*Press release*

**Paris, June 29, 2021**

**Afflelou's third quarter and first nine months results for the 2020/2021 fiscal year, as of and for the three and nine months ended April 30, 2021**

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- **Continued recovery of network sales,[1] reaching €189.3 million, with 74.4% network sales growth[2] for the quarter and 24.5% network sales growth for the first nine months of the fiscal year, as compared to the same periods in the 2019/2020 fiscal year**
- **Adjusted EBITDA[3] reaching €19.8 million for the quarter and €72.2 million for the first nine months of the fiscal year**
- **Normal levels of activity in all geographical areas since mid-May**

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Commercial performance of AFFLELOU

Network sales reached €189.3 million in the third quarter of the current fiscal year, up by 74.4% from the third quarter of the prior fiscal year, and €618.1 million in the first nine months of the 2020/2021 fiscal year, up by 24.5% from the first nine months of the prior fiscal year. Sales for the first nine months of the current fiscal year are up by 2.8% as compared to sales in the same period of the 2018/2019 fiscal year, i.e. before the Covid-19 pandemic impacted our networks. This performance is in spite of restrictions still affecting France during the third quarter of the current fiscal year.

Sales in the third quarter of the current fiscal year in France grew 70.2% versus the year before when our whole network was closed down for half of the quarter (mid-March to end of April, 2020). Because around one-fifth of our network closed down (mainly in shopping centers) during this quarter, total sales in France still lagged 6.8% behind sales in the same period two years before. Still, this difference demonstrates the resilient aspect of our business as stores in shopping centers have represented historically more than 20% of our sales in France, demonstrating a strong shift to stores that remained open. Our network in France has been open since May 19, 2021, following the lifting of the restrictions that kept certain of our stores closed for the third quarter of the current fiscal year.

In Spain, sales grew 90.2% during this quarter versus the same period the year before. In Spain, we observe a higher proportion of discretionary sales (sunglasses and contact lenses), which declined by 28% over the last twelve months. On the whole, our banner outperformed the market by more than 5%, showing a limited decline of 1.8% in the past twelve months versus a decline of 7.0% observed in the overall market.

In the Other countries segment of our businesses, our activities progressively returned to normal over the third quarter of the current fiscal year and our sales recovered strongly, as compared to the second quarter, growing by 91.9%, and outperformed our sales two years before, particularly in Switzerland and Belgium.

Finally, our hearing aid business has evolved favorably since January 2021, a trend which began in mid-2020, notably with the re-launch of our Tchin Tchin offer, and which has sharply accelerated in 2021,

[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.

along with the *100% Santé* changes in the French healthcare system, which enables the purchase of hearing aids at zero out of pocket cost to the consumer. Sales through the end of May grew by 50% versus the same period two years prior.

In terms of store count, the Group had 1,439 stores as of April 30, 2021, a net increase of nineteen stores as compared to April 30, 2020 and a net increase of ten stores as compared to July 31, 2020.

## Afflelou's financial performance

Adjusted EBITDA returned to almost normal levels in the third quarter of the current fiscal year, reaching €19.8 million (as compared to €4.2 million in the same period in 2020, including one month and a half of strict confinement). Adjusted EBITDA for the first nine months of the current fiscal year reached €72.2 million, an increase of 39.1% from the same period two years before.

In France, Adjusted EBITDA was €15.7 million for the third quarter of the current fiscal year, which is lower than historical levels, due to approximately 150 of our stores being closed during the whole quarter, which especially impacted our directly owned stores perimeter. On the other hand, our hearing aids business performed well, growing rapidly from a breakeven position in recent periods. In Spain and in our Other countries segment, our profitability grew also sharply to €3.4 million and €0.7 million, as compared to €0.4 million and a loss of 0.3 million respectively, a year before, and stand for the first nine months significantly ahead performance during the same period two years before.

Cash generated during the quarter allowed us to further deleverage, thanks to operational performances and the repayment by franchisees of financial support given during the first confinement. As a result, the Group reduced its net debt (adjusted for sublease liabilities) to €393.7 million as of April 30, 2021, as compared to €436.6 million as of July 31, 2020.

## Other recent events

### *Group's refinancing*

In May 2021, the Group reimbursed its senior secured notes in an outstanding amount of €415 million, and its government backed loan (PGE) for an amount of €30 million. Simultaneously, the Group issued €410 million of Senior Secured Fixed Rate Notes and €75 million of Senior Subordinated Floating Rate Notes. The proceeds of those new notes for a total amount of €485 million, together with cash on balance sheet, allowed us to repay €135 million of convertible bonds to our shareholders.

### *Management changes of the Afflelou Group*

The Group recently announced changes in its governance, with the appointment of Rachel Marouani as Non-Executive Chairwoman of the Group in November 2020 and Alain Pourcelot as Chief Executive Officer of the Group on May 21, 2021. Both Rachel Marouani and Alain Pourcelot have longstanding experience in the business-to-consumer environment, with deep experience in the digital segment as well as in the marketing aspects of business-to-consumer banners and brands.

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Alain Pourcelot, new Chief Executive Officer stated "*I'm proud to join a Group with such a strong image and business model. The recovery of Afflelou in a sector showing resilience through the Covid-19 pandemic offers headroom to grow in several directions: innovation, hearing aid and international development opportunities and digital transformation.*"

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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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***Forward Looking Statements and non-IFRS Financial Measures***

*This press release may include forward looking statements, including within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and the securities laws of other jurisdictions . These forward looking statements can be identified by the use of forward looking terminology, including the terms as "believe", "expect", "anticipate", "may", "assume", "plan", "intend", "will", "should", "estimate", "risk" and or, in each case, their negative, or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts and include statements regarding the Company's or any of its affiliates' intentions, beliefs or current expectations concerning, among other things, the Company's or any of its affiliates' results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which they operate. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward looking statements are not guarantees of future performance and that the Company's or any of its affiliates' actual results of operations, financial condition and liquidity, and the development of the industries in which they operate may differ materially from those made in or suggested by the forward looking statements contained in this press release. In addition, even if the Company's or any of its affiliates' results of operations, financial condition and liquidity, and the development of the industries in which they operate are consistent with the forward looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods. Certain financial data included in this press release may consist of "non-IFRS financial measures". These non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. You are cautioned not to place undue reliance on any non-IFRS financial measures included herein.*

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