THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A. APPROVES THE FINANCIAL RESULTS OF THE FIRST HALF OF 2020

H1 2020 results impacted by Covid-19 and the disruption of sales in April and May

Initial business recovery in June, more significant in Europe. Sales rebound in July

Strong growth of the online business, supported by the acquisition of Blenders effective June 1st

Free Cash Flow (before acquisitions) slightly positive thanks to effective liquidity management

New Term Loan Facility under finalization to provide additional liquidity

ECONOMIC AND FINANCIAL HIGHLIGHTS

- **H1 2020 net sales at Euro 335.6 million, -32.7% at constant forex (Euro 495.9 million in H1 2019);**
- **Q2 2020 net sales at Euro 114.5 million, - 53.7% at constant forex (Euro 248.6 million in Q2 2019);**

- **Total online business doubling in H1 2020 representing 11% of Group net sales;**

- **H1 2020 adjusted[1] EBITDA at Euro -28.3 million (Euro 41.2 million in H1 2019);**
- **Q2 2020 adjusted[1] EBITDA at Euro -34.1 million (Euro 21.2 million in Q2 2019;**

- **H1 2020 adjusted[1] net result at Euro -63.7 million (Euro 8.5 million in H1 2019);**

- **Positive Free Cash Flow of Euro 2.5 million (before acquisitions) and Group Net Debt of Euro 188.5 million (post-IFRS 16), substantially in line with December 2019 excluding the impact of the acquisitions;**

- **End June 2020 cash position Euro 110.9 million and new Term Loan Facility under finalization subject to lending banks' and SACE credit approval processes over the coming weeks.**

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

Padua, July 31, 2020 – The Board of Directors of Safilo Group S.p.A. has today reviewed and approved the results of the first half of 2020.

Angelo Trocchia, Safilo Chief Executive Officer, commented:

"As we had anticipated to the market in May, our second quarter sales and economic results were heavily impacted by the massive shutdown of commercial activities across the world in April, and the very gradual and patchy reopening of stores for prescription frames and sunglasses starting to occur in May as lockdowns were eased in many countries. In these two months, this business context resulted in a sales drop of approximately 75% compared to the same period last year, and in an unprecedented deleveraging of costs and negative economic performance.

In June, store traffic and conversion rates started to clearly rebound in markets like Italy, France and Germany, while the recovery of the Chinese market, which began in April, further strengthened. On the other hand, we did not experience a sales rebound yet in North America where re-openings came a bit later than Europe and were temporarily impacted by social disruptions. The growth of the US market materialized for us in July.
June was a meaningful month for us for several reasons. First of all, we laid down an additional milestone in our Group Business Plan, by closing the acquisition of Blenders, a digitally native brand powered by a strong e-commerce business model which goes to enrich our proprietary brands portfolio in a crucial moment for our Group's development and for the evolution of our industry. The global pandemic has undoubtedly elevated the importance of e-commerce, as the surge of the digital commerce business has been demonstrating, continuing to grow strongly even today as stores reopen.
In Safilo, we are certainly accelerating on our digital transformation projects, working to be at the forefront of seizing the opportunities of the digital business which, with the new acquisitions of Blenders and Privé Revaux, and the growth of about 31% recorded in the semester by Smith's ecom coupled with the sales to our "internet pure player" customers, has doubled compared to the same period last year.

We also continued focusing on our licensed brand portfolio, signing a new agreement for the design, manufacture and distribution of Ports branded sunglasses and optical frames in Mainland China. China is a key strategic market in our development plans, and we think that Ports is a perfect match to have locally relevant brands, not only in terms of fit but also with distinct tastes and local consumer trends.

While the evolution of the current pandemic and business environment remains highly uncertain, we remain strongly committed to taking all necessary actions to aggressively manage our industrial and operating expenses, identifying efficiencies across the organization and protecting our cash requirements by securing incremental liquidity.

Throughout our long history, Safilo has successfully navigated through many different challenges and I am firmly convinced that we will emerge also from this crisis as an even stronger organization, more agile and ready to face a rapidly changing business environment."

NET SALES BY GEOGRAPHIC AREA

(Euro million)	**H1 2020**	**%**	H1 2019	%	% Change at current forex	**% Change at constant forex**
Europe	**165.0**	49.2%	246.3	49.7%	-33.0%	**-32.9%**
North America	**128.5**	38.3%	169.5	34.2%	-24.2%	**-26.0%**
Asia Pacific	**23.7**	7.1%	43.5	8.8%	-45.4%	**-45.9%**
Rest of the world	**18.4**	5.5%	36.7	7.4%	-49.8%	**-46.4%**
Total	**335.6**	100.0%	495.9	100.0%	-32.3%	**-32.7%**

(Euro million)	**Q2 2020**	**%**	Q2 2019	%	% Change at current forex	**% Change at constant forex**
Europe	**57.2**	50.0%	121.7	48.9%	-53.0%	**-52.8%**
North America	**44.1**	38.5%	80.6	32.4%	-45.3%	**-46.1%**
Asia Pacific	**8.8**	7.7%	25.7	10.3%	-65.7%	**-65.5%**
Rest of the world	**4.4**	3.8%	20.6	8.3%	-78.9%	**-74.3%**
Total	**114.5**	100.0%	248.6	100.0%	-54.0%	**-53.7%**

In the second quarter of 2020, Safilo posted total net sales of Euro 114.5 million, down 54.0% at current exchange rates and 53.7% at constant exchange rates (-55.2% the wholesale business[2]) compared to Euro 248.6 million posted in the second quarter of 2019.
In the first half of 2020, Group's net sales equaled Euro 335.6 million, down 32.3% at current exchange rates and 32.7% at constant exchange rates (wholesale business[2] -33.2%) compared to Euro 495.9 million posted in the first half of 2019.

After the positive start to the year, with the months of January and February up mid-single digit, and the business decline recorded in March following the spread of the Covid-19 pandemic in Europe, the USA and in the rest of the world, net sales declined sharply in April given the almost complete shutdown of stores, with May remaining heavily subdued as a very gradual reopening phase initiated mainly in Europe. In June, sales almost doubled compared to the previous month, recording a more limited decline of around 35% (excl. acquisitions) over the same month of last year, with differing levels of recovery among countries, cities and business segments.

In Europe, Q2 2020 net sales equaled Euro 57.2 million, down 53.0% at current exchange rates and 52.8% at constant exchange rates (-55.9% the wholesale business[2]) compared to the same period of last year. By the beginning of June, the majority of European markets, with the exception of UK and Ireland, reopened, with traffic and conversion rates starting to improve. In June, sales to independent optician stores turned slightly positive in the region, clearly driven by the business rebound recorded in the markets which had first been impacted by the outbreak of Covid-19, namely Italy, France and to a lesser extent Spain, where consumers favored the purchase of brands in the contemporary and mass cool segments. Within these markets, small and medium-size cities outperformed historical cities, outlets and shopping malls more affected by the lack of foreign tourists. Among the Northern European countries, Germany recorded in June the strongest improvement, driven among other things by the double-digit growth of online pure players.

In Europe, H1 2020 net sales totaled Euro 165.0 million, down 33.0% at current exchange rates and 32.9% at constant exchange rates (wholesale business[2] -34.0%) compared to H1 2019.

In North America, Q2 2020 net sales equaled Euro 44.1 million, down 45.3% at current exchange rates and 46.1% at constant exchange rates compared to the same quarter of last year. Safilo's wholesale revenues declined around 65% in quarter, reflecting the slower pace of re-openings which occurred in the region between May and the beginning of June, with the social turmoil affecting the country temporarily delaying the restart of commercial activities.
The newly acquired businesses of Privé Revaux and Blenders Eyewear, the latter completed on June 1st, 2020, added a total of Euro 15.7 million to the quarterly sales of North America, more than doubling their respective sales compared to their prior year business.
On the positive side, also the quarterly performance of the brand Smith, whose e-commerce business in US surged around 40% in the period, allowing for a more moderate total brand decline of approximately 9% at constant exchange rates. In June, the reopening of the brick and mortar sport customers contributed to Smith double-digit sales growth compared to the same month of last year.
In North America, H1 2020 net sales totaled Euro 128.5 million, declining 24.2% at current exchange rates and 26.0% at constant exchange rates compared to H1 2019.

In Asia Pacific, Q2 2020 net sales equaled Euro 8.8 million, down 65.7% at current exchange rates and 65.5% at constant exchange rates compared to the same period of last year, being the region heavily impacted in the quarter by the lack of business in the travel retail channel. On the other hand, sales in China confirmed the recovery trajectory initiated in April, closing the quarter slightly positive compared to the same period of last year. Business conditions remained instead tough in Hong Kong, Korea, Japan and in South Asian countries.
In Asia Pacific, H1 2020 net sales equaled Euro 23.7 million, declining 45.4% at current exchange rates and 45.9% at constant exchange rates compared to the first half of 2019.

In the Rest of the World, Q2 2020 net sales equaled Euro 4.4 million, down 78.9% at current exchange rates and 74.3% at constant exchange rates compared to the same period of last year, mainly due to the still high impacts deriving from the persistence of important virus outbreaks in key markets such as Brazil, Mexico and India.
In the Rest of the World, H1 2020 net sales equaled Euro 18.4 million, down 49.8% at current exchange rates and 46.4% at constant exchange rates compared to the first half of 2019.

In the first six months of 2020, **Safilo's online sales** grew by around 31% at constant exchange rates, after gaining further acceleration in the second quarter, at +38%, driven by both the US e-commerce business and the Group's sales via its internet pure player customers. The channel sales grew strongly also in June even as stores reopened. At the end of June 2020, including the newly acquired brands, Blenders and Privé Revaux, total online sales represented around 11% of the Group's net sales, from around 4% in the same period of 2019.

After the double-digit growths recorded in January and February by Carrera, Polaroid and Smith, **Safilo's own core brands sales** declined around 53% in the second quarter and 27% in the first half of 2020. As previously mentioned, Smith's e-commerce business was a strong, positive driver, while Polaroid and Carrera were among the key drivers of the growth recorded in Italy and France.

KEY ECONOMIC HIGHLIGHTS

(Euro in millions)	H1 2020	H1 2019	% Change	Q2 2020	Q2 2019	% Change
Net sales	335.6	495.9	-32.3%	114.5	248.6	-54.0%
Gross profit	148.6	266.2	-44.2%	39.2	135.9	-71.2%
% on net sales	*44.3%*	*53.7%*		*34.2%*	*54.7%*	
EBITDA	(38.6)	36.3	n.s.	(42.0)	17.4	n.s.
% on net sales	*(11.5%)*	*7.3%*		*(36.7%)*	*7.0%*	
Adjusted[1] EBITDA	(28.3)	41.2	n.s	(34.1)	21.2	n.s
% on net sales	*(8.4%)*	*8.3%*		*(29.8%)*	*8.5%*	
Operating result	(68.4)	(218.8)	-68.7%			
% on net sales	*(20.4%)*	*(44.1%)*				
Adjusted[1] operating result	(55.2)	13.3	n.s.			
% on net sales	*(16.5%)*	*2.7%*				
Group net result	(74.8)	(246.9)	-69.7%			
% on net sales	*(22.3%)*	*(49.8%)*				
Adjusted[1] Group net result	(63.7)	8.5	n.s.			
% on net sales	*(19.0%)*	*1.7%*				
IFRS 16 impact on EBITDA	6.0	7.0		3.0	3.6	
on Operating result	0.8	0.4				
on Net result	(0.2)	(0.3)				

The Group's second quarter and first half economic results were heavily impacted by the very limited sales activities recorded in April and May, resulting in a very negative and unprecedented deleveraging of industrial and operating expenses. This occurred notwithstanding a positive impact in the semester of around Euro 28 million (Euro 21 million in the second quarter) resulting from the extensive cost saving actions the management continued implementing in line with the Group Business Plan presented at the end of last year, coupled with the contingency measures initiated in March in relation to the Covid-19 emergency, including the use of applicable personnel relief programs in Italy and across the world.

Q2 2020 gross profit declined 71.2% to Euro 39.2 million compared to Euro 135.9 million in the same quarter of 2019, with the gross margin decreasing 20.5 percentage points to 34.2% of sales (54.7% in the second quarter of 2019). The industrial result was impacted by around Euro 7 million costs deriving from higher accruals for obsolescence, product returns, order cancellations and some fixed asset write offs.

H1 2020 gross profit declined 44.2% to Euro 148.6 million compared to Euro 266.2 million recorded in the first half of 2019, with the gross margin decreasing 9.4 percentage points, to 44.3% of sales (53.7% in the first half of 2019).

Excluding D&A, gross profit declined 16.5 percentage points in the quarter and 8.0 percentage points in the semester.

Below gross profit, in the second quarter, selling and general & administrative expenses declined 33.7% compared to the same period last year, with their incidence on sales drastically increasing from 48.9% to 70.4% (excl. D&A).

More specifically, selling expenses decreased by 40.4% compared to the second quarter of 2019, on the one hand benefiting from the strong adjustments made by the Group to all discretionary marketing and advertising plans and activities, on the other suffering from the fixed burden represented by the accruals for the guaranteed minima to licensors for royalties and marketing contributions.

In the quarter, general and administrative expenses decreased by only 7.5% over the previous year period, as they included the impact of higher prudential bad debt allowances, for an amount equal to about Euro 6 million.

Q2 2020 adjusted[1] EBITDA equaled a loss of Euro 34.1 million compared to a profit of Euro 21.2 million in the second quarter of 2019, representing an adjusted[1] EBITDA margin decline of 38.3 percentage points, to -29.8% of sales (8.5% in the second quarter of 2019).

H1 2020 adjusted[1] EBITDA equaled a loss of Euro 28.3 million compared to the profit of Euro 41.2 million recorded in the first half of 2019, representing an adjusted[1] EBITDA margin decline of 16.7 percentage points, to -8.4% of sales (8.3% in the first half of 2019).

H1 2020 adjusted[1] Operating result equaled a loss of Euro 55.2 million compared to an adjusted[1] Operating profit of Euro 13.3 million recorded in the first half of 2019. The adjusted[1] Operating margin declined 19.2% percentage points, to -16.5% of sales (2.7% in the first half of 2019), also affected by the higher operating amortization recorded in the second quarter, in connection with the acquired assets of Blenders and Privé Revaux.

In the first semester, net financial charges increased to Euro 11.6 million compared to Euro 2.9 million in the first half of 2019, mainly due to negative exchange rates differences and to a lesser degree to the higher average gross debt.

H1 2020 adjusted[1] Net result equaled a loss of Euro 63.7 million compared to the adjusted[1] net profit of 8.5 million recorded in the first half of 2019. The adjusted[1] Net margin declined to -19.0% of sales (1.7% in the first half of 2019).

KEY CASH FLOW DATA AND LIQUIDITY UPDATE

(Euro in millions)	**H1 2020**	H1 2019
Cash flow from operating activities before changes in working capital	**(39.3)**	26.5
Changes in working capital	**56.3**	11.4
Cash flow from operating activities	**17.0**	37.9
Cash flow for investment activities	**(9.3)**	(15.8)
Cash payments for the principal portion of lease liabilities IFRS 16	**(5.3)**	(11.7)
Free Cash Flow (before acquisitions)	**2.5**	10.4
Cash Flow for acquisitions	**(111.7)**	-
Free Cash Flow	**(109.2)**	10.4

In the first half of 2020, Safilo's management implemented a strict cash protection approach, which allowed the Group to close the period with a slightly positive Free Cash Flow generation (before the acquisitions), equal to Euro 2.5 million.

The company's operating cash requirements during the second quarter were driven by effective measures to maximize cash inflows while minimizing outflows, with the result of a temporarily positive flow from working capital. On one side, trade receivables decreased, due to continued, although subdued, cash collections from customers and the weak sales which followed the prolonged store closures, on the other side inventory levels were tightly under control, including reducing commitments and consolidating seasonal collections, and supplier payment terms were extended, either in negotiation or where applicable under governments relief schemes.
In the first six months of 2020, changes in working capital thus led to a positive cash flow of Euro 56.3 million, which more than counterbalanced the negative cash flow for the economic results of the period.

Cash flow for organic investment activities declined to Euro 9.3 million in the first six months (Euro 15.8 million in the first half of 2019) mainly related to maintenance Capex and the rollout of IT systems to support the Group's digital transformation strategy.

At June 30, 2020, the Group's net debt (post-IFRS 16) stood at Euro 188.5 million, a position substantially in line with the one recorded at the end of December 2019, excluding the impact, equal to a total net investment of Euro 111.7 million for the acquisitions of Privé Revaux, completed on February 10, 2020, and Blenders Eyewear, closed on June 1st, 2020. As a reminder, these acquisitions were financed, for an amount of Euro 90 million, through a subordinated loan provided by Safilo's reference shareholder, Multibrands Italy B.V., controlled by HAL Holding N.V, and for the remaining portion through available resources.

In order to maximize cash management flexibility and responsiveness, Safilo had already in March fully drawn its Term and Revolving Credit Facility equal to Euro 150 million, of which Euro 5 million were repaid in June as part of the term loan's amortization schedule. As a result, at the end of June 2020, the Group had a cash position of Euro 110.9 million, compared to Euro 99.6 million at the end of March.

Given the high level of uncertainty still surrounding the future recovery of consumption in the different economies and in order to support the funding of current working capital and investments needs for activities located in Italy, Safilo is in the final stages of negotiations with its key lending banks for an additional term loan under the framework of the Italian "*Decreto Liquidità*" adopted on April 8, 2020 by the Italian government and converted into law by the Parliament, in the context of the extraordinary measures promoted to deal with the economic and social impact of the Covid-19 outbreak.

As the financial covenants embedded in the existing debt have been surpassed due to the Group's operational performance during the period heavily impacted by the Covid-19 pandemic, the new financing would also include a new set of covenants which would come together with the cancellation of the covenant test in the current debt at June 30, 2020.

BUSINESS UPDATE IN RELATION TO THE COVID-19 PANDEMIC

In July, preliminary net sales performance points to a business rebound, with total net sales expected to turn positive compared to the same month of last year. Business performance in North America became a clear driver of the monthly sales uplift, followed by a positive acceleration in Europe and Asia.
Looking at the third quarter, the Group's management remains vigilant about the reintroduction of localized lockdowns and the differing pace of the recovery across countries, estimating total net sales (incl. acquisitions) to decline moderately compared to the same period of last year.
As the evolution of the current Covid-19 pandemic remains unpredictable, with the potential impacts and effects as of today not determinable, the Group is still unable to provide a new outlook for the full year 2020, remaining committed to continue to promptly update the market and all its stakeholders on the developments that the health emergency will have on the Group's economic and financial results.

Notes:

[1] In H1 2020, the adjusted economic results excludes non-recurring costs for Euro 13.2 million (Euro 10.3 million on EBITDA), due to restructuring expenses related to the ongoing cost saving program. In Q2 2020, the adjusted EBITDA excludes non-recurring costs for Euro 7.9 million.

In H1 2019, the adjusted economic results excluded: (i) the impairment of the entire goodwill allocated to the Group's cash generating units for Euro 227.1 million, (ii) non-recurring costs for Euro 5 million (Euro 3.8 million in Q2 2019) due to restructuring expenses related to the ongoing cost saving program, and (iii) a write-down of deferred tax assets of Euro 23.3 million.

[2] The wholesale business excludes the business of the production agreement with Kering, reported within the geographical area of Europe.

Statement by the manager responsible for the preparation of the company's financial documents

The manager responsible for the preparation of the company's financial documents, Mr. Gerd Graehsler, hereby declares, in accordance with paragraph 2 article 154 bis of the "Testo Unico della Finanza", that the accounting information contained in this press release corresponds to the accounting results, registers and records.

Disclaimer

This document contains forward-looking statements, relating to future events and operating, economic and financial results for Safilo Group. Such forecasts, due to their nature, imply a component of risk and uncertainty due to the fact that they depend on the occurrence of certain future events and developments. The actual results may therefore vary even significantly to those announced in relation to a multitude of factors.

Alternative Performance Indicators

The definitions of the "Alternative Performance Indicators", not foreseen by the IFRS-EU accounting principles and used in this press release to allow for an improved evaluation of the trend of economic-financial management of the Group, are provided below:

- EBITDA (gross operating profit) is calculated by Safilo by adding to the Operating profit, depreciation and amortization;
- The Net Debt is for Safilo the sum of bank borrowings and short, medium and long-term loans, net of cash in hand and at bank;
- The Free Cash Flow for Safilo is the sum of the cash flow from/(for) operating activities and the cash flow from /(for) investing activities, and the cash payments for the principal portion of IFRS 16 lease liabilities.

Conference Call

Today, at 6.15 pm CET (5.15pm BST; 12:15pm EST) a conference call will be held with the financial community during which H1 2020 results will be discussed.
It is possible to follow the conference call by calling +39 06 87502026, +44 844 5718892, +33 1 76700794 or +1 631 5107495 (for journalists +39 06 87500896) and entering the access code: Safilo.
A recording of the conference call will be available from July 31 to August 3, 2020 on +39 06 99721048, +44 844 5718951, or +1 917 6777532 (access code: 5835079).
The conference call is also available via webcast: https://edge.media-server.com/mmc/go/Safilo_results_H12020.

Interim condensed consolidated income statement

(Euro/000)	First semester 2020	First semester 2019
Net sales	335,590	495,921
Cost of sales	(187,007)	(229,764)
Gross profit	**148,583**	**266,157**
Selling and marketing expenses	(149,954)	(192,871)
General and administrative expenses	(56,715)	(60,854)
Other operating income/(expenses)	(10,323)	(4,170)
Impairment loss on goodwill	-	(227,062)
Operating profit/(loss)	**(68,409)**	**(218,800)**
Financial charges, net	(11,580)	(2,898)
Profit/(Loss) before taxation	**(79,989)**	**(221,698)**
Income taxes	5,693	(25,239)
Profit/(Loss) of the period from continuing operations	**(74,297)**	**(246,938)**
Profit/(Loss) of the period from discontinued operations	**-**	**(26,217)**
Profit/(Loss) of the period	**(74,297)**	**(273,155)**
Profit/(Loss) attributable to:		
Owners of the parent	(74,754)	(273,175)
Non-controlling interests	457	21
Earnings/(Losses) per share - basic (Euro)	(0.271)	(0.991)
Earnings/(Losses) per share - basic from continuing operations (Euro)	(0.271)	(0.896)
Earnings/(Losses) per share - diluted (Euro)	(0.271)	(0.991)
Earnings/(Losses) per share - diluted from continuing operations (Euro)	(0.271)	(0.896)

Interim condensed consolidated balance sheet

(Euro/000)	June 30, 2020	December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	110,875	64,233
Trade receivables	150,326	188,163
Inventory	228,417	235,801
Derivative financial instruments	207	118
Other current assets	53,060	43,281
Total current assets	**542,885**	**531,597**
Non-current assets		
Tangible assets	140,287	149,387
Right of Use assets	44,939	42,219
Intangible assets	163,044	48,976
Goodwill	33,208	-
Deferred tax assets	48,625	41,723
Derivative financial instruments	-	-
Other non-current assets	8,002	9,906
Total non-current assets	**438,105**	**292,210**
Non-current assets held for sale	**5,531**	**5,531**
TOTAL ASSETS	**986,521**	**829,338**

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(Euro/000)	June 30, 2020	December 31, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Borrowings	249,589	19,159
Lease liabilities	10,431	9,720
Trade payables	182,073	173,122
Tax payables	24,618	18,771
Derivative financial instruments	1,303	1,121
Other current liabilities	66,373	54,024
Provisions	26,998	22,824
Total current liabilities	**561,384**	**298,742**
Non-current liabilities		
Borrowings	-	72,864
Lease liabilities	39,389	37,327
Employee benefit obligations	26,798	27,064
Provisions	36,599	39,264
Deferred tax liabilities	11,836	10,852
Derivative financial instruments	-	-
Other non-current liabilities	103,314	1,232
Total non-current liabilities	**217,935**	**188,604**
TOTAL LIABILITIES	**779,319**	**487,346**
Shareholders' equity		
Share capital	349,943	349,943
Share premium reserve	594,277	594,277
Retained earnings and other reserves	(706,698)	(273,901)
Cash flow hedge reserve	-	-
Income/(Loss) attributable to the Group	(74,754)	(328,260)
Total shareholders' equity attributable to the Group	**162,769**	**342,059**
Non-controlling interests	**44,433**	**(67)**
TOTAL SHAREHOLDERS' EQUITY	**207,202**	**341,992**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**986,521**	**829,338**

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Interim condensed consolidated cash flow statement

(Euro/000)	First semester 2020	First semester 2019
A - Opening net cash and cash equivalents (net financial indebtedness - short term)	**53,915**	**174,968**
B - Cash flow from (for) operating activities		
Net profit/(loss) for the period (including minority interests)	(74,297)	(273,155)
Depreciation and amortization	24,554	21,982
Right of Use amortization IFRS 16	5,298	12,059
Impairment loss on goodwill	-	227,062
Other items	9,205	12,074
Interest expenses, net	3,838	3,459
Interest expenses on lease liabilities IFRS 16	924	1,320
Income tax expenses	(5,692)	26,729
Cash flow from operating activities prior to movements in working capital	**(36,169)**	**31,530**
(Increase) Decrease in trade receivables	37,931	(14,225)
(Increase) Decrease in inventory, net	15,360	2,893
Increase (Decrease) in trade payables	(3,155)	7,080
(Increase) Decrease in other receivables	(6,561)	7,528
Increase (Decrease) in other payables	12,680	8,111
Interest expenses paid	(1,854)	(1,475)
Interest expenses paid on lease liability IFRS 16	(924)	(1,320)
Income taxes paid	(312)	(2,223)
Total (B)	**16,996**	**37,900**
C - Cash flow from (for) investing activities		
Investments in property, plant and equipment	(6,290)	(11,875)
Net disposals of property, plant and equipment and assets held for sale	(66)	256
Purchase of subsidiary (net of cash acquired)	(111,680)	-
Purchase of intangible assets, net of disposals	(2,911)	(4,206)
Total (C)	**(120,946)**	**(15,825)**
D - Cash flow from (for) financing activities		
Proceeds from borrowings	168,623	107,000
Repayment of borrowings	(5,000)	(210,000)
Repayment of principal portion of lease liabilities IFRS 16	(5,263)	(11,679)
Increase in share capital, net of transaction costs	-	17,489
Dividends paid	-	-
Total (D)	**158,360**	**(97,190)**
E - Cash flow for the period (B+C+D)	**54,410**	**(75,115)**
Translation exchange differences	(1,345)	725
Total (F)	**(1,345)**	**725**
G - Closing net cash and cash equivalents (net financial indebtedness - short term) (A+E+F)	**106,980**	**100,578**

About Safilo Group
Safilo Group is a worldwide leader in the design, manufacturing and distribution of sunglasses, optical frames, sports eyewear and related products. Thanks to strong craftsmanship expertise dating back to 1878, Safilo translates its designs into high-quality products according to the Italian tradition. Through an extensive wholly owned network of subsidiaries in 40 countries and more than 50 distribution partners in key markets throughout North and Latin America, Europe, Africa, the Middle East, Asia Pacific and China, Safilo is committed to quality distribution of its products in nearly 100,000 selected points of sale worldwide. Safilo's portfolio encompasses its own core brands Carrera, Polaroid, Smith, Safilo, Blenders, Privé Revaux, and licensed brands Dior, Dior Homme, Fendi, Banana Republic, BOSS, David Beckham, Elie Saab, Fossil, Givenchy, havaianas, HUGO, Jimmy Choo, Juicy Couture, kate spade new york, Levi's, Liz Claiborne, Love Moschino, Marc Jacobs, Max Mara, Missoni, M Missoni, Moschino, Pierre Cardin, rag&bone, Rebecca Minkoff, Saks Fifth Avenue, Swatch, and Tommy Hilfiger.

Listed on the Italian Stock Exchange (ISIN code IT0004604762, Bloomberg SFL.IM, Reuters SFLG.MI), in 2019 Safilo recorded net revenues for Euro 939 million.

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