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**Groupe**  
**L'OCCITANE**  
**L'OCCITANE INTERNATIONAL S.A.**  
49, Boulevard Prince Henri L-1724 Luxembourg  
R.C.S. Luxembourg: B80359  
(Incorporated under the laws of Luxembourg with limited liability)  
(Stock code: 973)

**COMPLETION OF DISCLOSEABLE TRANSACTION IN RELATION  
TO THE ACQUISITION OF A MAJORITY EQUITY INTEREST  
IN SOL DE JANEIRO HOLDINGS, INC.  
AND  
CONNECTED TRANSACTION IN RELATION TO GRANTING OF  
A PUT OPTION AND A CALL OPTION**

**COMPLETION OF THE ACQUISITION**

Reference is made to the Acquisition Announcement. The Board is pleased to announce that on 23 December 2021 (after trading hours), the Acquisition completed in accordance with the Merger Agreement, and, as of this date, the Company holds an indirect equity interest of 82.86% in Sol de Janeiro, which shall be consolidated into and form part of the Group.

**GRANT OF OPTIONS UNDER THE STOCKHOLDERS' AGREEMENT**

On 23 December 2021 (after trading hours), the Company, Parent Subsidiary and the Connected Shareholder, among others, entered into a Stockholders' Agreement, pursuant to which, among others, (i) the Parent Subsidiary granted a Put Option to each Rollover Participant to require Parent Subsidiary to acquire the Optioned Interests owned by such Rollover Participant; and (ii) Parent Subsidiary has been granted a Call Option by each Rollover Participant, pursuant to which the Parent Subsidiary may require such Rollover Participants to sell to Parent Subsidiary all of the Optioned Interests owned by such Rollover Participant. As of the date hereof, the Optioned Interests owned by the Connected Shareholder and the Optioned Interests owned by Marc Capra represent 16.28% and 0.86%, respectively, of Intermediate Holding Company's total equity interests.

**LISTING RULES IMPLICATIONS**

Following completion of the Acquisition, Intermediate Holding Company has become an indirect subsidiary of the Company, and the Connected Shareholder and its ultimate beneficial owner have become connected persons of the Company at the subsidiary level. Accordingly, each of the Put Option granted to the Connected Shareholder and the Call Option granted by the Connected Shareholder under the Stockholders' Agreement is treated as a connected transaction pursuant to Rule 14A.24(2)(a) of the Listing Rules.

Since each of the Put Option granted to the Connected Shareholder and the Call Option granted by the Connected Shareholder constitutes a connected transaction at the subsidiary level, and the directors, including the independent non-executive directors, of the Company have confirmed that the grant of the Options (and the terms of the Options) is fair and reasonable and on normal commercial terms or better for the Company, and in the interests of the Company and its shareholders as a whole, pursuant to Chapter 14A of the Listing Rules, each of the Put Option and the Call Option is subject to the applicable reporting and announcement requirements, but is exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

As all the applicable percentage ratios (calculated in accordance with the Listing Rules) for each of the Put Option and the Call Option, assuming exercise of each in full, is less than 5%, neither the Put Option nor the Call Option constitutes a notifiable transaction under Chapter 14 of the Listing Rules.

## COMPLETION OF THE ACQUISITION

The Board is pleased to announce that on 23 December 2021 (after trading hours), the Acquisition completed in accordance with the Merger Agreement and, as of this date, the Company holds an indirect equity interest of 82.86% in Sol de Janeiro, which shall be consolidated into and form part of the Group.

## GRANT OF OPTIONS UNDER THE STOCKHOLDERS' AGREEMENT

On 23 December 2021 (after trading hours), the Company, Parent Subsidiary and the Connected Shareholder, among others, entered into a Stockholders' Agreement, pursuant to which, among others, (i) Parent Subsidiary granted a Put Option to each Rollover Participant to require Parent Subsidiary to acquire the Optioned Interests owned by such Rollover Participant; and (ii) Parent Subsidiary has been granted a Call Option by each Rollover Participant, pursuant to which Parent Subsidiary may require such Rollover Participant to sell to Parent Subsidiary all of the Optioned Interests owned by such Rollover Participant. As of the date hereof, the Optioned Interests owned by the Connected Shareholder and the Optioned Interests owned by Marc Capra represent 16.28% and 0.86%, respectively, of Intermediate Holding Company's total equity interests.

<b>Date</b>	23 December 2021
<b>Parties</b>	(i) the Company (ii) Parent Subsidiary (iii) Intermediate Holding Company (iv) Connected Shareholder (v) Marc Capra (vi) Heela Yang
<b>Put Option</b>	Parent Subsidiary agreed to grant a Put Option to each Rollover Participant, including the Connected Shareholder, to require Parent Subsidiary to acquire the Optioned Interests owned by such Rollover Participant at the Put Option exercise price, in accordance with the terms of the Stockholders' Agreement and subject to compliance with all applicable laws.
<b>Consideration for the Put Option/ Put Option exercise price</b>	No premium was payable under the Stockholders' Agreement for accepting the Put Option. The exercise price of the Put Option shall be calculated in accordance with the terms of the Stockholders' Agreement based on a multiple of the consolidated EBIT of Intermediate Holding Company and its subsidiaries multiplied by the portion of Intermediate Holding Company's total equity interests represented by the relevant Optioned Interests.  The Put Option exercise price was determined on arm's length negotiations among the parties with reference to, among other factors, the reputation, market position and financial performance of Sol de Janeiro and the current and anticipated future contribution of the Rollover Participants to Sol de Janeiro and the Group.

**Put Option  
exercise period**

The Put Option may be exercised during the following periods:

- (a) with respect to the Connected Shareholder, within 120 days from a vesting date, being the last day of the 2024, 2025 and 2026 fiscal years, or within 90 days of the occurrence of a Put Option acceleration event as defined under the Stockholders' Agreement, including: (i) the termination of Heela Yang's employment with Sol de Janeiro; (ii) a material breach by Parent Subsidiary or Intermediate Holding Company under the Stockholders' Agreement which remains uncured; (iii) a direct or indirect change in control of Intermediate Holding Company or Sol de Janeiro; or (iv) a direct or indirect change in control of the Company; and
- (b) with respect to Marc Capra, within 120 days from a vesting date, being the last day of the 2024, 2025 and 2026 fiscal years, or within 90 days of the termination of Heela Yang's employment with Sol de Janeiro.

**Call Option**

Each Rollover Participant, including the Connected Shareholder, agreed to grant a Call Option to Parent Subsidiary, pursuant to which Parent Subsidiary may require such Rollover Participant to sell to Parent Subsidiary all of the Optioned Interests owned by such Rollover Participant at the Call Option exercise price, in accordance with the terms of the Stockholders' Agreement and subject to compliance with all applicable laws.

**Consideration for  
the Call Option/Call  
Option exercise price**

No premium was payable under the Stockholders' Agreement for accepting the Call Option. The exercise price of the Call Option shall be calculated in accordance with the terms of the Stockholders' Agreement based on a multiple of the consolidated EBIT of Intermediate Holding Company and its subsidiaries multiplied by the portion of Intermediate Holding Company's total equity interests represented by the relevant Optioned Interests.

**Call Option  
exercise period**

The Call Option may be exercised by Parent Subsidiary during the following periods:

- (a) with respect to the Connected Person, within 90 days of the occurrence of a Call Option acceleration event as defined under the Stockholders' Agreement, including: (i) the termination of Heela Yang's employment with Sol de Janeiro; or (ii) a material breach by the Connected Shareholder under the Stockholders' Agreement which remains uncured; and, in any case, at any time after 31 March 2027; and
- (b) with respect to Marc Capra, at any time after 31 March 2027.

**Reasons and benefits, and basis of consideration, for the Options**

The Options were granted to further align the interests of the Rollover Participants with that of the Group, and as an additional incentive to the Rollover Participants to grow the financial and operational performance of Sol de Janeiro together with the Group. If the Options are fully exercised, Intermediate Holding Company will become a wholly-owned subsidiary of the Group and all of the economic benefits deriving from Sol de Janeiro will then belong to the Group.

The consideration for the Options was determined on arm's length negotiations among the parties with reference to, among other factors, the reputation, market position and financial performance of Sol de Janeiro, the current and anticipated future contribution of the Rollover Participants to Sol de Janeiro and the Group.

**Details of the parties to the Put Option and the Call Option**

*The Group*

The Group is an international group that manufactures and retails beauty and well-being products that are rich in natural and organic ingredients. As a global leader in the premium beauty market, the Group has more than 3,000 retail outlets, including approximately 1,500 owned stores, and is present in 90 countries. Through its seven brands — L'Occitane en Provence, Melvita, Erborian, L'Occitane au Brésil, LimeLife by Alcone, ELEMIS and Sol de Janeiro — the Group offers new and extraordinary beauty experiences, using high quality products that respect nature, the environment and the people who surround it.

Parent Subsidiary is a wholly-owned subsidiary of the Company and, following completion of the Acquisition, holds a direct equity interest of 82.86% in Intermediate Holding Company.

Intermediate Holding Company owns 100% of the shares of Merger Sub Holding Company, which in turn owns 100% of the shares of Sol de Janeiro. Sol de Janeiro, including its subsidiaries, is an innovative leader in the global premium body care market. Founded in the US, Sol de Janeiro is inspired by an authentic Brazilian philosophy of self-love and joy. It has shown cross-category success, selling premium body care, fragrance and hair care products both directly to consumers through its websites and wholesale to various distribution channels.

The financial information of Intermediate Holding Company (on a consolidated basis) for the two years ended 31 December 2020 are set out below:

	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2019</b>
	<i>US\$</i>	<i>US\$</i>
	(audited)	(audited)
Total assets	28,999,866	23,688,967
Revenue	60,000,007	38,790,443
Net profit before tax	12,963,937	6,229,953
Net profit after tax	10,034,808	5,412,557

#### *The Rollover Participants*

The Rollover Participants include (i) First Octave LLC, a subsidiary of Heela Yang, who is currently serving as Chief Executive Officer of Sol de Janeiro, and (ii) Marc Capra, who is currently serving as Creative Director of Sol de Janeiro. Following completion of the Acquisition, (a) First Octave LLC and Marc Capra hold 16.28% and 0.86%, respectively, of Intermediate Holding Company's total equity interests, and (b) Heela Yang will serve as one of the five directors of Intermediate Holding Company.

Accordingly, following completion of the Acquisition, First Octave LLC and Heela Yang have become substantial shareholders of Intermediate Holding Company and therefore qualify as connected persons of the Company at the subsidiary level.

To the best knowledge of the Company's directors, Marc Capra is an independent third party and not a connected person of the Company.

#### **Confirmation of the Company's directors**

The directors, including the independent non-executive directors, of the Company have confirmed that the grant of the Options (and the terms of the Options) is fair and reasonable and on normal commercial terms or better for the Company, and in the interests of the Company and its shareholders as a whole.

None of the Company's directors has any material interest in the Stockholders' Agreement and therefore none has abstained from voting on the board resolutions approving the Stockholders' Agreement and the transactions contemplated thereunder, including the Options.

#### **Implications under the Listing Rules**

Following completion of the Acquisition, Intermediate Holding Company has become an indirect subsidiary of the Company and the Connected Shareholder and its ultimate beneficial owner have become connected persons of the Company at the subsidiary level. Accordingly, each of the Put Option granted to the Connected Shareholder and the Call Option granted by the Connected Shareholder under the Stockholders' Agreement is treated as a connected transaction pursuant to Rule 14A.24(2)(a) of the Listing Rules.

Since each of the Put Option granted to the Connected Shareholder and the Call Option granted by the Connected Shareholder constitutes a connected transaction at the subsidiary level, and the directors, including the independent non-executive directors, of the Company have confirmed that the grant of the Options (and the terms of the Options) is fair and

reasonable and on normal commercial terms or better for the Company, and in the interests of the Company and its shareholders as a whole, pursuant to Chapter 14A of the Listing Rules, each of the Put Option and the Call Option is subject to the applicable reporting and announcement requirements, but is exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

As all the applicable percentage ratios (calculated in accordance with the Listing Rules) for each of the Put Option and the Call Option, assuming exercise of each in full, is less than 5%, neither the Put Option nor the Call Option constitutes a notifiable transaction under Chapter 14 of the Listing Rules.

The Company will make subsequent announcements to update its shareholders on the exercise of the Put Option by the Rollover Participants or the Call Option against the Rollover Participants as required under the Listing Rules.

“Acquisition”	the acquisition by the Group of a 82.86% interest in Sol de Janeiro under the terms and conditions of the Merger Agreement and the Rollover Agreement
“Acquisition Announcement”	the announcement of the Company dated 15 November 2021 announcing the entry into of the Merger Agreement and the Rollover Agreement and the transactions contemplated thereby
“Board”	the board of directors of the Company
“Call Option”	the option granted by each Rollover Participant to Parent Subsidiary, pursuant to which Parent Subsidiary may require such Rollover Participant to sell to Parent Subsidiary all of the Optioned Interests owned by such Rollover Participant in accordance with the terms and conditions set out in the Stockholders' Agreement
“Company”	L'Occitane International S.A., a company incorporated in Luxembourg with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00973)
“Connected Shareholder”	First Octave LLC, a Delaware limited liability company and one of the Rollover Participants, which is controlled by Heela Yang
“Group”	the Company and its subsidiaries
“Intermediate Holding Company”	LOC SOL Owners Inc, a Delaware corporation that is indirectly owned by the Company and directly owned by Parent Subsidiary and the Rollover Participants
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Merger Agreement”	the Agreement and Plan of Merger, dated as of 15 November 2021, by and among the Company, Sol de Janeiro, Samba Acquisition, LLC, and Shareholder Representative Services LLC
“Merger Sub Holding Company”	LOC SOL Target Inc, a Delaware corporation that is indirectly owned by the Company and directly owned by Intermediate Holding Company
“Optioned Interests”	the equity interests held by the Rollover Participants in Intermediate Holding Company, cumulatively representing 17.14% of Intermediate Holding Company's total equity interests as of the date of this announcement
“Options”	each Put Option and each Call Option, as applicable
“Parent Subsidiary”	LOC SOL Holdings Inc, a Delaware corporation that is directly owned by the Company

“Put Option”	the option granted to each Rollover Participant to require Parent Subsidiary to acquire the Optioned Interests owned by such Rollover Participant in accordance with the terms and conditions set out in the Stockholders’ Agreement
“Rollover Agreement”	Rollover and Contribution Agreement, dated as of 15 November 2021, by and among the Rollover Participants and Intermediate Holding Company
“Rollover Participants”	collectively, First Octave LLC and Marc Capra
“Sol de Janeiro”	Sol de Janeiro Holdings, Inc.
“Stockholders’ Agreement”	the stockholders’ agreement, dated 23 December 2021, by the Company, Parent Subsidiary and the Connected Shareholder, among others

By order of the Board of  
**L’Occitane International S.A.**  
**Reinold Geiger**  
*Chairman*

Luxembourg, 23 December 2021

*As at the date of this announcement, the executive directors of the Company are Mr. Reinold Geiger (Chairman), Mr. André Hoffmann (Vice-Chairman and Chief Executive Officer), Mr. Yves Blouin (Group Managing Director), Mr. Thomas Levilion (Group Deputy General Manager, Finance and Administration), Mr. Karl Guénard (Company Secretary) and Mr. Séan Harrington (Chief Executive Officer of ELEMIS); the independent non-executive directors of the Company are Mrs. Valérie Bernis, Mr. Charles Mark Broadley and Mr. Jackson Chik Sum Ng.*