, the main components which contributed to the Group's net result were:

- a positive accounting effect equal to Euro 31.2 million (Euro 32.2 million in 2021) as a result of the reduced liability for put&call options on non-controlling interests due to the revision of the related financial plans and to the increase of Safilo's controlling stake in Privé Revaux from 64.2% to 82.8%;
- net financial charges of Euro 15.5 million, down 34% compared to the Euro 23.5 million recorded in 2021, mainly thanks to the repayment of the Shareholder Loan following the capital increase completed at the end of 2021.

In 2022, the adjusted³ Group net profit was equal to Euro 58.3 million, compared to Euro 27.4 million recorded in 2021. The adjusted³ net margin moved from 2.8% to 5.4% of sales.

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Press release

Key Economic highlights - in Euro million	2022	% on	2021	% on	2022 vs 2021
			net sales	net sales	
Net sales	1,076.7	969.6	+11.1%	Reported at cFX +4.2%	Organic ² at cFX +7.7%
Gross profit	597.4	55.5%	501.8	51.7%	+19.1%
EBITDA	96.8	9.0%	79.3	8.2%	+22.1%
Adjusted ³ EBITDA	101.2	9.4%	81.5	8.4%	+24.2%
Operating result	48.5	4.5%	26.1	2.7%	+85.8%
Adjusted ³ operating result	53.5	5.0%	32.9	3.4%	+62.8%
Group net result	54.2	5.0%	21.3	2.2%	+154.6%
Adjusted ³ Group net result	58.3	5.4%	27.4	2.8%	+112.6%
IFRS 16 impact on EBITDA 11.8 11.6 on Operating result 1.7 on Net result 0.2					
IFRIC SaaS impact on EBITDA (9.7) (3.4)					

In Q4 2022, the economic performance of the Group was characterized by a significant improvement in the gross margin, mainly due to a richer sales mix by distribution channel, while the more contained performance of sales in the American market reduced the operating leverage to support the growth of investments in marketing, IT and digital transformation projects, which Safilo continued to pursue also in the last quarter of the year.

In Q4 2022, gross profit stood at Euro 139.1 million, up 15.1% compared to Q4 2021, while the gross margin grew by 470 basis points, from 52.0% to 56.7% of sales (up 14.6% and 440 basis points respectively, versus Q4 2021 adjusted³

gross profit and margin).

In Q4 2022, the adjusted³ EBITDA amounted to Euro 15.9 million, up 25.3% compared to Q4 2021, while the adjusted³ EBITDA margin, equal to 6.5% of sales, increased by 100 basis points compared to the 5.5% margin posted in Q4 2021.

Key Economic highlights - in Euro million	Q4 2022	% on	net sales	Q4 2021	% on	net sales	% Change
Net sales	245.4		232.2		+5.7%	Reported at cFX -0.6%	Organic ² at cFX +0.7%
Gross profit	139.1	56.7%	120.9	52.0%	+15.1%		
EBITDA	13.3	5.4%	10.9	4.7%	+21.9%	Adjusted ³ EBITDA	15.9 6.5% 12.7 5.5% +25.3%
IFRS 16 impact on EBITDA 3.2 2.9							

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Press release

FINANCIAL PERFORMANCE

In 2022, the Group's Free Cash Flow was negative 16.5 million euros compared to the negative Free Cash Flow of 2.7 million euros recorded in 2021.

Safilo closed the year with a positive cash flow from operating activities of Euro 9.2 million, which reflected, on the one hand, a significant positive cash flow from operating activities before changes in working capital, equal to Euro 71.5 million, thanks to the strong economic improvement recorded by the Group in the year, and, on the other hand, a cash absorption of Euro 62.4 million due to changes in working capital. On this front, the Group recorded an increase in trade receivables which, in addition to the growth of the business, was also impacted by around Euro 10 million of anticipated payments from customers at the end of 2021. The working capital of the year was furthermore characterized by an increase in inventories, and a decrease in trade payables.

In 2022, the cash flow for investments amounted to Euro 15.7 million, for activities related to the maintenance of the industrial plants, and to the digital transformation systems and processes on which the Group continues to work.

Free Cash Flow - in Euro million	2022	2021
Cash flow from operating activities before changes in working capital	71.5	38.1
Changes in working capital	(62.4)	(20.8)
Cash flow from operating activities	9.2	17.3
Cash flow for organic investment activities	(15.7)	(9.8)
Cash payments for the principal portion of lease liabilities IFRS 16	(10.0)	(10.3)
Free Cash Flow	(16.5)	(2.7)

As at 31 December 2022, the Group's net debt stood at Euro 113.4 million (Euro 69.6 million pre-IFRS 16, corresponding to a financial leverage, also pre-IFRIC SaaS, of 0.7x), slightly better than the position of Euro 115.4 million reported at the end of September 2022 and slightly above Euro 94.0 million recorded at the end of 2021. The key components of the Group's net debt at the end of December 2022 were the following:

- a long-term debt position of Euro 152.1 million, made of bank loans for Euro 117.3 million, related to the new Credit Facility signed in September 2022, and an IFRS-16 effect for Euro 34.7 million;
- a short-term debt position of Euro 39.1 million, made of bank loans for Euro 30.0 million, related to the new Credit Facility, and an IFRS-16 effect for Euro 9.1 million;
- a cash position of Euro 77.7 million.

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Press release

OTHER RESOLUTIONS BY THE BOARD OF DIRECTORS

MEDIUM-TERM TARGETS

Today, the Board of Directors examined and approved the Group's medium-term targets to 2027. In alignment with the strategies previously outlined and effectively implemented over the last few years, the Group will continue to pursue the following main objectives:

- Sales growth with a balanced business portfolio by brand, geographical area and distribution channel, which maximizes customer service and meets the needs of the different consumer segments.
- Margin expansion behind further improvement in the gross margin, and operational leverage.
- Positive cash flow generation that feeds and supports the Group's organic and external growth.

The Group's strategies will continue to leverage two main enablers:

- The end-to-end Digitalization of its business model, with the aim of transversally enhancing data analytics, optimizing processes, operations and time to market.
- A Sustainability roadmap in support of the Group's business targets, driven through an agenda of clear and shared objectives.

ECONOMIC AND FINANCIAL TARGETS AND SUSTAINABILITY OBJECTIVES:

- **Group net sales are expected to reach approximately Euro 1.3 billion in 2027**, with a 5-year CAGR of around 4% driven by a sustained growth of home brands, which are expected to exceed 50%⁴ of Group revenues by the end of the plan. In line with the dynamics that have characterized the top line development and turnaround in recent years, Smith, Carrera, Blenders and Polaroid will represent the main drivers of future growth, leveraging their proven design and product innovation capabilities along with a progressive and targeted strengthening of marketing investments, especially in digital channels. Further growth of the home brand business is also expected to derive from the acquisition of one or more brands assumed to contribute for around 1% of the Group's foreseen compounded annual growth rate.

The Group will also maintain a great focus on the dynamic development of the licensed portfolio through a

careful balancing and accurate diversification of brands based on their market positioning and relative size, with the aim of maximizing Safilo's product offer on the various consumers segments, while limiting its exposure to any single brand.

The above-mentioned developments of the brand portfolio are also expected to continue driving the geographical mix, with the Group which will continue focusing on its strong presence in North America and Europe, and on the opportunity for emerging markets to become a more significant share of the business. Net sales are also foreseen to grow more through the new online, B2B and sport channels that the Group has successfully developed in recent years, while maintaining a strong focus on customers playing in its historic core distribution channel.

- **The adjusted EBITDA margin is expected to reach between 12% and 13% of the Group's net sales by 2027**, mainly thanks to a further improvement in gross margin driven by a richer sales mix and additional cost optimization.

While, on the one hand, the Group will increase investments in marketing to support the growth of home brands and will concentrate a more significant part of digitalization investments over the coming two years, on the other it is expected that the operating leverage will remain under control thanks to a tight management of overheads expenses and fixed costs.

- **A positive free cash flow throughout the entire Plan period**, thanks to the constant improvement of the Group's operating result and a more moderate cash absorption from net working capital, while annual CapEx is expected to be around Euro 15-20 million.

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Press release

- Following Safilo's entry into the Fashion Pact⁵ and the numerous projects initiated during recent years on the different Sustainability fronts, which, in 2022, contributed to the achievement of significant results, in particular regarding Scope 1 and 2 CO₂ emissions, market based, with their reduction by around 46% compared to the previous year and by around 57% compared to 2019, **the Group's medium-long term main sustainability targets are:**

- CO₂ emission reduction: Scope 1 and 2 emissions -70% and Scope 3 -20% reduction by 2030, and bringing Renewable Energy to 100% of the Group's needs by 2030.

- Packaging Optimization: Zero unnecessary plastic and remaining plastic >50% recycled by 2025. -

Sustainable Innovation: Sustainable New Eyewear Collections >25% by 2025.

With regards to the Longarone plant, following management's analysis of possible alternative solutions for the site, the Group is now in the process of evaluating a potential transfer of the facility to potential third parties with a view to preserving the know-how of the site and minimizing the social impact. While further updates will be provided as the project progresses, Safilo continues to reiterate the importance of its Italian roots, of the Santa Maria di Sala and Bergamo production sites, of the Padua logistic center, and of the company's creative capabilities, which represent a competitive advantage for the Group.

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

Together with the 2022 Annual Report, the Board of Directors of Safilo Group S.p.A. approved the 2022 Consolidated Non-Financial Information (Sustainability Report), in line with the application of the non-financial reporting obligation under Legislative Decree 254/2016.

Approval of a new stock option plan

The Board of Directors, on the proposal of the Remuneration and Nomination Committee, resolved to propose to the next Shareholders' Meeting a new "Stock Option Plan 2023-2025 Safilo Group S.p.A. and Safilo S.p.A.", of a maximum of 22,000,000 options, in favour of executive directors who are also employees and other employees of Safilo Group S.p.A. and/or other companies of the Group. The Plan provides for the issue in cash of new ordinary shares of Safilo Group S.p.A., and the purchase on the market by Safilo S.p.A. of ordinary shares of Safilo Group S.p.A..

An extraordinary shareholders' meeting of Safilo Group S.p.A. will be convened to resolve on the proposed issue of up to 11 million ordinary shares with no par value, excluding option rights pursuant to Article 2441, paragraph 8, of the Italian Civil Code, at the service of the aforementioned stock option plan.

The relevant Explanatory Report will be made available to shareholders within the terms provided for by the current regulations.

Notes to the press release:

¹ The auditing process of the consolidated and separate financial statements is currently under finalization.

² Organic sales performance is provided at constant exchange rates and includes only the home brands and not terminated licenses, present in both of the compared periods, excluding the business attributable to the supply contract with Kering Eyewear.

³ 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.

In 2021, adjusted economic results excluded non-recurring costs for Euro 23.8 million (Euro 10.9 million at the gross profit level, and Euro 19.2 million at the EBITDA level), mainly related to the closure of the Ormož production plant in Slovenia, and also a non-recurring income of Euro 17 million due to the release, booked in Q2 2021, of a provision for risks and charges in relation to an investigation by the French Competition Authority. The release was a result of the positive outcome, without sanctions, of this

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Press release

investigation. In Q4 2021, the adjusted EBITDA excluded non-recurring costs for Euro 1.8 million (Euro 0.7 million at the gross profit level).

⁴ % on total sales, excluding the business attributable to the supply contract with Kering Eyewear.

⁵ A global coalition of companies in the fashion and textile industry (ready-to-wear, sport, lifestyle and luxury) including their suppliers and distributors, all committed to a common core of key environmental goals in three areas: stopping global warming, restoring biodiversity and protecting the oceans.

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. Gerd Graehsler, 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

The Group's 2022 results and medium-term targets will be discussed tomorrow, March 10, 2023, starting at 8.30am CET (7.30am GMT and 2.30am US EST) during a Capital Market Day in Milan.

It is possible to follow the event live via conference call and webcast:

- Dial in numbers for analysts and investors: +39 02 8020911, +33 1 70918704, +44 1212 818 004, +1 718 7058 796. For journalists (listen only) +39 02 8020927
- Webcast at <https://SafiloGroup Capital Market Day>.

A recording of the conference call will be available from March 10 to March 12, 2023 on +39 02 8020987 – passcode: 700712#, pin 712#.

The presentation will be available and downloadable from the Company's website.

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Press release

Sàfilo Group S.p.A.

Consolidated income statement

(Euro/000) 2022 2021 Change %

Net sales 1,076,745 969,584 11.1% Cost of sales (479,296) (467,824) -2.5%

Gross profit 597,450 501,760 19.1%

Selling and marketing expenses (420,488) (363,033) -15.8% General and administrative expenses (128,426) (119,552) -7.4% Other operating income/(expenses) (78) 6,900 -101.1%

Operating profit 48,458 26,075 85.8%

Gains/(losses) on liabilities for options on non-controlling interests 31,191 32,249 -3.3% Financial charges, net (15,512) (23,500) 34.0%

Profit before taxation 64,136 34,824 84.2% Income taxes (11,788) (14,795) 20.3% **Profit of the period 52,349 20,029**

161.4% Non-controlling interests (1,811) (1,246) -45.3% **Net profit attributable to the Group 54,160 21,275 154.6%**

Earnings per share - basic (Euro) 0.131 0.071 Earnings per share - diluted (Euro) 0.130 0.070

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Press release

Sáfico Group S.p.A.

Consolidated Balance sheet

(Euro/000) December 31, 2022 December 31, 2021 Change ASSETS

Current assets

Cash and cash equivalents 77,710 99,002 (21,292) Trade receivables 214,034 173,548 40,486 Inventory 258,980 234,430 24,551
Derivative financial instruments 698 1,503 (805) Other current assets 44,878 53,406 (8,528) **Total current assets 596,300 561,888**
34,412

Non-current assets

Tangible assets 109,088 115,613 (6,525) Right of Use assets 38,997 36,918 2,079 Intangible assets 132,993 141,659 (8,666)
Goodwill 34,895 32,861 2,033 Deferred tax assets 36,274 37,441 (1,168) Derivative financial instruments 780 - 780 Other
non-current assets 8,623 9,070 (448) **Total non-current assets 361,649 373,563 (11,914)**

Non-current assets held for sale 2,320 2,320 - Total assets 960,268 937,771 22,498

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Press release

Sàfilo Group S.p.A.

Consolidated Balance sheet

(Euro/000) December 31, 2022 December 31, 2021 Change

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities

Borrowings 30,000 20,000 10,000 Lease liabilities 9,051 8,247 804 Trade payables 180,701 193,082 (12,381) Tax payables 22,492 17,420 5,072 Derivative financial instruments 7,656 545 7,111 Liabilities for options on non-controlling interests 6,195 - 6,195 Other current liabilities 47,291 55,562 (8,271) Provisions 9,166 15,776 (6,610) **Total current liabilities 312,552 310,632 1,920**

Non-current liabilities

Borrowings 117,329 131,798 (14,468) Lease liabilities 34,727 32,917 1,810 Employees benefits obligations 13,975 18,995 (5,021) Provisions 14,512 15,144 (633) Deferred tax liabilities 12,863 13,031 (168) Derivative financial instruments - - - Liabilities for options on non-controlling interests 13,349 47,406 (34,057) Other non-current liabilities 2,041 1,760 282 **Total non-current liabilities 208,796 261,052 (52,255)**

Total liabilities 521,348 571,684 (50,335)

Shareholders' equity

Share capital 384,846 384,820 26 Share premium reserve 692,521 692,458 63 Retained earnings and other reserves (722,392) (771,812) 49,420 Cash flow hedge reserve 780 - 780 Income/(Loss) attributable to the Group 54,160 21,275 32,885 **Total shareholders' equity attributable to the Group 409,915 326,741 83,174**

Non-controlling interests 29,005 39,346 (10,342) **Total shareholders' equity 438,920 366,087 72,833 **Total liabilities and****

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Press release

Sàfilo Group S.p.A.

Consolidated statement of cash flows

(Euro/000) 2022 2021

A - Opening net cash and cash equivalents (net financial indebtedness - short term) 99,002 85,966

B - Cash flow from (for) operating activities

Net profit/(loss) for the period (including minority interests) 52,349 20,029 Depreciation and amortization 38,064 43,319 Right of Use amortization IFRS 16 10,326 9,893 Non-monetary changes related to liabilities for options on non-controlling interests (31,191) (32,249) Other items (9,067) (23,258) Interest expenses, net 5,912 12,052 Interest expenses on lease liabilities IFRS 16 1,862 1,548 Income tax expenses 11,788 14,795 **Flow from operating activities prior**

to movements in working capital 80,043 46,130 (Increase) Decrease in trade receivables (36,222) 6,886 (Increase) Decrease in inventory, net (17,618) (25,820) Increase (Decrease) in trade payables (14,842) 6,270 (Increase) Decrease in other receivables 8,467 (6,201) Increase (Decrease) in other payables (2,138) (1,967) Interest expenses paid (4,266) (5,314) Interest expenses paid on lease liabilities IFRS 16 (1,862) (1,548) Income taxes paid (2,405) (1,141) **Total (B) 9,156 17,295** **C - Cash flow from (for) investing activities**

Investments in property, plant and equipment (12,733) (13,216) Net disposals of property, plant and equipment and assets held for sale 196 10,192 Purchase of intangible assets, net of disposals (3,131) (6,736) **Total (C) (15,669) (9,759)** **D - Cash flow from (for) financing activities**

Proceeds from borrowings 147,001 - Repayment of borrowings (153,000) (119,602) Repayment of principal portion of lease liabilities IFRS 16 (10,026) (10,263) Increase in share capital, net of transaction costs 89 133,057 Dividends paid (875) (1,121) **Total (D) (16,811) 2,072**

E - Cash flow for the period (B+C+D) (23,324) 9,608 Translation exchange differences 2,032 3,428 **Total (F) 2,032 3,428**

G - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F) 77,710 99,002

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Press release

Sàfilo Group S.p.A.

Separate income statement

(Euro) 2022 2021 Change % Net sales 956,134 1,082,047 -12% **Gross profit 956,134 1,082,047 -12%**

General and administrative expenses (10,382,685) (7,945,002) -31% Other income/(expenses) (2,700,806) (4,111,676) 34%

Operating profit/(loss) (12,127,357) (10,974,631) -11% Financial charges, net (78,668) 442,509 -118% **Profit/(Loss) before taxation (12,206,025) (10,532,122) -16%** Income taxes 359,971 (677,464) 153% **Net profit/(loss) of the period (11,846,054) (11,209,586) -6%**

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Press release

Sàfilo Group S.p.A. *Separate balance sheet*

ASSETS

Current assets

**December 31,
2021 Change**

(Euro)

December 31, 2022

Cash and cash equivalents 865,512 1,363,709 (498,197) Trade receivables 1,008,563 1,143,381 (134,818) Other current assets 29,190,402 35,049,074 (5,858,672)

Total current assets 31,064,477 37,556,164 (6,491,687)

Non-current assets

Right of Use assets 313,380 163,705 149,675 Investments in subsidiaries 414,415,074 414,126,481 288,593 Other non-current assets 1,529,539 1,169,567 359,972 **Total non-current assets 416,257,993 415,459,753 798,240**

Total assets 447,322,470 453,015,917 (5,693,447)

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities

Trade payables 3,916,220 3,940,264 (24,044) Tax payables 299,821 387,941 (88,120) Other current liabilities 25,416,735 21,037,843 4,378,892 Lease liabilities 116,887 79,718 37,169 **Total current liabilities 29,749,663 25,445,766 4,303,897**

Non-current liabilities

Lease liabilities 208,762 87,443 121,319 Employee benefit obligations 149,047 134,976 14,071 Provisions 2,000,000 1,000,000 1,000,000 **Total non-current liabilities 2,357,809 1,222,419 1,135,390**

Total liabilities 32,107,472 26,668,185 5,439,287

Shareholders' equity

Share capital 384,846,311 384,819,909 26,402 Share premium reserve 692,520,684 692,457,846 62,838 Retained earnings (losses) and other reserves (650,305,943) (639,720,437) (10,585,506) Net profit (loss) of the period (11,846,054) (11,209,586) (636,468) **Total shareholders' equity 415,214,998 426,347,732 (11,132,734)**

Total liabilities and shareholders' equity 447,322,470 453,015,917 (5,693,447)

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Press release

Sàfilo Group S.p.A.

Separate statement of cash flows

(Euro) 2022 2021

A - Opening net cash and cash equivalents (net financial

indebtedness - short term) 1,363,709 3,054,393

B - Cash flow from (for) operating activities

Net profit/(loss) for the period (11,846,054) (11,209,587) Right of Use depreciation IFRS 16 131,659 130,816 Stock Options figurative cost 303,309 287,292 Net changes in provision for risks 1,000,000 1,000,000 Other non monetary P&L items 46,992 624,145 Interest expenses on lease liability IFRS 16 12,956 8,020 Income tax expenses (359,972) 677,464 **Income (loss) from (for) operating activities prior**

to movements in working capital (10,711,110) (8,481,850)

(Increase) Decrease in trade receivables 134,818 359,785 (Increase) Decrease in other receivables 5,451,932 (8,455,435) Increase (Decrease) in trade payables (24,044) 76,211 Increase (Decrease) in other payables 4,696,406 (24,113,752) Interests expenses paid (12,956) (8,020) **Total (B) (464,954) (40,623,061)**

C - Cash flow from (for) investing activities

(Investments) disinvestments in subsidiaries - (94,000,000) Total (C) - (94,000,000)

D - Cash flow from (for) financing activities

Repayment of principal portion of lease liabilities IFRS 16 (122,483) (124,656) Share capital increase, net of transaction costs 89,240 133,057,033 Total (D) (33,243) 132,932,377

E - Cash flow for the period (B+C+D) (498,197) (1,690,684)

F - Closing net cash and cash equivalents (net financial

indebtedness - short term) (A+E) 865,512 1,363,709

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Press release

About Safilo Group

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

Safilo Group's portfolio encompasses home brands: Carrera, Polaroid, Smith, Blenders, Privé Revaux and Seventh Street. Licensed brands include: Banana Republic, BOSS, Carolina Herrera, Chiara Ferragni, Dsquared2, Eyewear by David Beckham, Fossil, havaianas, HUGO, Isabel Marant, Jimmy Choo, Juicy Couture, kate spade new york, Levi's, Liz Claiborne, Love Moschino, Marc Jacobs, Missoni, M Missoni, Moschino, Pierre Cardin, PORTS, rag&bone, 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 2021, Safilo Group recorded net revenues for Euro 969.6 million.

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