



PRESS RELEASE

COMMUNICATION RELATED TO THE EVOLUTION OF THE COMMERCIAL RELATIONSHIP BETWEEN OVS SPA AND SEMPIONE FASHION AG

Venice Mestre – As previously disclosed, on April 18, 2017 OVS S.p.A. (hereinafter, “OVS”) and Sempione Fashion AG (hereinafter, “Sempione Fashion”, previously Charles Voegele Mode AG), in which the previous holds a minority position, have entered into a cooperation agreement aimed at: (i) expanding OVS’s brands and merchandising in Switzerland, Austria, Slovenia and Hungary through a stores’ conversion plan, and (ii) putting in place a new model of cooperation akin to a franchising agreement (hereinafter, the “Cooperation Agreement”).

With Sempione Fashion entering a phase of financial distress mostly due a drop in sales throughout the last quarter of 2017 and the first months of 2018, on April 13 2018 OVS and Sempione Fashion have agreed to amend the operational terms by which their commercial cooperation is to be executed. Under such new agreement, the goods delivered remains the property of OVS while being in the possession of Sempione Fashion on consignment. As a result, OVS has bought back the goods previously sold to Sempione Fashion in exchange for the payment of the corresponding price part in cash and part through compensation (hereinafter, the “Consignment Transaction”).

In particular, such transaction has allowed to achieve: (i) the purchase of goods in a total amount of eur 32.3 million through a combined transaction by which OVS has paid eur 7.9 million in cash while offsetting the residual amount of eur 24.4 million through compensation; and (ii) the launch of the stock consignment model in Switzerland and Austria.

Despite the Consignment transaction, the financial situation of Sempione Fashion has further deteriorated. The Related Parties Transactions Committee and the Board of Directors of OVS have met today to evaluate the adoption of additional measures aimed at safeguarding the interests of OVS while supporting Sempione Fashion in its attempt to improve its own liquidity profile.

The Board of Directors - with the concurring opinion of the Related Parties Transactions Committee (both having a quorum to make valid decisions) - resolved to grant Sempione Fashion an extension for the payment of a portion (not exceeding 40%) of the price owed in exchange for the purchase of the goods held in consignment, and to give the CEO the power to negotiate, and to determine (as the case may be), the above-mentioned payment extension, provided that such extension doesn’t cause the corresponding credit to become subordinated and that the entity of such extension shall not exceed a maximum amount of CHF 5 million (or eur 4.4 million).

Terms and conditions of the Consignment Transaction and of the above-mentioned payment extension will be the subject of a specific information document prepared pursuant to Article 5 of the Regulation adopted by Consob with resolution no. 17221 of 12 March 2010 and Article 11, paragraph 4 of the procedure on transactions with related parties of OVS which will be published no later than May 30, 2018.

The company informs that in order to provide greater market disclosure, a new, integrated version of the remuneration report pursuant to article 123 ter, D.Lgs February 24 1998 no. 58 and Article 84-quarter Consob Reg. 11971/1999 will also be published along with the

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information document mentioned above. This new version of the remuneration report contains further details and clarifications in addition to the one approved on 18 April 2018 and published on 26 April 2018.

Venice Mestre, 28th May 2018

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