

AFFLELOU

Press release

Paris, March 30, 2021

Afflelou's second quarter and first half results for the 2020/2021 fiscal year, as of and for the three and six months ended January 31, 2021

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- **Continued recovery of network sales,¹ reaching €209.1 million and +6.4% network sales growth² (+5.7% on a like-for-like basis) for the quarter as compared to the same quarter in the 2019/2020 fiscal year**
 - **Adjusted EBITDA³ at €26.2 million for the quarter, and at €52.4 million for the half year**
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Afflelou and its subsidiaries (the “**Group**”) publishes its first quarter and first half results for the fiscal year ended July 31, 2021, as of and for the three and six months ended January 31, 2021.

Commercial performance of AFFLELOU

Network sales reached €209.1 million in the second quarter of the current fiscal year, up by 6.4% from the second quarter of the prior fiscal year, including 5.7% growth in the Group's like-for-like network sales as compared to the second quarter of the prior fiscal year. On a cumulative basis, network sales grew by 10.5% as compared to the first half of the 2019/2020 fiscal year, to €428.8 million in the first half of this fiscal year.

The historical ALAIN AFFLELOU banner continued to recover well, despite new partial restrictive measures put in place in our core markets beginning in November 2020, and since mid-January 2021, in connection with the COVID-19 pandemic. Sales in France showed a solid growth of 8.6%, with a noticeable acceleration in our hearing activity since January 2021, which grew by more than 25% in the two first months of the 2021 calendar year. In Spain, sales declined by 2.2%, having been negatively impacted in January 2021 by heavy snowfall in the Madrid region. Finally, our sales in the Other countries segment grew by 2.7%, driven by strong performance in Belgium. We believe this performance demonstrates the resilience of our sector, with a lasting catch-up effect corresponding to pent-up demand from the initial confinement period in Spring 2020. Also, our businesses performed well overall in

¹ Network sales comprise sales (excluding VAT) to end customers by all of the Group's distribution channels, including directly-owned stores. Sales of the franchisees are based on monthly sales reports provided by the franchisees pursuant to their reporting obligations under the franchise agreements.

² Like-for-like network sales growth is based on sales of stores that were open through the periods under consideration, based on a full fiscal year, and which did not undergo any substantial changes during those periods (such as construction or refurbishment work of a duration of more than one month), so that sales performance in a period may be comparable to that of the prior period. Like-for-like network sales are calculated at current exchange rates as a very small portion of network sales are currently exposed to currency risk.

³ Adjusted EBITDA is defined as operating income from ordinary activities as presented in the Group's consolidated financial statements, before (i) depreciation and amortization of property, plant and equipment, and intangible assets, (ii) changes in provisions for trade receivables and inventories, and (iii) management fees, management long term incentives and acquisition price supplements, if applicable in each case.

November 2020, which we believe is the result of the largely non-discretionary, healthcare nature of most of the products we sell.

Finally since mid-January 2021, a set of new partial restrictive measures have been taken in France, with the lockdown of stores located in large shopping centers that are required to be temporarily closed representing 15% to 20% of our total network sales. Local confinements of the population have a limited impact on us, as our business is considered to be "essential", and we observe clear shift of customers who need to fill their optical prescriptions from stores that are closed to the stores that remain open, providing those stores with sales uplift of 10% to 15%.

The Group had 1,435 stores as of January 31, 2021, a net increase of eighteen stores as compared to January 31, 2020 and net increase of six stores as compared to July 31, 2020.

Afflelou's financial performance

Adjusted EBITDA was nearly stable in the second quarter of the current fiscal year at €26.2 million as compared to €26.7 million for the same period in the prior fiscal year, and grew to €52.4 million in the first half of the current fiscal year as compared to €47.7 million in the first half of the prior fiscal year.

In France, Adjusted EBITDA was €21.3 million for the second quarter of the current fiscal year, at the same level as in the second quarter of the prior fiscal year, in spite of the impact on our directly owned stores of reduced footfall in large malls and tourist areas, such as the Champs Elysées. In Spain, Adjusted EBITDA declined by €0.7 million to €4.1 million in the second quarter of the current fiscal year as compared with €4.8 million in the second quarter of the prior fiscal year, mainly due to the weather episode described above. Finally, Adjusted EBITDA in our Other countries segment rose by €0.1 million in the second quarter of the current fiscal year to €0.8 million, thanks to the strong performance of our Belgian network.

The cash flows generated over the quarter, combined with the financial soundness of our franchisees, allowed us to reduce our net debt (adjusted for sublease liabilities) to €399.2 million as of January 31, 2021, as compared to €418.8 million and €436.6 million as of January 31, 2020 and July 31, 2020, respectively.

Rachel Marouani, the Chairwoman of the Board of Afflelou Group stated *“While we are weathering new temporary partial restrictive measures due to COVID-19, the Group and its franchisees continue to perform strongly and we expect to continue to execute our growth strategy, supported by the non-discretionary, healthcare nature of most of the products we sell and by favorable tailwinds in the hearing aids sector in France.”*

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About Afflelou:

Founded in Bordeaux in 1972 by Alain Afflelou, the Group is one of Europe's leading franchisors of optical products and hearing aids. In 2018, the Group operated the largest franchise network of optical products (in terms of store numbers) and the Alain Afflelou banner ranked third in France, in a historically fragmented market that includes many independent retailers. The Group has a long-standing presence in France, but also a strong foothold in Spain, where it operates the largest banner of optical products (in

terms of store numbers) and the fourth largest (in terms of revenue). The Group, which is continuing its global expansion, is present worldwide, with 1,429 stores in 18 countries as of July 31, 2020.

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