Safilo
SEE THE WORLD AT ITS BEST
CARRERA
ANNUAL
REPORT
2025

Our values are what we believe in as a company. **Our competencies** define the uniqueness of our contribution and where each of us must excel to fulfil our mission. **Our mission**, our values and our competencies drive the vision of who we want to be: **a sustainable leader**. We aspire to be a **trusted partner** and **an excellent eyewear maker**.

Safilo

SEE THE WORLD AT ITS BEST

ANNUAL REPORT 2025

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Have you ever wondered
who's behind a pair of glasses?
It's us, from Safilo.

DISCOVER **THE SAFILO WAY**

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THE SAFILO MANIFESTO

Discover what it means to be Safilo

WATCH **THE MANIFESTO VIDEO**

Have you ever wondered who's behind a pair of glasses? It's us, from Safilo. A company that, since 1878, has in its DNA a principle that, more than anyone, it can call its own: looking ahead. Looking ahead to allow millions of people to see the world at its best. Without avoiding change, but reaching out to it.

Looking for innovative and responsible solutions, and embracing digital transformation to redefine eyewear. So innovation and sustainability are not just nice words, but represent instead an inclusive path that involves us all. And the ability to create value through this becomes our aim.

This is the Safilo Way. Safilo.
See the world at its best.

OUR VALUES

Our values are what we believe in as a company. Our competencies define the uniqueness of our contribution and where each of us must excel to achieve our mission. Our mission, values and competencies drive the vision of who we want to be: a **sustainable leader**. We aspire to be a trusted partner and an **excellent eyewear maker**.

PEOPLE-CENTERED

We believe that people are at the center of everything. That is why we make sure that the places where we work are at all times places where everyone can emerge, where they can develop their skills to the best of their ability, conferring and collaborating with the people around us. This is how we create relationships based on trust, competence and loyalty. **This is how we create value**.

WE ARE

DRIVEN BY INNOVATION

We always look in one direction: forward. To do so, starting from our roots that are embedded in tradition, we work towards a new idea of innovation that unites beauty and functionality, that develops with a digital model, and that looks at the world clearly and responsibly. An innovation that allows our lifelong passion to go beyond the ordinary. **This is how we build the future**.

INSPIRED BY VISION

We always seek the best balance between the present and the future. We believe in projects that go beyond the short-term logic and always have a strong sense of environmental, cultural and social responsibility. Only in this way we can act concretely to improve our planet and contribute to the development of a truly inclusive and sustainable economy. **This is how we look far ahead**.

SAFILO AT A GLANCE

We are **a global player in the eyewear sector**. For over **90 years**, we have been creating, manufacturing and distributing **sunglasses, prescription frames, helmets, goggles and outdoor eyewear.**

We stand out in the market through a portfolio of highly relevant **proprietary brands**, with Carrera, Polaroid, Smith and Blenders as key pillars of our offering.

In 2024, the portfolio was enhanced with the acquisition of the **perpetual license** for the Eyewear by David Beckham collections, consolidating the Group's offering of iconic brands.

The offering is complemented by a strong and prestigious portfolio of **licensed brands**: BOSS, Carolina Herrera, Dsquared2, Etro, Fossil, HUGO, Isabel Marant, Juicy Couture, Kate Spade New York, Kurt Geiger, Levi's, Liz Claiborne, Love Moschino, Marc Jacobs, Missoni, Moschino, Pierre Cardin, PORTS, Stuart Weitzman, Tommy Hilfiger, Tommy Jeans, Victoria Beckham and Under Armour, are the brands that have chosen Safilo for the development of their eyewear business, recognizing its strong expertise built over the years, and its ability to interpret and enhance each brand's DNA to the fullest.

Our **business model** has always presided over the entire value chain, carrying into the future a legacy founded on innovation and business sustainability. Ideas for our products come to life through R&D and Product Creation in our prestigious **design studios** in Padua, Milan, New York, Hong Kong and Portland. Production takes place in our own factories and with the support of qualified partners, ensuring the highest quality standards. **Marketing and brand building strategies** drive market positioning and customer and consumer loyalty, while distribution reaches 40 countries through direct subsidiaries and another 70 through a **network of over 40 partners**. A global, multichannel presence that makes use of both the well-established wholesale sales model with which the Group reaches about 100,000 selected points of sale around the world, and **modern e-commerce platforms** for direct sales to the end consumer, an evolving channel in which we continue to invest.

Thus, in a single company, where 3,400 people work today, Italian design and stylistic, technical and industrial innovation are merged with the most innovative digital solutions, made available to opticians and customers for a next-generation customer experience.

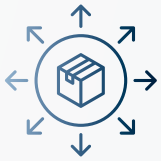
OUR NUMBERS IN 2025

983.4M€
Net sales

3,400
Employees
59% women, 8% of workforce under 30 years old

5
Design studios
Padua/Milan/New York/
Hong Kong/Portland

3[1]
Plants
and a network of highly selected
external suppliers



3
Distribution
centers
Padua/Denver/Hong Kong

40
Countries
where we are present with direct branches and a
network of over 40 partners in another 70 countries

about
100,000
selected points of sale
reached around the world

100%
of our operations electricity needs
covered by renewable sources

1 on 29 May 2025 the Group finalized the disposal of the subsidiary Lenti S.r.l., manufacturer of lenses for sunglasses and non-eyewear related products, with effective date 1 June 2025.

THE EYEWEAR INDUSTRY

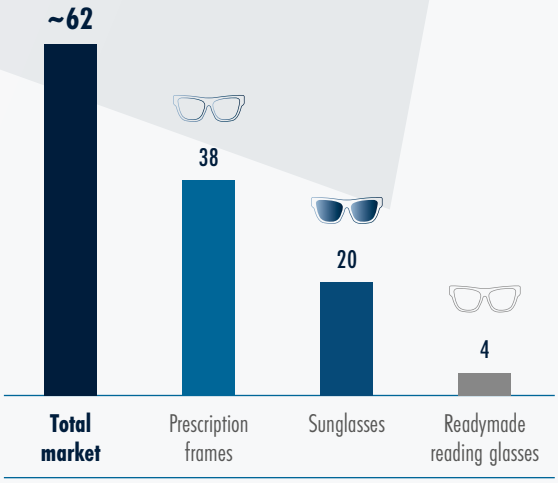
We operate in a **highly competitive** and fragmented industry. **Large international** players are joined by competition from many national, regional and local companies.

Eyewear is considered a **particularly attractive sector** because it is supported by key **demographic drivers**, such as an ageing population and an increasing incidence of near-sightedness, which determine its resilience, even in times of recession and crisis. Other important growth drivers for the sector include increasingly **involved and evolved consumers** who are technology savvy and oriented toward higher quality products, the **strong development of digital sales channels**, as well as sustainability, no longer as a nice-to-have, but as a must-have.

In 2023, the global value of **retail sales** in the eyewear sector, which includes prescription frames, sunglasses and pre-packaged reading glasses, was estimated at around **62 billion Euros** (source: euromonitor, BCG analysis). Based on our turnover generated mainly through the wholesale channel (wholesale sales), the Group is estimated to have a **market share of around 4 percent**.

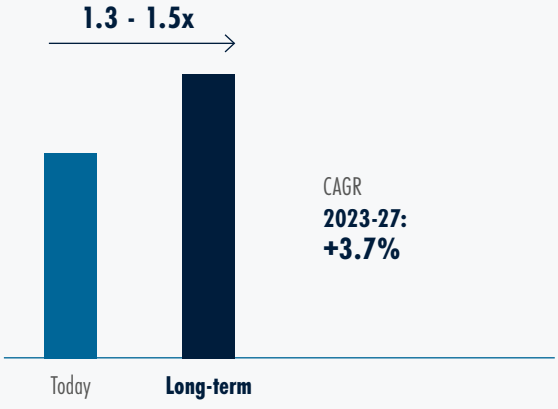
We are a **global player** in the **eyewear industry**

Retail value of eyewear market
2023 (in €B)



Source: Euromonitor, Analisi BCG

Eyewear market size in the long-term



Source: Analysis BCG

Main trends affecting the eyewear market globally

DEMOGRAPHICS
- Ageing population
- Increasing incidence of myopia

LIFESTYLE CHANGES
- Use of digital devices increasing risk of blue light damage
- Higher awareness of importance of sun protection against UV light

PREMIUMIZATION
- Eyewear as a relevant accessory in the fashion world

DIGITAL
- Online: low double-digits
- Offline: low single-digit

NEW CONSUMERS
- By 2030, gen Z will make up the largest segment

SUSTAINABILITY
- no longer a nice-to-have but a must-have

HISTORY OF THE GROUP

1934

ORIGINS AND FOUNDATION

In 1934 Guglielmo Tabacchi acquired an industrial complex active since 1878 in Calalzo di Cadore and founded Safilo, an acronym for *Società Azionaria Fabbrica Italiana Lavorazione Occhiali*. Thereby creating a company that continued the legacy of the parent company in the Cadore eyewear district.

1960s-70s

INDUSTRIAL DEVELOPMENT AND INNOVATION

We expand our production capacity with a new plant in **Santa Maria di Sala** (Venice) and move our headquarters and distribution to **Padua**. In **1970** we patent the **Elasta** hinge and launch the iconic **UFO** sunglasses.

1980s-90s

COMMERCIAL AND BRAND PORTFOLIO GROWTH

We expand internationally by opening subsidiaries in Europe, Asia and America. We strengthen our positioning through licensing agreements with major fashion brands, significantly expanding our portfolio.

In **1996 we acquired**:

CARRERA
EYEWEAR SINCE 1956

SMITH

2005-2012

LISTING AND RESTRUCTURING

In **2005** we return to **the stock market** after first listing between 1987 and 2001.

In 2010, we strengthen our financial structure with the entry of HAL Holding N.V. as a major shareholder.

In **2012 we acquired**:

Polaroid eyewear

2016-2020

INDUSTRY CHALLENGES

In these years we face major industry challenges, in particular the decision of the major French luxury groups, to internalize their eyewear business, and the subsequent exit from the portfolio of key licenses such as Gucci (2016) and Dior (2020).

2018-2022

TURNAROUND AND RELAUNCH

We embark on an ambitious re-launch path, exiting the retail business in 2019, rationalizing the production footprint, signing new licences and expanding and strengthening the portfolio of owned brands, for a more balanced business. In **2020 we acquire**:

//Blenders

PRIVÉ REVAUX
EYEWEAR

2019

INNOVATION AND SUSTAINABILITY

We initiate a complete digital transformation, implementing new BtC, CRM and BtB platforms. In line with the growing commitment to sustainability, in 2022 we will join The Fashion Pact, and in 2023 we will set our short-term sustainability goals.

2023-2024

VISIBILITY AND PORTFOLIO BALANCING

Between 2023 and 2024, we renew key licenses through 2030-31 and further strengthen the proprietary portfolio by acquiring the perpetual license for **Eyewear by David Beckham**.

EYEWEAR by DAVID BECKHAM

2025

LICENSE PORTFOLIO STRENGTHEN

In 2025, we renew Under Armour, Dsquared2, Carolina Herrera completing the anticipated renewal of license brand agreements and we add to our portfolio Victoria Beckham brand. Furthermore, we renew the supply agreement with Kering until 2029 and confirmed again the partnership with Carrera Ducati until 2027.

Our roots go back to **1934**, when Guglielmo Tabacchi bought Italy's first eyewear factory in Calalzo di Cadore, which had been in operation since 1878. With the founding of the *Società Azionaria Fabbrica Italiana Lavorazione Occhiali* (S.A.F.I.L.O.), the company became one of the world's leading eyewear manufacturers.

The **1960s and 1970s** are a period of important **industrial developments** with opening of the second factory in Santa Maria di Sala (Venice), the relocation of acetate and cellulose frame production and the opening of the offices in Padua, now our headquarters and an important logistics center.

In **1970**, came the **patenting** of the revolutionary **Elasta** hinge, an innovative mechanism designed to improve the flexibility and durability of eyeglass frames. This hinge allows the temples to withstand outward stresses without deforming, maintaining the shape of the glasses and ensuring optimal comfort for the wearer. In the same year, the **UFO** sunglasses model was launched, featuring a distinctive and avant-garde design for the time. These glasses quickly became popular, representing a style icon in the 1970s. Today, the original Safilo UFO sunglasses are considered collector's items.

The **1980s and 1990s** were years in which we expanded our **global presence**, opening sales subsidiaries in Europe, Asia and America.

In **1996**, **we acquired** a business unit of **Carrera GmbH**, a company specialising in the production of sports glasses. In the same year, we entered the sports segment with the acquisition of the **American company Smith Sport Optics**.

As of **2005**, we were again **listed** on the **Milan Stock Exchange**, after an initial listing period between 1987 and December 2001.

In **2010**, the entry of **HAL Holding N.V.** as major shareholder strengthened the financial and strategic stability.

In **2012**, we acquired **Polaroid Eyewear**, a leader in polarised lens technology.

The following years were marked by **important sector challenges**, in particular the decision of the major French luxury groups to internalise the eyewear business, and the consequent exit of key licences such as Gucci (2016) and Dior (2020) from the portfolio.

Between 2018 and 2022, we embarked on an Ambitious **strategic re-launch** to reaffirm Ourselves among the leaders in the eyewear industry.

In **2019**, with the complete divestment of the retail business (Solstice chain), we focused on wholesale activities and started a development path in direct-to- consumer sales through **digital**. In the same year, we initiated a rationalisation of the production footprint, a key step within the broader **relaunch strategy**. Between 2020 and 2023, we closed the Ormoz plant, and sold the Martignacco and Longarone production sites, in order to realign production volumes to the renewed market environment and portfolio needs.

In **2019**, we began a major 360° **digital transformation** strategy, equipping the company with the latest technologies in business intelligence and data analytics. We invested in the adoption of innovative next-generation BtB platforms that redefined and enhanced customer experience, engagement and services.

In **2020**, we complete the acquisitions of **Privé Revaux** and the **Blenders Eyewear** brand. The latter, a digitally native Californian brand, in addition to enriching the portfolio of proprietary brands, brought an innovative and growing e-commerce-focused business to the US.

In **2022**, in line with our growing commitment to sustainable business management, we join **The Fashion Pact**, a coalition of leading global suppliers, distributors and companies in the fashion and textile industry (ready-to-wear, sports, lifestyle and luxury), committed to achieving shared goals in three main areas: halting global warming, restoring biodiversity and protecting the oceans.

In **2023**, we set short-term **sustainability targets** validated by the Science Based Targets initiative (SBTi) in February 2024.

Between 2023 and 2024, came the **renewal** of **major licences** in the portfolio, from **Kate Spade** and **Tommy Hilfiger**, to **BOSS** and **HUGO**, as well as other important partnerships. This gave the licensed business an unprecedented visibility of approximately six years.

In **2024**, we celebrated 90 years as one of the global leaders in eyewear. Among the most significant initiatives of the year was the signing of the **perpetual licence for the Eyewear by David Beckham** collections, a milestone that contributed to bringing the rich **portfolio of proprietary brands**, made up of the Carrera, Smith, Blenders and Polaroid brands, to account **for around 50% of sales**.

In **2025**, we have completed the renovation of license brands agreement until at least 2030 and we also have announced a ten-year global licensing agreement for Victoria Beckham eyewear collections.

OUR STRATEGY

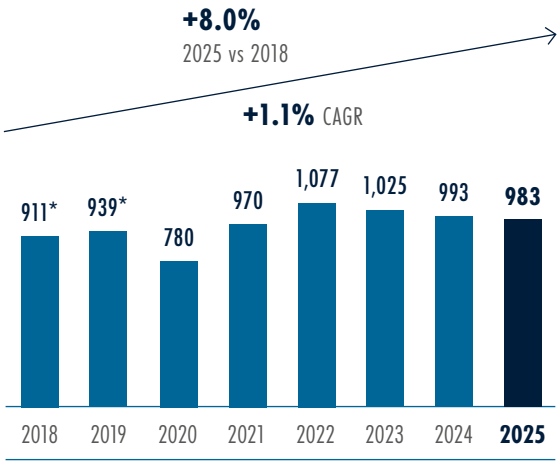
Starting in 2019, in the context of a **changing market**, we **transformed our strategy**, and we have confirmed ourselves among the leading players in the sector.

In the wake of the evolutions that have taken place in our reference competitive environment (from the internalization of luxury eyewear by the two main players in the sector, to the consolidation of the industry), **we have embarked on an ambitious strategic turnaround**. Despite the 2020 health crisis and the challenging global economic climate exacerbated by ongoing conflicts, we have successfully navigated **our major portfolio** challenges. This was achieved through **significant organic growth of our core proprietary brands**, strategic acquisitions, and the launch of **new licensed partnerships**.

SAFILO'S TURNAROUND

Resilience in sales performance

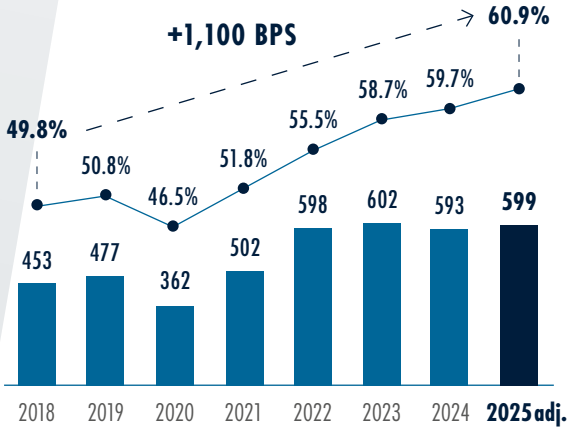
Net sales
(in €M and % change)



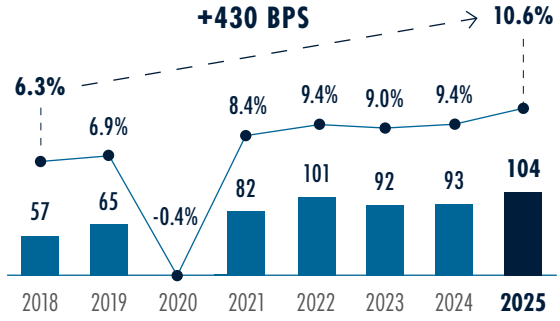
* Continuing operations, excluding retail

Structural expansion of profits and margins (€M and % of sales)

Gross Profit

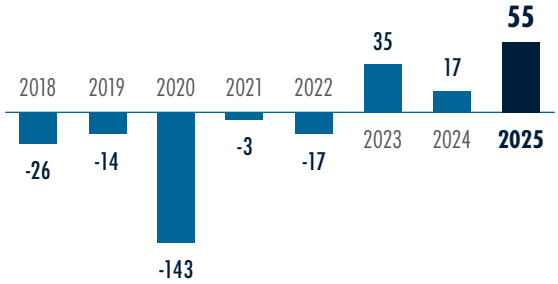


Adj. EBITDA

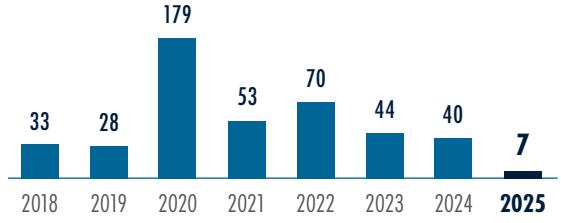


Cash generation and Financial Solidity (€M)

Free Cash Flow



Net debt pre IFRS-16



OUR STRATEGY FOR A BALANCED PORTFOLIO

In accordance with the strategic lines previously outlined and effectively executed over the past few years, we continue to pursue the following main objectives:

- **Sales growth is accompanied** by a balanced business portfolio by brand, geographic area and distribution channel, which maximizes customer service and meets the needs of different consumers.
- **Expansion of profitability** through further improvement in gross industrial margin, and operating leverage.
- **Ensuring positive** cash generation that fuels and supports organic and external line sales growth.

The strategy leverages **two main enablers**:

- **The end-to-end digitization** of the business model with the goal of cross-empowering data analytics, optimizing processes, operations and time to market.
- A **sustainability** roadmap to support business objectives through a clear and shared agenda and targets.

What it means to build a balanced portfolio?

In recent years, we have strengthened our revenue development and revitalization path by focusing on four key brands- **Carrera**, **Smith**, **Polaroid**, and **Blenders**. These brands are the **main drivers of our growth**, thanks to our expertise in **product innovation** and a targeted boost in marketing investments, with a special focus on **digital channels**. An additional growth engine for the proprietary business is the possibility of acquiring one or more strategic brands. In parallel, we continue to dynamically develop our **licensing portfolio**, carefully balancing and diversifying brands according to their market positioning and relative size. This enables us to maximize our offerings for different consumer groups and reduce the risk associated with individual licenses. Brand portfolio growth also drives our **geographic sales mix**. We maintain a strong focus on North America and Europe, and work to strengthen our positioning in emerging markets.

"We have embarked on a **new chapter** in our history, a new phase of development that will continue to leverage the **multiple drivers** underlying the basis of the long-term growth expected for the eyewear sector, as well as the main **strategic choices** we have made".

Angelo Trocchia
Group Chief Executive Officer

"Our medium-term ambitions remain focused on a strong and balanced brand portfolio that effectively reaches a broad target consumer audience through sustained growth of our proprietary brands, to be achieved organically, but also through new acquisitions, complemented by a diverse set of licensed brands.

It will be critical that we continue to have a balanced business, impactfully influencing the development of our mix by geography and distribution channel, including all the online channels we have successfully developed in recent years, from BtC to revenues through internet pure players, to our innovative BtB platforms that will continue to put the customer first.

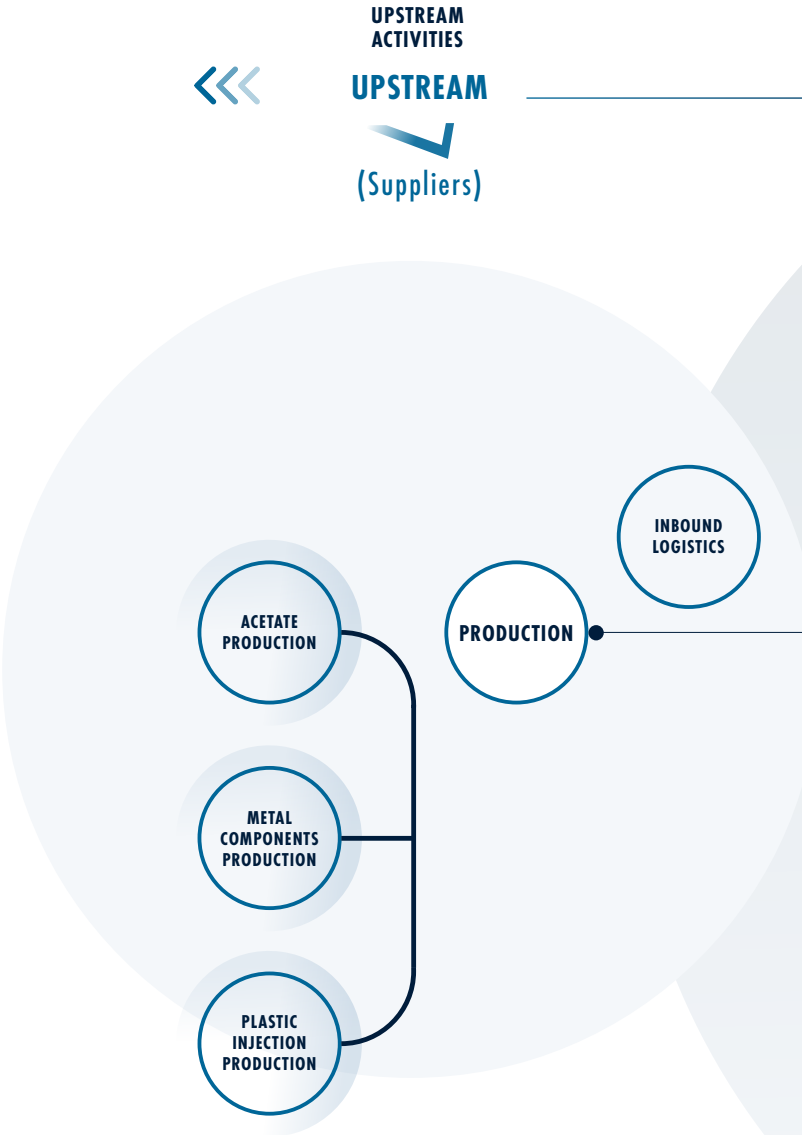
Today, our proprietary brands, along with the perpetual license for Eyewear by David Beckham, already account for about 50 percent of sales, another important milestone that allows us to address with clarity and pragmatism both the challenges and opportunities present in our industry.

Our future portfolio strategies will always leverage the two main enablers of our growth. On the one hand, the 360-degree digital transformation to equip the company with the latest technologies in business intelligence and data analytics, which has already seen us make significant investments, particularly in the last two years.

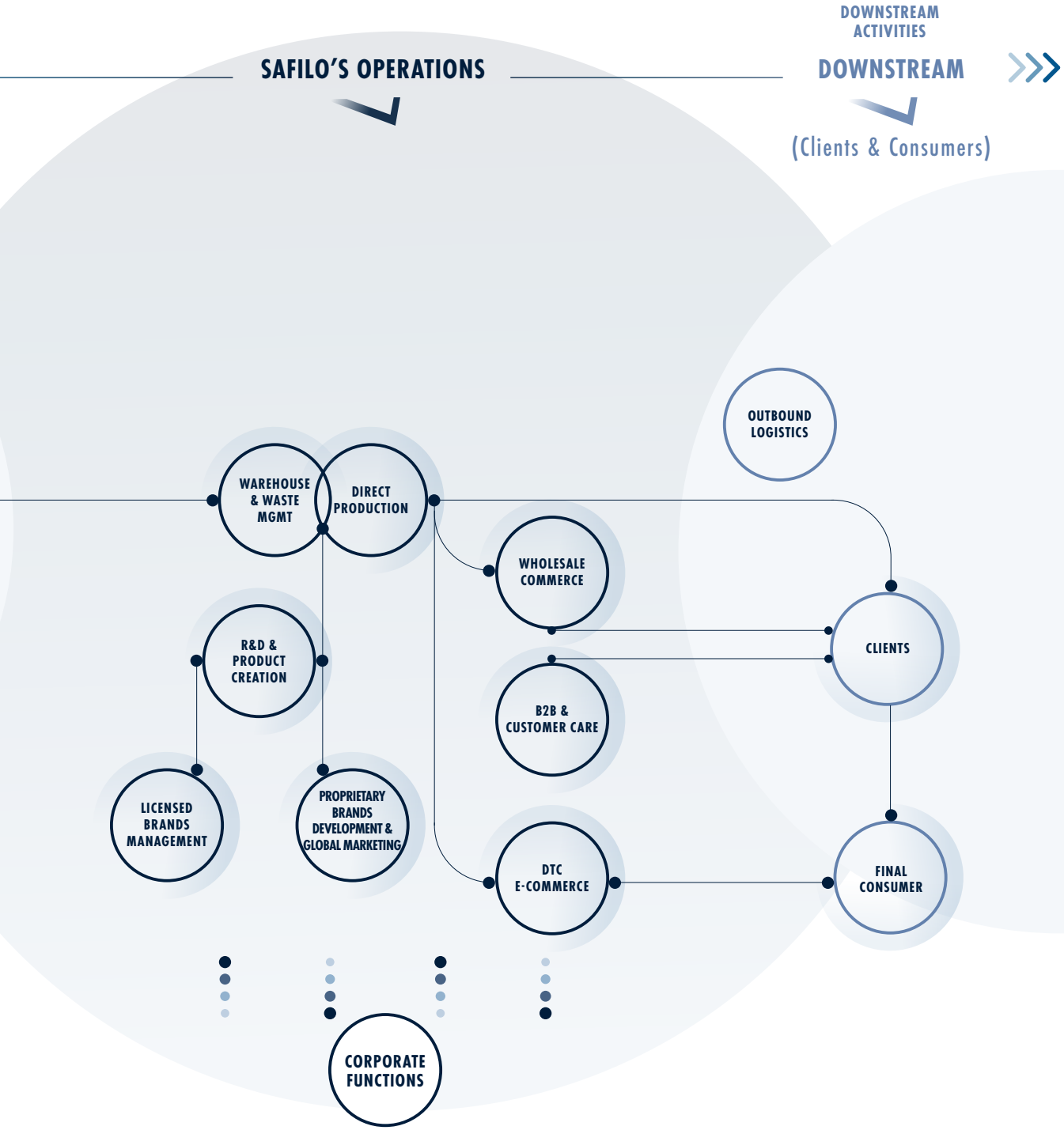
On the other, our growing commitment to sustainable business management. Our sustainability strategy has found further fulfillment, through an official commitment also of our Scope 1, 2 and 3 greenhouse gas reduction targets, which we decided to validate with the Science Based Target initiative (SBTi), and from which we received positive feedback in February 2024."

OUR VALUE CHAIN

We preside over the entire eyewear value chain. We play a central role in all key activities: from research and development, product design and creation, to sourcing and production activities; from the management and development of a rich portfolio of our own and licensed brands, to branding, marketing and communication activities, and on to multichannel distribution and customer and consumer care, supported by dedicated tools and activities. The value chain includes upstream activities, entrusted to selected suppliers of raw materials, materials and finished products, and downstream activities, carried out by our customers through sales in physical and digital stores. By purchasing eyewear, end consumers complete the value chain.



VALUE CHAIN MAP



RESEARCH AND DEVELOPMENT

Innovation is at the core of our mission. The heritage of craftsmanship, combined with state-of-the-art technology, enables us to develop products that not only care about aesthetics and functionality, but are also responsibly designed **to minimize environmental impact**.

Indeed, a key pillar of our innovation strategy is the integration of recycled and bio-based materials into the product, which consists of polymers such as acetate, polyamide and polycarbonate and various metal alloys. We are proud to have reached our goal of developing **25%** of our new collections with **recycled and bio-based materials** by 2025, reducing the overall environmental impact of our production processes.

Our **Global Innovation Center** focuses **on product innovation** to analyze trends, research new materials and develop new technologies, and **industrial engineering** to test specific solutions to create better quality products.

We are engaged in both proactive and collaborative research, developing new and innovative products in **partnership** with universities, research centers, qualified suppliers, customers, industry experts and associations.

Some important examples are:

- the **Smith I/O MAG Imprint 3D** goggle is the first custom mask built to fit the individual characteristics of a person. Using Smith's custom app, users scan their face to capture unique details and contours, allowing them to automatically generate a custom frame, 3D print it using HP's Multi Jet Fusion industrial platform, and finally assemble it by hand in Smith's manufacturing facility;
- the **collaboration with Amazon** to offer, exclusively for the U.S. market, a solution that combines the great quality construction and design of Carrera Eyewear with the high-tech content of Alexa AI. To this end, Amazon has produced two different iconic and innovative models with open-ear audio technology that directs sound to the ear, minimizing what people around can hear.

25%
of our new collections
with recycled and/or bio-based materials

PRODUCT DESIGN AND DEVELOPMENT

It all starts with product **design** and creation. Designers express their creativity by developing new collections based on input from brands. The result is 2D and 3D drawings that are used to create **prototypes**. These samples, either handmade or 3D printed, are used to approve the collection. Once the design aspects are defined, careful strategic analysis ensures **industrialization of the product**, using the best materials and processes available.

To maintain excellence, quality and heritage, we have created a **Trends Observatory** to select and analyze what is trending and why, allowing us to combine brilliant design and innovative ideas with a solid market-based approach, all without losing the connection to our roots. Designers combine the Observatory's intelligence with market analysis and potential brand-specific innovations, then create prototype designs. The **Safilo Atelier** produces prototypes by leveraging computer-aided 3D design (CAD) and 3D printing, combining craftsmanship and front-end technology.

In 2025, a creative team of more than **160 eyewear** designers and technicians were instrumental in developing about **1,750 new models**.

160
eyewear designers and technicians

225
suppliers
of finished products
and components in 2025

GLOBAL SUPPLY

In recent years, we have optimized our own industrial footprint, adapting it to the production volumes and know-how required to meet the needs of our current brand portfolio. Today, about 80 percent of our volumes are covered by a very select network of suppliers, mainly located in Asia, while the remaining 20 percent comes from Group-owned factories in Italy, China and the United States.

The **Supply Chain** mainly specializes in three different **production materials: acetate, injection molded plastic, and metal**. The raw materials are then shaped by various processes such as milling, molding, welding, and tumbling into rods and fronts. These can then be colored and coated by processes such as electroplating and painting. The frame is then assembled with the lenses and final adjustments and checks are made.

The **Global Sourcing** function is responsible for purchasing raw materials, components and equipment for in-house production, as well as purchasing finished products. This is a strategic role that involves evaluating and selecting suppliers, monitoring the costs and services they provide, and ensuring their compliance and accountability.

To ensure the development of transparent and traceable business relationships and to manage them in line with the highest ethical standards, we have established a **Code of Conduct** for suppliers. Each direct supplier is required to adhere to and abide by all the principles outlined in the "Corporate Responsible Sourcing Manual" and to promote its principles, managing its business relationships throughout its supply chain accordingly.

By 2025, the Group had about 225 suppliers of finished products and components, located mainly in Asia, Italy and the United States.

Over time, **Demand Planning**, which defines production or purchasing requirements for finished products on a weekly basis, has become increasingly strategic. The function uses information gathered internally and externally to ensure that products are available in warehouses for shipment to customers at the time of order.

QUALITY

We create, design, industrialize, manufacture and market **high quality** products, meeting the most stringent international standards and regulations. This commitment has always been at the core of our strategy and goals.

In our processes, **quality management** has evolved from a strong, concrete product focus to an increasingly holistic philosophy that integrates the discipline of quality into our corporate culture and all activities. We don't just look for defects, we try to prevent them to reduce product waste. A goal for which we have invested in a **Corporate Lab**, as a central point of reference in a quality system that uses controls, either in-house or at suppliers, on both raw materials and finished products. Every year the **Quality Control** function performs - in greater numbers than required by the albeit stringent European conformity standards - optical, mechanical and chemical tests to assess, and constantly improve, the performance, functionality, comfort and durability of Safilo's eyewear.

The **Quality System** is ISO 9001:2015 certified, the last certification renewal was issued in December 2024 and is valid until December 2027.

LOGISTICS

We design **logistics solutions** that combine effectiveness, operational efficiency and on-time delivery with environmental responsibility. Over time, we have made several choices that have resulted in the **containment of environmental impacts and costs**. With the same goals in mind, other initiatives are being evaluated.

We aim to build a logistics **system with low environmental impact** through:

- the definition of more **efficient routes**, in order to reduce the distances traveled;
- the optimization of flows, in order to minimize travel;
- the **promotion of transport with lower environmental impact**, favoring sea transport over air transport.

At Safilo, inbound and outbound logistics are managed and coordinated by the expertise in our systems, automation and operational flows of qualified regional teams operating in three main **distribution centers**:

- the distribution center in **Padua**, which ensures product delivery to the EMEA region;
- the **Denver** distribution center, which manages distribution throughout North America and to distributors in Latin America;
- the **Hong Kong** distribution center, which covers the Far East region.

MARKETING

We develop specific **marketing and communication plans** for each of the brands in our portfolio, adopting differentiated strategies and actions in order to ensure optimal positioning for each of them. For licensed brands, the strategy is developed in close coordination with the licensors.

Marketing and communication activities are divided mainly between direct-to-consumer activities and trade marketing activities focused on actions carried out in collaboration with opticians.

Direct-to-consumer activities account for a large part of the advertising and promotional investment; the main media used are digital and social media advertising, out of home, influencer marketing, sponsorships, and public relations with journalists and opinion leaders in the fashion, entertainment, and sports industries. Digital marketing has become increasingly important as a communication vehicle due to its efficient targeting capabilities and the changing media usage habits of consumers.

Trade marketing activities, focusing on the point of sale of major customers and chains, are of paramount importance both for better targeting the end buyer's choice and for customer loyalty policy. The main objectives of the Group's marketing strategies are:

- **ensuring the correct positioning of all brands in the portfolio** by deeply understanding the unique DNA of each brand through communication campaigns that include original creativity and clear awareness, consideration and conversion objectives to cover different consumer targets;
- **ensuring the development of owned brands** through an effective marketing mix and the support of appropriate investments in product development, communication and trade marketing activities and by implementing an end-consumer-facing approach through the various e-commerce platforms of owned brands;
- **communicating the distinctive** brand equity of each brand through product designs and technologies in the different categories (prescription, sun, sports).

CARRERA
EYEWEAR SINCE
#DRIVEYOURSTORY
ungheria
panama
CARRERA
EYEWEAR SINCE
ungheria

cool
essential
cool

DISTRIBUTION

We sell our products through an extensive **network of direct** subsidiaries in about 40 countries in Europe, North America, Asia Pacific and the rest of the world (Latin America and the Middle East and Africa), and a **network of more than 40 partners** in another 70 countries. We are distinguished in the industry by a **global, multichannel sales presence** that makes use of both the established wholesale sales model with which we reach about 100,000 selected stores worldwide, and modern e-commerce sales platforms. In Europe, starting in 2020, we have strengthened and expanded the customer base through a customer- centric strategy, which, thanks to the adoption of the latest technologies in BtB, Customer Relationship Management (CRM) and sales process automation, has redefined and improved customer experience, engagement and services (Customer Experience, Customer Engagement and Customer Care).

To this end, the launch, just in 2020, of the new BtB digital platform for Europe, called **You&Safilo**, was of particular relevance, and the result of collaboration with more than 1,000 opticians who provided valuable feedback during the design phase.

Today, more than 28,000 customers access You&Safilo, in total autonomy, to view catalogs and marketing content, purchase products, order spare parts, submit service and warranty requests, check product availability in real time, track the progress of their order, and get in direct contact with Customer Care.

The You&Safilo ecosystem now also serves as a gateway to innovative features, including Safilo MyKey, a new educational platform designed to support opticians in growing their business, and Safilo Omnia, a digital content hub offering resources and content to increase brand visibility. The tool is also being used to engage and educate customers on sustainability issues such as recycled and bio-based materials used in collections.

In recent years, we have also pursued a **multichannel distribution strategy** by accelerating projects aimed at achieving an increasingly close connection with the end consumer. Consequently, the decision to invest in **digital**, from social and digital marketing to distribution to the end consumer, a sales channel that, thanks mainly to **Smith's and Blenders' e-commerce sites**, has experienced exponential growth, particularly in the North American market. In this geographical area, the other main channels in which we sell products are opticians, ophthalmologists and optometrists, department stores and chains, and sports stores.

In Asia-Pacific and the Rest of the World, we manage wholesale distribution through a direct presence with sales subsidiaries in major markets (China, Hong Kong, Japan, Singapore, Malaysia, Australia, India, Brazil, South Africa, Dubai, and Mexico) and in partnership with local distributors in all other markets.

28k
customers
active on You&Safilo

OUR BRAND PORTFOLIO

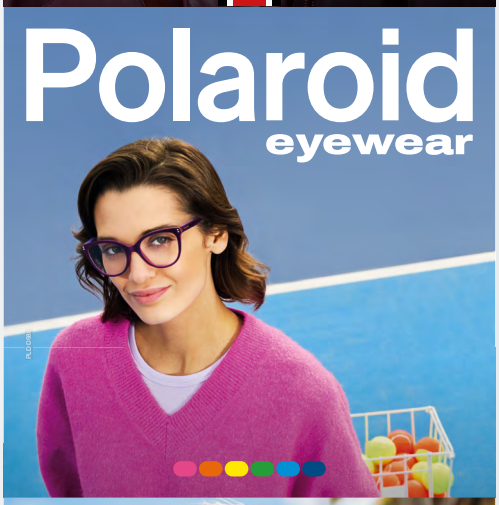
The brand portfolio includes a well-balanced set of owned and licensed brands.

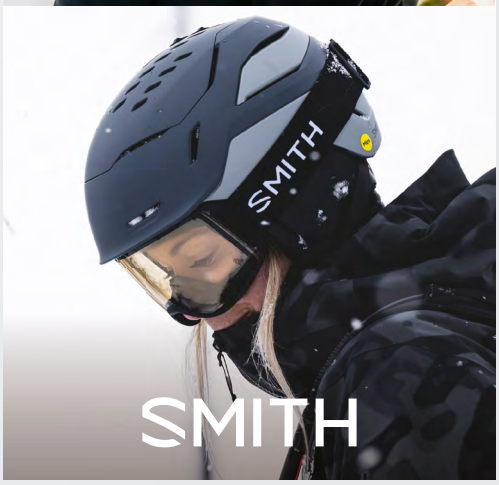
With more than 30 brands, Safilo covers all the consumer segments: from Fashion Luxury – with Boss, Carolina Herrera, Dsquared2, Etro, Isabel Marant, Missoni, Moschino, PORTS, Victoria Beckham – to Lifestyle – with Carrera, Eyewear by David Beckham, Marc Jacobs, Levi's, Tommy Hilfiger, Tommy Jeans, Kate Spade New York, Kurt Geiger, Fossil, HUGO, Juicy Couture, Liz Claiborne, Love Moschino, Pierre Cardin, and Stuart Weitzman – and Sports & Outdoor – with Smith and Under Armour – up to Mass Cool – with Blenders, Polaroid, Privé Revaux and Seventh Street.

In 2025 Safilo continued to renew the key licenses in its portfolio:

- on January 14, 2025 Safilo and Under Armour announcedd the renewal of their global eyewear licensing agreement;
- on February 6, 2025 Safilo and Dsquared2 announced the early renewal of their global multi-year licensing agreement for eyewear;
- on June 23, 2025 Safilo and Carolina Herrera announced the renewal of their global multi-year eyewear licensing agreement;
- on December, Safilo and Pierre Cardin announced the renewal of their global eyewear licensing agreement.

Additionally, on July 1, 2025 Safilo and Victoria Beckham announce a ten-year global licensing agreement for eyewear collections.





PROPRIETARY BRANDS

Proprietary brands are of great strategic importance to the Group's future development and goals. The main ones are Carrera, Smith, Polaroid, and Blenders Eyewear - which play a key role in their respective market segments.

CARRERA
EYEWEAR SINCE 1956

Synonymous with pioneering design and high quality, Carrera is a brand created in 1956 for all those who live by their own rules and have the courage to stand out from the crowd. The Carrera Collection, for male and female, is composed of three major product lines: CARRERA FLAG, a direct expression of Carrera's soul, drawing on the archives with a close eye to future trends and movements; CARRERA SIGNATURE, which represents evolution, combining classic shapes with urban contaminations; and CARRERA SPORT, which reinterprets the brand's sporty roots with a fashionable approach. The product offer is completed by Snow Goggles and Helmets.

Blenders

Blenders Eyewear was founded by Chase Fisher in San Diego in 2012. Blenders offers a wide range of sunglasses, blue light goggles and ski goggles. Inspired by the company's motto "Life in Forward Motion," it caters to a dynamic and sporty target audience with a vibrant, gritty aesthetic and rainbow colorways. With a talented team of designers, photographers and communicators, Blenders is now one of America's fastest growing eyewear brands.

Polaroid
eyewear

Polaroid Eyewear, a world leader in eyecare, is an international brand that owes its name to the invention that changed the world of technology and optics: polarized lenses. From the revolutionary innovation of the polarized lens by the brand's founder to the continuous adoption of modern innovations, Polaroid maintains its original values, adding revolutionary elements in the eyewear industry and inventive thinking. An innate attitude to see more, and better. Polaroid Eyewear is a brand for everyone, with an offering that extends to consumers from 0 to 99 years old: easy to choose, easy to wear, and easy to buy. The brand manufactures and distributes polarized sunglasses, clip-ons, suncovers™ and prescription frames worldwide through Safilo's network of subsidiaries and its own network of exclusive distributors.

SMITH

Originating in Idaho's Sun Valley, the Smith brand was born in 1965 with the invention of the first ski goggle with thermally sealed lenses and breathable ventilation foam. Drawing on more than 50 years of innovation and design expertise, Smith is an internationally renowned brand for producing technical goggles and helmets based on cutting-edge technologies that combine high performance with gritty, sporty style. Skiing, surfing, biking, the sea and adventure: Smith speaks the language of adrenaline-fueled excitement and the outdoors, with a complete collection with modern style and an exuberant personality. For Smith, experience is everything.

SEVENTH STREET by Safilo

Seventh Street is a brand specialized in prescription frames that offers functional, reliable, pleasant and easy-to-wear products at an affordable price, guaranteed by Safilo's distinctive quality and know-how. The choice of materials, shapes, designs, colors and sizes is differentiated and comprehensive - for men, women and teens looking for stylish, comfortable and top-quality eyewear.

PRIVÉ REVAUX EYEWEAR

Privé Revaux Eyewear is more than just an eyewear brand, it is a lifestyle. It was born out of a shared passion for style and quality, with the goal of making them accessible in ways never seen before. Inspired by the vibrant energy of Miami, the brand offers fashionable, cool, trendy and well-designed frames at affordable prices for men and women. Privé Revaux is the only company to offer the unique combination of celebrity-inspired style and durability at an unprecedented price, celebrating individuality and encouraging people to embrace their own unique style. It is the one-stop shop for all eyewear needs, from sunglasses to prescription eyewear to corrective lenses.

In addition, Safilo's own brand portfolio includes other minor brands mainly for the North American market, such as Adensco, Chesterfield, Elasta and Emozioni.

PERPETUAL LICENSE

As of May 2024, Eyewear by David Beckham has become a perpetually licensed brand.

With this agreement, we have consolidated one of the most successful eyewear brands of recent years in our portfolio.

EYEWEAR by DAVID BECKHAM

David Beckham, a global icon recognized for his style, curates Eyewear by David Beckham, a collection of timeless frames made from the finest materials, combining effortless British style and attitude with a vintage spirit. His refined taste and eye for detail have combined an exceptional contemporary aesthetic with traditional craftsmanship. The brand reflects David's vision, with an unwavering dedication to design and the highest quality. *"My journey in the style world has taught me the power of simplicity and the importance of detail and craftsmanship."*
- David Beckham -

LICENSED BRANDS

Our licensed brands are among the most important and diverse brands in the eyewear industry. In addition to the countless renewals in the last three years, in 2025 we also signed a new ten-year licensing agreement with Victoria Beckham.

Each licensed brand is designed and positioned for a specific market segment and consumer target. The Group's licenses are governed by exclusive contracts, which provide royalties and marketing contributions to the licensors, calculated as a percentage of the net sales generated by sales of the relevant collections, with guaranteed minimum annual amounts. In many cases, these minimum guaranteed royalties are calculated based on a percentage of the sales generated by the licensed brand in the previous year.

BOSS

CAROLINA HERRERA

ETRO

DSQUARED2

FOSSIL

HUGO

ISABEL MARANT

Juicy Couture

kate spade NEW YORK

Levi's

LIZ claiborne

LOVE MOSCHINO

MARC JACOBS

MISSONI

MOSCHINO

pierre cardin

PORTS EYEWEAR

STUART WEITZMAN

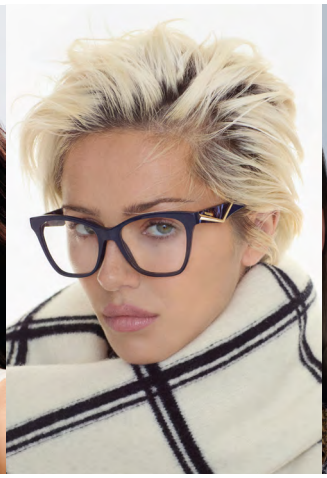
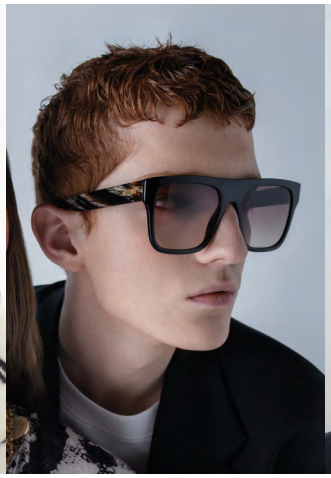
TOMMY HILFIGER

UNDER ARMOUR

VICTORIA BECKHAM

BOSS CAROLINA HERRERA DSQUARED2 ETRO FOSSIL

HUGO ISABEL MARANT Juicy Couture kate spade NEW YORK LEVI'S

LIZ claiborne MARC JACOBS MISSONI MOSCHINO pierre cardin

PORTS EYEWEAR STUART WEITZMAN TOMMY HILFIGER UNDER ARMOUR VICTORIA BECKHAM

A summary and brief description of the licensed trademarks follows:

BOSS

BOSS is for those who lead self-determined lives with style, passion and purpose. The collections offer dynamic, modern designs to form a complete wardrobe for today's inspirational BOSS.

CAROLINA HERRERA

Carolina Herrera is synonymous with luxury and sophistication in the fashion world. Since its beginnings in New York in 1981, thanks to a global approach, Herrera has achieved international success and lived as a protagonist unforgettable moments in fashion history, dressing incredible women all over the world: royalty, first ladies, celebrities and acclaimed actresses. For over 40 years, always pushing the boundaries of style further with his mix of modern and classic, he has proven that sensuality and femininity with a contemporary twist are a perfect combination.

DSQUARED2

Individual, bold and creative, Dsquared2's approach to fashion is a distinct blend of Canadian iconography, modern Italian tailoring and playful sensuality. Founded by brothers Dean and Dan Caten in 1995, the brand's collections are a perfect blend of contrasts: sporty and glamorous, relaxed and extravagant, masculine and feminine. Dsquared2 ready-to-wear collections are made in Italy, giving life to the brand's motto "Born in Canada, Made in Italy."

ETRO

Founded in Milan in 1968 by Gerolamo Etro, ETRO is synonymous with craftsmanship and creativity, offering a full range of Men's and Women's Ready-to-Wear, Accessories, Home, Fragrances and, since 2023, Kids and Eyewear collections. In July 2021, L Catterton acquired a majority stake in ETRO. In December 2025, a pool of industrial investors led by RAMS GLOBAL, alongside Mathias Facchini (Swinger International) and Giulio Gallazzi (via SRI Group), acquired the minority stake previously held by the Etro family. Etro is a luxury brand with a rich history in reinterpreting beauty standards and is recognized for its iconic designs.

FOSSIL

Fossil draws inspiration from the design of the mid-1920s, which it reinterprets in light of the desires of today's customers. This philosophy of "modern vintage" winks at classic style, but is at the same time an expression of a contemporary aesthetic. The collection is aimed at those seeking fashionable eyewear with linear, colorful frames. The sunglass models are young, sporty and easy to wear, with polarized lenses and flexible hinges. The optical frames offer a wide range of styles for both men and women, in materials ranging from metal to acetate.

HUGO

The HUGO collection was created for those who do not follow the rules going their own way and offers contemporary pieces with materials such as denim, jersey, dresses and outwear with attitude and that express the individuality of the wearer.

ISABEL MARANT

More than twenty-five years after its founding, nothing has changed: Isabel Marant remains the most undisciplined of the great French maisons. In the polite world of Parisian fashion, the designer plays a provocative role. Passionate about living and traveling materials, she draws inspiration from every corner of the world to breathe new life into the urban wardrobe in irreverent ways. If some mythologize women-icons on glossy paper, Isabel dresses them for everyday life, whether it's to ride a scooter or walk down the street. Not a single garment leaves her workshop without her trying it on. A joyous mix of bursting creativity, convinced seduction and tireless pursuit of pleasure, Maison Isabel Marant is an ode to the sublime chaos of life.

Juicy Couture

From the streets of New York, London and Seoul to the beaches of Malibu, the "Juicy girl" celebrates life and tackles her every day with a hint of irreverence. Because of her desire to be daring, the originality of her style and her verve, she never goes unnoticed. On the strength of her Los Angeles heritage, Juicy brings high fashion into the everyday and surprises with unexpected details in all her creations, from the iconic athleisure line to fragrances and accessories, via footwear and of course super trendy sunglasses and eyeglasses for women and girls.

kate spade
NEW YORK

Founded in New York in 1993, Kate Spade is a brand strongly rooted in an optimistic, joyful and stylish femininity. Kate Spade caters to women of all latitudes and generations who want to live their lives to the fullest. The eyewear collection reflects these hallmarks through the use of cheerful colors, prints and patterns applied to modern, easy-to-wear eyewear with irresistible appeal. Brand identity is strategically integrated into each product and itself becomes a source of wonder.

Levi's®

The Levi's® brand is a symbol of American style, casual and cool. Invented by Levi Strauss & Co. in 1873, Levi's jeans are one of the world's most well-known and recognizable garments and have captured the imagination and loyalty of generations of people. Today, Levi's product portfolio continues to evolve under the impetus of a pioneering and innovative drive that is unparalleled in the industry. The offering includes denim garments and accessories, available in more than 110 countries around the world. The Levi's® eyewear collection displays the same stylistic foresight and is the perfect complement to the clothing line, allowing the wearer to express themselves with authenticity.

LIZ claiborne

Liz Claiborne was born from the great aspiration to make fashion accessible to everyone. It is the brand of choice for strong-willed women, at work and in everyday life. Liz Claiborne designs a modern, bright, self-confident yet refined femininity, issuing an invitation to become the best version of yourself. Hers is a woman who loves to dress well, but has no time or desire to chase trends. The eyewear collection includes classic and functional prescription frames and sunglasses, with feminine details and colors and the brand's innate style. Affordable quality, natural elegance and versatility.

MARC JACOBS

For more than 30 years, Marc Jacobs has been reinvigorating the fashion world by defying convention and creating clothes and accessories we love to wear. The brand carries on its legacy as a rebellious, irreverent and original brand while maintaining a distinct authenticity that is rooted in a philosophy of fusing the everyday with the extraordinary.

MISSONI

Always associated with innovative aesthetics and technical invention that revolutionized the identity of knitwear, the Missoni brand is one of the most celebrated and beloved in the field of fashion and design. The Missoni style was born out of four-handed work. In 1953, Ottavio and Rosita launched into knitwear production and quickly rose to the top of Italian fashion. Missoni ushered in an unmistakable style in clothing and living: a colorful patchwork of zig-zags, stripes, waves and flamed patterns weaving into geometric and floral jacquards. Missoni is now one of the most representative brands of Italian fashion and excellence in the world, and continues to influence contemporary lifestyle with its pioneering, multicolored aesthetic.

MOSCHINO

Italian luxury brand Moschino, founded in 1983 by Franco Moschino, has conquered the international catwalks with its ironic creations. In 2024, Adrian Appiolaza stepped in as Creative Director, fusing the brand's iconic legacy of intelligence and excellence with a contemporary and innovative vision. Paying homage to Franco Moschino's timeless messages of peace, love, and inclusiveness, Appiolaza carries them forward with renewed relevance for a new generation.

pierre cardin

"The clothes I prefer are the ones I create for a life that is not yet there, in the world of tomorrow." Pierre Cardin was not just a designer but a visionary genius: designer, artist, diplomat and entrepreneur. Born in 1950, the Pierre Cardin brand is the synthesis of a protean yet avant-garde world. Fashion, accessories, jewelry, perfumes, furniture, theatrical costumes and even Maxim's restaurants. From the mixture of traditional fabrics and new synthetic materials come geometric shapes that create unique and inimitable garments, known throughout the world. Each collection is clear evidence of an irrepressible hunger for experimentation.

PORTS EYEWEAR

The brand was founded in 1961 in Toronto, Canada, by visionary entrepreneur Luke Tanabe. One of the first brands to adopt the revolutionary jet set lifestyle, PORTS appealed to those who wanted to travel, dream and work all at once: breakfast in the Sahara and then dinner in New York. With its 'global soul, urban spirit' DNA, PORTS soon became synonymous with cutting-edge fashion, design excellence and free spirit. In 1993, Ports was the first high-end fashion brand to land in China, quickly becoming the fashion reference for many successful women in China due to its international allure. In 1999, Ports also introduced the eyewear category, with simple and elegant eyewear that is widely recognized and admired by the Chinese industry.

STUART WEITZMAN

Since 1986, Stuart Weitzman has been inspired by confident, sexy, bold and, above all, strong women. The New York City-based global luxury footwear brand combines Spanish craftsmanship and precisely studied fit to create shoes that allow every woman to stand out. Stuart Weitzman is part of the Tapestry portfolio, a global brand house committed to pushing beyond what is possible. Stuart Weitzman is known for creating elegant, comfortable, high-quality shoes that inspire confidence, and just like footwear, eyewear is an emotional, everyday accessory. His goal is to infuse our distinctive values into eyewear and create accessories that help our consumers look and feel their best.

TOMMY HILFIGER

With a brand portfolio that includes TOMMY HILFIGER and TOMMY JEANS, Tommy Hilfiger is one of the world's leading fashion and lifestyle groups. Tommy Hilfiger is the expression of the classic, the American, the cool, the personification of the American spirit: energetic, entrepreneurial, fun, colorful and inclusive. Its goal is to design and market American wardrobe icons reinvented with a modern twist. High-quality men's and sportswear, womenswear collections, and children's clothing-all lines offer confident style for any time, place, or occasion. Through selected licenses, Tommy Hilfiger offers complementary lifestyle products such as eyewear, watches, fragrances, swimwear, socks, small leather goods, home goods and luggage. TOMMY HILFIGER and TOMMY JEANS branded products are available worldwide through an extensive network of TOMMY HILFIGER and TOMMY JEANS stores, as well as in specialty stores, department stores, online retailers, and of course on **tommy.com.**

UNDER ARMOUR

Founded in 1996, Under Armour, Inc. designs, manufactures and distributes sportswear, athletic shoes and accessories designed to compete at the highest level. The company is headquartered in Baltimore, Maryland, and animates one of the largest digital communities in fitness and wellness worldwide. Its innovative products and experiences optimize sports performance and make athletes better. The brand's vision is to offer athletes performance solutions they didn't feel they needed and now can't give up. Under Armour is synonymous with energy and passion. It is the force that drives every athlete to constantly improve themselves and pursue their goals with tenacity, never giving up. It is the irrepressible desire to succeed. It is no coincidence that Under Armour can count on brand ambassadors of the caliber of Dwayne "The Rock" Johnson, Steph Curry, Tom Brady, Bryce Harper and Jordan Spieth.

VICTORIA BECKHAM

Launched in 2008 with a collection of dresses celebrated for their cut and fit, today Victoria Beckham's eponymous label brand forms the basis for the modern woman's wardrobe with perfectly executed silhouettes rooted in a sophisticated ease. A considered blend of classic British luxury and contemporary flair, the brand's offering is developed at the Victoria Beckham HQ atelier in London and has expanded over the years to include everything from expertly crafted ready-to-wear, accessories and leather goods to award-winning beauty.

Fuelled by a longtime obsession with art and film, worlds from which she often draws inspiration, the transition from designer's muse to Creative Director of her own brand was a natural one for Victoria Beckham, thanks in part to her meticulous attention to detail and a distinctly luxurious sensibility.

With offices in London and New York and a flagship store in Mayfair, the brand has won critical acclaim alongside multiple industry awards. In addition to victoriabeckham.com, Victoria Beckham is carried in 230 stores in 50 countries worldwide, with dedicated personalized spaces in key department stores.

Polaroid

SAFILO GROUP S.P.A ANNUAL REPORT AT 31 DECEMBER 2025

46 Corporate Bodies and Committees

48 Chief Executive Officer's letter

CORPORATE BODIES AND COMMITTEES

Board of Directors[1]	
Chairman	Eugenio Razelli
Chief Executive Officer	Angelo Trocchia
Non-executive Director	Gerben van de Rozenberg
Non-executive Director	Melchert Frans Groot
Non-executive Director	Robert Polet
Non-executive, Independent Director	Ines Mazzilli
Non-executive, Independent Director	Matthieu Brisset
Non-executive, Independent Director	Irene Boni
Non-executive Director	Katia Buja
Non-executive, Independent Director	Cinzia Morelli-Verhoog

Board of Statutory Auditors[2]	
Chairman	Maria Francesca Talamonti
Standing Statutory Auditor	Roberto Padova
Standing Statutory Auditor	Bettina Solimando
Alternate Statutory Auditor	Tina Marcella Amata
Alternate Statutory Auditor	Marco Michielon

Supervisory Committee[3]	
Chairman	Bettina Solimando
	Ines Mazzilli
	Giorgia Canova

1 Appointed by the Shareholders' Meeting held on April 24, 2024.
2 Appointed by the Shareholders' Meeting held on April 27, 2023.
3 Appointed by the Board of Directors' Meeting held on April 24, 2024.

Control and Risk Committee[3]	
Chairman	Ines Mazzilli
	Gerben van de Rozenberg
	Matthieu Brisset

Sustainability Committee[3]	
Chairman	Eugenio Razelli
	Angelo Trocchia
	Katia Buja
	Vladimiro Baldin
	Andrea Grassini
	Marco Cella

Remuneration and Nomination Committee[3]	
Chairman	Cinzia Morelli-Verhoog
	Melchert Frans Groot
	Irene Boni

Transactions with Related Parties Committee[3]	
Chairman	Ines Mazzilli
	Matthieu Brisset
	Cinzia Morelli Verhoog

Independent Auditors[4]	
	PricewaterhouseCoopers S.p.A.

4 Appointed by the Shareholders' Meeting held on April 27, 2023 for the financial years from 2023 to 2031.

CHIEF EXECUTIVE OFFICER'S LETTER

Dear Shareholders,

in 2025 Safilo reaffirmed its strength and resilience, once again proving its ability to grow and generate value even against a complex global environment. Geopolitical tensions, market volatility, and the progressive weakening of the US dollar shaped the entire year. Yet none of these challenges deterred us from advancing the strategic initiatives launched in previous years, and we continued to improve both our economic performance and financial solidity.

Our geographical diversification and the quality of our brand portfolio remained decisive strengths which enabled us to respond promptly to an environment marked by considerable uncertainty and constantly evolving tariff dynamics.

We closed the year with sales up 1.8% at constant exchange rates, a result supported by the solid contribution of most of our key brands. Smith confirmed its leadership in a North American sports market that returned to growth, while the core of our eyewear portfolio - from Carrera and David Beckham to Tommy Hilfiger, Marc Jacobs, BOSS, Kate Spade, and Carolina Herrera—played a crucial role in supporting the Group's expansion across key markets and distribution channels.

The North American market performed better than expected, delivering positive constant-currency growth in every quarter. The resilience of optical frames kept demand strong in wholesale channels, helping offset a more mixed performance in sunglasses, especially in the value for money segment, where promotional pressure remained high.

Europe delivered another year of solid performance. Our strengthened relationships with independent opticians, supported by an ever broader and more tailored product and service offering, continued to serve as a key driver. The growing adoption of our

You&Safilo BtB platform demonstrates the value of our commitment to building reliable partnerships rooted in care, dedication, and innovation.

In emerging markets, conditions remained more challenging, and business performance was less homogeneous. In Asia, the solid recovery that drove much of the year was tempered toward the end by a more uncertain and cautious environment. In other countries, such as India and Brazil, geopolitical complexity weighed more heavily on demand.

Faced with significant tariff pressure, we reacted with speed and agility, implementing mitigation measures that fully offset the negative impact. At the same time, our industrial and operating model continued to gain strength, as reflected in improved margins and strong cash generation in both halves of the year.

We closed the year with a gross margin of approximately 61% and adjusted EBITDA at 10.6%, both up 120 basis points compared to 2024. These results bring our profitability back to the highest levels of the past decade and, together with disciplined and effective working-capital management, enabled us to generate €55 million in Free Cash Flow and to reduce net debt to €46 million, further strengthening our financial profile.

Our confidence in the Group's improving trajectory encouraged us to launch a new share buyback program designed to enhance flexibility and efficiency in the allocation of our financial resources. Including shares already held, we now own approximately 5.60% of Safilo's share capital.

In 2025, we continued to strengthen our business model by renewing our partnerships with Dsquared2, Under Armour, Carolina Herrera and Pierre Cardin. These agreements further enhanced the visibility on our licensed portfolio, which is now around 95% secured through 2030.

We also signed a ten-year agreement with Victoria Beckham, a brand that will enrich our presence in the aspirational women's segment, expanding a portfolio that today combines strategic coherence with meaningful growth potential.

In line with our supply chain optimization strategy, in June we announced the sale of Lenti S.r.l., further focusing our industrial perimeter on the Group's core competencies.

On the investment front, December marked the purchase of a 25% equity stake in Inspecs, a UK-based group particularly active in optical frames, one of the most important areas for our long-term development.

2025 was also a year of meaningful progress in sustainability. We continued to advance decisively on our emissions-reduction roadmap, aligned with the targets validated by the Science Based Targets initiative. One of the achievements of which we are most proud is having reached 100% renewable electricity across all our operations, a clear, tangible milestone in our commitment to an increasingly virtuous business model.

Our efforts were also reflected in an improved CDP rating, with Safilo entering the Leadership List (A-score). This recognition strengthens the credibility of our long-term pathway, acknowledging the transparency, rigor, and continuity of the actions we have undertaken over time.

As we look to 2026, we do so with full awareness of the challenges that the global context will continue to present. Yet we also move forward with the assurance that Safilo stands today on solid foundations and benefits from a clear strategic vision. We will continue to invest in our brands, in sustainability, in innovation, and in the quality of our relationships with clients and partners around the world. The strength of our portfolio, combined with financial discipline and our ability to adapt swiftly, forms the basis on which we will continue to create long-term value.

I would like to thank all Safilo employees for their passion, dedication, and commitment throughout the year. And I thank you, our Shareholders, for the trust with which you continue to support our journey of sustainable growth.

Angelo Trocchia
Chief Executive Officer

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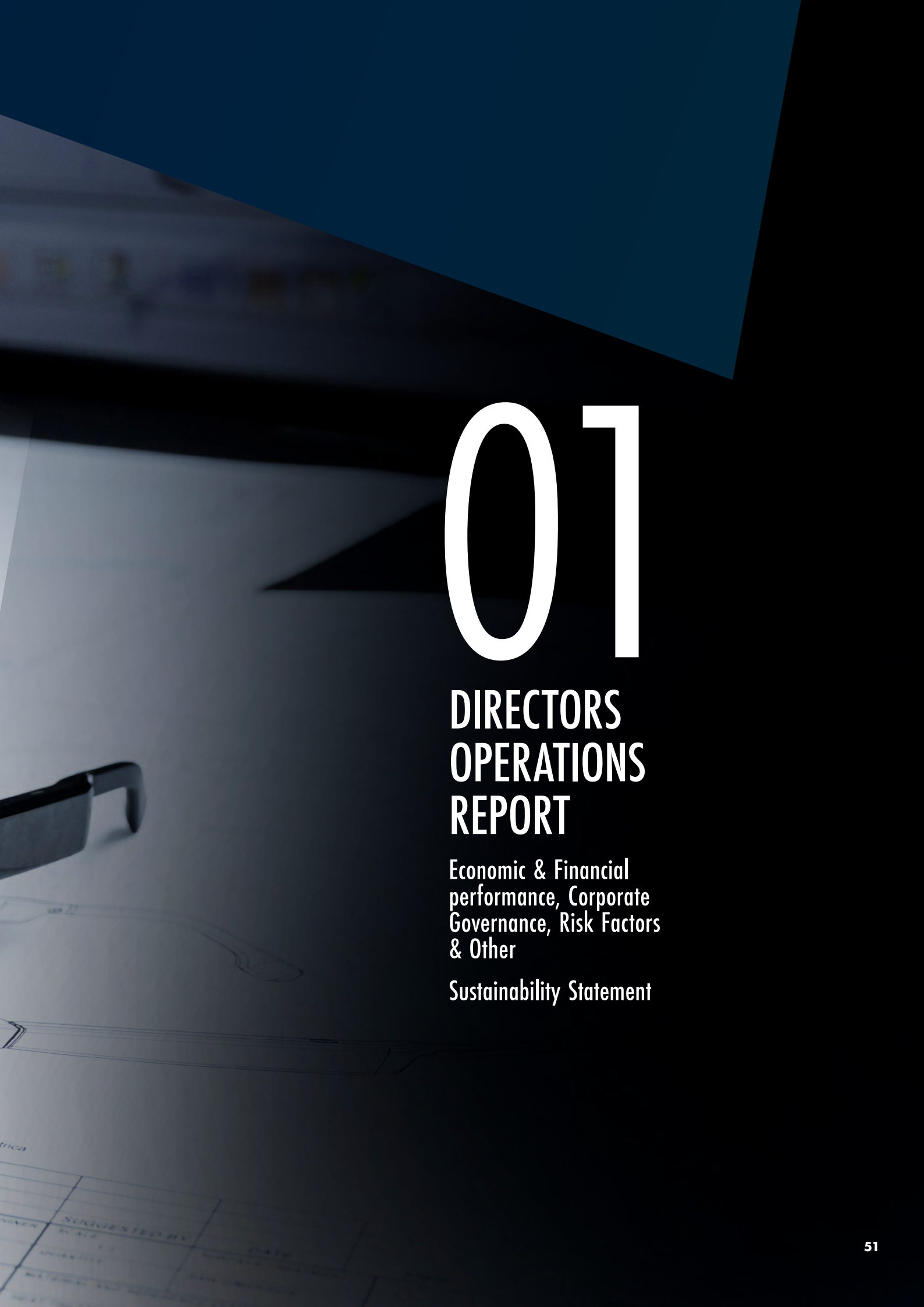

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SUMMARY OF KEY CONSOLIDATED PERFORMANCE INDICATORS

Economic data (Euro million)

	2025	%	2024	%
Net sales	983.4	100.0	993.2	100.0
Cost of sales	(384.1)	(39.1)	(400.4)	(40.3)
Gross profit	599.3	60.9	592.8	59.7
EBITDA	106.4	10.8	79.8	8.0
EBITDA adjusted	104.2	10.6	93.0	9.4
Operating profit	68.8	7.0	39.4	4.0
Operating profit adjusted	66.5	6.8	52.6	5.3
Group profit/(loss) before taxes	67.0	6.8	31.7	3.2
Profit/(Loss) attributable to the Group	48.6	4.9	22.3	2.2
Profit/(Loss) attributable to the Group adjusted	44.6	4.5	34.2	3.4

Economic data (Euro million)

	Fourth quarter 2025	%	Fourth quarter 2024	%
Net sales	225.0	100.0	235.8	100.0
Gross profit	139.3	61.9	140.3	59.5
Ebitda	15.1	6.7	12.9	5.5
EBITDA adjusted	19.7	8.8	17.6	7.5

Balance sheet data (Euro million)

	December 31, 2025	%	December 31, 2024	%
Total assets	759.0	100.0	842.3	100.0
Total non-current assets	310.6	40.9	331.8	39.4
Net invested capital	449.2	59.2	510.1	60.6
Net working capital	213.3	28.1	256.8	30.5
Net financial position	(46.1)	(6.1)	(82.7)	(9.8)
Net financial position pre IFRS 16	(6.6)	(0.9)	(40.3)	(4.8)
Group Shareholders' equity	392.5	51.7	413.1	49.0

Financial data (Euro million)

	2025	2024
Cash flow from operating activities	89.7	76.2
Cash flow from investing activities	(23.6)	(48.9)
Cash flow from financing activities	(58.6)	(54.8)
Closing net cash and cash equivalents	52.1	47.4
Free cash flow	55.1	16.7
Capital expenditure	10.9	48.7

Earnings/(Losses) per share (in Euro)

	2025	2024
Earnings/(Losses) per share - basic	0.117	0.054
Earnings/(Losses) per share - diluted	0.116	0.054
Group Shareholders' equity per share	0.945	0.997

Group personnel

	December 31, 2025	December 31, 2024
Punctual at period end	3,400	3,645
Average	3,496	3,724

Share and market data (in Euro)

	December 31, 2025	December 31, 2024
Share price at the end of the financial year	1.93	0.93
Maximum share price of the financial year	1.94	1.24
Minimum share price of the financial year	0.66	0.85
No. shares in share capital at 31 December	415,238,780	414,239,313
Stock Market value at the end of the financial year	799,749,890	386,071,040

ADJUSTED PERFORMANCE INDICATORS

Adjusted performance indicators exclude the effect of items not related to the ordinary operations which may have an impact on the quality of earnings such as restructuring costs, non recurring costs and legal litigations, impairments when impairment is the result of a non-recurring event.

Adjusted indicators exclude the following non-recurring items:

- in 2025, the adjusted economic results exclude a net non-recurring income of Euro 2.2 million at the EBIT (operating profit) and EBITDA level mainly due to a gain of Euro 9.7 million from the disposal of the subsidiary Lenti S.r.l., and to some special and restructuring project costs of Euro 7.5 million. In fourth quarter 2025, adjusted EBITDA excludes non-recurring costs of Euro 4.7 million due to restructuring and special projects;
- in 2024, the adjusted economic results excluded non-recurring costs of Euro 13.2 million at the EBIT (operating profit) and EBITDA level mainly due to costs related to a terminated license agreement and some special and restructuring projects. In fourth quarter 2024, adjusted EBITDA excludes non-recurring costs of Euro 4.7 million due to expenses related to certain restructuring projects.

The table below summarizes the reconciliation between the economic indicators and their adjusted value pre-non-recurring items:

Euro million	2025			2024		
	EBITDA	Operating profit	Profit/(Loss) attributable to the Group	EBITDA	Operating profit	Profit/(Loss) attributable to the Group
Economic indicators	**106.4**	**68.8**	**48.6**	**79.8**	**39.4**	**22.3**
Restructuring costs and other non recurring costs	7.5	7.5	7.5	13.2	13.2	13.2
Gains on disposal of subsidiaries	(9.7)	(9.7)	(9.7)	-	-	-
Tax effect on non recurring items			(1.8)			(1.3)
Economic indicators adjusted	**104.2**	**66.5**	**44.6**	**93.0**	**52.6**	**34.2**

ALTERNATIVE PERFORMANCE INDICATORS DEFINITION

Certain "alternative performance indicators", which are not foreseen in the IFRS accounting principles and are applied to the financial statements being audited, have been used in this Report. Their meaning and content is given below:

- "EBITDA" stands for Earnings Before Interest, Taxes, Depreciation and Amortisation and is also stated before impairment losses to intangible assets such as goodwill;
- "EBIT" stands for Earnings Before Interest and Taxes and is also stated as "Operating profit/(Loss)";
- "Capital expenditure" refers to purchases of tangible and intangible fixed assets;
- "Net invested capital" refers to the sum of shareholders' equity of the Group and minority interests and the " Net financial position" (see below);
- "Free Cash Flow" means the sum of cash flow from/(for) operating activities, the cash flow from/(for) investing activities and the cash payments for the principal portion of IFRS 16 lease liabilities;
- "Net working capital" means the sum of inventories, trade receivables and trade payables;
- "Net financial position" means the sum of bank borrowings, short, medium and long-term borrowings, net of cash held on hand and at bank. This indicator does not include the valuation of derivative financial instruments and the liability for options on non-controlling interests;
- "Financial leverage" is the ratio between "Net financial position" and "EBITDA".

It should be noted that:

- certain figures in this report have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be algebraic sums of the figures which precede them;
- the percentage variations and incidences in the tables have been calculated on the basis of data expressed in thousands and not those which are shown, rounded to the nearest million.

Following the entry into force on March 18, 2016 of the Italian Legislative Decree no. 25 of 15 February 2016, which eliminates, in accordance with the European Union's Transparency Directive, the obligation to publish interim management statements, the Group releases on a voluntary basis a trading update for the first and third quarters showing only the main financial KPIs.

DISCLAIMER

This report and, in particular, the section entitled "Significant events after the year-end and outlook" contains forward looking statements based on current expectations and projects of the Group in relation to future events. Due to their specific nature, these statements are subject to inherent risks and uncertainties, as they depend on certain circumstances and facts, most of which being beyond the control of the Group. Therefore actual results could differ, even to a significant extent, with respect to those reported in the statements.

GROUP ECONOMIC PERFORMANCE

Consolidated income statement (Euro million)

	2025	%	2024	%	Change	Change %
Net sales	**983.4**	**100.0**	**993.2**	**100.0**	**(9.8)**	**-1.0%**
Cost of sales	(384.1)	(39.1)	(400.4)	(40.3)	16.3	4.1%
Gross profit	**599.3**	**60.9**	**592.8**	**59.7**	**6.5**	**1.1%**
Selling and marketing expenses	(408.9)	(41.6)	(423.6)	(42.6)	14.7	3.5%
General and administrative expenses	(126.2)	(12.8)	(121.0)	(12.2)	(5.2)	-4.3%
Other operating income/(expenses)	4.6	0.5	(8.8)	(0.9)	13.4	n.s.
Operating profit	**68.8**	**7.0**	**39.4**	**4.0**	**29.4**	**74.6%**
Gains/(Losses) on liabilities for options on non-controlling interests	6.5	0.7	8.6	0.9	(2.2)	-25.0%
Financial charges, net	(8.3)	(0.8)	(16.3)	(1.6)	8.0	49.2%
Profit/(Loss) before taxation	**67.0**	**6.8**	**31.7**	**3.2**	**35.2**	**111.1%**
Income taxes	(18.8)	(1.9)	(9.9)	(1.0)	(8.9)	-89.5%
Net profit/(loss)	**48.2**	**4.9**	**21.8**	**2.2**	**26.4**	**120.9%**
Net profit/(loss) attributable to minority interests	(0.4)	(0.0)	(0.5)	(0.0)	0.0	8.3%
Net profit/(loss) attributable to the Group	**48.6**	**4.9**	**22.3**	**2.2**	**26.3**	**118.2%**
EBITDA	**106.4**	**10.8**	**79.8**	**8.0**	**26.6**	**33.3%**
Amortization and depreciation	**37.6**		**40.5**		**(2.8)**	**-7.0%**

Economic indicators adjusted (Euro million)

	2025	%	2024	%	Change	Change %
Adjusted operating profit (EBIT)	**66.5**	**6.8**	**52.6**	**5.3**	**14.0**	**26.6%**
Adjusted EBITDA	**104.2**	**10.6**	**93.0**	**9.4**	**11.1**	**12.0%**
Adjusted net profit/(loss) attributable to the Group	**44.6**	**4.5**	**34.2**	**3.4**	**10.4**	**30.4%**

In 2025, Safilo recorded net sales of Euro 983.4 million, up 1.8% at constant exchange rates and delivering an organic growth of +2.6% when excluding the impact of the Lenti business deconsolidation completed in June. At current exchange rates, revenues declined by 1%, reflecting the steady weakening of the US dollar against the euro throughout the year.

In the fourth quarter, net sales reached Euro 225.0 million, up 0.4% at constant exchange rates and +1.9% on an organic basis. At current exchange rates, the quarter posted a decline of 4.6%, significantly affected by unfavorable currency movements.

Organic growth for the year was supported by the strong expansion of prescription frames, which continued to show robust demand across all major geographies. This performance offset the still-challenging trend in sunglasses, where consumption remained more cautious, particularly in the US value-for-money segment, where business was marked by intense promotional activity.

2025 confirmed the strength and balance of Safilo's brand portfolio, which continued to generate value across markets and distribution channels thanks to the combined contribution of the Group's home brands and its key contemporary and lifestyle licenses. The breadth and complementarity of the portfolio, from flagship brands Carrera and David Beckham to global licenses such as Tommy Hilfiger, Marc Jacobs, BOSS, Kate Spade and Carolina Herrera, were among the main drivers of growth, enabling the Group to reach a broad range of consumer segments and to respond effectively to trends across the main eyewear categories.

Within this context, Carrera stood out once again as one of the year's most dynamic performers, delivering growth across all key markets thanks to the strong appeal of its iconic sun and optical collections, further supported by the brand's expansion in the women's segment. Following two years of outstanding results achieved together, Carrera renewed its partnership with Ducati in 2025, continuing to offer design, technology and speed enthusiasts the opportunity to wear the Carrera|Ducati collections.

David Beckham continued on an exceptionally strong growth path, affirming its position as one of the top performing premium men's brands in the portfolio. The quality of its collections, together with the brand's strong recognition and the ongoing expansion of its international distribution, supported sustained momentum throughout the year.

In the sports business, Smith continued to represent a key asset, driven by the excellent performance of its Direct-to-Consumer (DtC) channel. Despite a more challenging environment in brick-and-mortar retail, the brand maintained its distinctive positioning and confirmed its leadership in the U.S. winter sports segments.

In 2025, the wholesale channel recorded mid-single-digit growth, supported by the combined contribution of independent opticians and retail chains, which continued to reward the quality of Safilo's offering and the strength of the commercial relationships built in recent years. The online business remained stable, maintaining a revenue share of around 16%, supported by the expansion of the sports direct-to-consumer channel and the growth of European Internet Pure Players, which helped offset the weaker performance of Blenders' ecommerce channel.

During 2025, Safilo continued to strengthen its economic performance, closing the year with a significant improvement in both earnings and profitability, supported by an effective management of the Group's key operational and financial drivers.

After the progress recorded in the first nine months, the fourth quarter also confirmed a very positive trend in the gross industrial margin, despite the continued negative impact of U.S. tariffs, which remained in line with the third quarter.

The prompt implementation of price adjustments in the North American market, along with increased sourcing outside of China proved increasingly effective in mitigating the impact of tariffs, ultimately fully neutralizing it in the final quarter.

As in the first half of the year, the fourth-quarter gross margin benefited from a favorable price/mix effect, reflecting the reduced weight of the product supply business and the deconsolidation of Lenti S.r.l., both characterized by lower margins. Positive results also came from the obsolescence, whose impact continued to decline thanks to improvements in forecasting and planning processes and to lower inventory levels.

During the year, while the progressive weakening of the dollar had an unfavorable impact on revenues, it represented a tailwind for the gross margin, given that a significant portion of the Group's supply chain is denominated in dollars.

As for selling and marketing expenses, the significant increase in marketing and advertising investments recorded in the first half was followed,

in the second part of the year, by a gradual normalization of spending, which allowed their incidence on sales to realign with the levels of the previous year. The year was also marked by a reduction in logistics costs, supported in part by further efficiencies introduced across the Group's distribution processes.

The year saw higher IT investments, mainly in SaaS solutions supporting front-end initiatives for the sales force, together with an increase in the allowance for doubtful accounts linked to specific situations of greater uncertainty in certain emerging markets.

Below the operating line, financial performance benefited from a sharp reduction in financial charges, which were nearly halved compared to the previous year, providing an overall boost to net profit.

Safilo's operating performance for 2025 included Euro 9.7 million capital gain from the sale of its subsidiary Lenti S.r.l. This gain, together with other non-recurring costs, is excluded from the adjusted results.

In 2025, **gross profit** amounted to Euro 599.3 million, up 1.1% compared to 2024. The gross margin improved by 120 basis points, rising from 59.7% to 60.9% of sales.

For the year, selling and marketing expenses decreased by 3.5%, mainly reflecting a reduction in logistics costs. Marketing and advertising expenses declined only marginally, with their incidence on revenues remaining broadly stable year-on-year at 12.7%. General and administrative expenses increased by 4.3%.

In 2025, **adjusted EBITDA** amounted to Euro 104.2 million, an increase of 12.0% compared to 2024, while the Adjusted EBITDA margin improved by 120 basis points, rising from 9.4% to 10.6%.

In 2025, **adjusted operating profit** amounted to Euro 66.5 million, up 26.6% compared to 2024, also benefiting from lower amortization. The Adjusted operating margin rose to 6.8% of sales, representing an improvement of 150 basis points versus the prior year.

Adjusted Group net profit for the year amounted to Euro 44.6 million, up 30.4% compared to 2024. This performance also benefited from an almost 50% reduction in net financial charges, which declined from Euro 16.3 million to Euro 8.3 million, driven by lower Group net debt and a more favorable trend in exchange rate differences.

Fourth quarter - Key economic performance indicators (Euro million)

	Fourth quarter 2025	%	Fourth quarter 2024	%	Change	Change %
Net sales	**225.0**	**100.0**	**235.8**	**100.0**	**(10.8)**	**-4.6%**
Cost of sales	(85.6)	(38.1)	(95.6)	(40.5)	9.9	10.4%
Gross profit	**139.3**	**61.9**	**140.3**	**59.5**	**(0.9)**	**-0.7%**
EBITDA	**15.1**	**6.7**	**12.9**	**5.5**	**2.1**	**16.6%**
Adjusted EBITDA	**19.7**	**8.8**	**17.6**	**7.5**	**2.2**	**12.3%**

In the fourth quarter, **gross profit** totaled Euro 139.3 million, slightly below the level reported in the same period of the previous year, while the gross margin expanded by 240 basis points, moving from 59.5% to 61.9% of sales.

In the fourth quarter, **Adjusted EBITDA** reached Euro 19.7 million, up 12.3% compared to the same period of 2024, with the Adjusted EBITDA margin improving by 130 basis points, from 7.5% to 8.8%.

NET SALES BY GEOGRAPHICAL AREA

Full year (Euro million)

	2025	%	2024	%	Change at current forex %	Change at constant forex %
North America	417.6	42.5	428.7	43.2	-2.6%	1.8%
Europe	423.9	43.1	414.2	41.7	2.3%	2.7%
Asia Pacific	59.3	6.0	58.6	5.9	1.3%	4.8%
Rest of the world	82.6	8.4	91.8	9.2	-10.0%	-4.5%
Total	**983.4**	**100.0**	**993.2**	**100.0**	**-1.0%**	**1.8%**

Fourth quarter (Euro million)

	Fourth quarter 2025	%	Fourth quarter 2024	%	Change at current forex %	Change at constant forex %
North America	99.8	44.4	107.3	45.5	-7.0%	1.5%
Europe	89.9	40.0	90.1	38.2	-0.1%	0.7%
Asia Pacific	15.3	6.8	18.6	7.9	-17.4%	-11.5%
Rest of the world	19.9	8.8	19.9	8.4	0.1%	3.9%
Total	**225.0**	**100.0**	**235.8**	**100.0**	**-4.6%**	**0.4%**

In Europe, 2025 sales reached Euro 423.9 million, up 2.7% at constant exchange rates and 2.3% at current exchange rates compared to Euro 414.2 million in 2024.

Fourth-quarter sales increased by 0.7% at constant exchange rates (-0.1% at current exchange rates), a resilient performance considering the headwinds from lower volumes tied to the product supply business, the deconsolidation of the Lenti S.r.l. business sold in June, and the phasing of deliveries to certain clients, anticipated in the third quarter.

Both in the quarter and the full year, Europe delivered a solid organic performance, with mid-single digit growth driven above all by the continued expansion of the prescription frames business across all major markets. Among these, France again proved to be the region's most dynamic market, supported by a broader commercial footprint and consistently robust demand. Turkey and Poland also remained standout performers, each recording double-digit growth and ranking among the Group's fastest-growing markets.

Growth was broad-based across the portfolio, with particularly strong momentum in the Group's contemporary and lifestyle brands. The only exception was Polaroid, which saw a slight decline due to an unfavorable sunglasses season in some key markets.

Across the region, the strengthening of the customer base was fueled by the increasing reach of the You&Safilo Business-to-Business (BtB) platform, which continued to elevate service standards and strengthen long-standing relationships with independent opticians. Its growing adoption reflects the trust built over time and underscores the Group's commitment to supporting the channel with advanced digital tools that simplify daily operations, enhance efficiency and improve overall purchasing experience.

In North America, 2025 sales amounted to Euro 417.6 million, up 1.8% at constant exchange rates compared with the Euro 428.7 million recorded in 2024. At current exchange rates, revenues declined by 2.6%, reflecting the 4.4% depreciation of the average dollar-euro exchange rate.

In the fourth quarter, the region maintained a positive trajectory at constant exchange rates, up 1.5%, while at current exchange rates sales decreased by 7.0%.

The full year was supported by the solid performance of the wholesale channel, which delivered mid-single-digit growth in every quarter, driven by sustained momentum across the Group's contemporary and lifestyle portfolio. Among these, Eyewear by David Beckham, Tommy Hilfiger, Hugo Boss, Marc Jacobs and Kate Spade stood out for their robust and broad-based growth, further strengthening their presence with key customers across the region.

Across product categories, growth in North America was again driven by prescription frames, while sunglasses sales were held back by the highly promotional environment in the entry-price segment. This dynamic continued to weigh on Blenders' e-commerce channel, although its performance in the second half of the year proved less challenging than in the first six months.

In the sports segment, Smith delivered a positive performance, supported by the significant expansion of its DtC channel, which now accounts for roughly 40% of the brand's total business. Sales in brick-and-mortar sporting-goods stores were softer between the second and third quarters, following the Group's decision to temporarily limit imports of winter products from China, resulting in delayed deliveries. Most of the impacted volumes were recovered in the fourth quarter, helping to drive a rebound in physical retail.

In Asia and Pacific, 2025 closed with sales of Euro 59.3 million, up 4.8% at constant exchange rates and 1.3% at current rates. The region experienced a slowdown in the fourth quarter, with revenues down 11.5% at constant exchange rates and 17.4% at current rates, reflecting a normalization of demand in several markets after the strong acceleration seen in the first nine months of the year.

The positive trend that characterized much of the year was supported by the solid performance of distributor-led markets and by the healthy growth trajectory of the Australian market, where Carrera played an important role supported by the brand-building initiatives launched in the country and the successful introduction of the women's collection. Among the brands, Tommy Hilfiger also stood out, posting particularly strong progress and confirming the brand's growing appeal across the region.

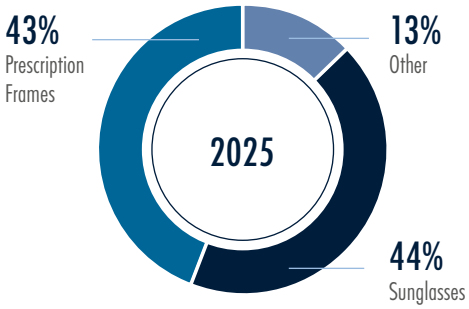
In the Rest of the World, 2025 sales were equal to Euro 82.6 million, down 4.5% at constant exchange rates and 10.0% at current rates. In the fourth quarter, some countries in the region began to show signs of recovery, allowing the area to return to growth, up 3.9% at constant exchange rates (+0.1% at current rates), helping to mitigate the weaker dynamics that had characterized the rest of the year.

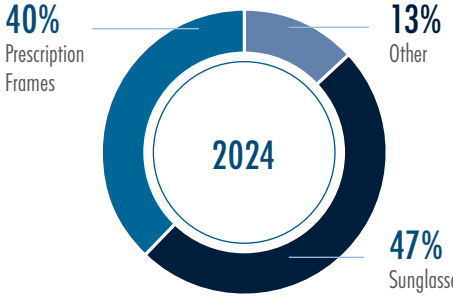
The area's performance was affected by the slowdown in India and by lower sales to distributors in the Middle East, a region impacted by rising geopolitical tensions, more cautious purchasing behavior, and the resulting volatility in demand.

In parallel, Latin America showed mixed trends: Mexico held up well, supported by the growth of Carrera and Carolina Herrera and by more stable consumer spending, while Brazil experienced a slowdown, reflecting weaker demand and a less dynamic distribution environment, also due to the macroeconomic uncertainties that characterized the market during the year.

The charts below summarize the breakdown of net sales by product category for the full year 2025 compared to the previous year.

Full Year





CONSOLIDATED BALANCE SHEET

The table below shows the highlights from the balance sheet as at 31 December 2025 compared with those of 31 December 2024:

Balance sheet (Euro million)

	December 31, 2025	December 31, 2024	Change
Trade receivables	186.6	211.9	(25.3)
Inventory, net	171.2	210.2	(38.9)
Trade payables	(144.5)	(165.3)	20.7
Net working capital	**213.3**	**256.8**	**(43.4)**
Tangible assets	77.4	86.9	(9.5)
Right of Use assets	34.6	37.1	(2.5)
Intangible assets	115.5	135.2	(19.7)
Goodwill	31.0	35.8	(4.9)
Investments in other companies	21.1	0.3	20.9
Net fixed assets	**279.7**	**295.3**	**(15.6)**
Employee benefit liability	(8.0)	(9.4)	1.4
Other assets / (liabilities), net	(30.4)	(19.4)	(11.0)
Liability for options on non-controlling interests	(5.4)	(13.1)	7.7
NET INVESTED CAPITAL	**449.2**	**510.1**	**(61.0)**
Cash in hand and at bank	52.1	47.4	4.7
Short term borrowings	(30.0)	(30.0)	-
Short-term Lease liabilities	(10.6)	(10.4)	(0.2)
Long term borrowings	(28.7)	(57.7)	29.0
Long-term Lease liabilities	(29.0)	(31.9)	3.0
NET FINANCIAL POSITION	**(46.1)**	**(82.7)**	**36.6**
Group Shareholders' equity	(392.5)	(413.1)	20.6
Non-controlling interests	(10.6)	(14.4)	3.8
TOTAL SHAREHOLDERS' EQUITY	**(403.0)**	**(427.5)**	**24.4**

NET WORKING CAPITAL

Net working capital at 31 December 2025 amounts to Euro 213.3 million compared with Euro 256.8 million of the previous year.

Net working capital (Euro million)

	December 31, 2025	December 31, 2024	Change	Of which		
				Translation difference	Changes in the scope of consolidation	Change before Transl. diff. and changes in the scope of consolidation
Trade receivables, net	186.6	211.9	(25.3)	(11.9)	(3.4)	(10.0)
Inventories	171.2	210.2	(38.9)	(13.7)	(2.2)	(23.0)
Trade payables	(144.5)	(165.3)	20.7	5.3	2.6	12.8
Net working capital	**213.3**	**256.8**	**(43.4)**	**(20.2)**	**(3.0)**	**(20.2)**
% on net sales	21.7%	25.9%				

In the year, the cash flow from operating activities benefitted of cash generation of Euro 20.2 million (excluding the translation difference and the change in the scope of consolidation for the disposal of the subsidiary Lenti S.r.l.) at the net working capital level.

The key driver of the decrease in the net working capital was the decrease of inventories thanks to the effort to improve the management of the stock on hand, following also the decision to limit product imports from China in a context of very high tariffs, and of trade receivables partially absorbed by the decrease of trade payables.

FIXED ASSETS AND INVESTMENTS IN TANGIBLE AND INTANGIBLE FIXED ASSETS

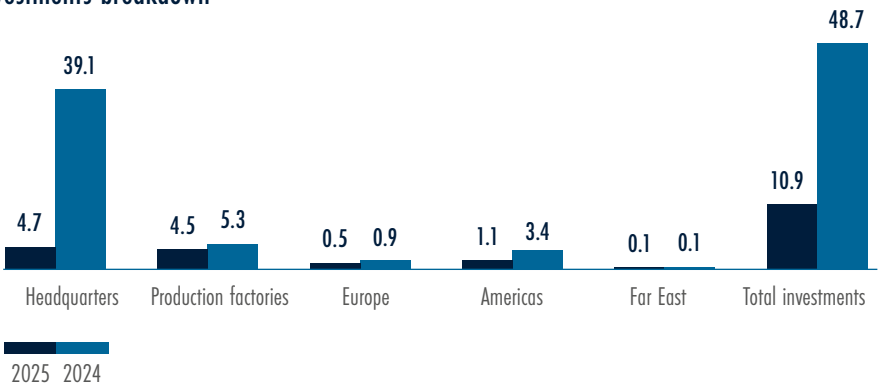
Net fixed assets total Euro 279.7 million at the end of 2025 compared to Euro 295.0 million in 2024.

The decrease of net fixed assets equal to 15.6 million Euro is mainly due to capital expenditure of 10.9 million Euro lower than the depreciation of the tangible and intangible assets equal to 26.4 million Euro.

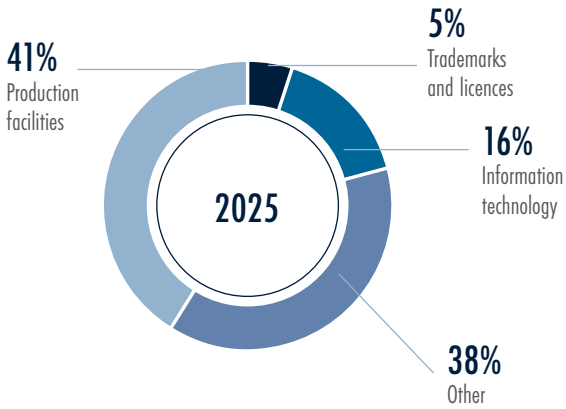
The Group's operating investments of the year equal to Euro 10.9 million (Euro 48.7 million in 2024), returned to ordinary level compared to the previous year when they were significant increased due to the investment for the perpetual license of the Eyewear by David Beckham.

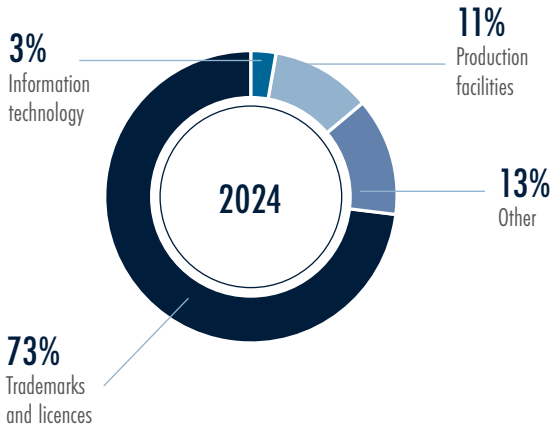
The allocation of the Group operating investments breaks down as follows:

Investments breakdown



Investments by nature





FINANCIAL SITUATION

The main items of the net financial position at 31 December 2025 as well as free cash flow figures are reported below in comparison with the previous year.

NET FINANCIAL POSITION

Net financial debt (Euro million)

	December 31, 2025	December 31, 2024	Change
Current portion of long-term borrowings	(30.0)	(30.0)	-
Short-term lease liability IFRS 16	(10.6)	(10.4)	(0.2)
Cash and cash equivalents	52.1	47.4	4.7
Short-term net financial position	**11.5**	**7.0**	**4.6**
Long-term borrowings	(28.7)	(57.7)	29.0
Long-term financial lease liability IFRS 16	(29.0)	(31.9)	3.0
Long-term net financial position	**(57.7)**	**(89.7)**	**32.0**
TOTAL NET FINANCIAL POSITION	**(46.1)**	**(82.7)**	**36.6**
OF WHICH NET FINANCIAL POSITION PRE IFRS 16	**(6.6)**	**(40.3)**	**33.7**

As at 31 December 2025, the Group's net debt, which also reflects the completion of the Share Buyback program, decreased to Euro 46.1 million (Euro 6.6 million pre-IFRS 16), compared with Euro 82.7 million (Euro 40.3 million pre-IFRS 16) in 2024.

The main components of the Group's net debt at the end of December 2025 were as follows:

- a medium-long-term debt position of Euro 57.7 million, made of bank loans for Euro 28.7 million, related to the Credit Facility signed in September 2022, and an IFRS-16 effect for Euro 29.0 million;
- a short-term debt position of Euro 40.6 million, made of bank loans for Euro 30.0 million, related to the Credit Facility, and an IFRS-16 effect for Euro 10.6 million;
- a cash position of Euro 52.1 million.

The above loans are subject to operating and financial covenants which the Group complied with as at December 2025.

The Group net financial position reported in the above table does not include the valuation of derivative financial instruments and the option liability on the non-controlling interests.

FREE CASH FLOW

Free cash flow (Euro million)

	2025	2024	Change
Cash flow from operating activities	89.7	76.2	13.5
Cash flow from investing activities	(23.6)	(48.9)	25.3
Cash flow from repayment principal portion of IFRS 16 lease liabilities	(11.0)	(10.6)	(0.3)
Free cash flow	**55.1**	**16.7**	**38.4**

In 2025, Safilo generated Free Cash Flow of Euro 55.1 million, a sharp increase compared with the Euro 16.7 million recorded in 2024, confirming the Group's solid free-cash-flow generation even in a challenging market environment.

In the first half of the year, the Group had already delivered a very strong performance, generating Free Cash Flow of Euro 43.5 million. This result was supported both by the excellent operating performance and by extremely disciplined working-capital management, particularly with regard to inventories, following the decision to limit product imports from China in a context of very high tariffs. The first semester also benefited from net proceeds of Euro 11.9 million arising from the sale of the subsidiary Lenti S.r.l., completed in the second quarter.

After the third quarter that generated Free Cash Flow of Euro 20.7 million, Safilo closed the year with a negative Free Cash Flow of Euro 9.1 million in the fourth quarter. However, this corresponded to a positive cash generation of nearly Euro 16 million before the purchase of an equity stake in Inspecs Group. This transaction led Safilo to hold 25% of the Company's share capital, for a total consideration of approximately Euro 24.9 million.

Net of this investment and the above-mentioned divestment of Lenti S.r.l., 2025 Free Cash Flow amounted to Euro 68.1 million, a significant improvement compared to Euro 47.8 million recorded in 2024, the latter before the investment made for the perpetual license of Eyewear by David Beckham.

MAIN CRITICAL RISK FACTORS FOR THE GROUP

The Group implements the measures deemed to be appropriate to contrast any relevant risks and uncertainties arising from its business. The risks are both internal and external and are explained below. The Group has an enterprise risk management approach in place to monitor key risks and related mitigation plans.

INTERNAL RISKS

STRATEGIC RISKS

The Group could be unable:

- to build, acquire, develop and protect its brands and patents;
- to add maintain, replace and develop key licence contracts and fulfil relative obligations and commitments;
- to contrast the competition by maintaining and strengthening its own product supply, distribution and sales network;
- to launch innovative products on the market that meet consumer tastes and are in tune with fashion trends;
- to plan production and sales in line with consumer demand trends, seasonality patterns, and weather conditions;
- to meet its long term financial targets.

OPERATING RISKS

The Group business is subject to:

- the risk of being unable to organise and coordinate integrated supply/production/ logistics and commercial processes in order to provide a rapid response to the needs of increasingly attentive and discerning customers;
- the risk of being unable to identify and purchase raw materials, semi-finished and finished products compliant with the Group's quality standards;
- the operational risks involving industrial facilities, distribution centers, logistics and supplier relationships;
- the risk of non-compliance with internal control procedures as well as the Italian and foreign legislation that are applicable to the Group (for example local tax laws).

PANDEMIC OPERATING RISKS

The spread of the Covid 19 pandemic in 2020, led to a focus on the risk related to the business impacts coming from such pandemic and the redefinition of the scope of some risks already identified.

Following the spread of the Covid 19 pandemic the Group implemented a set of procedure and action plans primarily focused on the health and safety of all its employees, based on the implementation of the safety and prevention regulations provided by government protocols. At the same time, Safilo carried out an action plan to guarantee the business continuity, ensuring production and service levels and implementing smart working solutions for office staff. Safilo thanks to this set of procedure and action plans, Safilo can reasonable face and guarantee the business continuity in case of any future pandemic scenario in term of new upsurge of Covid-19 variants.

CYBER SECURITY AND ICT RISKS

The main risks related to cyber security refer to possible cases of fraud and cyberattacks, which are generally conducted against companies with increasing frequency and complexity. Protection of integrity, availability and confidentiality of data and information is a primary objective of the Group ICT function and digital strategy.

Over the last years, Safilo has accelerated the adoption of new technologies and services allowing users to work remotely with ease, including new digital services and general enhancements at both the infrastructure and application levels.

In addition, Safilo continues the transformation plan of the Group core systems towards the adoption of a single cloud-based, distributed ERP progressively replacing legacy systems in the subsidiaries.

The Group continuously works undertaken to ensure the best protection of ICT systems and

data, to monitor risks associated with cyber threats improving security through initiatives involving technology, systems, processes and human resources.

In particular, Safilo has recently updated the Security Roadmap aimed to guarantee an efficient and effective organizational setup to protect against and respond to digital threats in the near future. The main strategic actions are the following:

- Convergence to a single centralized technology layout for all entities of the group. Regardless of the geography, all entities in the group will share the same interconnected services, technology and capabilities, including new next gen Firewalls and identity, detection and response layers;
- Convergence of Incident Response Teams into a single global team, making incident resolution management more efficient and reducing the response time;
- Increase the awareness program dedicated to Safilo users through phishing simulation and alert campaigns;
- Continue the execution of Attack & Response simulations;
- Identify new AI-based protection technologies.

EXTERNAL RISKS

BUSINESS RISKS

In terms of business risks, the Group is exposed to:

- actions implemented by competitors and the possible entry of new market players;
- the loss of licenses;
- the effects of the macro-economic, political and social factors, in terms of consumers' buying power, loyalty and buying trends;
- changes in national and international regulations that could hamper the Group's competitive position;
- climatic conditions, such as very bad weather in the spring or summer which could drastically reduce sales of sunglasses or warm winter conditions with respect to the sale of snow products;
- health epidemics and pandemics, which could reduce demand for and constrain supply of the Group's products;
- labour risk associated with employment of people in several jurisdictions in the world.

CLIMATE CHANGE

Safilo considers the relevance of the climate change in its management system and monitors the related risks.

Climate Change is declined by Safilo in the management system and risks identified with respect to environmental topics. The governance of climate change topics, as well as environmental matters, is entrusted to the Board of Directors with the consultative support of the Sustainability Committee in defining the related guidelines, as well as the Control and Risks Committee with reference to the management of related risks.

As regards the risks related to climate change, in the short to medium term, there are no significant risks related to the production processes or markets in which the Group operates. The Group is focused on the risks related to climate change with regards to the potential impacts in the medium-long term. The climate change risks identified by the Group are related to the improper management of energy and emission sources, to risks related to regulation changes associated with the fight against climate change and physical risks, such as risks arising from the progressive change of climate conditions related to long-term variations (chronic risks) and from extreme weather events (acute risks) that expose the Group to damage or destruction of "tangible capital" as industrial buildings, plants machineries and infrastructures, potential interruptions of essential supplies, and potential reduction of production capacity. With reference to physical risks, the Group's plants, located in different countries (Italy, China, and the USA), together with the extensive supplier network, guarantee an excess capacity to mitigate, if necessary, the production volumes of other sites impacted by extreme weather events or natural catastrophes, mitigating the climate change risks and related financial implications.

Regarding environmental responsibility risks and the transitory risks related to regulation changes associated with the fight against climate change,

the Group monitors these risks and implement the necessary actions to mitigate them. In term of actions to mitigate environmental risks, the Group obtained sustainability and energy management system certifications, implemented initiatives aimed at improving the energy efficiency of Italian production plants and headquarters, and started the transition to a sustainable mobility of the company car fleet, with benefits in terms of lower energy consumption and the consequent costs and emissions reduction. Starting from 2022 Safilo has progressively moved all Italian legal entities, Chinese and North America Operations sites to renewable energy reaching in 2025 at Safilo group level the goal of 100% of Renewable Electric Energy.

IMPACTS OF RUSSIA'S INVASION OF UKRAINE

During the second half of February 2022 conflict broke out in the Ukraine. The world continues to focus on the Ukraine conflict and its devastating impact they have had on the people in that region.

The Group monitors its critical risks also with regards to the macro-economic and geo-political implications related to Russia's invasion of Ukraine and the sanctions imposed against Russia and Belarus, in particular:

- Safilo has adopted a policy called the International Trade Compliance Policy (ITC), and training is provided to all employees to help them recognize and, if necessary, further investigate any potential red flags;
- a due diligence tool is in place for counterparties, particularly Russian ones, allowing verification of customers and suppliers to avoid business relationships with sanctioned entities;
- even if eyewear products do not fall under dual-use products related to military or technological sectors, each shipment to Russia is subject to a specific procedure: every single order is reviewed to verify its eligibility for export in accordance with current regulations.

The relevant risk assessment confirmed a limited exposure to financial and business impacts for the Group.

Safilo has continued to operate in full control of its local subsidiary, commercial business with local customers has not been in substance affected by limitations and sanctions against Russia and Belarus, due to the nature of the business.

MACROECONOMIC ENVIRONMENT

The macroeconomic environment, resulting from the geopolitical risks consequent to the Russia-Ukraine conflict and the more recent U.S.-Israel-Iran conflict, which have triggered a crisis in the Middle Eastern region, represented an extraordinary circumstance that had direct and indirect repercussions on economic activity and has created a general environment of uncertainties regarding future developments, with significant challenges in terms of foreseen risks.

The Group has implemented all the measures deemed to be appropriate to contrast such uncertainces that may affect both internal and external risks such as business risks but also financial risks, credit risks, market risks, liquidity risks that as explained here follow are duly mitigated by the Group enterprise risk management approach.

FINANCIAL RISKS

The Group pays constant attention to financial risk management

The Group constantly monitors the financial risk it is exposed to in order to assess in advance any possible negative impact and to undertake any corrective measures aimed at mitigating or correcting the risks.

The Group is exposed to a variety of risks of a financial nature: credit risk, market risks and liquidity risk, which are centrally and locally managed on the basis of strict financial planning processes, credit and hedging policies which may also entail the use of derivatives in order to minimise the effects deriving from fluctuations in exchange rates (especially of the U.S. dollar) and interest rates.

CREDIT RISKS

The Group minimizes risk through instruments to control customer insolvency

The Group strives to reduce risk deriving from the insolvency of its customers as much as possible, by adopting credit policies intended to focus sales on reliable and solvent customers. Specifically, credit management procedures, which include the evaluation of information available on customers' solvency and the analysis of historical data series, combined with assigned exposure limits per customer and the strict control of compliance with payment terms, enable the mitigation of credit risk. Credit exposure is, moreover, divided among a large number of counterparties and clients.

Significant exposures for which the Group identifies situations of objective, total or partial, non recoverability, taking also into consideration any guarantees obtained and the costs and expenses of recovery, are typically written off individually.

It is deemed that the maximum theoretical exposure to credit risk is represented by the book value of the financial assets in the financial statements.

MARKET RISKS

Market risks can be divided into the following categories:

Foreign exchange rate risk. The Group operates at an international level and is therefore exposed to exchange rate risk.

The Group holds shares in subsidiaries in countries not belonging to the Euro area; as a result, the variations of shareholders' equity deriving from fluctuations in exchange rates between the local currency and the Euro are booked into a reserve of the consolidated shareholders' equity denominated "translation difference reserve".

Certain subsidiaries in the Group run operational flows denominated in currencies other than the local currency and are therefore exposed to foreign exchange rate fluctuations.

The Group seeks to mitigate the impact arising from foreign exchange rate fluctuations by implementing, mainly in relation to operational flows denominated in U.S. Dollar, a sort of "natural hedging", the net residual exposure is hedged in line with its own internal policy; to this end in order to hedge the so called "transactional risk" it usually relies on forward contracts with maturity lower than twelve months. Information on the fair value and on the method of accounting of derivatives is given in the notes to the financial statements.

Changes in fair value risk. The Group may hold some assets and liabilities subject to changes in value over time depending on the fluctuations of market conditions.

Interest rate risk. Borrowing from banks exposes the Group to the risk of variations in the interest rates. Specifically, loans at variable rates determine the risk of a change in cash flows.

The Group regularly assesses its overall exposure to the risk of interest rate fluctuations and may evaluate to manage such risk through the use of derivatives, such as interest rate swaps (I.R.S.) executed with primary financial institutions.

LIQUIDITY RISK

The Group constantly monitors its cash flows

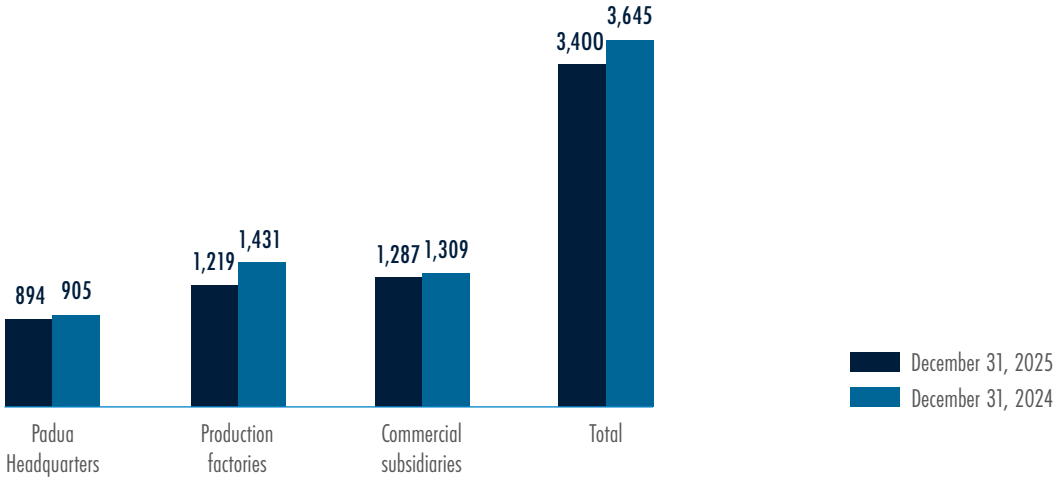
This Group is exposed to the risk associated with inability to secure, at acceptable conditions, the financial resources needed to sustain operations within the necessary timeframe. Cash flows, borrowings and liquidity are constantly monitored at central level by the Group treasury in order to ensure effective and efficient management of the financial resources.

HUMAN RESOURCES

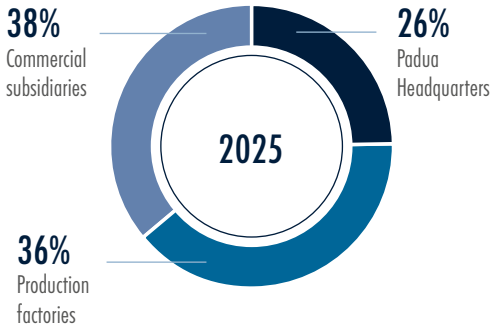
At the end of 2025, the Group had 3,400 employees compared with 3,645 at the end of 2024, with a decrease of 245 employees. The reduction, mainly related to the factory workers, is due to the optimization of the industrial capacity and to the disposal of the manufacturing subsidiary Lenti S.r.l at the end of May 2025.

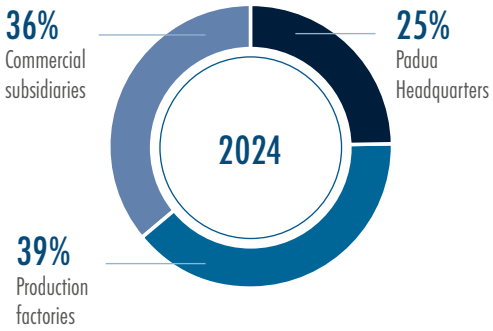
The allocation of the Group workforce by business area breaks down as follows:

Employees by business area



Incidence by business area





ICT – INFORMATION SYSTEMS

During 2025, the consolidation and development activities of SAP S4 continued, with ongoing improvements and the internalization of maintenance, monitoring, and support processes. The SAP adoption projects also recorded significant progress with the implementation of the new SAP S4 for Fashion infrastructure, deployed in the Cloud on RISE-AWS. This achievement confirms that Safilo is among the first companies in the eyewear sector to manage operational B2B back-end processes through a Cloud ERP system.

Following the major innovations introduced in North America with the adoption of SAP and the strong consolidation of back-end processes during 2023 and 2024, progress that continued in EMEA with the United Kingdom, the solution rollouts advanced further in EMEA with new implementations in Switzerland, Croatia, and Greece.

In the SAP domain, important consolidation initiatives were also carried out on on-premise infrastructures, aimed at refreshing operating systems, data-storage hardware, server virtualization versions, and simplifying the overall landscape.

Within the Data & Analytics program, initiatives aimed at improving the effectiveness of business decision-making continued. This was achieved through the evolution of Business Intelligence platforms, enriched with new available data sources, the development and adoption of new Tableau dashboards, and the creation of analytical models supporting internal processes linked to vertical and cross-departmental service components. To further strengthen data infrastructures, a major investment program was launched to streamline back-end tools and converge toward unified data versions.

In the EPM area, overall improvements continued with the ongoing development of applications on Oracle EPM Cloud, selected as the definitive target platform for future Enterprise Performance Management applications.

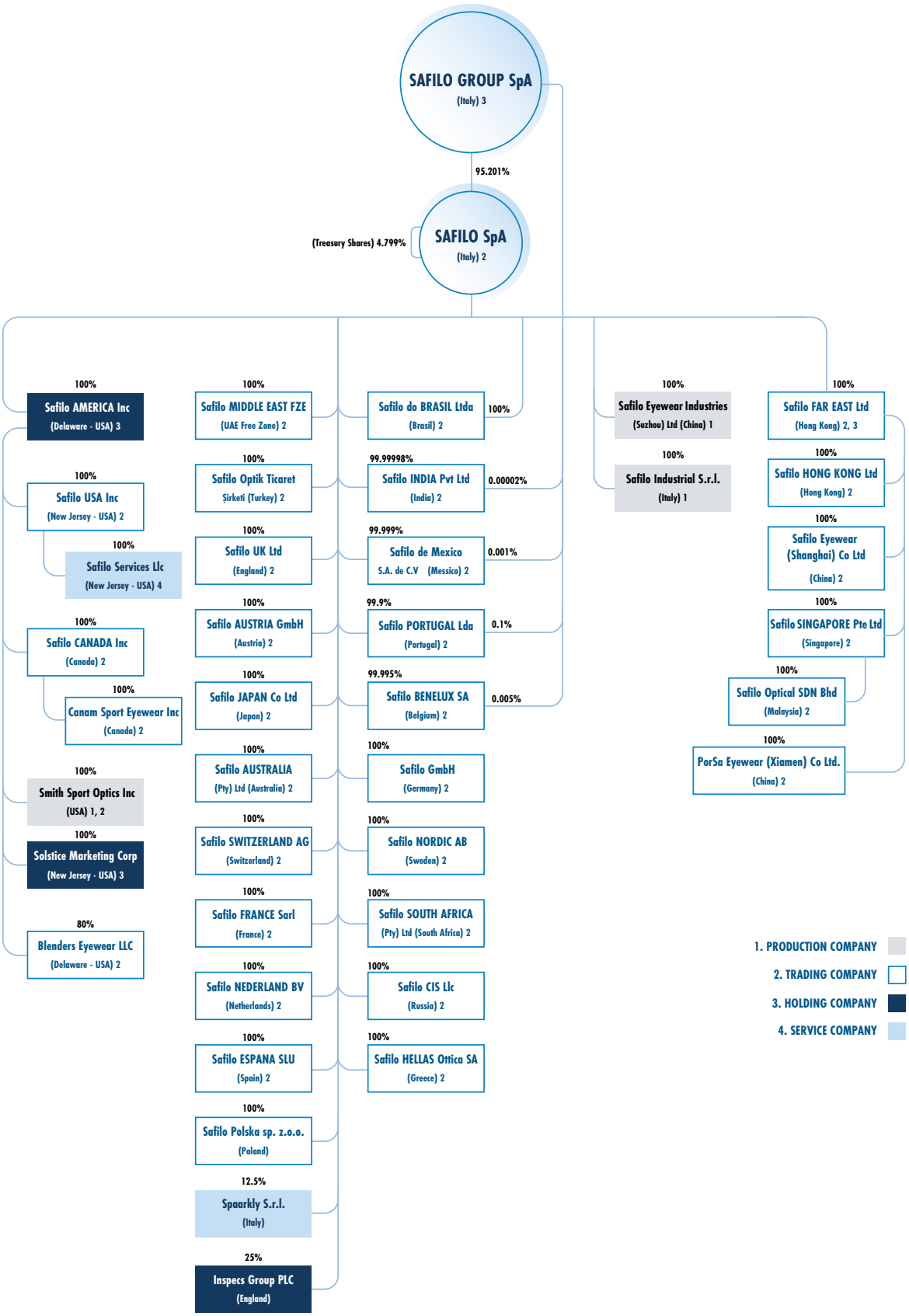
Within the internal ICT perimeter, the use of HelpYou as the platform for tracking service requests and incident reporting was consolidated and extended. Progress continued in both EMEA and the US, Smith, and APAC. The program can now be considered complete, and continuous monitoring of internal services delivered shows a consistent reduction in incidents and increasingly faster service delivery.

In 2025, in line with previous years, the modernization of individual productivity tools continued through the purchase, configuration, and distribution of new personal computers equipped with advanced security technologies. Again in the area of individual productivity, the first AI solutions are being deployed to support employees in their daily work, with several solutions being integrated internally, particularly those based on Microsoft Copilot technologies.

In the CyberSecurity domain, all technological choices from previous years have been confirmed, with strong momentum toward consolidating and globalizing protection systems across all necessary layers. The adoption of Multi-Factor Authentication (MFA) systems and Endpoint Protection tools accelerated further. By the end of 2025, the two IRT centers—EMEA and US—were consolidated under a single centralized EMEA structure. This key milestone enables better monitoring services and an enhanced global defense capability. After selecting CyberGuru as the tool to increase security awareness among all employees, the CyberSmart program was launched with the aim of strengthening human-level protection, providing continuous training and updates on cybersecurity best practices. Adoption metrics are excellent, with strong overall employee appreciation for both the content and the delivery format, which consists of high-quality training capsules.

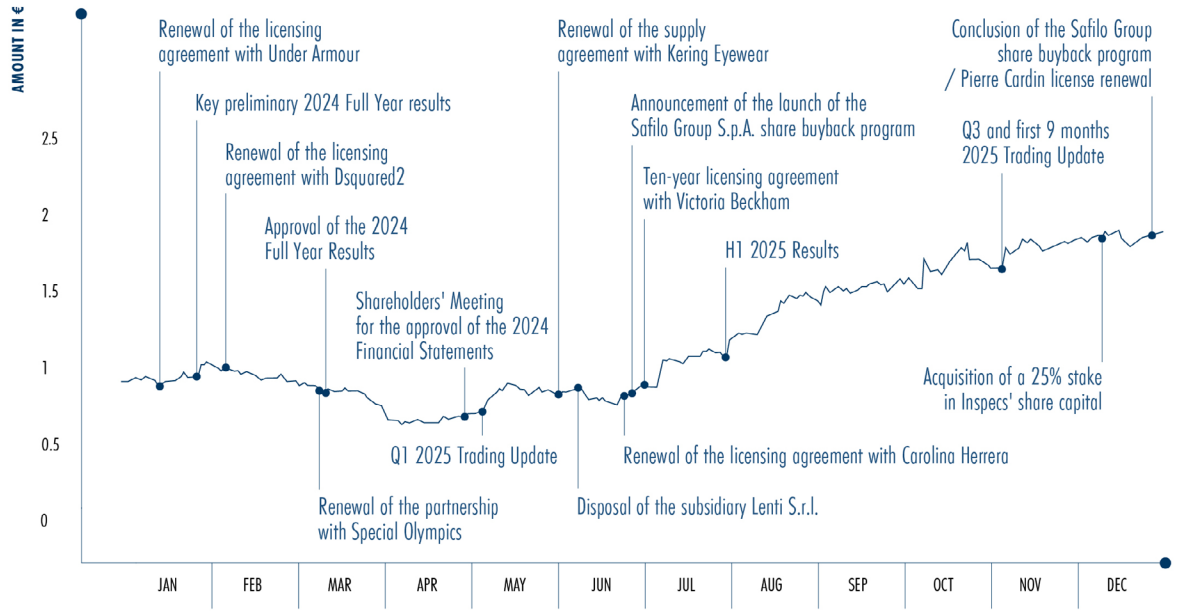
Finally, a program to improve overall ICT Governance was launched through the establishment of a dedicated team supporting the entire organization and introducing methodological practices and innovations. As a first achievement, a near-complete refresh of ICT policies was carried out in coordination with all relevant departments and rolled out to all employees.

GROUP STRUCTURE



SAFILO IN THE STOCK EXCHANGE AND INVESTOR RELATIONS

SAFILO IN THE STOCK EXCHANGE



In 2025, Safilo's share price more than doubled (+107%), reflecting the Group's ability to turn its strategic priorities into tangible results, through the ongoing improvement in margins and solid cash generation, despite a complex and highly volatile market environment.

The year unfolded in two distinct phases, against a backdrop of heightened geopolitical and macroeconomic uncertainty, with global equity markets experiencing sharp swings, particularly during the first half of the year. The re-emergence of trade tensions and the announcement of new tariffs by the United States triggered significant market turbulence worldwide, leading to one of the most volatile periods for global equities in recent years.

After a positive market reaction to the release of 2024 preliminary figures on 28 January, Safilo's share price began to weaken around Trump's Liberation Day on 2 April. Within this context, the stock reached its yearly low on 9 Apri at Euro 0.662, down nearly 30% from the start of the year, as market attention focused on trade-related uncertainty, particularly around tariffs and their potential impact on consumer demand, especially in North America. As the year progressed, investors increasingly recognised Safilo's ability to navigate external pressures, supported by commercial and supply chain flexibility and effective cost management.

The release of quarterly and interim results during the year confirmed resilient sales trends, sustained margin improvement and strong cash flow generation, reinforcing confidence in the Group's execution. This was complemented by a series of strategic actions, from license renewals (UnderArmour, Dsquared2, Carolina Herrera and Pierre Cardin) and the addition of Victoria Beckham to the portfolio, to initiatives aimed at improving operational efficiency and improving financial flexibility and capital allocation, including the sale of Lenti S.r.l. and the launch of a new share buyback programme, all of which supported investor confidence.

On 7 July, Equita, one of the main brokers covering Safilo, upgraded the stock to Buy for the first time in nearly a decade, assigning a target price of

Euro 1.50. Shortly after, on 13 August, Berenberg initiated coverage with a Buy recommendation and a target price of Euro 1.62. These actions and the Safilo's inclusion in the Mid Cap segment during the September index revision further strengthened market confidence in the Group's equity story and supported a significant appreciation in the share price.

On 18 December, Safilo announced that it had acquired a 25% stake in Inspecs Group, a British company that designs, manufactures, markets, and distributes a broad range of eyewear products.

Overall, Safilo closed 2025 at Euro 1.926, just below the annual high of Euro 1.94 reached on 15 December, outperforming many European peers and reflecting a growing market recognition of the Group's strengthened positioning and long-term value creation potential. Trading activity in Safilo shares increased significantly in 2025, with average daily volumes reaching approximately 1.2 million shares, up 37% year on year, reflecting higher investor interest.

European equity markets also ended the year on a positive note, with the Italian FTSE MIB index recording a strong annual gain, up by around 32%, outpacing the main continental exchanges (CAC 40 ca +11%, DAX ca +23%, London FTSE 100 ca +21%).

INVESTOR RELATIONS

Safilo's investor dialogue in 2025 expanded both in depth and scope, combining in-person roadshows, conference participation, and targeted virtual meetings across major European financial centres, as well as a pan-European forum engaging US investors. The Investor Relations programme remained focused on delivering transparent and timely updates on strategy execution, business performance, and long-term value creation, while strengthening relationships with long-standing shareholders and broadening engagement with new institutions.

Throughout the year, management maintained active dialogue with analysts and institutional investors through roadshows in Milan, Amsterdam, Madrid and Paris, alongside participation in leading industry and investor conferences. These included the Kepler Cheuvreux Italian Investment Conference and the Mediobanca Luxury Goods Conference in Milan, as well as the Berenberg Virtual Pan-European Discovery Conference USA. Together, these initiatives reinforced Safilo's visibility in the financial community and supported a deeper understanding of the Group's strategic priorities and growth trajectory.

FINANCIAL CALENDAR

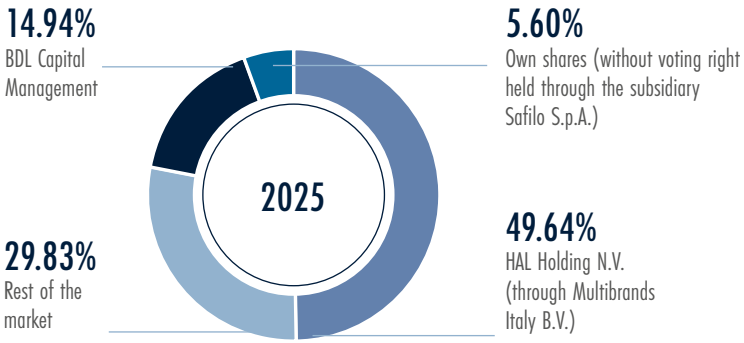
Board of Directors' and Shareholders' meetings for 2026:

29 January	Preliminary sales for the Fourth quarter and full year 2025
12 March	Draft Financial Statements for 2025
28 April	Shareholders' Meeting for the approval of the Financial Statements 2025
7 May	Trading update on the First quarter 2026 KPIs
4 August	Interim Report on Operations for the Second quarter and First half 2026
10 November	Trading update on the Third quarter and first Nine months 2026 KPIs

INFORMATION ON SHAREHOLDERS (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1, OF ITALIAN CONSOLIDATED FINANCE ACT)

SHAREHOLDING STRUCTURE OF SAFILO GROUP S.P.A.

The following chart shows owners of Safilo Group S.p.A. ordinary shares with shareholdings exceeding 5% of share capital as at 31 December 2025.



The Issuer falls under the definition of a concentrated ownership company, since the shareholder HAL Holding N.V. has a majority of the voting rights exercisable at the ordinary shareholders' meeting.

In accordance with IFRS 10 HAL Holding N.V. (through Multibrands Italy B.V.) is deemed to have control over Safilo Group S.p.A. and, accordingly, is required to consolidate the Company in its consolidated financial statements as from 1 January 2014. However, Safilo Group S.p.A. is still deemed not to be subject to the direction and coordination activity (as such activity is defined under Articles 2497 et seq. of the Civil Code) by other entities, including HAL Holding N.V., since there are not the presumptions that typically have been considered relevant by the doctrine and practice.

As a matter of fact, the presumption set forth by Article 2497-sexies of the Civil Code – unless it is proved otherwise, whereby a company is deemed to be under the direction and coordination of the entity which is bound to consolidate same company in its financial statements – can be rebutted in the case at issue for the following main reasons:

(i) Safilo Group S.p.A. can autonomously define its general strategic and operative guidelines and has independent authority to negotiate with customers and suppliers; its decision making process is therefore carried out independently from the decision making process of HAL Holding N.V.;

(ii) the Company is managed by a Board of Directors the majority of whose members are not members of corporate bodies of HAL Holding N.V. or its subsidiaries. Moreover, the Board of Directors also has a sufficient number of independent directors to ensure that their opinions have a significant impact on its own judgment and decisions;

(iii) the Company is not subject to any centralized management approach by HAL Holding N.V. which, indeed, according to the report of its Executive Board, has not developed a central risk management system, thus allowing each investee company, including the Company, to have its own financial structure and be responsible for evaluating and managing its own risks. Moreover, since HAL Holding N.V. (a) has not included Safilo Group in its management reporting system which monitors the performance of the investee companies and, therefore, (b) has no instruction rights with respect to the governance of the Company, HAL Holding N.V. will continue to include the financial results of the Group in the segment "quoted interests" of its accounts;

(iv) although two members of the board of directors of companies controlled by HAL Holding N.V. are also members of the Board of Directors of the Company, the information they periodically

obtain in this capacity has never been used – and will never be used – for the preparation of the consolidated financial statements of HAL Holding N.V., so as to preserve confidentiality and to allow the Company to operate independently from any of its shareholders. Accordingly, the risk management and internal control systems of the Company, with respect to financial reporting risks, are neither monitored nor managed by HAL Holding N.V.

For the sake of completeness and in the interest of transparency, the consolidation of the Group in the consolidated financial statements of HAL Holding N.V., as requested by the IFRS no. 10, may have a material impact on both companies in terms of accounting reconciliation and consolidation requirements. agreed with HAL Holding N.V. on certain procedures for the exchange of information which allow the latter to comply with its (statutory) obligations in preparing its consolidated financial statements on a timely basis while avoiding any interference with the Company's accounting standards and relevant interpretations, its administrative and accounting system, as well as its internal control system.

In order to make the aforesaid exchange of information more efficient and expeditious, HAL Holding N.V. and the Company, among other things, have (a) set up a procedure aimed at ensuring, to the maximum possible extent permitted by accounting laws and regulations applicable to each of them, that their financial statements are based on materially the same accounting policies or, whenever it is not possible to fully converge the accounting principles of the Company and HAL Holding N.V., at making the necessary (accounting) adjustments to the consolidated financial statements of the Company to be reflected in the consolidated group reporting of HAL Holding N.V. and (b) agreed to review the effect of any newly issued accounting standards (if any) with the objective to converge, where practically and legally possible, the implementation of these new standards in the financial statements of both the Company and HAL Holding N.V.

It is hereby reported that, during 2025, the jointly appointed independent financial expert (the so-called 'observer'), who had originally been jointly appointed by the two companies in 2014, resigned from his position for personal reasons. Safilo Group S.p.A. and HAL Holding N.V. have deemed it unnecessary to appoint a replacement. Indeed, the parties considered that the existing information-exchange procedures - which remain fully valid and effective, and within which the observer served merely as an operational element - have proven over time, and continue to be, a sufficient safeguard to ensure compliance with the IFRS international accounting principles in consolidating HAL Holding B.V.'s investment in the Company, while at the same time ensuring that the Company's current internal control and risk management system remains free from any external influence (thus also rebutting any presumption of direction and coordination by HAL Holding N.V. over the Company).

In addition, with reference to Directive (EU) 2022/2523 which transposed at the European level the so-called Pillar 2 regulations ("Pillar 2 Regulations") developed by OCSE on ensuring a global minimum level of taxation for certain multinational enterprise groups. The Company and HAL Holding N.V. signed a framework agreement in order to regulate the manner of collection, processing and transmission of information deemed relevant to ensure compliance with the Pillar 2 Regulations and specific payment obligations between the parties aimed at neutralizing certain effects that may result from the application of the aforementioned regulations.

As at 31 December 2025 there were no restrictions of share transfer.

The Articles of Association do not provide restrictions to the right to vote and the Company has not issued shares with special controlling rights.

The Company does not have knowledge of any shareholders' agreements pursuant to Article 122 of the CFA.

OWN SHARES

The Shareholders' Meeting has neither delegated the power to increase the share capital nor authorized purchases of own shares.

The Company has authorized the subsidiary Safilo S.p.A. to launch the following own shares purchase programmes:

- the ordinary shareholders' meeting of the subsidiary Safilo S.p.A., held on 24 April 2024, unanimously resolved to authorize the purchase and disposal of ordinary shares of the parent company Safilo Group S.p.A., inter alia to service the Stock Option Plan 2023-2025, of Safilo Group S.p.A. and Safilo S.p.A., proposed by the Board of Directors held on March 9, 2023, for a maximum number of 16,000,000 shares equal to approximately 3.9% of the shares currently issued by Safilo Group S.p.A.. The programme has ended on 31 December 2024 with the purchase of a total number of 11,000,000 of Safilo Group ordinary shares, equal to approximately 2.66% of the outstanding shares for an overall consideration of approximately Euro 11.8 million and at the weighted average price of approximately Euro 1.07;
- the ordinary shareholders' meeting of the subsidiary Safilo S.p.A., held on 24 April 2025 resolved a new treasury shares purchase programme of ordinary shares of the parent company Safilo Group S.p.A., that concerned a maximum of 15,000,000 Shares, equal to approximately 3.6% of the outstanding shares, for a total maximum consideration up to Euro 18 million. During the program started on 25 June 2025 and ended on 22 December 2025 the subsidiary Safilo S.p.A. purchased a total number of 12,245,488 of Safilo Group ordinary shares, equal to approximately 2.95% of the outstanding shares for an overall consideration of Euro 18 million and at the weighted average price of approximately Euro 1.47.

As at 31 December 2025 taking into consideration the shares already owned at the start of the program, the subsidiary Safilo S.p.A. holds a total number of 23,245,488 of Safilo Group S.p.A. ordinary shares, equal to approximately 5.60% of the outstanding shares.

FINANCIAL REPORTING MANAGER

Appointment of the financial reporting manager

The Financial Reporting Manager must prepare the adequate administration and accounts procedures for drafting the annual financial statements, the consolidated financial statements and any other financial communications and/or documents, and he must certify that the procedures:

- are adequate taking into account the characteristics of the company;
- have been effectively applied during the period relative to the annual financial statement, the consolidated financial statement and any other financial communication or document.

For the assessment of the adequacy of the administrative and accounting procedures the Company has opted for applying a theoretic reference model issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) that is universally recognised and is the most accredited.

The activities required to assess the adequacy and effectiveness of the procedures and processes that generate financial statement are as follows:

- identifying the control systems necessary to reduce the identified risks;
- carrying out the control tests;
- implementing corrective actions that may be required to adapt the control system.

On 9 July 2023 Michele Melotti was appointed by BOD, after receiving the favourable opinion of the Board of Statutory Auditors, as Group Chief Financial Officer and Manager Responsible for the preparation of the company's financial documents (hereinafter "Financial Reporting Manager"). On the BOD meeting of 11 December 2024 the responsibility of Financial Reporting Manager has been extended to the Sustainability Statement.

Moreover, it has been established that the Financial Reporting Manager will hold office until his resignation or revocation by the Board of Directors.

OTHER INFORMATION

ATYPICAL AND/OR UNUSUAL TRANSACTIONS

No atypical and/or unusual transactions, as defined by Consob Communication 6064293 dated 28 July 2006, were undertaken during 2025.

RELATED PARTY TRANSACTIONS

Board of Directors of 5 November 2010 approved the "Regulations for the transactions with related parties", to govern transactions of major strategic, economic, capital or financial significance for the Company, including those undertaken with related parties, to assure their transparency and material and procedural correctness. Our related party transactions are neither atypical nor unusual and occur in the ordinary course of our business. Management believes that these transactions are fair to the Group. Transactions with related parties, are on an arm's length basis, according to the nature of the transaction, sale of products or provision of services.

For further details regarding the related party transactions, please refer to note 6 to the Consolidated Financial Statements as of 31 December 2025.

RESEARCH AND DEVELOPMENT

The Group's research and development focuses on materials, production processes and the improvement of technical characteristics of the products, and on innovations of the production process which increases its effectiveness, efficiency, quality and speed to market. Expenditure on research is expensed as incurred.

RECONCILIATION OF THE PARENT COMPANY'S NET PROFIT AND SHAREHOLDERS' EQUITY WITH THE CONSOLIDATED BALANCES

(Euro million)	Equity as of December 31, 2025	Net profit/(loss) of the year 2025	Equity as of December 31, 2024	Net profit/(loss) of the year 2024
Balances as per Safilo Group S.p.A.'s statutory financial statements	393.0	(9.0)	399.4	(10.6)
Contribution of consolidated companies	1,032.2	157.3	1,027.2	29.6
Elimination of the book value of consolidated subsidiaries	(990.2)	(12.9)	(980.8)	6.0
Goodwill	29.9	-	34.7	-
Liability for options on non-controlling interests	(5.4)	6.5	(13.1)	8.6
Elimination of dividends paid within the Group	-	(74.1)	-	(12.5)
Elimination of intercompany gains within the Group	(1.3)	-	(1.3)	-
Elimination of intercompany profits included in inventory	(36.6)	(1.3)	(35.6)	0.4
Other consolidated entries	(18.5)	(18.3)	(2.9)	0.2
Total	**403.0**	**48.2**	**427.5**	**21.8**
Equity attributable to minority interests	10.6	(0.4)	14.4	(0.5)
Total attributable to the Group	**392.5**	**48.6**	**413.1**	**22.3**

SIGNIFICANT EVENTS AFTER THE YEAR-END AND OUTLOOK

EVENTS AFTER THE YEAR END

On 20 February 2026 Safilo Group S.p.A. informed that, between 19 and 20 February 2026, the Group acquired additional shares in Inspecs Group plc representing around 5% of its share capital, for a total consideration of approximately 4.3 million GBP. Following these additional purchases, Safilo's total shareholding in Inspecs amounts to 29.99%.

Subsequent to the end of the financial year, the international geopolitical scenario has been characterized by a significant escalation of tensions in the Middle East region, specifically regarding the conflict between United States / Israel and Iran. The situation and any developments remain unpredictable at this moment. The Group is constantly monitoring these developments to assess potential impacts on its business operations. Safilo's net sales in Middle East region accounted for around 2% of the Group's total revenues.

Subsequent to 31 December 2025 through the approval date of this report, there were no significant events which would have impacted the financial and economic results shown pursuant to IAS 10 Events after the reporting period.

OUTLOOK

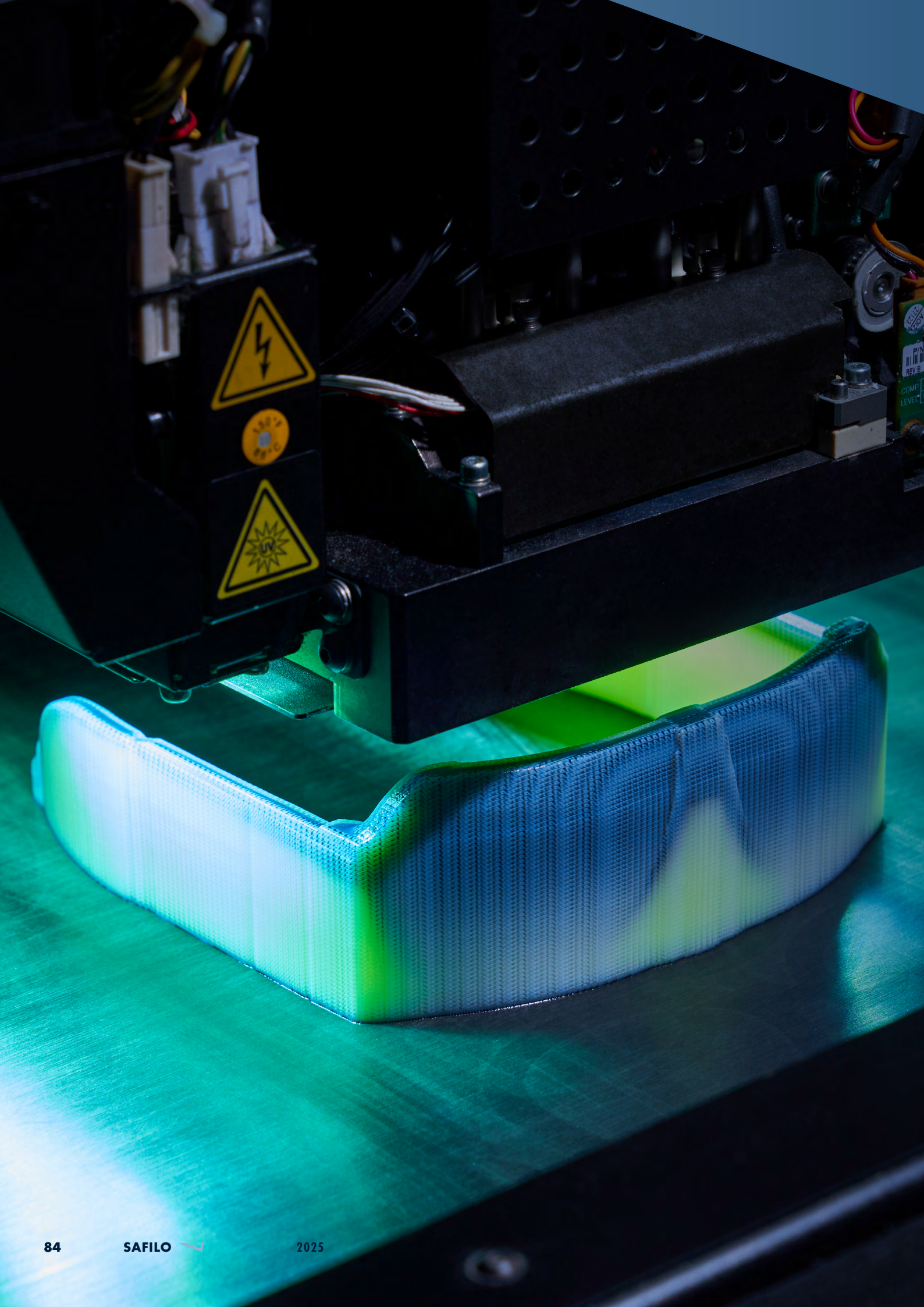
For 2026, amid the ongoing challenges and complexities of the geopolitical and macroeconomic environment, which will continue to influence top-line growth opportunities, the Group remains focused on its strategic drivers to develop the business both organically and through selective acquisitions.

Safilo believes it is well-positioned to continue strengthening profitability and cash generation, consolidating its ability to create sustainable long-term value.

For the Board of Directors

Angelo Trocchia

Chief Executive Officer



01

SUSTAINABILITY STATEMENT

General Disclosures [ESRS 2]

Environmental information [ESRS E1 - E5]

Social Information [ESRS S1 - S2 - S4]

Governance information [ESRS G1]

01

SUSTAINABILITY STATEMENT

General Disclosures [ESRS 2]

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KEY HIGHLIGHTS

OVER 140 YEARS OF EYEWEAR INDUSTRY TRADITION

PRODUCT AND INNOVATION

≈ 1,750
new models developed in 2025
of which around **440** made with recycled or bio-based materials (**25.2%**)

Introduction of **recycled stainless-steel GRS certified**

EMPLOYEE LEARNING & DEVELOPMENT

69,520
hours of training
in 2025

20.4
average hours of training per employee
in 2025

DIVERSITY & INCLUSION

3,400
Employees

59%
woman
in the total workforce

47%
female
in executive, directors and management categories in 2025

8%
of the total workforce
under 30 in 2025

12
nationalities
at executive and director level in 2025

HEALTH AND SAFETY

14
recordable work-related injuries
in 2025

2.23
rate of recordable work-related injuries
in 2025

ENVIRONMENTAL RESPONSIBILITY

3,645 tCO_2
emissions scope 1+2 in 2025
-20% vs 4,535 T CO_2 in 2024

37,911 MWh
energy consumed in 2025
vs 44,591 MWh in 2024

0
Emissions scope 2 (market-based)

100% renewable eletric energy in own operations

GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

General basis for preparation of the sustainability statement

The Safilo Group, as a public interest entity (pursuant to Article 16, paragraph 1, of Legislative Decree 27 January 2010 no. 39) with size limits of employees, balance sheet and net revenues above the thresholds set in Article 2, paragraph 1, has been subject since 2016 to the application of the Legislative Decree 30 December 2016 no. 254 (hereinafter Decree 254) "Implementation of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending Directive 2013/34/EU and subsequent updates Law no.145 published on December 30, 2018 as regards disclosure of non-financial and diversity information by certain large undertakings and groups". The above mentioned Legislative Decree has been replaced by the Legislative Decree 10 September 2024 no. 125 (hereinafter Decree 125) "Implementation of Directive 2022/2464/EU of the European Parliament and of the Council of December 14, 2022, amending Regulation 537/2014/EU, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU as regards corporate sustainability reporting" which include in its scope of application Safilo Group as a public interest entity (pursuant to Article 16, paragraph 1, of Legislative Decree 27 January 2010 no. 39) with size limits of employees, balance sheet and net revenues above the thresholds.

This document refers to the period January 1 - December 31, 2025, which is the same period as the Consolidated Financial Statement.

This Sustainability Statement has been drawn up to the extent necessary to ensure the understanding of the Safilo Group's business, its performance, its results and the impacts produced by the same, and includes the data of the parent company and its subsidiaries consolidated at December 31, 2025 on a line-by-line basis, and covers the topics deemed relevant and provided for by the Article 3 of Decree 125. In details the Consolidated Sustainability Statement covers the same scope of Legal Entities included in the Consolidated Financial Statement.

In order to draw up this Consolidated Sustainability Statement the scope of the information provided has been extended to include main material impacts, risks and opportunities connected with the undertaking through its direct and indirect business relationships in the upstream and/or downstream value chain and only when material till the end consumer.

This is our second year of reporting in accordance with the European Sustainability Reporting Standards (ESRS), while data up to 2023 were reported in the 2023 Non-Financial Statement prepared in accordance with the Global Reporting Initiative (GRI) Framework. Due to the uncertainty inherent in the occurrence of any future event—both regarding whether the event will actually take place and concerning the magnitude and timing of its manifestation —there may be significant differences between actual results and the forward-looking information.

The information provided regarding Scope 3 emissions is subject to greater intrinsic limitations compared to Scope 1 and 2, due to the lower availability/accuracy, both quantitative and qualitative, related to the value chain.

Other medium- or long-term time horizons than those defined in ESRS 1 and Disclosures in relation to specific circumstances

The consolidation and design of this document adopt the definitions of short, medium and long-

term horizons[1] proposed by ESRS 1 and it is noted that no specific circumstances have occurred during the reporting period.

Reporting errors in previous period

KPI ESRS S1 - 6 par 50b has been reclassified as the number of permanent and fixed term employees of 2024 to make it comparable with 2025 figures. This reclassification has been completed after a deep review of all employee contracts.

Furthermore, for KPI S1-14 "Health and safety metrics" the number of 2024 lost days caused by work-related injuries has been revised to make it comparable with 2025 data.

1 a) short-term time horizon is the period adopted by the undertaking as the reporting period in its financial statements; b) medium-term time horizon: from the end of the short-term reporting period defined in (a) up to 5 years; and c) long-term time horizon: more than 5 years.

O M A - A C C E N T
M E T A

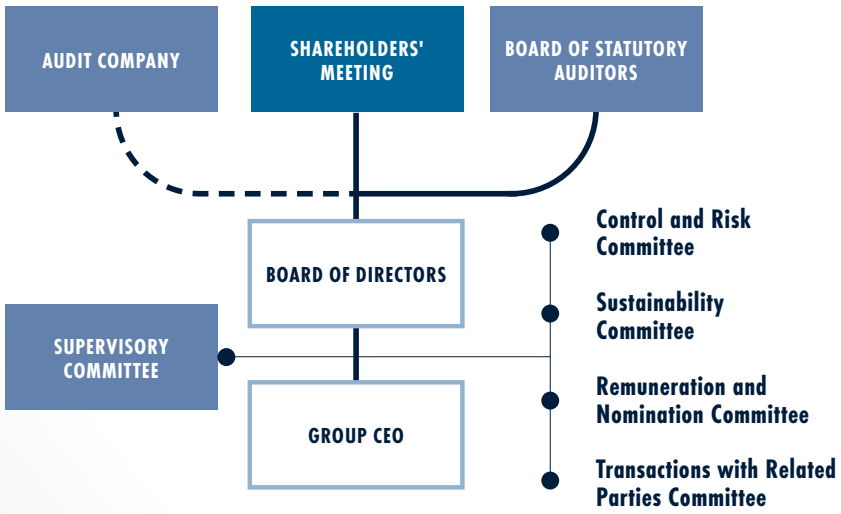
CORPORATE GOVERNANCE

CORPORATE BODIES AND OFFICERS

Safilo Group S.p.A. adopts the traditional governance system.

The Corporate Governance model adopted by Safilo aims to ensure transparent and responsible business operations, significantly contributing to medium and long-term value creation, in compliance with the principles of the Corporate Governance Code for Listed Companies issued by the Corporate Governance Committee. Safilo adopted the traditional governance system which includes:

- the Shareholders' Meeting: a corporate body that expresses the wishes of shareholders through resolutions;
- the Board of Directors: responsible for strategic management in pursuit of the corporate goals and for supervising the implementation of the strategic guidelines;
- the Board of Statutory Auditors: responsible for ensuring compliance with the applicable laws and regulations and the articles of association as well as management control;
- Safilo also engaged an Independent Audit Company to perform the statutory, legal, financial and sustainability auditing tasks.



THE BOARD OF DIRECTORS

Board of Directors roles and responsibility

The Board of Directors is the central body of the Corporate Governance system; it is granted the widest possible powers for the ordinary and extraordinary administration of the Company, excluding only those powers that by law are the prerogative of the Shareholders' Meeting. Its responsibilities encompass strategic oversight aimed at achieving corporate objectives and monitoring the execution of strategic directives. The Board plays a pivotal role in organizing, guiding, and managing the Company to fulfill its corporate mission, maximizing shareholder value in the medium to long term—with a keen focus on sustainability—and addressing the expectations of stakeholders. The Board holds exclusive authority over the most important decisions from an economic and strategic point of view, as well as in terms of their structural influence on management, i.e. functional to monitoring and guiding the Company.

It is appointed based on lists submitted by shareholders, with each list containing a maximum of 15 candidates numbered sequentially. This system ensures that i) minority shareholders are represented by at least one member on the Board; and ii) there is a gender balance.

The current Board of Directors was appointed by the Shareholders' Meeting held on 24 April 2024 and will remain in office until the Shareholders' Meeting convened for the approval of the financial statements as of December 31, 2026. Comprising 10 members, four are independent (40%).

Executive powers are assigned solely to the CEO, while the remaining nine members are non-executive. Notably, there are no members of top management or the Board representing employees or other workers, nor any members directly elected by the workforce or their representatives.

The Board is committed to responsible and transparent governance, leveraging its expertise in corporate governance and knowledge of local and international regulations to guide business conduct. Members bring diverse skills and experiences gained in strategic sectors relevant to the Group's activities and geographical footprint. This diversity enhances the Company's ability to adapt its strategies to the evolving needs of consumers, fostering sustainable and competitive growth for Safilo on a global scale.

Moreover, the Board may engage external agencies and consultants to augment specific expertise. In light of the new Corporate Sustainability Reporting Directive and associated European Sustainability Reporting Standards, a dedicated training session was held in 2024, conducted by a leading consulting firm, to equip all Board members with ESG knowledge essential for overseeing and managing these areas. The experience gained in previous leadership roles plays a key role in managing the Group's strategy, including the main ESG impacts, risks, and opportunities, such as reducing emissions, developing employee inclusion and diversity programs, and strengthening corporate culture, business ethics, transparency and integrity. These skills enable the Board to adopt an integrated and strategic approach to sustainability, in line with stakeholder expectations and corporate responsibility.

Regarding sustainability matters - specifically the oversight of impacts, risks, opportunities, and related due diligence activities, policies, actions, metrics, and targets - the Board of Directors has delegated these responsibilities to the Sustainability Committee. This Committee is informed by dedicated functions regarding the Double Materiality assessment and is responsive to any new impacts, risks, or opportunities that may arise during the reporting year. The Chairman informs the Board of all Committee activities at the earliest possible Board meeting and at least biannually. In 2025, the Double Materiality assessment, was discussed and approved by the Sustainability Committee on 13 November 2025 and by Board of Directors on 10 December 2025.

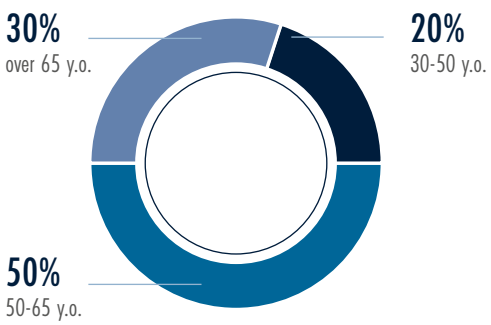
Board of Directors (*)

Office	Members	Male	Female (**)	Year of Birth	Date of first appointment	Non-executive	Executive	Indep. as per Code	Independent as per CFA	CRC	RNC	SC	TRPC
Chairman	Eugenio Razelli	x		1950	29.03.2010	x						x	
Chief Executive Officer	Angelo Trocchia	x		1963	24.04.2018		x					x	
Non-executive Director	Gerben van de Rozenberg	x		1976	24.04.2024	x				x			
Non-executive Director	Katia Buja		x	1966	28.04.2020	x						x	
Non-executive Director	Melchert Frans Groot	x		1959	29.03.2010	x					x		
Non-executive, Independent Director	Cinzia Morelli-Verhoog		x	1960	24.04.2018	x		x	x		x		x
Non-executive, Independent Director	Ines Mazzilli		x	1962	27.04.2015	x		x	x	x			x
Non-executive Director	Robert Polet	x		1955	05.10.2011	x							
Non-executive, Independent Director	Irene Boni		x	1981	29.04.2021	x		x	x		x		
Non-executive, Independent Director	Matthieu Brisset	x		1972	29.04.2021	x		x	x	x			x

(*) For further information on Board Members expertise please refer to their CVs in the next section.

(**) In the Board of Directors, composed of 10 members, 40% are women and 60% are men, with an average ratio of 0.67 women per man in the Board.

BoD Composition by age threshold



THE BOARD OF DIRECTORS

Eugenio Razelli

(Chairman Non-executive)

Eugenio Razelli (born in Genova on June 18, 1950), has been Chairman of the Board of Directors of SAFILO GROUP S.p.A. since April 26, 2017. He was previously a Director of the Board of Directors of SAFILO GROUP S.p.A. (since March 29, 2010).

He graduated in Electrical Engineering from Genova University. He began his career in Fiat Auto and Zanussi, and became CEO of Gilardini Industriale in 1983. Subsequently, he held positions of growing responsibility with Comind (General Manager of Stars and Politecna) and Magneti Marelli. In particular, in the Components Sector of the Fiat Group he held the positions of General Manager of the Electronic Components Division, of Executive Vice President Manufacturing of the Electromechanical Components Group and, later on, of General Manager of this same Group. In 1991 he was appointed President of the Engine Control Systems.

He moved to Pirelli Cavi in 1993 as Vice President Manufacturing and was later appointed President & CEO of Pirelli Cable North America. Upon his return to Italy in 1997 he continued to work at Pirelli Cavi first serving as Senior Executive Vice President, Telecom Division and then as Senior Executive Vice President, Energy Division.

From 2001 to 2003 he held the position of President & CEO of Fiamm, a leading company in the market of batteries.

From May 2003 to March 2005 he was Senior Vice President for Business Development of Fiat S.p.A. in charge of Mergers and Acquisitions, Innovation and ICT strategies.

From April 2005 to June 2015 he was President and Chief Executive Officer of Magneti Marelli.

Today he is Industrial Advisor of FSI and, since June 2022, he is a Board Member of ART Spa. He is also President and Board Member of Motor Valley Accelerator. In July 2020 he became a Board Member and then, in 2024, non-executive Chairman of the start-up Easyrain i.S.p.A. and in December 2019 he was appointed Vice-President of Texa S.p.A.. In addition, in July 2023 he was appointed as a Board Member of Tatuus Racing. In October 2024, he was appointed as a member of the Board of Directors of Azzurrodigitale S.r.l. Since February 2025, he has been a member of the Board of Directors of 4C S.r.l. and 4CAI S.r.l.

From 2005 to 2011 he was President of the Italian Association of the Automotive Industry (ANFIA) that has been representing since 1912 the whole automotive sector in Italy; and from 2006 to 2011 Member of the Board of CONFINDUSTRIA (General Confederation of the Italian Industry).

Since 2009 he has been Vice President of OICA (International Organization of Motor Vehicle Manufacturers) and from 2009 to 2011 President of FEDERVEICOLI, the Federation of the Italian Motor Vehicles and Components Associations of the transport sector, established after an agreement among ANCMA (National Association for the Bicycle, Motorcycle and Accessory Industry), ANFIA and UNACOMA (Italian Farm Machinery Manufacturers Association).

Angelo Trocchia

(Chief Executive Officer)

Angelo Trocchia (born in Formia (Latina) on April 27, 1963) has been the Sole Director of Safilo S.p.A. and Safilo Industrial S.r.l. since April 6, 2018 and the Chief Executive Officer of SAFILO GROUP S.p.A. since April 24, 2018.

Angelo Trocchia was formerly Chairman and Chief Executive Officer of Unilever Italia from 2013 to 2018.

After an MBA at the STOA'/MIT in Naples and a PHD in aeronautical engineering at the University La Sapienza in Rome, he began, in 1991, an international career in Unilever, where he held various roles of increasing responsibility in supply chain and sales.

Until February 2013 he was the Chief Executive Officer of the Unilever Business in Israel, where he delivered two important acquisitions in the Ice Cream and Salty Snack fields, as well as significant growth in the Personal Care business. He also played a key role in leading the local company towards a brand-new organizational set-up.

Previous roles in Unilever include the General Management of the Frozen Foods business, including the sale of Findus Group to a private equity fund and the management of the whole transition process.

Before that, he served as General Manager of the Unilever Ice Cream business in the Czech Republic and he also led the Italian Ice Cream business, which accounts for more than 40% of the total Italian business turnover.

He speaks Italian (mother tongue) and English (fluent).

Gerben Van de Rozenberg

(Non-Executive Director)

Gerben van de Rozenberg (born in Enschede, the Netherlands, on July 5th, 1976), director of Safilo Group S.p.A. since April 24, 2024.

He holds a Master of Science (MSc) in Econometrics and Operational Research and a Master of Laws (LLM) in Dutch Law, both from the University of Groningen.

From 2002 to 2007 he was associate of HAL Investments B.V. and in 2008 he became investment manager. From 2009 to 2014 he was based in São Paulo (Brazil), where he was responsible for the M&A activities of HAL Investments B.V. in Latin America. Since 2016, he is director of HAL Investments B.V. (Rotterdam, the Netherlands).

In the past, Gerben van de Rozenberg has been member of the Board (non-executive) of Grupo Óptico Lux S.A. de C.V. (Mexico), Reliance-Vision Express Pvt. Ltd. (India) and member of the Supervisory Board (non-executive) of AudioNova B.V (Netherlands).

Presently, he is a director of HAL Investments B.V. (Rotterdam, the Netherlands), a member of the Supervisory Board of TABS Holland N.V. (Netherlands), Royal IHC (Netherlands), IQIP B.V. (Netherlands) and member of the Board (non-executive) of HAL Real Estate Inc (US).

Melchert Frans Groot

(Non-Executive Director)

Mel Groot (born in The Hague, Netherlands, on October 22, 1959), was the Chairman of the Board of Directors of SAFILO GROUP S.p.A. from March 29, 2010 to October 5, 2011, when he handed over his position, remaining as a non-executive Director of the Board of Directors.

In 1984 he graduated in Civil Engineering from the Technical University of Delft, and subsequently gained a Master's in Business Administration from Columbia University in New York.

After his first work experience with Philips, in 1989 he joined HAL Holding N.V. where he was the Chairman of the Executive Board from October 2014 up to March 31, 2024.

Presently he is the Chairman of the Board of Directors of Chile Holding Optico S.A. the holding company of Rotter y Krauss Lta. (non-executive), and a Director of HAL Real Estate Investments Inc.

In the past, Mel Groot held important roles in different companies of the HAL Group among these, he was CEO of Pearle Europe B.V. (2001-2003) and GrandVision S.A. (2005-2006), Supervisory Board member of Pearle Europe B.V. (1996 – 2010), Chairman of Supervisory Board of GrandVision S.A. (2004 – 2010), Supervisory Board member of GrandVision N.V. (2010- 2021), Vice-chairman of the Supervisory Board of Royal Vopak B.V. (2014-2024) and Chairman of the Supervisory Board of Audionova B.V. (2011-2014).

Robert Polet

(Non-Executive Director)

Robert Polet (born in Kuala Lumpur, Malaysia, on July 25, 1955), is a Director of the Board of Directors of SAFILO GROUP S.p.A. since April 26, 2017. He was previously Chairman of the Board of Directors of SAFILO GROUP S.p.A. (from October 5, 2011 to April 26, 2017).

He was, from 2004 to 2011, Chairman and Chief Executive Officer of the Management Board of the Gucci Group contributing to the successful consolidation and growth of the Group and its brands.

He previously spent 26 years in the Unilever Group where he was President of Unilever's Worldwide Ice Cream and Frozen Foods division, a $ 7.8 billion business consisting of over 40 operating companies.

Prior to that position, Mr. Polet worked in a variety of executive roles within Unilever, including Chairman of Unilever Malaysia, Chairman of Van den Bergh's and Executive Vice President of Unilever's European Home and Personal Care division.

Mr. Polet is also a non-executive Director of Philip Morris International Inc. and non-executive Chairman of SFMS B.V. and Arica Holding B.V.

Cinzia Morelli-Verhoog

(Non-executive Independent Director)

Cinzia Morelli Verhoog (born in Premosello (Italy) on January 28, 1960), Director of the Board of Directors of SAFILO GROUP S.p.A. since April 24, 2018.

She is the founder of The Marketing Capability Academy, a Dutch company advising companies on how to increase the effectiveness of their marketing strategies and return on investments.

She graduated in modern languages from the State University of Milan.

From 2004 to 2016 she held various positions in Heineken NV including: International Portfolio Manager, Regional Marketing Manager Europe, Global Commercial Strategy Director, Senior Director Global Marketing Capabilities and finally Senior Director Global Marketing Development.

In the past, Cinzia Morelli Verhoog worked for Reckitt & Colman and ReckittBenckiser (London), IDV Diageo (Turin), Capgemini (Frankfurt, Milan, London), Benckiser Italiana S.p.A. (Milan) and Richardson Vicks/Procter & Gamble (Milan and Rome).

Since 2022, Cinzia Morelli Verhoog is independent non-executive director of NeoDecorTech.

She speaks Italian (mother tongue), English, French and Dutch.

Ines Mazzilli

(Non-executive Independent Director)

Ines Mazzilli (born in Milan on May 5, 1962), Director of the Board of Directors of SAFILO GROUP S.p.A. since April 27, 2015.

She graduated in Business Administration, major in Finance, from Bocconi University in Milan, attended a Management Course at the INSEAD University in France and attended the Director's Program Enhancing the Skills of Corporate and Financial Governance from SDA Bocconi School of Management in Milan.

In 2019-2022 she served as non-executive independent Director of the Board of Directors of Assicurazioni Generali S.p.A. and member of its Risk and Control Committee and Related Party Transactions Committee. In 2022 she served as member* of its Remuneration and Appointments Committee.

In 2018-2021 she served as non-executive independent Director of the Board of Directors of Saipem S.p.A. and has been the President of its Audit and Risk Committee.

In 2016-2020 she served as member of the Advisory Council and Senior Advisor (external) for GENPACT.

She has more than 30 years of experience in a variety of senior finance management positions.

She previously worked for 23 years in HEINEKEN. In 1993, she joined the Italian Operating Company as Planning & Control Manager and she was Finance Director 2001-2005.

In 2006-2010, she was Senior Finance Director of the Western Europe Region.

In 2011-2015, she has been Senior Finance Director of the Global Business Services, responsible for Business Partnering to Global Business Services, HEINEKEN Global Shared Services in Kraków, Global Process and Control Improvement and Global Finance Business Process Management.

In 2015-2016, she has been Senior Director Global Finance Processes & Internal Control, responsible for HEINEKEN Global Shared Services, Global Process and Control Improvement and Global Finance Business Process Management.

Prior to joining HEINEKEN, she spent the early part of her career, from 1987 to 1993, in senior finance jobs in Elizabeth Arden, being part of Eli Lilly first, and Unilever after.

She started her career in banking.

She is active in a variety of roundtables with multinationals and since 2014 member of the Advisory Board of Corso di Laurea Magistrale in Economia e Legislazione d'impresa, University of Pavia, Italy.

* when dealing with appointments issues.

Katia Buja

(Non-executive Director)

Katia Buja (born in Padua, Italy on January 20, 1966), is a Director of the Board of Directors of SAFILO GROUP S.p.A. since April 28, 2020.

She graduated in Law from the University of Padua; qualified to practice the profession of lawyer.

She has spent her entire professional career in the Safilo Group with increasing responsibilities until becoming Group General Counsel in 2005, dealing with the legal and corporate aspects of the listed parent company and the Italian and foreign subsidiaries, leading a team of internal lawyers.

Furthermore, she has been a member of the Sustainability Committee of Safilo Group S.p.A. since January 2021.

Previously she worked for some law firms and notaries.

Irene Boni

(Non-Executive Independent Director)

Irene Boni (born in Sassuolo - Modena, Italy, on February 9, 1981), member of the Board of Directors of SAFILO GROUP S.p.A. since 29 April 2021.

She graduated in Economics in 2004 from the Alma Mater Studiorum University of Bologna, Italy, and has a Master in Business Administration from Columbia University in New York, USA.

Irene is a Senior Advisor, Digital Transformation and E-commerce with an international background and strong experience in digital. She supports executives, entrepreneurs and investors to identify and unleash the growth potential of companies, exploiting technological and process innovation.

After starting her career with Procter & Gamble and McKinsey & Co., from 2010 to 2019 she worked at YOOX Group, then YOOX NET-A-PORTER Group, covering roles of increasing responsibility (Corporate Development, Operations, Technology, Organization and Human Resources). Between 2021 and 2024 she was Chief Executive Officer of Talent Garden, a European leading player focusing on Digital Education. Currently she is Chief Executive Officer of Unhate Foundation E.T.S., independent director of Edizione Holding, AMF, and Fondazione AGO Modena Fabbriche Culturali E.T.S.

She speaks Italian, English and Spanish.

Matthieu Brisset

(Non-Executive Independent Director)

Matthieu Brisset (born in Paris, France, on March 2, 1972), member of the Board of Directors of SAFILO GROUP S.p.A. since 29 April 2021.

He graduated in 1995 from Ecole Polytechnique in France.

He is an experienced executive in the luxury sector, with strong financial experience and strong proven experience in B2B and B2C luxury brand management.

From 2008 to 2020 he held various roles at LVMH Louis Vuitton Moët Hennessy, where he notably served as Chief Executive Officer of Loro Piana and, most recently, Senior Vice President Strategy & Development, Moët Hennessy. Previously, from 1995 to 2008 he held various roles at JPMorgan Investment Banking.

He is the Founder and President of Bespoke Advisory Partners, a consulting firm and a Senior Advisor of the Boston Consulting Group.

Matthieu Brisset is currently non-executive member of the Board of Directors of EXA MP S.r.l. and of Mandaley AB and its subsidiaries, Soft Goat AB and By Malina AB. He was previously Vice President of the Board of Directors of Monte Napoleone District and, among others, a member of the Board of Directors of Editions Assouline and of the Supervisory Board of Royal van Lent.

He speaks French (mother tongue), English (bilingual) and Italian (fluent).

CORPORATE COMMITTEES

INTERNAL COMMITTES

The Board of Directors has established four internal committees with advisory and propositional functions:

- the **Remuneration and Nomination Committee** submits to the Board of Directors the policy for the remuneration of the directors and of the managers with strategic responsibilities and periodically evaluates its adequacy, overall consistency and actual application; it also submits proposals or expresses opinions to the Board of Directors on the remuneration of the managing directors and of the other directors provided with special assignments; and expresses opinions to the Board of Directors regarding its size and composition. This Committee also independently assesses the disbursement of any compensation closely related to ESG issues, subject to the proposal of the Sustainability Committee. For more details on disbursement related to ESG targets, see "Integration of sustainability- related performance in incentive scheme".
- the **Transactions with Related Parties Committee** has a consultative role towards the Board of Directors concerning transactions with related parties. It performs the functions assigned to it by the Regulations for Transactions with Related Parties, adopted by the Company in compliance with the provisions of CONSOB Regulation No. 17221 of March 12, 2010, as subsequently amended, containing provisions regarding transactions with related parties. In particular, the Committee's main duty is to express specific reasoned opinions on the interest of Safilo – as well as of the companies involved from time to time directly or indirectly controlled by the same – in Transactions with Related Parties, of Greater and of Lesser Importance, expressing its opinion, based on timely and adequate information flows, on the convenience and substantial correctness of the related terms and conditions. The Transactions with Related Parties Committee was appointed in its present composition by the Board of Directors on 24th April 2024;
- the **Control and Risk Committee** supports the assessments and decisions – with preliminary, proposing and consultative functions - of the Board of Directors relating to the internal control and risk management system, and the approval of periodic financial and non-financial reports. Its main duties are:
  - the definition of the guidelines for the internal control and the risk management system, consistently with the Company's strategies
  - the evaluation, conducted at least on an annual basis, on the adequacy of the internal control and risk management system with respect to the Group's characteristics and its risk profile
  - the description, in the report on corporate governance, of the main characteristics of the internal control and the risk management system;
- the **Sustainability Committee** supports the Board of Directors, with proposing and consultative functions, in assessments and decisions relating to sustainability. It was effectively established on January 1st, 2021, and it is foreseen that it meets each 3/4 months in order to[1]:
  - Express opinions on sustainability policies and information;
  - Provide opinions, at the request of the Board of Directors, on any other issue related to sustainability;
  - Oversee sustainability issues related to the core business and its interactions with all stakeholders;
  - Support the Board of Directors in defining a sustainability strategy, also through:
    - Analysis of relevant topics for long-term value generation and the definition of the double materiality matrix;
    - Development of an action plan to address key sustainability topics, including identifying related initiatives, necessary resources, and associated benefits;

1 The responsibilities of the Sustainability Committee regarding the management and supervision of IROs are clearly outlined in the Regulations of the Sustainability Committee, under Article 10 "Duties of the Committee" which formalizes the support provided to the Board of Directors in defining and monitoring the sustainability strategy.

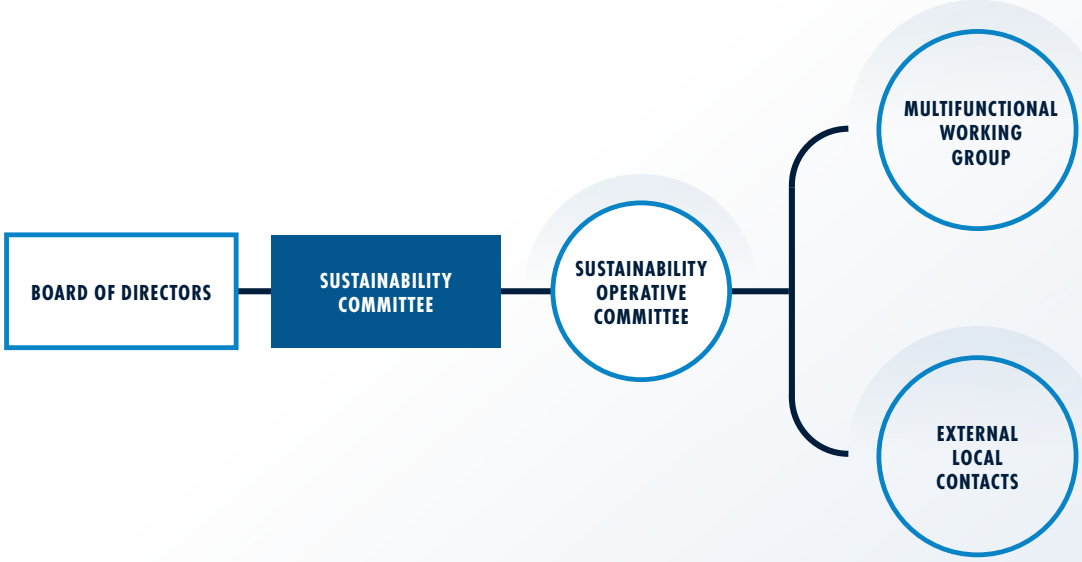
- Monitoring, managing, and controlling the impacts, risks, and opportunities (IRO) considered relevant for the company;

- Monitor the actual implementation of the sustainability strategy approved by the Board of Directors;
- Oversee the evolution of sustainability issues in light of international guidelines and principles, monitoring the Group's positioning in the market on sustainability topics (such as green bonds, participation in sustainability indices, ESG principles, and performance).

The Committee advances the collective knowledge, skills, and experience of the highest governance body on sustainable development. The Committee has, therefore, a functional role in integrating both business and sustainability priorities within the Group strategy and in identifying emerging opportunities to gain competitive advantages.

The Committee is responsible for assessing the adequacy of the consolidated sustainability reporting in accurately representing the company's business model, strategies, the impact of its activities, and the performance achieved. It reports the outcome of its evaluations to the Control and Risk Committee through its Chairman, which is tasked with evaluating the structure of the relevant contents in compliance with the principles in force from time to time, as well as the completeness and transparency of the information provided through the same report.

To support the Sustainability Committee, a working group endowed with cross-functional expertise encompassing all facets of Safilo's operations has been established, designated as the "Sustainability Operative Committee". This unit, comprising representatives from various operational functions, is tasked with overseeing and coordinating all sustainability initiatives and activities. It is responsible for monitoring and ensuring compliance with the commitments undertaken, as well as evaluating the progress of projects and the achievement of Environmental, Social, and Governance (ESG) objectives. Furthermore, this group bears operational responsibility for identifying, managing, and monitoring the Impacts, Risks and Opportunities (IROs) to which the Group is exposed, while assessing their significance in collaboration with the respective functional managers through the Double Materiality process. In addition, the group diligently monitors the collection and performance of Key Performance Indicators (KPIs) related to the identified IROs.



Below is the composition of the Corporate Committees of Safilo Group S.p.A. as appointed by the Board of Directors meeting held on 24 April 2024:

Control and Risk Committee	
Chairman	Ines Mazzilli
	Gerben van de Rozenberg
	Matthieu Brisset

Sustainability Committee	
Chairman	Eugenio Razelli
	Angelo Trocchia
	Katia Buja
	Vladimiro Baldin
	Andrea Grassini
	Marco Cella

Remuneration and Nomination Committee	
Chairman	Cinzia Morelli-Verhoog
	Melchert Frans Groot
	Irene Boni

Transactions with Related Parties Committee	
Chairman	Ines Mazzilli
	Matthieu Brisset
	Cinzia Morelli Verhoog

Corporate Governance Model – Appointment and diversity metrics

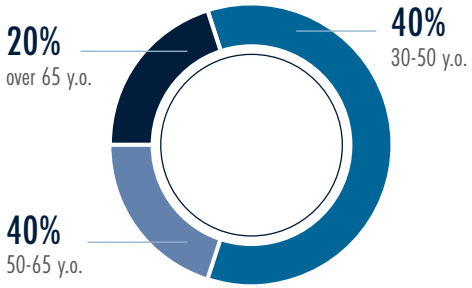
The Corporate Governance model includes also:

- the **Board of Statutory Auditors** is appointed pursuant to Article 27 of the Article of Association by the Shareholders' Meeting on the basis of lists presented by the shareholders, to allow minority shareholders to appoint a statutory auditor and a substitute auditor. The Board of Statutory Auditors oversees compliance with laws, regulations and Articles of Association, with principles of good management and, especially, the adequacy of the administrative, organizational and accounting structure adopted by the Company as well as its actual operations and the adequacy and efficiency of the risk management and control system. As required by Legislative Decree 39/2010 and subsequent amendments, the Board of Statutory Auditors is responsible for submitting a reasoned proposal to the Shareholders' Meeting for the appointment of the auditing firm responsible for the limited review of the Consolidated Sustainability Report, while, in its capacity as the Internal Control and Audit Committee provided for by this legislation, it is responsible for submitting a reasoned proposal to the Shareholders' Meeting for the appointment of the independent auditors. The Board of Statutory Auditors currently in office has been appointed by the Shareholders' Meeting held on 27 April 2023 and will remain in office for three years until the date of the Shareholders' Meeting called for the approval of the financial statements at 31 December 2025.
- the **Supervisory Committee**: established pursuant to Legislative Decree 231/01, is responsible to supervise the effectiveness, efficiency, maintenance and update of the organization, management and control model under the same Legislative Decree 231/01.
- an **Independent Auditing Company** responsible for the audit on the financial and sustainability statements. The Shareholders' Meeting held on 27 April 2023, upon proposal of the Board of Statutory Auditors, appointed PricewaterhouseCoopers S.p.A. as external Audit Company for the financial years from 2023 to 2031. The Partner responsible for the mandate is Mr. Filippo Zagagnin.

Board of Statutory Auditors

Office	Members	Male	Female	Year of Birth	Date of first appointment	Independent as per Code
Chairman	Maria Francesca Talamonti		x	1978	27.04.2023	x
Standing Statutory Auditor	Bettina Solimando		x	1974	24.04.2011	x
Standing Statutory Auditor	Roberto Padova	x		1956	28.04.2020	x
Alternate Statutory Auditor	Marco Michielon	x		1980	27.04.2023	x
Alternate Statutory Auditor	Tina Marcella Amata		x	1968	27.04.2023	x

Board of Statutory Auditors by age threshold



Maria Francesca Talamonti

(Chairman)

Born in Rome in 1978, she is a graduate in Economics and Commerce of L.U.I.S.S. University in Rome. She has been registered with the Rome Charted Accountants' Register since 2006 and with the Legal Auditors Register since 2007. She is a statutory auditor for various Companies in the sector of energy, investments and digital technologies.

Bettina Solimando

(Standing Statutory Auditor)

Born in San Severo (FG) in 1974, she is a graduate in Economics and Commerce of Verona University. She has been registered with the Verona Chartered Accountants' and Auditors' Register since 2002. She is a statutory auditor for industrial and commercial companies.

Roberto Padova

(Standing Statutory Auditor)

Born in Rome in 1956, he is a graduate in Law of Roma University. He has been a member of the Bar Association of Rome since 1985. He is a statutory auditor and member of the Supervisory Committee (Lgs. Decree 231/2001) for companies operating in the industrial, energy and medical devices sector.

OTHER GOVERNANCE TOPICS

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Safilo takes an integrated and transversal perspective of risks in order to implement effective mitigation actions.

Safilo developed an Enterprise Risk Management (ERM) framework, with the aim of identifying and monitoring critical areas of risk (business, operational and compliance).

With reference to sustainability, the Group monitors the main ESG risks arising from the business and is aware of the impacts it has on the environment and society, striving to eliminate or reduce negative impacts, and implements instruments and actions aimed at mitigating them. Specifically, the Group oversees and develops actions to prevent or contrast: i) non-compliance with environmental legislation in force in the countries in which Safilo operates; ii) climate change; iii) non-protection and non-promotion of fundamental human rights, and non-compliance with international human rights regulations and national labor laws both internally and along the value chain; iv) health and safety risks related to possible injuries and occupational diseases involving the Group's employees; v) possible errors or fraud, or non-compliance with laws and regulations at a national and international level; vi) possible cases of fraud and cyberattacks.

Furthermore, to assess the adequacy and effectiveness of the procedures and processes that generate the financial and sustainability statement the Group has established an **Internal Control and Risk Management System (ICRMS)** consisting of a set of tools, organizational structures, and company procedures that seek to contribute to a sound and correct management of the Company, in a way that is consistent with the predetermined objectives defined by the Board of Directors.

This system, defined according to leading international practices, is based on the three traditional levels of control:

- 1st level: the operational departments identify and assess risks and implement specific actions to manage them;
- 2nd level: the functions in charge of risk management define risk management methods and tools and conduct monitoring activities.
- 3rd level: the Internal Audit function provides independent assessments of the entire system.

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

In 2020 Safilo defined a Sustainability Internal Control Framework for the non-financial reporting process. Starting from 2024 Safilo strengthened it, identifying controls on some strategic KPIs (a subset of the Disclosure Requirements highlighted as material by the Double Materiality Assessment) necessary to ensure compliance with the new requirements (ESRS) established by the CSRD at a Group level.

In this perspective, each operational department is responsible for implementing and monitoring the necessary actions identified to ensure that the identified gaps during the testing activities are effectively addressed.

Through this approach the key risks associated with the sustainability reporting addressed were:

- **Data not Relevant**: the information is relevant when it has been assessed as such by the Double Materiality Assessment;
- **Data not Accurate and Complete**: information may be incomplete or incorrect leading to erroneous conclusions. This risk may mainly arise when figures encompass estimates, the data source is not owned by the Company, the data or part of it is not available;
- **Data not Comparable**: information is not comparable and consistent over years and with information provided in previous statements;
- **Data not Verifiable**: the information cannot be verified against reliable and credible documentation;
- **Data not Understandable**: information is not understandable if not clear and concise and does not allow a reasonably competent reader to have a clear comprehension of the information communicated;
- **Data not Neutral**: information is partial, biased, emphasized, suppressed, or manipulated in any way with the intention of making it more likely for recipients to accept it favorably or unfavorably;

Once the risks have been identified, Safilo prioritizes them based on the identification of the most relevant disclosure requirements, meaning those that are most critical as they can significantly impact the transparency and accuracy of sustainability reporting.

As reinforcement of the Internal Control system on the non-financial reporting the Group has identified the Safilo Group CFO (so-called "Dirigente Preposto") as the person responsible for providing attestation of the internal control system over sustainability reporting (The D.Lgs n.125/2024, has amended the Art. 154-bis of the TUF) and for the disclosure pursuant to ex. Art. 8 of the Taxonomy Regulation.

Within his duties, the "Dirigente Preposto" assures annually to the Control and Risk Committee and to the Board of Directors that the non-financial statements have been prepared in accordance with the ESRS principles.

STATEMENT ON DUE DILIGENCE

As part of the preparation of the Sustainability Statement, Safilo has initiated a process of mapping information related to its due diligence practices. However, it is acknowledged that there is currently no structured process or formalized policy explicitly dedicated to this area.

The table below outlines the sections of the Sustainability Statement that describe the initiatives and activities significantly contributing to the definition of a framework for managing the impacts generated or potentially generated by the Group in the environmental, social, and governance domains. The efforts undertaken serve as the foundation for the development of a more comprehensive strategy in the future.

Embedding due diligence in governance, strategy, and the business model	**GOV-2** Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies **GOV-3** Integration of sustainability-related performance in incentive schemes **SBM-3** Material impacts, risks and opportunities and their interaction with strategy and business model
Engaging with affected stakeholders	**GOV-2** Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies **SBM-2** Interests and views of stakeholders **IRO-1** Description of the process to identify and assess material impacts, risks and opportunities **Topical ESRS**: - S1 – Own workforce - S2 – Workers in the value chain - S4 – Consumer and end users
Identifying and assessing negative impacts on people and the environment	**IRO-1** Description of the process to identify and assess material impacts, risks and opportunities **SBM-3** Material impacts, risks and opportunities and their interaction with strategy and business model
Taking action to address negative impacts on people and the environment	**MDR-A** Policies adopted to manage material sustainability matters **Topical ESRS**: - E1 – Climate Change - S1 – Own workforce - S2 – Workers in the value chain - S4 – Consumers and end-users
Monitoring the effectiveness of these efforts	**MDR-M** Metrics in relation to material sustainability matter **MDR-T** Tracking effectiveness of policies and actions through targets **Topical ESRS**: - E1 – Climate Change - E5 – Resource use and circular economy - S1 – Own workforce - S2 – Workers in the value chain - S4 – Consumers and end-users - G1 – Business Conduct

OUR 4 PS APPROACH: PEOPLE, PRODUCT, PLANET, PARTNERSHIP

For us, **sustainability means taking a long-term view and making business decisions that are a win-win for all our stakeholders,** contributing to the growth of the social, economic and environmental context in which we operate**.** Our approach to sustainability is strategically motivated and practically implemented.

We focus on our 4 Ps - People, Product, Planet, Partnership - to **steer our business responsibly**, ensuring we deliver the best products in ways that protect the environment and enhance people's lives.

Underscoring this approach are fundamental beliefs and behaviour that are vital to achieving our sustainability vision while driving long-term value creation.

We are driven by our heritage: a history of longstanding passion, perseverance and reliability and outstanding craftsmanship that started in Cadore (Italy) more than a century ago.

We look forward in ways that honor our past: staying true to our origins while investing to modernize our products and processes. Through our Global Innovation Centre, design studios dispersed all over the world, and our supply network, we are able to invest not only in technologies, but also in human capital, as our people are the key to the Group's long-term success.

We act with passion: focused on our product excellence, with great attention to detail and to changing styles and evolving market dynamics, striving to preserve and enhance our expertise and knowledge, we pass down our precious heritage through valuable apprenticeships. We carefully select our business partners to ensure we share long-term goals and can learn and grow together.

Safilo sustainability strategy

Our sustainability strategy is developed around 4 pillars and their related goals:

1) PRODUCT INNOVATION

We are committed to continuous innovation of our products and our industrial process enabling a sustainable economy at every stage of the value chain; to this end we use the following factors:

- use of low-impact raw materials for frames, lenses and cases;
- responsible production and green chemistry with the adoption of a specific Restricted Substances Lists; supply chain engagement and monitoring.

As evidence of our focus on product innovation, we reached the target to realize more than 25%[1] of new eyewear collections[2] from certified sustainable materials: recycled or bio-based[3,4]. We regularly carry out a thorough assessment of the emissions related to the main types of products during their life cycle (Life Cycle Assessment). The Group has analyzed what kind of impact on CO_2 emissions the combinations of materials and product production processes have. Thanks to this approach Safilo is then able to design new collections in an increasingly sustainable way. Indeed, we have the know-how to develop sustainable products with the different types of materials used (metal, acetate, injection plastics).

1 In 2026 the Group has planned to realize more than 26% of new eyewear collections from certified sustainable materials.
2 New eyewear collections are defined as the set of activities related to the design, development and industrialization of new prescription and sun eyewear models, carried out during the reporting period and intended for commercial launch on the market.
3 Bio based material: material of biological origin, excluding material embedded in geological formations or transformed to fossilized material and excluding peat (Source: ISO14021). Bio based content is the amount of biobased carbon in the material or product as a percent of the weight (mass) of the total organic carbon in the product (Source: ASTM D6866-12).Recycled Material: Material that has been reprocessed from recovered [reclaimed] material by means of a manufacturing process and made into a final product or into a component for incorporation into a product. (Source: ISO14021).
4 For Safilo a product is considered as sustainable when it has at least 30% recycled and or bio-based content in weight considering the whole weight of the product.

2) PLANET CARE

We want to contribute to reducing the impact on natural resources to protect and preserve the planet, specifically:

- we contribute to the reduction of carbon and greenhouse gas emissions through (i) the adoption of renewable energy, (ii) the involvement of our suppliers in decarbonisation paths, (iii) the implementation of a sustainable mobility initiative and optimization of logistical flows;
- we have started adopting sustainable packaging, and we have dematerialized some of the product information notes through digitalization.

To support our commitment to safeguarding the planet, we have decided to validate our sustainability targets with "Science Based Target initiative" (SBTi), to which we have submitted our official commitment. These targets were validated in March 2024.

We are committed to reducing Scope 1 and 2 emissions by 70% by 2030 and Scope 3 emissions (Category 1 Purchased Goods and Category 4 Upstream Transportation and Distribution) by 25% by 2030, compared to the emissions published in our 2022 Consolidated Non-Financial statement.

Our emissions (Scope 1 and 2) and supply chain (Scope 3) emissions are strongly influenced by electricity consumption, which is the main energy source for all business processes (production and non-production).

We are proud to announce that in 2025 we successfully achieved our goal of sourcing 100% of the electric energy used in all Group operations from renewable sources. This milestone was reached five years ahead of the original target set for 2030.

Regarding logistics packaging, we are committed by 2030 to eliminate the unnecessary single-use plastic in coming years and substituting the remaining plastic with more sustainable alternative materials that contain at least 50% of recycled content.

3) EMPOWERING PEOPLE

We are committed to strengthening our vision of excellence and collaboration among people; specifically:

- employees - by adopting a policy of respecting diversity, fair treatment and inclusion, promoting learning and development, ensuring safety and well-being;
- communities - by prioritizing partnerships that foster positive social impact, education for a "better vision to see better" and thus live better.

We like to engage our employees on our strategic path, targets and results. In the first semester of 2024 a specific Employee Survey was performed to gather and assess the feedback of the employees and the organizational environment. Following the results of this survey we started an implementation path of the corrective actions, mainly focused on providing trainings on multiple topics to increase the awareness of employees. We have planned a new Employee Survey in the following years.

4) PARTNERSHIP (GOVERNANCE)

We want to reinforce our commitment to pursuing our customer satisfaction, favouring a responsible partnership in terms of sustainability with our suppliers and maintaining the trust of our licensors.

With the Sustainability Committee support for our sustainability journey, we aim at granting the adequacy and engagement of our organization, a remuneration policy connected to ESG targets, IT systems and processes to measure sustainability KPI's and expanding product & supplier ESG data.

INNOVATION IN OUR PRODUCT

PRODUCT

Sustainable New Collections >25% by 2025
Certified bio-based & recycled sustainable materials

UN SDGs:

EMPOWERING PEOPLE

PEOPLE

Employee Survey 2024
Engagement Focus Areas
Meaningful Community Outreach

UN SDGs:

OUR PURPOSE SEE THE WORLD AT ITS BEST

CARING FOR OUR PLANET

PLANET

Fashion Pact adherence
Science Based Targets initiative(SBTi):
Scope 1&2 tCO_2e, -70% by 2030 vs 2022
Scope 3 tCO_2e, -25% by 2030 vs 2022
100% renewable electric energy by 2030
Plastic packaging reduced or recycled

UN SDGs:

RESPONSIBLE PARTNER

PARTNER

Best In Class Customer Satisfaction
Trusted License Partnerships
Orchestrating for Success:
- Robust Governance
- System & Processes
- Report & Reward

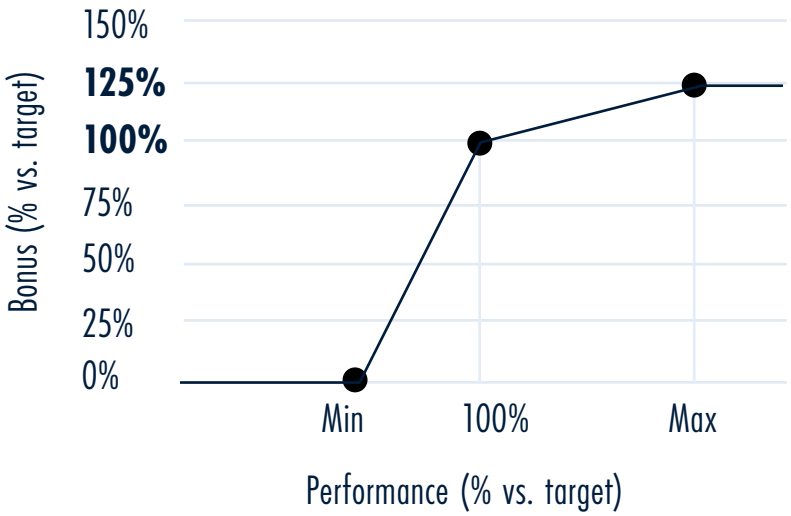
UN SDGs:

Integration of sustainability-related performance in incentive schemes

Safilo has a dedicated incentive system for the CEO and Managers that is directly linked to the company's performance, using a Management by Objectives (MBO) framework known as STAR at Safilo. Starting from 2022, the targets are not only connected to the Group's annual financial performance but also to non-financial strategic objectives. Specifically, the CEO has 10% of his short-term variable compensation tied to sustainability goals, while managers with strategic responsibilities have 5%.

For 2025 the sustainability targets focus on two key strategic areas for the Group: Planet (CO_2 emissions) and Product (sustainable models). Each target is assessed independently, meaning that failure to meet one target does not prevent the payout of the remaining portion of the MBO. Non-financial targets can only be achieved at the target level, and therefore if the level of achievement is below the target, no payout will be earned. If the achievement level is at the target, the payout is increased proportionally, considering the achievement level of the adjusted Ebitda. Starting from the minimum level, the payout is increased proportionally, up to a maximum of 125%, in case of performance between the target level and the maximum level.

The STAR targets for the Chief Executive Officer are established by the Board of Directors based on the proposal of the Remuneration and Nomination Committee, which then reviews the performance achieved.



SAFILO'S STAKEHOLDERS AND ENGAGEMENT

For Safilo to create value it is important to maintain an active dialogue with all the stakeholders the Group interacts with in the regular course of business and along the value chain, to gain a good understanding of their expectations and, as a consequence, build meaningful partnerships. In particular, the engagement with our main stakeholders - **employees, suppliers, customers, licensors, communities, public authorities and shareholders** – is vital to Safilo's long-term success. The Group considers the point of view of our stakeholders introducing innovation in our products and deploying dedicated activities. The outcomes of these various engagement activities are then analysed to gain insight into stakeholders' perspectives and concerns on current sustainability issues, ensuring alignment with their interests. As of now the point of view and the interest of our stakeholders didn't raise any motivation to amend the actual Group Strategy.

Stakeholder (1)	Engagement	Goal of the Engagement
Employees	Periodically, the Company involves employees through the deployment of surveys gathering their opinions and point of views.	• Safeguard the safety and wellbeing of the workplace environment • Enhance personal and professional growth • Understand the views and interests of Safilo's workforce
Suppliers	The Group, incentivise the transparent behaviour through on-site visits and encouraging the adoption of Code of Ethics. Periodically, Safilo involves suppliers organizing dedicated suppliers' days and remote meetings.	• Build long-lasting collaborative relationships • Share value growth • Engagement in definition of sustainability journey • Collect and understand suppliers points of view and needs • Sharing guidelines to reach common goals
Customers	The Group has pursued its growth of the touch points with customers continuing the implementation of CRM platform and the You&Safilo B2B e-commerce website. Furthermore, surveys to gather feedback from customers and end-consumers are deployed annually at MIDO and other worldwide trade fair.	• Assure a supportive relationship with its commercial counterparts • Develop tools that facilitate communication • Grant excellent services • Inform customers and end-consumers on our sustainability initiatives
Licensors	Safilo is focused on conducting its activities with high level of transparency, providing reliable information and delivering on promises.	• Respect and enhance license brand values • Being a trusted business partner
Shareholders	Safilo's commitment is to achieve efficient and sustainable business growth while ensuring the creation of long-term added value for its shareholders. To this end, the Group actively engages shareholders and the broader financial community through meetings, including one-to-one discussions and conference calls. These interactions provide ongoing opportunities for transparent dialogue, feedback collection and the sharing of strategic, financial and ESG-related information. The Group further strengthens this engagement by adopting best-in-class Investor Relations practices aimed at fostering trust, accountability and long-term relationships	• Added value creation strategy • Clarity in financial and non-financial information

Stakeholder (1)	Engagement	Goal of the Engagement
Financial Institutions	The Group engages with financial institutions through reporting, meetings, and ad hoc consultations on financial performance, ESG strategy, and sustainability targets.	• Sustainability linked loan
Communities	The Group supports its communities through strategic partnerships aimed at generating a positive social impact. In particular, the Group collaborates with leading research institutes, including the Umberto Veronesi Foundation and IAPB (International Agency for the Prevention of Blindness), supporting initiatives aimed at promoting scientific research. These collaborations take the form of financial contributions, outreach activities, and joint programs aimed at raising public awareness and promoting access to information and prevention tools, generating tangible benefits for the community. In addition, the Group promotes social inclusion and sport as a lever for well-being and integration, supporting Special Olympics athletes through the donation of eyeglasses. Through these initiatives, the Group reinforces its commitment to the community, integrating social responsibility, health, and inclusion into its sustainability strategy.	• Preserve and enhance eyesight to improve quality of life of people

(1) All the abovementioned stakeholders could be considered as affected stakeholders, while the end users of the sustainability statements are mainly Shareholders and Financial Institutions.

2025 Safilo's Stakeholder engagement activities

Safilo involved external and internal stakeholders, in order to confirm sustainability relevant topics. Safilo analysed the related outcomes in terms of key topics and concerns raised.

During 2025, the Group continued its stakeholder engagement activities, including:

- **Main suppliers**: organization of a remote plenary meeting focused on promoting Safilo's core Sustainability and Business principles and on mapping suppliers' level of alignment with these principles.
- **Key licensors**: recurring meetings aimed at aligning Safilo's sustainability strategy with licensors' frameworks, with a specific focus on products, emissions and supply chain monitoring.
- **Key customers**: targeted surveys designed to share and review Safilo's sustainability strategy and ESG KPIs, with particular attention to the product portfolio.

Also in 2025, in line with common practice for a listed company and in compliance with market regulations, Safilo interacted with shareholders through conference calls (as per the corporate calendar published on the Safilo Group website), various one-on-one and some group meetings, with the purpose of maintaining a continuous dialogue with investors.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

In past years, Safilo has conducted **Materiality Analysis** engaging internal and external stakeholders through surveys and interviews to identify Sustainability topics. Safilo from 2016 to 2023 prepared the Consolidated non-financial information statement according to GRI standards.

In 2024, due to new CRSD legislation, the Group performed a new Double Materiality analysis process to identify CRSD-related sustainability topics, taking into account material impacts, risks, and opportunities. The process includes consultation with affected stakeholders to understand potential impacts, as well as engagement with external experts. In 2025, the Group reviewed and further strengthened the analysis by applying a rigorous methodological approach that involved the disaggregation of Impacts, Risks, and Opportunities (IROs) by Country of Supply, relating to supplier activities and supply chains, where applicable.

This approach was chosen based on the nature of the topics, since some Identified Impacts, Risks, and Opportunities (IROs) are inherently global and cannot be meaningfully disaggregated by individual legal entity. For example, the impact of fostering an inclusive and equitable workplace through the promotion of diversity and inclusion within governance bodies and among employees is relevant to all Safilo personnel worldwide, rather than being confined to a specific legal entity or geographic area.

Based on the outcomes of this analysis, Safilo confirms the same material topics for 2025 as those identified in 2024, with no new significant impacts, risks, or opportunities emerging.

All IROs are assessed and disclosed in the Sustainability Statement on the basis of their gross impact.

Here below a list of the identified material impacts, risks, and opportunities that affect people (S1, S2 and S4), environment (E1 and E5) and governance (G1).

In the perimeter own operations of double materiality analysis, the Group considers the Industrial and Commercial Legal Entities.

Material impacts, risks and opportunities

(*) I = Impact, R = Risk, O = Opportunity

Description	IRO (*)	Actual (A)/ Potential(P)	Negative (N)/ Positive (P)	Perimeter		Time Horizon
E1 - Climate change						
Climate change contribution through direct and indirect GHG emissions related to activities performed at Group offices and sites (Scope 1 and 2)	I	A	N	Own operations		Actual
Generation of indirect GHG emissions (Scope 3) related to value chain activities	I	A	N	Value chain	Upstream, down-stream	Actual
The increasing energy consumption causes harmful environmental effects and accelerates the depletion of non-renewable energy resources	I	p	N	Value chain	Own Operation, upstream, down-stream	Medium Term

Description	IRO (*)	Actual (A)/ Potential(P)	Negative (N)/ Positive (P)	Perimeter		Time Horizon
Climate change poses physical risks, such as increased severity of extreme weather events, potentially reducing revenues due to damage/destruction of "tangible assets" (e.g., industrial buildings, plants, machinery, infrastructure), potential disruptions in essential supplies, and possible reduction in production capacity. Additionally, adverse weather conditions can lead to lower sales of sunglasses or snow products	R	P	N	Value chain	Upstream, downstream	Short Term
Emissions generated by the Group and its value chain may result in sanctions due to increasingly stringent regulations. Moreover, heightened regulatory pressures and stricter emission reporting requirements may lead to increased management and transition costs associated with the adoption of low-emission technologies	R	P	N	Value chain	Upstream and downstream	Medium Term
Group's purchase of guarantees of origin certificates is subject to the risk of potential increase in renewable energy prices (GO certificates), resulting in increased operational costs for the Group	R	P	N	Value chain	Upstream and Own operations	Medium Term
E5 - Circular economy						
Environmental pollution due to the production of hazardous and non-hazardous waste	I	A	N	Value chain	Own operations and upstream	Actual
Macroeconomic instability and climate transition risks can lead to: • increased raw material costs resulting in reduced profitability; • increased production costs due to fluctuation in input prices (e.g., energy, water); • increased procurement costs also stemming from new stakeholder demands and expectations regarding raw materials (e.g., greater sustainability, traceability, recyclability) underlying marketed products; • customer loss due to price or quality variations.	R	P	N	Value chain	Upstream and Own operations	Short Term
Risk of loss of competitiveness and sales/profits due to higher market requirements in terms of product sustainability	R	P	N	Own operations		Medium Term
Offering "sustainable" products using recyclable materials in products can enhance corporate reputation with potential sales growth and attraction of new customers	O	P	N	Own operations		Medium Term
S1 - Own workforce						
Cases of child labor within the organization	I	P	N	Own operations		Short Term
Cases of discrimination/abuse within corporate operations	I	P	N	Own operations		Short Term
Cases of forced labor within the organization	I	P	N	Own operations		Short Term
Cases of human rights violations due to inadequate policies/practices and lack of supervision	I	P	N	Own operations		Short Term

Description	IRO (*)	Actual (A)/ Potential(P)	Negative (N)/ Positive (P)	Perimeter		Time Horizon
Creation of an inclusive environment by promoting diversity in governance bodies and among employees	I	A	P	Own operations		Actual
Deterioration of relations with trade unions and associations (e.g., working conditions, freedom of association)	I	P	N	Own operations		Medium Term
Initiatives aimed at promoting employee satisfaction and well-being through the adoption of corporate welfare policies and work-life balance strategies	I	A	P	Own operations		Actual
Investing in the improvement of workers' skills through continuous training and professional development programs represents a key strategy for enhancing efficiency and individual growth	I	A	P	Own operations		Actual
Injuries, occupational diseases or other workplace incidents with negative consequences for workers' health	I	A	N	Own operations		Actual
Lack of monitoring and implementation of health and safety management systems	I	P	N	Own operations		Short Term
Cases of discrimination/abuse within corporate operations can lead to increased personnel turnover affecting productivity and key personnel (e.g.with technical skills for product prototyping and industrialization management), impacting business continuity. Additionally, this can result in higher costs (e.g., consulting costs/external collaborators/temporary agencies) and potential legal actions/sanctions, protests, or strikes damaging corporate reputation and business continuity	R	P	N	Own operations		Short Term
Inadequate working conditions (e.g., remuneration, working hours, violation of workers' rights and work-life balance), cases of discrimination can lead to increased personnel turnover affecting productivity and key personnel (e,g. with technical skills for product prototyping and industrialization management) impacting business continuity. Additionally, this can result in higher costs (e.g., consulting costs/external collaborators/temporary agencies) and potential legal actions/sanctions, protests, or strikes damaging corporate reputation and business continuity	R	P	N	Own operations		Short Term
Workplace accidents and cases of occupational diseases can cause: • loss of productivity due to sick leave; • increased costs from contractual changes compared to existing insurance policies or potential compensations; • possible regulatory sanctions for non-compliance with health and safety management systems; • reputational damage related to severe injuries or fatalities	R	P	N	Own operations		Short Term
S2 - Workers in the value chain						
Cases of child or forced labor along its value chain	I	P	N	Value chain	Upstream	Short Term
Cases of human rights violations within the value chain due to inadequate policies/practices and lack of supervision	I	P	N	Value chain	Upstream	Short Term

Description	IRO (*)	Actual (A)/ Potential(P)	Negative (N)/ Positive (P)	Perimeter		Time Horizon
Injuries, occupational diseases or other workplace incidents with negative consequences for workers' health along the value chain	I	A	N	Value chain	Upstream	Actual
Ensuring a transparent and responsible supply chain through the selection of certified suppliers and the execution of audits focused on social criteria	I	A	P	Value chain	Upstream	Actual
Workplace accidents and cases of occupational diseases along the value chain can cause: • loss of productivity due to sick leave; • increased costs from contractual changes compared to existing insurance policies or potential compensations; • possible regulatory sanctions for non-compliance with health and safety management systems; • reputational damage related to severe injuries or fatalities	R	P	N	Value chain	Upstream	Short Term
Inadequate working conditions (e.g., remuneration, working hours, violation of workers' rights), cases of discrimination can lead to increased personnel turnover along the value chain affecting productivity and key personnel with technical skills for product prototyping and industrialization management, impacting business continuity. Additionally, this can result in potential legal actions/sanctions, protests, or strikes damaging corporate reputation and business continuity	R	P	N	Value chain	Upstream	Short Term
S4 - Consumers and end-users						
Diversification of the product portfolio to ensure accessibility of medical devices to customers can enhance the company's image as a comprehensive and reliable provider of medical devices, with a consequent positive impact on the economic and financial situation of the Company (e.g., increased sales, expanded customer base)	I	A	P	Value chain	Downstream and own operations	Actual
Improvement of customer and end-user satisfaction through the offering of safe and high-quality products	I	A	P	Value chain	Downstream	Actual
Improvement of customer satisfaction and loyalty through high-quality pre- and post-sales customer service	I	A	P	Value chain	Downstream and own operations	Actual
Improvement of product value perception through targeted marketing strategies that effectively communicate brand values and product quality	I	P	P	Value chain	Downstream and own operations	Short Term

Description	IRO (*)	Actual (A)/ Potential(P)	Negative (N)/ Positive (P)	Perimeter		Time Horizon
Privacy violations and customer data loss (DTB)	I	P	N	Value chain	Down-stream and own operations	Short Term
Privacy violations and customer data loss (DTC)	I	P	N	Value chain	Down-stream and own operations	Short Term
Promotion of positive lifestyle and behavior changes in society through initiatives aiming at making real difference for people of all ages and their eyes through our broad vision that progress is for everyone	I	A	P	Value chain	Down-stream	Actual
Diversification of the product portfolio to ensure accessibility of medical devices to customers can enhance the company's image as a comprehensive and reliable provider of medical devices, with a consequent positive impact on the economic and financial situation of the Company (e.g., increased sales, expanded customer base)	O	P	P	Value chain	Down-stream and own operations	Short Term
Effective and transparent communication, including marketing strategy, can lead to increased sales, customer loyalty, and brand value	O	P	P	Value chain	Down-stream and own operations	Short Term
Greenwashing actions and dissemination of inaccurate and misleading information about products offered can lead to legal actions and reputational damage, potentially resulting in customer loss	R	P	N	Value chain	Down-stream and own operations	Short Term
Inadequate customer service management and handling of complaints can result in potential customer losses	R	P	N	Value chain	Down-stream and own operations	Short Term
Increased sales and customer loyalty through offering safe and high-quality products, effective customer service management, handling of any complaints, and greater attention to customer needs	O	P	P	Value chain	Down-stream and own operations	Short Term
Occurrence of consumer health and safety damages can lead to legal actions and consumer compensation claims, as well as damage to corporate image and reputation, resulting in negative impact on economic and financial situation	R	P	N	Value chain	Down-stream and own operations	Short Term

Description	IRO (*)	Actual (A)/ Potential(P)	Negative (N)/ Positive (P)	Perimeter		Time Horizon
G1 - Business conduct						
Guarantee of confidentiality through appropriate management of corporate reporting channels	I	A	P	Own operations		Actual
Promotion of a responsible supply chain by evaluating suppliers based on ESG criteria	I	A	P	Own operations		Actual
Raising stakeholder awareness of proper behaviors and developing a sustainable corporate culture based on values of legality, equity, and honesty	I	A	P	Own operations		Actual
Inadequate verification and control management of the supply chain from social, environmental, and economic perspectives can expose the Company to potential sanctions, reputational damage, and negative business impacts (e.g., suppliers not operating in line with international standards / not compliant with current environmental regulations including waste management / not adhering to Group Guidelines/Code of Ethics, violations of current human rights regulations)	R	P	N	Value chain	Upstream	Short Term
Occurrence of cases of antitrust law violations can lead to fines, sanctions, and reputational damage with potential customer and business opportunity loss	R	P	N	Own operations		Short Term
Occurrence of cases of corruption can lead to financial risks such as fines, sanctions, and legal actions for violations of regulations, as well as reputational damage with potential loss of trust from customers and investors	R	P	N	Value chain	Upstream and Downstream	Short Term
Occurrence of macro-economic, geopolitical events, or emergence of diseases (e.g., COVID-19) can negatively impact Company activities and results, such as difficulty in maintaining economic and financial stability, and normal business operations (e.g., operational slowdown due to absenteeism from emerging diseases, significant disruption or halt in business continuity, reduced sales)	R	P	N	Own operations		Short Term
Unethical or improper behavior by the Group or its business partners can cause reputational damage with potential customer loss	R	P	N	Value chain	Upstream and Downstream	Short Term

These impacts, risks, and opportunities are directly connected to Safilo's strategic direction and business model, which is based on a global and diversified value chain for the sourcing of materials, components, and manufacturing services.

As a significant share of the Group's operations is outsourced, the main ESG impacts originate upstream in the value chain, particularly in relation to human rights, environmental compliance, and business conduct. For this reason, Safilo has integrated responsible supply chain management into its strategy. The selection and continuous monitoring of suppliers based on ESG criteria are key elements of the Group's business model and risk management approach, aimed at ensuring a responsible supply chain and mitigating risks related to human rights violations, environmental issues, operational disruptions, or reputational damage. Safilo promotes transparency and quality among its suppliers by prioritizing certified suppliers and requiring compliance with the Supplier Code of Conduct and the Group's Code of Ethics.

Additionally, the rising demand for **sustainable products** and increased consumer awareness have influenced the Group's product and marketing strategies. Safilo will continue to develop and

promote products that meet sustainability standards to remain competitive and address the growing consumer sensitivity towards sustainability.

Regarding **climate change**, the most significant impact in terms of emissions occurs during the material and product procurement phases, as well as in the logistics associated with their transportation. To mitigate these impacts and the associated risks of emissions generation, Safilo is implementing a gradual transition in its logistics carriers, favoring sea transport over air transport. Additionally, to reduce emissions related to the production of materials used, Safilo is enhancing engagement with its suppliers, supporting them in adopting sustainable and renewable energy sources, with the aim of minimizing the impact across the entire upstream supply chain.

While the most significant social impact for Safilo is the responsible management of people across the entire value chain, with a focus on workers' rights, health and safety, and human capital development.

It is noted that in 2025, no material current and anticipated financial effects were reported from material risks and opportunities related to sustainability matters. In addition, the Group does not estimate material financial effects in a forward – looking perspective.

For more detailed information on the double materiality analysis process, please refer to the following section.

DESCRIPTION OF PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

In 2025, the Safilo Group conducted its second **double materiality analysis** in accordance with ESRS Standards to identify the most relevant environmental, social, and governance (ESG) topics from the perspective of impact materiality and/or financial materiality. The analysis was carried out following the guidelines outlined in the implementation guidance published by EFRAG in 2024.

In particolar:

- a sustainability matter is material when it impacts people or environment. Impact can be actual or potential, positive or negative, in the short, medium or long term,
- a sustainability matter is material from a financial point of view when it causes or is likely to cause material financial effects on the company, its results and its financial situation.

The Group aims to review and update the double materiality analysis when there are changes in Safilo business contest, strategy and/or transition scenario to ensure the proper and timely management of sustainability-related risks and opportunities, while maintaining alignment with regulatory changes, market dynamics, and stakeholder expectations.

As a first step in the process, the Safilo Group conducted **a context analysis** to identify the key sustainability trends and drivers in the eyewear and fashion sectors. Specifically, a benchmark analysis was performed on 12 national and European companies, including both comparable and competitors, as well as 3 industry associations and leading sustainability reporting standards, such as the Sustainability Accounting Standards Board (SASB), and reference literature like the S&P Global Yearbook.

Furthermore, Safilo Group carried out an analysis of its activities and business relationships with internal and external stakeholders **to map its value chain** and key commercial relationships, including suppliers, customers, and business partners, and to identify any impacts, risks, and opportunities arising from these relationships. This activity enabled the identification of stakeholders impacted by the company's activities and provided insights into the needs, expectations, and concerns of each group, assessing how business decisions influence each category. The Group also considered the connections between its impacts and dependencies and with the risks and opportunities that may arise from them, ensuring that business strategies and sustainability actions are aligned with both potential negative and positive effects on its stakeholders and the broader value chain.

The Group has defined and evaluated a list of relevant impacts, risks, and opportunities relating to environmental, social and governance matters across Safilo own operations and in its upstream and downstream value chain.

The impacts were evaluated based on:

- **likelihood**, probability of the impact occurring;
- **severity**, that is assessed from the perspective of the affected people or the environment, and it is determined by the following characteristics:
  - scale, how grave the impact is;
  - scope, how widespread the impact is;
  - irremediable character, the extent to which the impact can be remediated.

The impact assessment involved scoring on a scale from 1 to 4 for likelihood, scale, scope, and irremediable character, with the average of the latter three metrics used to determine the severity of each impact. The product of likelihood and severity provided the impact score, which indicates the relevance of each impact for the Group. This score was then used to create a ranking and set a quantitative materiality threshold for impact.

For the evaluation of risks and opportunities, these were assessed based on:

- **likelihood**, probability of the risk/opportunity occurring;
- **magnitude**, the extent to which risks and opportunities affect the company's financials (Net sales, EBIT and Cash-flow) in the short, medium or long term.

To assess the likelihood of ESG risks and opportunities, four evaluation levels, from 1 to 4, were identified: remote (1), possible (2),

probable (3), and highly probable (4). Regarding the magnitude, the risk control matrix already used by the Group for evaluating business risks was applied. This matrix refers to four levels corresponding to specific financial effects of risks and opportunities on Safilo's Net Sales and EBIT: low (1), medium (2), high (3), and critical (4). The product of these two metrics determined the risk/opportunity score, which was then used to create a ranking and establish a quantitative threshold **for financial materiality.**

Last year, to ensure a consistent evaluation of each impact, risk, and opportunity, the primary business lines were identified and organized into 5 working groups, in addition to the sustainability working group, which oversaw the entire process. Each working group assessed the IROs (impacts, risks, and opportunities) based on their specific expertise. Where an impact, risk, or opportunity involved multiple working groups, the evaluations from all the relevant groups were collected and averaged.

In 2025, the Group reviewed its materiality analysis, applying a disaggregated assessment where relevant, in in accordance with [ESRS 2 IRO-1, par. 53(d)]. In particular, the identified impacts, risks, and opportunities (IRO) were analyzed separately by country of purchase with reference to supply chain activities, in order to capture any specificities related to different geographical, regulatory, socio-economic, and environmental contexts. To achieve this output, the Sustainability Team coordinated a structured process of involvement of the relevant corporate functions by organizing dedicated meetings and conducting an in-depth analysis of the Group's supply context. This approach strengthened the methodological soundness of the analysis and the Group's ability to identify specific risks and opportunities, improving the quality and granularity of information to support decision-making and sustainability reporting.

The review confirmed that Safilo's double materiality framework remains robust, consistent, and aligned with both regulatory expectations and stakeholder requirements. The outcomes of the 2025 review confirm the reporting cycle and continue to support the integration of sustainability principles into the company's strategic and operational decision-making processes.

In the process of evaluating the materiality of impacts, risks, and opportunities, **inherent impacts** and risks were considered, meaning their extent was assessed without accounting for any mitigation actions taken by the company. Additionally, the expected effects of impacts, risks, and opportunities were evaluated exclusively within the **nearest time horizon** in which they might occur.

The process of identifying, assessing, and monitoring impacts took into account both the impacts in which Safilo is directly involved through its **own operations** and those it is **indirectly involved** in. This was achieved through a preliminary analysis of business operations, stakeholder engagement during a dedicated event, and the mapping of its value chain.

Specifically, after identifying its impacts through the mapping of its own operations and value chain, the Group focused on its dependencies on natural and social resources. This approach allowed for the identification of key sustainability-related risks and emerging opportunities, such as the adoption of green technologies or the increasing demand for sustainable products.

To prioritize sustainability-related risks over other types of risks, Safilo adopts an approach that links ESG risks into its overall risk management framework. This means that ESG risks are considered as a subset of the company's broader vision. Environmental, social, and governance risks are evaluated not only for their ethical or reputational impact but also for their direct financial effects, such as increased costs, operational disruptions, or regulatory penalties. To prioritize sustainability-related risks, Safilo first assesses which ESG risks could have the most significant impact on the company's finances in the short, medium, or long term, and which risks affect areas of particular concern for stakeholders, such as customers, investors, or regulatory authorities.

The Group is studying how to integrate the process to identify, assess, and manage ESG impacts, risks, and opportunities within Safilo's overall risk oversight and management processes.

Once the working groups' votes were collected and the scores for each impact, risk, and opportunity were determined, two rankings were created:

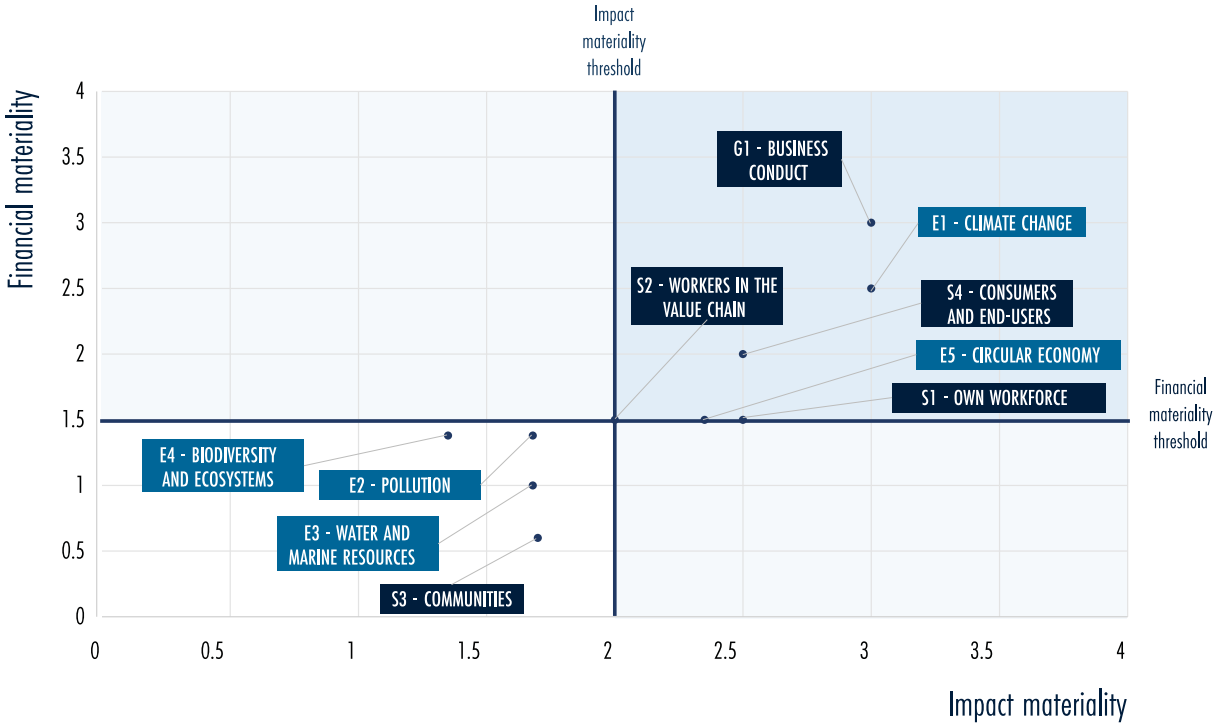
- one for impacts and
- one for risks and opportunities.

Subsequently, a threshold was established for impact materiality (2.0 on a scale from 1 to 4) and a threshold for financial materiality (1.5 on a scale from 1 to 4) in order to define the material IROs

(Impacts, Risks, and Opportunities) to be disclosed in the sustainability statement. These thresholds were set based on a significant level of probability of occurrence and the severity of financial, environmental, or social consequences for the Group. Once the material IROs were defined, they were correlated with the ESRS (European Sustainability Reporting Standards) topics proposed in the Application Requirement 16 of Annex I of the CSRD directive. For each topic, an impact materiality score and a financial materiality score were assigned. These scores were based on the highest score of the IROs correlated to each topic. Based on this process, the following topics were deemed material from both an impact materiality and financial materiality perspective:

- ESRS E1 – Climate change;
- ESRS E5 – Circular economy;
- ESRS S1 – Own workforce;
- ESRS S2 – Workers in the value chain;
- ESRS S4 – Consumers and end-users;
- ESRS G1 – Business conduct.

Below is a representation of the double materiality matrix, with impact materiality on the x-axis and financial materiality on the y-axis for each ESRS topic.



According to our double materiality assessment, ESRS E2, E3, E4 and ESRS S3 have not been identified as material so their information will be not subject to disclose.

Considering Safilo's eyewear business, which shares similarities with but also has distinct characteristics from the Fashion industry, the Group has not identified any sites or activities that generate significant impacts in terms of amounts of pollutants, water consumption and biodiversity loss or dependencies related to it.

In addition, the process did not involve consultations with communities. Furthermore, with regard to biodiversity and ecosystems, it is noted that no physical nor transitional risks and opportunities have been identified, and systemic risks have not been considered.

DISCLOSURE REQUIREMENTS IN ESRS COVERED BY SUSTAINABILITY STATEMENT

Information stemming from other legislation or from generally accepted sustainability reporting standards and frameworks included in sustainability statement

The table below includes the data points that derive from other EU legislation as listed in ESRS 2 appendix B. Safilo has reported those related to material Disclosure Requirements, indicating where the data points can be found in the report and which data points are assessed as not applicable to Safilo.

Disclosure requirement	Data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section
ESRS 2 GOV-1	21 (d)	x		x		SUSTAINABILITY STATEMENT - CORPORATE GOVERNANCE - The Board of Directors
ESRS 2 GOV-1	21 (e)			x		SUSTAINABILITY STATEMENT - CORPORATE GOVERNANCE - The Board of Directors
ESRS 2 GOV-4	30	x				SUSTAINABILITY STATEMENT - General Disclosures - Statement on due diligence
ESRS 2 SBM-1	40 (d) i	x	X	x		Not applicable for Safilo
ESRS 2 SBM-1	40 (d) ii	x		x		Not applicable for Safilo
ESRS 2 SBM-1	40 (d) iii	x		x		Not applicable for Safilo
ESRS 2 SBM-1	40 (d) iv			x		Not applicable for Safilo
ESRS E1-1	14				x	SUSTAINABILITY STATEMENT - Climate Change - Strategy and Targets on Climate Change - Transition Plan
ESRS E1-1	16 (g)		X	x		SUSTAINABILITY STATEMENT - Climate Change - Strategy and Targets on Climate Change - Transition Plan
ESRS E1-4	34	x	X	x		SUSTAINABILITY STATEMENT - Climate Change - Strategy and targets on climate change
ESRS E1-5	38	x				SUSTAINABILITY STATEMENT - Climate Change - Energy Consumption mix
ESRS E1-5	37	x				SUSTAINABILITY STATEMENT - Climate Change - Energy Consumption mix
ESRS E1-5	40-43	x				SUSTAINABILITY STATEMENT - Climate Change - Energy Consumption mix
ESRS E1-6	44	x	X	x		SUSTAINABILITY STATEMENT - Climate Change - Scope 1, 2, 3 and total GHG emissions
ESRS E1-6	53-55	x	X	x		SUSTAINABILITY STATEMENT - Climate Change - Scope 1, 2, 3 and total GHG emissions
ESRS E1-7	56				x	Not material for Safilo
ESRS E1-9	66			x		Phase-in
ESRS E1-9	66 (a); 66 (c)		X			Phase-in
ESRS E1-9	67 (c)		X			Phase-in

Disclosure requirement	Data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section
ESRS E1-9	69			x		Phase-in
ESRS E5-5	37 (d)	x				SUSTAINABILITY STATEMENT - Resource Use and Circular Economy - Resources Outflow: Waste Management
ESRS E5-5	39	x				SUSTAINABILITY STATEMENT - Resource Use and Circular Economy - Resources Outflow: Waste Management
ESRS 2- SBM3 - S1	14 (f)	x				SUSTAINABILITY STATEMENT - S1 Safilo Workforce - Policies related to Safilo Workforce - Child and Forced Labor Prohibition
ESRS 2- SBM3 - S1	14 (g)	x				SUSTAINABILITY STATEMENT - S1 Safilo Workforce - Policies related to Safilo Workforce - Child and Forced Labor Prohibition
ESRS S1-1	20	x				SUSTAINABILITY STATEMENT - Safilo Workforce - Policies related to Safilo Workforce - Harassment; SUSTAINABILITY STATEMENT - Safilo Workforce - Policies related to Safilo Workforce - Child and Forced Labor Prohibition; SUSTAINABILITY STATEMENT - Business Conduct - BUSINESS
ESRS S1-1	21			x		SUSTAINABILITY STATEMENT - Safilo Workforce - Policies related to Safilo Workforce - Harassment; SUSTAINABILITY STATEMENT - Safilo Workforce - Policies related to Safilo Workforce - Child and Forced Labor Prohibition; SUSTAINABILITY STATEMENT - Business Conduct - BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE - Worldwide Business Conduct Manual
ESRS S1-1	22	x				SUSTAINABILITY STATEMENT - Safilo Workforce - Policies related to Safilo Workforce - Child and Forced Labor Prohibition;
ESRS S1-1	23	x				SUSTAINABILITY STATEMENT - Safilo Workforce - Health and Safety
ESRS S1-3	32 (c)	x				SUSTAINABILITY STATEMENT - Business conduct - Business conduct and Corporate Culture - Mechanism for raising concerns – Whistleblowing
ESRS S1-14	88 (b) and (c)	x		x		SUSTAINABILITY STATEMENT - Safilo Workforce - Health and Safety
ESRS S1-14	88 (e)	x				SUSTAINABILITY STATEMENT - Safilo Workforce - Health and Safety
ESRS S1-16	97 (a)	x		x		Not material for Safilo
ESRS S1-16	97 (b)	x				Not material for Safilo
ESRS S1-17	103 (a)	x				SUSTAINABILITY STATEMENT - Safilo Workforce - Policies related to Safilo Workforce - Harassment;
ESRS S1-17	104 (a)	x		x		SUSTAINABILITY STATEMENT - Safilo Workforce - Policies related to Safilo Workforce - Child and forced labor prohibition
ESRS 2- SBM3 - S2	11 (b)	x				SUSTAINABILITY STATEMENT - Workers in the value chain - Additional Notes on ESRS - S2
ESRS S2-1	17	x				SUSTAINABILITY STATEMENT -Workers in the value chain - Policies and Actions - Policies related to value chain workers
ESRS S2-1	18	x				SUSTAINABILITY STATEMENT -Workers in the value chain - Policies and Actions - Policies related to value chain workers

Disclosure requirement	Data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section
ESRS S2-1	19	x		x		SUSTAINABILITY STATEMENT -Workers in the value chain - Policies and Actions - Policies related to value chain workers
ESRS S2-1	19			x		SUSTAINABILITY STATEMENT -Workers in the value chain - Policies and Actions - Policies related to value chain workers
ESRS S2-4	36	x				SUSTAINABILITY STATEMENT -Workers in the value chain - Policies and Actions - Policies related to value chain workers
ESRS S4-1	16	x				SUSTAINABILITY STATEMENT - Consumer and End Users -Additional Notes on ESRS - S4
ESRS S4-1	17	x		x		SUSTAINABILITY STATEMENT - Consumer and End Users -Additional Notes on ESRS - S4
ESRS S4-4	35	x				SUSTAINABILITY STATEMENT - Consumer and End Users -Additional Notes on ESRS - S4
ESRS G1-1	10 (b)	x				SUSTAINABILITY STATEMENT - Business Conduct - Prevention and detection of corruption or bribery and incidents of corruption or bribery
ESRS G1-1	10 (d)	x				SUSTAINABILITY STATEMENT - Business Conduct - Prevention and detection of corruption or bribery and incidents of corruption or bribery
ESRS G1-4	24 (a)	x		x		SUSTAINABILITY STATEMENT - Business Conduct - Prevention and detection of corruption or bribery and incidents of corruption or bribery
ESRS G1-4	24 (b)	x				SUSTAINABILITY STATEMENT - Prevention and detection of corruption or bribery and incidents of corruption or bribery

DISCLOSURE REQUIREMENTS IN ESRS COVERED BY SUSTAINABILITY STATEMENT

ESRS		DISCLOSURE REQUIREMENTS	PARAGRAPH/S
GENERAL DISCLOSURES			
ESRS2	BP - 1	GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENTS	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - ADDITIONAL NOTES ON ESRS 2
ESRS2	BP - 2	DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - ADDITIONAL NOTES ON ESRS 2
ESRS2	GOV - 1	ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES	SUSTAINABILITY STATEMENT - CORPORATE GOVERNANCE - Board of Directors roles and responsibility SUSTAINABILITY STATEMENT - CORPORATE GOVERNANCE - Corporate committees
ESRS2	GOV - 2	INFORMATION PROVIDED AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMNISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES	SUSTAINABILITY STATEMENT - CORPORATE GOVERNANCE - Board of Directors roles and responsibility SUSTAINABILITY STATEMENT - CORPORATE GOVERNANCE - Corporate committees
ESRS2	GOV - 3	INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVES SCHEMES	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - Integration of sustainability-related performance in incentive schemes
ESRS2	GOV - 4	STATEMENT ON DUE DILIGENCE	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - STATEMENT ON DUE DILIGENCE
ESRS2	GOV - 5	RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - Risk management and internal controls over sustainability reporting
ESRS2	SBM - 1	STRATEGY, BUSINESS MODEL AND VALUE CHAIN	ECONOMIC & FINANCIAL PERFORMANCE, CORPORATE GOVERNANCE, RISK FACTORS & OTHER - Safilo in a nutshell ECONOMIC & FINANCIAL PERFORMANCE, CORPORATE GOVERNANCE, RISK FACTORS & OTHER- The eyewear industry SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - OUR 4 PS APPROACH - PEOPLE, PRODUCT, PLANET, PARTNERSHIP SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE - SAFILO PEOPLE
ESRS2	SBM - 2	INTEREST AND VIEWS OF STAKEHOLDERS	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - SAFILO'S STAKEHOLDERS AND ENGAGEMENT
ESRS2	SBM - 3	MATERIAL IMPACTS, RISKS, OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS2	IRO - 1	DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISK AND OPPORTUNITIES	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - DESCRIPTION OF PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

ESRS		DISCLOSURE REQUIREMENTS	PARAGRAPH/S
ESRS2	IRO - 2	DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - Disclosure requirements in ESRS covered by sustainability statements
ENVIRONMENTAL INFORMATION			
CLIMATE CHANGE			
E1	GOV - 3	INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - Integration of sustainability-related performance in incentive schemes
E1	E1 -1	TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION	SUSTAINABILITY STATEMENT - ESRS E1 – CLIMATE CHANGE - STRATEGY AND TARGETS ON CLIMATE CHANGE - Transition Plan
E1	SBM - 3	MATERIAL IMPACTS, RISKS, OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL	SUSTAINABILITY STATEMENT - ESRS E1 – CLIMATE CHANGE - CLIMATE RISK ANALYSIS (PHYSICAL AND TRANSITION)
E1	IRO - 1	DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISK AND OPPORTUNITIES	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - DESCRIPTION OF PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES SUSTAINABILITY STATEMENT - ESRS E1 – CLIMATE CHANGE - CLIMATE RISK ANALYSIS (PHYSICAL AND TRANSITION)
E1	E1 - 2	POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION	SUSTAINABILITY STATEMENT - ESRS E1 – CLIMATE CHANGE - SAFILO ENVIRONMENTAL POLICY AND ACTIONS - Policies related to climate change mitigation and adaptation
E1	E1 - 3	ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES	SUSTAINABILITY STATEMENT - ESRS E1 – CLIMATE CHANGE - SAFILO ENVIRONMENTAL POLICY AND ACTIONS - Actions and resources in relation to climate change policies
E1	E1 - 4	TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION	SUSTAINABILITY STATEMENT - ESRS E1 – CLIMATE CHANGE - STRATEGY AND TARGETS ON CLIMATE CHANGE
E1	E1 - 5	ENERGY CONSUMPTION AND MIX	SUSTAINABILITY STATEMENT -ESRS E1 – CLIMATE CHANGE - ENERGY CONSUMPTION MIX
E1	E1 - 6	GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS	SUSTAINABILITY STATEMENT - ESRS E1 – CLIMATE CHANGE - SCOPE 1, 2, 3 AND TOTAL GHG EMISSIONS
RESOUCE USE AND CIRCULAR ECONOMY			
E5	IRO - 1	DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISK AND OPPORTUNITIES	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - DESCRIPTION OF PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES SUSTAINABILITY STATEMENT - E5 RESOURCE USE AND CIRCULAR ECONOMY - RESOURCES OUTFLOWS: WASTE MANAGEMENT
E5	E5 -1	POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY	SUSTAINABILITY STATEMENT - E5 RESOURCE USE AND CIRCULAR ECONOMY - POLICIES AND ACTIONS - Policies related to resource use and circular economy
E5	E5 - 2	ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY	SUSTAINABILITY STATEMENT - E5 RESOURCE USE AND CIRCULAR ECONOMY - STRATEGY AND TARGETS ON PRODUCTS SUSTAINABILITY STATEMENT - E5 RESOURCE USE AND CIRCULAR ECONOMY - POLICIES AND ACTIONS - Policies related to resource use and circular economy
E5	E5 - 3	TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY	SUSTAINABILITY STATEMENT - E5 RESOURCE USE AND CIRCULAR ECONOMY - STRATEGY AND TARGETS ON PRODUCTS SUSTAINABILITY STATEMENT - E5 RESOURCE USE AND CIRCULAR ECONOMY - RESOURCES OUTFLOWS: WASTE MANAGEMENT

ESRS		DISCLOSURE REQUIREMENTS	PARAGRAPH/S
E5	E5 - 4	RESOURCE INFLOWS	SUSTAINABILITY STATEMENT - E5 RESOURCE USE AND CIRCULAR ECONOMY - RESOURCES INFLOWS: SUSTAINABLE MATERIALS SUSTAINABILITY STATEMENT - E5 RESOURCE USE AND CIRCULAR ECONOMY - ADDITIONAL NOTES ON ESRS – E5
E5	E5 - 5	RESOURCE OUTFLOWS	SUSTAINABILITY STATEMENT - E5 RESOURCE USE AND CIRCULAR ECONOMY - STRATEGY AND TARGETS ON PRODUCTS SUSTAINABILITY STATEMENT - E5 RESOURCE USE AND CIRCULAR ECONOMY - RESOURCES OUTFLOWS: WASTE MANAGEMENT
SOCIAL INFORMATION			
SAFILO WORKFORCE			
S1	SBM - 2	INTEREST AND VIEWS OF STAKEHOLDERS	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - SAFILO'S STAKEHOLDERS AND ENGAGEMENT
S1	SBM - 3	MATERIAL IMPACTS, RISKS, OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE -HEALTH AND SAFETY 1.B SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE -ADDITIONAL NOTES ON ESRS – S
S1	S1 - 1	POLICIES RELATED TO OWN WORKFORCE	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE -POLICIES RELATED TO SAFILO WORKFORCE - Harassment SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE -POLICIES RELATED TO SAFILO WORKFORCE - Child and forced labor prohibition SUSTAINABILITY STATEMENT - ESRS G1 - BUSINESS CONDUCT - BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE - Worldwide Business Conduct Manual
S1	S1 - 2	PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTITIVES ABOUT IMPACTS	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE - EMPLOYEE ENGAGEMENT SURVEY: "SAFILO THROUGH OUR EYES"
S1	S1 - 3	PROCESSESS TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE -HEALTH AND SAFETY
S1	S1 - 4	TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE AND APPROACHES TO MANAGING AND PURSUING OPPORTUNITIES RELATED TO OWN WORKFORCE, AND AFFECTIVENESS OF THOSE ACTIONS	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE -HEALTH AND SAFETY SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE -EMPLOYEE ENGAGEMENT SURVEY: "SAFILO THROUGH OUR EYES"
S1	S1 - 5	TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS AND MANAGING MATERIAL RISKS AND OPPORTUNITIES	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE - ADDITIONAL NOTES ON ESRS – S1
S1	S1 - 6	CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES	SUSTAINABILITY STATEMENT -ESRS S1 – OWN WORKFORCE - SAFILO PEOPLE
S1	S1 - 7	CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKINGS OWN WORKFORCE	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE -NON-EMPLOYEES
S1	S1 - 8	COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE - COLLECTIVE BARGAININGS

ESRS		DISCLOSURE REQUIREMENTS	PARAGRAPH/S
S1	S1 - 9	DIVERSITY METRICS	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE -POLICIES RELATED TO SAFILO WORKFORCE - Diversity and equal opportunities
S1	S1-10	ADEGUATE WAGES	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE – TALENT MANAGEMENT
S1	S1-11	SOCIAL PROTECTION	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE – SOCIAL PROTECTION
S1	S1 - 13	TRAINING AND SKILLS DEVELOPMENT METRICS	SUSTAINABILITY STATEMENT -ESRS S1 – OWN WORKFORCE - LEARNING AND TRAINING
S1	S1 - 14	HEALTH AND SAFETY METRICS	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE - HEALTH AND SAFETY SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE -ADDITIONAL NOTES ON ESRS – S1
S1	S1-15	WORK-LIFE BALANCE METRIC	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE – WORK-LIFE BALANCE
S1	S1 - 17	INCIDENTS, COMPLIANTS AND SEVERE HUMAN RIGHTS IMPACT	SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE -POLICIES RELATED TO SAFILO WORKFORCE - Harassment SUSTAINABILITY STATEMENT - ESRS S1 – OWN WORKFORCE -POLICIES RELATED TO SAFILO WORKFORCE - Child and forced labor prohibition
WORKERS IN THE VALUE CHAIN			
S2	SBM - 2	INTEREST AND VIEWS OF STAKEHOLDERS	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - SAFILO'S STAKEHOLDERS AND ENGAGEMENT 1.B SUSTAINABILITY STATEMENT - ESRS S2 – WORKERS IN THE VALUE CHAIN - SUPPLIER ENGAGEMENT PROCESS
S2	SBM - 3	MATERIAL IMPACTS, RISKS, OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL	SUSTAINABILITY STATEMENT - ESRS S2 – WORKERS IN THE VALUE CHAIN - WORKERS IN THE VALUE CHAIN - Safilo suppliers 1.B SUSTAINABILITY STATEMENT - ESRS S2 – WORKERS IN THE VALUE CHAIN - ADDITIONAL NOTES ON ESRS – S2
S2	S2 - 1	POLICIES RELATED TO VALUE CHAIN WORKERS	SUSTAINABILITY STATEMENT - ESRS S2 – WORKERS IN THE VALUE CHAIN - SUPPLIER ENGAGEMENT PROCESS SUSTAINABILITY STATEMENT - ESRS S2 – WORKERS IN THE VALUE CHAIN - POLICIES AND ACTIONS - Policies related to value chain workers
S2	S2 - 2	PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS	SUSTAINABILITY STATEMENT - SUPPLIER ENGAGEMENT PROCESS

ESRS		DISCLOSURE REQUIREMENTS	PARAGRAPH/S
S2	S2 - 3	PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS	SUSTAINABILITY STATEMENT - POLICIES AND ACTIONS - Policies related to value chain workers SUSTAINABILITY STATEMENT - BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE - Mechanism for raising concerns – Whistleblowing
S2	S2 - 4	TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTIONS	SUSTAINABILITY STATEMENT - ESRS S2 – WORKERS IN THE VALUE CHAIN - POLICIES AND ACTIONS - Policies related to value chain workers SUSTAINABILITY STATEMENT - ESRS S2 – WORKERS IN THE VALUE CHAIN - ADDITIONAL NOTES ON ESRS – S2
S2	S2 - 5	TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES	SUSTAINABILITY STATEMENT - ESRS S2 – WORKERS IN THE VALUE CHAIN - POLICIES AND ACTIONS - Policies related to value chain workers
CONSUMERS AND END-USERS			
S4	SBM - 2	INTEREST AND VIEWS OF STAKEHOLDERS	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - SAFILO'S STAKEHOLDERS AND ENGAGEMENT SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - PROCESS FOR ENGAGING WITH CONSUMERS AND END-USERS
S4	SBM - 3	MATERIAL IMPACTS, RISKS, OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL	SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - CONSUMERS AND END-USERS SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - POLICIES AND ACTIONS - Impacts on consumer SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - ADDITIONAL NOTES ON ESRS – S4
S4	S4 - 1	POLICIES RELATED TO CONSUMERS AND END-USERS	SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - POLICIES AND ACTIONS - Policies related to customer consumers and end-users SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - ADDITIONAL NOTES ON ESRS – S4
S4	S4 - 2	PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS	SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - PROCESS FOR ENGAGING WITH CONSUMERS AND END-USERS
S4	S4 - 3	PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS	SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - SAFILO CUSTOMER CARE SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - ADDITIONAL NOTES ON ESRS – S4 SUSTAINABILITY STATEMENT - ESRS G1 - BUSINESS CONDUCT - BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE - Mechanism for raising concerns – Whistleblowing
S4	S4 - 4	TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END- USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS	SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - POLICIES AND ACTIONS SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - SOCIAL INITIATIVES SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - SAFILO CUSTOMER CARE SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - ADDITIONAL NOTES ON ESRS – S4

ESRS		DISCLOSURE REQUIREMENTS	PARAGRAPH/S
S4	S4 - 5	TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES	SUSTAINABILITY STATEMENT - ESRS S4 - CONSUMERS AND END-USERS - ADDITIONAL NOTES ON ESRS – S4
GOVERNANCE INFORMATION			
BUSINESS CONDUCT			
G1	GOV - 1	ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES	ECONOMIC & FINANCIAL PERFORMANCE, CORPORATE GOVERNANCE, RISK FACTORS & OTHER - ESRS 2 – GENERAL DISCLOSURES - CORPORATE GOVERNANCE SUSTAINABILITY STATEMENT - CORPORATE GOVERNANCE - Board of Directors roles and responsibility
G1	IRO - 1	DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISK AND OPPORTUNITIES	SUSTAINABILITY STATEMENT - ESRS 2 – GENERAL DISCLOSURES - DESCRIPTION OF PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISK AND OPPORTUNITIES
G1	G1 - 1	BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE	ECONOMIC & FINANCIAL PERFORMANCE, CORPORATE GOVERNANCE, RISK FACTORS & OTHER - ESRS 2 – GENERAL DISCLOSURES - BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE
G1	G1 - 2	MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS	SUSTAINABILITY STATEMENT - ESRS S2 - WORKERS IN THE VALUE CHAIN - WORKERS IN THE VALUE CHAIN
G1	G1 - 3	PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY	SUSTAINABILITY STATEMENT - ESRS G1 - BUSINESS CONDUCT - PREVENTION AND DETECTION OF CORRUPTION OR BRIBERY AND INCIDENTS OF CORRUPTION OR BRIBERY
G1	G1 - 4	INCIDENTS OF CORRUPTION OR BRIBERY	SUSTAINABILITY STATEMENT - ESRS G1 - BUSINESS CONDUCT - PREVENTION AND DETECTION OF CORRUPTION OR BRIBERY AND INCIDENTS OF CORRUPTION OR BRIBERY
G1	G1 - 6	PAYMENT PRACTICES	SUSTAINABILITY STATEMENT - ESRS S2 - WORKERS IN THE VALUE CHAIN - PAYMENT PRACTICES

ADDITIONAL NOTES ON ESRS 2

It should be noted that:

- There was no need to omit portions of mandatory disclosures arising from IP, know-how, or innovations;
- Safilo has not used the exemption from disclosure of impending developments or matters in the course of negotiation;
- At present, the Group has not conducted a specific and dedicated analysis on the resilience of its strategy and business model in relation to its ability to deal with relevant impacts and risks, as well as to seize emerging opportunities;
- About Scope 3, the Group has calculated the emissions following the same assumptions:
  - Cat.1: average data method.
    - The Group has considered the main material and average weight of the product. After that assumption each material is associated with an emission factor extracted from database GaBi. For the product, where it was not possible to estimate the unitary weight or the main material, the Group has used the spend-based methodology.
    - The Group has estimated the emission generated by the production process to manufacture eyewear, googles, helmets and lenses as well. The estimation is based on the pieces produced in the Group plants and their consumption energy mix.
  - Cat. 4 primary data by main carriers and where the data was not available the Group used an estimation based on the distance between the origin location and the destination of the shipment.
- About E5 KPIs the Group has calculated:
  - the recyclability content of the packaging based on the average packaging configuration1 of a standard Safilo product for eyewear, helmet and googles.
  - the resources inflow weight has been estimated considering the main material and average weight of the product. The recycled and bio-based content of the inflow resources has been calculated based on the certified recycle or bio-based content of each main material identified.
- The eyewear industry in which the Group operates is highly competitive and extremely fragmented in different markets. The competition arises from the major international eyewear players but also from numerous national, regional, or local companies.
- The Group, in the double materiality assessment, followed only the European Sustainability Reporting Standard.
- The Company between 15th and 18th December 2025 acquired shares in Inspecs Group plc ("Inspecs" or the "Company") representing, in aggregate, 25% of the Company's share capital, for a total consideration of approximately £21.7 million. This equity stake reflects Safilo's confidence in Inspecs' long-term prospects, providing the Group with a strategic opportunity in the Company's future developments. As Safilo does not have operational control over Inspecs in 2025, no related effects or impacts are reported in the Sustainability Statement.

1 The recyclability content of the packaging is based on the standard packaging configuration of a standard Safilo product for eyewear, helmet and googles. The standard packaging configuration has been defined taking into account the most used packaging components for each product and considering the specific materials those components are made of and their weight. The final rate takes into account the production volume of each product configuration.

The main materials considered when referring to standard packaging configurations, are paper, card box and polymers, such as LDPE, PE and PU foam.

MADE IN ITALY

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SUSTAINABILITY STATEMENT

Environmental information

138 Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation)

148 Climate Change [ESRS E1]

148 Strategy and targets on climate change

152 Safilo environmental policy and actions

154 Energy consumption mix

157 Scope 1, 2, 3 and total GHG emissions

159 Climate risk analysis (physical and transition)

161 Additional notes on ESRS - E1

162 Resources use and circular economy [ESRS E5]

162 Safilo product design and creation: a product minded process

163 Targets related to resource use and circular economy

165 Resources inflows – sustainable materials

165 Policies and actions

165 Actions and resources related to resource use and circular economy

166 Resources outflows – waste management

169 Additional notes on ESRS – E5

DISCLOSURES PURSUANT TO ARTICLE 8 OF REGULATION 2020/852 (TAXONOMY REGULATION)

On the basis of Article 8 of EU Regulation 2020/852, non-financial companies are required to communicate several KPIs in the Sustainability Statement: from the share of turnover from products or services associated with economic activities considered environmentally sustainable, to the share of capital expenditure (Capex) and operating expenses (Opex) relating to assets or processes associated with economic activities considered environmentally sustainable.

During 2023, the regulatory framework for the Taxonomy evolved with the publication of the amendment to the Delegated Climate Regulation (EU Regulation 2023/2485) and the Delegated Environment Regulation (EU Regulation 2023/2486), which, together with the previously published Delegated Climate Regulation (EU Delegated Regulation 2021/2139), define the activities that have the potential to contribute to the achievement of the six targets, setting the technical screening criteria for all targets. The EU Taxonomy aims to identify whether the Company has activities that can be classified as environmentally sustainable according to the following six environmental objectives:

1. Climate change mitigation,
2. Climate change adaptation,
3. Sustainable use and protection of marine resources,
4. Transition to a circular economy,
5. Pollution, prevention and control,
6. Protection and restoration of biodiversity and ecosystem.

Furthermore, to be considered sustainable, an economic activity has to go through the following five step process: 1) identification of eligibility as defined in the Delegation Acts, 2) contribution to at least one of the environmental objectives, 3) do no significant harm to any of the environmental objectives, 4) must be carried out in compliance with the minimum social safeguards, 5) and must comply with the technical criteria provided.

In order to prepare the required information, the Group has considered the applicable legislation as specified above, in addition to the clarifications issued by the European Commission in the form of Q&A adopting an overall prudent approach.

Safilo Group, in order to comply with this request, carried out a screening of its economic activities in order to recognize if and which were eligible and aligned to Article 8 of Taxonomy, based on the descriptions reported in the Annexes to the Delegated Regulation 2021/2139 and 2023/2486, and with reference to the six Taxonomy's objectives. Within the scope of turnover, CapEx and OpEx and in relation to the identified Safilo's NACE economic activity 32.50 - Manufacture of medical instruments and supplies of it has obtained the following results:

- For *Turnover* no revenue was recognized as coming from environmentally sustainable activities therefore the entirety of the turnover is to be considered as "not eligible".
- For *Capital Expenditure (CapEx)*, several activities were recognized as eligible[1], contributing to the first environmental and climate goal namely Climate change mitigation:
  - In 2025 in HQ following the adoption of a company fleet equipped with plug-in technology, a new charging area was set up consisting of 16 charging stations, each with two outlets, for a total of 32 charging points.

1 by referring to the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852; Article 10 (3): climate change mitigation; Article 11 (3): climate change adaptation; Article 12 (2): sustainable use and protection of water and marine resources; Article 13 (2): transition to a circular economy; Article 14 (2): pollution prevention and control; Article 15 (2): protection and restoration of biodiversity and ecosystems.

To enable this installation, a dedicated medium-to-low voltage electrical substation was also built, ensuring that the existing power infrastructure was not overloaded. The new network adds to the existing one, which was made up of 9 charging points, bringing the total to 41 charging points (CCM 7.4).

- In 2025 in HQ, a revamping investment led to the installation of more efficient heating equipment, replacing the three existing units with new condensing systems. These new units use a more efficient heat-transfer technology and offer a wide modulation range, which allows them to:
  - Produce hot water at lower temperatures, reducing heat loss;
  - Lower natural gas consumption (CCM 7.3)[2].

- *For Operating Expenses (OpEx)*, the Group did not track down any material value correlated with sustainable economic activity identified as eligible.

The Group has identified activities eligible under taxonomy that are not relevant to its business. The Group did not assess the compliance with the technical screening criteria due to the low relevance of the activities recognized as eligible under Taxonomy; therefore, these activities are considered not aligned with the taxonomy without further evaluation.

As required by Article 8 of Delegated Regulation 2020/852, the calculation methodologies and indicator values provided by the Taxonomy are given below.

Calculation methodology and turnover value

For the calculation of the turnover indicator, the denominator is the consolidated net turnover while, as explained above, as of the date of publication of this Document, no eco-sustainable economic activity has been identified and therefore no share of turnover obtained from the sale of eco-sustainable products or services. Therefore, the numerator will be zero.

2 Although the economic activities 7.3 - Installation, maintenance, and repair of energy efficiency devices, and 7.4 - Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) contribute to the first two objectives defined by the Taxonomy: i) climate change mitigation and ii) climate change adaptation, for the capital expenditures identified by Safilo, only the objective of climate change mitigation is pursued.

Financial year 2025	Year			Substantial contribution criteria				
Economic activites (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year 2024 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)
Text		MLN €	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1 Environmental sustainable activities (Taxonomy-aligned)								
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	N/EL	N/EL	N/EL	N/EL	N/EL
Of which enabling		-	0%	N/EL	N/EL	N/EL	N/EL	N/EL
Of which transitional		-	0%					
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)								
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0%	%	%	%	%	%
A. Turnover of Taxonomy eligible activities (A.1+A.2)		-	0%	%	%	%	%	%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
Turnover of Taxonomy-non-eligible activities		**983.4**	**100%**					
TOTAL		**983.4**	**100%**					

E=Eligible; N/EL=Not Eligible

	DNSH criteria (Does Not Significantly Harm)(h)									
Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safe-guards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2023 (18)	Category (enabling activity or) (19)	"Category (transitional activity) (20)"
Y; N; N/EL; (b)(c)	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	%	E	T
N/EL	N	N	N	N	N	N	N	0%		
N/EL	N	N	N	N	N	N	N	0%	E	
	N	N	N	N	N	N	N	0%		T
EL; N/EL (f)										
%								0%		
%								0%		

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM - Climate Change Mitigation	0%	0%
CCA - Climate Change Adaptation	0%	0%
WTR - Water and Marine Resources	0%	0%
CE - Circular Economy	0%	0%
PPC - Pollution Prevention and Control	0%	0%
BIO - Biodiversity and ecosystems	0%	0%

Calculation methodology and CapEx value

For the calculation of the Capital Expenditure indicator, the denominator was constructed by considering the additions to tangible and intangible and right of use assets that occurred during the year, before depreciation and any revaluations, including those resulting from restatements and reductions in value, for the year in question, and excluding changes in fair value. The denominator includes, in particular, any acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38) and right of use assets (IFRS 16).

With regard to the numerator, increases related to these investments contribute to the first objective of the Taxonomy i) climate change mitigation.

3 Double counting was avoided by individually examining each of the items categorized as eligible and filling in reporting templates in line with the provisions of the Regulation.

Financial year 2025		Year		Substantial contribution criteria				
Economic activites (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx. year 2024 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)
Text		MLN €	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1 Environmental sustainable activities (Taxonomy-aligned)								
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.00%	N	N	N	N	N
Of which enabling		0.00	0.00%	%	%	%	%	%
Of which transitional			0.00%					
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)								
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)
Installation, maintenance and repair of energy efficiency equipment	7.3 **CCM**/ CCA	0.23	1.00%	EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4 **CCM**/ CCA	0.35	1.50%	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of renewable energy technologies	7.6 **CCM**/ CCA	0.00	0.00%	EL	N/EL	N/EL	N/EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.58	2.50%	%	%	%	%	%
A. CapEx of Taxonomy eligible activities (A.1+A.2)		0.58	2.50%	1.37%	%	%	%	%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
CapEx of Taxonomy-non-eligible activities		**22.47**	**97%**					
TOTAL		**23.05**	**100%**					

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM - Climate Change Mitigation	0%	2.50%
CCA - Climate Change Adaptation	0%	0%
WTR - Water and Marine Resources	0%	0%
CE - Circular Economy	0%	0%
PPC - Pollution Prevention and Control	0%	0%
BIO - Biodiversity and ecosystems	0%	0%

	DNSH criteria (Does Not Significantly Harm)(h)										
Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safe-guards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx. year 2023 (18)		Category (enabling activity or) (19)	"Category (transitional activity) (20)"
Y; N; N/EL; (b)(c)	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	%		E	T
N	N	N	N	N	N	N	N	0.00%			
%	Y	Y	Y	Y	Y	Y	Y	%		E	
	Y	Y	Y	Y	Y	Y	Y	%			T
EL; N/EL (f)											
N/EL								0.62%			
N/EL								0.00%			
N/EL								0.24%			
%								0.85%			
%								0.85%			

Calculation methodology and OpEx value

For the calculation related to Operating Expenses, the denominator incorporates overhead non-capitalized expenses except payroll and social contributions, agent commissions and royalties of licensing agreements. As indicated above, no operating expenses could be recognized as eligible therefore this indicator is nil.

Financial year 2025	Year			Substantial contribution criteria				
Economic activites (1)	Code (a) (2)	OpEc (3)	Proportion of OpEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)
Text		MLN €	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1 Environmental sustainable activities (Taxonomy-aligned)								
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	%	%	%	%	%
Of which enabling		-	0%	%	%	%	%	%
Of which transitional		-	0%					
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)								
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0%	%	%	%	%	%
A. OpEx of Taxonomy eligible activities (A.1+A.2)		-	0%	%	%	%	%	%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
OpEx of Taxonomy-non-eligible activities		**235.90**	**%**					
TOTAL		**235.90**	**100%**					

E=Eligible; N/EL=Not Eligible

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM - Climate Change Mitigation	0%	0%
CCA - Climate Change Adaptation	0%	0%
WTR - Water and Marine Resources	0%	0%
CE - Circular Economy	0%	0%
PPC - Pollution Prevention and Control	0%	0%
BIO - Biodiversity and ecosystems	0%	0%

	DNSH criteria (Does Not Significantly Harm)(h)										
Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safe-guards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023 (18)		Category (enabling activity or) (19)	"Category (transitional activity) (20)"
Y; N; N/EL; (b)(c)	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	%		E	T
%	Y	Y	Y	Y	Y	Y	Y	%			
%	Y	Y	Y	Y	Y	Y	Y	%		E	
	Y	Y	Y	Y	Y	Y	Y	%			T
EL; N/EL (f)											
%								%			
%											

Annex XII - Standard templates for the disclosure referred to in Article 8(6) and (7)

The information referred to in Article 8(6) and (7) shall be presented as follows, for each applicable key performance indicator (KPI)

Template 1 Nuclear and fossil gas related activities

	Nuclear Energy and related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

CARRERA
LUNETTES DEPUIS 1956
CARRERA 3005
#DRIVEYOURSTORY*
*PILOTE TON HISTOIRE
photographie retouchée
Cityz
MEDIA
DIOR

CLIMATE CHANGE [ESRS E1]

STRATEGY AND TARGETS ON CLIMATE CHANGE

Safilo acknowledges that respect for the environment is not only fundamental to protect and preserve the areas in which it operates but is also crucial for ensuring the long-term sustainability of its business. By adopting environmentally responsible practices, the company recognizes its role in minimizing its footprint. This commitment to environmental stewardship aligns with its broader goals of creating value for stakeholders, reducing operational risks, and fostering a positive legacy for future generations. Safilo strives to integrate sustainability into all aspects of its operations, from sourcing materials to energy use, waste management, and community engagement, understanding that a healthy environment directly contributes to the success and resilience of its business over time. In summary Safilo's long term aim is to create a more **environmentally sustainable business model**, achieved by incorporating environmental considerations into its products, processes and operational decisions.

In fact, in 2022 the Group announced that it has joined **The Fashion Pact**, 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. Being a signatory of The Fashion Pact is part of Safilo's purpose-led strategy based on four sustainability pillars: Planet, Product, People and Partnership and it represents a further step confirming the Group's commitment to develop projects and initiatives that address the global challenges of tomorrow, as per The Fashion Pact mission and priorities.

In 2025, in order to pursue its commitment related to a sustainable business management, the Group joined "**Confindustria Veneto Est**", a coalition of companies in northeastern Italy that share the goal of implementing and promoting best practices in terms of sustainable development within their territory while remaining firmly committed to the principles of trust, respect, sharing, transparency, support, and satisfaction.

Safilo Group business plan, sustainability strategy and targets

The Group **strategy**[1] integrates the guidelines promoted by the Paris Agreement with the aim of limiting global warming to 1.5°C to transition into sustainable economy. Safilo has made a strong commitment to environmental targets, which are aligned with the Science Based Targets initiative (SBTi-Near term). The **target** has been validated by SBTi in February 2024. By committing to science-based targets, the Company is positioning itself as a leader in sustainability, demonstrating accountability and transparency in its climate actions. The targets established by the Company are designed to significantly reduce its carbon footprint, contribute to global efforts against climate change and limit the actual and potential negative impact and risks strictly connected with the environment.

Decarbonization pathways

The targets are:

1 - Scope 1 and Scope 2 Emissions: The Company aims for a 70% reduction in CO_2 emissions by 2030, using 2022 as the baseline year[2]. This target reflects the decarbonization approach, focusing on direct emissions from owned or controlled sources (Scope 1) and indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the Company (Scope 2). This target is aligned with Paris Agreement.

2 - Scope 3 Emissions: the Company is committed to reducing Scope 3 emissions by 25% by 2030, using 2022 as the baseline[3]. In setting this target, Scope 3 GHG inventory has been considered, ensuring that the targets for Category 1 – Purchased Goods and Services and Category 4 – Upstream Transportation and Distribution meet the minimum coverage requirements imposed by the SBTi.

1 For any details, please refer to Group's Business Plan.
2 Baseline 2022: 16,814 tCO_2e of which 5,323 tCO_2 Scope 1 and 11,491 tCO_2 Scope 2.
3 Baseline value 2022 Scope 3: 116,158 tCO_2 of which Cat. 1 - 103,655 tCO_2 and Cat. 4 12,503 tCO_2.

Key levers to reach sustainability targets

To achieve the sustainability targets, Safilo has identified several key levers:

a) **Reduction of Scope 1 Emissions through Energy Efficiency Solutions**: implementing a range of energy efficiency measures aimed at significantly lowering its direct greenhouse gas emissions. Initiatives include upgrading to more efficient heating systems and energy-efficient models. These measures not only contribute to reduced emissions but also enhance overall operational efficiency.

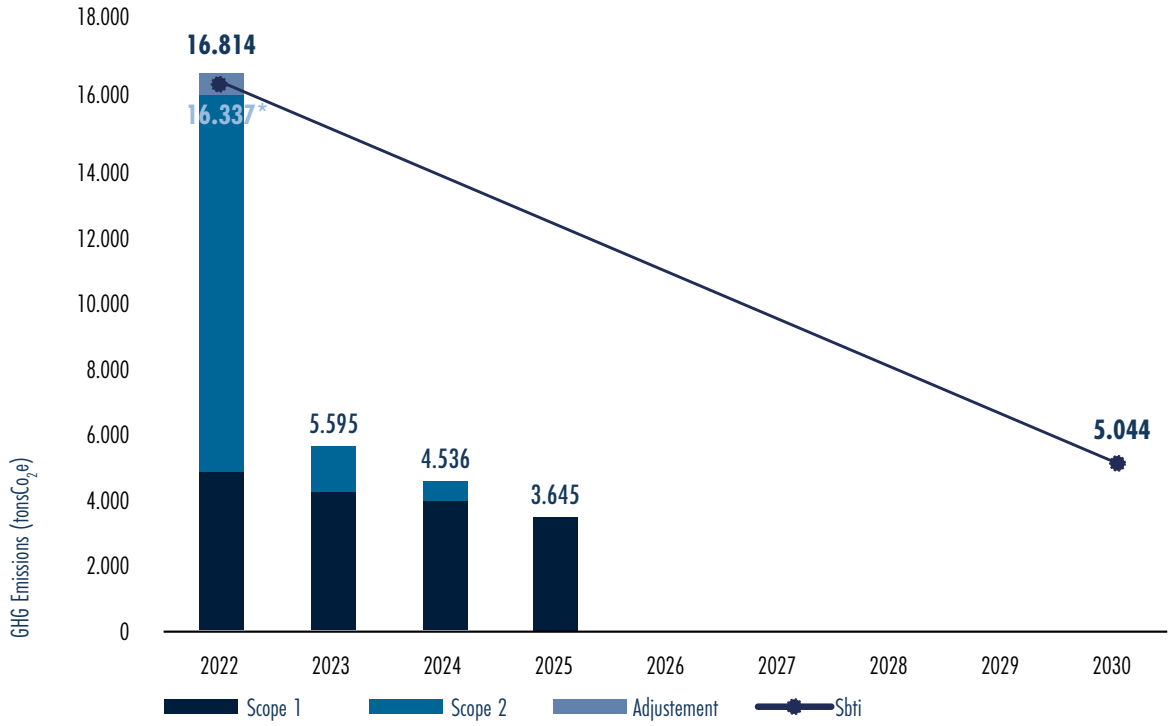
b) **Switch to 100% Renewable Electric Energy by 2030**: adopt renewable electric energy for all operations by 2030. By harnessing solar, wind, and other renewable technologies, the Company aims to eliminate reliance on fossil fuels and minimize its carbon footprint. Starting from this year, Safilo has completed the transition to renewable electricity across all its legal entities. As a result, 100% of the electricity used in the Group's headquarters, manufacturing plants and commercial subsidiaries is sourced from renewable energy through the purchase of energy attribute certificates.

c) **Onboarding Top Suppliers for Collaborative CO_2 Reduction**: recognizing that a significant portion of its emissions arises from the supply chain, the Company is actively engaging its top suppliers in collaborative efforts to reduce CO_2 emissions throughout Safilo's value chain.

d) **Gradual Transition in Logistics Carriers Favoring Sea Transport**: shifting its logistics strategy by prioritizing sea transport over air transport. This transition is crucial as shipping by sea results in lower emissions per ton-mile compared to air freight.

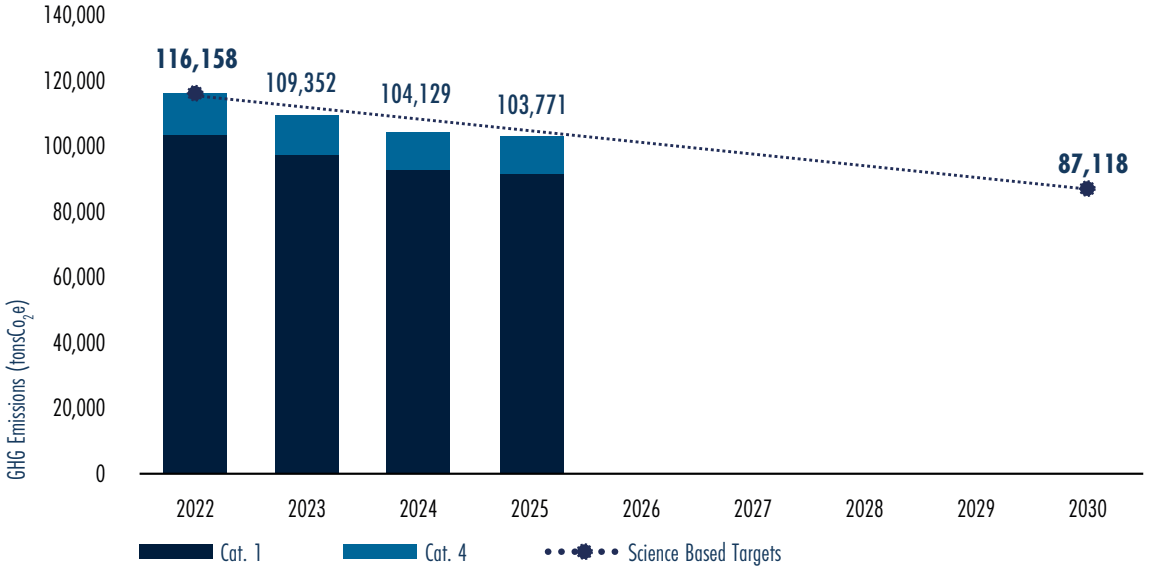
e) **Gradual Adoption of bio-based and recycled materials for Products and Packaging**: increasing number of Finished Products and Packaging using bio-based and recycled materials, choosing them over virgin or fully oil-based materials.

SCOPE 1 - 2 Emissions TCO_2



*2022: 16,337 tCO_2e represent Scope 1 and 2 emissions reported in the 2022 Non-Financial Report, while 16,814 tCO_2e correspond to emissions validated by SBTi. The difference is due to the inclusion of fugitive emissions.

Scope 3



Decarbonization targets and levers

Decarbonization targets and levers	2022	2030 target	Delta to be reached thanks to key levers and decabornization actions
GHG emissions (tCO_2eq) Scope 1 + 2	16,814	5,044*	11,770
GHG emissions (tCO_2eq) Scope 3	116,158	87,118	29,040

* Safilo expects to reduce its Scope 1+2 emissions through the transition of the 100% of its own electric energy consumption into renewable energy. In 2030, the Scope 2 emissions are expected to be null.

Here is the table describing the decarbonization levers and their estimated quantitative contributions to the achievement of its GHG emission reduction targets, broken down by each Scope (1, 2, and 3).

	2022 Baseline year	2030 target
GHG emissions Scope 1+2 (tCO_2eq)	16,814	5,044
GHG emissions Scope 3 (tCO_2eq)	116,158	87,118
GHG emission total (tCO_2eq)	132,972	92,162
Total reduction from the use of renewable energy and other minor factors (tCO_2eq)		-40,810*

* The main lever to reach our targets is the transition from fossil energy sources to renewable energy. Minor reductions could be obtained through 1) energy efficiency and consumption reduction; 2) adoption of bio-based or recycled material within our new collections; 3) fuel switching but they have been included into the "Use of renewable energy" lever.

In 2024 The Group entered a **€300 million Term and Revolving Facilities Agreement**, which includes, also, sustainability-linked targets to be achieved by 2025. The agreement is tied to the following Key Performance Indicators (KPIs):

1. **KPI 1 – Absolute Scope 1 and Scope 2 emissions**

   Absolute Scope 1 and Scope 2 greenhouse gas emissions (tons of CO_2e): **below 4,440**

2. **KPI 2 – Absolute Scope 3 emissions**

   Absolute Scope 3 greenhouse gas emissions (tons of CO_2e): **less than or equal to 105,268**

3. **KPI 3 – Sustainable product development**

   Percentage of sustainable models within newly developed collections: **greater than or equal to 25%**

4. **KPI 4 –** Social audit coverage

   Social audit coverage among Asian suppliers: **greater than or equal to 40%**

In relation to the achievement of specific KPIs the Group has specific margin discounts.

Transition plan

In 2025, the Group did not formalize a stand-alone Transition Plan document. However, it will be developed and approved in the following years and it is committed to reaching the sustainability targets outlined in the Group's Business Plan.

SAFILO'S ENVIRONMENTAL POLICY AND ACTIONS

Policies related to climate change mitigation and adaptation

Confirming its commitment to environmental risk prevention, Safilo has adopted a **Group Environmental Policy**[4] that aims to minimize the negative impact on the environment (particularly regarding greenhouse gas emissions) and promote sustainable practices across all aspects of our operations. The policy is based on the following pillars:

- **Compliance with applicable environmental laws and regulations**

The Group is committed to taking all measures to meet the requirements of environmental laws and applicable regulations, including rules governing the use, control, transportation, storage and disposal of regulated materials that may reach the environment as a part of wastewater, air emissions, solid or hazardous waste.

- **Minimization of the environmental impact**

Safilo aims to minimize its environmental impact and address climate change by reducing: i) energy consumption, improving energy efficiency, ii) the use of raw materials and potentially hazardous substances, iii) waste generation greenhouse gases emissions and other pollutants through the implementation of technical innovations, v) the adoption of more efficient solutions, vi) the promotion of renewable energy use sources, vii) the incorporation of recycled and bio-based materials.

- **Supply chain awareness and engagement**

Safilo expects the same from its business partners, in order to source products manufactured in an environmentally responsible way, while maintaining quality standards. To this end, Safilo monitors environmental risks across its supply chain, through social and environmental audits.

- **Transparency with stakeholders**

The Group is dedicated to maintaining transparency and accountability in its environmental performance by actively monitoring and reporting its sustainability efforts to all stakeholders.

In the Policy there is no specific reference to climate change adaptation actions because the Group has not identified areas exposed to significant environmental adverse risks. The Policy encourages all legal entities to reduce fossil fuel and kilowatt hours consumption in favor of renewable sources to reduce Scope 1 and 2 CO_2 emissions. This goal is outlined in the Strategic Plan.

Actions and resources in relation to climate change policies

Starting from 2024, Safilo implemented multiples **actions**:

To minimize our Scope 1 and Scope 2 emissions the company invested in energy efficiency solutions and implemented practices to reduce energy consumption. Some of the implemented projects include:

i) headquarters, complementing the photovoltaic installation commissioned in in 2024, a second phase of photovoltaic systems was installed at the Padua 2022. The additional system is expected to generate approximately 381 MWh of electricity in the current year, resulting in an estimated avoidance of 191 tCO_2e. The photovoltaic system installed in 2022 has an installed capacity of 386.63 kW. Based on projected performance, the combined photovoltaic installations at the Padua site are estimated to avoid approximately 3,854.72 tCO_2 over a 25-year operational lifetime. During the 2025 the total Group production of photovoltaic panels is 2,672 MWh corresponding to 1,507 tCO_2 of avoided emissions.

ii) a gradual transition of the vehicle fleet towards sustainable mobility. By December, 2025 296 vehicles in the Group fleet were hybrid and 6 were electric, for a total of 302 out of 412 (73%).

4 This action is correlated with onboarding top suppliers for collaborative CO_2 reduction lever.

iii) Purchase of Energy Attributes Certificates to offset at 100% Scope 2 emissions (market-based approach).

iv) To promote a collaborative decarbonization initiative Safilo has engaged the suppliers, specifically those of materials and finished products. This initiative requires suppliers to move a portion of their fossil-source energy consumption to renewable ones by 2025 . The obtained reduction in 2025 is about 5,092 TCO_2. During 2025 the Group follows the strategy validated by SbTi and expects a linear annual year reduction of 2.5% of emissions.

Thanks to these energy efficiency practices, investments, and the reduction of carbon emissions, the Group obtained **ISO 50001:2018** energy management system certification for the Italian plant of Safilo Industrial S.r.l., as well as the headquarters of Safilo S.p.A. This certification will expire in December 2026[5].

5 These actions are correlated to Scope 1 emissions reduction through energy efficiency solutions lever.

ENERGY CONSUMPTION MIX

Energy intensity based on net revenue

2025 - Energy intensity per net revenue	Energy Consumption 2025 (MWh)	Net Sales 2025 (thousand/€)	2025 Energy Consumption / 2025 Net Sales (Euro/1000)
Total energy consumption from activities in high climate impact sectors (NACE 32.50) per net revenue from activities in high climate impact sectors (MWh/Monetary unit)	37,911	983,379	0.039

2024 - Energy intensity per net revenue	Energy Consumption 2024 (MWh)	Net Sales 2024 (Euro/1000)	2024 Energy Consumption / 2024 Net Sales (Euro/1000)
Total energy consumption from activities in high climate impact sectors (NACE 32.50) per net revenue from activities in high climate impact sectors (MWh/Monetary unit)	44,591	993,219	0.045

Energy consumption mix[6,7]

Energy Consumption and mix (MWh)	2025	2024	Delta
Fuel consumption from coal and coal products	-	-	-
Fuel consumption from crude oil and petroleum products	7,100	7,127	-27
Fuel consumption from natural gas	6,205	7,518	-1,313
Fuel consumption from other fossil sources	-	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling	-	1,554	-1,554
Total fossil energy consumption	**13,305**	**16,199**	**-2,894**
Share of fossil sources in total energy consumption (%)	35.10%	36.33%	-1.23%
Consumption from nuclear sources	**-**	**-**	**-**
Share of consumption from nuclear sources in total energy consumption (%)			-
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc	-	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling	21,974	25,840	-3,866
The consumption of self-generated non-fuel renewable energy	2,632	2,552	80
Total renewable energy consumption	**24,606**	**28,392**	**-3,786**
Share of renewable sources in total energy consumption (%)	64.90%	63.67%	1.23%
Total energy consumption	**37,911**	**44,591**	**-6,680**

6 The Group produced in 2025 2,672 MhW and has sold 40 MWh while in 2024 the Group produced 2,573 MWh and sold 21 MWh.
7 Electricity consumption does not take into account refuelling carried out by hybrid (rechargeable with electricity) or electric vehicles at charging stations owned by third parties. These amounts have been excluded as they are considered immaterial following an analysis carried out on the fleet at Safilo's headquarters.

RENEWABLE ELECTRIC ENERGY SHARES BY REGION

100%

of the electricity used across all the Group's production sites and commercial subsidiaries comes from renewable sources.

SCOPE 1[8], 2, 3 AND TOTAL GHG EMISSIONS

GHG EMISSIONS	2025	2024	Delta 2025 vs 2024	Baseline Year 2022
Scope 1 GHG Emissions				
Gross Scope 1 GHG Emissions (tCO_2)	3,645	3,949	-304	5,323
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%	0%
Scope 2 GHG Emissions				
Gross location-based Scope 2 GHG emissions (tCO_2eq)	10,513	12,621	-2,108	17,090
Gross market-based Scope 2 GHG emissions (tCO_2eq)	-	586	-586	11,491
Significant Scope 3 GHG emissions				
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	103,771	104,129	-358	116,158
1.Purchased goods and services (tCO_2eq)	91,951	92,833	-882	103,655
4.Upstream transportation and distribution (tCO_2eq)	11,821	11,296	525	12,503
Total GHG emissions (location-based) (tCO_2eq)	**117,929**	**120,700**	**-2,771**	**138,571**
Total GHG emissions (market-based) (tCO_2eq)	**107,416**	**108,665**	**-1,249**	**132,972**

The Company has used the following methodology:

- Scope 1: natural gas consumption 1 mc = 0.0356671 GJ (source Minambiente 2025) and 1 mc = 9.907500008 Kwh ;for diesel (transportation and heating) consumption 1 liter = 10.00370001 Kwh, diesel density = 0.84 kg/liters determined in accordance with European Standard UNI EN 590 which establishes the official density range at 15°C as between 0.820 – 0.845 kg/liters, diesel lower calorific value = 42,873 GJ/ton (source Minambiente 2025); for petrol (transportation) consumption 1 liter = 8.865200007 Kwh, petrol density = 0.74 kg/liters determined in accordance with European Standard UNI EN 228 – Unleaded petrol, establishes the official density range at 15°C as between: 0.72 – 0.775 kg/liters, petrol lower calorific value = 43,128 GJ/ton (source Minambiente 2025); heating consumption 1 MWh = 1,000 kWh. The CO_2 figures are calculated using Minambiente 2025 emissions factors: (https://www.ets.minambiente.it/News#520-pubblicazione-parametri-standard-nazionali-anno-2025). The fugitive emissions are calculated based on recognized GHG protocol methodology estimating the rate of losses and using GWP factors of refrigerant gases circulating in the systems[9].
- Scope 2: electricity consumption 1 MWh = 1,000 kWh. Location based CO_2 figures are calculated using Sphera MLC Database - 2025.1. Market based are calculated using AIB RESIDUAL MIXES 2024 https://www.aib-net.org/facts/european-residual-mix/2024.

8 For the current financial year, the Company has used the emission factors published by ISPRA expressed in tCO_2, relating to CO_2 from combustion; starting next year, emissions will be reported in tCO_2e, including all relevant greenhouse gases.

9 Based on the availability of data, part of the fugitive emissions has been computed with Screening Method approach using the algorithm Emissions from operation = C*(x/100)*T where C is the refrigerant capacity, x is the annual leak rate and T is the time in years. Where the inventory of charges was available, the Method for Purchased Gases was adopted exploiting the mass of the gas purchased. (Source: EPA United States Environmental Protection agency, https://www.epa.gov/sites/default/files/2015-07/documents/fugitiveemissions.pdf).

- Scope 3: Indirect emissions have been calculated using Sphera MLC Database - 2025.1. For Scope 3 – category 1 – Purchased goods and services, Safilo adopted mass-based approach, when feasible, and spend-based approach for residual amounts, while for category 4 – Upstream transportation and distribution, most of the emission data were collected direct from suppliers while the remaining portion was calculated adopting the distance-based data method. Scope 3 relevant categories emissions have been calculated considering the consolidated Group boundary. 96,005 TCO_2e of Scope 3 emissions are measured using inputs from specific activities within the entity's upstream and downstream value chain which represent the 92.5% of total Scope 3 emissions.

The Company in 2025 purchased Energy Attribute Certificates for all the Legal Entities. The 100% of electric energy used in any of Group's plants or commercial subsidiaries comes from renewable sources.

Emissions intensity based on net revenue

2025			
2025 : LOCATION BASED - Emissions intensity per net revenue	**Total GHG Emissions 2025 tCO_2**	**Net Sales 2025 /(Euro/1000)**	**Total Emissions / Net sales**
Total emissions from activities in high climate impact sectors (NACE 32.50) per net revenue from activities in high climate impact sectors (tCO_2e/Monetary unit)	117,929	983,379	0.12
2025 : MARKET BASED - Emissions intensity per net revenue	**Total GHG Emissions 2025 tCO_2**	**Net Sales 2025 /(Euro/1000)**	**Total Emissions / Net sales**
Total emissions from activities in high climate impact sectors (NACE 32.50) per net revenue from activities in high climate impact sectors (tCO_2e/Monetary unit)	107,416	983,379	0.11

(1) The net sales coincide with the same line of the Financial Statement. Please refer to "SUMMARY OF KEY ECONOMIC & FINANCIAL PERFORMANCE INDICATORS" paragraph in the Financial Statement. The totality of this revenue comes from the Manufacturing sector (NACE 32.50 - Manufacture of medical instruments and supplies).

2024			
2024 : LOCATION BASED - Emissions intensity per net revenue	**Total GHG Emissions 2024 tCO_2**	**Net Sales 2024 /(Euro/1000)**	**Total Emissions / Net sales**
Total emissions from activities in high climate impact sectors (NACE 32.50) per net revenue from activities in high climate impact sectors (tCO_2e/Monetary unit)	120,700	993,219	0.12
2024 : MARKET BASED - Emissions intensity per net revenue	**Total GHG Emissions 2024 tCO_2**	**Net Sales 2024 /(Euro/1000)**	**Total Emissions / Net sales**
Total emissions from activities in high climate impact sectors (NACE 32.50) per net revenue from activities in high climate impact sectors (tCO_2e/Monetary unit)	108,665	993,219	0.11

(1) The net sales coincide with the same line of the Financial Statement. Please refer to "SUMMARY OF KEY ECONOMIC & FINANCIAL PERFORMANCE INDICATORS" paragraph in the Financial Statement. The totality of this revenue comes from the Manufacturing sector (NACE 32.50 - Manufacture of medical instruments and supplies).

CLIMATE RISK ANALYSIS (PHYSICAL AND TRANSITION)

In 2024 Safilo initiated a climate change risk assessment to evaluate its exposure to climate-related risks and understand the potential impacts these risks may have on its operations. This assessment represents the first step taken by Safilo towards defining a group transition plan, including a structured resilience analysis, and the basis for the evaluation of material climate risks and opportunities in context of the double materiality assessment.

Climate risks are broadly categorized into two primary groups: **physical risks and transition risks**, each presenting distinct challenges and implications for businesses striving to address climate change.

Physical risks are the direct consequences of climate change, encompassing extreme weather events, environmental degradation, and evolving climatic patterns. These risks can lead to significant economic repercussions and operational disruptions. They are further divided into acute risks, which are event-driven and linked to the increasing intensity of extreme weather phenomena such as floods and wildfires, and chronic risks, which emerge from long-term shifts in climate patterns, including rising temperatures, sea level rise, and persistent droughts.

As part of Safilo's climate risk analysis, the following physical risks were evaluated: flash floods, wildfires, river floods, heatwaves, coastal floods, droughts, windstorms.

Transition risks stem from the global transition to a low-carbon economy. These risks arise from factors such as increase carbon taxes associated with greenhouse gas (GHG) emissions, energy price volatility, and compliance with increasingly stringent climate-related regulations. Beyond financial considerations, climate transition risks can also influence corporate reputation and competitive positioning, underscoring the importance of proactive adaptation to align with sustainability objectives.

During the assessment, the following transition risks were analyzed: policy and legal risks, reputational risks, market risks, technological risks.

The **climate change risk assessment** conducted by Safilo spans three distinct time horizons: i) short-term (2030), ii) medium-term (2040), iii) long-term (2050) and considers different scenarios. These scenarios represent plausible but hypothetical trajectories for greenhouse gas (GHG) concentrations and the associated temperature rise, the severity of extreme weather events, and the stringency of climate policies.

The analysis used two primary types of scenarios:

- **The Intergovernmental Panel on Climate Change (IPCC)** scenarios for the assessment of physical risks. These scenarios are modeled under different GHG Representative Concentration Pathways (RCP) —RCP 2.6 (stringent scenario likely to keep global temperature rise below 1.5 °C by 2050), RCP 4.5 (intermediate scenario likely to result in global temperature rise between 1.5 °C and 2.2 °C by 2050), and RCP 8.5 (worst-case climate change scenario likely to result in increase in global temperature over 2.5 °C by 2050). The climate risk analysis used the above mentioned three IPCC scenarios to analyze the frequency and severity of extreme weather events Safilo may be exposed to.
- For the assessment of transition risks, the analysis used climate scenarios developed by the **Network for Greening the Financial System (NGFS)**. These scenarios focus on the risks associated with the transition to a low-carbon economy and consider potential developments such as policy changes (e.g., carbon pricing mechanisms), regulatory shifts (e.g., the Carbon Border Adjustment Mechanism), technological advancements (e.g., the adoption of renewable energy), and market dynamics (e.g., shifts in consumer preferences or supply chain structures).

The six NGFS scenarios considered are:

- **Below 2 Degrees**- moderate policy changes and keep warming below 2°C;
- **Current Policies** - continues with existing policies and increased frequency of extreme weather events;
- **Delayed Transition** - no emissions reduction until 2030, requiring intense action afterward;

- **Fragmented World**;
- **Nationally Determined Contributions** - reflects current global pledges;
- **Net Zero 2050**— limit global warming to 1.5°C through stringent policies and innovations.

Following this preliminary analysis, Safilo focused on the two scenarios that were considered more relevant and prominent for Safilo's business: **Current Policies** as the Business-as-Usual scenario, and **Net Zero Transition** as scenario to understand the implications of global decarbonization.

Safilo's climate change risk assessment is carried out across a perimeter that includes its strategic assets, such as production centers and distribution hubs, integrating key components of its business operations. Smaller assets have been excluded from this analysis, as they were deemed immaterial to the overall risk evaluation. Where applicable, the value chain has been considered through its integration with distribution centers. This expanded scope ensures a comprehensive understanding of how climate risks manifest at critical points within Safilo's operations and highlights the most significant material risks the company faces. By assessing both the direct and indirect impacts of climate change, Safilo is better positioned to anticipate challenges across its supply chain, manufacturing processes, and distribution networks, enabling a more robust risk management framework.

To achieve this, the assessment employs ***two distinct methodologies***:

In order to identify and categorize the physical risk, the methodology used Safilo's assets geolocation, IPPC data across the above-mentioned three horizons, RCP and scenarios together with expert judgment, historical data, and scenario analysis. It evaluates these risks based on factors such as their likelihood, potential magnitude, and duration. This approach provides an initial overview of the key climate risks affecting Safilo, creating a prioritized foundation for deeper investigation into the most pressing vulnerabilities, laying the groundwork for the definition of the financially material physical risks.

For the transition risks, variations in financial metrics such as EBIT, consistent with the parameters used for the financial materiality analysis, were analyzed to identify the possible impacts of different NGFS climate scenarios on the company's performance. The financial implications of transition policies were also estimated, enabling the company to refine its mitigation actions and seize sustainable opportunities. In assessing these transition risks, the Company evaluated the extent to which its assets and business activities may be exposed to the identified transition events, taking into consideration their likelihood, potential magnitude and duration.

The outcome of this climate change risk assessment represents the first step taken by Safilo to evaluate the economic impact of climate risks on its assets, revenues, and overall business performance, while also identifying opportunities associated with these transitions. By integrating these insights, Safilo ensures that its approach to climate change is well-rounded, addressing both the immediate and long-term challenges posed by climate risks and is enabling Safilo to strategically align current mitigation measures and guide future investment decisions effectively.

The primary physical risks identified medium, and long-term horizons are related to extreme weather events, including river flooding, flash flooding, and heatwaves, which may be affecting Safilo's production and distribution sites. These risks may pose threats to physical assets, potentially disrupting operations and incurring financial costs. Although, these risks increase their likelihood of occurrence only from a medium-term horizon, Safilo is already implementing and planning the development of mitigation strategies designed to reduce vulnerability and enhance the resilience of its assets. These efforts underscore the company's commitment to safeguarding its operations from the adverse impacts of climate change.

Transition risks have been analyzed with respect to the current policy and projected scenarios over the short, medium, and long term. In the NGFS **Current Policies** scenario, often referred to as "Business as Usual," EBIT remains stable. The **Current Policies** scenario does not anticipate major investments or penalties from transition policies, as it follows a trajectory aligned with the current global situation. However, under a **Net Zero World** scenario, higher emissions levels for Safilo correlate with greater financial impacts due to reputational and legal risks. Conversely, assets with lower emissions levels demonstrate financial stability in these scenarios. This analysis supports the implementation of targeted mitigation and adaptation strategies aimed at reducing GHG emissions and minimizing exposure to transition risks.

ADDITIONAL NOTES ON ESRS - E1

It should be noted that:

- The implementation of sustainability strategies depends on the allocation of financial resources planned in a year-on-year budget that follows the targets of the 5-years strategic plan presented to the market. In some of the impacts, risks or opportunities retraced Safilo is directly involved through its activities, in some other cases it is involved through its business relationship.
- The environmental targets related to Scope 1, 2, 3 have been developed based on the Science Based Target initiative guidelines and subsequently validated by themselves ensuring that the baseline value against which the progress towards the target is measured accurately reflects the activities covered and the influences from external factors.
- The Environmental Policy was presented by Global Accounting & F&A Sustainability Director and approved by the CEO. All the C-Level Managers, who are responsible for one of the areas outlined in the policy, are in charge of implementing the guidelines.
- Safilo screened its total Scope 3 GHG emissions based on the 15 Scope 3 categories identified by the GHG Protocol Corporate Standard and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011) using appropriate estimates. The full Scope 3 GHG inventory was submitted for the validation of SBTi targets, which highlighted that category 1 – Purchased of Finished Goods and Services and category 4 – Upstream Transportation and Distribution accounted for more than the two third of the entire Safilo's Scope 3 GHG emissions. For Scope 3, Category 1, all Safilo's legal entities are included. The only exclusion is a small part of POP material related to Merchandising & Local Production of displays. In this category, Safilo considered all raw materials, semi-finished, finished products (eyewear, lenses, goggles, helmets), marketing materials, and services as well. Safilo mainly uses primary physical data (weight and material information, where available) and a limited spend-based calculation methodology (<5%). For Category 4, emissions have been calculated for all the Group. Part of the emissions data are supplier-based while the remaining part was provided in tons* kilometers covered by truck, train, and ship and then emissions were calculated using Sphera MLC Database – 2025.1. The other 13 categories were deemed not relevant for the primary purpose of sustainability reporting due to their minimal impact or because they are not applicable to Safilo processes. Safilo will update the Scope 3 GHG emissions for each significant category annually based on current activity data. The biogenic emissions of CO_2e from the combustion or biodegradation of biomass are not applicable for Safilo, and the Group does not include any removals, or any purchased, sold, or transferred carbon credits or GHG allowances in the calculation of Scope 3 GHG emissions.
- Safilo's management has set decarbonization targets which were subsequently approved by the Board of Directors. No other stakeholders were involved in setting these targets.
- The performance against its disclosed targets is monitored on biannual basis and for 2025 is in line with the planned targets.

RESORCES USE AND CIRCULAR ECONOMY [ESRS E5]

SAFILO CREATION PROCESS: A PRODUCT MINDED PROCESS

Innovation is at the heart of Safilo's mission as a leading player in the eyewear industry while also addressing global sustainability challenges. The Group legacy of craftsmanship, combined with cutting-edge technology, empowers the creation of develop products that are not only stylish and functional but also responsibly designed to minimize environmental impact.

Everything starts in **Product Design and Creation** function with designers expressing their creativity to develop new collections based on the input of the Brands. The results are 2D and 3D drawings that are used to create prototypes that precisely represent each detail of the original sketch. These handmade or 3D printed prototypes are used to approve the collection. Once the design aspects have been defined, a careful strategic analysis guarantees the industrialization of the product. This is the start of a development process able to merge creative intuition and production requirements, through the definition of all technical aspects to finally launch the production using the best materials and processes available. Safilo's production facilities and carefully selected supplier network are mainly specialized in the three different production materials: metal, acetate and injection molded plastic. The raw materials are then shaped with different processes like milling, stamping, welding and tumbling into the temples and fronts. Those then could be colored and coated with processes like galvanic, painting and varnishing. The frame is then assembled with the lenses and the final adjustments and checks are carried out.

To maintain excellence, quality and heritage, Safilo created a **Trends Observatory** to select and analyze what is on trend and why, allowing for the combination of brilliant design and innovative ideas with a solid market-based approach, all without losing the connection to our roots. The Group's designers integrate insights from the Trends Observatory together with market analysis and potential specific brand innovations and then create model prototypes. The **Safilo Product Design and Creation** function produces prototypes leveraging on 3D Computer-aided Designs (CAD) and 3D printing, bridging craftsmanship and front-end technology. A creative team of about 160 designers and eyewear technicians plays a key role in developing around 1,750 new models in 2025 set to be launched in 2026.

In order to constantly innovate the product Safilo is working at different levels:

- ***Global Innovation Centre*** which focuses on Product Innovation to analyze trends, research new materials and develop new concepts and technologies, and on Industrial Engineering for testing specific solutions to create "best quality" products.

  The Group has, also, developed with key partners new products embedding new technologies:

  i) the collaboration with Amazon.com to offer exclusively in the U.S. market, a solution that would combine the great build quality and design of **Carrera Eyewear** with the high-tech content of Alexa AI. To this end, two different iconic and innovative models were produced by Amazon: equipped with open-ear audio technology, Carrera's new smart glasses direct sound to the ear without covering surrounding noise while minimizing what people around can hear.

  ii) The new **Smith I/O MAG Imprint 3D goggle** that is the first custom goggle built to match the individual features of a person's face. Utilizing Smith's custom app, users scan their face to capture their unique details and contours, allowing an individualized frame to be automatically generated, 3D printed – using HP's industrial Multi Jet Fusion platform – and, finally, hand assembled into the best-selling Smith I/O MAG goggle in Smith's production plant.

- ***Research and development of new solutions*** on ground-breaking lenses and treatments that will help protect eyes from solar or artificial rays;
- ***Product Certification Lab*** working together with certification centers for new products and materials.

The Group focuses on proactive and collaborative research activities to develop innovative solutions in partnership with stakeholders such as universities, research centers, qualified suppliers, customers, sector experts, and associations. These partnerships ensure a more robust and efficient innovation process that considers and integrates diverse ideas and competencies.

TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

STRATEGY AND TARGETS ON PRODUCTS

A key pillar of our innovation **strategy** is the integration of ***recycled and bio-based materials*** into our product that is made by polymers such as acetate, polyamide and polycarbonate and different metal alloys. By utilizing recycled and bio-based materials, we significantly reduce our reliance on virgin resources and mitigate the environmental impacts associated with raw material extraction such as energy-intensive processes, resource depletion and ultimately the pollution associated with traditional material extraction and production. These stages of material extraction occur at the beginning of the Safilo value chain and are followed by various tiers of suppliers. Although the eyewear industry does not require large quantities of materials, the Group's sustainable materials portfolio aims to reduce pollution throughout the value chain.

Safilo's target of developing ***25% of its new collections with recycled and bio-based materials***[1] by 2025 reflects the company's commitment to the highest principle of the waste hierarchy: prevention. This strategic approach aims to tackle waste at its source, reducing the overall environmental impact of its production processes. By integrating sustainable materials into its collections, Safilo not only decreases its reliance on non-renewable resources, but increase circular material use rate as well. Safilo's eyewear products use a wide range of materials including polymers such as acetate, polyamide, polycarbonate, polyester as well as metal alloys such as stainless steel, copper alloys, and titanium. For this reason, the Group set a target at a product level ensuring each product has at least 30% recycled and/or bio-based content by weight considering the total weight of the product.

In 2025 Safilo reached the proposed target of developing 25% of new collections with recycled and bio-based materials. The models developed were 1,756 of which 443 were sustainable, representing 25.2% vs. 23% in 2024. In addition, we have extended the target to 2026 by committing ourselves to develop 26% of new collections with recycled and bio-based materials.

To ensure the environmental benefits of new materials, Safilo utilizes **Lifecycle Assessment (LCA)** as a critical tool in its innovation process. LCA provides a comprehensive evaluation of a material's environmental impact, from raw material extraction to manufacturing, distribution, usage, and end-of-life disposal. This scientific approach allows Safilo to validate the advantages of its recycled and bio-based materials and identify opportunities for further improvement. This rigorous validation ensures that every new material developed aligns with Safilo's sustainability objectives and delivers measurable impact reductions across the product lifecycle. In 2018 Safilo performed its first LCA study. In 2022, Safilo performed another extensive LCA study on a representative set of its products, identifying in a quantitative manner the footprint of its eyewear. Additionally, in 2023 such analysis was expanded to goggles and helmets. It is also thanks to this science-based approach that at MIDO 2025, the eyewear tradeshow held annually in Milan, Safilo won, for the second year in a row, an important **award**: the CSE (Certified Sustainable Eyewear) prize in the "Sunglasses Europe" category for the best sustainable frame with a Hugo Boss model made with Eastman Acetate Renew material, Tritan™ Renew lenses and produced in a plant that uses 100% renewable electricity.

1 This target is voluntary, and it was presented to the market on March 2023 during the Capital Market Day.

RESOUCES INFLOWS: SUSTAINABLE MATERIALS

The research for innovative materials has particularly focused on sustainability by introducing the following **new materials** in its eyewear, helmets and goggles collection, underscoring Safilo's commitment to sustainability and its efforts to bring more recycled and bio-based materials to the eyewear industry.

Recycled materials are derived from post-consumer or post-industrial waste, which are reprocessed into raw materials that can be reused in manufacturing. This approach reduces the need for virgin resources by extending the lifecycle of materials that have already been produced. Recycled materials are instrumental in closing the loop within a circular economy, minimizing waste generation and conserving natural resources.

Bio-based materials, on the other hand, are produced from renewable biological resources, such as plant-based sources. Unlike conventional materials derived from fossil fuels, bio-based materials leverage sustainable inputs to reduce dependency on non-renewable resources and lower carbon emissions during production.

These materials represent a fundamental shift in how we design and produce eyewear, allowing Safilo to create products that are both environmentally responsible and aligned with the values of today's conscious consumers. Indeed, Safilo has integrated in the portfolio:

- **Eastman Acetate Renew, Tritan™ Renew and Tenite™ Renew**. Safilo announced that starting with the January 2023 collections it has also used Eastman Tenite™ Renew in its sunglass and prescription collections. Through this commitment, Safilo became the first player in the market to use all Eastman Renew materials for Eyewear in its portfolio. Acetate Renew is composed of 43% bio-based and 27% certified recycled content, which maintains possible the technical and aesthetic qualities of traditional acetates but with the advantage of environmental sustainability. Tenite™ Renew is composed of 38% bio-based content and 20% recycled content. The resulting material offers the same premium feel and outstanding comfort of acetate with the additional unmatched fit adjustability that opticians need to create personalized eyewear fit. *Tritan™ Renew* is a high performance copolyester made of 50% certified recycled content. Crystal clear, durable and BPA-free, it offers sustainability without compromise, ensuring performance and safety. Ideal both for lenses and frames. The recycled content is achieved by allocating the recycled waste plastic to Eastman Renew materials using a mass balance process certified by ISCC (International Sustainability & Carbon Certification). Produced via Eastman's innovative Advanced Circular Recycling technologies – carbon renewal technology (CRT) and polyester renewal technology (PRT) – these new products are made from plastic waste and, as such, reduce consumption of fossil resources, and have lower greenhouse gas footprints than traditional eyewear materials.
- **Bio-based materials** including polyamides and different types of rubbers in its portfolio. The biogenic source of those materials is castor oil that do not compete with the food chain and is draught tolerant so is capable to grow with low amount of water.
- **Recycled polycarbonate** with at least 95% GRS certified recycled content made out plastic waste that otherwise would be disposed in landfills and on the environment.
- **Recycled metals**: the use of recycled metal like stainless steel and nickel-silver allows for the removal of metal waste from the environment, while limiting air pollution from the extraction of new virgin metal. Our recycled metal contains at least 70% GRS (Global Recycled Standard) or RCS (Recycled Claim Standards) certified recycled content.
- **Recycled PMMA** with at least 95% **GRS (Global Recycled Standard) or RCS (Recycled Claim Standards)** certified recycled content made from plastic waste that otherwise would be disposed in landfills and on the environment, these materials starting from August 2025 collections, will be used for the demo lenses of the Group optical offerings.

The Group has estimated that the overall weight of products and technical and biological materials used is equal to 6,940 tons, the related percentage of biological materials used to manufacture the undertaking's products and services (including packaging) is about 4.8% coming from wood pulp, FSC or PEFC certified and castor oil a

biologic source not competing with food chain and drought tolerant. The weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging) is 765 tons equal to around 11% of the total inflow weight.

POLICIES AND ACTIONS

With the aim of achieving ambitious sustainability objectives, in 2021 a certification process was initiated, leading to the **ISCC Plus certification** for Padua distribution center (first certificate issued in July 2021 and renovated in August 2025), for the Chinese production plant of Safilo Eyewear (Suzhou) Industries Ltd (first certificate released in March 2022 and renovated in March 2025) and for Safilo Industrial S.r.l Italian production plant with first certificate released in January 2022 and renovated in January 2025. The ISCC (International Sustainability & Carbon Certification standard) is a system certification strictly related to United Nations 2030 Sustainable Development Goals, in particular to the number 12 "Responsible Consumption and Production".

In addition to the ISCC Plus certification, Safilo also obtained the **GRS** (Global Recycled Standard) and **RCS** (Recycled Claim Standard) **certification** for Padua and Denver distribution centers and for Safilo Eyewear (Suzhou) plant for which an annual third-party audit surveillance program is in place.

GRS and RCS are recognized as among the most important international standards for sustainable production using recycled materials based on a system of traceability of recycled material throughout the value chain that must be certified as well. In addition to the chain of custody, the GRS verifies compliance with health and safety, environmental, social and ethical requirements.

The management of ISCC Plus, GRS and RCS certified products represents an essential milestone for Safilo in order to own the proper documentations to claim a product made with those recycled and/or bio-based materials. The sustainable suppliers have a fundamental role by issuing sustainability declarations or transaction certificates verified by independent and reliable certification bodies as required by the related standards.

Since 2019, a relevant part of POP marketing show cards supplied by Safilo are FSC® - C185180 **certified**. FSC® - C185180 (the Forest Stewardship Council) is an independent non-profit organization which safeguards forests for future generations. During 2024, Safilo renewed an FSC® - C185180 certification to market cases and promotional items made from materials sourced from responsibly managed forests in accordance with environmental, ethical and economic principles. The FSC® - C185180 Chain of Custody certification provides a guarantee that products sold with an FSC® - C185180 declaration come from well-managed forests, controlled sources or reclaimed materials.

In summary the Group, in line with its target, is committed to minimizing and preventing its environmental impact, particularly through the increase use of the bio-based and recycled materials that offer a sustainable alternative to traditional fossil-based materials, key concept also outlined in the **Environmental Policy**.

A continuous review of supply chain processes is intended to optimize the incoming flow of raw materials and the reduction of waste materials, through solutions such as resizing the formats of raw materials and packaging materials used.

ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Company, in order to prevent defective products waste has invested in a Corporate Lab, which serves as central point of reference within the quality system that takes advantage of controls inside the company or at the suppliers, both on raw materials and on finished. Every year numerous optical, mechanical and chemical tests are carried out to evaluate performance, functionality, comfort and durability of the glasses. As a result, our products undergo more tests than those required by the stringent European Conformity standards. The lifespan of eyewear products depends on various factors, such as the type of material, usage, and maintenance. Well-maintained glasses with a normal usage can last for many years.

RESOURCES OUTFLOWS: WASTE MANAGEMENT

Safilo effort is focused on maintaining high quality standards of the products, through the adoption of engineering standards and testing protocols, which allow for a longer **durability** and thus extending their lifetime. Safilo is committed to optimize the outflows using circular principles designing sustainable models in line with the targets. Whenever possible, Safilo provides its customers with the spare parts that may be needed to repair the glasses thanks to the fact that glasses in many cases could be dissembled into its main components such us front, temples, nose pads, screws and lenses.

As previously mentioned, Safilo works is mainly centered on using as much as possible sustainable materials that partially contain bio-based and/or recycled in open loop systems, leveraging innovative solutions such as Eastman molecular recycling allowing for the reduction of the use of virgin non-renewable materials and for the removal of plastic waste from the environment. For the mid/long term, Safilo is studying solutions to understand, if possible, how to activate collaborations with other players of the value chain in order to close the loop innovating the way eyewear products are designed and produced to enable full circularity, and creating products designed for disassembling the components that can be recycled.

The Group, in line with the most recent environmental laws, is providing the final consumers with the information about how to dispose of the products in order to maximize the recycling rate. On this matter, the Group is also working to use recyclable and recycled solutions for its plastic packaging: starting from 2024 eyewear polybags and temple covers have been switched to those made from recycled LDPE. In the reporting period the Group estimates to have a recycling rate of about 78% considering its standard product packaging configuration.

Additionally, we are exploring ways to eliminate unnecessary packaging and digitalize paper-based technical notes wherever possible, further minimizing our ecological footprint. Another initiative is Smith's discontinuation of the use of single-use plastic packaging across new packaging of winter sports & eyewear products. This move underscores our commitment to sustainable practices to provide more environmentally responsible alternatives.

With an industrial footprint of 3 production plants and 3 main distribution centers, the Group generated around 2,496 tons of industrial waste in 2025. To this end, the Group is active in the identification of more efficient solutions and the use of materials with a lower impact on the environment.

Whenever possible, waste is sent to recycling, if recycling or reuse is not possible, it is sent for disposal based on the type of waste. The responsible management of hazardous and non-hazardous waste represents one of the most important topics of the Group environmental policy. Hazardous waste presents a greater risk to the environment and human health as well as higher operating costs to ensure compliance with regulations than any other type of waste. The waste generated by the Group, in line with the manufacturing sector, is mainly composed of:

- washing waters, sludge and residues deriving from production processes, galvanic and painting, and product washing;
- packaging of various materials (paper and cardboard, plastic, wood, mixed) used to cover the pallets that contain the products, or to divide the products within the pallets;
- plastic materials and mixed metals deriving from processing waste, disposal of materials, or products no longer usable;
- exhausted filters and filters materials;
- liquids deriving from oily emulsions for machine tools, and exhausted oil.

Most of the waste comes from the production processes in the Group plants, with the exception of packaging, plastic materials and mixed metals, which largely come from the supply chain.

The waste management process involves collection and storage in defined areas and specific containers according to the type of waste. The volumes managed are controlled by measuring the mass transferred to the recovery and disposal plants; the related data are stored in a specific database for each plant and shared at the Group level to allow central monitoring, and all copies of the related documents (digital or paper) are filed according to legal requirements. All the waste generated by the Group is sent for recovery or disposal to external

plants, and therefore to qualified and certified third parties who operate in compliance with the contractual or legal requirements.

In 2025, the waste generated by the Group was equal to 2,496 tons, compared to 3,197 tons in 2024, with a decrease around 22% mainly related to the disposal of the manufacturing site of Lenti S.r.l. in Bergamo starting from May 30th, 2025[1].

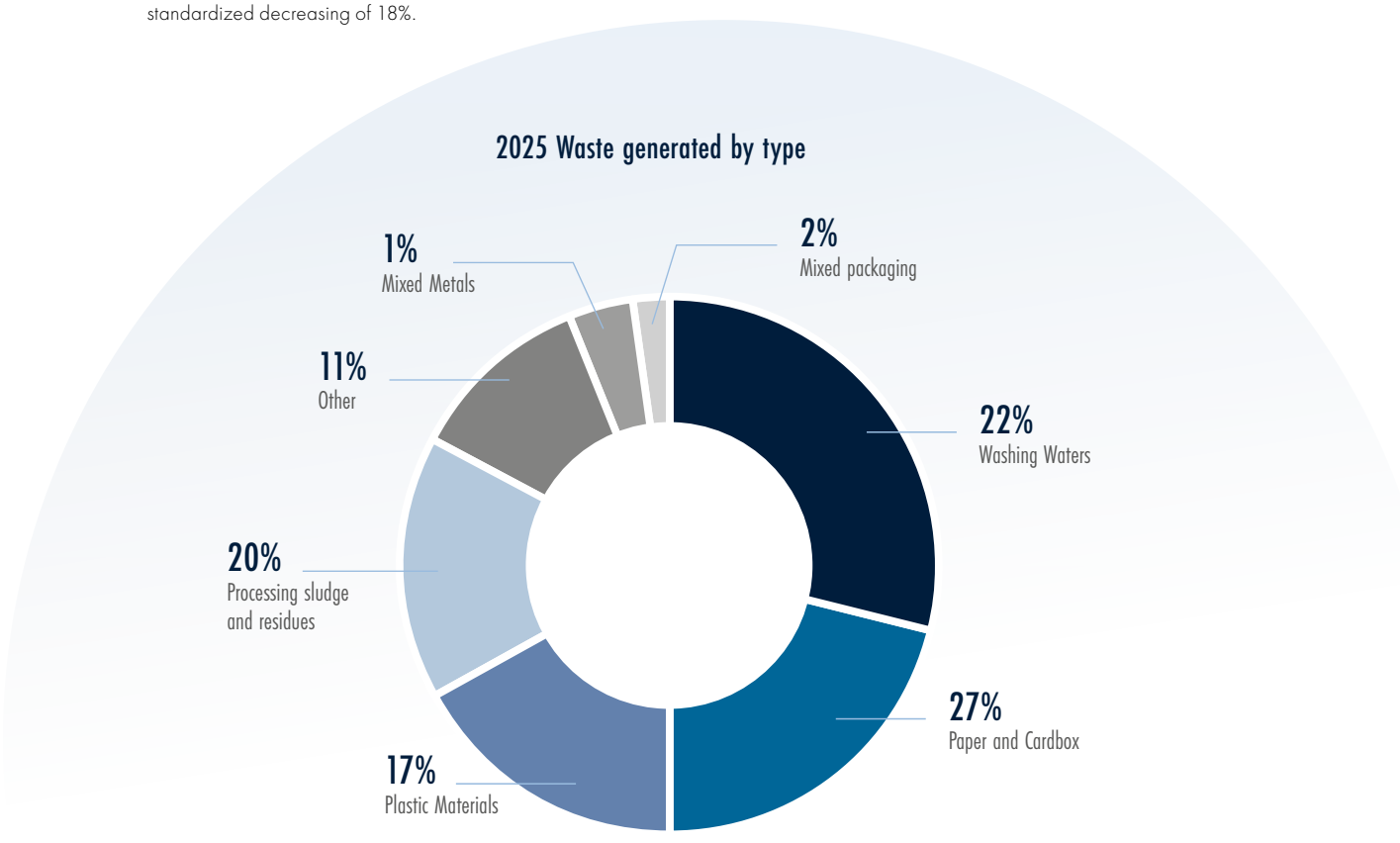
Out of the waste generated in 2025, 26.3% was sent to landfill, 70.3% was recycled or recovered, and 3.4% was disposed of by incineration.

In 2025, non-hazardous waste was equal to 1,832 tons (73% of the total waste generated in 2025), compared to 2,239 tons in 2024; of these, 1,563 tons were related to waste diverted from disposal, and 269 tons were related to waste directed to disposal. On the other hand, hazardous waste was equal to 665 tonnes (27% of the total waste generated in 2025), compared to 958 tonnes in 2024 (30% of the total waste generated in 2024); of these, 193 tonnes were related to waste diverted from disposal, and 472 tonnes were related to waste directed to disposal. The Group doesn't produce any radioactive waste. The data are sourced from direct measurement.

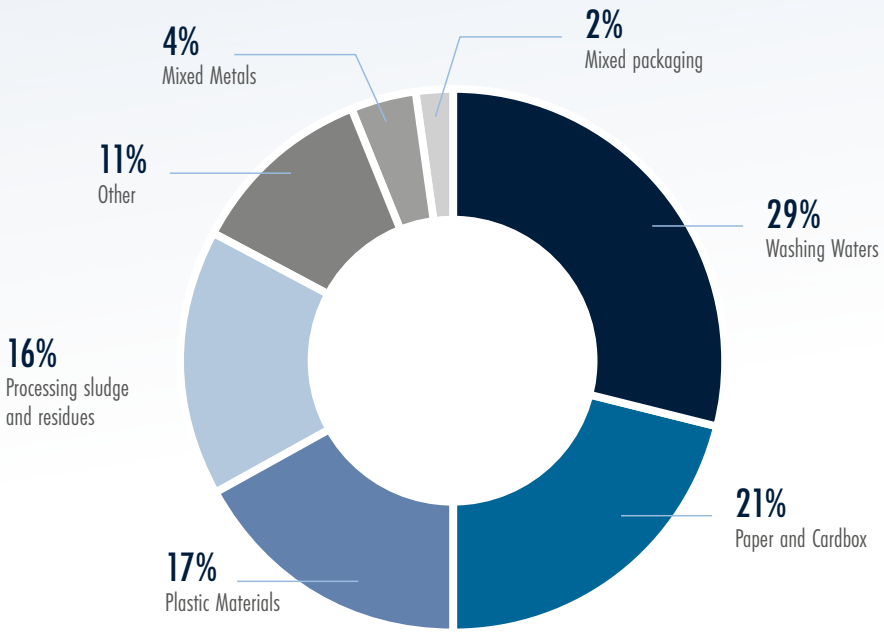
The Group, during the Double Materiality Assessment has considered its assets and activities in terms of resources used and circular economy. The process did not involve consultations with the affected communities.

In addition, the Company does not have quantitative targets related to waste management but it is focusing its efforts on complying with all local regulations. To this regard, Safilo is analyzing if appropriate targets will be set in the coming years.

1 In the first five months of 2025 Lenti S.r.l site generated around 115 tons of waste. Considering the Safilo Group scope of consolidation without Lenti S.r.l. the amount of waste generated in 2025 is equal to 2,381 tons while for 2024 is equal to 2,898 with a standardized decreasing of 18%.



2024 Waste generated by type



Waste by disposal method (t)	2025						
	Waste diverted from disposal			Waste directed to disposal			Total waste generated
	Total	Recycling	Recovery	Total	Landfill	Incineration	
Non-Hazardous	1,563	667	897	269	241	27	1,832
Hazardous	192	106	86	472	415	57	665
Total	**1,756**	**773**	**983**	**741**	**656**	**84**	**2,496**
%	70%	31%	39%	30%	26%	3%	100%

Waste by disposal method (t)	2024						
	Waste diverted from disposal			Waste directed to disposal			Total waste generated
	Total	Recycling	Recovery	Total	Landfill	Incineration	
Non-Hazardous	1,805	720	1,085	434	409	25	2,239
Hazardous	336	111	225	623	579	44	958
Total	**2,141**	**831**	**1,310**	**1,056**	**988**	**69**	**3,197**
%	67%	26%	41%	33%	31%	2%	100%

Composition of waste generated in (t)	2025		
	Total waste generated	Direct to disposal	Diverted from disposal
Washing Waters	549	471	77
Paper and Cardbox	681	11	670
Plastic Materials	417	34	383
Processing sludge and residues	509	77	432
Other	275	147	128
Mixed Metals	30	1	30
Mixed packaging	36	-	36
Total	**2,496**	**741**	**1,756**

Composition of waste generated in (t)	2024		
	Total waste generated	Direct to disposal	Diverted from disposal
Washing Waters	918	701	217
Paper and Cardbox	678	13	665
Plastic Materials	545	41	504
Processing sludge and residues	500	81	420
Other	366	220	146
Mixed Metals	114	0.73	113
Mixed packaging	76	-	76
Total	**3,197**	**1,056**	**2,140**

ADDITIONAL NOTES ON ESRS – E5

It should be noted that:

- The Environmental Policy has been presented by the Global Accounting & F&A Sustainability Director and approved by the CEO. All the C-Level Managers, who have one of the flows cited by the policy under their responsibility, are in charge for the guidelines implementation.
- The waste generated by the Group does not contain any radioactive waste.

CARRERA
Marshall

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SUSTAINABILITY STATEMENT

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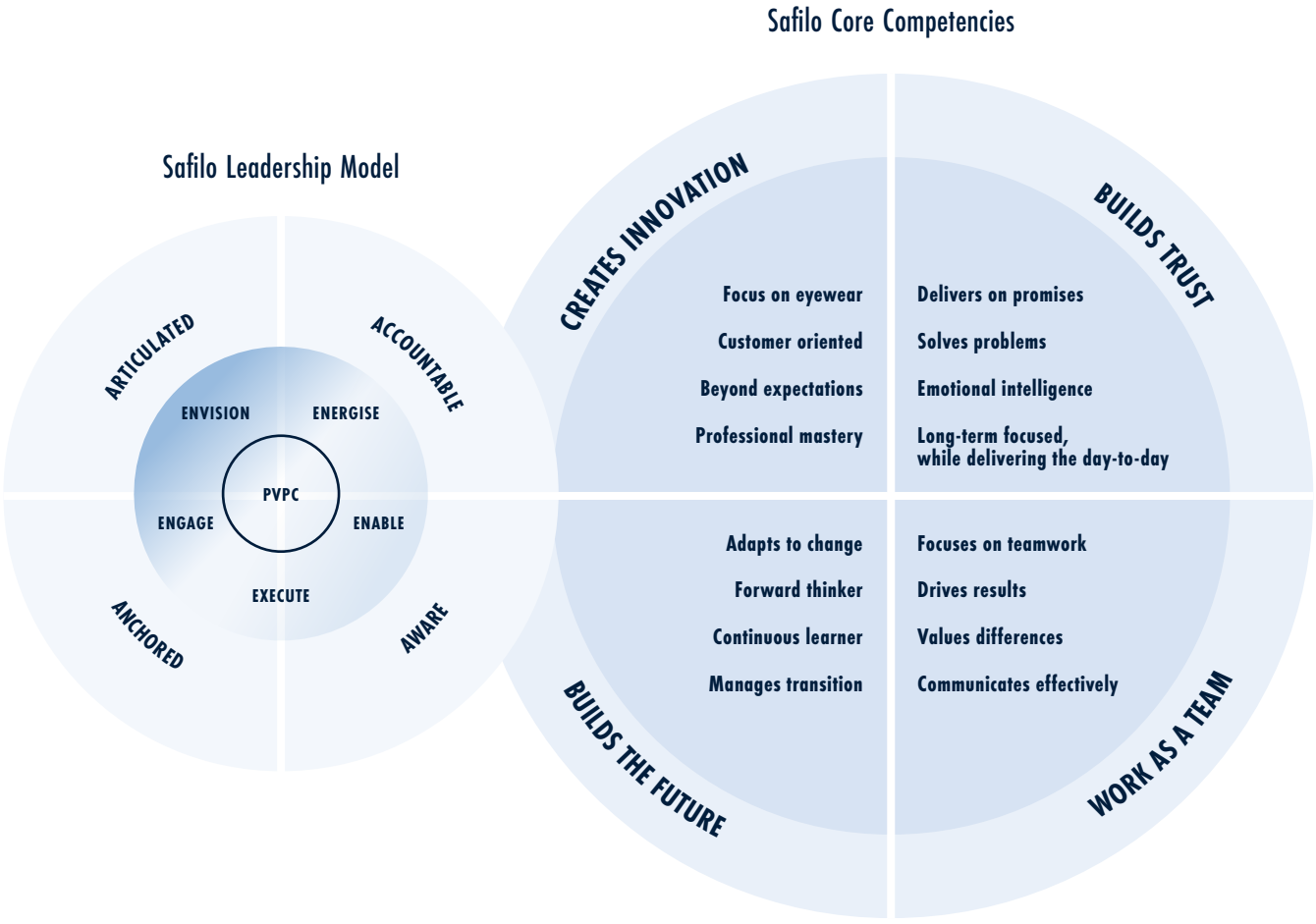
OWN WORKFORCE [ESRS S1]

PEOPLE CENTRIC CULTURE

Our 3,400 employees are at the heart of our culture and success. Safilo believes that people play a key role for the Group's long-term success and sustainable growth. We believe that the employee experience is enhanced by a people-centric culture that fosters development, learning, and a feeling of purpose. Putting our employees at the center of everything means more than empowering and appreciating their voice—it means establishing a workplace that helps them succeed. Inclusion and diversity must be prioritized to achieve this. It is essential to make our people feel involved, respected, and supported. We are aware that to be people-centric company and realize its benefits, everyone from the top down should grasp what this means and support and participate in it. For this reason, in 2016 the Group defined and shared a modern leadership approach, aligned with a people centric culture, to deliver results in a globally integrated and multifunction interconnected business such as ours. The Safilo Leadership profile spells out leadership skills and personal grounding to orchestrate the delivery of results and to inspire high performance. Furthermore, essential to our organization is the integrity of our employees, clarified and supported by our Manifesto, Values and core Competencies, the primary compass for our employees in all their activities. These business ethics standards guide the Group's daily actions and decisions internally and, on the market, with consumers, suppliers, licensors, financial institutions and other stakeholders.



TALENT MANAGEMENT

In Safilo, **the talent management strategy** is considered as key to the Company business strategy and consequently it is designed to support its business objectives and maintain a competitive edge in the dynamic global marketplace. We work to systematically attract, onboard, develop, engage, and retain high-performing employees, through learning and development programs, competitive compensation, and a people-centric culture that allows employees to contribute and advance their careers. Our talent management strategy is designed to ensure the right people, with the right skills and experience, occupy the right jobs to deliver the expected business goals and help drive long-term sustainable growth. An integrated system of activities aims to guarantee to the organization, in a forward-looking perspective, the attraction and retention of key figures, widespread motivation and skills' development to ensure an adequate flow of competent, motivated and engaged people who operate in an integrated manner. In Safilo each **career development path** is as unique as the individual. There is no simple "one-size-fits-all formula for success". People grow professionally through different roles/levels based on the following key principles: equity, meritocracy and the employee's co-responsibility with respect to their own development path. **Safilo is committed to talent development and internal progression**, offering to employees the opportunity to develop to their full potential by enhancing their skills and capabilities, rotating on the job across different roles, and advancing within the Company, consistently with the needs of the business. To encourage internal career development, Safilo has set up **open job posting**. When the Company does not have suitable internal candidates for vacant roles, it seeks talent externally. **The compensation system** is designed to attract, reward, and retain talent. All Group employees, regardless of gender, receive adequate salaries that are equal to or higher than the minimum required by law or collective bargainings. In 2025, in all the countries where the Group operates, employees receive an average salary above the living wage.

TALENT ACQUISITION

People play a key role for the Group's long-term success and sustainable growth so over the years the Group has developed **a talent acquisition strategy** that aims at developing and nurture a talent pipeline with a long-term view, in order to identify, attract, integrate and build loyalty among the best candidates who can contribute to the Group's growth and long-term success. At Safilo, the talent selection process is set up to guarantee the principles of equal opportunity, fostering diversity and inclusion. This process aims also to attract and recruiting people from diverse backgrounds, capable of offering a high degree of expertise and international experience and who are highly motivated and leadership-oriented.

LEARNING AND TRAINING

Safilo people work in a fast-paced, challenging environment where continuous improvement and learning are key factors for success, **so the Group encourage the people to take charge of their own career paths, offering multiple learning opportunities** for growth. By promoting a culture where continuous learning and development are valued and encouraged, Safilo can sustain long-term engagement and growth. Training is guaranteed to all Group employees on the basis of equal opportunities. In 2025, Safilo delivered more than 69,522 hours of training, equal to 20.4 hours of training per employee, continuing to use teaching methodologies that favored the use of e-learning, virtual classes and webinars alongside in-person training. The training strategy is based on **centrality of on-the-job training** given that we believe that **teaching is an essential part of leadership**. In fact, the leaders are coaches supporting employees on their career journey. Furthermore, Safilo promotes **collaborative learning** that emphasizes learning through observation, imitation, and modelling. **Encouraging peer learning and cross-functional collaboration can foster a sense of community and shared purpose**. By promoting a culture of knowledge sharing and collaboration,

the Group can leverage the collective intelligence of our workforce, driving continuous improvement and innovation. Experimentation and iterative learning align with **agile learning methodologies, which emphasizes adaptability, feedback, and continuous improvement**. By encouraging a mindset where failures are seen as learning opportunities rather than setbacks, we can enhance employee resilience and creativity. **This approach not only boosts individual growth but also drives our Company's innovation and competitiveness**.

The Company continued to invest in the development of its people through a broad range of training initiatives designed to strengthen skills, promote an ethical culture and support employee well-being. The main initiatives are:

- **Onboarding and Corporate Culture**: Safilo considers the integration of new hires a strategic priority. In line with global guidelines, all newcomers—across headquarters and local sites—participated in structured onboarding programs covering company history, organizational structure, core processes, the Safilo Manifesto, values, leadership profile and the Worldwide Business Conduct Manual.
- **Training on the Global Policy on Bullying and Harassment at Work**: addressed to all employees of the Italian companies, to provide a comprehensive overview of current regulations and Safilo's principles for preventing discrimination, harassment, and violence. The program, introduced in light of the ratification in Italy with Law no. 4 on 15th January 2021 of the Convention no. 190 "Convention concerning the elimination of violence and harassment in the world of work" adopted by the International Labour Organization, aimed to raise awareness of risks and consequences while deepening understanding of the policy's key points and practical implications.
- **Worldwide Business Conduct Manual**: The Group strengthened its commitment to promoting an ethical and responsible culture by launching new e-learning course on our Worldwide Business Conduct Manual. The program, made available to the entire company population globally and available in 8 languages, represents an opportunity to renew awareness of the values and principles that guide our actions. Safilo's success is measured not only by results but also by the way we conduct business: for this reason, continuous training on integrity and responsibility is an integral part of our sustainability strategy.
- **Employee Well-Being**: Safilo implemented several initiatives to promote an inclusive and health-conscious work environment. Actions included training on the Global Policy on Bullying and Harassment at Work, modules on conscious nutrition, sleep and stress management, and webinars organized with Fondazione Umberto Veronesi on healthy lifestyles and preventive health.
- **Technical, Digital and Professional Skills**: across all sites, the Company continued to invest in developing technical, IT and language skills. Key programs focused on:
  - **a.** Artificial Intelligence and Digital Tools, including an AI workshop for executives, a Copilot Chat webinar open to all employees, and the Copilot 365 Pilot Program
  - **b.** Optical Eyewear, with the launch of Safilo's first e-learning course dedicated to optical eyewear, available in 16 languages and designed primarily for the sales force. Safilo also delivered advanced and foundational technical training on the job, under the supervision of qualified technicians.
- **Learning Platforms**

  In 2025, the LinkedIn Learning platform was extended to all HQ employees and managers, providing access to over 11,000 learning resources across managerial, technical, ICT and language skills. Approximately 2,800 hours of training were delivered during the year.
- **Compliance training**: Safilo guarantees compliance training as required by local regulations and guidelines. In particular, at the headquarters, Safilo trains employees on the administrative liability of companies pursuant to Legislative Decree 231/01, corporate social responsibility – SA8000, health and safety and other regulations, in line with the agreement between the central government and regional authorities. Training on privacy regulations and the processing of personal data was provided to the entire European population to ensure adequate awareness of the principles, obligations, rights and sanctions regulated by the European Data Protection Regulation.

Additional programs included antitrust training that guarantee the Group's alignment with national and international competition law principles and

with the Safilo antitrust policy. Through this training, employees are guided on how to behave when dealing with internal and external parties, especially when it comes to material issues.

- Cyber Security Awareness: Safilo introduced a multi-year Cyber Security Awareness Program for all employees with an email account, designed to strengthen awareness of cyber risks and promote secure behaviors across the organization (about 5,000 hours).

In 2025, the Company reported about 36,000 hours of training on the job while in 2024, total on-the-job hours amounted to approximately 47,000. The higher training volume recorded in 2024 was primarily driven by the production of new helmets, which required additional workforce training hours of training.

Hours of training 2025

31/12/2025									
Categories	**Male**			**Female**			**Total**		
	Headcount	**Hours of training**	**Hours of training -Average**	**Headcount**	**Hours of training**	**Hours of training -Average**	**Headcount**	**Hours of training**	**Hours of training -Average**
Executives	12	116	10	4	104	26	**16**	**220**	**14**
Directors	40	574	14	13	372	29	**53**	**946**	**18**
Management	205	3,217	16	215	3,497	16	**420**	**6,713**	**16**
Employee	628	11,442	18	959	20,389	21	**1,587**	**31,832**	**20**
Workers	517	10,925	21	807	18,886	23	**1,324**	**29,811**	**23**
TOTAL	**1,402**	**26,274**	**19**	**1,998**	**43,248**	**22**	**3,400**	**69,522**	**20**

Hours of training 2024

31/12/2024									
Categories	**Male**			**Female**			**Total**		
	Headcount	**Hours of training**	**Hours of training -Average**	**Headcount**	**Hours of training**	**Hours of training -Average**	**Headcount**	**Hours of training**	**Hours of training -Average**
Executives	14	173	12	3	23	8	**17**	**196**	**12**
Directors	41	266	6	15	104	7	**56**	**370**	**7**
Management	216	1,633	7	216	3,348	16	**432**	**4,981**	**12**
Employee	650	9,952	15	959	8,895	9	**1,609**	**18,848**	**12**
Workers	601	22,676	38	930	33,944	36	**1,531**	**56,620**	**37**
TOTAL	**1,522**	**34,700**	**23**	**2,123**	**46,314**	**22**	**3,645**	**81,015**	**22**

At the end of each session a valuation of the training provided is given to employees who can express their feedback. These responses are then collected and analyzed by the HR department, which is responsible for developing effective solutions to address any negative impacts.

To promote professional development and ensure alignment with the Company's strategic objectives, a structured performance management system is in place, providing annual performance appraisals through

formal review meetings between employees and their direct Director. These assessments are designed to evaluate the achievement of individual objectives and progress along defined career development pathways. In 2025, performance reviews relating to the year 2024 covered 65% of Managers and Directors, with participation rates of 68% among women and 62% among men.

In line with ESRS S1-13, the Group provides training and skills development opportunities also to non-employee workers within its own workforce.

During 2025, a total of **37,629 training hours** were delivered to non-employee workers, primarily through **on-the-job training (34,197 hours)** and **health and safety training (9,307 hours)**.

Temporary workers employed in manufacturing plants represented the category with the highest level of training involvement, accounting for 97.7% of the total training hours provided to non-employee workers.

EMPLOYEE ENGAGEMENT SURVEY: "SAFILO THROUGH OUR EYES"

PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

Safilo considers its Worforce's point of view of pivotal importance. For this reason, in 2014, the 1st edition of the "Safilo through our eyes" global survey was launched with the aim to listen and to engage Safilo People, to identify the perceived areas of strength and improvement of the employee experience and engagement, for further definition of development actions at global, regional and functional level. In the first quarter of 2024, Safilo launched the second edition of this survey for its global white collars. To ensure confidentiality this process was managed by an independent consulting firm on behalf of Safilo. The HR department (in the person of its Global Director), which has operational responsibility for ensuring this engagement, presented the final results to Top Management and shared them with all Safilo People to ensure alignment at all levels.

Then Group also assesses the effectiveness of its engagement performing specific actions[1] by Country, by Function and by group of employees to address the results of the survey, aiming to continue improving the working environment. These actions have been planned and implementation started in the last months of 2024 to continue in 2025. A new survey will be deployed in the following years after the implementation path of mitigation actions will be completed.

In addition, employees are involved whenever there is a need to ensure their insights and expertise contribution. This collaborative approach fosters a sense of ownership and engagement, ultimately enhancing team effectiveness and workplace morale.

WORK-LIFE BALANCE

Smart working is a further step towards building an agile and flexible organization together and is an important development that has helped transform the corporate culture. The initiative also stems from carefully listening to the needs of the people, an essential element in the formula for success.

With this approach, Safilo people operate through a combination of office presence and agile remote working up to a certain amount of time, accompanied by a location-free policy and flexible working hours to encourage accountability, empowerment and planning.

The approach is based on the trust that the company and its people place in each other. It also aims to promote people's wellbeing by enabling a better balance between work and personal time.

During 2025 90.3% of Safilo Group employees were entitled to all types of family-related leave, including maternity, paternity, parental, and caregiving leave. Effectively took advantage of these leave options, the 9.1% of those eligible, with a distribution of 10.8% among female employees and 6.5% among male employees.

1 Promotion of young talents, specific training initiatives as a reward for key roles, 2025 LinkedIn Learning Project for HQ and USA, regular town halls to share updates, strategies, and results.

SOCIAL PROTECTION

All employees of the Group are covered by social protection (sickness, unemployment as soon as the employee starts working for the company, accidents at work and acquired disabilities, parental leave and retirement), in accordance with individual country regulations. In Middle East retirement is not covered; in Mexico and Singapore unemployment is not included; in India sickness, unemployment, and retirement are excluded; and in Turkey parental leave is not provided. Overall, 95.9% of the Group's workforce is fully protected against all types of income loss due to major life events.

POLICIES RELATED TO SAFILO WORKFORCE

The Company is committed to providing **equal opportunities** in employment (as emphasized in the World Business Conduct Manual) and to giving individuals the opportunity to reach their full potential and contribute to the Company's success. This means that employment decisions (hiring, remuneration, access to training, promotion) must be based on the criteria of merit, qualifications and performance, with no consideration of non-job-related characteristics such as race, gender, age, national origin, religion, marital status, citizenship, disability, political views, sexual orientation or any other legally protected factors that are not relevant on a professional level. Each of these aforementioned equal opportunity matters are explicitly address in our World Business Conduct Manual.

Safilo considers **diversity** and the value placed on diversity as essential to its culture. The Company seeks to foster an inclusive working environment in which the unique strengths of each individual are leveraged for the benefit of the Group. In accordance with the focus on corporate responsibility and respect of human rights, Safilo protects and promotes the value of our human capital and rejects any discrimination.

Headcounts 31/12/2025 – 31/12/2024

Employees by gender and employee category	31/12/2025					
	Male	%	Female	%	Total	%
Executives	12	75%	4	25%	**16**	0%
Directors	40	75%	13	25%	**53**	2%
Management	205	49%	215	51%	**420**	12%
Employees	628	40%	959	60%	**1,587**	47%
Workers	517	39%	807	61%	**1,324**	39%
Total	**1,402**	**41%**	**1,998**	**59%**	**3,400**	**100%**

Employees by gender and employee category	31/12/2024					
	Male	%	Female	%	Total	%
Executives	14	82%	3	18%	**17**	0%
Directors	41	73%	15	27%	**56**	2%
Management	216	50%	216	50%	**432**	12%
Employees	650	40%	959	60%	**1,609**	44%
Workers	601	39%	930	61%	**1,531**	42%
Total	**1,522**	**42%**	**2,123**	**58%**	**3,645**	**100%**

Headcount 31/12/2025 by age group and employee category

Employees by age group and employee category	31/12/2025							
	< 30	%	30-50	%	> 50	%	Total	% on total
Executives	0	0%	9	56%	7	44%	**16**	0%
Directors	0	0%	33	62%	20	38%	**53**	2%
Management	5	1%	303	72%	112	27%	**420**	12%
Employees	214	13%	938	59%	435	27%	**1,587**	47%
Workers	61	5%	851	64%	412	31%	**1,324**	39%
Total	**280**	**8%**	**2,134**	**63%**	**986**	**29%**	**3,400**	**100%**

Headcount 31/12/2024 by age group and employee category

Employees by age group and employee category	31/12/2024							
	< 30	%	30-50	%	> 50	%	Total	% on total
Executives	0	0%	10	59%	7	41%	**17**	0,5%
Directors	0	0%	42	75%	14	25%	**56**	1,5%
Management	17	4%	320	74%	95	22%	**432**	12%
Employees	277	17%	981	61%	351	22%	**1,609**	44%
Workers	115	8%	1,071	70%	345	23%	**1,531**	42%
Total	**409**	**11%**	**2,424**	**67%**	**812**	**22%**	**3,645**	**100%**

Harassment

Safilo is committed to maintaining a work context that is free from **harassment**, where all employees are respected and have an opportunity to freely reach their potential and contribute to the success of the Company.

The Company does not tolerate displays of violent behavior at work, or any behavior that makes an employee feel threatened or unsafe, including verbal assault. In these regards in March 2024 Safilo issued a revised policy entitled *Global Bullying & Harassment at Work Policy*[1] (issued and implemented by the Global HR department). The key objectives of this policy are to: i) clarify the standards of behavior required from Safilo Group workers and from third parties towards all Safilo Group workers; ii) define the responsibilities for the implementation and respect of the Policy; iii) provide indications on how to report any situations of bullying and harassment and on the operation of the disciplinary system.

In 2025, Safilo did not report any incidents of discrimination, including harassment, or severe human rights violations. However, 21 complaints were submitted through the company's whistleblowing channels for employees to raise concerns, with none reported to the National Contact Points for OECD Multinational Enterprises. As a result, Safilo did not incur any fines, penalties or compensation for damages.

In the event of a harassment incident, the Company has established a comprehensive framework of actions to protect the aggrieved party. These measures are explicitly detailed in section 1B. Sustainability Statement – Business Conduct – Business Conduct Policies and Corporate Culture, which outlines both preventive actions and specific steps to be taken in response to such violations.

1 The Global Bullying & Harassment at Work Policy has been prepared based on the key principles of the Convention no. 190 "Convention concerning the elimination of violence and harassment in the world of work" adopted by the International Labor Organization in 2019 and ratified in Italy with Law no. 4 on 15 January 2021

CHILD AND FORCED LABOR PROHIBITION

The Group, as reported in the Worldwide Business Conduct Manual, prohibits in every possible manner the occurrence of forced and child labor [2]. Safilo demands full compliance with all applicable laws relating to the minimum age for employment in all countries where the Safilo Group is present and is subject to all laws regulating and limiting the possibility of the occurrence of forced or child labor.

No incidents, complaints and severe human rights occurred during the reporting year.

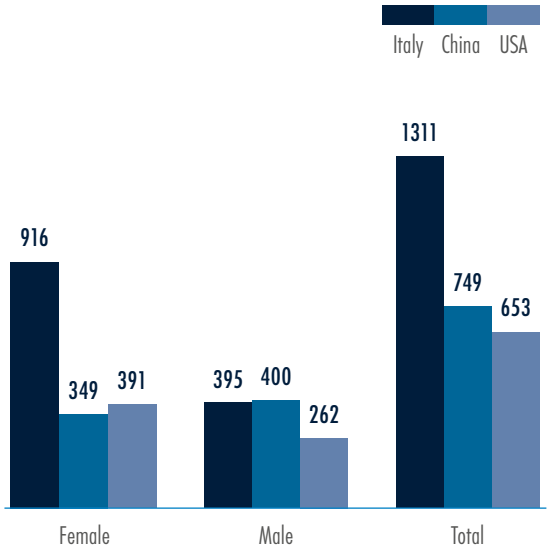
SAFILO PEOPLE

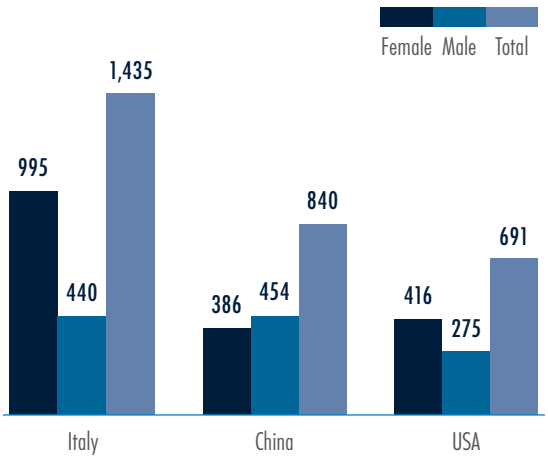
Total number of employees by headcount, and breakdowns by gender and by country

The majority of the Safilo people are concentrated in the country of establishment, Italy, which has 1,311 employees. The other main hotspots are located in China (749) and USA (653). These three countries represent 80% of the full workforce, even if on 29 May 2025 the Group finalized the disposal of the subsidiary Lenti S.r.l. (98 headcounts at December 31th, 2024), manufacturer of lenses for sunglasses and non-eyewear related products, with effective date 1 June 2025, consequently the distribution by geographical region is the following:

Employees by geographical area	Total 2025	% 2025	Total 2024	% 2024
Europe	**1,659**	48.8%	1,766	48.4%
Asia Pacific	**872**	25.6%	966	26.5%
North America	**680**	20%	716	19.6%
Rest of the world	**189**	5.6%	197	5.4%
Total	**3,400**	**100%**	**3,645**	**100%**

The total number of employees by headcount, with a breakdown by gender and by country for those countries in which the undertaking employs 50 or more employees representing at least 10% of its total workforce.





2 The WBCM directly addresses the occurrence of forced and child labor, however it does not refer explicitly to human being trafficking.

Employees by age group and employee category	31/12/2025									
	Europe		Asia		North America		Rest of the World		Total Legal Entities	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Executives	7	3	0	1	4	0	1	0	**12**	**4**
Directors	23	9	4	0	11	4	2	0	**40**	**13**
Management	91	93	31	28	70	79	13	15	**205**	**215**
Employees	338	548	106	122	114	226	70	63	**628**	**959**
Workers	121	426	315	265	65	107	16	9	**517**	**807**
Total	**580**	**1,079**	**456**	**416**	**264**	**416**	**102**	**87**	**1,402**	**1,998**

Employees by age group and employee category	31/12/2024									
	Europe		Asia		North America		Rest of the World		Total Legal Entities	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Executives	9	2	0	1	3	0	2	0	**14**	**3**
Directors	24	10	5	0	10	5	2	0	**41**	**15**
Management	96	92	33	27	72	83	15	14	**216**	**216**
Employees	347	542	114	136	115	221	74	60	**650**	**959**
Workers	146	498	357	293	78	129	20	10	**601**	**930**
Total	**622**	**1,144**	**509**	**457**	**278**	**438**	**113**	**84**	**1,522**	**2,123**

Safilo promotes the extensive use of permanent labor contracts, thus granting to employees: i) stable and solid working relationships, ii) greater economic security, iii) the possibility to facilitate the process to have access to credit. As of now, the Group has 3,194 employees under the permanent working contract regime and the remaining 206 on a fixed-term working contract regime.

Headcount December 31, 2025 - characteristics of employees[1,2]

HEADCOUNT	Female	Male	Total
TOT. Employees	**1,998**	**1,402**	**3,400**
Permanent employees	1,891	1,303	**3,194**
Temporary employees	107	99	**206**
Full-time employees	1,772	1,384	**3,156**
Part-time employees	226	18	**244**

1 The Group is not aware of any active contracts with non-guaranteed hours employees.
2 ESRS S1 6 PAR. 50F please refer to Financial Statement "SUMMARY OF KEY ECONOMIC & FINANCIAL PERFORMANCE INDICATORS" at line "Group Personnel - Punctual at period end".

Headcount December 31, 2024 - characteristics of employees

HEADCOUNT	Female	Male	Total
TOT. Employees	**2,123**	**1,522**	**3,645**
Permanent employees	2,045	1,434	**3,479**
Temporary employees	78	88	**166**
Full-time employees	1,848	1,504	**3,352**
Part-time employees	275	18	**293**

During the reporting period the average population of Safilo was equal to 3,496 employees and an incoming rate of 8% was recorded, while the turnover rate was 15%. These rates correspond to:

- 119 men and 143 women, for a total of 262 that were employed by Safilo through the 2025;
- 240 men and 267 women, for a total of 507 that left the company in 2025.

All the figures related to Safilo's own workforce were collected at 31.12.2025 in a headcount.

COLLECTIVE BARGAININGS

Collective bargaining coverage and social dialogue

Safilo believes that building strong relationships with **trade unions** is a key point to build a safe workplace with enhanced working conditions for employees in which they can be inspired and express themselves. The relationships with trade unions take place over multiple countries in which the Group operates, and this collaboration aim to grant to employees a contractual agreement directly stipulated pivoting on eyewear industry standards. Furthermore, at a company level, each employee can exercise their right to freedom of association and collective bargaining thanks to specific company agreements and according to the law and/or local practices.

In Italy, the relationships with trade unions take place:

- on a national level, with the negotiation of the collective national contract in the eyewear industry, in which Safilo plays a key role as a leading company in this sector;
- on a corporate level, with a Group company agreement that involves both the production sites and Safilo's headquarters. The relationship with trade unions involves a continuous and open dialogue based on the specific performance of the site considered and on the Group's total performance in the wider international economic environment.

Each employee is free to exercise their rights to freedom of association and collective bargaining thanks to specific company agreements and according to the law and/or local practices.

In 2025, 63.7% of the total workforce was covered by collective bargaining agreements.

Coverage Rate	Collective Bargaining Coverage		Social dialogue
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl)
0 -19 %			
20 -39 %			
40 -59 %			
60 -79 %			
80 -100 %	Italy	China	Italy

NON-EMPLOYEES

Characteristics of non-employees in undertaking's own workforce

The Safilo Group usually engages a number of professionals and workers to ensure the right flexibility of the workforce for the workload needs, to have on board the right professional skills, to follow our customers in every possible way, and to give university students or recent graduates the opportunity to start their professional career.

Non-employees' categories recognized are:

- Workers mostly engaged in logistic activities in Logistic centers and in the manufacturing sites,
- White collars employed to support company functions,
- Interns,
- Agents,
- Other.

	31/12/2025	31/12/2024
Agents	359	371
Interns	44	19
Temporary Company Staff	195	194
Temporary Workers	217	273
Other	14	16
Total Number of Non Employees	**829**	**873**

HEALTH AND SAFETY

Health and safety metrics

The Group has established an organizational function dedicated to the management of Health and Safety. This function aims to achieve health and safety objectives in terms of effectiveness and efficiency, with the goal of ensuring:

- The reduction of costs arising from accidents, injuries, and work-related illnesses through the minimization of risks that employees and, more generally, all individuals who interact with the company (customers, suppliers, etc.) may be exposed to.
- The improvement of health and safety standards at the workplace.

The Boards of Directors of the companies have been assigned the responsibility for managing, as the "Datore di lavoro – Employers", all aspects and obligations related to current and future health and safety at work, injury prevention, and environmental protection.

The Health and Safety Department implements the directives of the Employers, organizing and supervising the work activities. The main tasks performed are:

- Analysis of the organizational context, meaning the examination of the organizational structure and its coherence with responsibilities and assignments, as well as assigning tasks to managers and supervisors.
- Risk and hazard assessment and the development of preventive measures. The goal is the creation of a safe and healthy working environment through the adoption of appropriate measures, the corrective actions to be implemented and procedures aimed at preventing accidents and damage to health, as well as mitigating and reducing potential risks. The Safilo Group companies periodically conduct an analysis of their work activities, identifying associated risks and corrective actions to be implemented. The result of this analysis is a **Risk Assessment document**[1], which is updated at least every three years, or in the event of new activities, processes, substances, organizational changes, or stakeholder feedback. This document is prepared by the employer in collaboration with the members of the Prevention and Protection Service, the Competent Doctor, and the Workers' Safety Representatives and in the report all the risks assessed are presented and the possible corrective actions to be taken. Management models are revised as needed due to significant changes in business processes or regulatory updates.
- Planning preventive measures and interventions. The Group has a **prevention** and **protection plan**, and its implementation is periodically verified in specific internal committees, which involve the Workers' Safety Representatives, Competent Doctors, and the company's

1 H&S is one of the major risks to which Safilo's plant employees are exposed, at each manufacturing and distribution site. Also for that reason a risk assessment is conducted.

Prevention and Protection Service. Safilo also provides personal protective equipment (PPE) to employees for workstations where required, and annually conducts emergency simulations. Group companies encourage employees to report hazards and unsafe work situations, primarily through formalized and structured procedures that specify how to make notifications, as well as their evaluation, analysis, and resolution processes. Workers can submit notifications via supervisors, trade union representatives, safety representatives, or anonymously. Workplace injuries, accidents, and potentially hazardous situations are also carefully monitored and analyzed. Employees and their representatives play an active role in this analysis process.

- Management of organizational, managerial, and operational procedures internally and in relation to authorities and suppliers.
- Management **of training and instruction programs**. Safilo provides training for directors, supervisors, workers, and specific training based on employees' roles and job functions, provided annually. Specifically, training is provided on the handling of loads, repetitive upper limb movements, chemical risks, use of machinery (e.g. forklifts), emergency and fire-fighting plans, and first-aid training. At the end of each sessions the Safilo people from Italian and American Legal Entities and Safilo Eyewear Industries have to pass a test on the key topics addressed and provide feedback on the matter. This feedback is then gathered and analyzed by the HR department who is in charge of developing efficient solutions to eventual negative impacts.

The Employers have appointed other Managers to oversee the Health and Safety requirements, including the appointment of supervisors. The Group is committed to avoiding and mitigating the negative impacts on health and safety in the workplace directly connected to its activities. These impacts have been evaluated starting from the kind of activities performed by each category of workers and the geographical location of plants and subsidiaries. Such analysis has led to recognizing that factory workers are more exposed to health and safety incidents. Among the negative impacts recognized, these are the prevalent ones.

In addition, the Group has **ISO 45001: Occupational health and safety management systems** certification in all its Italian plants (Safilo Industrial in Santa Maria di Sala (VE) and Lenti in Bergamo), in its Chinese plant (Safilo Eyewear Industries Ltd at Suzhou) and in its Padua Headquarters, covering about 58% of its entire own workforce while for the Smith US manufacturing plant and the Safilo US distribution center in Denver a due diligence is ongoing for future implementation (mid-term). This ISO 45001 certification confirms the company's goal to properly and carefully implement the **Organization, Management and Control Model** under Legislative Decree 231/01, with specific regard to the Special Part "C" – occupational health and safety offences in the workplaces.

In the event of work-related injuries, the Company prioritizes employee safety through best practices that include clear reporting procedures, and through investigations to identify root causes and the creation of a remediation plan. During 2025, 14 work-related injuries were recorded at the Group level (13 injuries in 2024), none was fatal or with serious consequences for employees, with a work-related injury rate of 2.23 (compared to 1.90 in 2024). The most frequent type of injury is accidental, such as trauma, bruises, muscle tears, joint pain, and fractures, mainly linked to the activities of handling loads, repeated movements of the upper limbs, and the use of manual equipment in the mechanical processing, assembly and storage areas. No cases of occupational diseases have occurred.

	31/12/2025			31/12/2024		
	Male	Female	Total	Male	Female	Total
Injuries: n. of recordable work-related injuries (exd. "in transit injuries)	6	8	**14**	3	10	**13**
Of which n. of work-related injuries with "high-consequences" (excl fatalities)	1	-	**1**	-	-	**-**
Of which n. of work-related fatalities as a result of a work-related injury	-	-	**-**	-	-	**-**
Number of occupational diseases	-	-	**-**	-	-	**-**
Lost days: number of days	392	239	**631**	154.5	268	**422.5**
Hours worked (number of hours worked)	2,796,664	3,474,740	**6,271,404**	3,113,525	3,738,020	**6,851,545**
Health and Safety Indicators						
Rate of recordable work-related injuries	2.15	2.30	**2.23**	0.96	2.68	**1.90**
Rate of high-consequence work-related injuries (excluding fatalities)	0.4	-	**0.2**	-	-	**-**
Rate of fatalities as a result of work-related injuries	-	-	**-**	-	-	**-**
Occupational disease rate	-	-	**-**	-	-	**-**
Lost day rate	0.14	0.07	**0.10**	0.05	0.07	**0.06**

ADDITIONAL NOTES ON ESRS – S1

It should be noted that:

- All Safilo's workforce, both employees and non-employees (workers in operating sites, office employees, commercial agents, interns), are subject to material impacts (also included in the scope of the disclosures of ESRS 2) and could have risks and opportunities.
- Negative impacts and risks arising for them have been evaluated starting from the kind of activities performed by each category of workers and the geographical location of the plants and subsidiaries. Such analysis led to recognizing that factory workers are more exposed to health and safety incidents. Among the negative impacts recognized, these are the prevalent ones.
- The impacts, risks and opportunities identified through the double materiality assessment (DMA) are strictly related to the Group's strategy because the Safilo workforce can be considered the fundamental resource to achieve important sustainability and financial goals. For this reason, the Group continues to elaborate solutions in order to enhance the working conditions and employee satisfaction, provide training and awareness on different topics, create an inclusive environment by promoting diversity.
- All identified material risks are strictly correlated to the impacts identified through the double materiality assessment.
- The Group does not expect any material impacts on its own workforce that may arise from transition plan which aim to reduce negative impacts on the environment and achieve greener and climate-neutral operations.

- The Group policies reported in S1 covers its own workforce without any exclusion.
- The Group has not specific policy related to inclusion or positive action for people from groups at particular risk of vulnerability. However, in its WBCM the Group makes its own workforce aware, as a whole, about diversity and inclusion topics.
- The specific channel that the Company has in place for its workforce to raise their concerns or needs are reported in the G1 section.
- The Group did not set any quantitative targets. Eventual targets will be implemented in the following years.
- The Group is not aware of the existence of any agreement with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.
- Safilo defines top management as the first and second reporting levels below the administrative and supervisory bodies.
- The HR Policies were presented by the Global Head of Human Resources & Organization and approved by the CEO. The correlated engagement is under the operational responsibility of the HR department.

SAFILO HEADCOUNTS DISTRIBUTION BY COUNTRY AND BY GENDER

1,311 Italy	916	395
749 China	349	400
653 America	391	262
86 France	35	51
68 Hong Kong	39	29
64 Brazil	37	27
59 India	14	45
50 Russia	36	14

36 Great Britain	21	15
40 Mexico	22	18
27 Canada	25	2
29 Australia	14	15
23 Spain	15	8
24 Turkey	11	13
19 Greece	8	11
22 Poland	8	14

29 Germany	9	20
16 South Africa	11	5
11 Malaysia	6	5
13 Sweden	5	8
10 United Arab Emirates	3	7
9 Japan	3	6
9 Belgium	4	5
8 Switzerland	4	4

6 Singapore	5	1
6 Czech Republic	1	5
5 Austria	0	5
5 Portugal	3	2
4 Slovakia	0	4
4 Hungary	0	4
3 Slovenia	2	1
2 Netherlands	1	1

WORKERS IN THE VALUE CHAIN [ESRS S2]

SAFILO VALUE CHAIN

The Safilo Group is involved in the eyewear value chain.

The value chain encompasses the complete flow of materials, products, and information from upstream suppliers to end users, as well as the responsible management of goods at their end-of-life stage. In order to gain a deeper understanding of this complex network, the Group undertook a comprehensive analysis of its value chain, focusing on identifying key business actors, distribution channels, and end consumers.

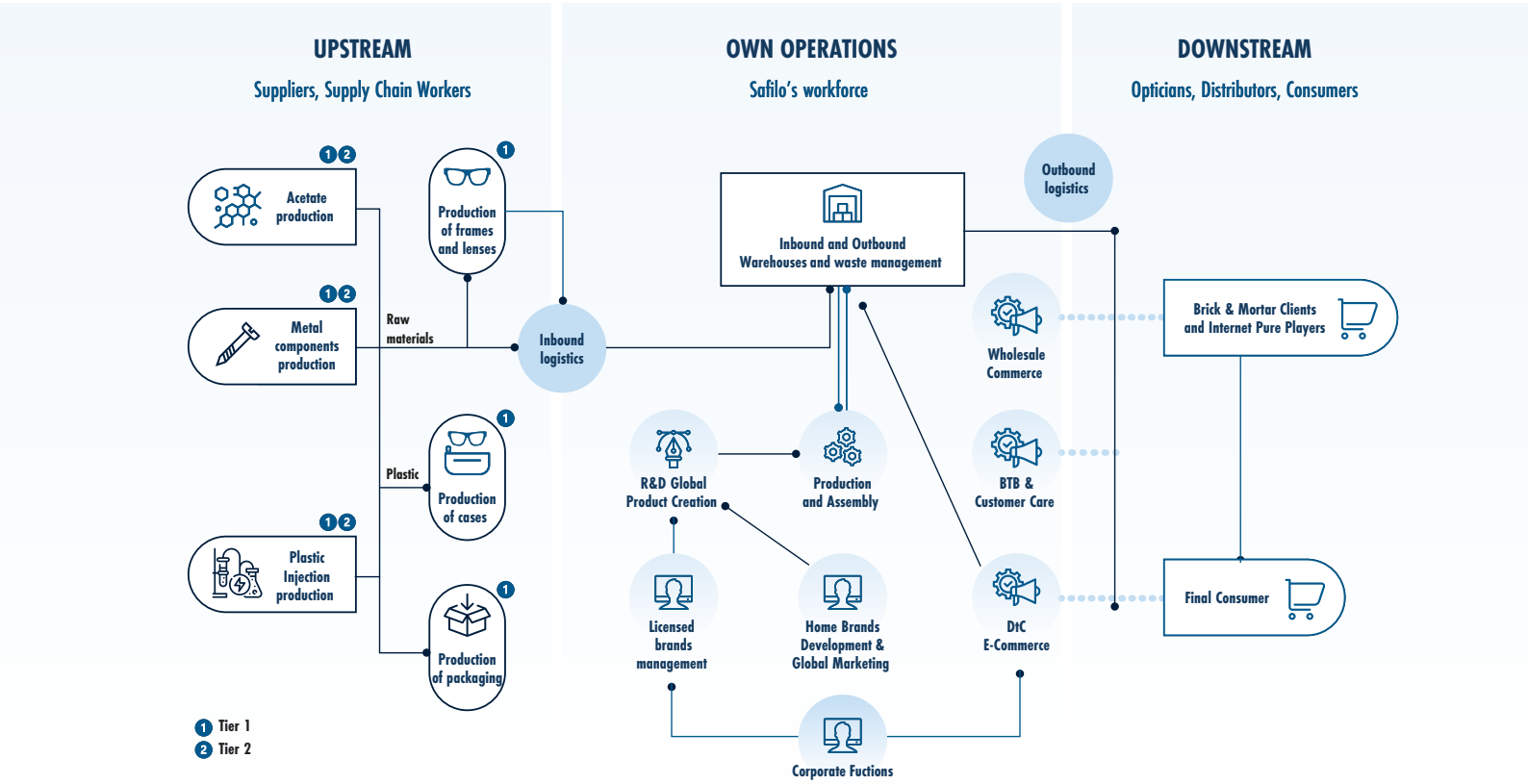
This analysis yielded a detailed mapping of value chain activities and stakeholders, highlighting critical areas, or hotspots, that may be particularly vulnerable to environmental and social risks. Furthermore, it facilitated the identification of impacts, risks and opportunities (IROs) associated with the materials used, products manufactured, and production processes employed.

The value chain is structured into three main sections:

- Upstream, involving suppliers and supply chain workers;
- Own Operations, comprising Safilo's workforce and internal processes;
- Downstream, involving distribution channels, clients, and consumers.

In the next section a deep dive on the upstream side of Safilo's value chain is provided.

WORKERS IN THE VALUE CHAIN



Safilo Suppliers

Safilo is committed to managing its relationships with suppliers in a responsible way, actively seeking business relationships with partners who comply with guiding international standards, share our values, and promote the application of these high standards.

Safilo's upstream value chain is related to eyewear manufacturing plants[1] and is mainly concentrated in Far East countries, including China.

Safilo understands the critical importance of:

- safeguarding the rights and working conditions of the value chain workers involved in producing the raw materials and products of the Group;
- minimizing negative impacts and associated risks they might suffer while simultaneously identifying and enhancing opportunities for positive change.

The Group, through its actions and initiatives, is primarily focused on the workers of Tier-1 and Tier-2 level suppliers which produce branded components, specifically on blue-collar workers who mainly perform production or assembly activities for eyewear frames, or the production of raw materials and semi-finished products used by the Group in its own operations.

SUPPLIER ENGAGEMENT PROCESS

Process for engaging

Safilo currently does not frequently engage directly with external supply chain employees but instead maintains structured communication with supplier's designated representatives, who serve as intermediaries for engagement on different business and sustainability topics. For these representatives, Safilo convenes **regular supplier meetings** to discuss and share information on business volumes, price, quality and also to reinforce environmental, social, human and labor rights, and essential ethical principles that suppliers are expected to uphold, including the importance of worker education programs, fair wage initiatives, the promotion of work-life balance, respect for diversity, and health and safety.

Specific engagement opportunities also arise during **contract renewals** and specific talks on new ESG initiatives, which help establish channels for effective communication throughout the supply chain. For instance, Safilo has shared with its suppliers the ESG strategy goals, showing them how they can actively contribute to reducing Safilo Group's Scope 3 emissions through the adoption of renewable energy and innovative green technologies, which serve as fundamental levers in their transition to a low-carbon economy. The Purchasing Department is the dedicated function that engages with suppliers. They have been assigned multiple roles in vendor management: evaluation and selection of suppliers, monitoring of costs, quality and service level, compliance, and accountability.

The current and potential impacts identified by Safilo in relation to its supply chain are inherently linked to the company's **strategy**, which is appropriately adapted to minimize negative impacts and enhance positive ones.

On the other hand, the Group recognizes the potential negative impacts and risk related to child and forced labor, possibly arising from isolated cases in geographical areas at greater risk, and works to prevent their occurrence through intense direct monitoring at the Tier-1 supplier locations and partially at Tier-2 suppliers through social audits. Safilo has defined plans and targets to increase the frequency of the audits and to extend this to a wider pool of suppliers.

POLICIES AND ACTIONS

Policies related to value chain workers

To ensure the development of transparent and traceable business relationships and to manage them in line with the ethical standards, Safilo has implemented a **Supplier Code** of Conduct, the "**Corporate Responsible Sourcing Manual**." As an essential condition for establishing a business relationship with the Group, each direct supplier is required to adhere to and respect all principles outlined in the Corporate Responsible Sourcing Manual and to promote its principles while managing its business relationships accordingly throughout its own supply chain. This manual serves as a guideline for the minimum requirements suppliers must meet to prevent risks related to workplace accidents, health and safety

1 Workers working for entities in the undertaking's upstream value chain.

issues, human rights violations, and instances of unethical labor. This code explicitly prohibits child and forced labor, human trafficking, and mandates fair wages alongside reasonable working hours. The Safilo Operations department monitors compliance with such policies, utilizing social audits to identify and address any deviations. The details regarding the respect for human rights and the rights of value chain workers expressed in the policy are inspired by the recommendations of the International Conventions in force concerning the prohibition of forced and compulsory labor, freedom of association, and prohibition on discrimination based on race, religion, gender, age, and nationality. The international standards considered in its commitment to respect human rights include those from Universal Declaration of Human Rights, the eight fundamental conventions issued by the International Labor Organization, as well as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Each supplier needs to uphold the Worldwide Business Conduct Manual guidelines[2].

In 2012, in order to improve its of ethical and social performance, Safilo achieved **SA8000** certification for the Italian Legal Entities (Safilo S.p.A. and Safilo Industrial S.r.l. - valid until January 2027). The SA8000 Social Accountability Management System Standard is a globally recognized social certification standard; it is based on international human rights standards and measures the performance of companies in eight areas important to social accountability in the workplace: child labor, forced labor, health and safety, free association and collective bargaining, discrimination, disciplinary practices, working hours and compensation. Periodic value chain audits are planned annually to verify compliance with SA8000 requirements in line with the Safilo Group's principles.

In addition, regardless of the country where the supplier operates, Safilo's suppliers must comply with all national and local regulations, including but not limited to those relating to labor practices, immigration, the environment, business practices, and health and safety for the industry and the country in which they operate. Furthermore, **Safilo's zero-tolerance approach** to bribery and corruption is communicated to all suppliers at the beginning of the collaboration and as appropriate thereafter to prevent corruption and bribery. In this context, the existence and availability of communication channels, such as whistleblowing mechanisms, are highlighted to report potential unlawful behaviour and unethical practices. Although Safilo does not require its suppliers to implement specific channels for raising concerns, it makes its own whistleblowing channel available to value chain workers, who can access it through the dedicated hotline and the corporate website. The Safilo Group Integrity Line platform serve as a comprehensive and confidential reporting tool offering a channel for employees, customers, suppliers, and business partners to report possible violations.

Safilo takes all reports of misconduct seriously and, in order to protect the identity of the reporter and of any person reported against retaliation, matters will be investigated promptly and thoroughly to determine if any law, regulation, policy or procedure may have been violated and to define any suitable corrective actions. For further details, please refer to G1 chapter. This measure primarily allows the suppliers' workforce to report any cases of non-compliance with the principles outlined in the Supplier Code of Conduct and violations of human and workers' rights. During fiscal year 2025, there were no reported or effective incidents of human rights violations or actual negative impacts on the workforce of our suppliers, and consequently, no remediation actions were required.

Safilo has also developed a comprehensive understanding of the upstream workers within its value chain who may face risks. This insight stems from a thorough examination of the production and operational stages involved in manufacturing the components and products offered. Additionally, this understanding is reinforced by the social audits conducted at supplier facilities, ensuring adherence to essential safety and labor standards while assuring the implementation of ethical labor practices. This is the preferred measure through which the Safilo Group prevents potential negative impacts and mitigates risks for workers along the upstream value chain via social audits.

2 In the WBCM guidelines structures or processes (whistleblowing channels and Ethics Point) are cited as a way to raise concerns or needs and have them addressed.

Periodic social audits are planned by Global Social Compliance Department and conducted to verify compliance of Tier-1 and Tier-2 suppliers of branded components with the Safilo Group's ethics and human rights principles. This compliance audit provides effective monitoring and a better understanding of potential problems that the supply chain may present, enabling the identification of areas for improvement and, if necessary, corrective actions.

The Group has about 225 suppliers and it buys finished products, components, and raw materials for use in its own production (direct materials). In addition, it purchases products, logistic, marketing, ICT, and general services to support the business in all areas (indirect spending). In 2025, Safilo conducted a total of 178 **social audits** (3 in Europe, 169 in Asia and 6 in America). These audits included 150 full on-site audits, 23 follow-up audits carried out by an external, independent auditing firm and 5 self-assessments in the America, where the risk level is considered low. The majority of these assessments reviewed both social and environmental criteria, using key standards such as SMETA 4-Pillar, SLCP and BSCI.

A new monitoring plan has been introduced to establish a higher/lower frequency of the follow-up audits depending on a lower/higher score Safilo assigns to the suppliers during these social and environmental audits. By the end of 2025, already about 57% of Asian Tier 1 and Tier 2 of direct product and material suppliers have been audited in accordance to the new monitoring plan.

It is worth highlighting that during social audits conducted at supplier facilities, Safilo might carry out brief interviews with a selected sample of employees from the supplier's workforce. The interviews are conducted in both individual and group formats to ensure a balanced approach that captures a broad spectrum of insights. By safeguarding confidentiality and fostering trust, the process ensures that employees can communicate openly, thereby generating valuable insights Social audits also allow for proper risk management for value chain workers, primarily related to workplace incidents. Health and safety risks are the subject of audit that helps minimize risks by ensuring that suppliers provide their workers with a healthy environment and adequate means to guarantee workplace safely.

If a supplier is defined by the Group as non-compliant with ethical and health and safety practices, Safilo may take the significant step of suspending the supplier's contract, thereby minimizing the risk of negative impacts on value chain workers. In the case of negative impacts Safilo closely monitors the implementation of an action plan to assess its effectiveness, focusing on enhancements in the supplier's performance during subsequent audits.

Safilo is also committed to upholding ethical sourcing practices and ensuring compliance with global regulations regarding conflict minerals. The Group acknowledges the significance of responsible sourcing and take proactive steps to prevent the use of minerals that contribute to armed conflicts or human rights violations. As part of due diligence efforts, Safilo requires its strategic suppliers to comply with Conflict Minerals regulations, including those specified in the Dodd-Frank Act (Section 1502). To ensure compliance, comprehensive evaluations are carried out, requiring key suppliers to complete the Conflict Minerals Reporting Template (CMRT) and submit relevant documentation about the origin of key minerals such as tin, tungsten, tantalum, and gold (3TG).

In 2025, Safilo **obtained ISO 13485 certification** for the design and manufacturing processes of medical devices in the eyewear sector. This is an important milestone that complements the existing **ISO 9001** certification and concretely reinforces our commitment to product quality, safety, and traceability.

The certification covers the **production sites in Suzhou (China) and Santa Maria di Sala (Italy)**, as well as **Safilo HQ**, and consolidates our position in the medical segment. This result is part of our growth path, also from an **ESG** perspective, promoting transparency, responsibility, and reliability throughout the value chain.

Safilo, while not yet having set time-bound or results-oriented targets specifically for workers in the value chain, is working to gradually address these issues.

PAYMENT PRACTICES

Safilo operates in different markets and Safilo purchases different categories of product and services from thousands of suppliers of different size and spread across the world. The Group agrees the payment conditions with each supplier. Payments terms might vary by country by category of product and services and by specific supplier.

Safilo is committed to respect the payment terms agreed with our counterparts; for this reason, it does not have any legal proceedings currently outstanding for late payment. Currently, a Global Policy is not in place to prevent late payments, specifically to SMEs, therefore, by 2026, the Group will develop and issue a policy to manage this eventual issue.

Average time of payment (DPO) is about 68 days.[3]

The methodology used to determine these indicators is the total Account Payable on daily Cost of goods, Overheads and Marketing expenses.

The suppliers of finished products and raw materials usually have slightly longer payment terms than the average, while suppliers of sales marketing and G&A product and services in general have slightly shorter payment conditions.

Safilo is committed to paying suppliers on time on the agreed payment conditions. However, during 2025, some payments were made in advance according to vendor master data payment terms while others were paid late in delay. On average, considering all the payments made, the effective average delay can be summarized as a few days.

ADDITIONAL NOTES ON ESRS – S2

It should be noted that:

- value chain workers (also included in the scope of the disclosures under ESRS 2) involved in impacts, risks and opportunities are mainly the upstream workers in the value chain who work for Safilo's suppliers in eyewear manufacturing plants.
- in Far East countries, including China, the Company might have a risk of child and forced labor associated with labor-intensive activities such as handcrafting and assembly, often characterized by limited automation.
- all identified material risks are strictly correlated to the impacts identified through the Double materiality assessment.
- the Group does not have any additional actions or initiatives in place with the purpose of delivering positive impacts except what is has already been described in this chapter.
- the Group does not have identified opportunities in relation to value chain workers.
- the Group in carrying out social audits avoids causing or contributing to material negative impacts on value chain workers. The Group has not set targets yet, however, aims to set in the following years.

3 The DPO was calculated using payments made by Safilo Group S.p.A., Safilo S.p.A, Safilo Industrial S.r., Safilo USA, Smith Sport Optics and Safilo (Suzhou) Eyewear Industries, which are representative of the Group's total payments.

CONSUMERS AND END USERS [ESRS S4]

CONSUMER AND END-USERS

Safilo is a key leader in the wholesale Eyewear Market. The Group has a global and multichannel presence that leverages both the established wholesale sales model, through which the Group reaches approximately 100,000 selected points of sale worldwide (opticians, optometrists, ophthalmologists, retail chains, department stores, specialty retailers, boutiques, duty free and sports stores), as well as modern Direct-to-Consumer (DtC) e-commerce platforms, an ever-evolving channel on which Safilo continues to invest, in line with its growth strategies.

The customers[1] distribute Safilo home brands and licensed brand products in their respective regions.

The Company did not identify dependencies on particular categories of customers as revenues are distributed fairly evenly across various clusters.

Safilo attributes a central role to the customer and the Group has built a long-term partnership based on trust, respect and transparency. Each project and each initiative are aimed at improving customers' shopping by involving them more and more in the world of Safilo Products.

PROCESS FOR ENGAGING WITH CONSUMERS AND END-USERS

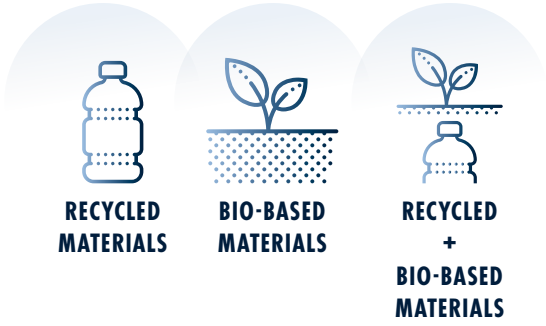
The Group has developed a tool to establish a comprehensive and transparent **process for interacting with customers: a B2B digital platform** named **You&Safilo**, which is available to all Safilo customers in the EMEA region.

In You&Safilo, each customer can login in the system in total autonomy, view our catalogues, discover marketing content, purchase products, order spare parts, submit service and warranty requests, check real-time product availability, follow the progress of their order and get in contact with Customer Care.

The You&Safilo ecosystem now also serves as a gateway to innovative features, including Safilo Omnia, a digital content hub offering resources and content to boost brand visibility. In May 2024 You&Safilo released an additional service: Safilo MyKey, a new educational platform designed to support opticians and their collaborators in store in growing their businesses, providing them with essential tools and sales arguments. It offers a comprehensive and multidisciplinary e-learning package, with short and interactive courses and downloadable resources, to acquire in-depth skills about the Safilo world, and to receive valuable tips and keywords to better meet final consumers' needs and be more effective in sales.

Safilo MyKey is also available to the European Customer Care teams, who can take online courses to further support Customers.

The platform is also used to engage and educate customers on sustainability topics, such as recycled and bio-based materials used in collections.



Every year, Safilo is also involved in the important trade fair **MIDO Eyewear Show**, held in Milan during which there is the possibility to contact multiples categories of downstream actors such as opticians, licensors, and end-users. In 2024 we used a sustainability survey through which we collected feedback from them about Safilo's sustainability strategy and how we can improve

1 The Customers category includes consumers and/ or end-users who are dependent on accurate and accessible product- or service- related information, such as manuals and product labels.

some aspects of our Company.

In addition, the Group through the acquisition of Blenders and the development of Smith, Carrera and Polaroid e-commerce sites started to directly engage with the end-users. The **B2C channel** allows the Group to have direct access to the end consumers, increasing the portion of people that could leverage Safilo's expertise and products. This business is expected to grow in coming years and the digitalization and transformation strategy will act as enablers in order to expand all the touch points with end-users.

Safilo is focused on offering high-quality services to opticians who are the main category of downstream value chain actor. However, in recent years, due to the expansion of the e-commerce channel, Safilo has started to design ad-hoc end-consumer customer care services. In addition to its extensively diversified portfolio encompassing eyewear, sunglasses, goggles, and helmets, the Company strategically offers products across a wide range of price points. This approach effectively addresses the needs of multiple consumer segments as well as those with specific ocular conditions requiring tailored solutions. By catering to these diverse end-consumer categories, the Company not only enhances its market reach but also demonstrates a commitment to inclusivity and accessibility in the eyewear industry. Our products are designed for all market segments and all age groups.

POLICIES AND ACTIONS

Greenwashing risks

Safilo is very careful to prevent **greenwashing risks**. The company actively monitors and implement marketing campaigns to ensure that customers and end-users receive clear and precise information about our products.

This commitment involves:

- Honest Messaging: Safilo will avoid vague claims and focus on providing specific, factual information about our environmental practices and product benefits.
- Evidence-Based Claims: Any sustainability claims will be backed by credible data and third-party certifications, ensuring that our marketing reflects genuine environmental responsibility.
- Clear Product Information: We will provide detailed information about the sourcing, production processes, and lifecycle impacts of our products, allowing consumers to make informed choices.

By adopting these practices, we aim to build trust with our customers while promoting genuine sustainability in our operations and products.

Impacts on consumer

The Group has identified various **positive impacts** on consumers that can be summarized as follow:

- Diversification of Product Portfolio: We recognize that each brand has a unique DNA recognized also by end customers and our different brands address all different types of customer and different market segments as much as possible.
- Improvement of customer satisfaction that involves a comprehensive approach focused on understanding and meeting customer needs, providing excellent service, and continuously seeking ways to enhance the overall experience. This not only leads to happier customers but also drives loyalty and business growth.
- Improvement of product value perception through targeted marketing strategies that effectively communicate brand values and product quality.
- The eyewear products developed and introduced to the market by the company are recognized as medical devices. As such, they facilitate an improvement in life quality or provide correction for the visual impairments experienced by the individuals who utilize them.

During the Double Materiality assessment the Group has identified an eventual **potential negative impact** related to a single incident such as a defect on a specific product; but the risk is continuously mitigated by quality controls and tests. The after-sales program which has been developed through the years has allowed Safilo to adopt prompt interventions in case a customer raises concerns regarding the quality of products. In recent years, the customer service and care have been extended also to cover those B2C channels and the e-commerce site, in order to provide the end-consumer with the help they may need.

Policies related to customer consumers and end-users

The Group warranty policy ensures 4-year long assistance to support EMEA. The Customer is entitled to ask Safilo for assistance. The Global Commercial & Defective Returns Guidelines establishes and standardizes roles, rules and processes of quality and also commercial returns from customers to Safilo to address and manage all material impacts related to consumers. The Policy covers all consumers and/or end-users. The Sales Customer Operations Team, guaranteeing the implementation of the guidelines, manages this relationship with customers. Although Safilo primarily operates as a wholesale business, it has established a channel of communication with end-consumers to handle them promptly and appropriately. At the same time, the Group remains committed to maintaining the safety and exceptional quality of our products.

Cybersecurity

During the double materiality analysis, the Group has identified the **risks** related to **cyber-security**. These relate to possible cases of fraud and cyberattack that could impact also our Customer or End Users (in case of BtC). The protection of the integrity, availability and confidentiality of Customer or End Users data is a primary objective of the Group ICT department and its digital strategy.

The processes through which Safilo identifies what action is needed and appropriate follow the "Plan-Do-Check-Act" principle (Deming Cycle) that consists of the following macro-activities:

- Plan – establish the Information Security Management System policy (ISMS), objectives, processes and procedures to manage and reduce risks, improving information security aligned to policies and the overall business objectives of the organization.
- Do – implement and manage the ISMS in terms of security controls, processes and procedures in daily activities. In this phase also the development and the implementation of action plans are considered to manage the identified information security risks and the execution of training and awareness for all relevant employees.
- Check – evaluate and, where applicable, measure security process performance against the ISMS policy, objectives and practical experience, reporting results to management for the review and optimization.
- Act – take corrective and preventive actions, based on the results of internal audits of the ISMS and the review by management on other relevant information, in order to achieve continuous improvement of the ISMS.

Should an incident occur, it must be properly tracked, reviewed and resolved using an incident management process and the documentation should be preserved and, at the same time, monitoring activities in ICT systems and services should be put in place to promptly identify potential security incidents. In addition, in the case of a security incident involving personal data, the related activities to evaluate impacts and to manage the investigation, remediation, corrective actions and notifications must be done in accordance with the Data Breach Management Procedure[2].

The efficiency of actions aimed at enhancing the level of Safilo's cybersecurity are monitored on a biannual basis through the presentation by Company management of the Security report directly to the Control and Risk Committee and subsequently to the Board of Directors.

The Group has continued the work undertaken to ensure the best protection of ICT systems and data, to monitor risks associated with cyber threats and to increase security through initiatives involving technology, systems, process and human resources.

SOCIAL INITIATIVES

Safilo actively prioritizes its commitment to supporting social initiatives aimed at fostering positive impacts that can significantly benefit the wellbeing of society. This strategic focus underscores the organization's dedication to corporate social responsibility and its recognition of the critical role that businesses play in addressing societal challenges.

Currently, 2.2 billion individuals worldwide are living with the repercussions of sight loss, including various forms of visual impairment and blindness.

2 These guidelines are valid at Group level.

Safilo's mission, "See the world at its best," strives to reach all people, encompassing the 2.2 billion affected by these challenges.

In its commitment to raising awareness championing **global advocacy** about eye health and reducing global vision loss, since 2024 Safilo has partnered with the **International Agency for the Prevention of Blindness (IAPB)**. IAPB is a leading global alliance dedicated to eye health, uniting over 250 organizations across more than 100 countries to create a world where universal access to eye care is a reality for all.

In May 2025, Safilo participated at the 2030 In Sight Live, the global event on eye health organized by its partner IAPB (International Agency for the Prevention of Blindness) in Kathmandu.

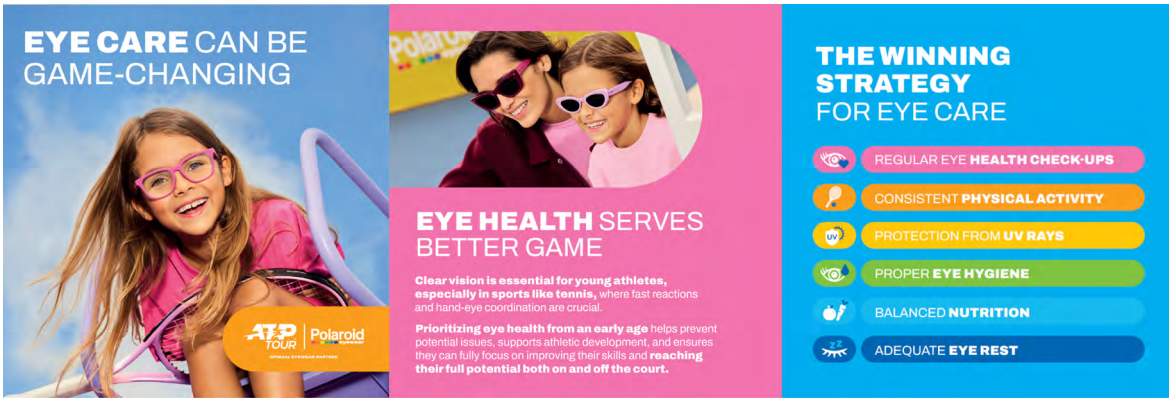
More than one billion people experience significant visual impairments without access to basic vision-correction tools, with clear repercussions for productivity, education, and safety in many countries. In this context, the advocacy work promoted by IAPB and its members plays a pivotal role in bringing global attention to an issue that can meaningfully improve the lives of millions. The event represented an important opportunity for dialogue and collaboration with professionals from around the world who are committed to advancing the same mission.

In line with this mission, Polaroid Eyewear was global partner of the World Sight Day LOVE YOUR EYES 2025 campaign promoted by the IAPB. The 2025 World Sight Day focused the world's attention on eye health as global issue advocating for the Global Summit and influence decision makers to prioritize eye health sharing the Investment case for eyecare. The campaign reached millions of media impressions, and it was covered in thousands of articles worldwide.

Moreover, in 2025 during the Kids Day at the ATP tournament, where Polaroid Eyewear was a sponsor, we promoted eye-health prevention by distributing the "SPORT & EYE HEALTH" one-pager created by Polaroid and IAPB. The goal was to raise awareness among children and their families about the importance of good eye health for practicing any sport.

Safilo with Polaroid Eyewear has been supporting ***scientific research*** in the care sector through a partnership with **Fondazione Veronesi**. In 2025, the brand for the third year in a row founded a research project, the goal of which is to evaluate a pharmacological approach that blocks communication between malignant cells and the tumor microenvironment in the treatment of uveal melanoma. The partnership has been celebrated in May at the Annual Ceremony with all the researchers.

In collaboration with the Fondazione Veronesi, the brand in 2024 has published the whitepaper "Eye Health: For the Wellbeing of the Person,"



which outlines the main types of eye examinations, as well as physical and dietary measures to help prevent specific eye conditions and diseases. The document also provides an in-depth overview of the most suitable glasses and lenses for preventing and correcting these conditions.

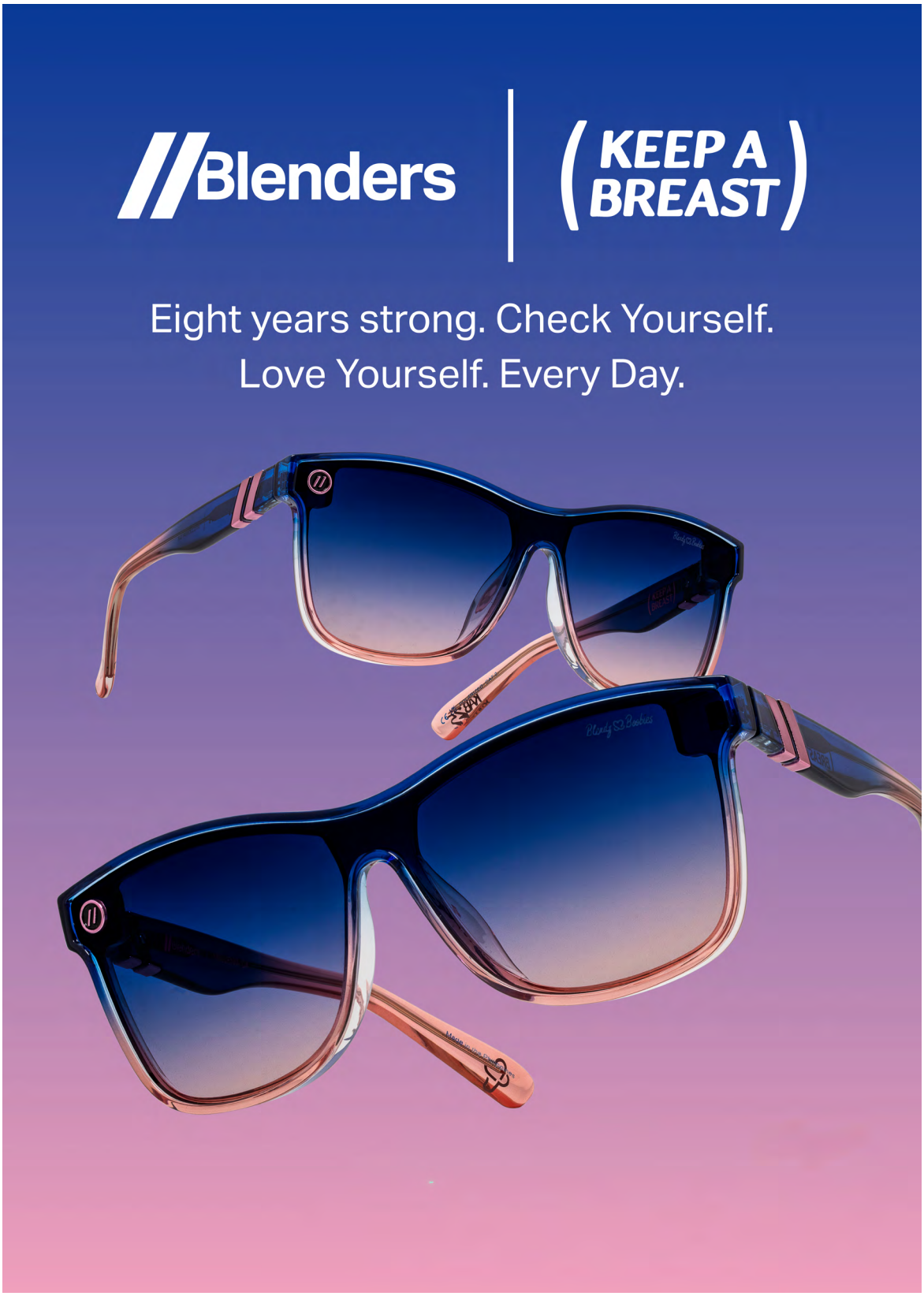
The Group further increases its ***social impact*** by investing in programs and partnerships that uplift marginalized communities. The Company seeks to enhance access to essential services, promote equitable opportunities, and ultimately contribute to the well-being of those who are often overlooked. Since 2003, Safilo has been actively supporting **Special Olympics**, a global non-profit organization, dedicated to transforming the life of people with intellectual disabilities. A specific assortment of products has been donated thought the years to provide athletes the possibility to practice sports. Safilo Group and Special Olympics celebrated the renewal of their long-standing partnership to 2027 at the Opening Ceremony of the Special Olympics World.

Moreover, in 2025 Safilo donated products to Lions Clubs International Foundation, an IAPB member, to support their initiatives aimed at improving access to eye care for communities in need.

Other initiatives which have a territorial relevance:

- Smith Optics have been partnering with the **High Fives Foundation**, a non-profit organization supporting the dreams of mountain action sports athletes by raising injury prevention awareness and providing resources and inspiration to those who suffer life-altering injuries. For this initiative Smith Optics has created dedicated capsule collections

- Furthermore, Blenders Eyewear partnered for the sixth year with **Keep a Breast**, a non-profit organization based in California focused on breast awareness cancer creating a specific product for this collab.



SAFILO CUSTOMER CARE

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

EMEA Safilo Customer Service is the dedicated function in place to manage consumers and/or end-users concerns and address the related impacts. Safilo's Customer Care lines are:

- You&Safilo[1], our dedicated e-commerce site for opticians,
- A dedicated telephone line for each market,
- A dedicated e-mail address for each market.

For Key Accounts and distributors, Safilo offers a personalized service with dedicated Customer Care contacts who can support from a selection of collections in our showrooms (or remotely in our Virtual Showroom) to after sales and set up of POP display materials. The North America Customer Care team in 2025 supported four sales organizations, six distribution channels, and eight customer groups. The customer groups include but are not limited to independent 3O's, key accounts, strategic accounts, e-commerce, sport, internet pure player, D2C, and department stores. The NA Customer Care team managed and assisted these accounts via different channels which included support via inbound phone calls, chats, and emails.

Customer care KPIs

The goals are measured with internal KPIs, which are in line with commonly established ones in other sectors in the field of customer care, and are tracked on a very regular basis:

- 80% of calls answered within 20 seconds (97% of the target achieved in 2025);
- at least 95% of customers' enquiries are managed within one working day.

We track B2B Customers calls in order to understand customer needs and provide the right expertise. Customers often enquire about materials, products, promotions, returns, spare parts and warranties.

1 Available in EMEA Region.

The customer care function also takes care of the relationships with end-user consumers, through different channels, such as the e-commerce websites of the home brands Carrera, Polaroid and Smith, and email.

Through dedicated quality monitoring tools, the quality of our customer care is then assessed through side-by-side supervision and dedicated tutoring of customer care representatives.

Customer care KPIs

Safilo launched its latest annual Wholesales Customer satisfaction survey in October 2025 in order to understand Customers' 360° perspective on Safilo's principal areas and services: product, commercial team, Customer Care, after sales service, service levels, trade marketing, B2B-website, communication and Education.

The scope was: independent opticians in EMEA countries.

Main KPIs evaluated were:

- NPS (Net Promoter Score): on a scale from 0 to 10;
- CSAT (Customer overall Satisfaction): on a scale from 1 to 5.

Europe overall results were:

- **NPS**: 87% of customers responded with a ranking between 9 and 10 to the question if they would recommend Safilo as a business partner and this allowed Safilo to reach an NPS Index of 82 (86 in 2024);
- **Overall satisfaction**: the result was 4.6 on a scale of 1 to 5 (4.6 in 2024).

This fundamental activity allows the Group to be aware of potential negative impacts and risks that it may create on the downstream part of its value chain and elaborate the best actions, taking informed decisions, to solve or mitigate these risks.

Customer care activities aim to build trust and loyalty with the customer with the opportunity of generating return on investment in the form of increased sales and growth. The excellent handling of any complaints, and greater attention to customer needs is further supported by offering high-quality and extensively tested products.

In parallel with these ad-hoc services to collect and address specific complaints on products arising from customers and consumers, Safilo makes available to all downstream actors (consumers and end-users) its whistleblowing mechanism to raise

any further issues.[2] The whistleblowing mechanism has been explained entirely in chapter G1, for further details, please refer to that section.

ADDITIONAL NOTES ON ESRS – S4

It should be noted that:

- Safilo value chain downstream involves distribution channels, clients, and consumers. All the above listed consumers and/or end-users who are likely to be materially impacted by the undertaking are included in the scope of its disclosure under ESRS 2.
- All identified material risks and opportunities are strictly correlated to the impacts on consumers and/or end-users identified through the Double materiality assessment.
- The company analyzes the feedback received from customer engagement, and this could influence the Group's strategy.
- Safilo does not have any risk or opportunities related to specific groups of consumers.
- Safilo operates primarily as a wholesale entity, with a significant portion of its business dedicated to serving opticians. The recent double materiality assessment has not identified any negative actual impacts on end consumers; consequently, there has been no immediate necessity to implement targeted measures to address potential adverse effects. Nevertheless, Safilo remains committed to fulfilling customer expectations and has consistently prioritized excellence in communication and engagement with its clients.
- Customer Service is the resources available to manage material impacts related to Consumer and End Users while Information Technology is available accountability to manage material impacts related to Cyber Security.
- Severe human rights issues and incidents connected to its consumers and/or end-users did not have occur during 2025.
- The Group has not set any quantitative targets. Eventual targets will be implemented in the following years.
- Safilo does not adopt a specific policy on Human Rights but as already mentioned the Group's Worldwide Business Conduct Manual defines fundamental principles including the prohibition of forced labor, the freedom to join unions and the right to collective bargaining, the prohibition of child labor and exploitation, the prohibition of discrimination at work, the obligation to guarantee and maintain a healthy and safe workplace. The SA8000 Social Accountability Management System Standard certification confirms the Group's sensitivity on these issues, certifying the respect of all human rights and the application of health and safety standards for all plants.
- The Group tracks the effectiveness of its policies and actions in relation to the material sustainability-related impact, risk and opportunity through the Customer Care services carried out on a continuous basis. In addition, the Group uses the afore-mentioned Customer Care KPIs to evaluate progress.
- The Hypercare actions are primarily focused on enhancing customer loyalty. When a new customer enters the Safilo world, they are first contacted by Customer Care, which provides a welcoming demo and subsequent touchpoints regarding the efficiency of their submitted orders.

2 The channel is on a Group level website in sections "Customers" and "Governance – Business Ethics – WBCM and Whistleblowing" respectively. As widely described in section G1, the Safilo's whistleblowing mechanism include measures against the retaliation.

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SCIENCE
SPORT
SAFILO
HERITAGE
DESIGN
FASHION
LUXURY
CELEBRITIES

01

SUSTAINABILITY STATEMENT

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BUSINESS CONDUCT [ESRS G1]

BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

Safilo has had a Code of Ethics since 2006, reaffirming the commitment to the principles of fairness, loyalty, integrity, and transparency. In 2017, this Code was replaced by the "Worldwide Business Conduct Manual – The Safilo Way." During 2023, following on from the development of the Group's Manifesto, the update of the Company's Values and the adjustment of the Competencies, the Group decided to review and update the content of the Worldwide Business Conduct Manual. The revised version was approved by the Board of Directors on December 13, 2023.

The "Safilo Way" represents the transposition of the Group's governance principles into standards of business conduct and the synthesis of the guidelines that the Group takes inspiration from its daily actions and decisions, defining worldwide reference standards that must be applied in each country where the Safilo Group operates; it underlines, furthermore, the importance that the Group places on acting with integrity and responsibility towards employees, shareholders, business partners, governments and, in general, all people.

Worldwide Business Conduct Manual

Following the launch of the **Worldwide Business Conduct Manual** a whistleblowing process was implemented with the definition of the "Whistleblowing Policy", published on the Group website. All Group Companies must adopt the Policy, in compliance with applicable local laws.

Mechanism for raising concerns – Whistleblowing

In July 2023 Safilo updated the WBCM Compliance Reporting Procedure following the entry into force in Italy of Legislative Decree 24/2023 implementing EU Directive 2019/1937.

The aim of this policy is to provide the intended audience with a uniform mechanism for reporting, investigating and managing suspected or alleged violations i) of the principles, values that inspire the Safilo Group and that are contained in the Worldwide Business Conduct Manual of the Safilo Group and/or ii) Group policies and procedures including Antibribery and Anticorruption and/or iii) the law in general, while safeguarding, via appropriate criteria and internal management and communication procedures, the whistleblower's identity and working conditions as well as the confidential nature of the reported information.

The intended audience of this policy are the stakeholders of all Group Companies, without limitation.

This procedure is also the instrument to support the Control & Risk Management system as well as the Organization, Management and Control Models adopted by the Italian companies of the Group pursuant to Italian Legislative Decree no. 231 of 2001 or similar local national instruments, where they exist, adopted by the foreign subsidiaries of the Group.

Any misconduct reports received are managed by the Internal Audit[1] department and evaluated by the Assessment Committee as defined in the afore-mentioned Procedure.

The Internal Audit staff participates in specific training session on whistleblowing management.

The Company values the help of employees who report potential problems in good faith or participate in an investigation and will not retaliate or permit retaliation (such as dismissal, demotion, suspension, adoption of disciplinary measures or other sanctions, threats, harassment or discrimination) against them.

The Company expressly commits to intervene and punish with disciplinary action any cases of retaliation or attempted retaliation.

Whistleblowers who believe they have experienced retaliatory conduct as a result of a previously submitted report are encouraged to submit a new report concerning the retaliation.

Anyone who encounters unlawful behavior or behavior not in compliance with WBCM, or Company policiesand/or procedures is

1 In no event a function may manage the investigation related to allegations about itself and, for such a purpose, the EthicsPoint Hotline and Website is structured so as to send Reports involving the Global Internal Audit staff directly to the Legal & Corporate Affairs Department which will inform the OdV of Safilo Group S.p.A.

encouraged to communicate the matter using one of the dedicated channels[2]:

- the Safilo Group Integrity Line platform at – *https://safilogroup.integrityline.com*;
- a direct- meeting with the Head of Global Internal Audit, which can be requested through the Integrity Line platform;
- for Group Companies other than the Italian or French ones, for which it is necessary to use one of the above channels, by sending an email to the Global Internal Audit function at the email address *ethicsandcompliance@safilo.com* (especially when the Integrity Line platform is not available in the geographical area).

The Company takes all reports of misconduct seriously and protects the identity of the whistleblower and of any person reported, matters are investigated promptly and thoroughly to determine any violation and to define any suitable corrective actions.

Integrity Line Platform

Safilo Group Integrity Line platform represents a comprehensive and confidential reporting tool and supports the Safilo Way, providing a mean for employees, customers, suppliers and other business partners to communicate possible misconduct.

> The Safilo Group Integrity Line platform is run by an independent company and is available through a 24/7 multilingual web-based service. The Company does not tolerate retaliation of any kind for reports made in good faith. Anonymous reporting is allowed where permitted by local law. The website even allows follow-up on reports, even if anonymous. The Safilo Group Integrity Line platform system is active in Italy, France, USA, UK, Spain, Germany and Portugal.

Individuals that fail to comply with the Manual, Company policies and/or procedures or the law may incur disciplinary action, which, depending on the nature and severity of the violation, can go as far as the application of the most serious measure of termination of the employment relationship. All disciplinary actions will be applied in compliance with the local law applicable to the case.

The Board of Directors, as the administrative and management body, is in charge of ensuring the functioning and implementation of the Worldwide Business Conduct Manual principles and the respect of business conduct and ethics.

For more details on the roles and responsibilities of the Board of Directors, please refer to *1.B. – Corporate Governance – Board of Directors*.

In addition, Safilo has assessed the impacts, risks and opportunities concerning business conduct. For insights on this topic please refer to *Sustainablility Statement – General Disclosures - Description of the process to identify and assess material impacts, risks and opportunities*.

PREVENTION AND DETECTION OF CORRUPTION OR BRIBERY AND INCIDENTS OF CORRUPTION OR BRIBERY

In 2020 the Group adopted the Anti-Bribery and Anti-Corruption policy[3] to root a general culture of compliance in the Company, in line with the ethical behavior standards set out in the Worldwide Business Conduct Manual. The policy aims to:

- clearly state Safilo's commitment to "zero tolerance" of bribery and corruption, in compliance with locally applicable anti-bribery laws;
- define principles which serve to detect and prevent potential acts of bribery and corruption;
- ensure the effective application of Safilo's "zero tolerance" approach.

2 These channels are also available for whistleblowing

3 The policy has been drafted in line with the legislation for publicly listed company. However, it does not refer explicitly to the principles of the United Nations Convention against Corruption. Safilo commits to align the policy by 2026

In addition, the Organization, Management and Control Model pursuant to Legislative Decree 231/01, which applies to the Italian companies of the Group, includes general rules of conduct as well as more specific protocols, including control activities that must be respected when performing related activities, that have been defined to prevent the commission of crimes, inter alia, related to bribery and corruption.

Periodic auditing activities carried out by the Internal Audit Department include the verification of this Policy and whether the measures to prevent corruption risks are adequately designed and function effectively. Safilo pursues any corruption practices with severity.

The Policy states also the action to be taken in case of failure to comply:

- by employees - may result in disciplinary actions and penalties, varying according to the severity and within the limits of the current regulatory framework, to the extent of termination of employment.
- by the members of the corporate bodies of the companies of the Group - may result in termination or removal from office.
- by external parties - may result in the termination of the contract, engagement or general relationship in effect with the companies of the Group, as well as claims for damages if the conditions are present.

Safilo is committed to sharing among its population all the Company's Values, the **Ethics principles**, and the importance of acting responsibly towards the Company itself and shareholders. During 2025 Safilo plans to carry out training worldwide on business conduct through a dedicated e-learning section. With the aim of spreading this culture, onboarding training is provided to each new hire (both employees and interns) on Business Ethics and Compliance including the Anti-Bribery and Anti-Corruption policy anytime is needed.

Our zero-tolerance approach towards any form of corruption is communicated to all suppliers, agents, collaborators, and business partners at the beginning of the business relationship and subsequently whenever deemed appropriate.

Our Group, that operates in around 40 countries in North and Latin America, Europe, Middle East and Africa, Asia Pacific and China and has a network of more than 45 independent distribution partners covering the other countries, could be exposed to corruption and bribery risks. In this corporate context, however, no specific function has been identified as particularly exposed to corruption risk compared to others, as this risk is considered potentially inherent in any business area. The Group leverages the same whistleblowing mechanism, extensively described in the previous section, to collect any reports or violations in the area of bribery and corruption.

The Global Internal Audit function is also in charge of reporting, at least twice a year, on the outcomes of the misconduct reports analyzed to the Control and Risk Committee and to the Supervisory Committee.

In 2025, no incidents of corruption or bribery were recorded and the Group did not incur any convictions.

ADDITIONAL NOTES ON ESRS – G1

It should be noted that:

- The Legal function is in charge of ensuring the implementation of Anti-bribery and anti-corruption policy
- Currently, an anti-bribery and anti-corruption policy is in force which is available anytime to anyone on the Group website. Therefore, the Group deemed not necessary to plan any anti-corruption training to administrative, management and supervisory bodies
- Anti-bribery and corruption policy contains indications on Ethics regarding this matter
- The Group doesn't have a policy on training on Business Conduct.

CERTIFICATIONS

Certification	Companies
ISCC PLUS	Safilo S.p.a., Safilo Industrial S.r.l. SEI
ISO9001:2015, Quality management System	Safilo S.p.a., Safilo Industrial S.r.l., Safilo Eyewear Industries Suzhou, Smith Sport Optics
ISO 45001: Occupational Health and Safety Management System	Safilo S.p.a., Safilo Industrial S.r.l., Safilo Eyewear Industries Suzhou
SA8000:2014, Standard for Social Accountability	Safilo S.p.a., Safilo Industrial S.r.l.,
ISO 50001:2018, Energy Management System	Safilo S.p.a., Safilo Industrial S.r.l.,
GRS – RCS	Safilo S.p.a., Safilo Eyewear Suzhou
FSC	Safilo S.p.A.
ISO 13485	Safilo S.p.a., Safilo Industrial S.r.l., Safilo Eyewear Industries Suzhou

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02

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

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CONSOLIDATED BALANCE SHEET

(Euro/000)	Notes	December 31, 2025	of which related parties	December 31, 2024	of which related parties
ASSETS					
Current assets					
Cash and cash equivalents	4.1	52,145		47,421	
Trade receivables	4.2	186,607	314	211,862	323
Inventory	4.3	171,250		210,173	
Derivative financial instruments	4.4	740		6,553	
Other current assets	4.5	37,584		34,555	
Total current assets		**448,325**		**510,564**	
Non-current assets					
Tangible assets	4.6	77,417		86,875	
Right of Use assets	4.7	34,615		37,079	
Intangible assets	4.8	115,541		135,231	
Goodwill	4.9	30,952		35,825	
Investments in other companies	4.10	21,127		250	
Deferred tax assets	4.11	29,192		35,204	
Derivative financial instruments	4.4	-		-	
Other non-current assets	4.12	1,784		1,312	
Total non-current assets		**310,626**		**331,775**	
TOTAL ASSETS		**758,951**		**842,339**	

(Euro/000)	Notes	December 31, 2025	of which related parties	December 31, 2024	of which related parties
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Borrowings	4.13	30,000		30,000	
Lease liabilities	4.13	10,612		10,438	
Trade payables	4.14	144,518	46	165,262	66
Tax payables	4.15	13,164		13,856	
Derivative financial instruments	4.4	1,535		1,682	
Liability for options on non-controlling interests	4.19	2,771		-	
Other current liabilities	4.16	51,394		47,813	
Provisions	4.17	8,452		8,394	
Total current liabilities		**262,445**		**277,444**	
Non-current liabilities					
Borrowings	4.13	28,702		57,725	
Lease liabilities	4.13	28,956		31,937	
Employee benefit obligations	4.18	7,991		9,365	
Provisions	4.17	8,156		7,376	
Deferred tax liabilities	4.11	7,537		10,377	
Derivative financial instruments	4.4	-		-	
Liability for options on non-controlling interests	4.19	2,616		13,118	
Other non-current liabilities	4.20	9,501		7,535	
Total non-current liabilities		**93,458**		**137,433**	
TOTAL LIABILITIES		**355,903**		**414,878**	
Shareholders' equity					
Share capital	4.21	384,906		384,873	
Share premium reserve	4.22	28,393		27,737	
Retained earnings and other reserves	4.23	(69,485)		(21,789)	
Cash flow hedge reserve	4.24	-		(46)	
Income/(Loss) attributable to the Group		48,639		22,296	
Total shareholders' equity attributable to the Group		**392,454**		**413,070**	
Non-controlling interests		**10,595**		**14,391**	
TOTAL SHAREHOLDERS' EQUITY		**403,049**		**427,461**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**758,951**		**842,339**	

CONSOLIDATED INCOME STATEMENT

(Euro/000)	Notes	2025	of which related parties	2024	of which related parties
Net sales	5.1	983,379	1,123	993,219	1,005
Cost of sales	5.2	(384,093)		(400,435)	
Gross profit		**599,286**		**592,784**	
Selling and marketing expenses	5.3	(408,913)	(73)	(423,590)	(109)
General and administrative expenses	5.4	(126,185)	(48)	(120,965)	(70)
Other operating income/(expenses)	5.5	4,588		(8,839)	
Operating profit		**68,776**		**39,389**	
Gains/(Losses) on liabilities for options on non-controlling interests	5.6	6,459		8,613	
Financial charges, net	5.7	(8,277)		(16,281)	
Profit/(Loss) before taxation		**66,958**		**31,722**	
Income taxes	5.8	(18,752)		(9,898)	
Profit/(Loss) of the period		**48,206**		**21,824**	
Profit/(Loss) attributable to:					
Owners of the parent		48,639		22,296	
Non-controlling interests		(433)		(472)	
Earnings/(Losses) per share - basic (Euro)	**5.9**	**0.117**		**0.054**	
Earnings/(Losses) per share - diluted (Euro)	**5.9**	**0.116**		**0.054**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro/000)	Notes	2025	2024
Net profit (loss) for the period (A)		**48,206**	**21,824**
Gains/(Losses) that will not be reclassified subsequently to profit or loss:			
- Remeasurements of post employment benefit obligations	4.23	196	277
- Equity investments at FVOCI – net change in fair value	4.23	(3,992)	-
Total gains/(Losses) that will not be reclassified subsequently to profit or loss:		**(3,796)**	**277**
Gains/(Losses) that will be reclassified subsequently to profit or loss:			
- Gains/(Losses) on cash flow hedges	4.24	46	(317)
- Gains/(Losses) on exchange differences on translating foreign operations	4.23	(54,063)	19,705
Total gains/(losses) that will be reclassified subsequently to profit or loss:		**(54,016)**	**19,388**
Other comprehensive income/(loss), net of tax (B)		**(57,812)**	**19,665**
TOTAL COMPREHENSIVE INCOME/(LOSS) (A)+(B)		**(9,606)**	**41,489**
Attributable to:			
Owners of the parent		(7,735)	41,074
Non-controlling interests		(1,871)	415
TOTAL COMPREHENSIVE INCOME/(LOSS)		**(9,606)**	**41,489**

CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro/000)	Notes	2025	2024
A - Opening net cash and cash equivalents	**4.1**	**47,421**	**74,898**
B - Cash flow from (for) operating activities			
Net profit/(loss) for the period (including minority interests)		48,206	21,824
Depreciation and amortization	4.6 - 4.8	26,438	29,816
Right of Use depreciation IFRS 16	4.7	11,191	10,642
Gains on disposal of subsidiaries	5.5	(9,737)	-
Non-monetary changes related to liabilities for options on non-controlling interests	5.6	(6,459)	(8,613)
Other items		(11,470)	4,334
Interest expenses, net	5.7	3,297	6,505
Interest expenses on lease liabilities IFRS 16	5.7	1,848	1,820
Income tax expenses	5.8	18,752	9,898
Flow from operating activities prior to movements in working capital		**82,065**	**76,225**
(Increase) Decrease in trade receivables		9,988	(5,857)
(Increase) Decrease in inventory, net	4.3	23,001	25,718
Increase (Decrease) in trade payables		(12,766)	(9,545)
(Increase) Decrease in other receivables		(2,732)	(5,794)
Increase (Decrease) in other payables		8,598	9,067
Interest expenses paid		(2,212)	(5,926)
Interest expenses paid on lease liabilities IFRS 16		(1,848)	(1,820)
Income taxes paid		(14,414)	(5,851)
Total (B)		**89,680**	**76,217**
C - Cash flow from (for) investing activities			
Investments in property, plant and equipment	4.6	(8,404)	(11,570)
Net disposals of property, plant and equipment and assets held for sale	4.6	356	94
(Purchase)/Disposal of subsidiaries (net of cash acquired/disposed)	2.3.1	11,880	-
(Acquisition) Disposal of investments	4.10	(24,869)	(250)
Purchase of intangible assets, net of disposals	4.8	(2,522)	(37,139)
Total (C)		**(23,557)**	**(48,865)**

(Euro/000)	Notes	2025	2024
D - Cash flow from (for) financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings	4.13	(30,000)	(32,000)
Repayment of principal portion of lease liabilities IFRS 16		(10,987)	(10,639)
Increase in share capital, net of transaction costs	4.21	689	363
(Purchase)/sale of treasury shares	4.23	(18,000)	(11,794)
Dividends paid	4.23	(286)	(763)
Total (D)		**(58,584)**	**(54,832)**
E - Cash flow for the period (B+C+D)		**7,538**	**(27,480)**
F - Translation exchange differences		(2,814)	3
Total (F)		**(2,814)**	**3**
G - Closing net cash and cash equivalents (A+E+F)	**4.1**	**52,145**	**47,421**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Euro/000)	Share capital	Share premium reserve	Translation diff. reserve	Cash flow hedge reserve	Retained earnings and other reserves	Total	Non-controlling interests	Total equity
Consolidated net equity at January 1, 2025	**384,873**	**27,737**	**110,018**	**(46)**	**(109,512)**	**413,070**	**14,391**	**427,461**
Profit/(Loss) for the period	-	-	-	-	48,639	48,639	(433)	48,206
Other comprehensive income (loss) for the period	-	-	(52,625)	46	(3,796)	(56,374)	(1,438)	(57,812)
Total comprehensive income (loss) for the period	**-**	**-**	**(52,625)**	**46**	**44,844**	**(7,735)**	**(1,871)**	**(9,606)**
Increase in share capital, net of transaction costs	33	656	-	-	-	689	-	689
Sale/(Purchase) of treasury shares					(18,000)	(18,000)	-	(18,000)
Dividends distribution	-	-	-	-	-	-	(286)	(286)
Changes of non-controlling interests of subsidiaries acquired	-	-	-	-	1,638	1,638	(1,638)	-
Net increase in the Reserve for share-based payments	-	-	-	-	1,956	1,956	-	1,956
Changes in other reserves	-	-	-	-	835	835	-	835
Consolidated net equity at December 31, 2025	**384,906**	**28,393**	**57,394**	**-**	**(78,239)**	**392,454**	**10,595**	**403,049**

(Euro/000)	Share capital	Share premium reserve	Translation diff. reserve	Cash flow hedge reserve	Retained earnings and other reserves	Total	Non-controlling interests	Total equity
Consolidated net equity at January 1, 2024	**384,858**	**27,388**	**91,200**	**271**	**(124,517)**	**379,200**	**16,586**	**395,786**
Profit/(Loss) for the period	-	-	-	-	22,296	22,296	(472)	21,824
Other comprehensive income (loss) for the period	-	-	18,818	(317)	277	18,778	887	19,665
Total comprehensive income (loss) for the period	**-**	**-**	**18,818**	**(317)**	**22,573**	**41,074**	**415**	**41,489**
Increase in share capital, net of transaction costs	15	349	-	-	-	363	-	363
Sale/(Purchase) of treasury shares					(11,794)	(11,794)	-	(11,794)
Dividends distribution	-	-	-	-	-	-	(763)	(763)
Changes of non-controlling interests of subsidiaries acquired	-	-	-	-	1,847	1,847	(1,847)	-
Net increase in the Reserve for share-based payments	-	-	-	-	1,564	1,564	-	1,564
Changes in other reserves	-	-	-	-	816	816	-	816
Consolidated net equity at December 31, 2024	**384,873**	**27,737**	**110,018**	**(46)**	**(109,512)**	**413,070**	**14,391**	**427,461**

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1. GENERAL INFORMATION

1.1 GENERAL INFORMATION

Established in 1934 in Italy's Veneto region, Safilo Group is one of the eyewear industry's principal players in the design, manufacturing and distribution of optical frames, sunglasses, sports eyewear, goggles and helmets.

The holding company, Safilo Group S.p.A., is a joint stock company established in Italy on 14 October 2002 registered with the Business and Trade registry of Padua and with the head office in Padua, Settima Strada 15, Italy.

Safilo Group S.p.A. is listed on Euronext Milan of the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A., (code SFL IT0004604762).

Following the Group's financial restructuring, which was completed in the first quarter of 2010 with the share-capital increase, Multibrands Italy B.V. (a subsidiary of HAL Holding N.V.) became the parent company's leading shareholder.

According to IFRS 10 HAL Holding N.V. is deemed to have control over Safilo Group S.p.A. and accordingly is required to consolidate Safilo Group S.p.A. in its financial statements as from 1 January 2014 (even though its ownership interest of HAL Holding N.V. in the company Safilo Group S.p.A. is below 50%). HAL Holding is fully owned by HAL Trust, listed on NYSE Euronext of the Amsterdam Stock Exchange.

These consolidated financial statements are reported in thousands of Euro. The consolidated financial information relates to the period from 1 January 2025 to 31 December 2025 and also presents comparative data related to the financial period from 1 January 2024 to 31 December 2024.

These financial statements were approved by the Board of Directors on 12 March 2026.

The English version of the consolidated financial statements of Safilo Group S.p.A. constitute a non-official version that has been translated from the Italian original solely for the convenience of international readers. The Italian version shall always prevail in case of any discrepancy or inconsistency between Italian version and its English translation. Even if this English version, for the convenience of international readers, contains also the ESEF information as specified in the ESEF regulatory technical standards (Delegated Regulation (EU) 2019/815), the legally required ESEF-format is published and filed in Italian language in accordance to the Law.

The companies included in the consolidation area are listed in paragraph 2.3 "Scope of consolidation and methodology".

2. SUMMARY OF ACCOUNTING PRINCIPLES ADOPTED

2.1 ACCOUNTING POLICIES

The accounting policies described here below have been applied for the preparation of the present report and comply with those adopted for the financial report as of 31 December 2024. The new amendments and accounting standards, described below, have not had any significant impacts on this report. The consolidated financial statements are based on the going concern assumption, despite a context still characterized by considerable uncertainty, the Group, taking into account its financial solidity, the actions undertaken to mitigate risks and its business model, believes that there are no elements that may rise any uncertainty on the going concern assumption, in accordance with paragraph 25 of IAS 1.

The consolidated financial statements for the year ended 31 December 2025 and 31 December 2024 were prepared in accordance with IFRSs issued by the International Accounting Standard Board ("IASB") and endorsed by the European Commission, as well as with the measures enacted to implement article 9 of Legislative Decree no. 38/2005. IFRSs include also all the interpretations of the International Financial Reporting Interpretations Commitee ("IFRIC"), previously called Standing Interpretations Commitee ("SIC").

The consolidated financial statements were prepared in accordance with "cost" criteria with the exception of some financial assets and liabilities, including derivative instruments, for which the "fair value" criterion was adopted.

Preparation of the annual report in accordance with IFRSs requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and explanatory notes. Actual results may differ from these estimates. The areas of the financial statements that are most affected by such estimates and assumptions are listed in section 2.21 "Use of estimates".

Accounting standards, amendments and interpretations effective as of 1 January 2025

In preparing these consolidated financial statements the same accounting principles and criteria of the consolidated financial statements as at 31 December 2024 have been applied.

Furthermore, the Group has adopted the following new standards and amendments, effective from 1 January 2025:

- on 15 August 2023 the IASB published amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

The Group has complied with the above new amendments in preparing this report, their application had no significant impact on the Group consolidated financial statements.

Accounting standards, amendments and interpretations issued and endorsed by the European Union but not effective for the reported period and not early adopted by the Group

At the date of this report the following amendments have been endorsed by the European Union applicable to the Group and effective for annual periods beginning on or after 1 January 2026 that have not been early adopted by the Group in preparing this report:

- on 30 May 2024, the IASB issued the amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7);
- on 18 July 2024, the IASB issued the Annual Improvements Volume 11;
- on 18 December 2024 the IASB issued the amendment to IFRS 9 and IFRS 7 on the Contracts Referencing Nature-dependent Electricity.

The Group will comply with these new standards and amendments based on their relevant effective dates and their application is not expected to have any material impact on the Group consolidated financial statements.

Accounting standards, amendments and interpretations not yet completed and endorsed by the European Union

In addition, the European Union has not yet completed its endorsement process for the following standards and amendments at the date of this report:

- on 9 May 2024 the IASB published the new Standard IFRS 19 Subsidiaries without Public Accountability: Disclosures;
- on 9 April 2024 the IASB published the new Standard IFRS 18 Presentation and Disclosure in Financial Statements;
- on 13 November 2025 the IASB published the amendments to IAS 21 regarding the translation of financial statements presented in a hyperinflationary currency.

Subject to endorsement by the European Union, the above new standards and amendments, will be mandatorily applicable starting 1 January 2027.

The Group will comply with these new standards and amendments based on their relevant effective dates when endorsed by the European Union. Their application is not expected to have a significant impact on the Group's consolidated financial statements, except for IFRS 18, which will require a change in the statement of profit or loss presentation, its relevant subtotals and the disclosures regarding management performance measures. The Group will evaluate the related effects during the upcoming months.

2.2 FORMAT OF FINANCIAL STATEMENTS

Safilo presents the income statement by function (so-called "cost of sales"). This is considered to be more representative with respect to presentation by type of expenses, as it conforms more closely to the internal reporting and business model and is in line with international practice in the eyewear sector.

For the balance sheet, a distinction is made in the assets and liabilities between current and non-current as described in paragraphs 60 and following of IAS 1. The indirect method for the cash flow statement was used. Therefore, the net profit of the period is adjusted by the effects of non-monetary transactions, changes in working capital and cash flows from investing and financing activities.

In compliance with paragraph 85 of IAS 1 some dedicated items have been introduced on the face of the balance sheet and on the income statement to separately disclose the balances related to the financial liability for the options on non-controlling interests of some investments and its related fair value changes to profit and loss:

- "Liabilities for options on non-controlling interests" in the sections "Current and Non current liabilities" of the statement of the financial position;
- "Gains/(losses) on liabilities for options on non-controlling interests" in the section related to the "Financial income/(charges)" of the income statement;
- "Non-monetary changes related to liabilities for options on non-controlling interests" in the statement of cash flows.

2.3 CONSOLIDATION METHOD AND CONSOLIDATION AREA

The Group's consolidated financial statements as of 31 December 2025 include the parent company, Safilo Group S.p.A., and 38 subsidiaries accounted for on a line-by-line basis, with the parent company holding, directly or indirectly, the majority of voting rights.

During the period the Group's consolidation area changed as follows:

- on 25 April 2025 the deregistration of the company Safint Optical Investment Limited Inc. has been finalised;
- the company Lenti S.r.l. has been sold effective from 1° June 2025;
- on 31 July 2025 the Group has exercised the third and last tranche of its put and call option increasing its controlling stake in Privè Goods LLC from 94,375% to 100%. The companies Prive Goods LLC and Prive Capsule LLC have been merged into Safilo Usa Inc. effective from 1° December 2025.

At 31 December 2025 the direct and indirect holdings included in the scope of consolidation under the line-by-line method, in addition to the parent company Safilo Group S.p.A., were the following:

	Currency	Share capital	% interest held
ITALIAN COMPANIES			
Safilo S.p.A. – Padua	EUR	66,176,000	100.0
Safilo Industrial S.r.l. – Padua	EUR	41,634,703	100.0
FOREIGN COMPANIES			
Safilo Benelux S.A. – Zaventem (B)	EUR	560,000	100.0
Safilo Espana S.L. - Madrid (E)	EUR	3,896,370	100.0
Safilo France S.a.r.l. – Paris (F)	EUR	960,000	100.0
Safilo GmbH – Cologne (D)	EUR	511,300	100.0
Safilo Nordic AB – Taby (S)	SEK	500,000	100.0
Safilo CIS - LLC – Moscow (Russia)	RUB	10,000,000	100.0
Safilo Far East Ltd. - Hong Kong (RC)	HKD	49,700,000	100.0
Safilo Hong-Kong Ltd – Hong Kong (RC)	HKD	100,000	100.0
Safilo Singapore Pte Ltd – Singapore (SGP)	SGD	400,000	100.0
Safilo Optical Sdn Bhd – Kuala Lumpur (MAL)	MYR	100,000	100.0
Safilo Eyewear (Shanghai) Co Ltd – (RC)	CNY	1,000,000	100.0
Safilo Eyewear (Suzhou) Industries Limited - (RC)	CNY	129,704,740	100.0
Safilo Hellas Ottica S.a. – Athens (GR)	EUR	489,990	100.0
Safilo Nederland B.V. – Bilthoven (NL)	EUR	18,200	100.0
Safilo South Africa (Pty) Ltd. – Bryanston (ZA)	ZAR	3,583	100.0
Safilo Austria GmbH – Wien (A)	EUR	217,582	100.0
Safilo Japan Co Ltd – Tokyo (J)	JPY	100,000,000	100.0
Safilo Do Brasil Ltda – Sao Paulo (BR)	BRL	197,135,000	100.0
Safilo Portugal Lda – Lisbon (P)	EUR	500,000	100.0

	Currency	Share capital	% interest held
Safilo Switzerland AG – Zurich (CH)	CHF	1,000,000	100.0
Safilo Polska sp. z.o.o. - Warsaw (PL)	PLN	50,000	100.0
Safilo India Pvt. Ltd - Bombay (IND)	INR	42,000,000	100.0
Safilo Australia Pty Ltd.- Sydney (AUS)	AUD	3,000,000	100.0
Safilo UK Ltd. - London (GB)	GBP	250	100.0
Safilo America Inc. - Delaware (USA)	USD	8,419	100.0
Safilo USA Inc. - New Jersey (USA)	USD	23,289	100.0
Safilo Services LLC - New Jersey (USA)	USD	-	100.0
Smith Sport Optics Inc. - Idaho (USA)	USD	12,087	100.0
Solstice Marketing Corp. – Delaware (USA)	USD	1,000	100.0
Safilo de Mexico S.A. de C.V. - Distrito Federal (MEX)	MXP	10,035,575	100.0
Safilo Canada Inc. - Montreal (CAN)	CAD	100,000	100.0
Canam Sport Eyewear Inc. - Montreal (CAN)	CAD	199,975	100.0
Safilo Optik Ticaret Limited Şirketi - Istanbul (TR)	TRL	1,516,000	100.0
Safilo Middle East FZE - Dubai (UAE)	AED	3,570,000	100.0
Blenders Eyewear LLC - Delaware (USA)	USD	1,000	80.0
PorSa Eyewear (Xiamen) Co Ltd.- (RC)	CNY	1,000,000	100.0

2.3.1 SUBSIDIARIES DISPOSALS

On 29 May 2025 the Group finalized the disposal of the subsidiary Lenti S.r.l., a manufacturer of lenses for sunglasses and non-eyewear related products, with effective date 1 June 2025.

The total amount of the net assets sold of the subsidiary was equal to 3,104 thousand Euro (including 750 thousand Euro of Group goodwill allocated to the disposed business) for a consideration of 12,841 thousand Euro.

The transaction had a positive impact on the Group operating result of 9,737 thousand Euro reported as a gain on disposal of subsidiary in the item 5.5 "Other operating income/(expenses)".

(Euro/000)	Net assets disposed	Allocated goodwill	Total
Total carrying amount of net assets disposed	**2,354**	**750**	**3,104**
Cash consideration for the disposal			12,841
GAIN ON DISPOSAL OF SUBSIDIARY			**9,737**

The net cash inflow related to the disposal was equal to 11,880 thousand Euro, corresponding to the consideration received netted of the subsidiary cash disposed, equal to 961 thousand Euro.

Investments in subsidiaries

The companies in which the Group exercises control ("subsidiary companies"), as defined in IFRS 10, either due to direct shareholdings or by indirectly holding the majority of the voting rights, having the power to determine even indirectly the financial and managerial choices of the companies and thus obtaining the relative benefits regardless of the relationships deriving from the share ownership, are consolidated using the line-by-line method. Potential exercisable voting rights existing at the balance sheet date are considered in order to determine control. The subsidiary companies are consolidated from the date on which control is assumed and are deconsolidated from the date when control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is measured as the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statement of income.

With regards to the accounting for transactions and events that result in a change in the Group's interest in its subsidiaries and the attribution of a subsidiary's losses to non-controlling interests, IAS 27 (revised 2008) specifies that once control has been obtained, further transactions whereby the parent entity acquires additional equity interests from non-controlling interests, or disposes of equity interests without losing control are transactions with owners and therefore shall be accounted for as equity transactions. It follows that the carrying amounts of the controlling and non-controlling interests must be adjusted to reflect the changes in their relative interests in the subsidiary and any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent. There is no consequential adjustment to the carrying amount of goodwill and no gain or loss is recognized in profit or loss.

Upon consolidation, the amounts resulting from intra-group operations between consolidated companies are eliminated, in particular in relation to receivables and payables at the balance sheet date, costs and revenues as well as financial income and charges. In addition, gains and losses between the subsidiary companies that are fully consolidated are also eliminated.

The accounting principles adopted by the subsidiary companies have been modified where necessary, to comply with those adopted by the parent company.

Non-controlling interests and the amount of net profit attributable to them are shown separately under "Non-controlling interests" and "Profit for the period attributable to non-controlling interests" in the consolidated balance sheet and income statement, respectively.

All consolidated subsidiaries close their fiscal year on December 31, with the exception of Safilo India Pvt Ltd. which closes its financial year on 31 March. With reference to the requirements of article 15 of the Market Regulation all these companies have suitable accounting and reporting systems for preparing economic and financial statements and for regularly providing managements and audit bodies all the financial informations needed by the Parent Company to prepare the consolidated financial statements as of December 31 and perform the audit of the accounts.

Investments in associated companies

The holdings in companies/entities in which a significant influence is exercised ("associated companies"), that is presumed to exist when the percentage held is between 20% and 50%, are valued under the "equity"

method. Due to the application of the equity method, the value of the investment is aligned to the shareholders' equity that is adjusted, where necessary, to reflect the application of the IFRS approved by the European Commission and includes the recording of any goodwill identified at the moment of acquisition. The share of gains/losses realized by the associated companies after the acquisition is recorded on the income statement, while the share of movements of reserves after the acquisition is recorded in the equity reserves. When the share of losses of the Group in an associated company is equal to or exceeds its holding in the associated company, taking into account all receivables not guaranteed, the value of the investment is fully written down and the Group does not record further losses above its share, except where the Group has the obligation to cover these losses. Gains and losses not realized that are generated on operations with associated companies are eliminated for the part pertaining to the Group.

Investments in other companies

Equity investments in entities in which the Group does not have either control or significant influence, are originally recorded at cost. After initial recognition, the investments are measured at fair value. Gains and losses deriving from changes in fair value are recognized through other comprehensive income (OCI) in the period in which they occur. Amounts presented in other comprehensive income will not subsequently be transferred to the statement of profit or loss.

2.4 SEGMENT INFORMATION

Information according to business sector and geographic area is given pursuant to IFRS 8 – Operating Segments.

The criteria applied for identifying the operating sector are inspired by the methods through which management, at the highest decision-making level, manages the Group and reviews the operating results for the purposes of adopting decisions regarding the resources to be allocated and evaluating of the results themselves. Following the sale of the Group's residual retail business during 2019, information by business sector is provided at the level of the Group as a whole.

The grouping by geographic area depends on the location of the registered head office of each Group company, therefore, the sales identified in accordance with this segmentation are determined by origin of invoicing and not by target market.

2.5 CONVERSION OF FINANCIAL STATEMENTS AND TRANSACTIONS INTO CURRENCIES OTHER THAN EURO

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing on the date of the transaction. Exchange rate gains and losses resulting from such transactions and from the translation of assets and liabilities in foreign currencies at the exchange rates at end of the year are accounted for in the income statement.

The rules for the conversion of financial statements of companies expressed in currencies different from the Euro are the following:

- assets and liabilities are converted using the exchange rates prevailing on the balance sheet date;
- costs, revenues, income and charges are converted at the average exchange rate of the period;
- the "translation difference reserve" includes foreign exchange differences generated from the conversion of the opening shareholders' equity and the movements during the year at a rate different from that at the end of the year;

- the goodwill and fair value adjustments related to the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate at the end of the period.

The exchange rates applied in the conversion of financial statements prepared in currencies other than Euro at 31 December 2025 and 31 December 2024 are detailed in the following table; appreciation (figures with a minus sign in the table below) indicates an increase in the value of the currency against the Euro.

Currency		As of		(Apprec.)/ Deprec.	Average for		(Apprec.)/ Deprec.
	Code	December 31, 2025	December 31, 2024	%	2025	2024	%
US Dollar	USD	1.1750	1.0389	13.1%	1.1300	1.0824	4.4%
Hong-Kong Dollar	HKD	9.1464	8.0686	13.4%	8.8104	8.4454	4.3%
Swiss Franc	CHF	0.9314	0.9412	-1.0%	0.9370	0.9526	-1.6%
Canadian Dollar	CAD	1.6088	1.4948	7.6%	1.5787	1.4821	6.5%
Japanese Yen	YEN	184.0900	163.0600	12.9%	169.0435	163.8519	3.2%
British Pound	GBP	0.8726	0.8292	5.2%	0.8568	0.8466	1.2%
Swedish Krown	SEK	10.8215	11.4590	-5.6%	11.0663	11.4325	-3.2%
Australian Dollar	AUD	1.7581	1.6772	4.8%	1.7518	1.6397	6.8%
South-African Rand	ZAR	19.4439	19.6188	-0.9%	20.1789	19.8297	1.8%
Russian Ruble	RUB	92.8517	118.0092	-21.3%	94.3653	100.4253	-6.0%
Brasilian Real	BRL	6.4364	6.4253	0.2%	6.3072	5.8283	8.2%
Indian Rupee	INR	105.5965	88.9335	18.7%	98.5239	90.5563	8.8%
Singapore Dollar	SGD	1.5105	1.4164	6.6%	1.4756	1.4458	2.1%
Malaysian Ringgit	MYR	4.7682	4.6454	2.6%	4.8339	4.9503	-2.4%
Chinese Renminbi	CNY	8.2262	7.5833	8.5%	8.1185	7.7875	4.3%
Mexican Peso	MXN	21.1180	21.5504	-2.0%	21.6705	19.8314	9.3%
Turkish Lira	TRY	50.4838	36.7372	37.4%	44.8161	35.5734	26.0%
Dirham UAE	AED	4.3152	3.8154	13.1%	4.1499	3.9750	4.4%
Polish Zloty	PLN	4.2210	4.2750	-1.3%	4.2397	4.3058	-1.5%

2.6 TANGIBLE ASSETS

Tangible fixed assets are assessed at purchase or production cost, net of accumulated depreciation and of any possible loss in value. The cost includes all charges directly incurred in bringing assets to their current location and condition. Costs incurred after purchase of assets are recorded only if they increase the future economic benefits of the asset they refer to.

Charges incurred for the maintenance and repairs of ordinary and/or cyclical nature are directly charged to the income statement of the period in which the costs are incurred. The capitalization of costs relating to the expansion, modernization or improvement of proprietary structural assets or of those used by third parties, is made only when they satisfy the requirements to be separately classified as an asset or part of an asset. The book value is adjusted for depreciation on a systematic basis, over the useful life.

Capitalized costs for leasehold improvements are attributed to the category of the assets they refer to and are depreciated over the shorter of either the remaining duration of the rental contract or the remaining useful lifetime of the assets improved.

When circumstances indicate that there may be a permanent impairment in value, an estimate is made of the recoverable amount of the asset, and any loss is recorded in the income statement. When the reasons for the previously recognized impairment no longer exist, the book value of the asset is restated through profit or loss, up to the value at which the asset would have been recognized in the absence of impairment and net of amortization.

Depreciation of tangible assets is calculated on a straight-line basis over the estimated useful lifetime of the asset, in accordance with the following depreciation rates:

Category	Useful lifetime in years
Buildings	15-40
Plant, machinery and equipment	3-15
Furniture, office equipment and vehicles	3-8

Land is not depreciated.

When the asset to be depreciated is composed of separately identifiable elements whose useful lifetime differs significantly from that of the other parts of the asset, the depreciation is made separately for each part of the asset, with the application of the "component approach" principle.

The remaining value of the assets and their useful lifetime are reviewed at the end of each financial year. The capital gains or losses from the sale of the fixed assets are posted to the income statement and valued as the difference between the sale proceeds and the net book value.

2.7 RIGHT OF USE

Assets held through lease contracts (both finance and operating) are recognized according to the IFRS 16 standard, which provide a definition of leases based on the control (right of use) of an asset considering: identification of the asset, right to replace it, right to obtain all economic benefits and the right to manage the use of the asset. The standard establishes a model to recognize and measure lease contracts for the lessee through the posting of the asset (also in operating leases) offset by a financial debt. Assets held through lease contracts, are recognized as assets of the Group at the present value of their contractual lease payments. The corresponding liability due to the lessor is recorded on the financial statements under financial debts. The assets are depreciated over the duration of the lease contract.

The Group has elected to apply the exemptions stated by the Standard that allow to keep leases off balance if they have an initial contractual duration of less than or equal to 12 months (IFRS16.5-a) or if they refer to a low-value asset (IFRS16.5-b), according to these exemptions these contracts are still recorded as lease and rent expenses on a straight-line basis in the income statement over the duration of the lease contract.

Management considered the clarifications included in the "IFRIC Agenda Decision" of November 2019 relating to the determination of the lease term. In particular, it was considered that:

- the buildings in which the manufacturing plants are located are all owned by the Group;
- the contracts for the properties in which the main office locations and logistic centers are located were recently signed and have a residual duration which is still significant;
- the contracts relating to the properties in which the office locations of lesser importance are located have characteristics for which their abandonment would not entail a "more than insignificant penalty".

These considerations led to the confirmation of the lease terms previously identified on the basis of the remaining contractual durations.

2.8 INTANGIBLE ASSETS

Intangible assets consist of clearly identifiable non-monetary assets, without any physical substance and capable of generating future economic benefits. These assets are recognized at purchase and/or production cost, including the costs of bringing the asset to its current use, net of accumulated amortization and any impairment. Amortization begins when the asset is available for use and is allocated in equal instalments over the course of its useful life.

When circumstances indicate that there may be an impairment loss, an estimate is made of the recoverable amount of the asset, and any impairment is recognized through the income statement. When the reasons for the previously recognized impairment no longer exist, the book value of the asset is restated through the income statement, up to the value at which the asset would have been recognized in the absence of impairment and net of amortization, except for the goodwill.

Goodwill

Goodwill is measured as the excess of the aggregate of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain. Non-controlling interest is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The selection of the measurement method is made on a transaction-by transaction basis. Goodwill is not amortised but is tested for impairment at least once a year or whenever there are any impairment indicators. After initial recognition, goodwill is valued at cost, net of any accumulated impairment. An impairment loss with respect to goodwill may not be reversed.

When a company or a business unit previously purchased is sold and that acquisition led to goodwill, in measuring the gain or loss on the sale, consideration is given to the corresponding residual value of goodwill.

Goodwill and fair value adjustments generated from the acquisition of a foreign company are recorded in the relative foreign currencies and are converted at the exchange rate at the end of the period.

Trademarks and licenses

Trademarks are recorded at cost. They have a definite useful lifetime and are recorded at cost net of any accumulated amortization. Amortization is calculated on a straight-line basis allocating the cost of trademarks over the relative useful lifetime generally between 15 and 20 years, determined on the basis of independent analyzes and market benchmarks. The useful life and residual value are reviewed at each end of the period. If necessary, the occurrence of changes in the useful life or residual value is recognized prospectively as a change in accounting estimates.

The item includes also the perpetual license for the use of David Beckham Eyewear trademark, the related right of use is considered to have a definite useful lifetime and is amortised in line with other proprietary brands.

Software

All software licenses purchased are capitalized on the basis of the costs incurred for their acquisition and in bringing them to their current condition. Amortization is calculated on a straight-line basis over their estimated useful lifetime (between 3 to 5 years). The costs associated with the development and maintenance of software programs are posted to the income statement of the period in which they were incurred. The costs directly associated with the production of unique and identifiable software products controlled by the Group are recorded as intangible fixed assets on the balance sheet only if the following conditions are respected: the costs can be reliably calculated, the Group has the technical and financial resources to complete the products and intends to conclude such activities, the technical feasibility of the products is guaranteed and the use of the products will generate probable future economic benefits for more than one year. Direct costs include costs relating to employees developing the software as well as any appropriate share of general costs.

Software as a service (SaaS) arrangements

Following the IFRIC's agenda decision guidance published in April 2021 related to the capitalization of costs of configuring or customizing software applications under 'Software as a Service' (SaaS) arrangements, the Group, starting from the 2021 Annual Report, has changed its accounting policy related to the capitalization of these costs. For those software as a service arrangements (Saas) where the Group does not have control of the developed software, the costs of configuring or customizing software applications under SaaS are not capitalized as intangible assets but posted to income statement in the operating expenses.

2.9 IMPAIRMENT OF NON FINANCIAL ASSETS

Assets with an indefinite useful life are not subject to amortization but undergo an impairment test at least on an annual basis to monitor whether their book value has been reduced.

Assets subject to amortization undergo impairment tests when events or circumstances arise that indicate that the book value cannot be recovered. In both cases any loss in value is posted for the share of book value exceeding the recoverable value. This value is the higher of either the fair value of the asset net of the costs for sale or its value for use. If the value in use of an asset cannot be established individually, the recoverable value of the unit that generates cash flows (so-called "cash generating unit" or CGU) to which the asset belongs must be established.

Assets are grouped at the level of the cash generating units (CGU) that are the base for interpreting the Group performance. The Group then discounts to present value the future estimated cash flows generated by these CGUs by applying a discount rate that reflects the current time value for money and the specific risks associated with the business.

When a loss on an asset, other than goodwill, no longer exists or is reduced, the book value of the asset or cash-generating unit is increased to the new estimated recoverable value, which cannot exceed the value that would have been established if there had been no loss due to reduction in value.

A reversal of loss in value is calculated according to the revaluation model and recorded in the income statement in accordance with the provisions of IAS 16.

2.10 FINANCIAL INSTRUMENTS

All the financial assets recognized that fall within the scope of application of IFRS 9 must subsequently be recognized at amortized cost or at fair value on the basis of the entity's business model for the management of financial assets and characteristics relating to contractual cash flows of the financial activity.

Specifically:

- Debt instruments held in the context of a business model whose objective is the possession of financial assets aimed at collecting contractual cash flows, and which have cash flows represented solely by capital payments and interest on the principal amount to be returned, are subsequently valued at amortized cost;
- Debt instruments held in the context of a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of financial assets, and which have cash flows represented solely by capital payments and interest on amount of the capital to be repaid, are subsequently measured at fair value with changes recorded in the other components of the comprehensive income statement (FVTOCI);
- All other debt instruments, including the liability for options on non-controlling interests, and investments in equity instruments are subsequently measured at fair value, with changes recognized in profit (loss) for the year (FVTPL).

Notwithstanding the foregoing, the Group may make the following irrevocable selection/designation upon initial recognition of a financial asset:

- The Group may make an irrevocable choice to present subsequent changes in the fair value of an investment in equity instruments that are neither held for trading nor a potential consideration recognized by a purchaser in a business combination transaction in the other components of the comprehensive income statement;
- The Group may irrevocably designate an investment in debt instruments that meets the amortized cost or FVTOCI criteria as measured at fair value, with changes recognized in profit (loss) for the year (FVTPL) if this eliminates or reduces significantly an accounting asymmetry.

During the current year, the Group has not designated any investments in debt instruments that meet the amortized cost or FVTOCI criteria as measured at fair value recorded in profit (loss) for the year.

When an investment in a debt instrument measured as FVTOCI is eliminated, the cumulative gain (loss) previously recognized under the other components of the comprehensive income statement is reclassified from equity to profit (loss) for the year through a correction from reclassification. On the other hand, when an investment in a representative instrument of capital designated as valued FVTOCI is eliminated, the cumulative gain (loss) previously recognized among the other components of the comprehensive income statement is subsequently transferred to retained earnings without passing through the income statement. Debt instruments subsequently valued at amortized cost or FVTOCI are subject to impairment.

IFRS 9 introduced the classification and measurement of financial liabilities with reference to the recognition of fair value changes attributable to changes in the credit risk of the issuer, for financial liabilities designated by the Group as FVTPL. In particular, IFRS 9 requires that changes in the fair value of financial liabilities that are attributable to changes in the credit risk of these liabilities are presented in the other components of the comprehensive income statement, unless the recognition in the other components of the comprehensive income statement do not originate or increase an accounting asymmetry in profit (loss) for the year. Changes in fair value attributable to the credit risk of a financial liability are not subsequently reclassified to profit (loss) for the year but are instead transferred to retained earnings when the liability is de-recognized.

Borrowings are initially recognized at fair value less any transaction costs. After initial recognition, they are recognized at amortized cost; all differences between the amount financed (net of initial transaction costs) and the face value are recognized in profit or loss over the duration of the loan using the effective interest method. If there is a significant variation in the expected cash flow that can be reliably estimated by management, the value of the loans is recalculated to reflect the expected change in the cash flow. The value of the loans is recalculated on the basis of the discounted value of the new expected cash flow and the internal rate of return.

Borrowings are classified under current liabilities unless the company has an unconditional right to defer the payment for at least twelve months after the balance sheet date, and are removed from the balance sheet when they expire and the Group has transferred all risks and obligations relating to the instrument.

Derivative instruments

All derivative financial instruments are measured at fair value, in accordance with IFRS 9. When the financial instruments possess the characteristics required to be recorded according to hedge accounting, the following accounting procedures are applied:

- *Fair value hedge* – if a derivative financial instrument is designated as a hedge for the exposure of changes in the current value of an asset or liability on the financial statements attributable to a specific risk that can determine effects on the income statement, the profit or loss after the initial valuation of the fair value of the hedge instruments is recognized in the income statement. The profit or loss on the hedged item, related to the hedged risk, changes the book value of that item and is recognized in the income statement.
- *Cash flow hedge* – if a derivative financial instrument is designated as a hedge for the exposure of changes in the cash flows of an asset or liability recorded on the financial statements or of an operation considered highly probable and which may have effects on the income statement, the effective portion of the profits or losses of the financial instrument is recognized in an equity reserve. The cumulative profits or losses are reversed from equity and recorded in the income statement in the same period as the operation that is hedged. The profits or losses associated with a hedge or with that part of the hedge that has become ineffective, are immediately recorded in the income statement. If a hedge instrument or a relation of a hedge is closed, but the hedged operation has not yet been realized, the cumulative profits and losses, up to that moment recorded in equity, are recognized in the income statement when the relative operation is realized. If the operation hedged is no longer considered probable, the profits or losses not yet realized in equity are recognized immediately in the income statement.

IFRS 9 requires that the expenses and income deriving from hedges are recognized as an adjustment to the initial carrying amount of the non-financial elements hedged (basis adjustment). In addition, transfers from the hedging reserve to the initial carrying amount of the hedged item are not reclassified adjustments based on IAS 1 Presentation of Financial Statements. The hedging income and losses subject to the basis adjustment are categorized as amounts that will not subsequently be reclassified to profit or loss or to the other elements of the comprehensive income statement. This is consistent with the practice of the Group prior to the adoption of IFRS 9.

In line with previous years, when a forward contract is used in a cash flow hedge or fair value hedge relationship, the Group has designated the change in fair value of the entire forward contract, including the forward points, as a hedging instrument.

When option contracts are used to hedge highly probable scheduled transactions, the Group only designates the intrinsic value of the options as a hedging instrument. Based on IFRS 9, changes in the time value of options relating to the hedged item are recognized in the other elements of the comprehensive income statement and are accumulated in the equity reserve. The amounts accumulated in equity are either reclassified to profit or loss for the period when the hedged item influences the profit (loss) for the period or removed directly from equity and included in the carrying amount of the non-financial item. IFRS 9 requires that the accounting treatment related to the unspecified time value of an option be applied retrospectively.

If hedge accounting cannot be applied, the profits or losses deriving from the fair value of the derivative financial instruments are immediately recognized in the income statement.

2.11 INVENTORY

Inventories are measured at the lower of either the purchase or production cost and the net realizable value. The cost of raw materials and purchased finished products is calculated using the "weighted average cost" method or the standard cost where it approximates actual cost. The cost of semi-finished products and internally produced finished products includes raw material, direct labor costs and the indirect costs allocated based on normal production capacity.

The net realizable value is determined on the basis of the estimated selling price under normal market conditions, net of direct sales costs. Allowances for obsolete and slow-moving goods are calculated for raw materials and semi-finished products on the base of their future use in the production process and for finished goods on the base of their future recoverability through the sale, taking into account market trends, consumer demand, past experience, historical results achieved and the recoverability of the goods value in ordinary market conditions. Against the value of stock as determined above, provisions are made in order to take account of obsolete or slow-moving stock.

2.12 TRADE RECEIVABLES AND TRADE PAYABLES

Trade receivables are initially classified on the financial statements at their current value and subsequently recalculated with the "amortized cost" method, net of any write-downs for loss in value. A provision for doubtful accounts is allocated when there is evidence that the Group may not succeed in collecting the original amount due. The provisions allocated for doubtful accounts are recorded in the income statement. Trade receivables are reviewed and assessed for impairment based on the model of expected losses using reasonable and supportable available information in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognized. According to the analysis performed, in consideration of the Group's business characteristics and the evaluation of the trading policies currently in use the Group accrues an additional credit loss allowance that covers the potential additional credit risk expected on the amount overdue and not impaired and on the amount not overdue.

The Group from time to time also transfers some trade receivables to factoring companies. In case such receivables represent legally sold credit, that do not comply with all the conditions of IFRS 9, they are not removed from the balance sheet, but are maintained on the financial statement with a contra entry as a financial debt towards the factoring company.

Trade payables are initially classified on the financial statements at their current value and subsequently recalculated with the "amortized cost" method. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

2.13 CASH IN HAND AND AT BANK

Cash and cash equivalents include cash, bank deposits on demand and other highly liquid short-term investments available within three months. Bank overdrafts are posted under current liabilities.

2.14 EMPLOYEE BENEFITS

Pension plans

The Group recognizes different forms of defined benefit plans and defined contribution plans, in line with the local conditions and practices in the countries in which it carries out its activities. The premiums paid for defined contribution plans are recorded in the income statement for the part matured in the year. The defined benefit plans are based on the working life of the employees and on the remuneration received by the employee during a predetermined period of employment.

The obligation of the company to finance the defined benefit plans and the annual cost recognized in the income statement are determined by independent consultants using the "projected unit credit" method. The related costs are recorded in the income statement on the basis of the estimated employment period of employees. The Group recognises all the actuarial gains and losses in equity, via the consolidated statement of comprehensive income, in the year in which these arise.

The employee severance fund of Italian companies ("TFR") has always been considered to be a defined benefit plan however, following the changes to the discipline that governs the employment severance fund introduced by Italian law no. 296 of 27th December 2006 ("Financial Law 2007") and subsequent Decrees and Regulations issued in the first months of 2007, Safilo Group, on the basis of the generally agreed interpretations, has decided that:

- the portion of the employee benefit liability accruing from 1st January 2007, whether transferred to selected pension funds or transferred to the treasury account established with INPS, must be classified as a "defined contribution plan";
- the portion of the employee benefit liability accruing as of 31 December 2006, must be classified as a "defined benefit plan" requiring actuarial valuations that exclude future increases in salaries.

For an analysis of the accounting effects deriving from this decision, see paragraph 4.18 "Employees benefits".

Remuneration plans under the form of share capital participation

The Group recognizes additional benefits to some employees through "equity settled" type stock options. In accordance with IFRS 2 - Share-based payments, the current value of the stock options determined at the vesting date through the application of the "Black & Scholes" method is recognized in the income statement under personnel costs in constant quotas over the period between the vesting date of the stock options and the maturity date, counterbalanced by an equity reserve.

The effects of the vesting conditions not related to the market are not taken into consideration in the fair value of the vested options but are material to measurement of the number of options which are expected to be exercised.

At the balance sheet date the Group revises its estimates on the number of options which are expected to be exercised. The impact of the revision of the original estimates is recognized in profit or loss over the maturity period, with a balance entry in equity reserves.

When the stock option is exercised, the amounts received by the employee, net of the costs directly attributable to the transaction, are credited to share capital for an amount equal to the par value of the issued shares and to the share premium reserve for the remaining part.

2.15 PROVISIONS FOR RISKS

The Group records provisions for risks and charges when:

- it has a legal or constructive obligation to third parties;
- it is probable that it will be necessary to use resources of the Group to settle the obligation;
- a reliable estimate of the amount can be made;
- changes in estimates are recorded in the income statement of the period in which the changes occur.

The item includes also the product warranty provision to cover the estimated cost of product warranties. Management establishes the amount of this provision on the basis of past trends relating to the frequency and average cost of under-warranty repairs and replacement in accordance with the law. These warranties are standard warranties on quality defectives in accordance with the law.

2.16 LIABILITIES FOR OPTIONS ON NON CONTROLLING INTERESTS

Pursuant to the contractual terms, the non-controlling interests held by the minority equity holders of the subsidiaries Privé Goods LLC and Blenders Eyewear LLC are subject to customary reciprocal put and call options. More specifically, the put and call options for:

- Privé Goods LLC may be exercised in each of the years 2023 and 2024 for one third of the minority interests and in 2025 for the remaining portion, at a price calculated as a function of a specific multiple applicable to the value of the EBITDA of the company achieved in the fiscal year preceding that of exercise of the relative option and adjusted to take into account the net financial position of the Company. On 2023 and 2024, the Group exercised respectively the first and the second tranche of the option. In 2025 the Group has exercised also the third and last tranche of the option acquiring the 100% controlling stake of the Company;
- Blenders Eyewear LLC the put and call options originally may be exercised in each of the years 2023 and 2024 for one third of the minority interests and in 2025 for the remaining portion, at a price calculated as a function of a specific multiple applicable to the value of the arithmetic average of the EBITDA of the company achieved over the last two consecutive fiscal years preceding that of exercise of the relative option and adjusted to take into account the net financial position of the company. In March 2023, the Group agreed an extension of the second and third tranche of the put and call options on the non-controlling interest in Blenders, from 2024 and 2025 to 2026 and 2027 respectively. On 1 August 2023, the Group exercised the first tranche of the option on 10% of the minority shareholdings.

These options generated liabilities for options on non-controlling interest in the Group consolidated financial statements at the acquisition date valued at their fair value using a discounted cash-flow approach based on the business plans underlying the acquisitions. The value of the liabilities is regularly updated on the basis of updated business plans, any liability fair value change is reported in the financial item "Gains/(losses) for options on non-controlling interests" in the income statement.

At 31 December 2025 the item "liabilities for options on non-controlling interests" is related to the second and third options on the 20% of the minority shareholdings of Blenders Eyewear LLC that will be exercised respectively in 2026 and 2027.

2.17 REVENUE RECOGNITION

The Group's primary revenue segment is the selling of eyewear products in the wholesale channel through its subsidiary network and a network of independent distribution partners. Moreover, for certain brands in its portfolio the Group sells its eyewear products directly to its customers through its online sales channel, mainly in the North America market.

Revenues include the fair value of the sale of goods and services, less VAT, returns and discounts. In particular, the Group recognizes the revenues when the control over goods sold is transferred to the customer, assumed at the shipment date, in accordance with the sales terms agreed.

According to the standard contractual conditions applied by the Group, customers may have a right of return. If the sale includes the right for the client to return unsold goods, at the time of sale, a liability is recognized and a corresponding adjustment of revenues for the goods whose return is estimated. The Group recognised expected returns from sales of products by reducing revenue and recognised the cost relating to these returns by reducing cost of sales. In accordance with IFRS 15, the Group recognises the amount corresponding to the sales value of expected returns in the item Trade Payables and the amount corresponding to the cost of the products in the item Inventory.

Based on historical experience and specific knowledge of customers, the Group estimates the amount of returns expected to be received on the entire portfolio using the expected value method. Warranty terms coincide with regulatory requirements and warranties cannot be sold or extended separately, as such, they are not capable of generating separate revenues. There are no services associated to the sale of goods to customers.

The contracts with customers may recognize to the customer the right to incentives for the marketing and advertising activity performed by them on behalf of Safilo. The Group concluded that, according to IFRS 15 criteria, these are consideration paid to customer for distinct services and, as a consequence, recognizes them as expenses.

This item does not include transportation costs charged to customers which have been classified as a reduction of the respective cost item.

2.18 PUBLIC CONTRIBUTIONS

The Group recognizes public contributions when there is reasonable certainty that they will be received and that the conditions required for the contribution have been or will be respected.

The contributions received are recorded in the income statement for the time required to relate them to the relative costs and they are considered as deferred income.

2.19 ROYALTY EXPENSES

The Group recognizes royalty expenses in accordance with the accrual principle and in compliance with the substance of the contracts agreed, also taking into account any guaranteed minimums.

2.20 DIVIDENDS

Dividends are recorded when the right of the Shareholders to receive the payment arises, which normally occurs when the Shareholders' meeting resolves the distribution of dividends. The distribution of dividends is therefore recorded as a liability on the financial statements in the period in which the distribution is approved by the Shareholders' meeting.

2.21 INCOME TAXES

Income taxes include all taxes calculated on the taxable profits of the companies of the Group. Income taxes are recognized on the income statement, with the exception of those relating to accounts that are directly credited or debited to equity, in which case the tax effect is recognized directly in equity. Taxes not related to income (e.g. property taxes) are recorded within operating costs.

Income tax expense also includes any provisions to cover risks arising from disputes over taxes inclusive of amounts related to taxes due and any penalties.

Deferred taxes are calculated on fiscal losses that can be carried forward and all the temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax bases. Deferred tax assets are recognized only for those amounts where it is probable there will be future taxable income allowing for recovery of the amounts.

Current and deferred tax assets and liabilities are offset when the income tax is applied by the same tax authority and when there is a legal right to offsetting. The deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period in the countries in which the Group operates.

2.22 EARNINGS PER SHARE

Basic

Basic earnings per share are calculated by dividing the profit or loss of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted

In order to calculate the diluted earnings per share, the weighted average number of shares outstanding is adjusted for the dilution potential on ordinary shares (e.g. for stock options and convertible bonds), while the profit or loss of the Group is adjusted to take into account the effects, net of income taxes, of the conversion.

2.23 USE OF ESTIMATES

The preparation of the consolidated financial statements requires the Directors to apply accounting standards and methods that, in some circumstances, are based on difficult and subjective valuations and estimates based on past experience and assumptions which are from time to time considered reasonable and realistic according to the relative circumstances. The application of these estimates and assumptions affects the amounts posted in the financial statements, such as the balance sheet, the income statement, the cash flow statement and the notes thereto. Actual results of the balances on the financial statements, resulting from the above-mentioned estimates and assumptions, may differ from those reported on the financial statements due to the uncertainty which characterizes the assumptions and the conditions on which the estimates are based.

The macroeconomic environment, resulting from a combination of geopolitical risks consequents to the still ongoing Ukraine - Russian invasion and the Israel-Gaza crisis represented an extraordinary circumstance that had direct and indirect repercussions on economic activity and has created a general environment of uncertainty. Also environmental responsibility risks and the transitory risks related to the regulation changes associated with the fight against the "climate change" may have an impact in term of future uncertainty. Financial statements assumptions and estimates have taken into consideration the uncertainties deriving from the above circumstances. For more details see also the Report on Operations on the paragraph related to the "Main critical risk factors for the Group".

The accounting standards that are more subject to the directors' estimates and for which a change in the underlying conditions or the assumptions may have a significant impact on the consolidated financial statements of the Group are described briefly below.

- *Goodwill*: in accordance with the accounting standards adopted for the preparation of the financial statements, the Group tests goodwill at least once a year in order to ascertain the existence of any loss in value to be recorded in the income statement. In particular, the test results in the determination of the fair value allocated to the cash-generating units. This value is determined according to their current value in use. The assessment process of the impairment test is complex and is based on assumptions concerning, among other things, the forecast of expected cash flows of the CGU, the determination of appropriate discounting rates (WACC) and long-term growth (g-rate). These estimates depend on factors that may change over time with consequent effects, which may be significant, compared to the Directors' assessments. Consistent with the indications of the main regulators, to meet the difficulties of making accurate estimates of future flows, the Directors performed their estimate considering independent sources and analysts' projections and carried out the test performing some sensitivity analyses relating to the main inputs of the calculation. In addition, it is considered also the identified potential impact of the climate change on the estimated cash flows. As suggested by regulators and standard setters, the uncertainties have been reflected in the estimate of cash flows, rather than adding a risk premium to the discount rate.
- *Write-down of fixed assets*: in accordance with the accounting standards applied by the Group, the fixed assets are verified to ascertain if there has been a loss in value which is recorded by means of a write-down, when it is considered there will be difficulty in recovering the relative net book value through use. The verification of the existence of such difficulty requires the Directors to make valuations based on the information available within the Group and from the market, as well as historical experience. In addition, when it is deemed that there may be a potential loss in value, the Group determines this using the most appropriate technical valuation methods available. Proper identification of the indicators of contingent impairment as well as the estimates used to determine them depend on factors which may vary over time, influencing the Directors' measurements and estimates.
- *Allowance for bad or doubtful debts*: the allowance for bad or doubtful debts reflects management's best estimate regarding losses concerning the credit portfolio towards the final client. This estimate is based on the losses expected by the Group, determined on the basis of past experience for similar credits, current and historic overdue, careful monitoring of credit quality and projections regarding the economic and

market conditions. Management in its estimate considered also the economic conditions present in the various markets in which the Group operates and the consequent possible future losses on debts originated by contingent situations in those markets.

- *Allowance for inventory obsolescence*: the Group produces and sells goods subject to changes in market trends and consumer demand, consequently a significant level of judgment is required in determining the appropriate write-down of inventories based on sales forecasts. The inventory of finished products which are obsolete or slow moving are regularly subjected to specific assessment tests, which take into consideration past experience, historic results and the probability of sale under normal market conditions. If the need to reduce the value of the stock should arise following these analyses, management proceeds with the appropriate write-downs.
- *Product warranty provision*: when a product is sold, the Group estimates the relative costs of performing work under warranty and allocates a provision on the basis of historic information and a series of statistical data regarding the nature, frequency and the average cost of such work. The Group works constantly to minimize the costs of work performed under guarantee and to improve the quality of its products. The warranty provision is dependent on the amount of sales.
- *(Contingent) liabilities*: the Group is subject to legal and tax actions regarding different types of problems; due to uncertainties relating to proceedings and the complexity of such proceedings, management consults its lawyers, and other legal and fiscal experts, and when expenditure is considered probable and the amount can be reasonably estimated, adequate funds are allocated.
- *Pension plans*: the companies of the Group participate in pension plans, the costs of which are calculated by the management, with the assistance of the Group's actuarial consultants, on the basis of statistical assumptions and assessment factors regarding in particular the discount rate to be used, relative mortality and resignation rates.
- *Deferred taxes*: deferred tax assets are accounted for on the basis of the expectations of future taxable income. The assessment of the recoverability of deferred tax assets derives from specific assumptions about the probability that taxable income will be realized in future years and that these are sufficient to allow the recovery of deferred tax assets. These valuations are based on assumptions that may not even be realized or are realized to an insufficient extent compared to what is necessary to fully recover the deferred tax assets recorded in the financial statements, and therefore their variation could have significant effects on the valuation of deferred tax assets.
- *Leases*: the calculation of the value of the right of use assets arising from lease contracts, and of the related financial liabilities, represents a significant Management's estimate. In particular, a high level of judgment is applied in the determination of the lease term and in the calculation of the incremental borrowing rate. The determination of the lease term takes into consideration the contractual terms while, with reference to the renewal clauses, the Group applies a general "no renewal" rule. The incremental borrowing rate is built considering the asset type, the jurisdiction in which it is obtained and the currency of the contract.
- *Options on minority interests*: the contractual purchase terms of some investments in subsidiaries also included reciprocal put and call options on the non-controlling interests, for which the Group has recognized a liability whose valuation is highly dependent on the expectations of management regarding the future performance of the acquired companies.

2.24 FAIR VALUE ESTIMATES

The fair value of the financial instruments traded on an active market is based on the listed price at the balance sheet date. The fair value of the financial instruments not traded on an active market is calculated in accordance with valuation techniques and models that are widely used in financial sectors and in particular:

- the fair value of interest rate swaps is calculated on the basis of the current value of future cash flows;
- the fair value of the forward currency hedging contracts is determined on the basis of the current value of the differences between the contracted forward exchange rate and the spot market rate at the balance sheet date;
- the fair value of stock options is calculated using the Black & Scholes model.

2.25 HYPERINFLATION IN TURKEY

Turkey's economy has been considered hyperinflationary since 1 April 2022. Therefore, IAS 29 – Financial Reporting in Hyperinflationary Economies had become applicable to the Group's operations in Turkey.

The impacts recognized in the Group's consolidated financial statements relate to the adjustments of both non-monetary items in the Balance Sheet and to the Income Statement items, the latter recognized as a net impact within financial results. Those impacts were calculated based on the change in the Consumer Price Index published by the Turkish Statistical Institute.

3. RISK MANAGEMENT

The operations of Safilo Group are subject to various financial risks, in particular:

- credit risks, related to normal business relations with clients and to financial assets in the financial statements;
- market risks (mainly interest and exchange rate risks), since the Group operates internationally and uses financial instruments that generate interest;
- liquidity risks, concerning the ability to promptly find resources on financial markets under normal market conditions when needed.

The Group constantly monitors the financial risks to which it is exposed, in order to assess potentially negative effects in advance and to take appropriate corrective measures with the aim of eliminating or, at least, limiting the negative effects deriving from the risks in question. The assessment of financial risks has been influenced by the macroeconomic environment, resulting from a combination of geopolitical risks consequents to Russia's invasion in Ukraine and the more recent U.S.-Israel-Iran conflict, which have triggered a crisis in the Middle Eastern region. The risks to which the Group is exposed are managed centrally on the basis of hedging policies that may also include the use of derivative instruments with the aim of minimizing the effects deriving from exchange rate (especially in relation to the US dollar) and interest rate fluctuations.

CREDIT RISKS

The Group strives to reduce risk deriving from the insolvency of its customers through rules ensuring that sales are made to reliable and solvent customers. The relative assessment is based on information regarding the solvency of customers and statistical historical data. However, credit risk is mitigated by the fact that credit exposure is spread over a very large number of clients.

The markets economic and financial conditions have accentuated the risk of potential insolvency, in a differentiated way according to the categories of customers and geographical areas such as emerging markets. In reaction to this changed context, the Group strengthened the policies described and maintained constant monitoring of the individual credit positions.

Positions of a significant amount for which the Group recognizes that total or partial recovery will be effectively impossible, also taking into account any guarantees obtained, as well as the charges and expenses that will have to be sustained for the attempted credit recovery, are subject to individual writedown.

In compliance with IFRS 9, management has also considered potential risks associated with specific categories of customers or certain geographic areas.

The Group's theoretical maximum exposure to the credit risk at the date of the balance sheet is represented by the book value of the financial assets.

As required by IFRS 7, paragraph 36, the table below analyses the age of receivables as of 31 December 2025 and 31 December 2024:

Ageing of trade receivables (Euro/000)	December 31, 2025			December 31, 2024		
	Nominal value	Allowance	Net value	Nominal value	Allowance	Net value
up to 3 months	784	(784)	-	413	(413)	-
3 to 6 months	887	(887)	-	693	(693)	-
6 to 9 months	1,824	(1,824)	-	1,361	(1,361)	-
from 9 to 12 months	2,114	(2,114)	-	1,115	(1,115)	-
from 12 to 24 months	4,146	(4,146)	-	2,928	(2,928)	-
over 24 months	5,272	(5,272)	-	3,747	(3,747)	-
Overdue and impaired	**15,026**	**(15,026)**	**-**	**10,258**	**(10,258)**	**-**
up to 1 month	16,251		16,251	15,636		15,636
from 1 to 3 months	5,695		5,695	4,841		4,841
3 to 6 months	7,974		7,974	6,010		6,010
6 to 9 months	3,148		3,148	3,220		3,220
from 9 to 12 months	720		720	619		619
from 12 to 24 months	556	(351)	205	754	(381)	373
over 24 months	129	(129)	-	190	(190)	-
Overdue and not impaired	**34,473**	**(479)**	**33,994**	**31,270**	**(571)**	**30,699**
Neither overdue nor impaired	**152,931**	**(317)**	**152,614**	**181,255**	**(92)**	**181,163**
Grand total	**202,430**	**(15,823)**	**186,607**	**222,783**	**(10,920)**	**211,862**

At 31 December 2025 past due receivables for which no allowance for bad debts was considered, as the Group considered them fully collectible, amounted to 34,473 thousand Euro (compared to 31,270 thousand Euro at 31 December 2024). Of these, receivables that were more than 12 months past due amounted to 685 thousand Euro (compared to 944 thousand Euro at 31 December 2024) but accounted for 0.3% of the Group's total trade receivable compared to 0.4% in the previous year.

In accordance with the requirements of IFRS 9, the Group has assessed the existing trade receivables for impairment based on the model of expected losses, as at 31 December 2025 the provision for doubtful accounts includes a credit loss allowance of 0.8 million Euro (0.7 million Euro at 31 December 2024) that covers the potential additional credit risk expected on the amount overdue and not impaired and on the amount not past due.

MARKET RISKS

Market risks can be divided into the following categories:

Exchange rate risk

The Group operates internationally and is therefore exposed to risks deriving from variations in exchange rates that may influence the value of its shareholders' equity and financial results.

In 2025, fluctuations in the exchange rates of the main currencies have been affected by the general macroeconomic context.

The Group tries to reduce the effects deriving from currency fluctuations by means of a "natural hedging" between revenues and costs denominated in the same foreign currency (mainly in US dollar). The remaining exposure can be hedged with currency forward contracts ("plain vanilla") always expiring in less than 12 months.

As far as sensitivity analysis is concerned, an increase or decrease of 10% of Euro against the US Dollar would result respectively in a decrease or an increase of the 2025 net sales of around 36,988 thousand Euro while an increase or decrease of 10% of Euro against all the other currencies would result overall in a decrease or an increase of the 2025 net sales of around 22,498 thousand Euro.

Furthermore, the Group owns shareholdings in subsidiaries located in areas outside the European Monetary Union, the variations in the net assets, deriving from fluctuations in the exchange rates of the local currency against the Euro, are recorded in a reserve of the consolidated shareholders' equity named translation reserve".

The table below summarizes the net financial assets of the Group per currency at 31 December 2025 and 31 December 2024:

(Euro/000)	December 31, 2025	December 31, 2024
USD	273,684	292,927
HKD	52,367	82,533
CNY	78,572	85,230
GBP	1,311	3,689
CAD	23,947	24,013
CHF	2,079	1,889
BRL	21,367	19,639
EUR	(62,664)	(100,585)
Other currencies	12,386	18,126
Total	**403,049**	**427,461**

In terms of translation risk related to the conversion of the equity of the companies in foreign currencies other than the Euro, the sensitivity analysis shows that a possible revaluation or devaluation of 10% of Euro against those currencies, would respectively cause a decrease or increase in Group net equity of about 42,338 thousand Euro.

The table below summarizes the financial assets and liabilities of the Group per currency at 31 December 2025 and 31 December 2024:

(Euro/000)	December 31, 2025			
	Euro	US Dollar	Other currencies	Total
Cash in hand and at bank	17.929	10.945	23.271	52.145
Trade receivables, net	64.950	54.501	67.156	186.607
Derivative financial instruments	740	-	-	740
Other current assets	21.020	4.854	11.710	37.584
Total current financial assets	**104.638**	**70.300**	**102.137**	**277.075**
Derivative financial instruments	-	-	-	-
Other non-current assets	495	254	1.035	1.784
Total non-current financial assets	**495**	**254**	**1.035**	**1.784**
Trade payables	77.400	46.402	20.716	144.518
Short-term borrowings	30.000	-	-	30.000
Lease liabilities	2.806	5.083	2.722	10.611
Derivative financial instruments	1.535	-	-	1.535
Liabilities for options on non-controlling interests	-	2.771	-	2.771
Tax payables and other current liabilities	31.723	16.469	16.366	64.558
Total current financial liabilities	**143.464**	**70.725**	**39.804**	**253.993**
Long-term borrowings	28.702	-	-	28.702
Lease liabilities	5.275	20.365	3.315	28.956
Derivative financial instruments	-	-	-	-
Liabilities for options on non-controlling interests	-	2.616	-	2.616
Other non-current liabilities	5.237	-	4.263	9.501
Total non-current financial liabilities	**39.215**	**22.981**	**7.579**	**69.774**

(Euro/000)	December 31, 2024			
	Euro	US Dollar	Other currencies	Total
Cash in hand and at bank	11.773	13.124	22.524	47.421
Trade receivables, net	72.172	71.250	68.440	211.862
Derivative financial instruments	6.553	-	-	6.553
Other current assets	18.307	6.945	9.304	34.556
Total current financial assets	**108.805**	**91.319**	**100.268**	**300.392**
Derivative financial instruments	-	-	-	-
Other non-current assets	388	353	571	1.312
Total non-current financial assets	**388**	**353**	**571**	**1.312**
Trade payables	76.715	65.301	23.246	165.262
Short-term borrowings	30.000	-	-	30.000
Lease liabilities	2.968	5.058	2.412	10.438
Derivative financial instruments	1.681	-	-	1.681
Liabilities for options on non-controlling interests	-	-	-	-
Tax payables and other current liabilities	26.885	16.000	18.784	61.669
Total current financial liabilities	**138.249**	**86.359**	**44.442**	**269.050**
Long-term borrowings	57.725	-	-	57.725
Lease liabilities	5.597	22.056	4.285	31.937
Derivative financial instruments	-	-	-	-
Liabilities for options on non-controlling interests	-	13.118	-	13.118
Other non-current liabilities	3.218	-	4.317	7.535
Total non-current financial liabilities	**66.540**	**35.174**	**8.601**	**110.315**

Changes in fair value risk

The Group holds some assets that are subject to variations in value over time according to the variations of the market on which they are traded.

With regard to trade payables and receivables and other current and non-current assets, it is assumed that their book value is approximately equal to their fair value.

Interest rate risk

Borrowing exposes the Group to the risk of variations in interest rates. In particular, floating-rate borrowings are subject to a cash flow risk.

The Group constantly monitors its exposure to changes in interest rates, and manages this risk through interest rate swaps (IRSs). The interest rate swap contracts are stipulated with primary financial institutions and, at the beginning of the hedge, the formal designation is made and the documentation relating to the hedge is prepared. At 31 December 2025 the floating interest-bearing loans of the Group's total borrowings were no longer hedged by interest rate swap contracts, all expired on 30 June 2025, at 31 December 2024 the floating interest-bearing loans were hedged for 48,000 thousand Euro (53% of outstanding borrowings).

The table below summarizes the breakdown by maturity date of the nominal value (gross of transaction costs) for the floating and fixed interest-bearing loans, as at 31 December 2025 and 31 December 2024:

December 31, 2025 (Euro/000)	Floating	Fixed	Total
within 1 year	30,000	-	30,000
between 1 and 2 years	30,000	-	30,000
between 3 and 5 years	-	-	-
beyond 5 years	-	-	-
Total	**60,000**	**-**	**60,000**

December 31, 2024 (Euro/000)	Floating	Fixed	Total
within 1 year	30,000	-	30,000
between 1 and 2 years	30,000	-	30,000
between 3 and 5 years	30,000	-	30,000
beyond 5 years	-	-	-
Total	**90,000**	**-**	**90,000**

The following table summarizes the main characteristics of the most significant variable and fixed rate medium and long term borrowings outstanding at 31 December 2025 and 31 December 2024:

December 31, 2025 (Euro/000)	Currency	Nominal interest rate	Nominal value	Book value	Expiry
Term Loan Facility	Euro	Euribor	60,000	58,702	30 September 2027

December 31, 2024 (Euro/000)	Currency	Nominal interest rate	Nominal value	Book value	Expiry
Term Loan Facility	Euro	Euribor	90,000	87,725	30 September 2027

As far as sensitivity analysis is concerned, a positive (negative) variation of 50 bps in the level of the short-term interest rates applied to the unhedged portion of the floating-rate borrowings would have had an impact in term of greater (lower) 2025 annual financial charges, on a pre-tax basis, of 293 thousand Euro (268 thousand Euro impact at 31 December 2024).

LIQUIDITY RISK

This risk could affect the inability to find the necessary financial resources to support the operating activities at favorable market terms within the necessary timeframe. The Group companies' cash flows, borrowing requirements and liquidity are constantly monitored at central level by the Group's Treasury in order to ensure an effective and efficient use of the available cash.

The following table details the credit lines granted to the Group, utilizations and net available amounts:

December 31, 2025 (Euro/000)	Credit lines granted	Uses	Credit lines available
Credit lines on bank accounts and short-term bank loans	39,013	-	39,013
Credit lines on long-term bank loans	135,000	60,000	75,000
Total	**174,013**	**60,000**	**114,013**

December 31, 2024 (Euro/000)	Credit lines granted	Uses	Credit lines available
Credit lines on bank accounts and short-term bank loans	18.391	-	18.391
Credit lines on long-term bank loans	165.000	90.000	75.000
Total	**183.391**	**90.000**	**93.391**

The credit lines on loans are related to the committed, unsubordinated and unsecured new financing agreement with maturity September 2027 consisting of a Term Loan Facility of 60,000 thousand Euro, a Revolving Credit Facility of 75,000 thousand Euro for a total amount equal to 135,000 thousand Euro (used for 60,000 thousand Euro at 31 December 2025).

The table below summarizes the financial assets and liabilities of the Group by maturity, undiscounted and inclusive of the interest payments, at 31 December 2025 and 31 December 2024:

(Euro/000)	December 31, 2025				
	within 1 year	between 1 and 2 years	between 3 and 5 years	beyond 5 years	Total
Cash in hand and at bank	52,145	-	-	-	52,145
Trade receivables, net	186,607	-	-	-	186,607
Derivative financial instruments	740	-	-	-	740
Other current assets	37,584	-	-	-	37,584
Other non-current assets	-	1,259	497	28	1,784
Total financial assets	**277,076**	**1,259**	**497**	**28**	**278,859**
Trade payables	144,518	-	-	-	144,518
Tax payables	13,164	-	-	-	13,164
Borrowings	29,321	1,438	27,943	-	58,702
Interest payments	2,834	1,417	-	-	4,252
Lease liability	10,315	9,256	16,587	3,410	39,567
Derivative financial instruments	1,535	-	-	-	1,535
Other current liabilities	51,394	-	-	-	51,394
Liabilities for options on non-controlling interests	2,771	2,616	-	-	5,387
Other non-current liabilities	-	5,145	844	3,511	9,500
Total financial liabilities	**255,852**	**19,873**	**45,374**	**6,921**	**328,019**

(Euro/000)	December 31, 2024				
	within 1 year	between 1 and 2 years	between 3 and 5 years	beyond 5 years	Total
Cash in hand and at bank	47,421	-	-	-	47,421
Trade receivables, net	211,863	-	-	-	211,863
Derivative financial instruments	6,553	-	-	-	6,553
Other current assets	34,555	-	-	-	34,555
Other non-current assets	-	1,031	194	87	1,312
Total financial assets	**300,392**	**1,031**	**194**	**87**	**301,704**
Trade payables	165,262	-	-	-	165,262
Tax payables	13,856	-	-	-	13,856
Borrowings	29,241	29,242	29,242	-	87,725
Interest payments	4,929	3,286	1,643	-	9,859
Lease liability	10,438	9,267	19,186	3,485	42,376
Derivative financial instruments	1,682	-	-	-	1,682
Other current liabilities	47,813	-	-	-	47,813
Liabilities for options on non-controlling interests	-	5,342	7,776	-	13,118
Other non-current liabilities	-	1,167	4,986	1,382	7,535
Total financial liabilities	**273,221**	**48,304**	**62,832**	**4,867**	**389,224**

CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The table below shows the financial instruments reported on the balance sheet, according to the analyses requested by IFRS 7, with indication of the valuation criteria applied and, in the case of "financial instruments measured at fair value", the impact on the income statement or the shareholders' equity. If applicable, the last column of the table shows the fair value of the financial instrument.

Financial instruments (Euro/000)	Financial instruments at fair value through		Financial instruments at amortised cost	Current value at Dec. 31, 2025	Fair value at Dec. 31, 2025
	Income Statement	Other comprehensive income (OCI)			
ASSETS					
Cash in hand and at bank	-	-	52,145	52,145	52,145
Trade receivables, net	-	-	186,607	186,607	186,607
Derivative financial instruments	740	-	-	740	740
Investments in other companies	-	21,127	-	21,127	21,127
Other current assets	-	-	37,584	37,584	37,584
Other non-current assets	-	-	1,784	1,784	1,784
Total assets	**740**	**21,127**	**278,119**	**299,986**	**299,986**
LIABILITIES					
Borrowings	-	-	58,702	58,702	58,702
Lease liability	-	-	39,567	39,567	39,567
Derivative financial instruments	1,535	-	-	1,535	1,535
Other current liabilities	-	-	51,394	51,394	51,394
Liability for options on non-controlling interests	5,387	-	-	5,387	5,387
Other non-current liabilities	-	-	9,501	9,501	9,501
Total liabilities	**6,922**	**-**	**159,163**	**166,085**	**166,085**

Financial instruments (Euro/000)	Financial instruments at fair value through		Financial instruments at amortised cost	Current value at Dec. 31, 2024	Fair value at Dec. 31, 2024
	Income Statement	Other comprehensive income (OCI)			
ASSETS					
Cash in hand and at bank	-	-	47,421	47,421	47,421
Trade receivables, net	-	-	211,862	211,862	211,862
Derivative financial instruments	6,553	-	-	6,553	6,553
Investments in other companies	-	250	-	250	250
Other current assets	-	-	34,555	34,555	34,555
Other non-current assets	-	-	1,312	1,312	1,312
Total assets	**6,553**	**250**	**295,150**	**301,953**	**301,953**
LIABILITIES					
Borrowings	-	-	87,725	87,725	87,725
Lease liability	-	-	42,376	42,376	42,376
Derivative financial instruments	1,635	46	-	1,681	1,681
Other current liabilities	-	-	47,813	47,813	47,813
Liability for options on non-controlling interests	13,118	-	-	13,118	13,118
Other non-current liabilities	-	-	7,535	7,535	7,535
Total liabilities	**14,753**	**46**	**185,448**	**200,248**	**200,248**

HIERARCHICAL LEVELS OF THE FAIR VALUE MEASUREMENT

Financial instruments reported in the balance sheet valued at the fair value, according to IFRS 13, are classified in the three-level hierarchy that reflects the significance of the input used in determining the fair value. The three levels of fair value of the hierarchy are:

- Level 1 – if the instrument is quoted in an active market;
- Level 2 - if the fair value is measured based on valuation techniques for which all significant inputs are based on observable market data, other than quotations of the financial instrument;
- Level 3 – if the fair value is calculated based on valuation techniques for which any significant input is not based on observable market data.

The following table shows the liabilities and assets valued at their fair value at 31 December 2025 and 31 December 2024, split by hierarchical level of the fair value.

December 31, 2025 (Euro/000)	Level 1	Level 2	Level 3	Total
Investments in other listed companies	20,877	-	-	20,877
Derivative financial instruments	-	740	-	740
Total assets	**20,877**	**740**	**-**	**21,617**
Derivative financial instruments	-	(1,535)	-	(1,535)
Liability for options on non-controlling interests	-	-	(5,387)	(5,387)
Total liabilities	**-**	**(1,535)**	**(5,387)**	**(6,922)**

December 31, 2024 (Euro/000)	Level 1	Level 2	Level 3	Total
Derivative financial instruments	-	6,553	-	6,553
Total assets	**-**	**6,553**	**-**	**6,553**
Derivative financial instruments	-	(1,681)	-	(1,681)
Liability for options on non-controlling interests	-	-	(13,118)	(13,118)
Total liabilities	**-**	**(1,681)**	**(13,118)**	**(14,799)**

The item "Investments in other listed companies" is related to a minority stake in Inspecs Group plc, a UK-based provider of eyewear solutions listed on the London Stock Exchange (note 4.10).

In 2025 there have been no transfers from level 1 to level 2 and from level 2 to level 3 and vice versa.

4. NOTES TO THE CONSOLIDATED BALANCE SHEET

4.1 CASH AND CASH EQUIVALENTS

This item breaks down as follows:

(Euro/000)	December 31, 2025	December 31, 2024
Cash and cash equivalents	52,145	47,421

This account totals 52,145 thousand Euro compared to 47,421 thousand Euro at 31 December 2024 and represents the momentary availability of cash invested at market rates. The book value of the available liquidity is aligned with its fair value at the reporting date. The related credit risk is very limited as the counterparties are leading banks.

As of 31 December 2025, about 36% of the cash balance resided in the Italian companies, about 23% in the North America entities, 26% in the European entities, while the remaining 15% was attributable to several other Group entities.

Management has established policies to make existing cash readily available for any need of the Group.

4.2 TRADE RECEIVABLES

This item breaks down as follows:

(Euro/000)	December 31, 2025	December 31, 2024
Gross value trade receivables	202,430	222,783
Allowance for doubtful accounts (-)	(15,822)	(10,920)
Net value	**186,607**	**211,862**

The allowance for doubtful accounts includes the provision for insolvency posted on the income statement under the item "general and administrative expenses" (note 5.4).

The following table shows changes in the allowance for doubtful accounts:

(Euro/000)	January 1, 2025	Addition	Use/ Release (-)	Changes in the scope of consolidation	Transl. diff.	December 31, 2025
Allowance for doubtful accounts (-)	10,920	7,793	(2,218)	(78)	(595)	15,822

(Euro/000)	January 1, 2024	Addition	Use/ Release (-)	Changes in the scope of consolidation	Transl. diff.	December 31, 2024
Allowance for doubtful accounts (-)	10,519	3,371	(2,509)	-	(461)	10,920

In accordance with the requirements of IFRS 9, the Group has reviewed and assessed the overdue trade receivables for impairment and, according to the analysis performed, has accrued an allowance for doubtful accounts equal to 7,793 thousand Euro, also in consideration of the current and prospective risk on the global markets under the ongoing macro economic scenario. The decrease of the period equal to Euro 2,218 thousand is mainly related to the use of the allowance to cover the impact of the write-off of the already impaired accounts receivables considered as definitively not recoverable.

In accordance with the requirements of IFRS 9, the Group has assessed the existing trade receivables for impairment based on the model of expected losses, as at 31 December 2025 the provision for doubtful accounts includes a credit loss allowance of 0.8 million Euro (0.7 million Euro at 31 December 2024) that covers the potential additional credit risk expected on the amount overdue and not impaired and on the amount not past due.

The Group has no particular concentration of credit risk, as its credit exposure is spread over a large number of clients and geographies. The carrying amount of the trade receivables, is considered to be approximately equal to their fair value.

Further information about the impairment of trade receivables and the Group's exposure to credit risk can be found in note 3 paragraph "Credit risks".

4.3 INVENTORIES

This item breaks down as follows:

(Euro/000)	December 31, 2025	December 31, 2024
Raw materials	42,100	52,472
Work in progress	2,341	3,130
Finished goods	176,064	206,183
Gross inventories	**220,505**	**261,784**
Provision for obsolete inventories (-)	(49,255)	(51,612)
Total	**171,250**	**210,173**

In order to deal with obsolete or slow-moving stock, a specific provision has been allocated, calculated for raw materials and semi-finished products on the base of their future use in the production process and for finished goods on the base of their future recoverability through the sale, taking into account market trends, consumer demand, past experience, historical results achieved and the recoverability of the goods value in ordinary market conditions. The effects of the termination of licenses, if any, are also considered. This item is charged in the income statement in "cost of sales" (note 5.2).

The movements in the period are shown below:

(Euro/000)	January 1, 2025	Posted to income statement	Changes in the scope of consolidation	Transl. diff.	December 31, 2025
Inventory gross value	261,784	(23,297)	(2,504)	(15,478)	220,505
Provision for obsolete inventories (-)	(51,612)	297	300	1,760	(49,255)
Total net	**210,173**	**(23,001)**	**(2,204)**	**(13,718)**	**171,250**

(Euro/000)	January 1, 2024	Posted to income statement	Changes in the scope of consolidation	Transl. diff.	December 31, 2024
Inventory gross value	283,081	(28,486)	-	7,190	261,784
Provision for obsolete inventories (-)	(54,090)	2,768	-	(290)	(51,612)
Total net	**228,991**	**(25,718)**	**-**	**6,900**	**210,173**

4.4 DERIVATIVE FINANCIAL INSTRUMENTS

The following table summarizes the amounts of financial instruments:

(Euro/000)	December 31, 2025	December 31, 2024
Current assets:		
- Foreign currency contracts - Fair value through P&L	740	6,553
Total	**740**	**6,553**
Current liabilities:		
- Foreign currency contracts - Fair value through P&L	(1,535)	(1,635)
- Interest rate swaps - Fair value through P&L	-	(46)
Total	**(1,535)**	**(1,682)**
Total Net	**(795)**	**4,871**

The market value of the forward contracts is calculated using the present value of the differences between the contractual forward exchange rate and the market forward exchange rate. At the reporting date, the Group had contracts for hedging against exchange rate fluctuations for a negative net market value of 795 thousand Euro (positive for 4,917 thousand Euro at 31 December 2024).

The following table summarizes the characteristics and fair value of foreign currency forward contracts:

December 31, 2025 (Euro/000)	Maturity	Notional amount	Fair value	
			Assets	Liabilities
Fair value hedge	within 1 year	254,341	740	(1,535)
Total forward contracts		**254,341**	**740**	**(1,535)**

December 31, 2024 (Euro/000)	Maturity	Notional amount	Fair value	
			Assets	Liabilities
Fair value hedge	within 1 year	270,467	6,553	(1,635)
Total forward contracts		**270,467**	**6,553**	**(1,635)**

The Group's policies for managing interest rate rate risk are designated to hedge of the exposure to variability in future interest cash flows given this, the related hedging effect must be suspended in the cash flow reserve and recognized in profit or loss in subsequent years when the expected flows actually emerge. The interest rate contracts (IRS) designated to hedge the floating interest-bearing loans expired on 30 June 2025, at 31 December 2025 there are no swap (IRS) contracts in place (negative fair value for 46 thousand Euro at 31 December 2024).

4.5 OTHER CURRENT ASSETS

This item breaks down as follows:

(Euro/000)	December 31, 2025	December 31, 2024
VAT receivable	9,164	6,431
Income tax receivables	6,389	7,539
Prepayments and accrued income	12,844	9,398
Other receivables	9,188	11,187
Total	**37,584**	**34,555**

Income tax receivables are mainly related to tax credits and advance payments made during the financial year which will be offset against the related tax payables.

Prepayments and accrued income amounted to 12,844 thousand Euro compared to 9,398 thousand Euro at 31 December 2024, and mainly relate to royalties and advertising expenses, prepaid insurance and other prepaid expenses.

Other current receivables amounted to 9,188 thousand Euro, compared to 11,187 thousand Euro of 31 December 2024. The balance mainly includes deposit payments due within 12 months and other receivables related to the ordinary business.

These other current receivables are expected to be recovered in the coming months and are reasonably certain in terms of fulfillment conditions. It is considered that the book value of the other current assets is approximately equal to their fair value.

4.6 TANGIBLE ASSETS

The table below summarises the changes in the tangible assets:

(Euro/000)	January 1, 2025	Increase	Decrease	Reclass.	Changes in the scope of consolidation	Transl. diff.	December 31, 2025
Gross value							
Land and buildings	109,571	941	(691)	404	-	(3,295)	106,930
Plant and machinery	132,165	1,792	(5,233)	-	(8,707)	(2,239)	117,778
Equipment and other assets	117,895	5,671	(12,750)	(111)	(2,016)	(6,758)	101,932
Advance payments	-	-	-	-	-	-	-
Total	**359,631**	**8,404**	**(18,674)**	**294**	**(10,722)**	**(12,292)**	**326,641**
Accumulated depreciation							
Land and buildings	60,414	3,272	(436)	33	-	(1,860)	61,423
Plant and machinery	114,791	3,064	(5,222)	-	(8,045)	(1,755)	102,832
Equipment and other assets	97,552	7,177	(12,658)	(34)	(1,817)	(5,251)	84,969
Total	**272,757**	**13,512**	**(18,317)**	**(1)**	**(9,862)**	**(8,866)**	**249,224**
Net value	**86,875**	**(5,109)**	**(357)**	**295**	**(860)**	**(3,427)**	**77,417**

(Euro/000)	January 1, 2024	Increase	Decrease	Reclass.	Transl. diff.	December 31, 2024
Gross value						
Land and buildings	107,669	3,399	(507)	(2,334)	1,344	109,571
Plant and machinery	133,574	2,261	(4,721)	-	1,050	132,165
Equipment and other assets	121,301	5,926	(14,501)	2,318	2,851	117,895
Advance payments	-	-	-	-	-	-
Total	**362,545**	**11,587**	**(19,729)**	**(16)**	**5,245**	**359,631**
Accumulated depreciation						
Land and buildings	56,341	3,664	(507)	230	686	60,414
Plant and machinery	115,724	3,812	(4,594)	(970)	818	114,791
Equipment and other assets	101,730	7,432	(14,523)	729	2,184	97,552
Total	**273,795**	**14,908**	**(19,624)**	**(10)**	**3,688**	**272,757**
Net value	**88,750**	**(3,321)**	**(105)**	**(6)**	**1,557**	**86,874**

Tangible assets in the financial period record an increase for new investments equal to 8,404 thousand Euro, a decrease for depreciation and write-down equal to 13,512 thousand Euro, a net decrease for disposal equal to 357 thousand Euro.

Investments in tangible assets in the financial period equal to 8,404 thousand Euro (11,587 thousand Euro in the previous year), are related to:

- Euro 4,450 thousand in the production facilities, mainly for the purchase and production of equipment for new models;
- Euro 2,708 thousand for improvements in the Italian headquarter facilities and distribution centre logistic equipment;
- the remaining part in the other commercial companies of the Group.

On the base of the analyses performed, management believes that for the tangible assets on hand as at 31 December 2025 there are no indicators of loss of value.

4.7 RIGHT OF USE ASSETS

The table below summarises the changes in the Right of Use assets:

(Euro/000)	January 1, 2025	Increase	Decrease	Changes in the scope of consolidation	Transl. diff.	December 31, 2025
Gross value						
Buildings Right of Use	60,231	8,516	(3,249)	(1,674)	(5,589)	58,235
Other assets Right of Use	9,744	3,597	(2,924)	(17)	(110)	10,289
Total	**69,974**	**12,113**	**(6,173)**	**(1,692)**	**(5,699)**	**68,524**
Accumulated depreciation						
Buildings Right of Use	28,293	8,309	(3,198)	(1,427)	(2,826)	29,151
Other assets Right of Use	4,602	2,882	(2,677)	(17)	(32)	4,758
Total	**32,895**	**11,191**	**(5,875)**	**(1,444)**	**(2,858)**	**33,909**
Net value	**37,079**	**922**	**(298)**	**(247)**	**(2,841)**	**34,615**

(Euro/000)	January 1, 2024	Increase	Decrease	Changes in the scope of consolidation	Transl. diff.	December 31, 2024
Gross value						
Buildings Right of Use	56,031	10,360	(8,545)	-	2,385	60,231
Other assets Right of Use	8,568	3,156	(1,916)	-	(65)	9,744
Total	**64,599**	**13,516**	**(10,461)**	**-**	**2,320**	**69,974**
Accumulated depreciation						
Buildings Right of Use	26,738	8,167	(7,775)	-	1,164	28,293
Other assets Right of Use	3,874	2,475	(1,712)	-	(34)	4,602
Total	**30,611**	**10,642**	**(9,488)**	**-**	**1,130**	**32,895**
Net value	**33,988**	**2,874**	**(973)**	**-**	**1,190**	**37,079**

Right of Use assets are mainly related to real estate rent contracts and to long term operating lease contracts for company cars. Investments in Right of Use in the financial period amount to 12,113 thousand Euro (13,516 thousand Euro in the previous year) related for the building to the ordinary renewal of some locations of the commercial subsidiaries and of the operating lease contracts for company cars.

4.8 INTANGIBLE ASSETS

The following table shows changes in intangible assets:

(Euro/000)	January 1, 2025	Increase	Decrease	Reclass.	Changes in the scope of consolidation	Transl. diff.	December 31, 2025
Gross value							
Software	103,001	1,778	(45)	(300)	-	(1,458)	102,977
Trademarks and licenses	193,855	504	-	-	-	(11,724)	182,635
Other intangible assets	33,432	250	-	-	(155)	(3,246)	30,280
Total	**330,288**	**2,532**	**(45)**	**(300)**	**(155)**	**(16,428)**	**315,893**
Accumulated amortization							
Software	97,248	2,935	(45)	(1)	-	(1,454)	98,684
Trademarks and licenses	69,345	9,089	-	-	-	(3,200)	75,234
Other intangible assets	28,463	902	10	-	(146)	(2,796)	26,434
Total	**195,057**	**12,926**	**(35)**	**(1)**	**(146)**	**(7,449)**	**200,352**
Net value	**135,231**	**(10,394)**	**(10)**	**(299)**	**(10)**	**(8,978)**	**115,541**

(Euro/000)	January 1, 2024	Increase	Decrease	Reclass.	Transl. diff.	December 31, 2024
Gross value						
Software	101.275	1.340	(206)	(36)	626	103.001
Trademarks and licenses	152.257	35.557	-	-	6.041	193.855
Other intangible assets	31.493	280	-	-	1.658	33.432
Total	**285.026**	**37.178**	**(206)**	**(36)**	**8.325**	**330.288**
Accumulated amortization						
Software	92.558	4.266	(206)	-	630	97.248
Trademarks and licenses	58.674	9.258	-	-	1.413	69.345
Other intangible assets	25.677	1.384	4	-	1.399	28.463
Total	**176.909**	**14.908**	**(202)**	**-**	**3.442**	**195.057**
Net value	**108.117**	**22.270**	**(4)**	**(36)**	**4.884**	**135.231**

Intangible assets in the financial period record an increase for new investments equal to 2,532 thousand Euro, a decrease for depreciation and write-down equal to 12,926 thousand Euro, a net decrease for disposal equal to 10 thousand Euro.

In the previous year the intangible asset increase equal to 37,178 thousand Euro was mainly related to the perpetual license agreement of David Beckham Eyewear signed on 2 May 2024. This license, in line with other proprietary brands, was considered to have a definite useful lifetime.

The item trademarks and licenses includes such perpetual license agreement and the proprietary brands acquired from third parties during business combinations and valued in the purchase price allocation of such transactions. These brands have a finite useful life and are amortized over a useful life between 15 and 20 years, determined on the basis of independent analyzes and market benchmarks. On the base of the analyses performed, management believes that for the intangible assets on hand as at 31 December 2025 there are no indicators of loss of value.

Investments of 4,534 thousand Euro (3,754 thousand Euro in the previous year) relating the implementation of cloud-based software-as-a-service (SaaS) agreements, have been expensed as EDP service costs, in line with the accounting policy introduced by the Group in 2021 to comply with the guidelines of the IFRIC agenda on SaaS arrangements published in April 2021.

Depreciation and Amortization

Depreciation and amortization for tangible and intangible assets is allocated over the following income statement items:

(Euro/000)	Notes	2025	2024
Cost of sales	5.2	7,408	8,256
Selling and marketing expenses	5.3	3,012	3,344
General and administrative expenses	5.4	16,018	18,216
Amortization and depreciation		**26,438**	**29,816**
Cost of sales - Right of Use depreciation	5.2	963	1,151
Selling and marketing expenses - Right of Use depreciation	5.3	5,928	4,994
General and administrative expenses - Right of Use depreciation	5.4	4,300	4,497
Depreciation Right of Use - IFRS 16		**11,191**	**10,642**
Total		**37,629**	**40,458**

Amortization and depreciation decreased by 3,379 thousand Euro from 29,816 thousand Euro in the previous period to 26,438 thousand Euro in 2025.

The Right of Use depreciations in 2025 are equal to 11,191 thousand Euro (10,642 thousand Euro in the previous year).

The Group does not recognize as intangible assets the research and development costs related to both technological and production process developments and product design.

During the year the Group incurred costs for research and development equal to 14,168 thousand Euro (13,726 thousand Euro in the previous year).

4.9 GOODWILL

The item refers to goodwill which arose from the acquisitions in 2020 of Privé Revaux and Blenders. A single CGU has been identified, representing the whole Group, to which the entire amount of goodwill has been allocated: this allocation is consistent with the strategy underlying the acquisitions, that, beyond the acquisition of two new brands, will enable the whole Group to compete more effectively in the fast-growing digital sales and communication channels. The identification of a single CGU is consistent with the strategic vision that the directors have of the Group and reflects the way in which management monitors operations and makes decisions on the maintenance or sale of assets and with the high level of interdependence of the cash in flows of the Group. Strategy, goal setting, operations management, as well as reporting and incentive systems are managed at a corporate level, leaving to the local units deployment and tailoring to the specific market. The allocation to a single CGU is consistent with the approach adopted for the preparation of the previous year financial statements.

The following table shows changes in Goodwill:

(Euro/000)	January 1, 2025	Increase	Decrease	Changes in the scope of consolidation	Transl. diff.	December 31, 2025
Goodwill	35,825	-	-	(750)	(4,123)	30,952

In 2025 the item recorded a decrease of 4,123 thousand Euro due to the foreign currency translation and a decrease of 750 thousand Euro for the goodwill allocated on the business of the subsidiary Lenti S.r.l. disposed in May 2025.

IMPAIRMENT TEST

The approach followed and the assumptions made to perform the impairment test are described below.

For the unique identified CGU of the Group, the recoverable amount is based on its value in use determined based on estimated future cash flow projections.

On 12 March 2026 the Board of Directors has approved the 2026-2030 Financial Projections that confirms the main goals and strategies defined in the Group Business Plan presented to the markets on 10 March 2023. For the purposes of the impairment test, these financial projections take the requirements of IAS 36 into consideration, specifically those that require that the estimate of future cash flows excludes those cash flows that are expected to arise from improving or enhancing asset performance. Accordingly, potential new acquisitions effect included in the Financial projection 2026-2030, have not been considered for the purposes of the impairment test.

In estimating the growth in the plan period, the Group has taken into consideration both its own internal expectations as well as indications obtained from independent external sources.

The main objectives and strategies underlying Safilo's 2026-2030 Financial Projections are:

- sales growth, which maximizes customer service and meets the needs of the different consumer segments;
- margin expansion and a more flexible operating cost structure;
- 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.

The impairment test methodology used for the execution of the impairment test at the date of 31 December 2025 is consistent with the criteria used for the 2024 financial statements and considers the following factors:

- Management used the most recent information available to calculate the WACC (weighted average cost of capital), in particular: risk free rate, market risk premium, beta, specific risk premium for Safilo, Cost of debt (including lease liabilities), debt/equity structure. As recommended by regulators, the WACC has not been adjusted for the macroeconomic environment with uncertainties instead being reflected in the cash flows;
- the growth rates for the years following the plan's horizon ("g" rate) have been analytically reviewed for each single country in which the Group operates in and have been adapted to the rate of inflation expected by analysts for 2030.

To calculate the present value, the future cash flows thus obtained were discounted to their present value at a discount rate (WACC) as at the test's date of reference that took into account the specificities of each geography where the Group operates. The cash flows generated after the horizon considered were determined on the basis of perpetual growth rates considered adequate with reference to the economic conditions of the country of reference.

The following table summarizes the WACC and "g" rates used by the Group for the impairment test:

Key assumptions	"WACC" discount rate		Growth rate "g"	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Safilo Group	9.8%	10.0%	2.2%	2.1%

The impairment test carried out did not highlight any loss in value.

Management has performed sensitivities to test the cover of Net Invested Capital based on different scenarios where key parameters like WACC and Free Cash Flows have been progressively modelled. With reference to the break-even level: to obtain an enterprise value equal to the net invested capital as of 31 December 2025, including goodwill, EBITDA and related cash flows could be reduced by around 46% or WACC could be increased by +6.0%.

After completing the process described, management concluded that no impairment loss needs to be recognized at the date of 31 December 2025.

Management has used the most reliable information available at this moment taking into consideration also exogenous factors, such as the stock market capitalization, which, thanks to the share positive performance, returned to being higher than the Group's net equity.

Management believe that the assumptions incorporated in the Financial Projections 2026-2030 underlying the impairment test are reasonable and that the Group has the necessary skills and resources to meet planned goals.

4.10 INVESTMENTS IN OTHER COMPANIES

The item, amounting to Euro 21,127 thousand (compared to Euro 250 thousand in the previous period), refers to investments in other companies.

The increase during the period is primarily attributable to the acquisition, completed between 15 and 18 December 2025, of a minority stake in Inspecs Group plc, a UK-based provider of eyewear solutions listed on the London Stock Exchange. The investment, for total consideration of approximately GBP 21.7 million (equivalent to Euro 24.9 million at the transaction date), represents 25% of the Company's share capital. Despite the 25% ownership interest, as of 31 December 2025, the investment was not classified as an 'investment in an associate' as it did not meet the criteria for significant influence. Consequently, the investment was initially recognized at cost and subsequently, at 31 December 2025, remeasured at fair value, resulting in a negative adjustment of Euro 3,992 thousand recognized through Other Comprehensive Income (FVOCI).

The item also includes a minority stake in Spaarkly, a digitally native company specializing in innovative e-commerce solutions and augmented reality technologies, valued at Euro 250 thousand.

4.11 DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

The following table shows the amounts of deferred tax assets and liabilities, net of the write-downs applied:

(Euro/000)	December 31, 2025	December 31, 2024
Deferred tax assets	185,072	199,429
Valuation Allowance (-)	(155,880)	(164,225)
Net deferred tax assets	**29,192**	**35,204**
Deferred tax liabilities	(7,537)	(10,377)
Total net	**21,655**	**24,827**

The deferred tax assets, net of deferred tax liabilities, have been reviewed and reduced by a valuation allowance in relation to some Group companies to the extent it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax assets to be utilized. The valuation allowance for deferred tax assets as of 31 December 2025 amounts to 155,880 thousand Euro (164,225 thousand Euro at 31 December 2024). This valuation allowance can be reversed in future years to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and tax losses can be utilized.

The table below provides details of the items generating temporary differences on which deferred tax assets and liabilities were calculated.

Deferred tax assets

(Euro/000)	January 1, 2025	Posted to		Reclass./ Other changes	Changes in the scope of consolidation	Transl. diff.	December 31, 2025
		Income Statement	Equity				
- Tax losses carried forward	134,996	(5,736)	-	-	-	(849)	128,411
- Inventories	21,765	(1,523)	-	-	(37)	(1,550)	18,655
- Taxed provisions	6,315	1,784	(11)	(81)	(34)	(344)	7,629
- Intangible assets	2,249	2,308	-	-	-	(91)	4,466
- Tangible assets	3,792	(685)	-	(4,179)	-	110	(962)
- Taxed financial interests	19,669	(1,402)	-	-	-	(13)	18,254
- Other temporary differences	10,643	(1,248)	(203)	83	-	(657)	8,618
Total deferred tax assets	**199,429**	**(6,502)**	**(214)**	**(4,177)**	**(71)**	**(3,394)**	**185,072**
- Valuation allowance of deferred tax assets on tax losses	(130,600)	6,097	-	-	-	499	(124,004)
- Valuation allowance of deferred tax assets on other temporary differences	(33,625)	1,482	203	-	-	65	(31,876)
Total allowance on deferred tax assets	**(164,225)**	**7,578**	**203**	**-**	**-**	**564**	**(155,880)**
Total net	**35,204**	**1,076**	**(11)**	**(4,177)**	**(71)**	**(2,830)**	**29,192**

Deferred tax liabilities

(Euro/000)	January 1, 2025	Posted to		Reclass./ Other changes	Changes in the scope of consolidation	Transl. diff.	December 31, 2025
		Income Statement	Equity				
- Depreciation differences	4,404	1,947	-	(4,179)	-	(299)	1,874
- Goodwill and Intangible assets	3,690	532	-	-	-	(448)	3,774
- Inventories	107	(18)	-	-	-	(0)	88
- Receivables and payables	523	2	-	-	-	(45)	479
- Other temporary differences	1,653	(150)	-	3	-	(184)	1,322
Total	**10,377**	**2,313**	**-**	**(4,176)**	**-**	**(976)**	**7,537**

The table below shows the Group's total unused tax losses available for carry-forward by expiration date, the related deferred tax assets and the valuation allowance amounts. The deferred tax assets calculated on the tax losses available for carry-forward of some Group companies amount to a total of 128,411 thousand Euro. These deferred tax assets have been written down by a valuation allowance of 124,004 thousand Euro, since at present their recovery via the generation of future taxable profit is not considered probable.

Expiration date (Euro/000)	Tax losses	Tax benefit
2026	3,014	964
2027	763	240
2029	24	8
2030	663	212
2031	327	104
2032	7	2
2033	12	4
Unlimited	501,733	121,363
Other tax losses relating local taxes:		
Various		5,513
Total	**506,542**	**128,411**
Valuation Allowance (-)		(124,004)
Total deferred tax assets on losses carried forward		**4,407**

The following table shows deferred tax assets and liabilities split between the portion due within one year and the portion due after more than one year.

(Euro/000)	December 31, 2025	December 31, 2024
Deferred tax assets		
- recoverable within one year	17,076	24,804
- recoverable beyond one year	12,116	10,399
Total	**29,192**	**35,204**
Deferred tax liabilities		
- recoverable within one year	(614)	(629)
- recoverable beyond one year	(6,923)	(9,748)
Total	**(7,537)**	**(10,377)**
Total net	**21,655**	**24,827**

4.12 OTHER NON CURRENT ASSETS

The table below shows details of non-current assets:

(Euro/000)	December 31, 2025	December 31, 2024
Long-term guarantee deposits	1,444	1,116
Other long-term receivables	339	196
Total	**1,783**	**1,312**

Long-term guarantee deposits mainly refer to security deposits for leasing contracts related to buildings used by some of the Group's companies.

It is considered that the book value of the other non-current assets is approximately equal to their fair value.

4.13 BORROWINGS AND LEASE LIABILITIES

This item breaks down as follows:

(Euro/000)	December 31, 2025	December 31, 2024
Short-term portion of long-term bank loans	30,000	30,000
Short-term borrowings	**30,000**	**30,000**
Long-term bank loans	28,702	57,725
Long-term borrowings	**28,702**	**57,725**
Short-term portion of financial lease liability IFRS 16	10,612	10,438
Long-term portion of financial lease liability IFRS 16	28,956	31,937
Financial lease liability IFRS 16	**39,568**	**42,376**
Total	**98,269**	**130,101**

BORROWINGS

At 31 December 2025 the Group has bank loans for a total amount of 58,702 thousand Euro of which 30,000 thousand Euro classified as short-term and 28,702 thousand Euro as long-term (87,725 thousand Euro as at 31 December 2024 of which 30,000 thousand Euro classified as short-term and 57,725 thousand Euro as long-term).

The bank loans is equal to 60,000 thousand Euro related to the Term Loan Facility, it is carried at amortized cost, meaning that the total outstanding transaction costs are amortized along the duration of the facility and reported as reduction of the par values. This reduces the nominal amount of the facility by1,298 thousand Euro, bringing the net value to 58,702 thousand Euro (87,725 thousand Euro as at 31 December 2024).

The above facilities are part of the financing agreement signed by the Group on 29 September 2022 for a total outstanding amount at 31 December 2025 of Euro 135,000,000, maturing in September 2027 and consisting of a Term Loan Facility of Euro 60,000,000, a Revolving Credit Facility of Euro 75,000,000 (undrawn at 31 December 2025 as also at 31 December 2024).

In 2024 Safilo and the lending banks agreed upon the conversion of the 2022 credit facility into a sustainability-linked credit facility, adding ESG features and KPIs related to sustainable product innovation, planet care and supply-chain partnership, all in line with the Group sustainability strategy.

These committed, unsubordinated and unsecured facility agreements are subject to customary operating and financial covenants, based on the ratio net debt/EBITDA adjusted. At 31 December 2025 the Group complies with all the outstanding covenants.

In 2025 total interest expenses on borrowings are 5,296 thousand Euro (8,379 thousand Euro in 2024) of which figurative interest, calculated according to amortized cost method, are 977 thousand Euro (1,130 thousand in 2024).

The Term Loan Facility, matures in September 2027, with a repayment profile in ten semi-annual instalments starting from June 2023. Here below we report the maturity analysis of the nominal value of the long-term bank loans, gross of 1,298 thousand Euro of transaction costs (2,275 thousand Euro in 2024):

(Euro/000)	December 31, 2025	December 31, 2024
From 1 to 2 years	30,000	30,000
From 2 to 3 years	-	30,000
From 3 to 4 years	-	-
From 4 to 5 years	-	-
Beyond 5 years	-	-
Total	**30,000**	**60,000**

The Group, as at 31 December 2025, has no financial borrowings in currencies other than Euro, details on the Group's exposure to interest rate and liquidity risks arising from borrowings are set out in the paragraphs relating to risk management (see note 3).

FINANCIAL LEASE LIABILITY

The IFRS 16 financial lease liability, as at 31 December 2025, amounts to 39,568 thousand Euro of which 10,612 thousand Euro as short term, and 28,956 thousand Euro as long term.

Here below we report the maturity analysis of the long term IFRS 16 financial lease liability:

(Euro/000)	December 31, 2025	December 31, 2024
From 1 to 2 years	8,959	9,267
From 2 to 3 years	7,569	7,417
From 3 to 4 years	6,501	6,156
From 4 to 5 years	2,516	5,613
Beyond 5 years	3,410	3,485
Total	**28,956**	**31,937**

NET FINANCIAL POSITION

The following table shows the breakdown of net financial debt. This has been calculated consistently with the ESMA communication 32-382-1138 issued on 4 March 2021 implementing the European regulation UE 2017/1129 and in line with the CONSOB attention notice 5/21 of 29 April 2021.

(Euro/000)	December 31, 2025	December 31, 2024	Change
A Cash	52,145	47,421	4,724
B Cash equivalents	-	-	-
C Other current financial assets	-	-	-
D Liquidity (A + B + C)	**52,145**	**47,421**	**4,724**
E Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	-	-	-
F Current portion of non-current financial debt	(40,612)	(40,438)	(173)
G Current financial indebtedness (E + F)	**(40,612)**	**(40,438)**	**(173)**
H Net current financial indebtedness (G - D)	**11,533**	**6,983**	**4,550**
I Non-current financial debt (excluding current portion and debt instruments)	(57,658)	(89,662)	32,005
J Debt instruments	-	-	-
K Non-current trade and other payables	-	-	-
L Non-current financial indebtedness (I + J + K)	**(57,658)**	**(89,662)**	**32,005**
M Total financial indebtedness (H + L)	**(46,125)**	**(82,680)**	**36,555**

The Group Net financial debt reported in the above table does not include the valuation of derivative financial instruments, negative for 795 thousand Euro as at 31 December 2025 described in note 4.4.

In compliance with the ESMA communication 32-382-1138 of 4 March 2021 and the Consob attention notice 5/21 of 29 April 2021, it is be specified that the Group's net financial debt reported above includes lease liabilities, amounting to Euro 10,612 thousand for the current portion and Euro 28,956 thousand for the non-current portion.

It should also be specified that, at 31 December 2025 the indirect or contingent indebtedness of the Group, includes "liabilities for options on non-controlling interests" equal to 5,387 thousand of Euro of which 2,771 thousand Euro as short term and 2,616 thousand Euro as long term, as disclosed in note 4.19.

In compliance with the same communication, it is specified that the balance sheet also presents a liability for "employee benefit obligations" equal to 7,991 thousand Euro as disclosed in note 4.18, and "provisions for risks" for a total of 16,608 thousand Euro as disclosed in note 4.17.

4.14 TRADE PAYABLES

This item breaks down as follows:

(Euro/000)	December 31, 2025	December 31, 2024
Trade payables for:		
Purchase of raw materials	13,312	16,959
Purchase of finished goods	45,443	65,994
Supplies from subcontractors	2,881	4,971
Tangible and intangible assets	3,320	2,294
Commissions	3,980	4,344
Royalties	5,445	10,182
Advertising and marketing costs	11,706	12,935
Services	50,067	41,688
Sales returns liabilities (Refund Liability)	8,363	5,896
Total	**144,518**	**165,262**

Sales returns liabilities refer to the amount accrued against the risk of returns of products sold and delivered to customers that, based on the relevant trade terms, might be returned. This sum is charged to the income statement and is deducted directly from sales. The refund liability refers to well identified items and customers and management has elements to estimate the liability with a high level of reliability.

4.15 TAX PAYABLES

This item breaks down as follows:

(Euro/000)	December 31, 2025	December 31, 2024
Income tax payables	2,629	4,971
VAT payables	4,060	4,483
Other taxes payables	6,476	4,402
Total	**13,164**	**13,856**

At 31 December 2025 tax payables amounted to Euro 13,164 thousand (compared to Euro 13,856 thousand at 31 December 2024). Of this balance Euro 2,629 thousand referred to income tax for the period, Euro 4,060 thousand to VAT payables and Euro 6,476 thousand to taxes withheld, current and local taxes.

The provision for the year's current income tax is shown in note 5.8 concerning income tax.

4.16 OTHER CURRENT LIABILITIES

This item breaks down as follows:

(Euro/000)	December 31, 2025	December 31, 2024
Payables to personnel and social security institutions	28,968	26,489
Agent fee payables	414	193
Payables to pension funds	1,061	982
Accrued advertising and sponsorship costs	710	870
Accrued interests on long-term loans	8	18
Other accruals and deferred income	17,121	15,495
Other current liabilities	3,112	3,767
Total	**51,394**	**47,813**

Payables to personnel and social security institutions mainly refer to salaries and wages for December and for holidays accrued but not taken at the reporting date.

4.17 PROVISIONS

This item breaks down as follows:

(Euro/000)	January 1, 2025	Increase	Decrease	Reclass.	Transl. diff.	December 31, 2025
Product warranty provision	1,169	581	(361)	(217)	(134)	1,038
Agents' severance indemnity	1,951	187	(350)	-	-	1,788
Other provisions for risks and charges	4,257	1,622	(2,026)	1,584	(107)	5,331
Provisions for risks - long term	**7,376**	**2,390**	**(2,737)**	**1,367**	**(240)**	**8,156**
Product warranty provision	4,675	-	(522)	217	(218)	4,152
Provision for corporate restructuring	541	1,976	(1,443)	-	-	1,074
Other provisions for risks and charges	3,179	2,377	(672)	(1,584)	(73)	3,226
Provisions for risks - short term	**8,394**	**4,353**	**(2,637)**	**(1,367)**	**(291)**	**8,452**
Total	**15,771**	**6,743**	**(5,374)**	**-**	**(531)**	**16,608**

(Euro/000)	January 1, 2024	Increase	Decrease	Reclass.	Transl. diff.	December 31, 2024
Product warranty provision	3,337	730	(409)	(2,495)	6	1,169
Agents' severance indemnity	1,992	173	(214)	-	-	1,951
Other provisions for risks and charges	4,114	6,261	(6,108)	-	(11)	4,257
Provisions for risks - long term	**9,443**	**7,165**	**(6,732)**	**(2,495)**	**(5)**	**7,376**
Product warranty provision	1,989	118	(29)	2,495	101	4,674
Provision for corporate restructuring	597	541	(597)	-	-	541
Other provisions for risks and charges	6,431	40	(3,291)	-	(1)	3,179
Provisions for risks - short term	**9,017**	**699**	**(3,918)**	**2,495**	**100**	**8,394**
Total	**18,460**	**7,864**	**(10,649)**	**-**	**95**	**15,771**

The product warranty provision was recorded against the costs to be incurred for the replacement of products sold before the balance sheet date, estimated on the base of historical information and of some statistical data regarding the nature, frequency and average cost of the warranty substitutions.

The agents' severance indemnity was created against the risk deriving from the payment of indemnities in the case of termination of the agency agreement. This provision has been calculated based on existing laws at the balance sheet date considering all the future expected financial cash outflows.

Provision for corporate restructuring includes the estimated liability arising from the reorganization projects under way, the balance is related to some minor restructuring projects.

Provisions for other risks and charges refer to the best estimate made by management of the liabilities to be recognized in relation to proceedings arisen against suppliers, tax authorities and other counterparts.

The estimate of the above-mentioned allowances takes into account, where applicable, the opinion of legal consultants and other experts, the company's past experience and others' in similar situations, as well as the intention of the company to take further actions in each case. The provision in the consolidated financial statements is the sum of the individual accruals made by each company of the Group.

The above-mentioned allowances are considered adequate to cover the existing risks.

4.18 EMPLOYEE BENEFIT OBLIGATIONS

This item breaks down as follows:

(Euro/000)	December 31, 2025	December 31, 2024
Defined contribution plan	17	16
Defined benefit plan	7,974	9,349
Total	**7,991**	**9,365**

During the financial years under analysis, the item related to defined benefit plans showed the following movements:

(Euro/000)	January 1, 2025	Addition	Actuarial (gains)/ losses	Uses	Changes in the scope of consolid.	Transl. diff.	December 31, 2025
Defined benefit plan	9,349	512	(207)	(549)	(1,056)	(75)	7,974

(Euro/000)	January 1, 2024	Addition	Actuarial (gains)/ losses	Uses	Changes in the scope of consolid.	Transl. diff.	December 31, 2024
Defined benefit plan	9,722	624	(326)	(655)	-	(16)	9,349

This item refers to different forms of defined benefit and defined contribution pension plans, in line with the local conditions and practices in the countries in which the Group carries out its business.

The employee severance fund of Italian companies ("TFR"), which constitutes the main part of the balance related the defined benefit plan, has historically been considered to be a defined benefit plan. However, following the changes in legislation governing the employment severance fund introduced by Italian law no. 296 of 27 December 2006 ("Financial Law 2007") and subsequent Decrees and Regulations issued in the first months of 2007, Safilo Group, on the basis of generally agreed interpretations, has considered that the portion of the employee benefit liability accrued from 1 January 2007, whether transferred to selected pension funds or transferred to the treasury account established with INPS, is classified as a "defined contribution plan" while the portion of the employee benefit liability accrued as of 31 December 2006 is classified as a "defined benefit plan" requiring actuarial valuations that exclude future increases in salaries. The employee severance fund of Italian companies ("TFR") has no plan assets at its service.

Actuarial estimates used for calculating the employee severance liability accrued up to 31 December 2006 are based on a system of assumptions based on demographic parameters, economic parameters and financial parameters. The demographic parameters are normally summarized in tables based on samples from different institutes (ISTAT, INAIL, INPS, Italian General Accounts Office, etc.). The economic parameters principally refer to long-term inflation rates and the financial yield rate, crucial for the valuation of amounts accrued in the

reserve for termination benefits. The main financial parameter is given by the discount rate. The annual discount rate used to calculate the present value of the obligation was derived by the Iboxx Corporate AA index with a duration comparable to the duration of the collective of workers covered by the assessment.

The principal assumptions used for the purpose of the actuarial valuations as at 31 December 2025 and 31 December 2024 are summarized here follow:

	2025	2024
Discount rate	3.37%	3.18%
Inflation rate	2.00%	2.00%
Rate of benefit increase	3.00%	3.00%

Below depicts the sensitivity of the Group's defined benefit obligations to changes in the principal assumptions.

(Eur/000) Assumption	Change	Increase	Decrease
Inflation	1.00%	277	(282)
Discount rate	1.00%	(418)	454
Life expectancy	1 year	(9)	9

The amounts related to defined benefit plans recorded in the statement of comprehensive income can be divided as follows:

(Euro/000)	2025	2024
Service cost	(248)	(366)
Interest cost	(264)	(258)
Actuarial gain/(loss)	207	326
Total	**(305)**	**(298)**

4.19 LIABILITIES FOR OPTIONS ON NON CONTROLLING INTERESTS

This item breaks down as follows:

(Euro/000)	January 1, 2025	Increase	Decrease	Reclass.	Transl. diff.	December 31, 2025
Short term - liabilities for options on non-controlling interests	-	-	-	2,771	-	2,771
Long term - liabilities for options on non-controlling interests	13,118	-	(6,459)	(2,771)	(1,272)	2,616
Total	**13,118**	**-**	**(6,459)**	**-**	**(1,272)**	**5,387**

The amount refers to the put and call option liability on the non-controlling interests of the business combination finalized in 2020 in Privé Goods LLC and Blenders Eyewear LLC.

Pursuant to the contractual terms the non-controlling interests held by the minority equity holders are subject to customary reciprocal put and call options. More specifically, the put and call option was to be exercised in each of the years 2023 and 2024 for one third of the minority interests and in 2025 for the remaining portions. In March 2023, the Group has agreed an extension of the second and third tranche of the put and call options on the non-controlling interest in Blenders, from 2024 and 2025 to 2026 and 2027 respectively.

During the period, the Group exercised the third and final option on Privé Revaux's non-controlling interests, increasing its stake from 94.4% to 100.0% for a nominal amount. Following this exercise, Privé Goods LLC, was merged into Safilo USA Inc., effective 1 December 2025.

As at 31 December 2025, the put and call fair value liability related to the outstanding options on Blenders Eyewear LLC, has been reassessed, based on 2025 results and updated projections. This resulted in a downward adjustment of 6,459 thousand Euro reported as financial income in the item "Gains/(losses) for options on non-controlling interests" in the income statement. The value of the liability was also adjusted for a translation difference due to the Euro/US exchange rate fluctuation and for the accretion consequent to the financial discounting of the long-term debt.

As at 31 December 2025, the balance amounted to 5,387 thousand Euro (of which 2,771 thousand Euro as short term and 2,616 thousand Euro as long term).

4.20 OTHER NON CURRENT LIABILITIES

Movements in the item were as follows:

(Euro/000)	January 1, 2025	Increase	Decrease	Reclass.	Transl. diff.	December 31, 2025
Other non current liabilities	7,535	2,288	(273)	-	(49)	9,500

The "other non-current liabilities" equal to 9,500 thousand Euro (compared to 7,535 thousand Euro as at 31 December 2024) mainly include the estimate of the tax liability equal to 5,117 thousand Euro accrued according to the IFRIC 23, on the basis of the assessment of the limited uncertain tax treatment identified within the Group and the liability for the deferred part of the payment for the perpetual license agreement of David Beckham Eyewear.

SHAREHOLDERS' EQUITY

Shareholders' equity is the value contributed by the shareholders of Safilo Group S.p.A. (the share capital and the share premium reserve), plus the value generated by the Group in terms of profit gained from its operations (profit carried forward and other reserves). On 31 December 2025, Group shareholders' equity totaled 392,454 thousand Euro versus Euro 413,070 thousand Euro on 31 December 2024.

4.21 SHARE CAPITAL

At 31 December 2025 the share capital of the Parent Company, Safilo Group S.p.A., amounts to Euro 384,905,800 consisting of no. 415,238,780 ordinary shares with no par value (414,239,313 ordinary shares as at 31 December 2024). In 2025 new ordinary shares equal to a number of 999,467 were issued, resulting from the execution of a share capital increase to the service of the stock option plan named "Stock Option Plan 2017 – 2020" and "Stock Option Plan 2020 – 2022".

4.22 SHARE PREMIUM RESERVE

At 31 December 2025, the share premium reserve of the parent company, Safilo Group S.p.A. totaled Euro 28,393,231 (compared to Euro 27,736,991 at the end of the previous year). The increase equal to Euro 656,240 is due to the above new shares issued.

4.23 RETAINED EARNINGS AND OTHER RESERVES

This item includes both the reserves of the subsidiary companies generated after their inclusion in the consolidation area and the translation differences deriving from the translation into Euro of the financial statements of consolidated companies denominated in other currencies.

During the year, the movements of the item "retained earnings and other reserve" mainly refer to:

- a decrease of 54,063 thousand Euro due to the translation differences coming from the translation of the subsidiaries' financial statements into Euro;
- a decrease of 18,000 thousand Euro related to the treasury shares reserve. On 24 April 2025 a new treasury shares purchase program has been authorized that concerned a maximum of 15,000,000 Shares, equal to approximately 3.6% of the outstanding Shares, for a total maximum consideration up to Euro 18 million. During the program started on 25 June 2025 and ended on 22 December 2025 the Group purchased a total number of 12,245,488 of Safilo Group ordinary shares, equal to approximately 2.95% of the outstanding shares for an overall consideration of Euro 18 million and at the weighted average price of approximately Euro 1.47. Taking into consideration the shares already owned at the start of the program, the Group holds a total number of 23,245,488 of Safilo Group S.p.A. ordinary shares, equal to approximately 5.60% of the outstanding shares;
- a decrease of 3,992 thousand Euro related to the loss arising from the fair value adjustment of the minority interest held in Inspecs Group plc, recognized in the statement of comprehensive income;
- an increase of 1,956 thousand Euro related to the cost of the period of the stock option plans in place;
- an increase of 196 thousand Euro due to the actuarial valuation, net of the tax effect, of the employee termination indemnities of defined benefit plans.

The Group has distributed dividends to the minority interests of the subsidiary Blenders Eyewear LLC equal to 286 thousand Euro, this amount has reduced the equity related to the non-controlling interests.

4.24 CASH FLOW HEDGE RESERVE

The cash flow hedge reserve refers to the current value of derivative instruments related to interest rate swap contracts that cover the variable interest rate risk on future financial interest payments. As at December 31, 2025, the reserve shows a nil balance due to the expiry, during the financial year, of the hedging contracts.

4.25 STOCK OPTION PLANS

As at 31 December 2025 the Group has in place the following Stock Option Plans: 2017-2020, 2020-2022 and the 2023-2025 Plan.

The first Plan was deliberated by the Ordinary Shareholders' meeting held on 26 April 2017, in which the Shareholders approved the issue of up to 2,500,000 (adjusted after the 2018 capital increase to 2,891,425) new ordinary shares to be offered to directors and/or employees of the Company and its subsidiaries.

The 2020-2022 Plan was deliberated by the Ordinary Shareholders' Meeting held on 28 April 2020, in which the Shareholders approved the issue up to 7,000,000 new ordinary shares to be offered to directors and/or employees of the Company and its subsidiaries.

The 2023-2025 Plan was deliberated by the Ordinary Shareholders' meeting held on 27 April 2023 in which the Shareholders approved the issue up to a maximum of 22,000,000 ordinary shares in favour of executive directors who are also employees and other employees of the Company and/or other companies within the Group.

Information relating to the tranches of the Stock Options Plans granted on 31 December 2025 are shown below.

	Grant date	No. of options	Fair value in Euro	Maturity
Stock Option Plan 2017-2020				
Third tranche	30 April 2019	403,655	0.18	31 May 2027
Stock Option Plan 2020-2022				
First tranche	31 July 2020	1,985,716	0.18	30 June 2028
Second tranche	11 March 2021	2,673,505	0.27	30 June 2029
Stock Option Plan 2023-2025				
First tranche	11 September 2023	6,210,000	0.28	30 June 2031
Second tranche	14 March 2024	6,810,000	0.34	30 June 2032
Third tranche	11 March 2025	6,670,000	0.26	30 June 2033
Third tranche Bis	10 December 2025	2,310,000	0.66	30 June 2033

The fair value of the stock options was estimated on the vesting date based on the Black-Scholes model.

The main market inputs of the model used are shown below:

	Share price at grant date	Exercise price in Euro	Expected volatility	Free risk rate
Stock Option Plan 2017-2020				
Third tranche	0.81	0.68	36.20%	0.09%
Stock Option Plan 2020-2022				
First tranche	0.63	0.63	47.78%	-0.39%
Second tranche	0.93	0.87	45.67%	-0.29%
Stock Option Plan 2023-2025				
First tranche	0.93	0.97	38.20%	3.01%
Second tranche	1.18	1.17	33.97%	2.55%
Third tranche	0.90	0.97	37.32%	2.41%
Third tranche Bis	1.93	1.86	45.03%	2.35%

The table below shows the changes in the stock option plans which occurred during the year:

	No. of options	Average exercise price in Euro
Stock Option Plan 2017-2020		
Outstanding at the beginning of the period	**569,089**	**0.68**
Granted	-	-
Forfeited	-	-
Exercised	(165,434)	0.68
Expired	-	
Outstanding at period-end	**403,655**	**0.68**
Stock Option Plan 2020-2022		
Outstanding at the beginning of the period	**5,493,253**	**0.76**
Granted	-	-
Forfeited	-	
Exercised	(834,032)	0.69
Expired	-	
Outstanding at period-end	**4,659,221**	**0.77**
Stock Option Plan 2023-2025		
Outstanding at the beginning of the period	**14,580,000**	**1.07**
Granted	9,730,000	1.17
Forfeited	(2,310,000)	1.04
Exercised	-	-
Expired	-	
Outstanding at period-end	**22,000,000**	**1.12**

During the year, a total of 999,466 options were exercised of which 165,434 of the Plan 2017-2020 and 834,032 of the Plan 2020-2022. Additionally for the Plan 2023-2025 2,310,000 options were forfeited and 9,730,000 options were granted.

The options outstanding of the third tranche of the Plan 2017-2020, equal to 403,655 options, are exercisable until 31 May 2027, the first and the second tranche of the Plan 2020-2022, equal respectively to 1,985,716 and to 2,673,505 options, are exercisable until 30 June 2028 and 30 June 2029 respectively, the three tranches of the Plan 2023-2025 equal respectively to 6,210,000 options, 6,810,000 and 8,980,000 options are exercisable until 30 June 2031, 30 June 2032 and 30 June 2033.

At the date of the approval of these financial statements the options vested and exercisable still outstanding are the one related to the Plan 2017-2020 equal to 403,655 and to the Plan 2020-2022 equal to 4,659,221.

The exercise price for the options of the third tranche of the Plan 2017-2020 is equal to 0.68 Euro with a remaining contract life of 1.4 years, for the first and the second tranche of the Plan 2020-2022 the exercise prices are equal to respectively 0.63 and 0.87 Euro with a remaining contract life of 2.5 and 3.5 years respectively, while for the four tranches of the Plan 2023-2025 the exercise prices is equal to respectively 0.97 Euro for the first, 1.17 Euro for the second, 0.97 Euro for the third and 1.86 Euro for the third Bis tranche with a remaining contract life of respectively 5.5, 6.5 and 7.5 years for the last two tranches.

The adoption of these plans has affected the income statement for the period for a cost of 1,956 thousand Euro (1,564 thousand Euro in 2024).

No changes or cancellations have been occurred on the above described Plans.

5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

5.1 NET SALES

The Group's primary revenues are the selling of eyewear products in the wholesale channel through its subsidiary network and a network of independent distribution partners. Moreover, the Group sell its eyewear products directly to its customers through its online sales channel for some brands of its portfolio, mainly in the North America market.

2025 Group sales amounted to 983,379 thousand Euro, showing a decrease of 1.0% compared to the previous year (993,219 thousand Euro).

For a discussion on sales trends and the disaggregated sales by geographical regions, reference should be made to the report on operations section of the Group's economic results.

5.2 COST OF SALES

This item breaks down as follows:

(Euro/000)	2025	2024
Purchase of raw materials and finished goods	285,252	287,581
Capitalisation of costs for increase in tangible assets (-)	(1,856)	(2,075)
Change in inventories	23,001	25,718
Wages and social security contributions	48,480	56,804
Subcontracting costs	10,605	11,946
Amortization and depreciation	7,408	8,256
Depreciation Right of Use - IFRS 16	963	1,151
Rental and operating leases	1,241	1,528
Offset Rental and operating leases - IFRS 16	(1,061)	(1,260)
Utilities, security and cleaning	3,049	4,215
Other industrial costs	7,010	6,572
Total	**384,093**	**400,435**

Cost of sales decreased by Euro 16,343 thousand (or 4.1%), from Euro 400,435 thousand in 2024, to Euro 384,093 thousand in 2025. Wages and social security contributions decreased by Euro 8,324 thousand (or 14.7%) from Euro 56,804 thousand to Euro 48,480 thousand in 2025, benefitting from the savings provided by the optimization of the industrial capacity and by the disposal of the manufacturing subsidiary Lenti S.r.l., finalised at the end of May 2025.

Amortization and depreciation decreased by Euro 848 thousand (or 10.3%) from Euro 8,256 thousand in 2024 to Euro 7,408 thousand in 2025.

Changes in inventories can be broken down as follows:

(Euro/000)	2025	2024
Finished products	18,565	24,894
Work-in-progress	589	297
Raw materials	3,847	527
Total	**23,001**	**25,718**

5.3 SELLING AND MARKETING EXPENSES

This item breaks down as follows:

(Euro/000)	2025	2024
Payroll and social security contributions	112,175	114,862
Sales commissions	41,186	42,521
Royalty expenses	58,410	61,307
Advertising and promotional costs	125,293	127,546
Amortization and depreciation	3,012	3,344
Depreciation Right of Use - IFRS 16	5,928	4,994
Logistic costs	29,105	37,405
Consultants fees	2,841	1,765
Rental and operating leases	9,318	8,948
Offset Rental and operating leases - IFRS 16	(6,866)	(5,964)
Utilities, security and cleaning	1,482	1,522
Provision for risks	375	1,674
Other sales and marketing expenses	26,655	23,666
Total	**408,913**	**423,590**

Selling and marketing expenses decreased by Euro 14,677 thousand (or 3.5%), from Euro 423,590 thousand in 2024 to Euro 408,913 thousand in 2025. This was mainly due to the decrease of logistic costs by Euro 8,299 thousand (or 22,2%); royalty expenses by Euro 2,897 (or 4,7%), payroll and social security contributions by Euro 2,687 thousand (or 2.3%) and of advertising and promotional costs by Euro 2,253 thousand (or 1.8%), partially offset by an increase of the other sales and marketing expenses by Euro 2,989 Euro (or 12.6%).

The decrease in the above items was significantly affected by the foreign exchange translation impact on the Group expenses denominated in USD, due to the average depreciation of the exchange rate compared to 2024. The reduction in logistics costs benefited from further operational efficiencies implemented across the Group's distribution processes.

5.4 GENERAL AND ADMINISTRATIVE EXPENSES

This item breaks down as follows:

(Euro/000)	2025	2024
Payroll and social security contributions	49,031	47,910
Allowance and write-off of doubtful accounts	7,516	2,392
Amortization and depreciation	16,018	18,217
Depreciation Right of Use - IFRS 16	4,300	4,497
Professional services	14,502	14,052
Rental and operating leases	6,004	5,946
Offset Rental and operating leases - IFRS 16	(5,020)	(5,080)
EDP costs	23,189	21,581
Insurance costs	1,824	1,777
Utilities, security and cleaning	3,227	3,235
Taxes (other than on income)	1,245	1,147
Other general and administrative expenses	4,349	5,292
Total	**126,185**	**120,965**

General and administrative expenses increased by Euro 5,220 thousand (or 4.3%), from Euro 120,965 thousand in 2024 to Euro 126,185 thousand in 2025. This was mainly due to an increase of allowance of doubtful accounts by Euro 5,124 (or 214,2%) from Euro 2,392 in 2024 to Euro 7,516 in 2025, related to some specific situations of uncertainty in certain emerging markets, EDP expenses by Euro 1,607 thousand (or 7.4%), from Euro 21,581 thousand in 2024 to Euro 23,189 thousand in 2025, mainly related to SaaS solutions on front-end initiatives for the sales force.

Amortization and depreciation decreased by Euro 2,199 thousand (or 12.1%), from Euro 18,217 thousand in 2024 to Euro 16,018 thousand in 2025.

Average number of employees

The average number of employees by rank is shown below:

	2025	2024
Executives	72	80
Clerks and middle management	2,020	2,057
Factory workers	1,403	1,587
Total	**3,496**	**3,724**

The reduction of the average number of employees by 229, mainly related to the factory workers, is due to the optimization of the industrial capacity and to the disposal of the manufacturing subsidiary Lenti S.r.l at the end of May 2025.

5.5 OTHER OPERATING INCOME (EXPENSES)

This item breaks down as follows:

(Euro/000)	2025	2024
Losses on disposal of assets	(25)	(259)
Other operating expenses	(7,862)	(11,168)
Gains on disposal of subsidiaries	9,737	-
Gains on disposal of assets	35	97
Other operating income	2,703	2,492
Total	**4,588**	**(8,839)**

Other operating income and expenses include cost and revenue components either not related to the Group's ordinary operations or that are considered by management to be of non-recurring nature.

The item "other operating expenses" is mainly related to the non-recurring costs related to some restructuring expenses and special projects.

The item "Gains on the disposal of subsidiaries" amounted to 9,737 thousand Euro is related to a non-recurring income for the disposal of the subsidiary Lenti S.r.l., a manufacturer of lenses for sunglasses and non-eyewear related products, with effective date 1 June 2025 (for more details see the note 2.3.1).

5.6 GAINS (LOSSES) ON LIABILITIES FOR OPTIONS ON NON CONTROLLING INTERESTS

The item refers to the gain or loss deriving from the changes in the fair value of the liability related the put and call options on the non-controlling interests of the business combination in the subsidiary Blenders Eyewear LLC (for more details see the note 4.19).

As at 31 December 2025 the fair value of the liability has been reassessed, based on 2025 actual results and updated projections. This resulted in a downward adjustment of 6,459 thousand Euro reported as financial income in the item "Gains/(losses) for options on non-controlling interests" in the income statement, compared to a gain of 8,613 thousand Euro in the previous period.

5.7 FINANCIAL CHARGES, NET

This item breaks down as follows:

(Euro/000)	2025	2024
Nominal interest expenses on loans	(4,319)	(7,250)
Figurative interest expenses on loans	(977)	(1,130)
Interest expenses on operating leases - IFRS 16	(1,848)	(1,820)
Bank commissions	(6,087)	(6,375)
Other financial charges	(2,957)	(1,732)
Total financial charges	**(16,188)**	**(18,307)**
Interest income	1,999	1,874
Other financial income	4,471	2,868
Total financial income	**6,470**	**4,743**
Positive exchange rate differences	22,009	21,357
Negative exchange rate differences	(20,568)	(24,074)
Total exchange rate differences, net	**1,441**	**(2,717)**
Total financial charges, net	**(8,277)**	**(16,281)**

Total net financial charges decreased by Euro 8,004 thousand from Euro 16,281 thousand in 2024 to Euro 8,277 thousand in 2025. Excluding the accounting effect of the IFRS 16 interest expenses equal to Euro 1,848 thousand, interest on loans decreased by Euro 3,084 thousand, from Euro 8,380 thousand in 2024 to Euro 5,296 thousand in 2025, thanks to the partial reimbursements of the period of the long-term bank loans.

The items "figurative interest expenses on loans" is related to the additional figurative interest component calculated according to the amortised cost method on the basis of the effective interest rate including any transaction costs.

Net exchange rate differences are equal to a gain of Euro 1,441 thousand in 2025 compared to a loss of Euro 2,717 thousand in 2024.

5.8 INCOME TAXES

This item breaks down as follows:

(Euro/000)	2025	2024
Current tax	(17,517)	(9,474)
Deferred tax	(1,235)	(424)
Total	**(18,752)**	**(9,898)**

Income taxes increased by 8,854 thousand Euro from 9,898 thousand Euro in 2024 to 18,752 thousand Euro in 2025.

The taxes for the year can be reconciled with the theoretical taxes that would be expected at consolidated level as follows:

(Euro/000)	%	2025	%	2024
Profit before taxation	**100.0%**	**66,958**	**100.0%**	**31,722**
Income tax benefit (expense) at statutory rate	-24.0%	(16,070)	-24.0%	(7,613)
Taxes relating to prior years	-1.6%	(1,068)	0.9%	298
Foreign tax rate differential	-0.6%	(392)	-4.4%	(1,381)
Non taxable income	0.0%	12	10.3%	3,278
Non deductible costs	-3.7%	(2,479)	-7.1%	(2,262)
Non-recognition of new DTAs and write-off of existing DTAs	-2.5%	(1,702)	-29.9%	(9,470)
Benefit arising from unrecognized DTA of prior years	3.8%	2,539	23.7%	7,507
Deferred tax expense for changes in tax rate	0.3%	211	0.3%	98
Tax Credit and tax relief	0.8%	512	0.7%	233
Other differences	-0.5%	(313)	-1.8%	(586)
Total	**-28.0%**	**(18,752)**	**-31.2%**	**(9,898)**

Theoretical income taxes are calculated at 24.0 % on the consolidated result before tax. This percentage represents the statutory corporate income tax rate (IRES) applicable at the Italian holding company level.

The Group effective tax rate for the year was equal to 28.0%, due to a reduced impact of deferred tax assets derecognition compared to the previous year (31.2% in 2024). The decrease is mainly attributable to reversal of temporary differences and use of tax losses for which deferred tax assets had not previously been recognized, as well as to the lower impact of the write-down of deferred tax assets compared with the prior year.

PILLAR TWO MODEL RULES IMPACT

With effect from 1 January 2024, Safilo Group, consolidated line-by-line in the consolidated financial statements of the HAL Group (whose Ultimate Parent Entity is HAL Trust), falls within the scope of the Global Minimum Tax (or "GMT" or "Pillar Two") application, enacted by the Council Directive (EU) 2022/2523, and enacted in Italy by the Legislative Decree 209/2023 ('the Legislative Decree'), aimed at ensuring a global minimum tax level for multinational groups of enterprises.

Since Safilo Group S.p.A. and its subsidiaries are members of the Multinational Group of Enterprises of HAL Trust ("HAL MNE Group", for the Pillar Two Global Minimum Tax purposes, Safilo Group S.p.A. qualifies as a Partially Owned Parent Entity ("POPE").

As provided for in IAS 12, paragraph 4.A, as an exception to the provisions of that Standard, Safilo Group S.p.A. does not recognize or disclose information on deferred taxes and liabilities related to Pillar Two income taxes.

Based on known or reasonably estimable information, Safilo Group's exposure to Pillar Two income taxes as of 31 December 2025, is estimated in Euro 61 thousand in the United Arab Emirates (UAE) jurisdiction, as contribution of Safilo Group to the aggregate amount of Top-up Tax actually due by the HAL MNE Group.

It should be noted that the above estimation was made in accordance with the provisions of the Legislative

Decree and with the OECD rules (i.e. GloBE Rules) concerning both the so-called "Transitional CbCR Safe Harbours Tests" and the "Global Minimum Tax"' (i.e., full compliance), with reference to Safilo Group as part of the HAL MNE Group. The main assumptions are summarized as follows:

- "Transitional CbCR Safe Harbour Tests": according to the Ministry of Economics and Finance Decree enacted pursuant to Article 39, paragraph 3 of the Legislative Decree, and in line with the OECD provision on Transitional Safe Harbours, the three tests provided for (i.e., De Minimis, Simplified ETR and Routine Profit Test) were applied in all jurisdictions in which HAL MNE Group and Safilo Group are present, also considering the economic figures (e.g., profit or loss before tax; current and deferred taxes; revenues), which can be referred to the other constituent entities, located therein, belonging to HAL MNE Group and including Safilo Group;
- "Global Minimum tax" (or Top-up Tax (TuT) calculation): as a result of the aforementioned tests, the effective tax rate in the UAE resulted to be lower than the minimum required (i.e., 15%) and, therefore, the resulting contribution to the Top-up Tax was determined considering all Safilo Group constituent entities (different from excluded entities), located therein (i.e., jurisdictional blending). The full compliance calculation was determined assuming the relevant figures equal to the economic figures used for Transitional CbCR Safe Harbour Tests calculation and considering the positive impact of the Substance-based Income Exclusion.

5.9 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is shown in the tables below:

Basic

	2025	2024
Profit/(Loss) for ordinary shares (in Euro/000)	48,639	22,296
Average number of ordinary shares (in thousands)	414,439	414,008
Earnings/(Losses) per share - basic (in Euro)	**0.117**	**0.054**

Diluted

	2025	2024
Profit/(Loss) for ordinary shares (in Euro/000)	48,639	22,296
Average number of ordinary shares (in thousands)	414,439	414,008
Dilution effects:		
- stock option (in thousands)	4,883	2,432
Total	**419,322**	**416,440**
Earnings/(Losses) per share - diluted (in Euro)	**0.116**	**0.054**

5.10 DIVIDENDS

The parent company Safilo Group S.p.A. did not distribute dividends to shareholders during the period.

5.11 SEGMENT INFORMATION

Following the divestiture of the Group's retail operations in 2019, the Group considers a sole operating segment.

Below we report the geographical segment information. It should be noted that the grouping by geographic area depends on the location of the registered head office of each Group company; therefore, the sales such identified are determined by origin of invoicing and not by target market as disclosed in the "Report on Operations". Non-current assets do not include derivative financial instruments and deferred tax assets.

Breakdown of revenues and non-current assets by geographic area

(Euro/000)	Revenue from external customers		Non-current assets	
	2025	2024	December 31, 2025	December 31, 2024
Italy [1]	193,603	203,691	120,116	105,795
Europe [2]	276,071	254,341	8,310	9,299
America [3]	469,364	485,748	133,112	157,198
Asia [4]	44,341	49,439	19,896	24,279
Total	**983,379**	**993,219**	**281,434**	**296,571**

[1] Operating companies with registered head office in Italy.

[2] Operating companies with registered head office in European countries (other than Italy), United Arab Emirates and in South Africa.

[3] Operating companies with registered head office in USA, Canada, Mexico and Brazil.

[4] Operating companies with registered head office in the Far East, Australia and India.

6. TRANSACTIONS WITH RELATED PARTIES

In compliance with applicable legislative and regulatory requirements, on 23 March 2007 the parent company's Board of Directors passed a resolution indicating and adopting a number of guidelines to govern transactions of major strategic, economic, capital or financial significance for the Company – including those undertaken with related parties. The aim of the guidelines is to establish competences and responsibilities concerning significant transactions and to assure their transparency and material and procedural correctness. Our notion of related party is based on the definition given in IAS 24.

Following the resolution CONSOB 17221 of 12 March 2010, as amended by Resolution No. 17389 of 23 June 2010, the Board of Directors of 5 November 2010 approved the "Regulations for the transactions with related parties", which replaces those guidelines, by adopting procedures that ensure transparency and fairness and procedural related party transactions.

The tables below shows the operating and financial figures determined by related party transactions as of 31 December 2025 and 31 December 2024.

Related parties transactions (Euro/000)	Relationship	December 31, 2025	December 31, 2024
Receivables			
Companies controlled by HAL Holding N.V.	(a)	314	318
HAL Investments B.V.	(a)	-	5
Total		**314**	**323**
Payables			
Companies controlled by HAL Holding N.V.	(a)	46	66
HAL Investments B.V.	(a)	-	-
Total		**46**	**66**

Related parties transactions (Euro/000)	Relationship	2025	2024
Revenues			
Companies controlled by HAL Holding N.V.	(a)	1,123	1,005
Total		**1,123**	**1,005**
Operating expenses			
Companies controlled by HAL Holding N.V.	(a)	73	109
HAL Investments B.V.	(a)	48	70
Total		**121**	**179**

(a) Companies controlled by Group's reference Shareholder.

Transactions with related parties, including intercompany transactions, involve the purchase and sale of products and provision of services on an arm's length basis, similarly to what is done in transactions with third parties.

With regards to the table above, the companies controlled by HAL Holding N.V. refers to transaction with a minor retail chain belonging the Group's reference shareholder.

The remuneration of the Group's Directors, Statutory Auditors and Strategic Management is reported below:

(Euro/000)	2025	2024
Directors		
- Salaries and short term compensations	3,375	3,297
- Non monetary benefits	43	36
- Other compensations	1,588	88
- Fair value of equity compensations	330	230
Statutory auditors		
- Fixed compensations and compensations for participation in committees	243	243
Managers with strategic responsabilities		
- Salaries and short term compensations	567	493
- Non monetary benefits	17	15
- Other compensations	60	60
- Fair value of equity compensations	163	109
Total	**6,385**	**4,572**

7. CONTINGENT LIABILITIES

The Group does not have any significant contingent liabilities not covered by adequate provisions. Nevertheless, as of the balance sheet date, various legal actions involving the parent company and certain Group companies were pending and mainly against sales representatives. These actions are considered to be groundless and/or their eventual negative outcome cannot be determined at this stage.

8. COMMITMENTS

LICENSING AGREEMENTS

At the balance sheet date, the Group had contracts in force with licensors for the production and sale of sunglasses and frames bearing their trademark. The contracts generally establish minimum guarantee for royalties and advertising expenses.

Commitments related to these minimum guaranteed, estimated on the basis of information available at the reporting date, are summarized detailed by maturity as follows:

Licensing commitments (Euro/000)	December 31, 2025	December 31, 2024
within 1 year	73,948	70,645
between 1 and 3 years	152,546	140,095
between 3 and 5 years	159,442	134,311
beyond 5 years	43,452	89,662
Total	**429,387**	**434,714**

9. SUBSEQUENT EVENTS

On 20 February 2026 Safilo Group S.p.A. informed that, between 19 and 20 February 2026, the Group acquired additional shares in Inspecs Group plc representing around 5% of its share capital, for a total consideration of approximately 4.3 million GBP. Following these additional purchases, Safilo's total shareholding in Inspecs amounts to 29.99%.

Subsequent to the end of the financial year, the international geopolitical scenario has been characterized by a significant escalation of tensions in the Middle East region, specifically regarding the conflict between United States /Israel and Iran. The situation and any developments remain unpredictable at this moment. The Group is constantly monitoring these developments to assess potential impacts on its business operations. Safilo's net sales in Middle East region accounted for around 2% of the Group's total revenues.

Subsequent to 31 December 2025 through the approval date of this report, there were no significant events which would have impacted the financial and economic results shown pursuant to IAS 10 Events after the reporting period.

10. SIGNIFICANT NON RECURRING EVENTS AND TRANSACTIONS

At the balance sheet date the Group did not undertake any significant non-recurring transactions pursuant to the Consob Communication dated 28 July 2006.

11. TRANSACTIONS RESULTING FROM UNUSUAL AND/OR ABNORMAL OPERATIONS

Pursuant to Consob Communication of 28 July 2006, in 2025 the Group did not put in place any unusual and/or atypical operations, as defined in the said Communication.

Pursuant to Article 2427, paragraph 1, no. 22-ter of the Italian Civil Code, it is also specified that there are no material agreements that are not reflected in the statement of financial position.

APPENDIX

INFORMATION REQUESTED BY ART. 149 DUODECIES OF THE REGULATION ON ISSUERS ISSUED BY CONSOB

The following table, prepared in accordance with Art. 149-duodecies of the Regulation on Issuers issued by Consob, reports the amount of fees charged in 2025 and 2024 relating to the audit and other audit related services rendered by the same Audit company.

(Euro/000)	Audit Company	Safilo Group's company which received services	2025	2024
Audit	PricewaterhouseCoopers S.p.A.	Holding Company - Safilo Group S.p.A.	171	177
	PricewaterhouseCoopers S.p.A.	Subsidaries	102	119
	Network PricewaterhouseCoopers	Subsidaries	948	1.016
Attestation	PricewaterhouseCoopers S.p.A.	Holding Company - Safilo Group S.p.A.	105	110
	PricewaterhouseCoopers S.p.A.	Subsidaries	14	14
	Network PricewaterhouseCoopers	Subsidaries	20	17
Other services	PricewaterhouseCoopers S.p.A.	Holding Company - Safilo Group S.p.A.	85	80
	PricewaterhouseCoopers S.p.A.	Subsidaries	-	-
	Network PricewaterhouseCoopers	Subsidaries	5	6
Total			**1.451**	**1.538**

02

Attestations and Auditor's Reports

294 Attestation of the consolidated financial statements pursuant to art. 154-bis of Legislative Decree 58/98

295 Attestation of the Annual report consolidated sustainability statements pursuant to art. 81- Ter, paragraph 1, of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

296 Report of Independent Auditor on the consolidated financial statements

306 Report of Independent Auditor on the consolidated sustainability report

ATTESTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 154 BIS OF LEGISLATIVE DECREE 58/98

1. The undersigned Angelo Trocchia, as Chief Executive Officer, and Michele Melotti, as the manager responsible for preparing Safilo Group S.p.A. financial statements, hereby attest, having also taken into consideration the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree 58 of 24 February 1998:

- the adequacy with respect to the company structure and
- the effective application,

of the administrative and accounting procedures for the preparation of the consolidated financial statements for the 2025 fiscal year.

2. The assessment of the adequacy of the administrative and accounting procedures used for the preparation of the statutory financial statements at 31 December 2025 was based on a process defined in accordance with the theorical reference model CoSO Report – Internal Control Integrated Framework, an internationally generally accepted reference framework.

3. The undersigned also attest that:

3.1 the consolidated financial statements for the year ended on 31 December 2025:

a) have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Council, dated 19 July 2002;

b) correspond to the amounts shown in the Company's accounts, books and records;

c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries.

3.2 The report on operations includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

12 March 2026

The Chief Executive Officer

Angelo Trocchia

The manager responsible for preparing the company's financial statements

Michele Melotti

ATTESTATION OF THE ANNUAL REPORT CONSOLIDATED SUSTAINABILITY STATEMENTS PURSUANT TO ART. 81 TER, PARAGRAPH 1, OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

The undersigned Angelo Trocchia, as Chief Executive Officer, and Michele Melotti, as the Manager responsible for preparing Safilo Group S.p.A.'s Annual Report, hereby attest, having also taken into consideration the provisions of Article 154-bis, paragraphs 5-Ter, of Italian Legislative Decree 58 of 24 February 1998, that the sustainability reporting included in the management report was drawn up:

a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council, of 26 June 2013, and of Legislative Decree 6 September 2024, n. 125;

(b) with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

12 March 2026

The Chief Executive Officer

Angelo Trocchia

The manager responsible for preparing the company's sustainability statements

Michele Melotti

02

Report of Independent Auditor on the consolidated financial statements

Independent auditor's report in accordance with article 14 of Legislative Decree 39/2010 and article 10 of Regulation (EU) 537/2014

To the Shareholders of

Safilo Group SpA

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Safilo Group (the "Group"), which comprise the consolidated balance sheet as of 31 December 2025, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2025, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/2005.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the

PricewaterhouseCoopers SpA

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audit of the consolidated financial statements" section of this report. We are independent of the company Safilo Group SpA (the "Company") pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	Auditing procedures performed in response to key audit matters
Recoverability of the value of goodwill	
Note 4.9 to the consolidated financial statements "Goodwill" The consolidated financial statements of Safilo Group SpA include goodwill amounting to Euro 31.0 million. The Group tests the recoverability of the value of goodwill for impairment at least annually. To estimate the recoverable amount, management calculated value in use using the discounted cash flow method: value in use was determined as the sum of the present value of the cash flows for the years of explicit forecast horizon, based on the financial projections for the period 2026-2030, approved by the Board of Directors on 12 March 2026, and a terminal value obtained applying a long-term growth rate to the last year of the financial projections. The recoverable value thus obtained was compared with the carrying amount. As part of our audit of the consolidated financial statements as of 31 December 2025, we focused on this item in consideration of the fact	As part of our audit of the consolidated financial statements as of 31 December 2025, we performed the procedures illustrated below. We obtained the exercise prepared by management to determine the recoverable amount of the cash generating unit, approved by the Board of Directors on 12 March 2026. Our audit approach was based on the analysis of the method used by management to prepare the impairment test and included the following procedures: • We understood and evaluated the Group's internal control over the process of testing the recoverability of goodwill; • We analysed the reasonableness of the considerations made by management regarding the level at which goodwill is tested for impairment; • We analysed the reasonableness of the assumptions underlying the forecasts in terms of estimated future cash flows, in light

that the recoverability of these values is verified by management based on assumptions that are sometimes complex and that by nature involve the use of management's judgement, specifically with reference to the estimation of the future cash flows and the determination of the long-term growth rates and discount rates applied.

of past results and comparing the growth rates used by management with external sources.

With the support of valuation experts from the PwC network, we verified that the methodologies used for the impairment test were consistent with IFRS Accounting Standards and with prevailing valuation practice.

Moreover, the key valuation parameters adopted were analysed in terms of reasonableness. With specific reference to the methods of calculation of discount rates and medium/long-term growth rates, we verified their consistency with the provisions of IFRS, with prevailing practice and with available market data. Moreover, we analysed the sensitivity analyses prepared by management.

We verified the mathematical accuracy of the calculation of the impairment test and the accuracy of the carrying amount of the invested capital, in accordance with IAS 36, as of 31 December 2025 that was used for comparison with value in use.

Finally, our procedures included an analysis of the explanatory notes to the consolidated financial statements to assess the adequacy and completeness of disclosures.

Recoverability of the value of inventories

Note 4.3 to the consolidated financial statements “Inventories”

The consolidated financial statements of Safilo Group SpA include inventories for Euro 171 million, net of an obsolescence provision amounting to Euro 49 million.

To estimate the provision, management considers market trends and consumer demand and formulates the consequent sales forecasts, also considering the effects of the end of some licenses.

As part of our audit activity of the consolidated financial statements as of 31 December 2025, we performed the procedures illustrated below.

- We have examined the principles and criteria applied by the Group for the write-down of inventories, which mainly consider commercial policies, sales forecasts and historical trends in inventory consumption;
- We understood and evaluated the Group's internal control over the inventory write-down process, including the related IT

The inventories of obsolete or slow moving finished products are periodically subjected to specific valuation tests, taking into account past experience, historic results and the probability of sale under normal market conditions.

If the need to reduce the value of the stock should arise following these analyses, management posts the appropriate write-downs.

We considered the determination of the obsolescence provision a key audit matter as it is an estimate characterised by complexity and uncertainty, which requires a high degree of judgment on the part of management.

environment;

- We analysed the reasonableness of the main assumptions adopted by the Group to classify the items on the basis of the commercial strategies and the respective sales forecasts, as well as the algorithms and criteria applied for the calculation of the obsolescence provision. In this context, the historical trend of the use of stocks was also analysed;
- We verified the mathematical accuracy of the calculation of the obsolescence provision based on the Group's policies;
- We analysed the additions to the provision resulting from specific phenomena (e.g. conclusion of licensing agreements);
- We analysed the movement of the provision, examining the main dynamics that determined it and obtaining, where necessary, adequate supporting documentation.

Finally, our procedures included an analysis of the explanatory notes to the consolidated financial statements to assess the adequacy and completeness of disclosures.

Responsibilities of the directors and the board of statutory auditors for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/2005 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Safilo Group SpA or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional disclosures required by article 10 of Regulation (EU) 537/2014

On 27 April 2023, the shareholders of Safilo Group SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on compliance with other laws and regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 815/2019

The directors of Safilo Group SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 815/2019 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2025, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2025 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree 39/2010 and with article 123-bis, paragraph 4, of Legislative Decree 58/1998

The directors of Safilo Group SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Safilo Group as of 31 December 2025, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998, with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section on the consolidated sustainability reporting, and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998 are consistent with the consolidated financial statements of Safilo Group as of 31 December 2025.

Moreover, in our opinion, the report on operations, excluding the section on the consolidated sustainability reporting, and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Our opinion on compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability reporting. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 852/2020 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree 39/2010.

Padua, 16 March 2026

PricewaterhouseCoopers SpA

Signed by

Filippo Zagagnin

(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Report of Independent Auditor on the consolidated sustainability report

Independent auditor's limited assurance report on the consolidated sustainability statement in accordance with article 14-bis of Legislative Decree 39/2010

To the Shareholders of

Safilo Group SpA

Conclusion

In accordance with articles 8 and 18, paragraph 1, of Legislative Decree 125/2024 (the "Decree"), we have undertaken a limited assurance engagement on the consolidated sustainability statement of the Safilo group (the "Group") for the year ended 31 December 2025 prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated report on operations.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of the Safilo group for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/UE ("European Sustainability Reporting Standards", also the "ESRS");

- the information set out in paragraph "Disclosures pursuant to article 8 of Regulation 2020/852 (Taxonomy Regulation)" of the consolidated sustainability statement is not prepared, in all material respects, in accordance with article 8 of Regulation (UE) 852/2020 (the "Taxonomy Regulation").

PricewaterhouseCoopers SpA

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Basis for conclusion

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under this standard are further described in the "Auditor's responsibilities for the limited assurance conclusion on the consolidated sustainability statement" section of this report.

We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on consolidated sustainability statements under Italian law.

Our firm applies International Standard on Quality Management 1 (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the directors and the board of statutory auditors of Safilo Group SpA for the consolidated sustainability statement

The directors of Safilo Group SpA are responsible for developing and implementing the procedures adopted to identify the information included in the consolidated sustainability statement in accordance with the provisions of the ESRS (the "materiality assessment process") and for describing those procedures in the section "Description of process to identify and assess material impacts, risks and opportunities" of the consolidated sustainability statement.

The directors are also responsible for preparing the consolidated sustainability statement, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph "Information pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)".

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability statement in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Inherent limitations in the preparation of the consolidated sustainability statement

As indicated in the section "General basis for preparation of the sustainability statement", for the purposes of reporting forward-looking information in accordance with the ESRS, management is required to prepare such information on the basis of assumptions described in the consolidated sustainability statement, concerning events that may occur in the future and potential future actions by the Group. Due to the inherent uncertainty associated with the occurrence of any future event, both in terms of whether it will occur and the magnitude and timing of its manifestation, actual outcomes may differ significally from the forward-looking information.

As indicated in the section "General basis for preparation of the sustainability statement", the information provided by the entity regarding Scope 3 emissions is subject to greater inherent limitations than Scope 1 and Scope 2 emissions, due to the limited availability and the relative precision of the information used to determine both quantitative and qualitative Scope 3 emission disclosures related to the value chain.

Auditor's responsibilities for the limited assurance conclusion on the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated sustainability statement.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- Performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise.

- Designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Directing, supervising and performing a limited assurance engagement on the consolidated sustainability statement and assuming full responsibility for the conclusion on the consolidated sustainability statement.

Summary of the work performed

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.

The procedures performed were based on our professional judgement and included inquiries, primarily of personnel of Safilo Group SpA responsible for the preparation of the information presented in the consolidated sustainability statement, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

We performed the following main procedures:

- We understood the Group's business model and strategies, and the environment in which it operates with reference to sustainability issues.
- We understood the processes underlying the generation, collection and management of the qualitative and quantitative information included in the consolidated sustainability statement.
- We understood the process implemented by the Group to identify and assess the material impacts, risks and opportunities, in accordance with the double materiality principle, related to sustainability issues and, based on the information thus obtained, we considered whether any contradictory items emerged that could point to the existence of sustainability issues not considered by the Company in the materiality assessment process.
- We identified the disclosures where a material misstatement is likely to arise.
- We defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified.
- We understood the process implemented by the Group to identify the eligible economic activities and to determine whether they are aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the consolidated sustainability statement.
- We reconciled the information reported in the consolidated sustainability statement with the information reported in the consolidated financial statements in accordance with the applicable

financial reporting framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounting information.

- We verified the structure and presentation of disclosures included in the consolidated sustainability statement in accordance with the ESRS.
- We obtained management's representation letter.

Padova, 16 March 2026

PricewaterhouseCoopers SpA

Signed by

Filippo Zagagnin

(Partner)

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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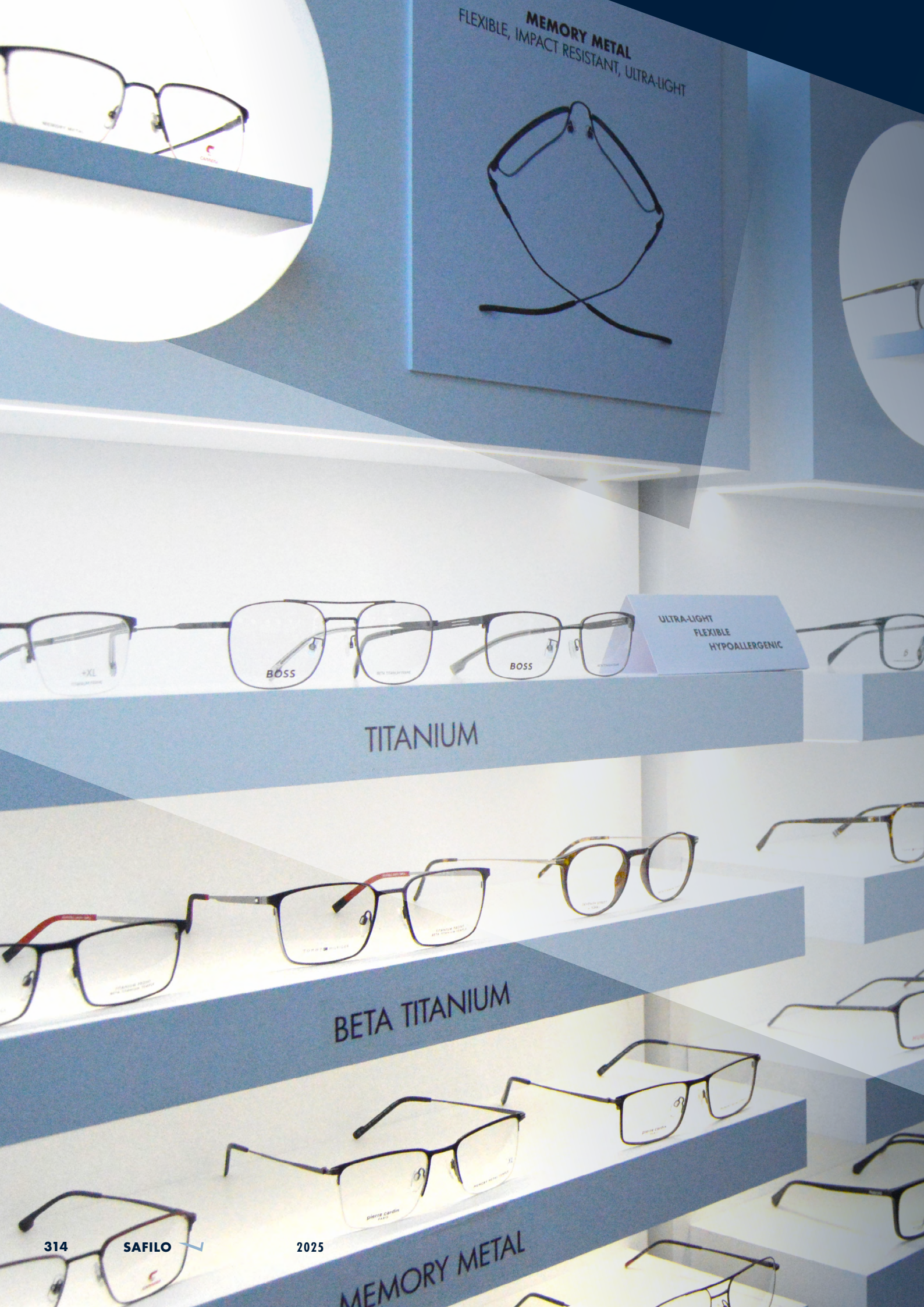
MEMORY METAL
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TITANIUM
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MEMORY METAL

03

SAFILO GROUP S.P.A. – STATUTORY FINANCIAL STATEMENTS AT 31 DECEMBER 2025

Directors operations report

Statutory Financial Statements

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Directors operations report

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INTRODUCTION

Safilo Group S.p.A. was incorporated on 14th October 2002. It is the holding company of Safilo Group and performs planning and coordination activities, as defined in article 2497 et seq. of the Italian Civil Code, for the following member companies:

- Safilo S.p.A., directly controlled;
- Safilo Industrial S.r.l., 100% of the share capital indirectly controlled through Safilo S.p.A.

As allowed by article 40.2/bis of Legislative Decree 127 of 9th April 1991, the annual Financial Statements and Directors' Report are submitted together with the consolidated Financial Statements and the Directors' Report on the consolidated Financial Statements; the information required by article 2428 of the Civil Code is therefore contained in the Directors' Report on the consolidated Financial Statements.

OWN SHARES

The Company does not hold treasury shares, either directly or through fiduciary companies or intermediaries, as of the end of the financial year.

SUBSIDIARIES

Safilo Group S.p.A. owns 95.201% of the share capital of subsidiary Safilo S.p.A.. The remainder is owned by Safilo S.p.A. in own shares.

The subsidiary Safilo S.p.A. is a wholesaler of prescription frames, sunglasses and sports articles sold under its own brands and licensed brands of international prestige.

DEALINGS WITH SUBSIDIARIES

The Company joined the tax consolidation programme in the capacity of parent company, while Safilo S.p.A. and Safilo Industrial S.r.l. joined in the capacity of subsidiaries. Moreover, Safilo Group S.p.A., acting in the capacity of parent company, Safilo S.p.A. and Safilo Industrial S.r.l., acting in the capacity of subsidiaries, subscribed to the VAT offsetting procedure laid down by the Ministerial Decree of 13th December 1979 (known as "Group VAT mechanism").

Dealings with the other companies in the Group are carried out at arm's length principle, and no atypical and/or unusual operations with them took place during the year.

FINANCIAL YEAR 2025

(Thousand of Euro)	Receivables	Payables	Income/ Recharges	Costs
Safilo S.p.A.	3,065	(43,902)	3,029	311
Subsidiaries held by Safilo S.p.A.				
Safilo Industrial S.r.l.	18,691	(7)	239	-
Safilo USA Inc.	12	-	12	-
Other Subsidiaries held by Safilo S.p.A.	161	-	161	-
Total	**21,929**	**(43,909)**	**3,441**	**311**

The receivable from the subsidiary Safilo S.p.A. mainly refers to recharges made for legal and tax services performed by the Company and regulated by a service contract.

Payables to the subsidiary Safilo S.p.A. refer:

- for Euro 39,751 thousand to the VAT credit transferred by Safilo S.p.A. to the parent company as a result of the Group VAT Liquidation mechanism.
- for Euro 3,851 thousand to payables to the subsidiary for services rendered and dividends.

The revenues from the subsidiary Safilo S.p.A. mainly refer to charges made for legal and tax services and the chargeback of some insurance and consultancy costs.

The costs charged by the subsidiary Safilo S.p.A. mainly refer to services performed on behalf of the parent company.

The receivables from the subsidiary Safilo Industrial S.r.l. refer to the transfer of VAT debit, as a result of the Group VAT Liquidation mechanism.

The receivables/payables and the related income/ costs from other subsidiaries held by Safilo S.p.A. relate to the chargeback of some insurance and consultancy costs.

Financial year 2024

(Thousand of Euro)	Receivables	Payables	Income/ Recharges	Costs
Safilo S.p.A.	704	(34,733)	661	(248)
Subsidiaries held by Safilo S.p.A.				
Lenti S.r.l.	1,178	-	27	-
Safilo Industrial S.r.l.	16,391	(4)	278	-
Safilo USA Inc.	12	-	12	-
Other Subsidiaries held by Safilo S.p.A.	80	-	184	-
Total	**18,365**	**(34,738)**	**1,163**	**(248)**

The receivable from the subsidiary Safilo S.p.A. mainly refers to recharges made for legal and tax services performed by the Company and regulated by a service contract.

Payables to the subsidiary Safilo S.p.A. refer:

- for Euro 31,643 thousand to the VAT credit transferred by Safilo S.p.A. to the parent company as a result of the Group VAT Liquidation mechanism.
- for Euro 3,090 thousand to payables to the subsidiary for services rendered.

The revenues from the subsidiary Safilo S.p.A. mainly refer to charges made for legal and tax services and the chargeback of some insurance and consultancy costs.

The costs charged by the subsidiary Safilo S.p.A. mainly refer to services performed on behalf of the parent company.

The receivables from the subsidiary Lenti S.r.l. refer to the transfer of tax and withholding taxes, as part of the tax consolidation programme.

The receivables from the subsidiary Safilo Industrial S.r.l. refer to the transfer of VAT debit, as a result of the Group VAT Liquidation mechanism.

The receivables/payables and the related income/costs from other subsidiaries held by Safilo S.p.A. relate to the chargeback of some insurance and consultancy costs.

SIGNIFICANT EVENTS AFTER THE YEAR-END AND OUTLOOK

EVENTS AFTER THE YEAR END

On 20 February 2026 the wholly owned subsidiary Safilo S.p.A. announced that, between 19 and 20 February 2026, the Group acquired additional shares in Inspecs Group plc representing around 5% of its share capital, for a total consideration of approximately 4.3 million GBP. Following these additional purchases, Safilo's total shareholding in Inspecs amounts to 29.99%.

Subsequent to the end of the financial year, the international geopolitical scenario has been characterized by a significant escalation of tensions in the Middle East region, with particular reference to the escalation of the conflict between the United States/Israel and Iran.

The situation and any developments remain unpredictable at this moment. The Company is constantly monitoring these developments to assess potential impacts on its business operations.

Subsequent to 31 December 2025 through the approval date of this report, there were no significant events which would have impacted the financial and economic results shown pursuant to IAS 10 Events after the reporting period.

OUTLOOK

For 2026, amid the ongoing challenges and complexities of the geopolitical and macroeconomic environment, which will continue to influence top-line growth opportunities, the Company remains focused on its strategic drivers to develop the business both organically and through selective acquisitions.

Safilo believes it is well-positioned to continue strengthening profitability and cash generation, consolidating its ability to create sustainable long-term value.

For the Board of Directors
Chief Executive Officer

Angelo Trocchia

03

Statutory Financial Statements

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BALANCE SHEET

(Euro)	Notes	December 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents	4.1	471,326	379,578
Trade receivables	4.2	1,211,644	1,067,681
Other current assets	4.3	25,693,856	20,835,539
Total current assets		**27,376,826**	**22,282,798**
Non-current assets			
Right of Use assets	4.4	220,530	315,536
Investment in subsidiaries	4.5	417,172,413	415,632,471
Deferred tax assets	4.6	-	-
Other non-current assets	4.7	9,000	1,159,460
Total non-current assets		**417,401,943**	**417,107,467**
TOTAL ASSETS		**444,778,769**	**439,390,265**

(Euro)	Notes	December 31, 2025	December 31, 2024
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Lease liabilities	4.8	101,937	150,111
Trade payables	4.9	4,397,984	4,246,047
Tax payables	4.10	2,734,208	418,733
Other current liabilities	4.11	43,459,901	33,634,828
Provisions	4.12	480,000	-
Total current liabilities		**51,174,030**	**38,449,719**
Non-current liabilities			
Lease liabilities	4.8	125,356	174,030
Employee benefit obligations	4.13	125,604	158,204
Provisions	4.12	320,000	1,250,000
Total non-current liabilities		**570,960**	**1,582,234**
TOTAL LIABILITIES		**51,744,990**	**40,031,953**
Shareholders' equity			
Share Capital	4.14	384,905,800	384,872,713
Share premium reserve	4.15	28,393,231	27,736,991
Retained earnings/(losses) and other reserves	4.16	(11,301,931)	(2,692,739)
Net (loss) for the year		(8,963,321)	(10,558,653)
Total shareholders' equity		**393,033,779**	**399,358,312**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**444,778,769**	**439,390,265**

INCOME STATEMENT

(Euro)	Notes	2025	2024
Net sales	5.1	1,168,362	1,108,947
Gross profit		**1,168,362**	**1,108,947**
General and administrative expenses	5.2	(10,957,456)	(10,604,347)
Other operating income/(expenses)	5.3	(100,822)	(1,061,571)
Operating profit (loss)		**(9,889,916)**	**(10,556,971)**
Financial charges, net	5.4	2,231,200	(9,692)
Profit (loss) before taxation		**(7,658,716)**	**(10,566,663)**
Income taxes	5.5	(1,304,605)	8,010
Net (loss) for the year		**(8,963,321)**	**(10,558,653)**

STATEMENT OF COMPREHENSIVE INCOME

(Euro)	2025	2024
Net (loss) for the year	**(8,963,321)**	**(10,558,653)**
Actuarial gains (loss)	(6,129)	(3,266)
Total comprehensive (loss)	**(8,969,450)**	**(10,561,919)**

STATEMENT OF CASH FLOWS

(Euro)	Notes	2025	2024
A - Opening net cash and cash equivalents		**379,578**	**865,512**
B - Cash flow from (for) operating activities			
Net profit/(loss) for the period		(8,963,321)	(10,558,653)
Depreciation IFRS 16		158,158	138,648
Stock Options figurative cost	4.16	415,648	404,878
Net changes in provision for risks	4.12	(450,000)	1,250,000
Other non monetary P&L items		2,136	1,362
Interest expenses on lease liability IFRS 16		10,912	11,597
Income tax expenses		1,304,605	(8,010)
Income (loss) from (for) operating activities prior to movements in working capital		**(7,521,863)**	**(8,760,178)**
(Increase) Decrease in trade receivables	4.2	(143,963)	275,527
(Increase) Decrease in other receivables		(3,707,853)	5,002,962
Increase (Decrease) in trade payables	4.9	151,937	49,502
Increase (Decrease) in other payables		10,731,922	4,999,553
Use provision for risks	4.12	-	(2,250,000)
Interests expenses paid		(10,912)	(11,597)
Total (B)		**(500,732)**	**(694,231)**
C - Cash flow from (for) investing activities			
(Investments) disinvestments in subsidiaries		-	-
Total (C)		**-**	**-**
D - Cash flow from (for) financing activities			
Repayment of principal portion of lease liabilities IFRS16		(96,848)	(141,968)
Increase in share capital	4.14 4.15	689,327	363,485
Total (D)		**592,479**	**221,517**
E - Cash flow for the period (B+C+D)		**91,747**	**(472,714)**
F - Closing net cash and cash equivalents (A+E)		**471,326**	**379,578**

STATEMENT OF CHANGES IN EQUITY

(Euro)	Share Capital	Share premium reserve	Legal reserve	Other reserves and retained earnings	Result for the period	Total shareholders' equity
Shareholders' equity as at January 1, 2024	**384,857,848**	**27,388,371**	**3,007,774**	**251,822**	**(7,513,144)**	**407,992,671**
Previous year's loss allocation	-	-	-	(7,513,144)	7,513,144	-
Capital increase for SOP	14,865	348,620	-	-	-	363,485
Increase/decrease for share-based payments (SOP)	-	-	-	1,564,076	-	1,564,076
Total comprehensive (loss) for the period	-	-	-	(3,266)	(10,558,653)	(10,561,919)
Shareholders' equity as at December 31, 2024	**384,872,713**	**27,736,991**	**3,007,774**	**(5,700,512)**	**(10,558,653)**	**399,358,313**
Previous year's loss allocation	-	-	-	(10,558,653)	10,558,653	-
Capital increase for SOP	33,087	656,240	-	-	-	689,327
Increase/decrease for share-based payments (SOP)	-	-	-	1,955,590	-	1,955,590
Total comprehensive (loss) for the period	-	-	-	(6,129)	(8,963,321)	(8,969,450)
Shareholders' equity as at December 31, 2025	**384,905,800**	**28,393,231**	**3,007,774**	**(14,309,704)**	**(8,963,321)**	**393,033,779**

EYEWEAR by DAVID BECKHAM

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1.GENERAL INFORMATION

The holding company, Safilo Group S.p.A., is a joint stock company established in Italy on 14 October 2002 registered with the Business and Trade registry of Vicenza. Starting from May 11, 2017 the Company has moved its head office from Pieve di Cadore (Belluno) to Padua, Settima Strada 15, Italy and is registered in the Business and Trade registry of Padua.

Safilo Group S.p.A. is listed on Euronext Milan of the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A., (code SFL IT0004604762).

Following the Group's financial restructuring, which was completed in the first quarter of 2010 with the share-capital increase, Multibrands Italy B.V. (a subsidiary of HAL Holding N.V.) became the parent company's leading shareholder.

According to IFRS 10 HAL Holding N.V., is deemed to have control over Safilo Group S.p.A. and accordingly is required to consolidate Safilo Group S.p.A. in its financial statements as from 1 January 2014 (even though its ownership interest of HAL Holding N.V. in the company Safilo Group S.p.A. is below 50%). HAL Holding is fully owned by HAL Trust, listed on NYSE Euronext of Amsterdam Stock Exchange.

These financial statements are reported in Euro. The financial information relates to the period from 1 January 2025 to 31 December 2025 and also presents comparative data related to the financial period from 1 January 2024 to 31 December 2024.

Safilo Group S.p.A. is the holding company of the Safilo Group, and during the year it continued in the management of its shareholdings, as well as in the coordination activity towards the subsidiaries.

These financial statements were approved by the Board of Directors on 12 March 2026.

The financial statements of Safilo Group S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815.

2. SUMMARY OF ACCOUNTING PRINCIPLES ADOPTED

2.1 ACCOUNTING POLICIES

The accounting policies described here below have been applied for the preparation of the present report and comply with those adopted for the financial report as of 31 December 2024.

The new amendments and accounting standards, described below, have not had any significant impacts on this report. The consolidated financial statements are based on the going concern assumption, despite a context still characterized by considerable uncertainty, the Group, taking into account its financial solidity, the actions undertaken to mitigate risks and its business model, believes that there are no elements that may rise any uncertainty on the going concern assumption, in accordance with paragraph 25 of IAS 1.

The financial statements for the year ended 31 December 2025 and 31 December 2024 were prepared in accordance with IFRSs issued by the International Accounting Standard Board ("IASB") and endorsed by the European Commission, as well as with the measures enacted to implement article 9 of Legislative Decree no. 38/2005. IFRSs include also all the interpretations of the International Financial Reporting Interpretations Commitee ("IFRIC"), previously called Standing Interpretations Commitee ("SIC").

In preparing the present financial statements, the comparative statement of changes in equity was restated by including the impact of the Stock Option reserve in a specific line of movements; similarly, the 2024 comparative balance in the statement of Comprehensive Income was amended.

The financial statements were prepared in accordance with "cost" criteria with the exception of some financial assets and liabilities, including derivative instruments, for which the "fair value" criterion was adopted.

Preparation of the annual report in accordance with IFRSs requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and explanatory notes. Actual results may differ from these estimates. The areas of the financial statements that are most affected by such estimates and assumptions are listed in section 3 "Use of estimates".

Accounting standards, amendments and interpretations effective as of 1 January 2025

In preparing these financial statements the same accounting principles and criteria of the financial statements as at 31 December 2024 have been applied.

Furthermore, the Company has adopted the following new standards and amendments, effective from 1 January 2025:

- on 15 August 2023 the IASB published amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

The Company has complied with the above new amendments in preparing this report, their application had no significant impact on the company financial statements.

Accounting standards, amendments and interpretations issued and endorsed by the European Union but not effective for the reported period and not early adopted by the Company

At the date of this report the following amendments have been endorsed by the European Union applicable to the Company and effective for annual periods beginning on or after 1 January 2026 that have not been early adopted by the Company in preparing this report:

- on 30 May 2024, the IASB issued the amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7);
- on 18 July 2024, the IASB issued the Annual Improvements Volume 11;
- on 18 December 2024 the IASB issued the amendment to IFRS 9 and IFRS 7 on the Contracts Referencing Nature-dependent Electricity.

The Company will comply with these new standards and amendments based on their relevant effective dates, and their application is not expected to have any material impact on the company financial statements.

Accounting standards, amendments and interpretations not yet completed and endorsed by the European Union

In addition, the European Union has not yet completed its endorsement process for the following standards and amendments at the date of this report:

- on 9 May 2024 the IASB published the new Standard IFRS 19 Subsidiaries without Public Accountability: Disclosures;
- on 9 April 2024 the IASB published the new Standard IFRS 18 Presentation and Disclosure in Financial Statements;
- on 13 November 2025 lo IASB published the amendments to IAS 21 regarding the translation of financial statements presented in a hyperinflationary currency.

Subject to endorsement by the European Union, the above new standards and amendments, will be mandatorily applicable starting 1 January 2027.

The Company will comply with these new standards and amendments based on their relevant effective dates when endorsed by the European Union. Their application is not expected to have a significant impact on the financial statements, except for IFRS 18, which will require a change in the statement of profit or loss presentation, its relevant subtotals and the disclosures regarding management performance measures. The Company will evaluate the related effects during the upcoming months.

2.2 FORMAT OF FINANCIAL STATEMENTS

Safilo Group presents the income statement by function (so-called "cost of sales"). This is considered to be more representative with respect to presentation by type of expenses, as it conforms more closely to the internal reporting and business management methods and is in line with international practice in the eyewear sector.

For the balance sheet, a distinction is made in the assets and liabilities between current and non-current as described in paragraphs 51 and following of IAS 1. The indirect method for the cash flow statement was used. Therefore, the net profit of the period is adjusted by the effects of non-monetary transactions, changes in working capital and cash flows from investing and financing activities.

2.3 RIGHT OF USE

Assets held through lease contracts (both finance and operating) are recognized according to the IFRS 16 standard, which provide a definition of leases based on the control (right of use) of an asset considering: identification of the asset, right to replace it, right to obtain all economic benefits and the right to manage the use of the asset. The standard establishes a model to recognize and measure lease contracts for the lessee through the posting of the asset (also in operating leases) offset by a financial debt. Assets held through lease contracts, are recognized as assets of the Company at the present value of their contractual lease payments. The corresponding liability due to the lessor is recorded on the financial statements under financial debts. The assets are depreciated over the duration of the lease contract.

The Company has elected to apply the exemptions stated by the Standard that allow to keep leases off balance if they have an initial contractual duration of less than or equal to 12 months (IFRS16.5-a) or if they refer to a low-value asset (IFRS16.5-b), according to these exemptions these contracts are still recorded as lease and rent expenses on a straight-line basis in the income statement over the duration of the lease contract.

2.4 CASH IN HAND AND AT BANK

Cash and cash equivalents include cash, bank demand deposits and other highly liquid short-term investments that can be unwound within three months.

2.5 TRADE RECEIVABLES AND OTHER ASSETS

Trade receivables and other assets are initially recognised on the statement of financial position at their current value and subsequently recalculated according to the amortised cost method, net of any impairments.

A provision for doubtful accounts is accrued when there is evidence that the Company will not succeed in collecting the original amount due. The provisions accrued for doubtful accounts are recognised in profit or loss.

2.6 INVESTMENTS IN ASSOCIATES

The shareholdings held in subsidiary companies are recorded at acquisition, incorporation, or contribution cost.

As required by IAS 36, the equity investment in the subsidiary Safilo S.p.A. is tested for impairment when internal or external factors exist that could represent impairment indicators.

In the case of investments that were written down in whole or in part in previous financial years, the presence of any indicators for a reversal of the impairment is assessed.

2.7 PROVISIONS FOR RISKS

The Company records provisions for risks and charges when:

- it has a legal or constructive obligation to third parties;
- it is probable that it will be necessary to use resources of the Group to settle the obligation;
- a reliable estimate of the amount can be made;

changes in estimates are recorded in the income statement of the period in which the changes occur.

2.8 EMPLOYEES BENEFITS

The employee severance fund of Italian companies ("TFR") has always been considered to be a defined benefit plan however, following the changes to the discipline that governs the employment severance fund introduced by Italian law no. 296 of 27th December 2006 ("Financial Law 2007") and subsequent Decrees and Regulations issued in the first months of 2007, Safilo Group, on the basis of the generally agreed interpretations, has decided that:

- the portion of the employee benefit liability accruing from 1st January 2007, whether transferred to selected pension funds or transferred to the treasury account established with INPS, must be classified as a "defined contribution plan";
- the portion of the employee benefit liability accruing as of 31st December 2006, must be classified as a "defined benefit plan" requiring actuarial valuations that exclude future increases in salaries.

For an analysis of the accounting effects deriving from this decision, see paragraph 4.13 "Employees benefits".

Remuneration plans under the form of share capital participation

The Company recognizes additional benefits to some employees and consultants through "equity settled" type stock options. In accordance with IFRS 2 - Share-based payments, the current value of the stock options determined at the vesting date through the application of the "Black & Scholes" method is recognized in the income statement under personnel costs in constant quotas over the period between the vesting date of the stock options and the maturity date, counterbalanced by an equity reserve.

The effects of the vesting conditions not related to the market are not taken into consideration in the fair value of the vested options but are material to measurement of the number of options which are expected to be exercised.

At the balance sheet date the Company revises its estimates on the number of options which are expected to be exercised. The impact of the revision of the original estimates is recognized in profit or loss over the maturity period, with a balance entry in equity reserves.

When the stock option is exercised, the amounts received by the employee, net of the costs directly attributable to the transaction, are credited to share capital for an amount equal to the par value of the issued shares and to the share premium reserve for the remaining part.

2.9 REVENUE RECOGNITION

Revenues include the fair value of the sale of services, net of VAT and any discounts. The Company recognises revenues for billed services in the financial year in which the service is provided.

2.10 INCOME TAXES

Income taxes are recognised on the income statement, with the exception of those relating to accounts that are directly credited or debited to equity, in which case the tax effect is recognised directly in equity.

Deferred taxes are calculated on tax losses and all the temporary differences between the tax basis of an asset or liability and their book value. Deferred tax assets are recognised only for those amounts where it is likely there will be future taxable income allowing for recovery of the amounts.

Current and deferred tax assets and liabilities are offset when the income tax is applied by the same tax authority and when there is a legal right to offsetting.

2.11 EARNINGS PER SHARE

Basic

Basic earnings per share are calculated by dividing the profit or loss of the Company by the weighted average number of ordinary shares outstanding during the financial year, excluding any treasury shares.

Diluted

Diluted earnings per share are calculated by dividing the profit or loss of the Company by the weighted average number of ordinary shares outstanding during the year. In order to calculate the diluted earnings per share, the weighted average number of shares outstanding is adjusted in respect of the dilutive potential ordinary share (stock options and convertible bonds), while the profit or loss of the Company is adjusted to take into account the effects, net of income taxes, of the conversion.

2.12 TRANSLATION OF BALANCES IN FOREIGN CURRENCY

Foreign currency transactions are translated into Euro using the exchange rates in effect at the date of the transaction. Foreign exchange gains and losses resulting from the closure of such transactions and from translation of the monetary assets and liabilities in foreign currencies at the exchange rates at end of the year are recognised in profit or loss.

3. USE OF ESTIMATES

The preparation of the financial statements requires the Directors to apply accounting standards and methods that, in some circumstances, are based on difficult and subjective valuations and estimates based on past experience and assumptions which are from time to time considered reasonable and realistic according to the relative circumstances. The application of these estimates and assumptions affects the amounts posted in the financial statements, such as the balance sheet, the income statement, the cash flow statement and the notes thereto. Actual results of the balances on the financial statements, resulting from the above-mentioned estimates and assumptions, may differ from those reported on the financial statements due to the uncertainty which characterizes the assumptions and the conditions on which the estimates are based.

The macroeconomic environment, resulting from a combination of geopolitical risks consequents to the still ongoing Ukraine - Russian invasion and the Israel-Gaza crisis represented an extraordinary circumstance that had direct and indirect repercussions on economic activity and has created a general environment of uncertainty. Also, environmental responsibility risks and the transitory risks related to the regulation changes associated with the fight against the "climate change" may have an impact in term of future uncertainty. Financial statements assumptions and estimates have taken into consideration the uncertainties deriving from the above circumstances. For more details see also the consolidation Report on Operations on the paragraph related to the "Main critical risk factors for the Group".

The accounting standards that are more subject to the directors' estimates and for which a change in the underlying conditions or the assumptions may have a significant impact on the consolidated financial statement are described briefly below.

Equity investments: in accordance with the accounting standards adopted for the preparation of the financial statements, the Company tests the equity investments for potential impairment when internal or external factors exist that represent impairment indicators. Any loss in value resulting from the test is recorded in the income statement. In particular, the test is derived by properly adjusting the outcome of the impairment test executed at consolidated level. The assessment process of the impairment test is complex and is based on assumptions concerning, among other things, the forecast of expected cash flows, the determination of appropriate discounting rates (WACC) and long-term growth (g-rate). These estimates depend on factors that may change over time with consequent effects, which may be significant, compared to the Directors' assessments. Consistent with the indications of the main regulators, to meet the difficulties of making accurate estimates of future flows, the Directors performed their estimate considering independent sources and analysts' projections and carried out the test performing some sensitivity analyses relating to the main inputs of the calculation. As suggested by regulators and standard setters, the uncertainties have been reflected in the estimate of cash flows, rather than adding a risk premium to the discount rate.

4. NOTES TO THE BALANCE SHEET

4.1 CASH AND CASH EQUIVALENTS

This item totals Euro 471,326 (compared to Euro 379,578 of previous year) and represents the momentary availability of cash. The book value of the available liquidity is aligned with its fair value at the reporting date and the related credit risk is very limited as the counterparts are primary banks.

4.2 TRADE RECEIVABLES

Trade receivables totals Euro 1,211,644 (against Euro 1,067,681 of previous year). They refer to amounts charged by Safilo Group S.p.A. to its subsidiaries (mainly Safilo S.p.A. and Safilo Industrial S.r.l. for legal and tax services). The book value of the trade receivables is kept approximately equal to the fair value and payment terms are aligned with the market benchmarks.

(Euro)	December 31, 2025	December 31, 2024
Trade receivables	**173**	**1,680**
Trade receivables from subsidiaries		
- Safilo S.p.A.	800,318	668,459
- Safilo Industrial S.r.l.	239,163	278,185
- Lenses Srl	-	27,582
- Safilo Benelux	4,251	-
- Safilo GmbH	6,936	2,033
- Safilo France	7,436	3,033
- Safilo Nordic	16,535	-
- Safilo Hellas	-	-
- Safilo UK	65,746	47,823
- Safilo Nederland	-	-
- Safilo Austria	4,251	-
- Safilo Portugal	5,436	1,033
- Safilo Switzerland	6,254	-
- Safilo Espana	6,936	2,533
- Safilo Optical Trade	6,206	4,372
- Safilo USA Inc.	12,153	12,158
- Smith Usa	8,163	8,621
- Safilo Canada	1,005	1,003
- Safilo Polska	4,241	-
- Prive Goods LLC	-	1,043
- Blenders Eyewear LLCs	4,174	4,074
- Safilo Far East	-	-
- Safilo Australia	-	4,049
- Safilo South Africa	4,296	-
- Safilo Safint de Mexico	1,998	-
- Safilo Malaysia	1,995	-
- Safilo Japan	1,983	-
- Safilo Middle East	1,995	-
Total	**1,211,644**	**1,067,681**

4.3 OTHER CURRENT ASSETS

This item breaks down as follows:

(Euro)	December 31, 2025	December 31, 2024
VAT receivables	4,657,773	4,507,271
Tax receivables and advance payments	208,404	121,449
Prepayments and accrued income	71,614	35,520
Other receivables from subsidiaries - Safilo S.p.A.	35,496	35,475
Other receivables from subsidiaries - Safilo Industrial S.r.l.	18,452,015	16,112,991
Other Subsidiaries held by Safilo S.p.A.	29,691	22,833
Dividends	2,238,862	-
Total	**25,693,856**	**20,835,539**

The VAT credit refers to the amount of VAT arising from Group VAT calculation.

The item receivables from Safilo Industrial S.r.l. mainly refer to the VAT debt position transferred by the subsidiary itself according to the Group VAT settlement procedure mentioned.

4.4 RIGHT OF USE ASSETS

Below the summary of the Rights of Use divided by category: real estate rent contracts and long-term operating lease contracts for company cars.

(Euro)	January 1, 2025	Increase	Decrease	December 31, 2025
Gross value				
Buildings Rights of Use	135,201	-	-	135,201
Other assets Rights of Use	465,415	63,221	(62,024)	466,611
Total	**600,615**	**63,221**	**(62,024)**	**601,812**
Accumulated depreciation				
Buildings Rights of Use	87,417	33,800	-	121,217
Other assets Rights of Use	197,665	124,358	(61,955)	260,068
Total	**285,083**	**158,158**	**(61,955)**	**381,285**
Net book value	**315,536**	**(94,937)**	**(69)**	**220,530**

4.5 INVESTMENTS IN SUBSIDIARIES

This item amounts to Euro 417,172,413 (compared to Euro 415,632,471 of previous year).

The following tables show the movements that occurred during the 2025 and during the previous financial year:

(Euro)	% of share capital	January 1, 2025	Increase (Decrease)	December 31, 2025
Safilo S.p.A.	95.201	410,427,044	-	410,427,043
Contribution for stock options to subsidiaries		5,204,260	1,539,942	6,744,203
Safilo de Mexico	0.001	521	-	521
Safilo Portugal	0.1	500	-	500
Safilo Benelux	0.005	146	-	146
Total		**415,632,471**	**1,539,942**	**417,172,413**

(Euro)	% of share capital	January 1, 2024	Increase (Decrease)	December 31, 2024
Safilo S.p.A.	95.201	410,427,044	-	410,427,044
Contribution for stock Option to subsidiaries		4,045,062	1,159,197	5,204,260
Safilo de Mexico	0.001	521	-	521
Safilo Portugal	0.1	500	-	500
Safilo Benelux	0.005	146	-	146
Total		**414,473,273**	**1,159,197**	**415,632,471**

The key information for the subsidiary Safilo S.p.A. is summarised as follows:

Name	Safilo S.p.A. – Società Azionaria Fabbrica Italiana Lavorazione Occhiali
Registered office	Z.I. Settima Strada, 15 (Padova)
Share capital at 31st December 2025	Euro 66,176,000 i.v.
Shareholders' equity at 31st December 2025	Euro 383,245,082
Net profit for the financial year 2025	Euro 133,733,856

Management, in accordance with the relevant accounting standards (IAS 36), assessed whether there were any indicators of impairment or any indicators of a reversal of impairment ("reversal") relating to the investment in Safilo S.p.A., recorded in the separate financial statements of Safilo Group S.p.A. at a carrying amount of €417.2 million, taking into account the recent developments of both the Safilo Group and Safilo S.p.A.

Given the significance of the value of the investment in Safilo S.p.A. and the difference identified between its carrying amount and its contribution to the consolidated financial statements in terms of net assets, management has subjected the value of the investment to an impairment test.

The approach followed and the assumptions made to perform the impairment test are described below.

Since Safilo S.p.A. operationally heads the entire Safilo Group, the impairment test of this investment was derived from the one performed for the purposes of the consolidated financial statements.

Impairment test

The approach followed and the assumptions made to perform the impairment test are described below.

For the unique identified CGU of the Group, the recoverable amount is based on its value in use determined based on estimated future cash flow projections.

On 12 March 2026 the Board of Directors has approved the 2026-2030 Financial Projections that confirms the main goals and strategies defined in the Group Business Plan presented to the markets on 10 March 2023. For the purposes of the impairment test, these financial projections take the requirements of IAS 36 into consideration, specifically those that require that the estimate of future cash flows excludes those cash flows that are expected to arise from improving or enhancing asset performance. Accordingly, potential new acquisitions effect included in the Financial projection 2026-2030, have not been considered for the purposes of the impairment test.

In estimating the growth in the plan period, the Group has taken into consideration both its own internal expectations as well as indications obtained from independent external sources.

The main objectives and strategies underlying Safilo's 2026-2030 Financial Projection are:

- sales growth, which maximizes customer service and meets the needs of the different consumer segments;
- margin expansion and a more flexible operating cost structure;
- 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.

The impairment test methodology used for the execution of the impairment test at the date of 31 December 2025 is consistent with the criteria used for the 2024 financial statements and considers the following factors:

- Management used the most recent information available to calculate the WACC (weighted average cost of capital), in particular: risk free rate, market risk premium, beta, specific risk premium for Safilo, Cost of debt (including lease liabilities), debt/equity structure. As recommended by regulators, the WACC has not been adjusted for the macroeconomic environment with uncertainties instead being reflected in the cash flows;
- the growth rates for the years following the plan's horizon ("g" rate) have been analytically reviewed for each single country in which the Group operates in and have been adapted to the rate of inflation expected by analysts for 2030.

To calculate the present value, the future cash flows thus obtained were discounted to their present value at a discount rate (WACC) as at the test's date of reference that took into account the specificities of each geography where the Group operates. The cash flows generated after the horizon considered were determined on the basis of perpetual growth rates considered adequate with reference to the economic conditions of the country of reference.

The following table summarizes the WACC and "g" rates used by the Group for the impairment test:

Key assumptions	"WACC" discount rate		Growth rate "g"	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Safilo Group	9.8%	10.0%	2.2%	2.1%

The impairment test carried out did not highlight any loss in value.

Management has performed sensitivities to test the cover of Net Invested Capital based on different scenarios where key parameters like WACC and Free Cash Flows have been progressively modelled. With reference to the break-even level: to obtain an enterprise value equal to the net invested capital as of

31 December 2025, including goodwill, EBITDA and related cash flows could be reduced by around 46% or WACC could be increased by +6.0%.

After completing the process described, management concluded that no impairment loss needs to be recognized at the date of 31 December 2025.

Management has used the most reliable information available at this moment, taking into consideration also exogenous factors, such as the stock market capitalization, which, thanks to the share positive performance, returned to being higher than the Group's net equity.

Management believe that the assumptions incorporated in the Financial Projections 2026-2030 underlying the impairment test are reasonable and that the Group has the necessary skills and resources to meet planned goals.

Assessment of indicators of value recovery

Under IAS 36, in order to perform a potential reversal, it is necessary to consider the indicators from external and internal sources of information set out in paragraph 111 of the aforementioned standard and verify whether there has been an increase in the so-called "service potential" of the underlying asset (i.e., the Investment), as indicated in paragraph 115 of IAS 36. The accounting standard does not establish a priority order among the reversal indicators.

Considering the reversal indicators, as well as the financial and economic position of the Safilo Group compared with 2020, the year in which the most recent impairment of the investment was recognized, no elements have emerged that would demonstrate a clear structural and lasting improvement in the macroeconomic or competitive environment, nor an improvement in corporate performance significantly exceeding what had been assumed in the 2021–2025 financial projections prepared for the purposes of the 2020 financial statements. The indicators observed in fact present so-called "mixed" conditions, with some favorable or neutral indicators, while others still show elements of uncertainty.

In the macroeconomic and competitive environment, conditions of volatility persist, linked to interest rates, currency fluctuations and geopolitical tensions, which limit visibility on long-term prospects. The increase in market capitalization, although significant, may be characterized by high volatility, as has already occurred in the past; therefore, given the short observation period, it is not currently considered a clear indicator of reversal. Management believes that this indicator may represent reliable evidence once the market valuation has been confirmed over a sustained period of time, not shorter than 12 months.

In light of the assessments carried out, also with the support of the opinion of an independent expert, and taking into account the principle of prudence to be exercised when forming judgments under conditions of uncertainty, as required by the IFRS Conceptual Framework, the Company believes that, at present, there are no lasting conditions that would justify a reversal of the impairment of the Investment.

4.6 DEFERRED TAX ASSETS

Deferred tax assets refer to the tax benefit related to tax losses that may be recovered in future financial years and to temporary differences between the carrying value of assets and liabilities and their tax value. Deferred tax assets are recorded to the extent there is the probability that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax assets to be utilized.

The components of the deferred tax assets include the effects of the tax group consolidation. As a matter of fact, starting from 1st January 2006 the Company joined the national group tax consolidation regime in the capacity of parent company. The subsidiaries participating in the program are Safilo S.p.A. and Safilo Industrial S.r.l. (100% owned by Safilo S.p.A). The effect of this option allows calculation of a single Group taxable income, corresponding to the algebraic sum of the taxable income of the participating entities.

As of 31 December 2025, deferred tax assets amounting to Euro 114,983,148 have been reduced by a valuation allowance of Euro 114,956,282, in line with prior years' considerations, as the Company believes there is no reasonable certainty of their future recoverability. Consequently, deferred tax assets, net of deferred tax liabilities amounting to Euro 26,866, are fully offset by the valuation allowance.

The following table illustrates the details of the deferred tax assets components with the related movements, as well as the related valuation allowance, at 31 December 2025:

(Euro)	January, 1 2025	Impact to		Receivables/ Payables due to tax consolitation	December, 31 2025
		Income Statement	Equity		
Tax losses Safilo Group S.p.A.	24,235,444	904,721	-	2,521,713	27,661,879
Tax losses transferred to the tax consolidation by the subsidiaries	93,478,034	-	-	(7,068,712)	86,409,322
Tax losses before the tax consolidation	192,629	-	-	-	192,629
Other temporary differences	147,132	380,187	-	-	527,318
Provision for Risks	300,000	(108,000)	-	-	192,000
Total deferred tax assets	**118,353,239**	**1,176,908**	**-**	**(4,546,999)**	**114,983,148**
Valuation allowance of deferred tax assets	(118,353,239)	(1,150,042)	-	4,546,999	(114,956,282)
Total deferred tax assets, net	**-**	**26,866**	**-**	**-**	**26,866**

The following table shows the tax losses carried forward deriving from the national group tax consolidation:

Financial Year (Euro)	Tax losses	Tax benefit
Before 2014	91,351,812	21,924,435
2015	27,352,290	6,564,550
2016	8,642,688	2,074,245
2017	34,213,659	8,211,278
2018	26,884,736	6,452,337
2019	55,513,664	13,323,279
2020	82,017,679	19,684,243
2021	59,378,384	14,250,812
2022	21,698,117	5,207,548
2023	62,479,893	14,995,174
2024	20,842,443	5,002,186
Offset of taxable income 2025	(15,078,690)	(3,618,886)
Total	**475,296,674**	**114,071,202**

In accordance with Art. 84 of TUIR, all tax losses can be carried forward without time limitation, in order to offset future taxable income to an extent not greater than 80% of the taxable income for each single fiscal year.

Deferred tax liabilities

Deferred tax liabilities refer to taxes related to temporary differences between the carrying value of assets and liabilities and their tax value.

The following table illustrates the breakdown of accounts on which deferred tax liabilities:

(Euro)	January 1, 2025	Impact to		December 31, 2025
		Income Statement	Equity	
Dividends not collected	-	26,866	-	26,866
Total deferred tax liabilities	**-**	**26,866**	**-**	**26,866**

4.7 OTHER NON-CURRENT ASSETS

This item totals Euro 9,000 (compared to Euro 1,159,460 of previous year).

The decrease relates to the collection of the receivable arising from the national tax consolidation mechanism due from Lenti S.r.l., which was sold by the subsidiary Safilo S.p.A. during 2025.

4.8 LEASE LIABILITIES

Below the summary of the lease liabilities for Rights of Use assets mainly related to real estate rental contracts and long-term operating lease contracts for company cars.

(Euro)	January 1, 2025	Increase	Decrease	December 31, 2025
Lease liabilities IFRS 16	**324,141**	**63,221**	**(160,069)**	**227,293**
Of which:				
Short term liability	150,111			101,937
Long term liability	174,030			125,356

4.9 TRADE PAYABLES

The following table shows a breakdown of the trade payables and the payables to subsidiaries:

(Euro)	December 31, 2025	December 31, 2024
Trade payables for services	**1,413,926**	**1,631,039**
Trade payables to subsidiaries:		
Safilo S.p.A.	2,984,058	2,615,008
Total	**4,397,984**	**4,246,047**

The item payables to service providers mainly refers to consultancies for business development operations.

The item payable to Safilo S.p.A. mainly refers to accounting and administrative services provided by the subsidiary to the parent company.

4.10 TAX PAYABLES

As of 31 December 2025, this item amounted to Euro 2,734,208 (compared to Euro 418,733 of previous year) and referred to IRPEF withholdings on wages and salaries and independent contractors' compensation withholdings for the month of December, that were paid in January 2026.

4.11 OTHER CURRENT LIABILITIES

This item breaks down as follows:

(Euro)	December 31, 2025	December 31, 2024
Payables to personnel and social security institutions	3,340,961	1,497,378
Payables to pension provisions	14,742	11,406
Other current liabilities	1,709	3,236
Accrued expenses	42	41
Other payables to subsidiaries - Safilo S.p.A.	40,102,447	32,122,767
Total	**43,459,901**	**33,634,828**

The item other payable to subsidiary Safilo S.p.A. mainly refers to the transfer of the VAT credit within the Group VAT settlement procedure.

4.12 PROVISIONS

As of 31 December 2025, this item amounts to Euro 800,000 (compared to Euro 1,250,000 of previous year) and refers to the estimated liability, revised during the year, for both the long-term portion and the short-term portion payable in favor of senior managerial figures.

4.13 EMPLOYEE BENEFITS OBLIGATIONS

During the financial year under review, the item showed the following movements:

(Euro)	January 1, 2025	Exercise handling				Provision transfer	December 31, 2025
		Transfer	P&L accounting provision	Actuarial gains/ (losses)	Compensation paid		
Employee Benefits	158,205	(361)	4,346	6,129	(42,714)	-	125,605
Defined contribution plans	-	-	199,409	-	-	199,409	-
Total	**158,205**	**(361)**	**203,755**	**6,129**	**(42,714)**	**199,409**	**125,605**

(Euro)	January 1, 2024	Exercise handling			Provision transfer	December 31, 2024
		Transfer	P&L accounting provision	Actuarial gains/ (losses)		
Employee Benefits	150,308	-	4,629	3,268	-	158,205
Defined contribution plans	-	-	210,935	-	(210,935)	-
Total	**150,308**	**-**	**215,564**	**3,268**	**(210,935)**	**158,205**

Following the spin-off of 1 January 2017 which implied the transfer of some employees from Safilo S.p.A, the company Safilo Group S.p.A is also subject to the changes made to the regulations governing the employment severance fund introduced by Law no. 296 of 27th December 2006 ("Financial Law 2007") and subsequent Decrees and Regulations issued in the first months of 2007. Safilo Group S.p.A, on the basis of generally agreed interpretations, has decided that:

- the portion of the employee benefit liability accrued from 1st January 2007, whether transferred to selected pension funds or transferred to the treasury account established with INPS, must be classified as a "defined contribution plan";
- the portion of the employee benefit liability accrued as of 31st December 2006 must be classified as a "defined benefit plan" requiring actuarial valuations that exclude future increases in salaries.

The employee severance fund of Italian companies ("TFR") has no plan assets at its service. Actuarial estimates used for calculating the employee severance liability accrued up to 31st December 2006 are based on a system of assumptions based on demographic parameters, economic parameters and financial parameters.

The demographic parameters are normally summarized in tables based on samples from different institutes (ISTAT, INAIL, INPS, Italian General Accounts Office, etc.).

The economic parameters principally refer to long-term inflation rates and the financial yield rate, crucial for the valuation of amounts accrued in the reserve for termination benefits.

The main financial parameter is given by the discount rate. The annual discount rate used to calculate the present value of the obligation was derived by the Iboxx Corporate AA index with a duration comparable to the duration of the collective of workers covered by the assessment.

SHAREHOLDERS' EQUITY

The shareholders' equity is both the value contributed by the shareholders of Safilo Group S.p.A. (share capital and share premium reserve) plus the value generated by the Group in terms of profit gained from its operations (profit carried forward and other reserves).

At 31 December 2025, shareholders' equity amounts to Euro 393,033,779, against Euro 399,358,312 of previous year.

4.14 SHARE CAPITAL

At 31 December 2025 the share capital of Safilo Group S.p.A. amounts to Euro 384,905,800 (compared to Euro 384,872,713 at the end of the previous year) consisting of no. 415,238,780 ordinary shares with no par value (414,239,313 ordinary shares as at 31 December 2024).

In 2025 new ordinary shares equal to a number of 999,467 were issued, resulting from the execution of a share capital increase to the service of the stock option plan named "Stock Option Plan 2017 – 2020" and "Stock Option Plan 2020 – 2022".

The increase for the period, due to the capital increase resulting from the execution of a share capital increase to the service of the stock option plan named "Stock Option Plan 2017 – 2020" amounts to Euro 33,087.

4.15 SHARE PREMIUM RESERVE

At 31 December 2025 the share premium reserve of Safilo Group S.p.A. amounts to Euro 28,393,231 (compared to Euro 27,736,991 at the end of the previous year).

The movement of the period is due to the exercise of the right of stock option by some directors, according to the stock option plan called "Stock Option Plan 2017 - 2020", is equal to Euro 656,240.

4.16 RETAINED EARNINGS AND OTHER RESERVES

This account breaks down as follows:

(Euro)	December 31, 2025	December 31, 2024
Legal reserve	3,007,774	3,007,774
Stock option reserve	3,209,419	1,578,055
Reserve for actuarial gain (losses) of defined benefit plan	(1,353)	4,776
Losses carried forward	(17,517,771)	(7,283,344)
Total	**(11,301,931)**	**(2,692,739)**

It should be noted that in the last three years there has been no use of reserves except for those intended to cover past losses.

Equity accounts - possible use and distribution

The table below shows the possible use and distribution of equity accounts:

(Euro)	Amount	Possible use
Share Capital	384,905,800	
Share premium reserve	28,393,231	A - B
Legal reserve	3,007,774	B
Stock option reserve	3,209,419	
Reserve for actuarial gain (losses) of defined benefit plan	(1,353)	
Losses carried forward	(17,517,771)	
Net (loss) for the year	(8,963,321)	
Total	**393,033,779**	

A = for capital increase

B = to hedge against losses

STOCK OPTION PLANS

As at 31 December 2025 the Group has in place the following Stock Option Plans: 2017-2020, 2020-2022 and the 2023-2025 Plan.

The first Plan was deliberated by the Ordinary Shareholders' meeting held on 26 April 2017, in which the Shareholders approved the issue of up to 2,500,000 (adjusted after the 2018 capital increase to 2,891,425) new ordinary shares to be offered to directors and/or employees of the Company and its subsidiaries.

The 2020-2022 Plan was deliberated by the Ordinary Shareholders' Meeting held on 28 April 2020, in which the Shareholders approved the issue up to 7,000,000 new ordinary shares to be offered to directors and/or employees of the Company and its subsidiaries.

The 2023-2025 Plan was deliberated by the Ordinary Shareholders' meeting held on 27 April 2023 in which the Shareholders approved the issue up to a maximum of 22,000,000 ordinary shares in favour of executive directors who are also employees and other employees of the Company and/or other companies within the Group.

Information relating to the tranches of the Stock Options Plans granted on 31 December 2025 are shown below.

	Grant date	No. of options	Fair value in Euro	Maturity
Stock Option Plan 2017-2020				
Third tranche	30 April 2019	403,655	0.18	31 May 2027
Stock Option Plan 2020-2022				
First tranche	31 July 2020	1,985,716	0.18	30 June 2028
Second tranche	11 March 2021	2,673,505	0.27	30 June 2029
Stock Option Plan 2023-2025				
First tranche	11 September 2023	6,210,000	0.28	30 June 2031
Second tranche	14 March 2024	6,810,000	0.34	30 June 2032
Third tranche	11 March 2025	6,670,000	0.26	30 June 2033
Third tranche Bis	10 December 2025	2,310,000	0.66	30 June 2033

The fair value of the stock options was estimated on the vesting date based on the Black-Scholes model.
The main market inputs of the model used are shown below:

	Share price at grant date	Exercise price in Euro	Expected volatility	Free risk rate
Stock Option Plan 2017-2020				
Third tranche	0.81	0.68	36.20%	0.09%
Stock Option Plan 2020-2022				
First tranche	0.63	0.63	47.78%	-0.39%
Second tranche	0.93	0.87	45.67%	-0.29%
Stock Option Plan 2023-2025				
First tranche	0.93	0.97	38.20%	3.01%
Second tranche	1.18	1.17	33.97%	2.55%
Third tranche	0.90	0.97	37.32%	2.41%
Third tranche Bis	1.93	1.86	45.03%	2.35%

The table below shows the changes in the stock option plans which occurred during the year:

	No. of options	Average exercise price in Euro
Stock Option Plan 2017-2020		
Outstanding at the beginning of the period	**569,089**	**0.68**
Granted	-	-
Forfeited	-	-
Exercised	(165,434)	0.68
Expired	-	
Outstanding at period-end	**403,655**	**0.68**
Stock Option Plan 2020-2022		
Outstanding at the beginning of the period	**5,493,253**	**0.76**
Granted	-	-
Forfeited	-	-
Exercised	(834,032)	0.69
Expired	-	-
Outstanding at period-end	**4,659,221**	**0.77**
Stock Option Plan 2023-2025		
Outstanding at the beginning of the period	**14,580,000**	**1.07**
Granted	9,730,000	1.17
Forfeited	(2,310,000)	1.04
Exercised	-	-
Expired	-	-
Outstanding at period-end	**22,000,000**	**1.12**

During the year, a total of 999,466 options were exercised of which 165,434 of the Plan 2017-2020 and 834,032 of the Plan 2020-2022. Additionally for the Plan 2023-2025 2,310,000 options were forfeited and 9,730,000 options were granted.

The options outstanding of the third tranche of the Plan 2017-2020, equal to 403,655 options, are exercisable until 31 May 2027, the first and the second tranche of the Plan 2020-2022, equal respectively to 1,985,716 and to 2,673,505 options, are exercisable until 30 June 2028 and 30 June 2029 respectively, the three tranches of the Plan 2023-2025 equal respectively to 6,210,000 options, 6,810,000 and 8,980,000 options are exercisable until 30 June 2031, 30 June 2032 and 30 June 2033.

At the date of the approval of these financial statements the options vested and exercisable still outstanding are the one related to the Plan 2017-2020 equal to 403,655 and to the Plan 2020-2022 equal to 4,659,221.

The exercise price for the options of the third tranche of the Plan 2017-2020 is equal to 0.68 Euro with a remaining contract life of 1.4 years, for the first and the second tranche of the Plan 2020-2022 the exercise prices are equal to respectively 0.63 and 0.87 Euro with a remaining contract life of 2.5 and 3.5 years respectively, while for the four tranches of the Plan 2023-2025 the exercise prices is equal to respectively 0.97 Euro for the first, 1.17 Euro for the second, 0.97 Euro for the third and 1.86 Euro for the third Bis one with a remaining contract life of respectively 5.5, 6.5 and 7.5 years.

The adoption of these plans has affected the income statement for the period for a cost of 416 thousand Euro (404 thousand Euro in 2024).

No changes or cancellations have been occurred on the above described Plans.

5. NOTES TO THE INCOME STATEMENT

5.1 SERVICE REVENUES

The Company, as Group's financial holding company, does not have revenues from the sale of goods, but only revenues for administrative, legal and tax services provided to the subsidiaries during the year, which amount to Euro 1,168,362.

5.2 GENERAL AND ADMINISTRATIVE EXPENSES

This item breaks down as follows:

(Euro)	2025	2024
Payroll and social security contributions	4,765,111	4,628,656
Corporate compliance costs	471,515	1,013,927
Remuneration to directors and statutory auditors	2,874,917	2,105,481
Consultancies and professional services	1,052,326	824,532
Cost of services provided by Safilo S.p.A.	295,722	247,531
Other administrative and general expenses	339,706	395,571
Provisions (Long Term Incentive)	1,000,000	1,250,000
Depreciation	158,158	138,648
Total	**10,957,456**	**10,604,347**

The following table illustrates the average and punctual number of employees:

	2025	2024
Punctual at 31 December	22	22
Annual Avarage	23	23

5.3 OTHER OPERATING INCOME (EXPENSES)

This item amounts to Euro (100,822) and mainly refers to costs incurred for business development operations.

5.4 FINANCIAL CHARGES

This item breaks down as follows:

(Euro)	2025	2024
Interest expense	(10,912)	(11,597)
Bank charges and commision	(1,625)	(2,299)
Other financial charges	(4,346)	(4,629)
Total financial charges	**(16,883)**	**(18,525)**
Interest income	9,319	9,207
Dividends	2,238,887	-
Total financial income	**2,248,206**	**9,207**
Positive exchange rate differences	837	1,440
Negative exchange rate differences	(960)	(1,814)
Total exchange rate differences, Net	**(123)**	**(374)**
TOTAL FINANCIAL INCOME (CHARGES), NET	**2,231,200**	**(9,692)**

5.5 INCOME TAXES

This item breaks down as follows:

(Euro)	2025	2024
Current taxes	(1,304,605)	8,010
Deferred taxes	-	-
Total	**(1,304,605)**	**8,010**

Current taxes, amounting to Euro 1,304,605, mainly refer to the consolidation charge deriving from group tax consolidation arisen with reference to the taxable profit transferred by Safilo S.p.A. and Safilo Industrial S.r.l., as well as to the consolidation charge relating to the deduction of interest expenses transferred by the subsidiary Safilo S.p.A.. The net tax effect recognized in the financial statements also reflects the benefit related to the utilization of the tax losses generated by the Company during the year and the use of prior year tax losses from the tax consolidation.

To a lesser extent, current taxes relate to adjustments made in the determination of the taxable income of previous years.

There is no net impact to profit and loss related to the movement of deferred tax assets and liabilities considering that the entire amount of deferred tax assets is fully written down.

The table below shows the reconciliation between theoretical taxes and the effective tax burden recognised on the income statement:

(Euro)	%	2025	%	2024
Profit (loss) before taxation	**100%**	**(7,658,716)**	**100%**	**(10,566,663)**
Theoretical Taxes	-24.0%	1,838,092	-24.0%	2,535,999
Permanent differences	-6.3%	485,320	0.1%	(12,318)
Income from tax consolidation	44.3%	(3,393,985)	0.02%	(1,704)
Recognition of previously unrecognised DTA on temporary differences	-3.3%	252,381	0.00%	-
Current year temporary differences for which no DTA are recognised	6.5%	(498,084)	23.9%	(2,523,681)
Other differences	-0.2%	11,670	-0.09%	9,714
Total	**17%**	**(1,304,605)**	**-0.1%**	**8,010**

Pillar Two Model Rules impact

With effect from 1 January 2024, Safilo Group, consolidated line-by-line in the consolidated financial statements of the HAL Group (whose Ultimate Parent Entity is HAL Trust), falls within the scope of the Global Minimum Tax (or "GMT" or "Pillar Two") application, enacted by the Council Directive (EU) 2022/2523, and enacted in Italy by the Legislative Decree 209/2023 ('the Legislative Decree'), aimed at ensuring a global minimum tax level for multinational groups of enterprises.

Since Safilo Group S.p.A. and its subsidiaries are members of the Multinational Group of Enterprises of HAL Trust ("HAL MNE Group", for the Pillar Two Global Minimum Tax purposes, Safilo Group S.p.A. qualifies as a Partially Owned Parent Entity ("POPE").

As provided for in IAS 12, paragraph 4.A, as an exception to the provisions of that Standard, Safilo Group S.p.A. does not recognize or disclose information on deferred taxes and liabilities related to Pillar Two income taxes.

Based on known or reasonably estimable information, Safilo Group's exposure to Pillar Two income taxes as of 31 December 2025, is estimated in Euro 61 thousand in the United Arab Emirates (UAE) jurisdiction, as contribution of Safilo Group to the aggregate amount of Top-up Tax actually due by the HAL MNE Group.

It should be noted that the above estimation was made in accordance with the provisions of the Legislative Decree and with the OECD rules (i.e. GloBE Rules) concerning both the so-called "Transitional CbCR Safe Harbours Tests" and the "Global Minimum Tax"' (i.e., full compliance), with reference to Safilo Group as part of the HAL MNE Group. The main assumptions are summarized as follows:

- "Transitional CbCR Safe Harbour Tests": according to the Ministry of Economics and Finance Decree enacted pursuant to Article 39, paragraph 3 of the Legislative Decree, and in line with the OECD provision on Transitional Safe Harbours, the three tests provided for (i.e., De Minimis, Simplified ETR and Routine Profit Test) were applied in all jurisdictions in which HAL MNE Group and Safilo Group are present, also considering the economic figures (e.g., profit or loss before tax; current and deferred taxes; revenues), which can be referred to the other constituent entities, located therein, belonging to HAL MNE Group and including Safilo Group;
- "Global Minimum tax" (or Top-up Tax (TuT) calculation): as a result of the aforementioned tests, the effective tax rate in the UAE resulted to be lower than the minimum required (i.e., 15%) and, therefore, the resulting contribution to the Top-up Tax was determined considering all Safilo Group constituent entities (different from excluded entities), located therein (i.e., jurisdictional blending). The full compliance calculation was determined assuming the relevant figures equal to the economic figures used for Transitional CbCR Safe Harbour Tests calculation and considering the positive impact of the Substance-based Income Exclusion.

5.6 EARNINGS (LOSSES) PER SHARE

The calculation of basic and diluted earnings per share is shown in the tables below:

Base

(Euro/000)	2025	2024
Profit (loss) on ordinary shares	(8,963)	(10,599)
Average number of ordinary shares	414,439	414,008
Earnings (loss) per basic share (in Euro)	**(0.02)**	**(0.03)**

Diluted

(Euro/000)	2025	2024
Profit (loss) on ordinary shares	(8,963)	(10,599)
Portion reserved for preferred shares	-	-
Profit (loss) in the income statement	**(8,963.32)**	**(10,599.00)**
Average number of ordinary shares	414,439	414,008
Dilution effects:		
- stock option	4,883	2,432
Total	**419,322**	**416,440**
Earnings (loss) per share diluted in Euro	**(0.02)**	**(0.03)**

6. COMMITMENTS

As of the balance sheet date, there are no commitments or specific agreements that have not already been recognized in the accounts or adequately disclosed in these notes.

7. SUBSEQUENT EVENTS

On 20 February 2026, the wholly owned subsidiary Safilo S.p.A. announced that, between 19 and 20 February 2026, it had purchased additional shares in Inspecs Group plc representing approximately 5% of the Company's share capital, for a total consideration of approximately £4.3 million. Following these additional purchases, the total interest held by Safilo S.p.A. in Inspecs amounts to 29.99% of the Company's share capital.

Subsequent to the end of the financial year, the international geopolitical scenario has been characterized by a significant escalation of tensions in the Middle East region, with particular reference to the escalation of the conflict between the United States/Israel and Iran.

The situation and any developments remain unpredictable at this moment. The Company is constantly monitoring these developments to assess potential impacts on its business operations.

Subsequent to 31 December 2025 and up to the date of approval of these financial statements, no events have occurred that could give rise to significant effects on the financial position and results presented herein, as determined in accordance with IAS 10.

8. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

During 2025 the company did not engage in significant non-recurring transactions pursuant to the CONSOB Communication of 28th July 2006.

9. TRANSACTIONS RESULTING FROM UNUSUAL AND/OR ABNORMAL OPERATIONS

Pursuant to CONSOB Communication of 28th July 2006, in 2025 the Company did not put in place any unusual and/or atypical operations, as defined in this Communication.

10. TRANSACTIONS WITH RELATED PARTIES

The remuneration of the Company's Directors, Statutory Auditors and Strategic Management is reported below:

(Euro)	2025	2024
Directors		
- Salaries and short term compensations	3,354,515	3,266,414
- Non monetary benefits	43,254	36,068
- Other compensations	1,588,161	88,161
- Fair value of equity compensations	329,776	229,796
Statutory auditors		
- Fixed compensations and compensations for participation in committees	143,000	143,000
Managers with strategic responsibilities		
- Salaries and short term compensations	566,979	493,448
- Non monetary benefits	16,901	14,655
- Other compensations	60,000	60,000
- Fair value of equity compensations	162,602	109,427
Total	**6,265,188**	**4,440,969**

RESOLUTION REGARDING THE RESULT OF THE YEAR

We submit for your approval the financial statements for the financial year ending on December 31st, 2025, drafted according to the IFRS International Accounting Standards, and recommend that the loss of the year, amounting to 8,963,321 Euro be carried forward.

For the Board of Directors
Chief Executive Officer

Angelo Trocchia

APPENDIX

INFORMATION REQUESTED BY ART. 149-DUODECIES OF THE REGULATION ON ISSUERS ISSUED BY CONSOB

The following table, prepared in accordance with Art, 149-duodecies of the Regulation on Issuers issued by Consob, reports the amount of fees charged in 2025 relating to the audit and other audit related services rendered by the same Audit firm.

The Shareholders' Meeting held on 27 April 2023, upon proposal of the Board of Statutory Auditors, appointed PricewaterhouseCoopers S.p.A. as external Audit Company for the financial years from 2023 to 2031.

(Euro/000)	2025
Audit	171
Attestation	105
Other services	85
Total	**361**

03

Attestations and Auditor's Reports

360 Certification of the Annual Report pursuant to article 81-ter of CONSOB Regulation 11971 of 14th May 1999 as amended

361 Report of the Board of Statutory Auditors

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CERTIFICATION OF THE ANNUAL REPORT PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION 11971 OF 14TH MAY 1999 AS AMENDED

TThe undersigned Angelo Trocchia, as Chief Executive Officer, and Michele Melotti, as the manager responsible for preparing Safilo Group S.p.A.'s financial statements, hereby certify, having also taken into consideration the provisions of article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree 58 of 24th February 1998:

- the adequacy with respect to the company structure and
- the effective application,

of the administrative and accounting procedures for preparation of the annual report during the 2025 financial year.

It is also certified that the annual report at 31st December 2025:

a) corresponds to the results documented in the books, accounting and other records;

b) have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union, as well as with the provisions issued in implementation of article 9 of Legislative Decree 38/2005 and, based on their knowledge, fairly and correctly present the financial position, results of operations and cash flows of the issuer.

12 March 2026

The Chief Executive Officer

Angelo Trocchia

The manager responsible for preparing the company's financial statements

Michele Melotti

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 "Company" or "Safilo"), pursuant to Article 153 of Legislative Decree No. 58/1998 (hereinafter also "TUF"), is required to report to the Shareholders' Meeting convened for the approval of the financial statements on the supervisory activities carried out during the financial year, on any omissions and censurable facts identified and on the results of the financial year.

The Board of Statutory Auditors is also required to submit any proposals regarding the financial statements and their approval, as well as on matters within its competence.

This report provides information on the activities carried out by the Board of Statutory Auditors of Safilo during the financial year ended 31 December 2025 and has been prepared in accordance with Consob Communication No. DEM/1025564 of 6 April 2001 and subsequent amendments and integrations

1. INTRODUCTION

This report provides information on the activities carried out by the Board of Statutory Auditors of Safilo during the financial year ended 31 December 2025 and has been prepared in accordance with Consob Communication No. DEM/1025564 of 6 April 2001 and subsequent amendments and integrations.

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

During the financial year ended 31 December 2025, 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 Italian National Council of Chartered Accountants and Accounting Experts, Consob provisions on corporate controls and the guidelines contained in the Corporate Governance Code for listed companies promoted by Borsa Italiana, to which the Company has declared adherence.

Furthermore, as Safilo has adopted the traditional governance model, the Board of Statutory Auditors coincides with the Internal Control and Audit Committee, to which additional specific control and monitoring functions are assigned in relation to financial reporting and statutory audit pursuant to Article 19 of Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135/2016.

Supervisory activities were carried out during the 10 meetings of the Board of Statutory Auditors held during 2025 (with an average duration of approximately two hours), attending all meetings of the Board of Directors, the Control and Risk Committee, the Remuneration and Nomination Committee, the Sustainability Committee, the Related Party Transactions Committee and the Supervisory Body, also participating in the Shareholders' Meeting held on 24 April 2025.

In this regard, it should be noted that, in order to ensure greater effectiveness of supervisory activities, the Board has adopted, as an operating practice, the active participation of the entire supervisory body in all meetings of the board committees.

The Board periodically reported to the Board of Directors on the activities carried out and the opinions issued. Furthermore, taking into account the provisions of the new "Rules of conduct for the board of statutory auditors of listed companies" approved by the Italian National Council of Chartered Accountants in December 2024 (effective from 1 January 2025) and, in particular, Standard Q.1.7 – Self-assessment of the Board of Statutory Auditors, it conducted a self-assessment process, as a result of which the Board of Statutory Auditors expressed, overall, an assessment of adequacy with regard to its size and composition, as well as a favourable opinion regarding the requirements of professionalism, independence and integrity and the functioning mechanisms of the body.

The Board of Statutory Auditors periodically met with the audit firm and, from the meetings held, no significant facts emerged that would require reporting in relation to the audit activity, nor deficiencies affecting the integrity of the internal control system with regard to the financial reporting process.

In this regard, it should be noted that, by resolution of the Shareholders' Meeting of 27 April 2023, the statutory audit engagement of the separate and consolidated financial statements was assigned to the audit firm PricewaterhouseCoopers S.p.A. (hereinafter also "PwC") for the period 2023–2031.

It is also specified that, during the supervisory activities carried out and on the basis of the information obtained also from the audit firm, no omissions, censurable facts or irregularities, or in any case significant facts, were identified such as to require reporting to the supervisory bodies.

2. SUPERVISORY ACTIVITIES PURSUANT TO ARTICLE 149 OF THE TUF

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

- compliance with the law and the Articles of Association;
- compliance with the principles of proper administration;
- the adequacy of the Company's organizational structure for matters within its competence, of the internal control system and of the administrative-accounting system, as well as the reliability of the latter in correctly representing management events;
- the methods of actual implementation of the corporate governance rules provided for by codes of conduct issued by companies managing regulated markets or by trade associations, to which the Company declares, through public disclosure, that it adheres;
- the adequacy of the instructions given by the Company to subsidiaries pursuant to Article 114, paragraph 2, of the TUF.

- **Supervisory activity on compliance with the law and the Articles of Association**

The Board of Statutory Auditors acquired the information necessary for the performance of the supervisory duties attributed to it through participation in meetings of the Board of Directors and of the board committees, hearings with the management of the Company and the Group, meetings with the audit firm, analysis of the information flows received from the corresponding supervisory bodies of the Group companies and from the competent corporate functions, as well as through further control activities.

The Board of Statutory Auditors held regular meetings with the manager responsible for preparing the Company's accounting documents (hereinafter also the "Manager in Charge") and with the internal control functions.

In particular, the Board of Statutory Auditors:

- pursuant to Article 150, paragraph 1 of the TUF, obtained from the directors, at least on a quarterly basis, 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. Based on the information made available, the Board of Statutory Auditors can reasonably ensure that the transactions resolved and carried out are in compliance with the law and the Articles of Association and are not manifestly imprudent or risky, or in conflict with the resolutions adopted by the Shareholders' Meeting, or such as to compromise the integrity of the Company's assets. Having taken note of the Directors' Report, of the information provided to the Board of Directors by the Chief Executive Officer and by the

Supervisory Body pursuant to Legislative Decree No. 231/2001, and in light of the findings gathered in the course of its supervisory activities, the Board of Statutory Auditors can also reasonably exclude the existence of atypical and/or unusual transactions carried out with third parties, with Group companies or with related parties and connected subjects;

- pursuant to Article 150, paragraph 3 of the TUF, held periodic meetings with representatives of the audit firm in order to exchange with it data and information relevant for the performance of its duties. In this regard, it should be noted that no relevant data or information emerged that should be reported in this report;
- pursuant to Article 151, paragraphs 1 and 2, of the TUF, exchanged information with the boards of statutory auditors of the subsidiaries regarding the activities carried out during 2025: in particular, the Board notes that the two standing members of the supervisory body of Safilo are also members of the boards of the two main subsidiaries, Safilo S.p.A. and Safilo Industrial S.r.l., which made the exchange of information easier and more immediate;
- received constant information from the Supervisory Body regarding its activities, from which no anomalies or significant censurable facts emerged: in particular, the Board notes that the entire supervisory body took part in all meetings;
- supervised compliance with the provisions on privacy pursuant to Regulation (EU) No. 2016/679 (so-called "GDPR");
- did not receive any complaints pursuant to Article 2408 of the Italian Civil Code, nor were any reports submitted of any kind;
- did not make any reports to Consob pursuant to Article 149, paragraph 3, of the TUF;
- expressed opinions in relation to so-called "non-audit fees" for services other than auditing, as required by applicable regulations, verifying in particular their effects on independence, without identifying any exceptions to be reported;
- pursuant to 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 evaluation of the results presented by the statutory audit firm in the additional report addressed to the supervisory body;
- supervised the fulfilment of obligations relating to "Market abuse" and "Investor protection" regulations in the field of corporate disclosure and internal dealing, with reference to the handling of inside information and the procedures for the dissemination of press releases and information to the public.

Furthermore, the Board of Statutory Auditors, with regard to the corporate bodies and functions, notes that during the financial year 2025:

- the Board of Directors met 10 times;
- the Control and Risk Committee met 5 times;
- the Remuneration and Nomination Committee met 3 times;
- the Sustainability Committee met 3 times;
- the Related Parties Committee met once;
- the Supervisory Body pursuant to Legislative Decree No. 231/2001 met 3 times.

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

The Board of Statutory Auditors:

- acquired knowledge of and supervised, within its scope of competence, the adequacy of the Company's organizational structure and compliance with the principles of proper administration, through direct observations, the collection of information from the heads of the Company's functions and meetings with the audit firm for the purpose of mutual exchange of relevant data and information and, in this regard, it has no particular observations to report, considering the Company's organizational structure substantially adequate to its needs and suitable to ensure compliance with the principles of proper administration;

- monitored (i) the evolution of the Group's organizational structure and the main changes occurred in the structure of corporate functions, (ii) internal audit activities, through ongoing dialogue with the head of the function; (iii) issues relating to cybersecurity and data protection, including compliance with NIS2 regulation; (iv) the implementation of safeguards relating to sustainability and non-financial reporting;
- assessed and supervised the adequacy of the administrative-accounting system, as well as its reliability in correctly representing management events, through obtaining information from the heads of the respective functions, the examination of corporate documents and the analysis of the results of the work carried out by the audit firm, and in this regard it has no particular observations to report;
- did not identify any facts or circumstances indicating the inadequacy of the administrative-accounting system of non-EU subsidiaries in regularly transmitting to the management and to the auditor of the parent company the economic, financial and equity data necessary for the preparation of the consolidated financial statements, as required by Article 15, paragraph 1, letter c), point ii), of the Market Regulation.

The Board of Statutory Auditors noted that adequate documentation supporting the matters discussed in the meetings of the Board of Directors is made available to directors and auditors sufficiently in advance, in accordance with the Corporate Governance Code.

Based on the information acquired, the Board of Statutory Auditors confirms that management decisions are inspired by the principles of proper information and reasonableness and that the directors have been made aware of the risks and effects of the transactions carried out.

The Board of Statutory Auditors did not identify significant atypical and/or unusual transactions, including intra-group transactions or transactions with related parties, both intra-group and non-intra-group.

The Board also assessed the adequacy of the disclosures provided in the Directors' Report regarding the absence of significant atypical and/or unusual transactions.

- **Supervisory activities on the methods of actual implementation of corporate governance rules**

With reference to the provisions of Article 149, paragraph 1, letter c-bis, of the TUF concerning the supervision by the Board of Statutory Auditors "on the methods of actual implementation of corporate governance rules provided for by codes of conduct issued by companies managing regulated markets or by trade associations, to which the Company, through public disclosure, declares that it adheres", the Board of Statutory Auditors reports that:

- it supervised the methods of actual implementation of the corporate governance rules provided for by codes of conduct to which the Company, through public disclosure and on the basis of the "comply or explain" principle, declares that it adheres, expressing – from time to time – its recommendations;
- it noted that the Report on Corporate Governance and Ownership Structure for 2025, approved on 12 March 2026, in compliance with the applicable legal and regulatory requirements, contains information on the ownership structure, on adherence to codes of conduct and on compliance with the related commitments, highlighting the choices made by the Company in the application of self-regulation principles;
- it supervised the application of remuneration policies, also through participation in all meetings of the Remuneration and Nomination Committee.

The Board of Statutory Auditors further confirms:

- that it has verified that all its standing members meet the requirements of independence, professionalism, integrity and limits on multiple offices as provided for by law, the Articles of Association and the Corporate Governance Code, as well as the proper and effective functioning of the body as a whole, having formalized, in a report, the results of the self-assessment process carried out and communicated them to the Board of Directors, which disclosed them in the Report on Corporate Governance and Ownership Structure;

- that it has verified the correct application of the criteria and procedures adopted by the Board of Directors to annually assess the independence of its independent directors. In this regard, the Board notes that the declarations concerning the fulfilment of the independence requirements set out in Article 148, paragraph 3, of the TUF (referred to in Article 147-ter, paragraph 4, of the TUF) have been received from the directors in connection with the periodic assessment to be carried out pursuant to the Corporate Governance Code.

- **Supervisory activities on the adequacy of the instructions given by the Company to subsidiaries**

Pursuant to Article 114, paragraph 2, of the TUF: (i) listed issuers shall issue the necessary instructions so that subsidiaries provide all the information required to comply with the disclosure obligations provided by law; (ii) subsidiaries shall promptly transmit the requested information.

The Board of Statutory Auditors supervised the adequacy of the instructions given to subsidiaries, having verified that the Company is able to comply promptly and regularly with the disclosure obligations provided by law; this also through the collection of information from the heads of the organizational functions, for the purpose of mutual exchange of relevant data and information. In this regard, there are no particular observations to report.

- **Intra-group transactions or transactions with related parties**

Pursuant to Article 2391-bis of the Italian Civil Code and Consob Resolution No. 17221 of 12 March 2010 containing the Regulation on Related Party Transactions (hereinafter also the "Regulation"), on 5 November 2010 Safilo adopted a regulation governing related party transactions, last updated on 1 July 2021.

The procedure currently in force (hereinafter also the "Procedure") (i) is consistent with the principles set out in the Regulation in force as of the date of this report and (ii) is published on the Company's website.

During the financial year 2025, on the basis of the information received, a number of transactions with related parties were carried out, both intra-group and with third parties; such transactions, to the best of our knowledge:

- were executed in substantial compliance with the Procedure and the Regulation;
- were carried out in the interest of the Company, in the ordinary course of business and concluded at arm's length conditions, taking into account the characteristics of the goods and services provided;
- do not include atypical or unusual transactions or transactions of greater significance.

Transactions with related parties are adequately described in the separate and consolidated financial statements, in which the main income statement and balance sheet items deriving from relationships with related parties are also reported, including – where applicable – those relating to directors, statutory auditors and key management personnel.

Detailed information on the remuneration due for the financial year 2025 to members of the administrative and control bodies and to key management personnel is provided in the 2025 Remuneration Report prepared pursuant to 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 No. 135/2016 (hereinafter also the "Decree"), the Board of Statutory Auditors, identified by the Decree as the Internal Control and Audit Committee, is entrusted with the following duties:

- informing the administrative body of the audited entity of the results of the statutory audit and, where applicable, of the outcome of the assurance engagement on sustainability reporting, and transmitting to such body the additional report referred to in Article 11 of Regulation (EU) No. 537/2014 (hereinafter also the "European Regulation"), together with any observations;
- monitoring the financial reporting process and, where applicable, the individual or consolidated sustainability reporting, including the use of the electronic format and the procedures implemented by the entity to ensure compliance with the reporting standards adopted by the European Commission, as well as submitting recommendations or proposals aimed at ensuring their integrity;

- overseeing the effectiveness of the entity's internal quality control and risk management systems and, where applicable, of internal audit, with regard to financial reporting and, where present, individual or consolidated sustainability reporting, without impairing its independence;
- monitoring the statutory audit of the separate financial statements and the consolidated financial statements and, where present, the assurance engagement on the compliance of individual or consolidated sustainability reporting, also taking into account any results and conclusions of quality assurance reviews carried out by Consob pursuant to Article 26, paragraph 6, of the European Regulation, where available;
- verifying and monitoring the independence of statutory auditors, sustainability auditors or audit firms in accordance with Articles 10, 10-bis, 10-ter, 10-quater and 17 of the Decree and Article 6 of the European Regulation, in particular with regard to the appropriateness of the provision of non-audit services to the audited entity, in accordance with Article 5 of that Regulation;
- being responsible for the procedure aimed at selecting statutory auditors or audit firms and recommending the statutory auditors or audit firms to be appointed pursuant to Article 16 of the European Regulation.

With reference to the activities provided for by the Decree, and referring to paragraph 4 of this report for more specific aspects relating to sustainability reporting activities, the following should be noted..

- **Information to the administrative body on the results of the statutory audit, on the outcome of the assurance engagement on sustainability reporting and on the additional report pursuant to Article 11 of the European Regulation**

The Board of Statutory Auditors reports that the audit firm PwC issued, on 16 March 2026, the additional report pursuant to Article 11 of the European Regulation (hereinafter also the "Additional Report"), which sets out the results of the statutory audit performed and includes the declaration of independence referred to in Article 6, paragraph 2, letter a), of the Regulation, as well as the disclosures required by Article 11 of the same Regulation, without identifying any significant deficiencies.

Furthermore, also on 16 March 2026, PwC issued the report concerning the limited assurance engagement on the consolidated sustainability reporting of the Safilo Group (hereinafter also the "Consolidated Sustainability Statement"), which attests that the Consolidated Sustainability Statement complies with the reporting standards adopted by the European Commission pursuant to Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS"), as well as with the disclosure obligations provided for by Article 8 of Regulation (EU) No. 852 of 18 June 2020 (hereinafter also the "Taxonomy Regulation").

The Board of Statutory Auditors will inform the Company's Board of Directors of the results of the assurance engagement on sustainability reporting and of the results of the statutory audit, transmitting to the Chairman of the Board of Directors the Additional Report pursuant to Article 19 of the Decree.

- **Supervisory activities on the financial reporting process and sustainability reporting**

The Board of Statutory Auditors verified the existence of rules and procedures governing the process of preparation and dissemination of financial and non-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 examined the procedures relating to the preparation of the Company's financial statements, the consolidated financial statements, the sustainability reporting, as well as any other financial and non-financial communication.

The Board of Statutory Auditors also obtained evidence of the process that enables the Manager in charge of preparing the Company's accounting documents and the Chief Executive Officer to issue the certifications required under Article 154-bis of the TUF.

The Board of Statutory Auditors was informed that the administrative/accounting procedures for the preparation of the financial statements and any other financial communication are prepared under the responsibility of the Manager in charge of preparing the Company's accounting documents, who, jointly

with the Chief Executive Officer, certifies their adequacy and effective application in connection with the separate and consolidated financial statements and the half-year financial report.

The Board of Statutory Auditors confirms that, during the periodic meetings held with the Manager in charge, no reports of significant deficiencies in operational and control processes were received that could affect the assessment of adequacy and effective application of the administrative-accounting procedures, for the purpose of the correct representation of the Company's financial position, financial performance and cash flows, in accordance with international accounting standards.

The Company's separate financial statements and the Group's consolidated financial statements, pursuant to Legislative Decree No. 38/2005, are prepared in accordance with IAS/IFRS issued by the International Accounting Standards Board and the related interpretations of the International Financial Reporting Interpretations Committee, as endorsed by the European Commission, as established by Regulation (EC) No. 1606/2002.

Commission Regulation (EU) No. 815/2019 (the so-called European Single Electronic Format – ESEF Regulation), issued in order to implement Directive 2004/109/EC (the so-called "Transparency Directive"), introduced the obligation for issuers whose securities are listed on regulated markets of the European Union to prepare annual financial reports in a single electronic reporting format.

Certifications relating to the consolidated financial statements, the separate financial statements and the sustainability reporting have been issued by the Chief Executive Officer and the Manager in charge pursuant to Article 154-bis of the TUF.

The Board of Statutory Auditors therefore expresses an assessment of adequacy of the process for the preparation of financial and non-financial information and considers that there are no matters to be brought to the attention of 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 internal control and risk management system (hereinafter also the "ICRMS").

The Board of Statutory Auditors periodically met with the audit firm and the Head of Internal Audit, examining the periodic reports prepared by the function and being informed with regard to (i) the results of audit activities (aimed at verifying the adequacy and effectiveness of the internal control system, compliance with laws, procedures and corporate processes), (ii) the implementation of related improvement plans and (iii) the activities of identification, assessment, management and monitoring of risks identified within the Company's business model.

The Board received the audit plan for the 2025 financial year and was periodically updated on its progress; it also received the report of the Head of Internal Audit for 2025 concerning the assessment of the internal control system, from which an overall judgment of reliability and adequacy of the Group's ICRMS emerges.

Furthermore, the Board participated in all meetings of the Control and Risk Committee, constantly monitoring the main corporate risks, with particular attention to: (i) geopolitical risks related to ongoing conflicts (Russia–Ukraine, Israel–Middle East), (ii) customs risks related to the introduction of additional tariffs in the United States, (iii) cybersecurity risks and (iv) risks related to climate change.

Within the meetings of the Control and Risk Committee, no indicators emerged that would lead to considering the Company's ICRMS inadequate.

The Board verified the adequacy of whistleblowing procedures and noted that no significant reports were received during the financial year.

With regard to compliance with the provisions of Legislative Decree No. 231/2001, the Board of Statutory Auditors noted that, during 2025, Safilo's Supervisory Body reported jointly to the Control and Risk Committee and to the Board of Directors on the activities carried out.

The Board of Statutory Auditors examined the reports of the Supervisory Body on the activities carried out during 2025, from which it emerges that no censurable facts or violations of the organizational model were identified during the financial year.

The Board notes that no deficiencies in the internal control system relating to the financial reporting process emerge from PwC's Additional Report that would need to be reported to the supervisory body.

In light of all the above, the Board of Statutory Auditors considers that there are no elements such as to prevent considering the internal control system, as a whole, substantially adequate and effective; likewise, the Board considers that there are no matters to be brought to the attention of the Shareholders' Meeting.

- **Supervisory activities on the statutory audit of the separate financial statements, the consolidated financial statements and on the assurance engagement on the conformity of consolidated sustainability reporting**

The accounting records were subject to the controls required by applicable regulations by the audit firm, which, during the periodic meetings held with the Board of Statutory Auditors, did not report any findings in this regard.

The Board of Statutory Auditors analysed the activities carried out by the audit firm and, in particular, the methodological framework, the audit approach adopted for the various significant areas of the financial statements and the planning of the audit work.

The Board of Statutory Auditors also shared with the audit firm the issues relating to business risks, thus being able to assess the adequacy of the auditor's planned response in terms of audit approach with the structural and risk profiles of the Company and the Group.

On 16 March 2026, PwC issued: (i) the Additional Report pursuant to Article 11 of the European Regulation, (ii) the report on Consolidated Sustainability Statement, (iii) the report on the audit of the separate financial statements and (iv) the report on the audit of the consolidated financial statements.

In report (ii), PwC states that, based on the work performed, nothing has come to the attention of the audit firm that would lead it to believe that:

- the Consolidated Sustainability Statement of the Safilo Group for the financial year ended 31 December 2025 has not been prepared, in all material respects, in accordance with the ESRS reporting standards;
- the information contained in the section "Information pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" of the consolidated sustainability reporting has not been prepared, in all material respects, in accordance with Article 8 of the Taxonomy Regulation.

With regard to reports (iii) and (iv), it is noted that:

- both reports contain: (i) the opinion that the financial position and financial performance of Safilo and of the Group as at 31 December 2025, and the results of operations and cash flows for the financial year then ended, are presented fairly, in all material respects, in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union, as well as with the provisions issued in implementation of Article 9 of Legislative Decree No. 38/2005; (ii) the description of key audit matters and the audit procedures performed in response thereto; (iii) the opinion on the consistency of the Directors' Report with the separate and consolidated financial statements as at 31 December 2025 and on its compliance with the law; (iv) the opinion on the consistency of certain specific information contained in the Report on Corporate Governance and Ownership Structure with the separate and consolidated financial statements as at 31 December 2025; (v) confirmation that the opinion on the separate financial statements and the opinion on the consolidated financial statements expressed in the respective reports are consistent with what is indicated in the Additional Report addressed to this Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee, prepared pursuant to Article 11 of the European Regulation;
- the aforementioned reports do not contain any qualifications or emphasis of matter paragraphs.

- **Supervisory activities on the independence of the audit firm and of sustainability auditors, in particular 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 Legislative Decree No. 39/2010, the independence of the audit firm. In this regard, it should be noted that, during the financial year 2025, PwC provided the parent company and its subsidiaries with services other than

auditing for an amount equal to Euro 230 thousand. Such engagements were previously approved by the Board of Statutory Auditors and, on the basis of the verifications carried out, the Board did not consider that there were any issues affecting the independence of the audit firm.

The fees paid by the Safilo Group to the audit firm PwC and to entities belonging to the PwC network are as follows (amounts in Euro thousands):

Company and Reference period	Audit Services		Assurance services		Other services		Total
	PwC	Network	PwC	Network	PwC	Network	
Safilo Group SpA 2025	171	-	105	-	85	-	361
Subsidiaries 2025	102	948	14	20	-	5	1.089
Totale	**273**	**948**	**119**	**20**	**85**	**6**	**1.450**

The Board of Statutory Auditors considers that the aforementioned fees are appropriate in relation to the size, complexity and characteristics of the services performed.

The Board also considers that the independence requirement of the audit firm is met, as the latter has provided, within the Additional Report pursuant to Article 11 of the European Regulation issued on 16 March 2026, the annual confirmation of its independence in accordance with Article 6, paragraph 2, letter a) of the European Regulation..

4. SUSTAINABILITY REPORTING

The Company has prepared, for the second year, the consolidated sustainability reporting for the financial year ended 31 December 2025, in accordance with Directive 2013/34/EU, as amended by Directive 2022/2464/EU (Corporate Sustainability Reporting Directive), and with the reporting standards adopted by the European Commission (European Sustainability Reporting Standards).

The Board of Statutory Auditors supervised compliance with the provisions set out in Legislative Decree No. 125/2024, within the scope of the powers attributed to it by the legal system; in this regard, the following is noted.

The Board of Statutory Auditors verified that Safilo has implemented procedures and processes suitable to ensure the reliability and transparency of non-financial information; to this end, the Board interacted with the corporate functions responsible for ESG matters, the Control and Risk Committee, the Sustainability Committee and the Internal Audit function.

Furthermore, the Board of Statutory Auditors monitored the integration of ESG factors into Safilo's business models and risk management systems, promoting continuous alignment with national and international best practices.

The Board of Statutory Auditors actively participated in the verification and assurance processes relating to sustainability information, also in collaboration with the entity entrusted with the statutory audit of the accounts, which is also responsible for issuing the report on the conformity of the consolidated sustainability reporting.

Such activity included the assessment of data reliability, the analysis of the methodologies adopted for measuring ESG impacts and the consistency of the reported information with international sustainability standards.

Finally, the Board of Statutory Auditors promoted continuous dialogue with the governance bodies in order to foster a proactive and integrated approach to sustainability, thereby contributing to strengthening the transparency and credibility of corporate ESG reporting.

On 16 March 2026, PwC issued a specific report expressing a positive opinion on the compliance of the

Consolidated Sustainability Statement with the ESRS reporting standards, as well as with the disclosure obligations provided for by Article 8 of the Taxonomy Regulation.

The Board of Statutory Auditors has not become aware of any violations of the relevant regulatory provisions and therefore expresses an assessment of adequacy of the process for the preparation of Sustainability Reporting and considers that there are no matters to be brought to the attention of the Shareholders' Meeting.

5. SEPARATE FINANCIAL STATEMENTS, CONSOLIDATED FINANCIAL STATEMENTS AND DIRECTORS' REPORT

Safilo's financial statements, approved by resolution of the Company's Board of Directors on 12 March 2026, have been prepared in accordance with the International Accounting Standards IAS/IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

With specific reference to the examination of the separate financial statements for the financial year ended 31 December 2025, the consolidated financial statements and the Directors' Report, the Board of Statutory Auditors reports as follows:

- the set of financial statements was made available to the Board of Statutory Auditors in due time to be filed at the Company's registered office together with this report;
- the Company's financial statements and the consolidated financial statements have been prepared in accordance with the structure and formats required by applicable regulations;
- the financial statements are accompanied by the Directors' Report, which summarises the main risks and uncertainties and provides an account of the foreseeable development of operations; it complies with applicable regulations and is consistent with the resolutions of the administrative body and with the results of the financial statements. It also contains adequate information on the activities carried out during the financial year and on intra-group transactions. The section containing disclosures on related party transactions has been included, in compliance with IFRS principles, in the notes to the financial statements;
- the Report on Corporate Governance and Ownership Structure, pursuant to Article 123-bis of the TUF, and the Remuneration Report, pursuant to Article 123-ter of the TUF, have also been prepared;
- the Board has verified that the financial statements are consistent with the facts and information of which it became aware in the course of performing its duties and, therefore, has no observations in this regard;
- to the best of the Board of Statutory Auditors' knowledge, in preparing the financial statements the directors have not departed from the provisions of law pursuant to Article 2423 of the Italian Civil Code.

6. FINAL REMARKS AND PROPOSAL TO THE SHAREHOLDERS' MEETING

This report sets out the supervisory activities carried out by the Board of Statutory Auditors of Safilo Group S.p.A. and the actions taken with regard to the information obtained and the supervisory activities performed in fulfilment of its duties.

As detailed in this report, the Board of Statutory Auditors has verified:

(i) the effectiveness of internal procedures, which proved to be sufficiently adequate and suitable to ensure compliance with legal, regulatory and statutory provisions;

(ii) that the decision-making process takes into account the risks and effects of the management decisions adopted and that the corporate bodies are supported by an adequate system of information flows;

(iii) that the organizational structure, the administrative-accounting system and the statutory audit process proved to be adequate and effective for the purposes for which they are intended;

(iv) the absence of elements such as to render the internal control system and the risk governance and management process unreliable.i.

The Board of Statutory Auditors therefore has no observations to report with regard to the information obtained and the supervisory activities carried out; it did not identify any omissions, censurable facts or irregularities, or circumstances requiring disclosure in this report or to the Supervisory Authority.

As a summary of the supervisory activities performed, and in relation to the verifications completed as of the date of publication of this report, the Board of Statutory Auditors of Safilo Group S.p.A. has no observations to submit to the Shareholders' Meeting pursuant to Article 153, paragraph 2, of Legislative Decree No. 58/1998 regarding the financial statements and their approval, as well as on matters within its competence.

In light of the foregoing, considering the content of the opinions issued by the audit firm and having acknowledged the certifications issued by the Chief Executive Officer and the Manager in charge, including the assurance report issued by the audit firm on sustainability reporting, the Board of Statutory Auditors does not believe that there are – within its scope of competence – any grounds preventing the approval of the separate financial statements of Safilo Group S.p.A. as at 31 December 2025, together with the Directors' Report and the notes to the financial statements, as resolved by the Board of Directors on 12 March 2026, and has no objections to the proposal to carry forward the loss for the year.

Finally, the Board recalls that, upon approval of the financial statements as at 31 December 2025, the term of office of the Board of Statutory Auditors appointed by the Shareholders' Meeting of 27 April 2023 expires: you are therefore called upon to appoint, in accordance with the law and the Articles of Association, the new Board of Statutory Auditors.

In this regard, the supervisory body recalls that, on 4 March 2026, it issued the document entitled "Guidance of the Board of Statutory Auditors to the shareholders of Safilo Group S.p.A. on the renewal of the supervisory body".

On this occasion, we would like to thank you for the trust placed in this Board of Statutory Auditors during its term of office.

Pursuant to Article 144-quinquiesdecies of the Issuers' Regulation, adopted by Consob with Resolution No. 11971/99, as subsequently amended and supplemented, the list of offices held by the members of the Board of Statutory Auditors in the companies referred to in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code is published by Consob on its website (www.consob.it).

Padua, 16 March 2026

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

03

REPORT OF INDEPENDENT AUDITOR ON THE STATUTORY FINANCIAL STATEMENTS

Independent auditor's report in accordance with article 14 of Legislative Decree 39/2010 and article 10 of Regulation (EU) 537/2014

To the Shareholders of

Safilo Group SpA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Safilo Group SpA (the "Company"), which comprise the balance sheet as of 31 December 2025, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2025, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/2005.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial

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statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	Auditing procedures performed in response to key audit matters
Recoverability of the value of the equity investment in Safilo SpA Note 4.5 to the financial statements "Investments in subsidiaries" The financial statements of Safilo Group SpA include the value of the investment in the subsidiary Safilo SpA for Euro 417 million, accounting for 94% of total assets. In consideration of the materiality of the investment and of the difference between the value of the investment in Safilo SpA and the contribution of its net assets to the consolidated financial statements, management tested the investment for impairment. The entire Safilo Group is operationally controlled by the subsidiary Safilo SpA, therefore the cash flows utilised for the purpose of impairment testing were derived from the ones utilised for the purposes of the consolidated financial statements, carried out on the basis of the financial projections relating to the period 2026-2030, approved by the board of directors on 12 March 2026. The impairment test carried out did not identify any impairment loss of the investment in Safilo SpA. Likewise, given that the same equity investment	As part of our audit of the financial statements as of 31 December 2025, we performed the procedures illustrated below. With regard to the impairment test, we obtained the exercise prepared by management for verifying the recoverable amount of the equity investment. Our audit approach was based on an analysis of the method used by management to prepare the impairment test and included the following procedures: • We understood and evaluated the Company's internal control over the process of verifying the recoverability of the equity investment; • We analysed the reasonableness of the assumptions underlying the forecasts in terms of the estimated future cash flows, in light of past results and comparing the growth rates used by management with external sources. With the support of PwC network valuation experts, we verified that the methodologies used

had been written down for impairment in previous financial years, management, supported by the opinion of an external expert, assessed the existence of any potential reversal indicators, confirming the carrying amount of the investment.

As part of the audit of the financial statements as of 31 December 2025, we focused on this area of the financial statements in consideration of the materiality of the amount recognised, also relative to total assets, and the elements of estimation inherent in the assessment of the recoverability of the carrying amount of the investment.

for the impairment test were consistent with IFRS Accounting Standards and with prevailing valuation practice.

Moreover, the key valuation parameters adopted were analysed in terms of reasonableness. With specific reference to the methods of calculation of discount rates and medium/long-term growth rates, we verified their consistency with the provisions of IFRS, with prevailing practice and with available market data.

We verified the mathematical accuracy of the calculation**s** of the impairment test.

With regard to the assessment of the potential reversal of previously recognised impairment losses, we obtained the assessment prepared by management and the opinion it received from the external expert.

Our audit approach was based on an analysis of the reasonableness of management's evaluations and included the following procedures:

- We understood and evaluated the Company's internal control over the process of verifying the presence of indicators of impairment reversal;
- We critically reviewed the opinion prepared by the expert engaged by management, whose independence we assessed;
- We assessed the reasonableness of management's evaluations and their consistency with the provisions of IFRS;
- We independently analysed the factors of potential reversal of impairment losses;
- We verified the accuracy of the relevant data considered in management's evaluations.

Lastly, our procedures included an analysis of the explanatory notes to the financial statements to assess the adequacy and completeness of disclosures.

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Responsibilities of the directors and the board of statutory auditors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree 38/2005 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether

due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional disclosures required by article 10 of Regulation (EU) 537/2014

On 27 April 2023, the shareholders of Safilo Group SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on compliance with other laws and regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 815/2019

The directors of Safilo Group SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 815/2019 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the "Commission Delegated Regulation") to the financial statements as of 31 December 2025, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements as of 31 December 2025 have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree 39/2010 and with article 123-bis, paragraph 4, of Legislative Decree 58/1998

The directors of Safilo Group SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Safilo Group SpA as of 31 December 2025, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998, with the financial statements;

- express an opinion on the compliance with the law of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998;

- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998 are consistent with the financial statements of Safilo Group SpA as of 31 December 2025.

Moreover, in our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Padua, 16 March 2026

PricewaterhouseCoopers SpA

Signed by

Filippo Zagagnin

(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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