



PRESS RELEASE

ADMISSION TO THE PROVISIONAL COMPOSITION MORATORIUM PROCEDURE OF SEMPIONE FASHION AG

May 30, 2018 – Sempione Fashion AG (“**Sempione Fashion**”), subsidiary of Sempione Retail, vehicle company in which OVS holds a minority stake corresponding to 35% of the share capital, at today’s date has obtained by the judge at the composition court of Höfe, in the Canton of Svitto, Switzerland, the admission to the provisional composition moratorium procedure the company applied for. The court, by the same resolution, appointed Holenstein Rechtsanwälte AG as the external director.

The agreements between Sempione Fashion and OVS are described in the Information Document relating to a transaction with related parties (the “**Information Document**”), published today and made available to the public at the Company’s registered office, on the authorized storage device IInfo at www.iinfo.it and on the website of the Company, www.ovscorporate.it.

The Information Document states, among other things, that in the event of a further deterioration of the financial situation of Sempione Fashion, this latter and OVS agreed a further amendment to the terms of payment provided under the consignment agreement entered into by and between the two companies. As a result, Sempione Fashion shall execute to OVS for the goods sold on consignment to third parties a partial payment corresponding to 62% of the sale price, with deferred payment of the remaining 38%, provided that such extension shall not exceed a maximum amount of CHF 5 million, corresponding to approximately EUR 4.4 million. The partial payments above shall be paid on a weekly basis, except for the first payment that shall be due after two weeks as of the execution date of the mentioned agreement (i.e. on May 30, 2018).

The admission to the provisional composition moratorium procedure allows Sempione Fashion to continue its business activity for a maximum period of four months with the aim to resolve its financial distress. The conclusions of such procedure can be a restructuring operation of the company or its winding-up, also within the context of an insolvency procedure. In such event, OVS might be in the condition of writing-down the receivables from Sempione Fashion arisen from February 1, 2018 for approximately EUR 14 million, to which should be added a maximum amount of EUR 4.4 million for the deferment of payment granted pursuant to the above-mentioned agreement amending the consignment relationship.

There is no assurance that also other companies of the group to which Sempione Fashion belongs might suffer a progressive worsening of their financial situation, determining a potential further writing-down of receivables due to OVS by them. Such receivables amount approximately to EUR 2 million of which: approximately EUR 1 million in relation to Charles Vögele Austria GmbH and approximately EUR 1 million relating to the group’s company operating in Slovenia. Furthermore, OVS holds receivables for an amount of EUR 23 million from Charles Vögele Deutschland GmbH, a company transferred to a third party on April 20, 2018: at the current conditions, OVS does not have reason to believe they are not widely recoverable.

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For further information, reference is made to the above-mentioned Information Document.

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