

L'OCCITANE HOLDING S.A. ARTICLES OF ASSOCIATION

TITLE I. NAME – PURPOSE – DURATION – REGISTERED OFFICE

Capitalised terms not otherwise defined herein shall have the meaning indicated in Article 38 (Definitions).

Article 1 Name – Legal form

There exists a public limited company (*société anonyme*) under the name **L'Occitane Holding S.A.** (the "**Company**") which shall be governed by the law of 10 August 1915 on commercial companies, as amended (the "**Law**"), as well as by the present articles of association.

Article 2 Purpose

- 2.1 The purpose of the Company is the holding of participations in any form whatsoever in Luxembourg and foreign companies and in any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, management, control and development of its portfolio.
- 2.2 The Company may grant loans to, as well as guarantees or security for the benefit of third parties to secure its obligations and obligations of other companies in which it holds a direct or indirect participation or right of any kind or which form part of the same group of companies as the Company, or otherwise assist such companies.
- 2.3 The Company may raise funds through borrowing in any form or by issuing any kind of notes, securities or debt instruments, bonds and debentures and generally issue securities of any type.
- 2.4 The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it considers useful for the accomplishment of these purposes.

Article 3 Duration

- 3.1 The Company is incorporated for an unlimited period of time.
- 3.2 It may be dissolved at any time by a resolution of the general meeting of Shareholders adopted in the manner required for an amendment of these articles of association.

Article 4 Registered office

- 4.1 The registered office of the Company is established in the City of Luxembourg, Grand Duchy of Luxembourg.
- 4.2 The board of directors may transfer the registered office of the Company within the same municipality or to any other municipality in the Grand Duchy of Luxembourg and, if

necessary, subsequently amend these articles of association to reflect such change of registered office.

- 4.3 Branches or other offices may be established either in the Grand Duchy of Luxembourg or abroad by a resolution of the board of directors.
- 4.4 In the event that the board of directors determines that extraordinary political, economic or social circumstances or natural disasters have occurred or are imminent that would interfere with the normal activities of the Company at its registered office, the registered office may be temporarily transferred abroad until the complete cessation of these extraordinary circumstances; such temporary measures shall not affect the nationality of the Company which, notwithstanding the temporary transfer of its registered office, shall remain a Luxembourg company.

TITLE II. SHARE CAPITAL – SHARES

Article 5 Share capital

- 5.1 The Company's share capital is set at three hundred thousand Hong Kong dollars (HKD 300,000), represented by three hundred thousand (300,000) shares having a nominal value of one Hong Kong dollar (HKD 1) each (the "**shares**" and each individually a "**share**").
- 5.2 The Company's share capital may be increased or reduced by a resolution of the general meeting of Shareholders adopted in the manner required for an amendment of these articles of association or as set out in Article 6 hereof.
- 5.3 Any new shares to be paid for in cash shall be offered by preference to the existing Shareholder(s). In case of a plurality of Shareholders, such shares shall be offered to the Shareholders in proportion to the number of shares held by them in the Company's share capital. The board of directors shall determine the time period during which such preferential subscription right may be exercised, which may not be less than fourteen 14 days from the date of dispatch of a registered mail or any other means of communication individually accepted by the addressees and ensuring access to the information sent to the Shareholders announcing the opening of the subscription period. The general meeting of Shareholders may limit or cancel the preferential subscription right of the existing Shareholders subject to quorum and majority required for an amendment of these articles of association. The board of directors may limit or cancel the preferential subscription right of the existing Shareholders in accordance with Article 6 hereof.
- 5.4 If after the end of the subscription period not all of the preferential subscription rights offered to the existing Shareholders have been subscribed by the latter, third parties may be allowed to participate in the share capital increase, except if the board of directors decides that the preferential subscription rights shall be offered to the existing Shareholders who have already exercised their rights during the subscription period, in proportion to what their shares represent in the share capital; the modalities for the subscription are determined by the board of directors. The board of directors may also decide in such case that the share capital shall only be increased by the amount of subscriptions received by the existing Shareholders of the Company.

- 5.5 The Company may repurchase its own shares subject to the provisions of the Law and subject to immediate cancellation of such repurchased shares.

Article 6 Authorised capital

- 6.1 The authorised capital, excluding the share capital, is set at sixteen billion Hong Kong dollars (HKD 16,000,000,000), consisting of sixteen billion (16,000,000,000) shares with a nominal value of one Hong Kong dollar (HKD 1) each. During a period of five (5) years from the date of incorporation or any subsequent resolutions to create, renew or increase the authorised capital pursuant to this article, the board of directors (or any delegate thereof within the limits of such delegation) is hereby authorised to issue shares, to grant options to subscribe for shares and to issue any other instruments giving access to shares within the limits of the authorised capital to such persons and on such terms as they shall see fit and specifically to proceed with such issue without reserving a preferential right to subscribe to the shares issued for the existing Shareholders and it being understood, that (i) any issuance of such instruments will reduce the available authorised capital accordingly and (ii) that any preferential right to subscribe to the shares issued for the existing Shareholders may be limited or suppressed only (a) for the purpose of implementing any management incentive plan or program, including any employee stock option plans (ESOPs), long term incentive plans (LTIP) or any other similar plan or program up to an aggregate amount of ten percent (10%) of all of the Company's shares, (b) for the purpose of an Emergency Funding, provided that Shareholders not having participated in the Emergency Funding shall have the right, within sixty (60) days following completion of the relevant Emergency Funding, to subscribe for new Securities or to acquire new Securities from the Shareholders having originally participated in the Emergency Funding in an amount allowing such Shareholder to be in the same situation as if it had subscribed to such Emergency Funding simultaneously with the Shareholders having originally participated to the Emergency Funding (the "**Catch-Up Right**"), (c) for the purpose of the exercise of the Catch-Up Right, (d) for the purpose of the conversion of a Convertible Shareholder Loan or (e) in connection with the issuance of shares to the Majority Shareholder and the Minority Shareholders in exchange for the contribution of their shares in LOI.
- 6.2 The authorised capital of the Company may be increased, reduced or renewed by a resolution of the general meeting of Shareholders adopted in the manner required for an amendment of these articles of association.
- 6.3 The above authorisations may be renewed through a resolution of the general meeting of Shareholders adopted in the manner required for an amendment of these articles of association and subject to the provisions of the Law, each time for a period not exceeding five (5) years.

Article 7 Shares

- 7.1 The Company may have one or several Shareholders.
- 7.2 Death, suspension of civil rights, dissolution, bankruptcy or insolvency or any other similar event regarding any of the Shareholders shall not cause the dissolution of the Company.
- 7.3 The shares of the Company are in registered form.
- 7.4 A register of shares shall be kept at the registered office of the Company, where it shall be available for inspection by any Shareholder. This register shall contain all the information

required by the Law. Ownership of shares is established by registration in said share register. Certificates evidencing registrations made in the register with respect to a Shareholder may be issued upon request and at the expense of such Shareholder.

7.5 The Company will recognise only one (1) holder per share. If a share is owned by several persons, they shall appoint a single representative who shall represent them *vis-à-vis* the Company. The Company has the right to suspend the exercise of all rights attached to that share, except for relevant information rights, until such representative has been appointed.

7.6 None of the Minority Shareholders' Securities may be subject to any Encumbrances.

Article 8 Transfer of shares

8.1 None of the Shareholders shall Transfer any Securities, unless such a transfer is implemented and performed pursuant to the terms and conditions of these articles of association and the Law.

8.2 Any transfer of registered shares shall become effective (*opposable*) towards the Company and third parties (i) through a declaration of transfer recorded in the register of shares, signed and dated by the transferor and the transferee or their representatives and (ii) upon notification of a transfer to, or upon the acceptance of the transfer by the Company as set out in article 430-4 of the Law.

8.3 Any contemplated Transfer of Securities which is not a Permitted Transfer shall be subject to:

- (a) if applicable, the ROFR, pursuant to Article 9;
- (b) if applicable, the Tag-Along Rights, pursuant to Article 10;
- (c) if applicable, the Drag-Along Right, pursuant to Article 11; and
- (d) if applicable, a call option right pursuant to Article 12.

8.4 Any contemplated Transfer of Securities, which is not a Permitted Transfer, by a Shareholder shall be notified in advance to the board of directors of the Company by written notice (a "**Transfer Notice**"), including:

- (a) the identity of the potential acquirer and the person(s) who ultimately control(s) it;
- (b) the nature of the contemplated Transfer and whether it triggers any of the rights set forth in these articles of association (ROFR, Tag-Along Rights, Drag-Along Right, etc.);
- (c) an indication of the number of Securities that are concerned by the Transfer;
- (d) the price offered for such Securities, which shall, in any case, be fully financed on a certain funds basis;
- (e) the proposed date of the Transfer or an estimate thereof if not known with certainty;

- (f) the allocation of this price between each category of Securities if the proposed Transfer relates to several categories of Securities; and
 - (g) the other terms and conditions of the Transfer that would facilitate the assessment of the offer, including, *inter alia*, conditions precedent limited to regulatory clearances, representations and warranties or any other warranties and assurances requested by the transferee.
- 8.5 The board of directors shall provide a copy of any Transfer Notice received pursuant to Article 8.4 to the Shareholder(s) benefiting from a right as a result of the proposed Transfer promptly upon receipt from the Transferring Shareholder and no later than on the second Business Day following such receipt.
- 8.6 Any Shareholder envisaging a Permitted Transfer referred to in Article 8.8(b) or 8.8(d) shall notify such Transfer to the board of directors, at least fifteen (15) Business Days before the date of completion of such Permitted Transfer, with the information set out in Article 8.4 above.
- 8.7 The Minority Shareholders shall not undertake a Transfer of Securities if the proposed transferee (the “**Transfer Restrictions**”):
- (a) is a Competitor;
 - (b) is a Sanctioned Person and/or has been charged with, is under investigation for, or the subject of an inquiry by a Governmental Authority relating to Sanction Regulations;
 - (c) is located in, or incorporated under the laws of, a country or territory that is the target of any applicable country-wide Sanction Regulations or owned, or controlled by, or acting on behalf of, a Person located in or incorporated under such Laws; or
 - (d) is incorporated, domiciled, established or acting through a Participation Office situated in a non-cooperative jurisdiction and registered in a country which is stated in the EU list of non-cooperative jurisdictions for tax purpose adopted by the EU Council on 24 February 2022, as may be amended at the date of the Transfer to such proposed transferee and the list of non-EU countries which have deficiencies in their money laundering and financing of terrorism prevention regimes in the Commission Delegated Regulation (EU 2020/855) on 7 May 2020, as may be amended at the date of the Transfer to such proposed transferee.
- 8.8 The following Transfers shall qualify as “**Permitted Transfers**”:
- (a) Transfers of Securities to or from the Majority Shareholder (including pursuant to the enforcement of any share pledge);
 - (b) Transfers of Securities resulting from the valid exercise and implementation of the ROFR, the Drag-Along Right or the Tag-Along Rights;
 - (c) Transfer of Securities resulting from a share redemption by the Company; or
 - (d) Transfers between a Minority Shareholder and any of its Affiliates (provided that, if such Affiliate is the transferee, such Affiliate complies with the Transfer

Restrictions) and on the condition that (i) the Minority Shareholder or its Affiliate effecting such Transfer shall remain jointly liable for the performance of its relevant Affiliate's obligations hereunder and (ii) the transferee irrevocably agrees, prior to the Transfer, to Transfer the relevant Securities (which shall also constitute a Permitted Transfer) back to the transferor as soon as the transferee ceases to satisfy the conditions to be an Affiliate of the transferor or to satisfy the Transfer Restrictions. In case of failure by the Minority Shareholder to Transfer back or have the Securities Transferred back to an Affiliate which satisfies the Transfer Restrictions, the Company shall have the right to redeem the relevant Securities at a purchase price corresponding to 80% of the Fair Market Value or, upon designation of the Company, the Majority Shareholder (or such other person designated by, or successor to, the Majority Shareholder) shall have the right to purchase the relevant Securities at the aforementioned price.

- 8.9 The Company's board of directors may, from time to time, require a Minority Shareholder or its successor to provide reasonable evidence that such Minority Shareholder being a Qualifying Shareholder (including evidence of obtaining appropriate regulatory approvals (if any) required for such person to hold Securities). The foregoing requirements shall cease to apply following enforcement of any pledge granted by the Majority Shareholder over the shares of any member of the Group.

Article 9 Right of first refusal

- 9.1 If a Minority Shareholder (a "**Transferor**") intends to Transfer all or part of its Securities (the "**Transfer Securities**") to a Third Party or to another Shareholder (other than the Majority Shareholder or pursuant to a Permitted Transfer) (the "**ROFR Transferee**"), it shall send a Transfer Notice to the Majority Shareholder as provided for under Article 8.4.
- 9.2 Within fifteen (15) Business Days (or forty-five (45) Business Days if the Transfer Securities represent one percent (1%) or more of the Company's share capital) from receipt of the Transfer Notice (the "**ROFR Exercise Period**"), the Majority Shareholder may notify the Transferor, in writing, of its decision to purchase all (and not part) of the Transfer Securities at the price indicated in the Transfer Notice (respectively, the "**ROFR Exercise Notice**" and the "**ROFR**"), and:
- (a) in the event the ROFR is exercised, the Majority Shareholder shall purchase the Transfer Securities in accordance with the procedure set out in Article 9.3;
 - (b) in the event the ROFR has not been exercised in full by the Majority Shareholder, the Transferor may Transfer all of the Transfer Securities to the ROFR Transferee, within a period of thirty (30) Business Days following expiry of the ROFR Exercise Period, on the same conditions, including in terms of price, as the ones set out in the Transfer Notice.
- 9.3 Following the exercise of the ROFR, the Majority Shareholder shall purchase all of the Transfer Securities and pay to the Transferor the purchase price set out in the Transfer Notice, within a period of thirty (30) Business Days following the date of receipt by the Transferor of the ROFR Exercise Notice, as may be extended to obtain any required legal or regulatory prior approval from the relevant Governmental Authorities.
- 9.4 On the date of the Transfer, the Transferor shall: (1) comply with and execute all relevant administrative and legal requirements and formalities in a timely manner and (2) deliver to

the Majority Shareholder any share transfer agreement or any other legal document necessary for the transfer of ownership of the Transfer Securities from a Shareholder to another (the “**Transfer Documents**”), against payment of the purchase price set out in the Transfer Notice, by the Majority Shareholder to the Transferor by wire transfer on the account set out in the Transfer Notice.

- 9.5 In case of exercise of the ROFR, the Transferor shall give to the Majority Shareholder standard representations and warranties limited to authority, capacity, valid title to the Transfer Securities, compliance with anti-money laundering and sanctions regulations, absence of insolvency and absence of Encumbrances on the Transfer Securities.
- 9.6 The purchase price set out in the Transfer Notice shall be paid in full and in cash only on the completion date of the Transfer as contemplated in the Transfer Notice.
- 9.7 The Majority Shareholder shall be entitled to substitute the Company and/or a Third Party for the purchase of all or part of the Transfer Securities pursuant to the exercise of their ROFR under this Article.

Article 10 Tag-Along Right

- 10.1 Proportional Tag-along right
- 10.1.1 Save as otherwise agreed to in writing between the Majority Shareholder and the Minority Shareholders, in the event of a contemplated Transfer (through a single Transfer or a series of Transfers) by the Majority Shareholder (for the purposes of this Article, the “**Tag Transferor**”) to a *bona fide* Third Party (for the purposes of this Article, a “**Tag Transferee**” and such a sale, a “**Tag-Along Sale**”) of part of its Securities, representing at least twenty-five percent (25%) of the Company’s total issued shares and which does not result in the Third Party holding the Control of the Company, the Minority Shareholders shall have the right (but not the obligation) to Transfer, alongside the Majority Shareholder, the same proportion of their Securities (for the purposes of this Article, the “**Tag-Along Securities**”) in accordance with the provisions of this Article and Article 10.3 (the “**Proportional Tag-Along Right**”).
- 10.1.2 Under its Proportional Tag-Along Right, each exercising Minority Shareholder shall be entitled to Transfer a number of Securities determined as follows:

$$Y = S \times B/T$$

In which:

- **Y**: means the number of Securities that each Minority Shareholder shall have the right to Transfer;
- **S**: means the number of Securities that the Majority Shareholder contemplates to Transfer;
- **B**: means the number of Securities held by each Minority Shareholder; and
- **T**: means the total issued shares of the Company as at the date of the Transfer Notice delivered by the Majority Shareholder.

- 10.1.3 In case of a fractional share, the number of Securities that may be Transferred by each exercising Minority Shareholder shall be rounded to the immediately lower number.

10.2 Total Tag-along Right

Save as otherwise agreed to in writing between the Majority Shareholder and the Minority Shareholders, if the Majority Shareholder or its direct or indirect shareholders (for the purposes of this Article, the “**Tag Transferor(s)**”) propose to make a direct or indirect Transfer of their Securities, through one single or a series of Transfers, which would result in a direct or indirect Change of Control of the Company to the benefit of a *bona fide* Third Party (for the purposes of this Article, a “**Tag Transferee**” and such a sale, a “**Tag-Along Sale**”), the Majority Shareholder shall procure that the Minority Shareholders have the right to transfer to the Tag Transferee (“**Total Tag-Along Right**” and with the Proportional Tag-Along Right, the “**Tag-Along Rights**”) all (and not part) of their Securities (for the purposes of this Article, the “**Tag-Along Securities**”) in accordance with the provisions of Article 10.3.

10.3 Exercise of the Tag-Along Rights

10.3.1 Not less than thirty (30) Business Days prior to the completion of any proposed Tag-Along Sale, the Tag Transferor shall deliver to the Company and to the Minority Shareholders a Transfer Notice.

10.3.2 Each Minority Shareholder shall be entitled to Transfer its Securities directly to the Tag Transferee under conditions that are no less favourable (including as to consideration) than those provided in the Transfer Notice, considered *mutatis mutandis* if the Tag-Along Sale is an indirect Transfer of Securities.

10.3.3 If a Minority Shareholder wishes to exercise its Tag-Along Right, such Minority Shareholder (a “**Tagging Minority Shareholder**”) shall notify the Tag Transferor within 10 Business Days following receipt by the Tagging Minority Shareholder of the Transfer Notice sent by the Tag Transferor (the “**Acceptance Period**”) that it wishes to exercise its Tag-Along Right (a “**Tag Exercise Notice**”). If a Minority Shareholder does not answer the Transfer Notice by providing the Tag Exercise Notice within the Acceptance Period, it shall be deemed to have waived its Tag-Along Right.

10.3.4 Following the expiry of the Acceptance Period and in case of exercise by one or more Minority Shareholders of their Tag-Along Right, the Tag Transferor shall deliver to the relevant Tagging Minority Shareholder(s) a definitive agreement (along with any ancillary transfer instruments) to effect Transfer of the Tag-Along Securities to the Tag Transferee.

10.3.5 If the Tag Transferee has informed the Tag Transferor that it wishes to purchase a fixed percentage of any class of Securities, and following any Transfer Notice this percentage is exceeded, the number of Securities being Transferred by, as the case may be, the Tag Transferor and the Tagging Minority Shareholder(s) shall be reduced *pro rata* in order to meet this percentage requirement.

10.3.6 The Tagging Minority Shareholders shall:

- (a) no later than two (2) Business Days prior to the anticipated date of the proposed Transfer, return to the Tag Transferor the executed copy of the Transfer Documents, which shall be held against payment of the aggregate consideration due to them. If the Minority Shareholders fail to comply with this paragraph (a) in

full no later than two (2) Business Days prior to the proposed Transfer, they shall be deemed to have waived their Tag-Along Right;

- (b) give to the Tag Transferee the same warranties as the ones granted by the Tag Transferor (considered *mutatis mutandis* for any required changes if the Tag-Along Sale is an indirect Transfer of Securities), with liability thereunder to be allocated between each of the sellers in proportion to the consideration proceeds they each receive over the aggregate consideration;
- (c) bear, on a *pro rata* basis, any costs of the Tag-Along Sale (to the extent such costs are not paid by the Company) in the same proportions as the consideration (of whatever form) paid and received by it, pursuant to the Tag-Along Sale; and
- (d) participate in escrow arrangements (if any) agreed to with the Tag Transferee in connection with the Tag-Along Sale.

10.3.7 The Tagging Minority Shareholders shall be entitled to receive their portion of the consideration pursuant to the Tag-Along Sale (less their share of the costs related to the Tag-Along Sale) at the same time as the payment by the Tag Transferee of the consideration due to the Tag Transferor(s).

10.4 For the avoidance of doubt, the Tag-Along Rights shall not apply in circumstances where the contemplated Transfer is a Permitted Transfer, the Drag-Along Right set forth in Article 11 is exercised or in case of enforcement of any pledge granted by the Majority Shareholder over the Securities.

Article 11 Drag-Along Right

11.1 If a *bona fide* Third Party acquirer makes a *bona fide* arm's length offer (a "**Drag Transferee**") which would result in a direct or indirect Change of Control of the Company (through a single Transfer or a series of Transfers) (a "**Drag-Along Offer**") and the Majority Shareholder accepts such Drag-Along Offer (a "**Drag-Along Sale**"), the Majority Shareholder shall have the right to require all Minority Shareholders (the "**Dragged Shareholders**") to transfer to the Drag Transferee all of their respective Securities (a "**Drag-Along Securities**") in accordance with the following provisions of this Article (a "**Drag-Along Right**").

11.2 Not less than twenty (20) Business Days prior to the proposed completion date of such Drag-Along Sale, the Majority Shareholder may send a Transfer Notice setting forth the conditions of the Drag-Along Sale and expressing the Majority Shareholder's decision to exercise its Drag-Along Right. The Transfer Notice shall be accompanied by copies of all documents required to be executed by the Dragged Shareholders to give effect to the Drag-Along Sale.

11.3 Upon receipt of the Transfer Notice, the Dragged Shareholders shall be required to Transfer all of their respective Securities to the Drag Transferee (or any person designated by the Majority Shareholder) under the conditions that are no less favourable (including as to consideration) than those provided in the Transfer Notice, considered *mutatis mutandis* if the Drag-Along Sale is an indirect Transfer of Securities, it being specified that the consideration for the Dragged Shareholders shall be cash.

11.4 Each Dragged Shareholder, upon receipt of the Transfer Notice pursuant to which the Majority Shareholder exercises its Drag-Along Right and accompanying documents, shall be obliged to:

- (a) sell all of its Drag-Along Securities and participate in the Drag-Along Sale on the terms set out in the Transfer Notice and supporting documents (including by giving the same warranties to the Drag Transferee as the Majority Shareholder);
 - (b) no later than two Business Days prior to the anticipated completion date of the Drag-Along Sale, return to the Majority Shareholder the duly executed Transfer Documents, which shall be held against payment of the aggregate consideration due to it; and
 - (c) bear, on a *pro rata* basis, any costs of the Drag-Along Sale (to the extent such costs are not paid by the Company) in the same proportions as the consideration (of whatever form) paid and received by it pursuant to the Drag-Along Sale.
- 11.5 Each Dragged Shareholder shall be entitled to receive its portion of the consideration pursuant to the Drag-Along Sale (less its share of the costs related to the Drag-Along Sale) at the same time as the Majority Shareholder (or its relevant shareholder(s), in case of an indirect Transfer of Securities) receives its (or their) portion of the consideration.
- 11.6 If following receipt of a Transfer Notice pursuant to which the Majority Shareholder exercises its Drag-Along Right, a Shareholder subscribes or otherwise acquires any new or additional Securities, the Transfer Notice served upon such Shareholder shall be deemed to concern all Securities held by such Shareholder, entailing for the receiving Shareholder an obligation to sell and transfer all Securities held at any time (including such new or additional Securities acquired).

Article 12 Call option

- 12.1 Each Minority Shareholder grants an irrevocable call option to the Majority Shareholder pursuant to which the Majority Shareholder shall have the right, but not the obligation, to require any Minority Shareholder to transfer all of its Securities to the Majority Shareholder (or such other person designated by, or successor to, the Majority Shareholder) at a purchase price corresponding to eighty percent (80%) of the Fair Market Value of their Securities, within six (6) months after the date that the board of directors of the Company has determined, acting reasonably, that (i) such Minority Shareholder is a Sanctioned Person, or (ii) the Minority Shareholder is a Competitor.
- 12.2 The exercise notice shall indicate the envisaged completion date, the number of Securities subject to Transfer, the Fair Market Value and the resulting purchase price.
- 12.3 The Minority Shareholders shall no later than two (2) Business Days prior to the anticipated date of the proposed Transfer, return to the Majority Shareholder the executed copy of the Transfer Documents, which shall be held against payment of the aggregate consideration due to them.

Article 13 Priority and Registration right

In case of occurrence of a listing, on a stock exchange or another market index, of the Company or LOI and if any pledge granted by the Majority Shareholder on the Securities has not been enforced, one or more Minority Shareholders holding at least one point five percent (1.5%) of the Company's share capital, shall have the right, subject to customary lock-ups and requirements by relevant regulators, stock exchange authorities and financial advisors, to sell the Securities, as part of the listing application and if an opportunity to sell is available,

in priority to the Securities held by the Majority Shareholder. If the listing is made on stock exchange or market index in the United States, the Minority Shareholders shall be entitled to request customary registration rights as appropriate for the purpose of giving effect to their priority right.

Article 14 Defaulting Transferees

14.1 If a Shareholder (including any new Shareholder) makes default in Transferring any shares pursuant to these articles of association, the following shall apply to the Transfer of such shares:

- (a) the board of directors of the Company shall be deemed to be the duly appointed agent and attorney of the relevant defaulting Shareholder with full power to exercise, complete and deliver in the name and on behalf of the Shareholder all documents necessary to give effect to the transfer of beneficial and legal title to the relevant Securities;
- (b) the transferee shall pay the purchase price or deposit the purchase price in escrow with any bank of national or international standing or any equivalent institution of the Majority Shareholder choosing and which would accept to receive the relevant funds and hold them in escrow;
- (c) the Company may subject to the remittance by the transferee of a proof of the payment or the escrow of the purchase price enter the name of the relevant transferee in the shareholders register (*registre de titres*) as the holder of the relevant Securities.

14.2 The Shareholders hereby agree that any power of attorney given pursuant to the terms hereof shall be irrevocable and is given by way of continuing security for each Shareholder's obligations hereunder.

Article 15 Information rights

One or more Minority Shareholders holding at least one point five percent (1.5%) of the share capital of the Company shall be entitled to receive from the Company as soon as feasible, upon request, the half-yearly audited or unaudited (as the case may be) accounts of the Company, once available.

TITLE III. GENERAL MEETINGS OF SHAREHOLDERS

Article 16 Powers of the general meeting of Shareholders

16.1 The Shareholders exercise their collective rights in the general meeting of Shareholders. Any regularly constituted general meeting of Shareholders of the Company shall represent the entire body of Shareholders of the Company. The general meeting of Shareholders is vested with the powers expressly reserved to it by the Law and by these articles of association.

16.2 If the Company has only one Shareholder, any reference made herein to the "general meeting of Shareholders" shall be construed as a reference to the "sole Shareholder",

depending on the context and as applicable and powers conferred upon the general meeting of Shareholders shall be exercised by the sole Shareholder.

Article 17 Convening of general meetings of Shareholders

- 17.1 The general meeting of Shareholders of the Company may at any time be convened by the board of directors or, as the case may be, by the statutory auditor(s).
- 17.2 The general meeting of Shareholders of the Company must be convened by the board of directors or the statutory auditor(s) upon the written request of one or several Shareholders representing at least ten percent (10%) of the Company's share capital. In such case, the general meeting of Shareholders shall be held within a period of one (1) month from the receipt of such request.
- 17.3 The convening notice for every general meeting of Shareholders shall contain the date, time, place (in Luxembourg) and agenda of the meeting and may be made through announcements filed with the Luxembourg Trade and Companies Register and published at least fifteen (15) days before the meeting, on the *Recueil électronique des sociétés et associations* and in a Luxembourg newspaper. In such case, notices by mail shall be sent at least eight (8) days before the meeting to the registered Shareholders by ordinary mail (*lettre missive*). Alternatively, the convening notices may be exclusively made by registered mail in case the Company has only issued registered shares or if the addressees have individually agreed to receive the convening notices by another means of communication ensuring access to the information, by such means of communication.
- 17.4 If all of the Shareholders are present or represented at a general meeting of Shareholders and have waived any convening requirements, the meeting may be held without prior notice or publication.

Article 18 Conduct of general meetings of Shareholders

- 18.1 The annual general meeting of Shareholders shall be held within six (6) months of the end of the financial year in the Grand Duchy of Luxembourg at the registered office of the Company or at such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice of such meeting. Other meetings of Shareholders may be held at such place (in the Grand Duchy of Luxembourg) and time as may be specified in the respective convening notices. Holders of Securities other than shares are not entitled to attend meetings of Shareholders.
- 18.2 A board of the meeting (*bureau*) shall be formed at any general meeting of Shareholders, composed of a chairman, a secretary and a scrutineer who need neither be Shareholders nor members of the board of directors. The board of the meeting shall ensure that the meeting is held in accordance with applicable rules and, in particular, in compliance with the rules in relation to convening, majority requirements, vote tallying and representation of Shareholders.
- 18.3 An attendance list must be kept at all general meetings of Shareholders.
- 18.4 A shareholder may act at any general meeting of Shareholders by appointing another person as his proxy in writing or by facsimile, electronic mail or any other similar means of communication. One person may represent several or even all Shareholders.

- 18.5 Shareholders taking part in a meeting by conference call, through video conference or by any other means of communication allowing for their identification, allowing all persons taking part in the meeting to hear one another on a continuous basis and allowing for an effective participation of all such persons in the meeting, are deemed to be present for the computation of the quorums and votes, subject to such means of communication being made available at the place of the meeting.
- 18.6 Each Shareholder may vote at a general meeting through a signed voting form sent by post, electronic mail, facsimile or any other means of communication to the Company's registered office or to the address in Luxembourg specified in the convening notice. The Shareholders may only use voting forms provided by the Company which contain at least the place (in Luxembourg), date and time of the meeting, the agenda of the meeting, the proposals submitted to the Shareholders, as well as for each proposal three boxes allowing the Shareholder to vote in favour thereof, against, or abstain from voting by ticking the appropriate box.
- 18.7 Voting forms which, for a proposed resolution, do not show (i) a vote in favour or (ii) a vote against the proposed resolution or (iii) an abstention are void with respect to such resolution. The Company shall only take into account voting forms received prior to the general meeting to which they relate.
- 18.8 The board of directors may determine further conditions that must be fulfilled by the Shareholders for them to take part in any general meeting of Shareholders.

Article 19 Quorum, majority and vote

- 19.1 Each share entitles to one vote in general meetings of Shareholders.
- 19.2 The board of directors may suspend the voting rights of any Shareholder in breach of his obligations as described by these articles of association or any relevant contractual arrangement entered into by such Shareholder.
- 19.3 A Shareholder may individually decide not to exercise, temporarily or permanently, all or part of his voting rights. The waiving Shareholder is bound by such waiver and the waiver is mandatory for the Company upon notification to the latter.
- 19.4 In case the voting rights of one or several Shareholders are suspended in accordance with Article 20.2 or the exercise of the voting rights has been waived by one or several Shareholders in accordance with Article 20.3, such Shareholders may attend any general meeting of the Company but the shares they hold are not taken into account for the determination of the conditions of quorum and majority to be complied with at the general meetings of the Company.
- 19.5 Except as otherwise required by the Law or these articles of association, resolutions at a general meeting of Shareholders duly convened shall not require any quorum and shall be adopted at a simple majority of the votes validly cast regardless of the portion of capital represented. Abstentions and nil votes shall not be taken into account.

Article 20 Amendments of the articles of association

- 20.1 Except as otherwise provided herein or by the Law, these articles of association may be amended by a majority of at least two thirds of the votes validly cast at a general meeting of

Shareholders at which a quorum of at least half of the Company's share capital is present or represented. If no quorum is reached in a meeting, a second meeting may be convened in accordance with the provisions of Article 18.3 which may deliberate regardless of the quorum and at which resolutions are adopted at a majority of at least two thirds of the votes validly cast. Abstentions and nil votes shall not be taken into account.

20.2 In case the voting rights of one or several Shareholders are suspended in accordance with Article 20.2 or the exercise of the voting rights has been waived by one or several Shareholders in accordance with Article 20.3, the provisions of Article 20.4 of these articles of association apply *mutatis mutandis*.

20.3 Any amendment of any provision of these articles of association or otherwise of the rights of the Minority Shareholders which would have a disproportionate and detrimental impact on the rights or obligations of one or more Minority Shareholders or on the rights or obligations attached to the shares held by any Minority Shareholders as compared to its impact on any other holder of shares shall require the positive vote of any such affected Minority Shareholder.

Article 21 Adjournment of general meeting of Shareholders

Subject to the provisions of the Law, the board of directors may, during the course of any general meeting, adjourn such general meeting for four (4) weeks. The board of directors shall do so at the request of one or several Shareholders representing at least ten percent (10%) of the share capital of the Company. In the event of an adjournment, any resolution already adopted by the general meeting of Shareholders shall be cancelled.

Article 22 Minutes of general meetings of Shareholders

22.1 The board of any general meeting of Shareholders shall draw up minutes of the meeting which shall be signed by the members of the board of the meeting as well as by any Shareholder upon its request.

22.2 Any copy and excerpt of such original minutes to be produced in judicial proceedings or to be delivered to any third party, shall be certified as a true copy of the original by the notary having had custody of the original deed in case the meeting has been recorded in a notarial deed, or shall be signed by the chairman of the board of directors or by any two (2) of its members.

TITLE IV. MANAGEMENT

Article 23 Composition and powers of the board of directors

23.1 The Company shall be managed by a board of directors composed of at least three (3) members. Where the Company has been incorporated by a single shareholder or where it appears at a general meeting of Shareholders that all the shares issued by the Company are held by a sole Shareholder, the Company may be managed by a sole director until the next general meeting of Shareholders following the increase of the number of Shareholders. In such case, to the extent applicable and where the term "sole director" is not expressly mentioned in these articles of association, a reference to the "board of directors" used in these articles of association is to be construed as a reference to the "sole director".

- 23.2 At all times, the sole director or if several directors are appointed, more than half of the board of directors shall be either Luxembourg residents or non-residents exercising a professional activity in Luxembourg and who are taxable in Luxembourg on at least fifty percent (50%) of the total of their professional income.
- 23.3 The board of directors is vested with the broadest powers to act in the name of the Company and to take any action necessary or useful to fulfill the Company's corporate purpose, with the exception of the powers reserved by the Law or by these articles of association to the general meeting of Shareholders.
- 23.4 The board of directors may create one or several committees. The composition and the powers of such committee(s), the terms of the appointment, removal, remuneration and duration of the mandate of its/their members, as well as its/their rules of procedure are determined by the board of directors. The board of directors shall be in charge of the supervision of the activities of the committee(s). For the avoidance of doubt, such committees shall not constitute management committee in the sense of Article 441-11 of the Law.

Article 24 Day-to-day management

The day-to-day management of the Company as well as the representation of the Company in relation to such day-to-day management may be delegated to one or more directors, officers or other agents, acting individually or jointly. Their appointment, removal and powers shall be determined by a resolution of the board of directors.

Article 25 Appointment, removal and term of office of directors

- 25.1 The directors shall be appointed by the general meeting of Shareholders which shall determine their remuneration and term of office. The general meeting of Shareholders may decide to appoint directors of different classes, namely class A directors (the "**Class A Directors**") and class B directors (the "**Class B Directors**"). Any reference made hereinafter to the "directors" shall be construed as a reference to the Class A Directors and/or the Class B Directors, depending on the context and as applicable.
- 25.2 The term of office of a director may not exceed six (6) years. Directors may be re-appointed for successive terms.
- 25.3 Each director is appointed by the general meeting of Shareholders at a simple majority of the votes validly cast.
- 25.4 Any director may be removed from office at any time with or without cause by the general meeting of Shareholders at a simple majority of the votes validly cast.
- 25.5 If a legal entity is appointed as director of the Company, such legal entity must designate a physical person as permanent representative who shall perform this role in the name and on behalf of the legal entity. The relevant legal entity may only remove its permanent representative if it appoints a successor at the same time. An individual may only be a permanent representative of one (1) director of the Company and may not be himself a director of the Company at the same time.

Article 26 Vacancy in the office of a director

- 26.1 In the event of a vacancy in the office of a director because of death, legal incapacity, bankruptcy, resignation or otherwise, this vacancy may be filled on a temporary basis (i) until the next meeting of Shareholders which shall resolve on the permanent appointment in compliance with the applicable legal provisions but in any case (ii) for a period of time not exceeding the initial mandate of the replaced director by the remaining directors.
- 26.2 In case the vacancy occurs in the office of the Company's sole director, such vacancy must be filled without undue delay by the general meeting of Shareholders.

Article 27 Convening meetings of the board of directors

- 27.1 The board of directors shall meet at the registered office of the Company or any other location in the Grand Duchy of Luxembourg upon call by the chairman or by any director. Meetings of the board of directors shall be held at the registered office of the Company unless otherwise indicated in the notice of meeting.
- 27.2 Written notice of any meeting of the board of directors must be given to directors twenty-four (24) hours at least in advance of the time scheduled for the meeting, except in case of emergency, in which case the nature and the reasons of such emergency must be mentioned in the notice. Such notice may be omitted in case of consent of each director in writing, by facsimile, electronic mail or any other similar means of communication, a copy of such signed document being sufficient proof thereof. No prior notice shall be required for a board meeting to be held at a time and location determined in a prior resolution adopted by the board of directors which has been communicated to all directors.
- 27.3 No prior notice shall be required in case all the members of the board of directors are present or represented at a board meeting and waive any convening requirement or in the case of resolutions in writing approved and signed by all members of the board of directors.

Article 28 Conduct of meetings of the board of directors

- 28.1 The board of directors shall elect a chairman among its members. It may choose a secretary who does not need to be a director and who shall be responsible for keeping the minutes of the meetings of the board of directors.
- 28.2 The chairman shall chair all meetings of the board of directors, but in his absence, the board of directors may appoint another director as chairman *pro tempore* by vote of the majority of directors present or represented at any such meeting.
- 28.3 Any director may act at any meeting of the board of directors by appointing another director as his proxy in writing, or by facsimile, electronic mail or any other similar means of communication, a copy of the appointment being sufficient proof thereof. A director may represent one or more, but not all of the other directors.
- 28.4 Meetings of the board of directors may also be held by conference call or video conference or by any other means of communication allowing all persons participating at such meeting to hear one another on a continuous basis allowing for an effective participation in the meeting. Participation in a meeting by these means is equivalent to participation in person at such meeting.

- 28.5 The board of directors may deliberate or act validly only if at least half of the directors are present or represented at a meeting of the board of directors. In the event the general meeting of Shareholders has appointed different classes of directors, the board of directors may deliberate or act validly only if at least one (1) Class A Director and one (1) Class B Director is present or represented at the meeting.
- 28.6 Decisions shall be adopted by a majority vote of the directors present or represented at such meeting. In the event the general meeting of Shareholders has appointed different classes of directors, decisions shall be taken by a majority of the directors present or represented including at least one (1) Class A Director and one (1) Class B Director. In the case of a tie, the chairman shall have a casting vote.
- 28.7 The board of directors may, unanimously, pass resolutions by circular means when expressing its approval in writing, by facsimile, electronic mail or any other similar means of communication. Each director may express his consent separately, the entirety of the consents evidencing the adoption of the resolutions. The date of such resolutions shall be the date of the last signature.

Article 29 Conflict of interests

- 29.1 Save as otherwise provided by the Law, any director who has, directly or indirectly, a financial interest conflicting with the interest of the Company in connection with a transaction falling within the competence of the board of directors, must inform the board of directors of such conflict of interest and must have his declaration recorded in the minutes of the board meeting. The relevant director may not take part in the discussions relating to such transaction nor vote on such transaction. Any such conflict of interest must be reported to the next general meeting of Shareholders prior to such meeting taking any resolution on any other item.
- 29.2 Where the Company comprises a sole director, transactions made between the Company and the director having an interest conflicting with that of the Company are only mentioned in the resolution of the sole director.
- 29.3 Where, by reason of conflicting interests, the number of directors required in order to validly deliberate is not met, the board of directors may decide to submit the decision on this specific item to the general meeting of Shareholders.
- 29.4 The conflict of interest rules shall not apply where the decision of the board of directors or the sole director relates to day-to-day transactions entered into under normal conditions.
- 29.5 The day-to-day manager(s) of the Company, if any, are subject to Articles 30.1 to 30.4 of these articles of association provided that if only one (1) day-to-day manager has been appointed and is in a situation of conflicting interests, the relevant decision shall be adopted by the board of directors.

Article 30 Minutes of the meeting of the board of directors – Minutes of the decisions of the sole director

- 30.1 The minutes of any meeting of the board of directors shall be signed (i) by the chairman or, in his absence, by the chairman *pro tempore*, or (ii) by two (2) directors or, by one (1) Class A Director and one (1) Class B Director if applicable. Copies or excerpts of such minutes, which may be produced in judicial proceedings or otherwise, shall be signed (i) by the

chairman or (ii) by two (2) directors or, by one (1) Class A Director and one (1) Class B Director if applicable.

- 30.2 Decisions of the sole director shall be recorded in minutes which shall be signed by the sole director. Copies or excerpts of such minutes which may be produced in judicial proceedings or otherwise shall be signed by the sole director.

Article 31 Dealing with third parties

- 31.1 The Company shall be bound *vis-à-vis* third parties in all circumstances (i) by the signature of the sole director, or, if the Company has several directors, by the joint signature of any two (2) directors, or by the joint signature of one (1) Class A Director and one (1) Class B Director if applicable or (ii) by the joint signature or the sole signature of any person(s) to whom such signatory power may have been delegated by the board of directors within the limits of such delegation.
- 31.2 Within the limits of day-to-day management, the Company shall be bound towards third parties by the signature of any person(s) to whom such power may have been delegated, acting individually or jointly within the limits of such delegation.

TITLE V. AUDIT AND SUPERVISION

Article 32 Auditor(s)

- 32.1 The transactions of the Company shall be supervised by one or several statutory auditors (*commissaires*). The general meeting of Shareholders shall appoint the statutory auditor(s) and shall determine their term of office, which may not exceed six (6) years.
- 32.2 A statutory auditor may be removed at any time, without notice and with or without cause by the general meeting of Shareholders.
- 32.3 The statutory auditor(s) have an unlimited right of permanent supervision and control of all transactions of the Company.
- 32.4 If the general meeting of Shareholders of the Company appoints one or more independent auditors (*réviseurs d'entreprises agréés*) in accordance with Article 69 of the law of 19 December 2002 on the Trade and Companies Register and the accounting and annual accounts of undertakings, as amended, the institution of statutory auditor(s) is no longer required.
- 32.5 An independent auditor may only be removed by the general meeting of Shareholders for cause or with his approval.

TITLE VI. FINANCIAL YEAR – ANNUAL ACCOUNTS – ALLOCATION OF PROFITS – INTERIM DIVIDENDS

Article 33 Financial year

The financial year of the Company shall begin on the first of April of each year and shall end on the thirty-first of March of the following year.

Article 34 Annual accounts and allocation of profits

- 34.1 At the end of each financial year, the accounts are closed and the board of directors draws up an inventory of the Company's assets and liabilities, the balance sheet and the profit and loss accounts in accordance with the Law.
- 34.2 Of the annual net profits of the Company, five percent (5%) at least shall be allocated to the legal reserve. This allocation shall cease to be mandatory as soon and as long as the aggregate amount of such reserve amounts to ten percent (10%) of the share capital of the Company.
- 34.3 Sums contributed to a reserve of the Company may also be allocated to the legal reserve.
- 34.4 In case of a share capital reduction, the Company's legal reserve may be reduced in proportion so that it does not exceed ten percent (10%) of the share capital.
- 34.5 Upon recommendation of the board of directors, the general meeting of Shareholders shall determine how the remainder of the Company's profits shall be used in accordance with the Law and these articles of association.
- 34.6 Distributions shall be made to the Shareholders in proportion to the number of shares they hold in the Company.

Article 35 Interim dividends – Share premium and assimilated premiums

- 35.1 The board of directors may proceed with the payment of interim dividends subject to the provisions of the Law.
- 35.2 Any share premium, assimilated premium or other distributable reserve may be freely distributed to the Shareholders subject to the provisions of the Law and these articles of association.

TITLE VII. LIQUIDATION

Article 36 Liquidation

- 36.1 In the event of dissolution of the Company in accordance with Article 3.2, the liquidation shall be carried out by one or several liquidators who are appointed by the general meeting of Shareholders deciding on such dissolution and which shall determine their powers and their compensation. Unless otherwise provided, the liquidators shall have the most extensive powers for the realisation of the assets and payment of the liabilities of the Company.

- 36.2 The surplus resulting from the realisation of the assets and the payment of the liabilities shall be distributed among the Shareholders in proportion to the number of shares of the Company held by them.

TITLE VIII. FINAL CLAUSE – GOVERNING LAW AND DEFINITIONS

Article 37 Governing law

All matters not governed by these articles of association shall be determined in accordance with the Law.

Article 38 Definitions

The following terms, as used in these articles of association, shall have the meaning set out below:

Acceptance Period	shall have the meaning ascribed to it in Article 10.3.3.
Affiliate	means any Entity that is Controlled, Controls or otherwise under common Control of a Shareholder.
Business Days	means any day, except Saturday, Sunday or any day on which banks are generally not open for business in the Grand Duchy of Luxembourg.
Catch-Up Right	shall have the meaning ascribed to it in Article 6.1.
Change of Control	means the case where the Geiger Group ceases to Control the Group.
CIME	means Société d'Investissements CIME S.A., a <i>société anonyme</i> organized under the laws of Luxembourg, having its registered office at 49, boulevard du Prince Henri, L-1724 Luxembourg, registered with the Luxembourg register of trade and companies under number B 79.029 and/or any of its assignees, transferees or successors.
Company	shall have the meaning ascribed to it in Article 1.
Competitive Business	means any and all of the business carried on by the Group from time to time, excluding any individual business representing less than five percent (5%) of the Group's consolidated revenues for the last considered financial year.
Competitor	means any person that (directly or indirectly) carries on, or is concerned in, any business that is competitive, or would reasonably be considered to be competitive, with any Competitive Business, provided that a Person shall not be regarded as a Competitor solely by being a passive investor

(whether directly or indirectly) holding not more than five percent (5%) (together with its Affiliates) of the issued share capital of any company whose shares are publicly traded or listed.

Control / Controlling and / or Controlled	means in respect to an Entity, having the control, either by law or by fact, of more than fifty percent (50%) of the share capital and voting rights of such company or undertaking.
Convertible Shareholder Loan	means any Luxembourg law governed convertible shareholder loan which may be entered into from time to time by the Company.
Drag-Along Offer	shall have the meaning ascribed to it in Article 11.1.
Drag-Along Right	shall have the meaning ascribed to it in Article 11.1.
Drag-Along Sale	shall have the meaning ascribed to it in Article 11.1.
Drag-Along Securities	shall have the meaning ascribed to it in Article 11.1.
Drag Transferee	shall have the meaning ascribed to it in Article 11.1.
Emergency Funding	means any issuance of shares required to (a) prevent an insolvency event or breach of applicable law, or (b) avoid or cure a breach of any debt facility or other financing (including an event of default), or (c) avoid or cure breach of any Third Party contract (other than any related-party contract), or (d) avert or mitigate unforeseen events which could cause significant immediate damage to the Company or any of its assets.
Encumbrances	means any mortgage, charge, pledge, lien, restriction, assignment, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security; or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption); or any agreement or arrangement to create any of the same.
Entity	means any legal entity, company, corporation, group, investment fund, <i>de facto</i> company, association, partnership or any similar organization, whether governmental or private, having or not a separate legal personality.
Fair Market Value	means, with respect to any asset or property, the sale value that would be obtained in an arm's length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined by an Independent

Expert selected by the board of directors who shall act in accordance with the provisions of Article 1592 of the Luxembourg Civil Code.

Geiger Group means Mr. Reinold Geiger, together with any of his descendants who may own shares of any member of the Group as well as CIME, together with any of their Affiliates.

Governmental Authority means any (a) nation, region, state, county, city, town, village, district or other jurisdiction, (b) federal, state, local, municipal, foreign or other government, (c) department, agency or instrumentality of a foreign or other government, including any state-owned or state-controlled instrumentality of a foreign or other government, (d) governmental or quasi-governmental entity of any nature (including any governmental agency, branch, department or other entity and any court or other tribunal of competent jurisdiction), (e) international or multinational organization formed by states or governments, or (f) other body entitled to exercise any administrative, executive, judicial, legislative or regulatory authority.

Group means the Company and its Affiliates.

Independent Expert means any investment bank or accountancy firm of international reputation, familiar with and having had recent and relevant experience in opining on matters of financial valuation, which is not acting in concert with nor is affiliated with any Shareholder, selected by the board of directors who shall act in accordance with the provisions of Article 1592 of the Luxembourg Civil Code.

Law shall have the meaning ascribed to it in Article 1.

LOI means L'Occitane International S.A., a *société anonyme* organized under the laws of Luxembourg, having its registered office at 49, Boulevard du Prince Henri, L-1724 Luxembourg, registered with the Luxembourg register of trade and companies under number B 80359 and/or any of its assignees, transferees or successors.

Majority Shareholder means L'Occitane Groupe S.A., a *société anonyme* organized under the laws of Luxembourg, having its registered office at 49, boulevard du Prince Henri, L-1724 Luxembourg, registered with the Luxembourg register of trade and companies under number B 125.718 and/or any of its assignees, transferees or successors, including in case of enforcement of any pledge over shares of any member of the Group holding a Controlling stake of the Company.

Minority Shareholders	means any Shareholders other than the Majority Shareholder and any of their heirs, assignees, transferees or successors as permitted pursuant to the terms hereof and “ Minority Shareholder ” means any of them.
Participation Office	means the office or offices notified by the relevant Shareholder in writing on or before the date it becomes a holder of Securities as the office or offices through which it will perform its obligations hereunder and hold Securities which are registered in its name.
Permitted Transfer	shall have the meaning ascribed to it in Article 8.8.
Person	means any Entity or individual.
Proportional Tag-Along Right	shall have the meaning ascribed to it in Article 10.1.1.
Qualifying Shareholder	holders who are authorized by applicable laws to hold Securities of the Company, <i>i.e.</i> , (i) are entitled to an applicable exemption under their relevant jurisdiction(s); and (ii) are not from a jurisdiction that would expose the Company or the holder to significant civil, regulatory or criminal risk.
ROFR	shall have the meaning ascribed to it in Article 9.2.
ROFR Exercise Notice	shall have the meaning ascribed to it in Article 9.2.
ROFR Exercise Period	shall have the meaning ascribed to it in Article 9.2.
ROFR Transferee	shall have the meaning ascribed to it in Article 9.1.
Sanction Regulations	means: <ul style="list-style-type: none"> (a) the international labour organization standards; and (b) all applicable Laws and international resolutions which could result (1) in any sanction or enforcement proceedings by the European Union (or any Member State thereof), the United States, the United Kingdom, the United Nations and each other jurisdiction in which the Company operates or to which it is subject from time to time or any by Governmental Authority related to (x) any material misdemeanours or any crimes relating to reprehensible business, economic and/or financial conducts or practices (including fraud, money laundering, embezzlement, illegal acquisitions of interests, etc.), collectively organized misdemeanours and crimes, and/or terrorism,

and/or (y) any international trade sanctions or embargoes which shall include (without limitation) any sanctions that may be in force as a result of a resolution passed pursuant to the United Nations Charter by the United Nations Security Council and/or (2) any listing (x) on any watchlist, list or consolidated list maintained for the purposes of enforcing international trade sanctions (such lists including, without limitation, the Consolidated Travel Ban and Assets Freeze List published by the United Nations Sanctions Committee, the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control (OFAC) and the Consolidated list of Persons or groups subject to European Union financial sanctions) and/or (y) by any Governmental Authority as being debarred, suspended, proposed for suspension or debarment or otherwise ineligible for participation in government procurement programs or other government projects.

Sanctioned Person	means, at any time, any person that has been convicted or sanctioned pursuant to any Sanction Regulations or is listed on any Sanction Regulations related list.
Securities	means any transferable securities issued or to be issued by the Company that could carry entitlement to a share of the profits, of a surplus on a winding-up or the voting rights of the Company or directly or indirectly entail a capital increase or the issue or allotment of securities that entitle their holders with legal ownership or beneficial ownership to a share of the profits, the surplus on a winding-up or voting rights of the company, including, but not limited to, shares, ordinary bonds, convertible bonds or bonds with warrants, that are redeemable for shares or a combination of shares, bonds and warrants or other share subscription or purchase warrants.
Shareholders	means any holders of Securities at any time.
Tag-Along Rights	shall have the meaning ascribed to it in Article 10.2.
Tag-Along Sale	shall have the meaning ascribed to it in Article 10.1.1 or Article 10.2, as the context may require.
Tag-Along Securities	shall have the meaning ascribed to it in Article 10.1.1 or Article 10.2, as the context may require.
Tag Exercise Notice	shall have the meaning ascribed to it in Article 10.3.3.

Tag Transferee	shall have the meaning ascribed to it in Article 10.1.1 or Article 10.2, as the context may require.
Tag Transferor	shall have the meaning ascribed to it in Article 10.1.1 or Article 10.2, as the context may require.
Tagging Minority Shareholder	shall have the meaning ascribed to it in Article 10.3.3.
Third Party	means any individual or Entity that is not a direct or indirect Shareholder and does not hold any direct or indirect interest in a direct or indirect Shareholder.
Total Tag-Along Right	shall have the meaning ascribed to it in Article 10.2.
Transfers	<p>means (including, with correlative meanings, “Transferring,” “Transferred,” etc.), directly or indirectly and in any manner whatsoever:</p> <ul style="list-style-type: none"> (a) transfers effected without charge or for valuable consideration, including transfers carried out following a public auction or pursuant to the decision of a court; (b) transfers effected in the form of a payment in kind or by way of an exchange, pooling or loan of securities, a sale with a repurchase option, a contribution, a partial contribution of assets, a merger or a demerger, a spin-off or by way of a guarantee, resulting particularly from the creation or enforcement of a pledge; (c) the conclusion or enforcement of (i) any security or guarantee commitment relating to any kind of security that restricts the holder’s rights to its securities, particularly in relation to a financial instruments account, or (ii) any lease relating to securities; (d) transfers of rights to the allotment of securities resulting from a capital increase carried out via the capitalization of reserves, provisions or profits, or preferential rights to subscribe for a capital increase in cash, including by way of an individual waiver; (e) transfers effected in connection with a trust or by any other similar means; (f) transfers of ownership, legal ownership or beneficial ownership of a security or of rights derived therefrom, including voting rights and rights to dividends, or any other subdivision of ownership of any security; and

- (g) the conclusion of operations resulting in an immediate or future transfer (including contingent and/or optional) of the full or partial ownership of Securities, or the economic exposure resulting from the ownership of the Securities,
- (h) as well as all undertakings to proceed to such transactions, by any means.

Transfer Documents shall have the meaning ascribed to it in Article 9.4.

Transfer Notice shall have the meaning ascribed to it in Article 8.4.

Transfer Securities shall have the meaning ascribed to it in Article 9.1.

Transfer Restrictions shall have the meaning ascribed to it in Article 8.7.

Transferor shall have the meaning ascribed to it in Article 9.1.

STATUTS DE L'OCCITANE HOLDING S.A.

TITRE I. DENOMINATION – OBJET SOCIAL – DURÉE – SIÈGE SOCIAL

Les termes en majuscules qui ne sont pas autrement définis dans le présent document ont la signification indiquée à l'article 38 (Définitions).

Article 1 Dénomination - Forme

Il existe une société anonyme sous la dénomination « **L'Occitane Holding S.A.** » (ci-après la « **Société** ») qui sera régie par la loi modifiée du 10 août 1915 concernant les sociétés commerciales (la « **Loi** »), ainsi que par les présents statuts.

Article 2 Objet social

- 2.1 La Société a pour objet social la détention de participations, sous quelque forme que ce soit, dans des sociétés luxembourgeoises et étrangères et de toute autre forme de placement, l'acquisition par achat, souscription ou de toute autre manière, de même que le transfert par vente, échange ou toute autre manière de valeurs mobilières de tout type, ainsi que l'administration, la gestion, le contrôle et le développement de son portefeuille de participations.
- 2.2 La Société peut également accorder des prêts, ainsi que des garanties ou des sûretés au profit de tiers afin de garantir l'exécution de ses obligations ou d'obligations d'autres sociétés dans lesquelles elle détient une participation directe ou indirecte ou un droit de quelque nature que ce soit ou qui font partie du même groupe de sociétés que la Société, ou assister ces sociétés de toute autre manière.
- 2.3 La Société peut lever des fonds en faisant des emprunts sous toute forme ou en émettant toute sorte d'obligations, de titres ou d'instruments de dettes, d'obligations garanties ou non garanties, et d'une manière générale en émettant des valeurs mobilières de tout type.
- 2.4 La Société peut exercer toute activité de nature commerciale, industrielle, financière, immobilière ou de propriété intellectuelle qu'elle estime utile pour l'accomplissement de son objet social.

Article 3 Durée

- 3.1 La Société est constituée pour une durée illimitée.
- 3.2 Elle peut être dissoute à tout moment par une décision de l'assemblée générale des Actionnaires prise aux conditions requises pour une modification des présents statuts.

Article 4 Siège social

- 4.1 Le siège social de la Société est établi dans la Ville de Luxembourg, Grand-Duché de Luxembourg.

- 4.2 Le conseil d'administration peut transférer le siège social de la Société au sein de la même commune ou dans toute autre commune du Grand-Duché de Luxembourg et, si nécessaire, modifier ces statuts afin de refléter le changement de siège social.
- 4.3 Des succursales ou bureaux peuvent être créés, tant au Grand-Duché de Luxembourg qu'à l'étranger, par décision du conseil d'administration.
- 4.4 Dans l'hypothèse où le conseil d'administration estimerait que des événements exceptionnels d'ordre politique, économique ou social ou des catastrophes naturelles se sont produits ou seraient imminents, de nature à interférer avec l'activité normale de la Société à son siège social, le siège social pourra être transféré provisoirement à l'étranger jusqu'à la cessation complète de ces circonstances exceptionnelles ; ces mesures provisoires n'auront toutefois aucun effet sur la nationalité de la Société, laquelle, nonobstant ce transfert provisoire, restera luxembourgeoise.

TITRE II. CAPITAL SOCIAL – ACTIONS

Article 5 Capital social

- 5.1 Le capital social de la Société est fixé à trois cent mille dollars de Hong Kong (300.000 HKD), représenté par trois cent mille (300.000) actions d'une valeur nominale d'un dollar de Hong Kong (1 HKD) chacune, (les « **actions** » et chacune prise individuellement une « **action** »).
- 5.2 Le capital social de la Société peut être augmenté ou réduit par une décision de l'assemblée générale des Actionnaires, prise aux conditions requises pour une modification des présents statuts ou dans les conditions prévues par l'article 6.
- 5.3 Toutes nouvelles actions à libérer en numéraire doivent être offertes par préférence aux Actionnaires existants. Dans le cas d'une pluralité d'Actionnaires, ces actions doivent être offertes aux Actionnaires en proportion du nombre d'actions qu'ils détiennent dans le capital social de la Société. Le conseil d'administration doit déterminer la période au cours de laquelle ce droit préférentiel de souscription pourra être exercé, qui ne peut être inférieure à quatorze (14) jours à compter de l'envoi à chaque Actionnaire d'une lettre recommandée ou tout autre moyen de communication accepté individuellement par les destinataires et assurant l'accès à l'information envoyée annonçant l'ouverture de la période de souscription. L'assemblée générale des Actionnaires peut restreindre ou annuler le droit préférentiel de souscription des Actionnaires existants aux conditions de quorum et de majorité requises pour une modification des présents statuts. Le conseil d'administration peut restreindre ou annuler le droit préférentiel de souscription des Actionnaires existants conformément aux dispositions de l'article 6.
- 5.4 Si à l'expiration de la période de souscription, tous les droits préférentiels de souscriptions offerts aux Actionnaires existants n'ont pas été souscrits par ces derniers, des tiers pourront être admis à participer à l'augmentation de capital, sauf si le conseil d'administration décide que les droits préférentiels de souscription seront offerts aux Actionnaires existants qui ont déjà exercé leurs droits durant la période de souscription, proportionnellement au nombre d'actions qu'ils détiennent dans le capital social ; les conditions de souscription sont déterminées par le conseil d'administration. Le conseil d'administration pourra également

décider dans ce cas que le capital social sera augmenté uniquement par le montant de souscriptions reçues par les Actionnaires existants de la Société.

- 5.5 La Société peut racheter ses propres actions aux conditions prévues par la Loi et sous réserve de l'annulation immédiate des actions rachetées.

Article 6 Capital autorisé

- 6.1 Le capital autorisé, excluant le capital social, est fixé à un montant de seize milliards de dollars de Hong Kong (16.000.000.000 HKD), représenté par seize milliards (16.000.000.000) d'actions d'une valeur nominale d'un dollar de Hong Kong (1 HKD) chacune. Pendant une période de cinq (5) ans à compter de la date de constitution ou toutes décisions ultérieures de créer, renouveler ou augmenter le capital autorisé conformément au présent article, le conseil d'administration (ou tout délégué de celui-ci dans les limites de cette délégation) est autorisé à émettre des actions, à attribuer des options de souscription d'actions et à émettre tout autre type d'instrument donnant accès à des actions dans les limites du capital autorisé au profit des personnes et aux conditions qu'il estimera opportunes et notamment à procéder à cette émission sans qu'un droit préférentiel de souscription aux actions émises soit réservé aux Actionnaires existants et étant précisé que (i) toute émission de tels instruments réduira le capital autorisé disponible en conséquence et (ii) que tout droit préférentiel de souscription aux actions émises pour les Actionnaires existants peut être limité ou supprimé, mais uniquement (a) dans le but de mettre en œuvre tout plan ou programme d'intéressement des dirigeants, y compris tout plan d'options sur actions pour les employés (ESOP), tout plan d'incitation à long terme (LTIP) ou tout autre plan ou programme similaire jusqu'à un montant total de dix pour cent (10 %) de toutes les actions de la Société, (b) dans le but d'un Financement d'Urgence à condition que les Actionnaires n'ayant pas participé au Financement d'Urgence aient le droit, dans les soixante (60) jours suivant la réalisation du Financement d'Urgence concerné, de souscrire de nouveaux Titres ou d'acquérir de nouveaux Titres auprès des Actionnaires ayant initialement participé au Financement d'Urgence pour un montant permettant à cet Actionnaire d'être dans la même situation que s'il avait souscrit à ce Financement d'Urgence en même temps que les Actionnaires ayant initialement participé au Financement d'Urgence (le « **Droit de Rattrapage** »), (c) dans le but d'exercer le Droit de Rattrapage, (d) dans le but de convertir un Prêt d'Actionnaire Convertible ou (e) dans le cadre de l'émission d'actions en faveur de l'Actionnaire Majoritaire et des Actionnaires Minoritaires en échange de l'apport de leurs actions dans LOI.
- 6.2 Le capital autorisé de la Société peut être augmenté, réduit ou reconduit par décision de l'assemblée générale des Actionnaires adoptée aux conditions requises pour une modification des présents statuts.
- 6.3 Les autorisations ci-dessus pourront être renouvelées par une décision de l'assemblée générale des Actionnaires adoptée aux conditions requises pour une modification des présents statuts et conformément aux dispositions de la Loi, à chaque fois pour une période ne pouvant excéder une durée de cinq (5) ans.

Article 7 Actions

- 7.1 La Société peut avoir un ou plusieurs Actionnaires.

- 7.2 Le décès, la suspension des droits civils, la dissolution, la liquidation, la faillite ou l'insolvabilité ou tout autre événement similaire d'un des Actionnaires n'entraînera pas la dissolution de la Société.
- 7.3 Les actions de la Société sont nominatives.
- 7.4 Un registre des actions sera tenu au siège social de la Société où il est mis à disposition de chaque Actionnaire pour consultation. Ce registre contient toutes les informations requises par la Loi. La propriété des actions s'établit par une inscription sur ledit registre. Des certificats d'inscription prouvant les inscriptions au registre relatives à un Actionnaire peuvent être émis sur demande et aux frais de l'Actionnaire demandeur.
- 7.5 La Société ne reconnaît qu'un (1) seul titulaire par action. Les copropriétaires indivis nommeront un représentant unique qui les représentera vis-à-vis de la Société. La Société a le droit de suspendre l'exercice de tous les droits relatifs à cette action, à l'exception du droit à l'information, jusqu'à ce qu'un tel représentant ait été désigné.
- 7.6 Aucun des Titres des Actionnaires Minoritaires ne peut être grevé d'une Sûreté.

Article 8 Transfert d'actions

- 8.1 Aucun des Actionnaires ne peut Transférer de Titres, à moins qu'un tel transfert ne soit mis en œuvre et effectué conformément aux termes et conditions des présents statuts et de la Loi.
- 8.2 Toute cession d'actions nominatives est opposable à la Société et aux tiers (i) sur déclaration de cession inscrite dans le registre des actions, signée et datée par le cédant et le cessionnaire ou leurs représentants, et (ii) sur notification de la cession à la Société ou après l'acceptation de la cession par la Société conformément à l'article 430-4 de la Loi.
- 8.3 Tout Transfert de Titres envisagé qui n'est pas un Transfert Autorisé est soumis aux conditions suivantes :
- (a) le cas échéant, au ROFR, conformément à l'article 9 ;
 - (b) le cas échéant, aux Droits de Tag-Along, conformément à l'article 10 ;
 - (c) le cas échéant, au Droit de Drag-Along, conformément à l'article 11 ; et
 - (d) le cas échéant, à un droit d'option d'achat conformément à l'article 12.
- 8.4 Tout Transfert de Titres envisagé, qui n'est pas un Transfert Autorisé, par un Actionnaire doit être notifié à l'avance au conseil d'administration de la Société par un avis écrit (une « **Notification de Transfert** »), comprenant :
- (a) l'identité de l'acquéreur potentiel et de la (des) personne(s) qui le contrôle(nt) en dernier ressort ;
 - (b) la nature du Transfert envisagé et s'il déclenche l'un des droits énoncés dans les présents statuts (ROFR, Droits de Tag-Along, Droit de Drag-Along, etc.) ;

- (c) une indication du nombre de Titres concernés par le Transfert ;
- (d) le prix offert pour ces Titres, qui doivent, en tout état de cause, être entièrement financés sur la base de fonds certains ;
- (e) la date proposée pour le Transfert ou une estimation de celle-ci si elle n'est pas connue avec certitude ;
- (f) la répartition de ce prix entre chaque catégorie de Titres si le Transfert proposé concerne plusieurs catégories de Titres ; et
- (g) les autres termes et conditions du Transfert qui faciliteraient l'évaluation de l'offre, y compris, entre autres, les conditions suspensives limitées aux autorisations réglementaires, les déclarations et garanties ou toutes autres garanties et assurances demandées par le cessionnaire.

8.5 Le conseil d'administration fournit une copie de toute Notification de Transfert reçu conformément à l'article 8.4 à l'Actionnaire ou aux Actionnaires bénéficiant d'un droit du fait du Transfert proposé, dès réception de la Notification de Transfert de l'Actionnaire Transférant et au plus tard le deuxième Jour Ouvrable suivant cette réception.

8.6 Tout Actionnaire envisageant un Transfert Autorisé visé à l'article 8.8(b) ou 8.8(d) notifie ce Transfert au conseil d'administration, au moins quinze (15) Jours Ouvrables avant la date de réalisation de ce Transfert Autorisé, en y joignant les informations visées à l'article 8.4 ci-dessus.

8.7 Les Actionnaires Minoritaires ne doivent pas procéder à un Transfert de Titres (les « **Restrictions de Transfert** ») si le cessionnaire proposé :

- (a) est un Concurrent ;
- (b) est une Personne Sanctionnée et/ou a été inculpée par ou fait l'objet d'une enquête ou d'une investigation de la part d'une Autorité Gouvernementale en rapport avec les Règlements sur les Sanctions ;
- (c) est située dans ou constituée en vertu des lois d'un pays ou d'un territoire qui fait l'objet d'un Règlement sur les Sanctions applicable à l'échelle nationale, ou est détenue ou contrôlée par une Personne située ou constituée en vertu de ces lois, ou agit pour le compte d'une telle Personne ; ou
- (d) est constituée, domiciliée, établie ou agit par l'intermédiaire d'un « Participation Office » situé dans une juridiction non coopérative et enregistrée dans un pays figurant (i) sur la liste de l'Union Européenne des juridictions non coopératives à des fins fiscales adoptée par le Conseil de l'Union Européenne le 24 février 2022, telle qu'elle peut être modifiée à la date du Transfert à ce cessionnaire proposé et (ii) la liste des pays non membres de l'Union Européenne qui présentent des lacunes dans leurs régimes de prévention du blanchiment de capitaux et du financement du terrorisme dans le règlement délégué de la Commission (UE 2020/855) du 7 mai 2020, telle qu'elle peut être modifiée à la date du Transfert à ce cessionnaire proposé.

8.8 Les Transferts suivants sont considérés comme des « **Transferts Autorisés** » :

- (a) les Transferts de Titres au profit de ou par l'Actionnaire Majoritaire (y compris dans le cadre de la réalisation d'un gage sur actions) ;
- (b) les Transferts de Titres résultant de l'exercice et de la mise en œuvre valables du ROFR, du Droit de Drag-Along ou des Droits de Tag-Along ;
- (c) les Transfert de Titres résultant d'un rachat d'actions par la Société ; ou
- (d) les Transferts entre un Actionnaire Minoritaire et l'une de ses Sociétés Affiliées (à condition que, si cette Société Affiliée est le cessionnaire, cette Société Affiliée respecte les Restrictions de Transfert) et à condition que (i) l'Actionnaire Minoritaire ou sa Société Affiliée effectuant ce Transfert reste conjointement responsable de l'exécution des obligations de sa Société Affiliée concernée en vertu des présentes et (ii) que le cessionnaire accepte irrévocablement, avant le Transfert, de Transférer les Titres concernés (ce qui constituera également un Transfert Autorisé) au cédant dès que le cessionnaire cessera de remplir les conditions pour être une Société Affiliée du cédant ou pour satisfaire aux Restrictions de Transfert. Si l'Actionnaire Minoritaire ne Transfère pas ou ne fait pas Transférer les Titres à une Société Affiliée qui satisfait les Restrictions de Transfert, la Société aura le droit de racheter les Titres concernés à un prix d'acquisition correspondant à quatre-vingt pour cent (80 %) de la Valeur de Marché ou, sur désignation de la Société, de l'Actionnaire Majoritaire (ou toute autre personne désignée par l'Actionnaire Majoritaire ou lui succédant) aura le droit d'acquérir les Titres concernés au prix susmentionné.

8.9 Le conseil d'administration de la Société peut, de temps à autre, exiger d'un Actionnaire Minoritaire ou de son successeur qu'il fournisse des preuves raisonnables que cet Actionnaire Minoritaire est un Actionnaire Qualifié (y compris la preuve de l'obtention des autorisations réglementaires appropriées (le cas échéant) requises pour que cette personne puisse détenir des Titres). Les exigences susmentionnées cesseront de s'appliquer après la réalisation de tout gage accordé par l'Actionnaire Minoritaire sur les actions de tout membre du Groupe.

Article 9 Droit de Premier Refus (ROFR)

9.1 Si un Actionnaire Minoritaire (un « **Cédant** ») a l'intention de Transférer tout ou partie de ses Titres (les « **Titres de Transfert** ») à un Tiers ou à un autre Actionnaire (autre que l'Actionnaire Majoritaire ou dans le cadre d'un Transfert Autorisé) (le « **Cessionnaire ROFR** »), il doit envoyer une Notification de Transfert à l'Actionnaire Majoritaire comme prévu à l'article 8.4.

9.2 Dans les quinze (15) Jours Ouvrables (ou quarante-cinq (45) Jours Ouvrables si les Titres de Transfert représentent un pour cent (1 %) ou plus du capital social de la Société) à compter de la réception de la Notification de Transfert (la « **Période d'Exercice du ROFR** »), l'Actionnaire Majoritaire peut notifier au Cédant, par écrit, sa décision d'acquérir la totalité (et non une partie) des Titres de Transfert au prix indiqué dans la Notification de Transfert (respectivement, la « **Notification d'Exercice du ROFR** » et le « **ROFR** »), et :

- (a) en cas d'exercice du ROFR, l'Actionnaire Majoritaire acquiert les Titres de Transfert conformément à la procédure prévue à l'article 9.3 ;
 - (b) dans le cas où le ROFR n'a pas été exercé en totalité par l'Actionnaire Majoritaire, le Cédant peut transférer tous les Titres de Transfert au Cessionnaire ROFR, dans un délai de trente (30) Jours Ouvrables suivant l'expiration de la Période d'Exercice du ROFR, aux mêmes conditions, y compris en termes de prix, que celles énoncées dans la Notification de Transfert.
- 9.3 Suite à l'exercice du ROFR, l'Actionnaire Majoritaire doit acquérir tous les Titres de Transfert et payer au Cédant le prix d'acquisition indiqué dans la Notification de Transfert, dans un délai de trente (30) Jours Ouvrables suivant la date de réception par le Cédant de la Notification d'Exercice du ROFR, le cas échéant prolongé pour obtenir toute approbation légale ou réglementaire préalable requise de la part des Autorités Gouvernementales concernées.
- 9.4 A la date du Transfert, le Cédant doit : (1) se conformer à toutes les exigences et formalités administratives et juridiques pertinentes et les signer dans les délais impartis et (2) remettre à l'Actionnaire Majoritaire tout accord de transfert d'actions ou tout autre document juridique nécessaire au transfert de propriété des Titres de Transfert d'un Actionnaire à un autre (les « **Documents de Transfert** »), contre paiement du prix d'acquisition indiqué dans la Notification de Transfert, par l'Actionnaire Majoritaire au Cédant par virement bancaire sur le compte indiqué dans la Notification de Transfert.
- 9.5 En cas d'exercice du ROFR, le Cédant doit fournir à l'Actionnaire Majoritaire les déclarations et garanties usuelles limitées à l'autorité, à la capacité, titre de propriété valable des Titres de Transfert, au respect des réglementations en matière de lutte contre le blanchiment d'argent et de sanctions, à l'absence d'insolvabilité et à l'absence de Sûretés sur les Titres de Transfert.
- 9.6 Le prix d'acquisition indiqué dans la Notification de Transfert sera payé intégralement et en espèces uniquement à la date de réalisation du Transfert tel qu'envisagé dans la Notification de Transfert.
- 9.7 L'Actionnaire Majoritaire a le droit de se substituer la Société et/ou un Tiers pour l'acquisition de tout ou partie des Titres de Transfert conformément à l'exercice de ROFR en vertu du présent article.

Article 10 Droit de Tag-Along

- 10.1 Droit de Tag-Along proportionnel
- 10.1.1 Sauf accord écrit contraire entre l'Actionnaire Majoritaire et les Actionnaires Minoritaires, dans le cas d'un Transfert envisagé (par un Transfert unique ou une série de Transferts) par l'Actionnaire Majoritaire (aux fins du présent article le « **Cédant Tag** ») à un Tiers de bonne foi (aux fins du présent article, un « **Cessionnaire Tag** » et une telle cession, une « **Cession Tag-Along** ») d'une partie de ses Titres, représentant au moins vingt-cinq pour cent (25 %) du total des actions émises par la Société et qui n'entraîne pas la détention du Contrôle de la Société par le Tiers, les Actionnaires Minoritaires auront le droit (mais non l'obligation) de transférer, aux côtés de l'Actionnaire Majoritaire, la même proportion de leurs Titres (aux fins

du présent article, les « **Titres Tag-Along** ») conformément aux dispositions du présent article et de l'article 10.3 (le « **Droit de Tag-Along Proportionnel** »).

- 10.1.2 En vertu de son Droit de Tag-Along Proportionnel, chaque Actionnaire Minoritaire exerçant son droit aura le droit de Transférer un nombre de Titres déterminé comme suit :

$$Y = S \times B/T$$

où :

- **Y** : désigne le nombre de Titres que chaque Actionnaire Minoritaire aura le droit de Transférer ;
- **S** : désigne le nombre de Titres que l'Actionnaire Majoritaire envisage de Transférer ;
- **B** : désigne le nombre de Titres détenus par chaque Actionnaire Minoritaire ; et
- **T** : désigne le nombre total d'actions émises par la Société à la date de la Notification de Transfert délivrée par l'Actionnaire Majoritaire.

- 10.1.3 En cas de fraction d'action, le nombre de Titres pouvant être Transférés par chaque Actionnaire Minoritaire exerçant sera arrondi au nombre immédiatement inférieur.

10.2 Droit de Tag-Along total

Sauf accord écrit contraire entre l'Actionnaire Majoritaire et les Actionnaires Minoritaires, si l'Actionnaire Majoritaire ou ses actionnaires directs ou indirects (aux fins du présent article le(s) « **Cédant(s) Tag** ») proposent d'effectuer un Transfert direct ou indirect de leurs Titres par le biais d'un seul ou d'une série de Transferts, qui résulterai(en)t en un Changement de Contrôle direct ou indirect de la Société au profit d'un Tiers de bonne foi (aux fins du présent article le « **Cessionnaire Tag** » et une telle cession, une « **Cession Tag-Along** »), l'Actionnaire Majoritaire doit s'assurer que les Actionnaires Minoritaires ont le droit de transférer au Cessionnaire Tag (« **Droit de Tag-Along Total** et avec le Droit de Tag-Along Proportionnel, les « **Droits de Tag-Along** ») tout (et non une partie) de leurs Titres (aux fins du présent article, les « **Titres Tag-Along** ») conformément aux dispositions de l'article 10.3.

10.3 Exercice des Droits de Tag-Along

- 10.3.1 Au moins trente (30) Jours Ouvrables avant la réalisation de toute Cession Tag-Along, le Cédant Tag remettra à la Société et aux Actionnaires Minoritaires une Notification de Transfert.

- 10.3.2 Chaque Actionnaire Minoritaire aura le droit de Transférer ses Titres directement au Cessionnaire Tag dans des conditions qui ne sont pas moins favorables (y compris en ce qui concerne la contrepartie) que celles prévues dans la Notification de Transfert, considérées *mutatis mutandis* si la Cession Tag-Along est un Transfert indirect de Titres.

- 10.3.3 Si un Actionnaire Minoritaire souhaite exercer son Droit de Tag-Along, cet Actionnaire Minoritaire (un « **Actionnaire Minoritaire Exerçant le Droit de Tag-Along** ») doit notifier au

Cédant Tag, dans les dix (10) Jours Ouvrables suivant la réception par l'Actionnaire Minoritaire Exerçant le Droit de Tag-Along de la Notification de Transfert envoyé par le Cédant Tag (la « **Période d'Acceptation** »), qu'il souhaite exercer son Droit de Tag-Along (une « **Notification d'Exercice de Tag-Along** »). Si un Actionnaire Minoritaire ne répond pas à la Notification de Transfert en fournissant la Notification d'Exercice de Tag-Along dans la Période d'Acceptation, il sera réputé avoir renoncé à son Droit de Tag-Along.

- 10.3.4 Après l'expiration de la Période d'Acceptation et en cas d'exercice par un ou plusieurs Actionnaires Minoritaires de leur Droit de Tag-Along, le Cédant Tag remettra à l'Actionnaire ou aux Actionnaires Minoritaire(s) Exerçant le Droit de Tag-Along concerné(s) un accord définitif (accompagné de tous les instruments de transfert auxiliaires) pour effectuer le Transfert des Titres Tag-Along au Cessionnaire Tag.
- 10.3.5 Si le Cessionnaire Tag a informé le Cédant Tag qu'il souhaite acquérir un pourcentage fixe d'une catégorie de Titres et que, à la suite d'une Notification de Transfert, ce pourcentage est dépassé, le nombre de Titres Transférés par, selon le cas, le Cédant Tag et les Actionnaires Minoritaires Exerçant le Droit de Tag-Along sera réduit au prorata afin de satisfaire à cette exigence en matière de pourcentage.
- 10.3.6 Les Actionnaires Minoritaires Exerçant le Droit de Tag-Along doivent :
- (a) au plus tard deux (2) Jours Ouvrables avant la date prévue du Transfert proposé, renvoyer au Cédant Tag la copie signée des Documents de Transfert, qui sera conservée contre le paiement de la contrepartie totale qui leur est due. Si les Actionnaires Minoritaires ne se conforment pas intégralement au présent paragraphe (a) au plus tard deux (2) Jours Ouvrables avant le Transfert proposé, ils seront réputés avoir renoncé à leur Droit de Tag-Along ;
 - (b) donner au Cessionnaire Tag les mêmes garanties que celles accordées par le Cédant Tag (considérées *mutatis mutandis* pour tout changement requis si la Cession Tag-Along est un Transfert indirect de Titres), la responsabilité à cet égard devant être répartie entre chacun des vendeurs en proportion du produit de la contrepartie qu'ils reçoivent chacun par rapport à la contrepartie totale ;
 - (c) supporter, au prorata, tous les coûts de la Cession Tag-Along (dans la mesure où ces coûts ne sont pas payés par la Société) dans les mêmes proportions que la contrepartie (quelle qu'en soit la forme) payée et reçue par l'Actionnaire Minoritaire Exerçant le Droit de Vote concerné dans le cadre de la Cession Tag-Along ; et
 - (d) participer aux accords de séquestre (le cas échéant) convenus avec le Cessionnaire Tag dans le cadre de la Cession Tag-Along.
- 10.3.7 Les Actionnaires Minoritaires Exerçant le Droit de Tag-Along ont le droit de recevoir leur quote-part de la contrepartie dans le cadre de la Cession Tag-Along (moins leur part des coûts liés à la Cession Tag-Along) en même temps que le paiement par le Cessionnaire Tag de la contrepartie due au(x) Cédant(s) Tag.
- 10.4 Pour éviter toute ambiguïté, les Droits de Tag-Along ne s'appliquent pas dans les cas où le Transfert envisagé est un Transfert Autorisé, le Droit de Drag-Along prévu à l'article 11 est

exercé, ou en cas de réalisation d'un gage accordé sur des Titres par l'Actionnaire Majoritaire.

Article 11 Droit de Drag-Along

- 11.1 Si un Tiers acquéreur de bonne foi fait une offre de bonne foi dans des conditions de concurrence normale (un « **Cessionnaire Drag** ») qui entraînerait un Changement de Contrôle direct ou indirect de la Société (par un Transfert unique ou une série de Transferts) (une « **Offre Drag-Along** ») et que l'Actionnaire Majoritaire accepte cette Offre de Drag-Along (une « **Cession Drag-Along** »), l'Actionnaire Majoritaire aura le droit d'exiger que tous les Actionnaires Minoritaires (les « **Actionnaires Obligés** ») transfèrent au Cessionnaire Drag tous leurs Titres respectifs (les « **Titres Drag-Along** ») conformément aux dispositions du présent article qui suivent (un « **Droit de Drag-Along** »).
- 11.2 Au moins vingt (20) Jours Ouvrables avant la date proposée pour la réalisation de la Cession Drag-Along, l'Actionnaire Majoritaire peut envoyer une Notification de Transfert exposant les conditions de la Cession Drag-Along et exprimant la décision de l'Actionnaire Majoritaire d'exercer son Droit de Drag-Along. La Notification de Transfert est accompagnée de copies de tous les documents devant être signés par les Actionnaires Obligés pour donner effet à la Cession Drag-Along.
- 11.3 Dès réception de la Notification de Transfert, les Actionnaires Obligés sont tenus de transférer tous leurs Titres respectifs au Cessionnaire Drag (ou à toute personne désignée par l'Actionnaire Majoritaire) dans des conditions qui ne sont pas moins favorables (y compris en ce qui concerne la contrepartie) que celles prévues dans la Notification de Transfert, considérées *mutatis mutandis* si la Cession Drag-Along est un Transfert indirect de Titres, étant précisé que la contrepartie pour les Actionnaires Obligés sera en espèces.
- 11.4 Dès réception de la Notification de Transfert en vertu de laquelle l'Actionnaire Majoritaire exerce son Droit de Drag-Along et des documents qui l'accompagnent, chaque Actionnaire Obligé est tenu de :
- (a) céder tous ses Titres Drag-Along et participer à la Cession Drag-Along dans les conditions énoncées dans la Notification de Transfert et les documents qui l'accompagnent (y compris en donnant les mêmes garanties au Cessionnaire Drag que l'Actionnaire Majoritaire) ;
 - (b) au plus tard deux Jours Ouvrables avant la date prévue de réalisation de la Cession Drag-Along, retourner à l'Actionnaire Majoritaire les Documents de Transfert dûment signés, qui seront conservés contre le paiement de la contrepartie totale qui lui est due ; et
 - (c) supporter, au prorata, tous les coûts de la Cession Drag-Along (dans la mesure où ces coûts ne sont pas payés par la Société) dans les mêmes proportions que la contrepartie (quelle qu'en soit la forme) payée et reçue par l'Actionnaire Obligé concerné dans le cadre de la Cession Drag-Along.
- 11.5 Chaque Actionnaire Obligé a le droit de recevoir sa quote-part de la contrepartie dans le cadre de la Cession Drag-Along (moins sa part des coûts liés à la Cession Drag-Along) en

même temps que l'Actionnaire Majoritaire (ou son (ses) actionnaire(s) concerné(s), dans le cas d'un Transfert indirect de Titres) reçoit sa (ou leur) quote-part de la contrepartie.

- 11.6 Si, après réception d'une Notification de Transfert en vertu duquel l'Actionnaire Majoritaire exerce son Droit de Drag-Along, un Actionnaire souscrit ou acquiert autrement des Titres nouveaux ou supplémentaires, la Notification de Transfert délivrée à cet Actionnaire sera réputée concerner tous les Titres détenus par cet Actionnaire, entraînant pour l'Actionnaire destinataire l'obligation de céder et de transférer tous les Titres détenus à tout moment (y compris les nouveaux Titres ou les Titres supplémentaires acquis).

Article 12 Option d'achat

- 12.1 Chaque Actionnaire Minoritaire accorde à l'Actionnaire Majoritaire une option d'achat irrévocable en vertu de laquelle l'Actionnaire Majoritaire a le droit, mais non l'obligation d'exiger de tout Actionnaire Minoritaire qu'il transfère tous ses Titres à l'Actionnaire Majoritaire (ou à toute autre personne désignée par l'Actionnaire Majoritaire ou lui succédant) à un prix d'acquisition correspondant à quatre-vingt pour cent (80 %) de la Valeur de Marché de ses Titres, dans les six (6) mois suivant la date à laquelle le conseil d'administration de la Société a déterminé, en agissant raisonnablement, que (i) cet Actionnaire Minoritaire est une Personne Sanctionnée, ou (ii) l'Actionnaire Minoritaire est un Concurrent.
- 12.2 L'avis d'exercice indique la date de réalisation envisagée, le nombre de Titres soumis au Transfert, la Valeur de Marché et le prix d'acquisition qui en résulte.
- 12.3 Les Actionnaires Minoritaires doivent, au plus tard deux (2) Jours Ouvrables avant la date prévue du Transfert proposé, renvoyer à l'Actionnaire Majoritaire la copie signée des Documents de Transfert, qui sera conservée contre le paiement de la contrepartie totale qui leur est due.

Article 13 Droit de priorité et d'enregistrement

En cas d'inscription à la cote d'une bourse ou d'un autre indice boursier de la Société ou de LOI, et si tout gage accordé par l'Actionnaire Majoritaire sur les Titres n'a pas été réalisé, un ou plusieurs Actionnaires Minoritaires détenant au moins un virgule cinq pour cent (1,5 %) du capital social de la Société auront le droit, sous réserve des périodes d'inaliénabilité usuelles et des exigences des régulateurs, des autorités boursières et des conseillers financiers concernés, de vendre les Titres, dans le cadre de la demande d'inscription à la cote et si une occasion de vendre se présente, en priorité par rapport aux Titres détenus par l'Actionnaire Majoritaire. Si la cotation est effectuée sur une bourse ou un indice de marché aux États-Unis, les Actionnaires Minoritaires auront le droit de demander les droits d'enregistrement (*registration rights*) habituels, le cas échéant, afin de donner effet à leur droit de priorité.

Article 14 Cessionnaires défallants

- 14.1 Si un Actionnaire (y compris tout nouvel Actionnaire) manque à son obligation de Transférer des actions conformément aux présents statuts, les dispositions suivantes s'appliquent au Transfert de ces actions :

- (a) le conseil d'administration de la Société est réputé être l'agent et le mandataire dûment désigné de l'Actionnaire défaillant concerné, avec pleins pouvoirs pour exercer, compléter et délivrer au nom et pour le compte de l'Actionnaire tous les documents nécessaires pour donner effet au transfert du titre de propriété et du titre légal des Titres concernés ;
- (b) le cessionnaire paiera le prix d'acquisition ou déposera le prix d'acquisition sous séquestre auprès de toute banque de réputation nationale ou internationale ou de toute institution équivalente choisie par l'Actionnaire Majoritaire et qui accepterait de recevoir les fonds concernés et de les conserver sous séquestre ;
- (c) la Société peut, sous réserve de la remise par le cessionnaire d'une preuve du paiement ou de la mise sous séquestre du prix d'acquisition, inscrire le nom du cessionnaire concerné dans le registre de titres en tant que détenteur des Titres concernés.

14.2 Les Actionnaires conviennent par la présente que toute procuration donnée conformément aux dispositions des présentes est irrévocable et est donnée à titre de garantie permanente pour les obligations de chaque Actionnaire en vertu des présentes.

Article 15 Droit à l'information

Un ou plusieurs Actionnaires Minoritaires détenant au moins un virgule cinq pour cent (1,5 %) du capital social de la Société ont le droit de recevoir de la Société, dès que possible et sur demande, les comptes semestriels audités ou non audités (selon le cas) de la Société, une fois qu'ils sont disponibles.

TITRE III. ASSEMBLEES GENERALES DES ACTIONNAIRES

Article 16 Pouvoirs de l'assemblée générale des Actionnaires

- 16.1 Les Actionnaires exercent leurs droits collectifs en assemblée générale des Actionnaires. Toute assemblée générale des Actionnaires de la Société régulièrement constituée représente l'ensemble des Actionnaires de la Société. L'assemblée générale des Actionnaires est investie des pouvoirs qui lui sont expressément réservés par la Loi et par les présents statuts.
- 16.2 Si la Société a un Actionnaire unique, toute référence faite à « l'assemblée générale des Actionnaires » devra être entendue comme une référence à « l'Actionnaire unique », selon le contexte et le cas échéant, les pouvoirs conférés à l'assemblée générale des Actionnaires devront être exercés par l'Actionnaire unique.

Article 17 Convocation des assemblées générales des Actionnaires

- 17.1 L'assemblée générale des Actionnaires de la Société peut, à tout moment, être convoquée par le conseil d'administration ou, le cas échéant, par le(s) commissaire(s).
- 17.2 L'assemblée générale des Actionnaires doit obligatoirement être convoquée par le conseil d'administration ou par le(s) commissaire(s) sur demande écrite d'un ou plusieurs Actionnaires représentant au moins dix pour cent (10%) du capital social de la Société. En

pareil cas, l'assemblée générale des Actionnaires devra être tenue dans un délai d'un (1) mois à compter de la réception de cette demande.

- 17.3 Les convocations pour toute assemblée générale des Actionnaires contiennent la date, l'heure, le lieu (à Luxembourg) et l'ordre du jour de l'assemblée et pourront être effectuées au moyen d'annonces déposées auprès du Registre de Commerce et des Sociétés et publiées au moins quinze (15) jours avant l'assemblée, au Recueil électronique des sociétés et associations et dans un journal publié au Luxembourg. Dans ce cas, les convocations par lettre doivent être envoyées au moins huit (8) jours avant l'assemblée générale aux Actionnaires en nom, par lettre missive. Alternativement, les convocations peuvent être faites uniquement par lettre recommandée dans l'hypothèse où la Société a émis uniquement des actions nominatives ou si les destinataires ont accepté individuellement de recevoir les convocations par d'autres moyens de communication garantissant l'accès à l'information, par ce moyen de communication.
- 17.4 Si tous les Actionnaires sont présents ou représentés et ont renoncé à toute formalité de convocation, l'assemblée générale des Actionnaires peut être tenue sans convocation préalable, ni publication.

Article 18 Conduite des assemblées générales des Actionnaires

- 18.1 L'assemblée générale annuelle des Actionnaires devra être tenue dans les six (6) mois suivant la fin de l'exercice social au Grand-Duché de Luxembourg, au siège social de la Société ou à tout autre endroit au Grand-Duché de Luxembourg tel que précisé dans la convocation. Les autres assemblées générales des Actionnaires pourront être tenues aux lieux (au Grand-Duché de Luxembourg) et heures indiqués dans les convocations respectives. Les détenteurs de Titres autres que des actions n'ont pas le droit d'assister aux assemblées générales des Actionnaires.
- 18.2 Un bureau de l'assemblée doit être constitué à chaque assemblée générale des Actionnaires, composé d'un président, d'un secrétaire et d'un scrutateur, sans qu'il soit nécessaire que ces membres du bureau de l'assemblée soient Actionnaires ou membres du conseil d'administration. Le bureau doit s'assurer que l'assemblée est tenue en conformité avec les règles applicables et, en particulier, en conformité avec les règles relatives à la convocation, aux conditions de majorité, au partage des voix et à la représentation des Actionnaires.
- 18.3 Une liste de présence doit être tenue à toute assemblée générale des Actionnaires.
- 18.4 Un Actionnaire peut participer à toute assemblée générale des Actionnaires en désignant une autre personne comme son mandataire par écrit ou par télécopie, courrier électronique ou par tout autre moyen de communication. Une personne peut représenter plusieurs ou même tous les Actionnaires.
- 18.5 Les Actionnaires participant à une assemblée par conférence téléphonique, par visioconférence ou par tout autre moyen de communication permettant de les identifier, permettant à toutes les personnes participant à cette assemblée de s'entendre mutuellement de manière continue, et permettant une participation effective de ces personnes à l'assemblée, sont réputés être présents pour le calcul du quorum et des voix, à la condition que ces moyens de communication soient mis à disposition au lieu de tenue de l'assemblée.

- 18.6 Chaque Actionnaire peut voter à une assemblée générale des Actionnaires par correspondance au moyen d'un formulaire de vote envoyé par lettre, courrier électronique, par télécopie ou par tout autre moyen de communication au siège social de la Société ou à l'adresse (au Luxembourg) mentionnée dans l'avis de convocation. Les Actionnaires peuvent uniquement utiliser les formulaires de vote par correspondance distribués par la Société et qui contiennent au moins le lieu (au Luxembourg), la date et l'heure de l'assemblée, l'ordre du jour de l'assemblée, les propositions soumises aux Actionnaires, ainsi que pour chaque proposition, trois cases autorisant l'Actionnaire à voter en faveur, contre, ou à s'abstenir de voter en cochant la case appropriée.
- 18.7 Les formulaires de vote qui, pour une résolution proposée, ne font pas apparaître (i) un vote en faveur, (ii) un vote contre la résolution proposée ou (iii) une abstention sont nuls en ce qui concerne cette résolution. La Société doit seulement prendre en compte les formulaires de vote reçus avant la tenue de l'assemblée générale des Actionnaires à laquelle ils se rapportent.
- 18.8 Le conseil d'administration peut déterminer des conditions supplémentaires à remplir par les Actionnaires afin de pouvoir participer aux assemblées générales des Actionnaires.

Article 19 Quorum, majorité et vote

- 19.1 Chaque action donne droit à une voix en assemblée générale des Actionnaires.
- 19.2 Le conseil d'administration peut suspendre les droits de vote de tout Actionnaire qui ne remplit pas ses obligations telles que décrites par les présents statuts ou toute autre convention à laquelle cet Actionnaire est partie.
- 19.3 Un Actionnaire peut décider, à titre personnel, de ne pas exercer, temporairement ou de façon permanente, tout ou partie de ses droits de vote. Une telle renonciation lie l'Actionnaire renonçant et s'impose à la Société dès sa notification à cette dernière.
- 19.4 Si les droits de vote d'un ou de plusieurs Actionnaires sont suspendus conformément à l'article 20.2 ou si un ou plusieurs Actionnaires ont renoncé à leurs droits de vote conformément à l'article 20.3, ces Actionnaires peuvent participer à toute assemblée générale de la Société, toutefois les actions qu'ils détiennent ne seront pas comptabilisées pour la détermination des conditions de quorum et de majorité à respecter durant les assemblées générales de la Société.
- 19.5 Sauf dispositions contraires de la Loi ou des présents statuts, les décisions prises lors d'une assemblée générale des Actionnaires dûment convoquée ne requièrent aucune condition de quorum et sont adoptées à la majorité simple des voix valablement exprimées quelle que soit la portion du capital social représentée. Les abstentions et les votes blancs ou nuls ne sont pas pris en compte.

Article 20 Modification des statuts

- 20.1 Sauf disposition contraire des présents statuts ou de la Loi, les présents statuts peuvent être modifiés à la majorité des deux-tiers des voix des Actionnaires valablement exprimées lors d'une assemblée générale des Actionnaires à laquelle plus de la moitié du capital social de la Société est présente ou représentée. Si le quorum n'est pas atteint à une assemblée, une

seconde assemblée pourra être convoquée dans les conditions prévues à l'article 18.3 qui pourra alors délibérer quel que soit le quorum et au cours de laquelle les décisions seront adoptées à la majorité des deux-tiers des voix valablement exprimées. Les abstentions et les votes blancs ou nuls ne sont pas pris en compte.

20.2 Si les droits de vote d'un ou plusieurs Actionnaires sont suspendus conformément à l'article 20.2 ou si un ou plusieurs Actionnaires ont renoncé à leurs droits de vote conformément à l'article 20.3, les stipulations de l'article 20.4 des présents statuts s'appliquent *mutatis mutandis*.

20.3 Toute modification d'une disposition des présents statuts ou des droits des Actionnaires Minoritaires qui aurait un impact disproportionné et préjudiciable sur les droits ou obligations d'un ou de plusieurs Actionnaires Minoritaires ou sur les droits ou obligations attachés aux actions détenues par des Actionnaires Minoritaires par rapport à son impact sur tout autre détenteur d'actions nécessitera le vote positif de tout Actionnaire Minoritaire concerné.

Article 21 Prorogation des assemblées générales des Actionnaires

Dans les conditions prévues par la Loi, le conseil d'administration peut, lors de toute assemblée générale des Actionnaires, proroger cette assemblée à quatre (4) semaines. Le conseil d'administration doit le faire à la demande d'un ou de plusieurs Actionnaires représentant au moins dix pour cent (10%) du capital social de la Société. Dans l'hypothèse d'une prorogation, toute décision déjà adoptée par l'assemblée générale des Actionnaires sera annulée.

Article 22 Procès-verbal des assemblées générales des Actionnaires

22.1 Le bureau de toute assemblée générale des Actionnaires doit dresser un procès-verbal de l'assemblée qui doit être signé par les membres du bureau de l'assemblée ainsi que par tout Actionnaire à sa demande.

22.2 Toute copie ou extrait de ces procès-verbaux originaux, à produire dans le cadre de procédures judiciaires ou à remettre à tout tiers, devra être certifié conforme à l'original par le notaire dépositaire de l'acte original dans l'hypothèse où l'assemblée aurait été retranscrite dans un acte authentique, ou devra être signé par le président du conseil d'administration ou par deux (2) membres du conseil d'administration.

TITRE IV. ADMINISTRATION

Article 23 Composition et pouvoirs du conseil d'administration

23.1 La Société est gérée par un conseil d'administration composé d'au moins trois (3) membres. Lorsque la Société a été constituée par un Actionnaire unique ou lorsqu'il apparaît, lors d'une assemblée générale des Actionnaires, que toutes les actions émises par une Société sont détenues par un Actionnaire unique, la Société peut être gérée par un administrateur unique jusqu'à la prochaine assemblée générale des Actionnaires consécutive à l'augmentation du nombre des Actionnaires. Dans cette hypothèse, le cas échéant et lorsque l'expression « administrateur unique » n'est pas mentionnée expressément dans les présents statuts, une référence au « conseil d'administration » utilisée dans les présents statuts devra être entendue comme une référence à l'« administrateur unique ».

- 23.2 A tout moment, l'administrateur unique ou, si plusieurs administrateurs sont nommés, plus de la moitié des membres du conseil d'administration doivent être soit des résidents luxembourgeois, soit des non-résidents exerçant une activité professionnelle au Luxembourg et qui sont imposables au Luxembourg sur au moins cinquante pour cent (50 %) du total de leurs revenus professionnels.
- 23.3 Le conseil d'administration est investi des pouvoirs les plus étendus pour agir au nom de la Société et pour prendre toute mesure nécessaire ou utile pour l'accomplissement de l'objet social de la Société, à l'exception des pouvoirs réservés par la Loi ou par les présents statuts à l'assemblée générale des Actionnaires.
- 23.4 Le conseil d'administration peut créer un ou plusieurs comités. La composition et les pouvoirs de ce(s) comité(s), les conditions de la nomination, de la révocation, de la rémunération et de la durée de mandat de ses membres, ainsi que ses/leurs règlements intérieurs seront déterminés par le conseil d'administration. Le conseil d'administration sera en charge de superviser les activités de ce (ces) comité(s). Afin d'éviter tout doute, de tels comités ne peuvent être considérés comme un comité de direction au sens de l'article 441-11 de la Loi.

Article 24 Gestion journalière

La gestion journalière de la Société ainsi que la représentation de la Société en rapport avec une telle gestion journalière peut être déléguée à un ou plusieurs administrateurs, dirigeants ou autres agents, agissant individuellement ou conjointement. Leur nomination, leur révocation et leurs pouvoirs seront déterminés par une décision du conseil d'administration.

Article 25 Nomination, révocation et durée des mandats des administrateurs

- 25.1 Les administrateurs sont nommés par l'assemblée générale des Actionnaires qui détermine leur rémunération et la durée de leur mandat. L'assemblée générale des Actionnaires peut décider de nommer des administrateurs de différentes catégories, désignés comme les administrateurs de catégorie A (les "**Administrateurs de Catégorie A**") et les administrateurs de catégorie B (les "**Administrateurs de Catégorie B**"). Toute référence faite ci-après aux "administrateurs" doit être interprétée comme une référence aux Administrateurs de Catégorie A et/ou aux Administrateurs de Catégorie B, en fonction du contexte et le cas échéant.
- 25.2 La durée du mandat d'un administrateur ne peut excéder six (6) ans. Les administrateurs peuvent faire l'objet de réélections successives.
- 25.3 Chaque administrateur est nommé à la majorité simple des voix valablement exprimées à une assemblée générale des Actionnaires.
- 25.4 Tout administrateur pourra être révoqué de ses fonctions à tout moment avec ou sans motif par l'assemblée générale des Actionnaires à la majorité simple des voix valablement exprimées.
- 25.5 Si une personne morale est nommée en tant qu'administrateur de la Société, cette personne morale doit désigner une personne physique en qualité de représentant permanent qui doit

assurer cette fonction au nom et pour le compte de la personne morale. La personne morale peut révoquer son représentant permanent uniquement si elle nomme simultanément son successeur. Une personne physique peut uniquement être le représentant permanent d'un seul (1) administrateur de la Société et ne peut être lui-même simultanément administrateur de la Société.

Article 26 Vacance d'un poste d'administrateur

- 26.1 Dans l'hypothèse où un poste d'administrateur deviendrait vacant suite au décès, à l'incapacité juridique, à la faillite, à la démission ou autre, cette vacance pourra être comblée à titre temporaire (i) jusqu'à la prochaine assemblée générale des Actionnaires qui statuera sur la nomination permanente d'un nouvel administrateur en conformité avec les dispositions légales applicables, mais dans tous les cas (ii) pour une durée ne pouvant excéder le mandat initial de l'administrateur qui fait l'objet d'un remplacement par les administrateurs restants.
- 26.2 Dans l'hypothèse où la vacance surviendrait alors que la Société est gérée par un administrateur unique, cette vacance devra être comblée sans délai par l'assemblée générale des Actionnaires.

Article 27 Convocation aux conseils d'administration

- 27.1 Le conseil d'administration se réunit au siège de la Société ou en tout autre lieu au Grand-Duché de Luxembourg, sur convocation du président ou de tout administrateur. Les réunions du conseil d'administration doivent être tenues au siège social de la Société sauf indication contraire dans la convocation.
- 27.2 Une convocation écrite à toute réunion du conseil d'administration doit être adressée aux administrateurs au minimum vingt-quatre (24) heures à l'avance par rapport à l'heure fixée dans la convocation, sauf en cas d'urgence, auquel cas la nature et les motifs d'une telle urgence seront mentionnés dans la convocation. Une telle convocation peut être omise en cas d'accord écrit de chaque administrateur, par télécopie, courrier électronique ou par tout autre moyen de communication. Une copie d'un tel document signé constituera une preuve suffisante d'un tel accord. Aucune convocation préalable ne sera exigée pour une réunion du conseil d'administration dont le lieu et l'heure auront été déterminés par une décision adoptée lors d'une précédente réunion du conseil d'administration, communiquée à tous les membres du conseil d'administration.
- 27.3 Aucune convocation préalable ne sera requise dans l'hypothèse où tous les membres du conseil d'administration sont présents ou représentés à une réunion du conseil d'administration et renoncent aux formalités de convocation ou dans l'hypothèse de décisions écrites et approuvées par tous les membres du conseil d'administration.

Article 28 Conduite des réunions du conseil d'administration

- 28.1 Le conseil d'administration élit un président parmi ses membres. Il peut désigner un secrétaire, qui peut ne pas être un administrateur et qui sera chargé de tenir les procès-verbaux des réunions du conseil d'administration.

- 28.2 Le président préside toutes les réunions du conseil d'administration, mais, en son absence, le conseil d'administration peut nommer provisoirement un autre administrateur en qualité de président temporaire par un vote à la majorité des administrateurs présents ou représentés à la réunion.
- 28.3 Tout administrateur peut se faire représenter à chaque réunion du conseil d'administration en désignant tout autre membre du conseil d'administration comme son mandataire par écrit, ou par télécopie, courrier électronique ou tout autre moyen de communication, une copie du mandat en constituant une preuve suffisante. Un administrateur peut représenter un ou plusieurs administrateurs, mais non la totalité des membres du conseil d'administration.
- 28.4 Les réunions du conseil d'administration peuvent également se tenir par conférence téléphonique, visioconférence ou par tout autre moyen de communication permettant à toutes les personnes y participant de s'entendre mutuellement sans discontinuité, garantissant une participation effective à cette réunion. La participation à une réunion par ces moyens équivaut à une participation en personne.
- 28.5 Le conseil d'administration ne peut délibérer ou statuer valablement que si la moitié au moins des administrateurs est présente ou représentée à une réunion du conseil d'administration. Dans le cas où une assemblée générale des Actionnaires a nommé différentes catégories d'administrateurs, le conseil d'administration ne peut délibérer et statuer valablement que si au moins un (1) Administrateur de Catégorie A et un (1) Administrateur de Catégorie B est présent ou représenté à la réunion.
- 28.6 Les décisions sont adoptées à la majorité des voix des administrateurs présents ou représentés à la réunion. Dans le cas où l'assemblée générale des Actionnaires a nommé différentes catégories d'administrateurs, les décisions doivent être adoptées par une majorité des administrateurs présents ou représentés, incluant au moins un (1) Administrateur de Catégorie A et un (1) Administrateur de Catégorie B. En cas de partage des voix, le président, si un président a été nommé, a une voix prépondérante.
- 28.7 Le conseil d'administration peut, à l'unanimité, prendre des décisions par résolution circulaire en exprimant son approbation par écrit, par télécopie, par courrier électronique ou par tout autre moyen de communication. Chaque administrateur peut exprimer son consentement séparément, l'ensemble des consentements attestant de l'adoption des décisions. La date de ces décisions sera la date de la dernière signature.

Article 29 Conflit d'intérêts

- 29.1 Sauf dispositions contraires de la Loi, tout administrateur qui a, directement ou indirectement, un intérêt de nature patrimoniale opposé à celui de la Société à l'occasion d'une opération relevant de la compétence du conseil d'administration est tenu d'en informer le conseil d'administration et de faire mentionner cette déclaration dans le procès-verbal de la réunion du conseil d'administration. L'administrateur concerné ne peut prendre part ni aux discussions relatives à cette opération, ni au vote y afférent. Ce conflit d'intérêts doit également faire l'objet d'un rapport aux Actionnaires, lors de la prochaine assemblée générale des Actionnaires, et avant toute prise de décision de l'assemblée générale des Actionnaires sur tout autre point à l'ordre du jour.

- 29.2 Lorsque la Société comprend un administrateur unique, les opérations conclues entre la Société et cet administrateur ayant un intérêt opposé à celui de la Société doivent être mentionnées dans la décision de l'administrateur unique.
- 29.3 Lorsqu'en raison d'un conflit d'intérêts, le nombre d'administrateurs requis afin de délibérer valablement n'est pas atteint, le conseil d'administration peut décider de déférer la décision sur ce point spécifique à l'assemblée générale des Actionnaires.
- 29.4 Les règles régissant le conflit d'intérêts ne s'appliquent pas lorsque la décision du conseil d'administration ou de l'administrateur unique se rapporte à des opérations courantes, conclues dans des conditions normales.
- 29.5 Les articles 30.1 à 30.4 des présents statuts s'appliquent au(x) délégué(s) à la gestion journalière, étant précisé que dans le cas où un (1) délégué à la gestion journalière a été désigné et que celui-ci a un intérêt opposé à celui de la Société, la décision visée doit être prise par le conseil d'administration.

Article 30 Procès-verbaux des réunions du conseil d'administration – procès-verbaux des décisions de l'administrateur unique

- 30.1 Les procès-verbaux de toutes les réunions du conseil d'administration seront signés (i) par le président ou, en son absence, par le président temporaire, ou (ii) par deux (2) administrateurs ou par un (1) Administrateur de Catégorie A et un (1) Administrateur de Catégorie B, le cas échéant. Les copies ou extraits de ces procès-verbaux qui pourront être produits en justice ou dans tout autre contexte seront signés (i) par le président du conseil d'administration, si un président a été nommé, ou (ii) par deux (2) administrateurs ou par un (1) Administrateur de Catégorie A et un (1) Administrateur de Catégorie B, le cas échéant.
- 30.2 Les décisions de l'administrateur unique sont retranscrites dans des procès-verbaux qui seront signés par l'administrateur unique. Les copies ou extraits de ces procès-verbaux qui pourront être produits en justice ou dans tout autre contexte seront signés par l'administrateur unique.

Article 31 Rapports avec les tiers

- 31.1 La Société est valablement engagée vis-à-vis des tiers en toutes circonstances (i) par la signature de l'administrateur unique, ou, si la Société a plusieurs administrateurs, par la signature conjointe de deux (2) administrateurs, ou par la signature conjointe d'un (1) Administrateur de Catégorie A et un (1) Administrateur de Catégorie B le cas échéant ou (ii) par la signature conjointe ou la signature unique de toutes les personnes auxquelles un tel pouvoir aura été délégué par le conseil d'administration dans les limites de cette délégation.
- 31.2 Dans les limites de la gestion journalière, la Société est engagée à l'égard des tiers par la signature de toutes les personnes auxquelles un tel pouvoir aura été délégué par le conseil d'administration, agissant individuellement ou conjointement dans les limites de cette délégation.

TITRE V. AUDIT ET SURVEILLANCE DE LA SOCIETE

Article 32 Commissaire(s) – Réviseur(s) d'entreprises agréé(s)

- 32.1 Les opérations de la Société seront surveillées par un ou plusieurs commissaires. L'assemblée générale des Actionnaires désigne les commissaires et détermine la durée de leurs fonctions, qui ne pourra excéder six (6) ans.
- 32.2 Un commissaire pourra être révoqué à tout moment, sans préavis, avec ou sans motif, par l'assemblée générale des Actionnaires.
- 32.3 Le commissaire a un droit illimité de surveillance et de contrôle permanents sur toutes les opérations de la Société.
- 32.4 Si l'assemblée générale des Actionnaires de la Société désigne un ou plusieurs réviseurs d'entreprises agréés conformément à l'article 69 de la loi modifiée du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises, la fonction de commissaire ne sera plus requise.
- 32.5 Le réviseur d'entreprises agréé ne pourra être révoqué par l'assemblée générale des Actionnaires que pour juste motif ou avec son accord.

TITRE VI EXERCICE SOCIAL – COMPTES ANNUELS – AFFECTATION DES BENEFICES – ACOMPTES SUR DIVIDENDES

Article 33 Exercice social

L'exercice social de la Société commence le premier avril de chaque année et se termine le trente-et-un mars de l'année suivante.

Article 34 Comptes annuels - Affectation des bénéfices

- 34.1 Au terme de chaque exercice social, les comptes sont clôturés et le conseil d'administration dresse un inventaire de l'actif et du passif de la Société, le bilan et le compte de profits et pertes conformément à la Loi.
- 34.2 Sur les bénéfices annuels nets de la Société, cinq pour cent (5%) au moins seront affectés à la réserve légale. Cette affectation cessera d'être obligatoire dès que et tant que le montant total de la réserve légale de la Société atteindra dix pour cent (10%) du capital social de la Société.
- 34.3 Les sommes apportées à une réserve de la Société peuvent également être affectées à la réserve légale.
- 34.4 En cas de réduction du capital social, la réserve légale de la Société pourra être réduite en proportion afin qu'elle n'excède pas dix pour cent (10%) du capital social.
- 34.5 Sur proposition du conseil d'administration, l'assemblée générale des Actionnaires décide de l'affectation du solde des bénéfices distribuables de la Société conformément à la Loi et aux présents statuts.

34.6 Les distributions aux Actionnaires seront effectuées en proportion du nombre d'actions qu'ils détiennent dans la Société.

Article 35 Acomptes sur dividendes - Prime d'émission et primes assimilées

35.1 Le conseil d'administration peut procéder au paiement d'acomptes sur dividendes conformément aux dispositions de la Loi.

35.2 Toute prime d'émission, prime assimilée ou réserve distribuable peut être librement distribuée aux Actionnaires conformément aux dispositions de la Loi et aux présents statuts.

TITRE VII. LIQUIDATION

Article 36 Liquidation

36.1 En cas de dissolution de la Société conformément à l'article 3.2 des présents statuts, la liquidation sera effectuée par un ou plusieurs liquidateurs nommés par l'assemblée générale des Actionnaires ayant décidé de cette dissolution et qui fixera les pouvoirs et émoluments de chacun des liquidateurs. Sauf dispositions contraires, les liquidateurs disposeront des pouvoirs les plus étendus pour la réalisation de l'actif et du passif de la Société.

36.2 Le surplus résultant de la réalisation de l'actif et du passif sera distribué entre les Actionnaires au prorata du nombre d'actions de la Société qu'ils détiennent.

TITRE VIII DISPOSITION FINALE - LOI APPLICABLE ET DEFINITIONS

Article 37 Loi applicable

Tout ce qui n'est pas régi par les présents statuts sera déterminé en conformité avec la Loi.

Article 38 Définitions

Les termes suivants, utilisés dans les présents statuts, ont la signification indiquée ci-dessous :

Actionnaires désigne tout détenteur de Titres à tout moment.

Actionnaire Majoritaire désigne L'Occitane Groupe S.A., une société anonyme de droit luxembourgeois, ayant son siège social au 49, boulevard du Prince Henri, L-1724 Luxembourg, inscrite au registre de commerce et des sociétés de Luxembourg sous le numéro B 125.718 et/ou l'un quelconque de ses cessionnaires, repreneurs ou successeurs, y compris en cas de réalisation d'un gage sur les actions d'un membre du Groupe détenant une participation de Contrôle dans la Société.

Actionnaire Minoritaire Exerçant le Droit de Tag- a la signification qui lui est donnée à l'article 10.3.3.

Along

Actionnaire Qualifié	les détenteurs qui sont autorisés par les lois applicables à détenir des Titres de la Société, c'est-à-dire (i) qui bénéficient d'une exemption applicable en vertu de leur(s) juridiction(s) concernée(s) ; et (ii) qui ne proviennent pas d'une juridiction qui exposerait la Société ou le détenteur à un risque civil, réglementaire ou pénal important.
Actionnaires Minoritaires	désigne les Actionnaires autres que l'Actionnaire Majoritaire et leurs héritiers, cessionnaires ou successeurs, conformément aux dispositions des présentes, et « Actionnaire Minoritaire » désigne l'un d'entre eux.
Activités Concurrentielles	désigne l'ensemble des activités exercées par le Groupe de temps à autre, à l'exclusion de toute activité individuelle représentant moins de cinq pour cent (5 %) du chiffre d'affaires consolidé du Groupe pour le dernier exercice financier considéré.
Autorité Gouvernementale	désigne toute (a) nation, région, État, comté, ville, village, arrondissement ou autre juridiction, (b) gouvernement fédéral, d'État, local, municipal, étranger ou autre, (c) département, agence ou instrument d'un gouvernement étranger ou autre, y compris tout instrumentalité appartenant à un État ou contrôlé par un État d'un gouvernement étranger ou autre, (d) entité gouvernementale ou quasi-gouvernementale de toute nature (y compris toute agence, branche, département ou autre entité gouvernementale et toute cour ou autre tribunal compétent), (e) organisation internationale ou multinationale formée par des États ou des gouvernements, ou (f) autre organisme habilité à exercer une autorité administrative, exécutive, judiciaire, législative ou réglementaire.
Cédant	a la signification qui lui est donnée à l'article 9.1.
Cédant Tag	a la signification qui lui est donnée à l'article 10.1.1 ou à l'article 10.2 selon le contexte.
Cession Drag-Along	a la signification qui lui est donnée à l'article 11.1.
Cession Tag-Along	a la signification qui lui est donnée à l'article 10.1.1 ou à l'article 10.2 selon le contexte.
Cessionnaire Drag	a la signification qui lui est donnée à l'article 11.1.
Cessionnaire ROFR	a la signification qui lui est donnée à l'article 9.1.

Cessionnaire Tag	a la signification qui lui est donnée à l'article 10.1.1 ou à l'article 10.2 selon le contexte.
Changement de Contrôle	désigne le cas où le Groupe Geiger cesse de Contrôler le Groupe.
CIME	désigne Société d'Investissements CIME SA, une société anonyme de droit luxembourgeois, ayant son siège social au 49, boulevard Prince du Henri, L-1724 Luxembourg, inscrite au registre de commerce et des sociétés de Luxembourg sous le numéro B 79.029 et/ou l'un quelconque de ses cessionnaires, repreneurs ou successeurs
Concurrent	désigne toute personne qui (directement ou indirectement) exerce, ou est concernée par, une activité concurrentielle, ou qui serait raisonnablement considérée comme concurrentielle, par rapport à toute Activité Concurrentielle, étant entendu qu'une personne ne sera pas considérée comme un Concurrent du seul fait qu'elle est un investisseur passif (directement ou indirectement) ne détenant pas plus de cinq pour cent (5 %) (avec ses Sociétés Affiliées) du capital social émis d'une société dont les actions sont négociées publiquement ou cotées en bourse.
Contrôle / Contrôlant et / ou Contrôlé	désigne, en ce qui concerne une Entité, avoir le contrôle, en droit ou en fait, de plus de cinquante pour cent (50 %) du capital social et des droits de vote de cette société ou entreprise.
Documents de Transfert	a la signification qui lui est donnée à l'article 9.4.
Droit de Drag-Along	a la signification qui lui est donnée à l'article 11.1.
Droit de Rattrapage	a la signification qui lui est attribuée à l'article 6.1.
Droits de Tag-Along	a la signification qui lui est donnée à l'article 10.2.
Droit de Tag-Along Proportionnel	a la signification qui lui est donnée à l'article 10.1.1.
Droit de Tag-Along Total	a la signification qui lui est donnée à l'article 10.2.
Entité	toute entité juridique, société, groupe, fonds d'investissement, société de fait, association, société en commandite ou toute autre organisation similaire, gouvernementale ou privée, ayant ou non une personnalité juridique distincte.

Expert Indépendant	désigne toute banque d'investissement ou société d'expertise comptable de réputation internationale, familiarisée avec les questions d'évaluation financière et ayant une expérience récente et pertinente en la matière, qui n'agit pas de concert avec un Actionnaire et n'est pas affiliée à ce dernier, choisie par le conseil d'administration qui agit conformément aux dispositions de l'article 1592 du Code civil luxembourgeois.
Financement d'Urgence	désigne toute émission d'actions nécessaire pour (a) prévenir un cas d'insolvabilité ou une violation de la loi applicable, ou (b) éviter ou remédier à une violation de toute facilité de dette ou autre financement (y compris un cas de défaut), ou (c) éviter ou remédier à une violation d'un contrat avec un Tiers (autre que tout contrat avec une partie liée), ou (d) éviter ou atténuer les événements imprévus qui pourraient entraîner un dommage important et immédiat à la Société ou à l'un de ses actifs.
Groupe	désigne la Société et ses Sociétés Affiliées.
Groupe Geiger	désigne M. Reinold Geiger, ainsi que ses descendants qui peuvent détenir des actions d'un membre du Groupe, ainsi que CIME et ses Sociétés Affiliées.
Jours Ouvrables	désigne tout jour, à l'exception du samedi, du dimanche et de tout jour où les banques ne sont généralement pas ouvertes au Grand-Duché de Luxembourg.
Loi	a la signification qui lui est donnée à l'article 1.
LOI	désigne L'Occitane International S.A., une société anonyme de droit luxembourgeois, ayant son siège social au 49, boulevard du Prince Henri, L-1724 Luxembourg, inscrite au registre de commerce et des sociétés de Luxembourg sous le numéro B 80359 et/ou l'un de ses cessionnaires, repreneurs ou successeurs.
Notification d'Exercice du ROFR	a la signification qui lui est donnée à l'article 9.2.
Notification d'Exercice de Tag-Along	a la signification qui lui est donnée à l'article 10.3.3.
Notification de Transfert	a la signification qui lui est donnée à l'article 8.4..
Offre Drag-Along	a la signification qui lui est donnée à l'article 11.1.
Participation Office	désigne le ou les bureaux notifiés par écrit par l'Actionnaire concerné, au plus tard à la date à laquelle il devient

	détenteur de Titres, comme étant le ou les bureaux par l'intermédiaire desquels il s'acquittera de ses obligations en vertu des présentes et détiendra les Titres qui sont enregistrés à son nom.
Période d'Acceptation	a la signification qui lui est attribuée à l'article 10.3.3.
Période d'Exercice du ROFR	a la signification qui lui est donnée à l'article 9.2.
Personne	désigne toute Entité ou individu.
Personne Sanctionnée	désigne, à tout moment, toute personne qui a été inculpée ou condamnée en vertu d'un Règlement sur les Sanctions ou qui figure sur une liste liée à un Règlement sur les Sanctions.
Prêt d'Actionnaire Convertible	désigne tout prêt d'actionnaire convertible régi par le droit luxembourgeois pouvant être conclu par la Société de temps à autre.
Règlements sur les Sanctions	désigne (a) les normes de l'organisation internationale du travail et (b) toutes les lois et résolutions internationales applicables qui pourraient entraîner (1) des sanctions ou des procédures d'exécution par l'Union européenne (ou tout État membre de celle-ci), les États-Unis, le Royaume-Uni, les Nations unies et toute autre juridiction dans laquelle la Société exerce ses activités ou à laquelle elle est soumise de temps à autre ou toute Autorité Gouvernementale en rapport avec (x) tout délit important ou tout crime lié à des conduites ou pratiques commerciales, économiques et/ou financières répréhensibles (y compris la fraude, le blanchiment d'argent, le détournement de fonds, l'acquisition illégale d'intérêts, etc.), collectivement des délits et crimes organisés, et/ou le terrorisme, et/ou (y) toute sanction commerciale internationale ou tout embargo, ce qui inclut (sans s'y limiter) toute sanction pouvant être en vigueur à la suite d'une résolution adoptée en vertu de la Charte des Nations unies par le Conseil de sécurité des Nations unies et/ou (2) toute inscription (x) sur une liste de surveillance, une liste ou une liste consolidée tenue aux fins de l'application de sanctions commerciales internationales (de telles listes incluant, sans s'y limiter, la liste consolidée des interdictions de voyager et des gels d'avoirs publiée par le Comité des sanctions des Nations unies, la liste des ressortissants spécialement désignés et des personnes bloquées tenue par l'Office of Foreign Assets Control (OFAC) et la liste consolidée des personnes ou groupes faisant l'objet de sanctions financières de l'Union européenne) et/ou (y) par toute Autorité Gouvernementale

comme étant exclu, suspendu, proposé pour suspension ou exclusion ou autrement inéligible pour participer à des programmes de marchés publics ou à d'autres projets gouvernementaux.

Restrictions de Transfert	a la signification qui lui est donnée à l'article 8.7.
ROFR - <i>Right of First Refusal</i> – (Droit de premier refus)	a la signification qui lui est donnée à l'article 9.2.
Société	a la signification qui lui est attribuée à l'article 1 ^{er} .
Société Affiliée	désigne toute Entité qui est Contrôlée, qui Contrôle ou qui est d'une autre manière sous le Contrôle commun d'un Actionnaire.
Sûretés	désigne toute hypothèque, charge, gage, privilège, restriction, cession, nantissement, sûreté, réserve de propriété ou tout autre accord ou arrangement ayant pour effet la création d'une sûreté, ou tout autre intérêt, participation ou autre droit de toute personne (y compris tout droit d'acquisition, option, droit de premier refus ou droit de préemption), ou tout accord ou arrangement visant à créer l'un des éléments susmentionnés.
Tier(s)	désigne toute personne physique ou Entité qui n'est pas un Actionnaire direct ou indirect et qui ne détient aucune participation directe ou indirecte dans un Actionnaire direct ou indirect.
Titres	désigne toutes les valeurs mobilières émises ou à émettre par la Société qui pourraient donner droit à une part des bénéfices, d'un boni en cas de liquidation ou des droits de vote de la Société ou entraîner directement ou indirectement une augmentation de capital ou l'émission ou l'attribution de titres donnant droit à leurs détenteurs en propriété légale ou bénéficiaire à une part des bénéfices, le boni de liquidation ou les droits de vote de la société, y compris, mais sans s'y limiter, des actions, des obligations simples, des obligations convertibles ou des obligations avec warrants, qui sont remboursables en actions ou en une combinaison d'actions, d'obligations et de warrants ou d'autres bons de souscription ou d'achat d'actions
Titres de Transfert	a la signification qui lui est donnée à l'article 9.1.
Titres Drag-Along	a la signification qui lui est donnée à l'article 11.1.
Titres Tag-Along	a la signification qui lui est donnée à l'article 10.1.1 ou à

l'article 10.2 selon le contexte.

Transferts

désigne (y compris, avec des significations corrélatives, « Transférer », « Transféré », etc.), directement ou indirectement et de quelque manière que ce soit :

- (a) les transferts effectués à titre gratuit ou onéreux, y compris les transferts effectués à la suite d'une vente aux enchères publiques ou en vertu d'une décision de justice ;
- (b) les transferts effectués sous forme de paiement en nature ou par voie d'échange, de mise en commun ou de prêt de titres, de vente à réméré, d'apport, d'apport partiel d'actif, de fusion ou de scission, d'essaimage ou de garantie, résultant notamment de la constitution ou de la réalisation d'un gage ;
- (c) la conclusion ou la réalisation (i) de tout engagement de caution ou de garantie portant sur une valeur mobilière quelconque et restreignant les droits du titulaire sur ses valeurs mobilières, notamment dans le cadre d'un compte d'instruments financiers, ou (ii) de tout contrat de location portant sur des titres ;
- (d) les transferts de droits à l'attribution de valeurs mobilières résultant d'une augmentation de capital réalisée par incorporation de réserves, de provisions ou de bénéfices, ou de droits préférentiels de souscription à une augmentation de capital en numéraire, y compris par voie de renonciation individuelle ;
- (e) les transferts effectués dans le cadre d'un trust ou par tout autre moyen similaire ;
- (f) les transferts de propriété, de propriété juridique ou de propriété effective d'un titre ou des droits qui en découlent, y compris les droits de vote et les droits aux dividendes, ou toute autre subdivision de la propriété d'une valeur mobilière ; et
- (g) la conclusion d'opérations entraînant un transfert immédiat ou futur (y compris conditionnel et/ou optionnel) de la propriété totale ou partielle de Titres, ou de l'exposition économique résultant de la propriété des Titres,
- (h) ainsi que tout engagement de procéder à de telles opérations, par quelque moyen que ce soit.

Transfert Autorisé

a la signification qui lui est donnée à l'article .8.8.

Valeur de Marché

désigne, pour tout actif ou bien, la valeur de vente qui serait obtenue dans le cadre d'une transaction sur le marché libre dans des conditions de concurrence normale entre un vendeur informé et consentant qui n'est pas contraint de vendre et un acheteur informé et consentant qui n'est pas contraint d'acquérir, telle qu'elle est déterminée par un Expert Indépendant choisi par le conseil d'administration qui agit conformément aux dispositions de l'article 1592 du Code civil luxembourgeois.

Exclusive Financial Adviser to Offeror



J.P. Morgan Securities (Asia Pacific) Limited

Groupe
L'OCCITANE
L'OCCITANE HOLDING S.A.
49, Boulevard Prince Henri L-1724 Luxembourg
R.C.S. Luxembourg: B286921
(Incorporated under the laws of Luxembourg with limited liability)

2 July 2024

To Minority Shareholders, Qualifying Shareholders (with respect to the Share Alternative), and Award Holders

Dear Sirs/Mesdames,

**(1) CONDITIONAL VOLUNTARY GENERAL OFFERS BY
J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED ON BEHALF OF OFFEROR
TO ACQUIRE ALL ISSUED AND OUTSTANDING SHARES IN THE COMPANY
(OTHER THAN SHARES ALREADY OWNED BY LOG) AND TO CANCEL
ALL VESTED OPTIONS; AND (2) LIQUIDITY ARRANGEMENT WITH RESPECT TO
UNVESTED AWARDS**

1. INTRODUCTION

- 1.1. On 8 April 2024 (after trading hours), LOG informed the Board that LOG intended to make a firm conditional voluntary general offer for all Offer Shares, as well as make appropriate arrangements for all Awards in accordance with Rule 13 of the Takeovers Code (being the Vested Option Offer and the Liquidity Arrangement). Details are set out in the Initial Announcement.
- 1.2. On 17 June 2024, LOG informed the Board that the settlement method for the Share Offer will be revised, such that Minority Shareholders who accept the Share Offer, may elect either: (i) cash settlement under, and subject to the terms and conditions of, the Cash Alternative; or (ii) settlement through receipt of Rollover Shares under, and subject to the terms and conditions of, the Share Alternative. In connection with this, LOG has established a newly incorporated holding company (being Offeror) for the purposes of making the Offers and issuing the Rollover Shares under the Share Alternative. Details are set out in the Second Announcement.
- 1.3. As at Latest Practicable Date, Offeror is a wholly-owned subsidiary of LOG.
- 1.4. The purpose of this letter is to provide you with, among others: (a) information about the Offers; (b) reasons for and benefits of the Offers; (c) other information material to Minority Shareholders and Award Holders in assessing whether to accept the Offers; and (d) information about Offeror Group.

2. THE OFFERS

Share Offer

- 2.1. J.P. Morgan, on behalf of Offeror, is making the Share Offer to Minority Shareholders for all Offer Shares, in exchange for either:

Cash Alternative HK\$34.00 in cash for each Offer Share; or

Share Alternative 10 Rollover Shares for each Offer Share

- 2.2. The Share Offer is extended to all holders of Offer Shares (being the Minority Shareholders) in accordance with the Takeovers Code. For the avoidance of doubt, the Treasury Shares will not be subject to the Share Offer.
- 2.3. Minority Shareholders who accept the Share Offer may elect, as a settlement method, either: (a) the Cash Alternative; or (b) the Share Alternative (but not a combination of both), with respect to their Offer Shares validly tendered for acceptance. Minority Shareholders who make an invalid election will receive the Cash Alternative by default. See the sub-section headed “— Part B. Share Alternative under Share Offer — Single Settlement Election Measures” for more information on measures taken by Offeror to ensure that Minority Shareholders only elect a single method of settlement for the Share Offer.
- 2.4. The Share Alternative is subject to the Share Alternative Cap. This means that the aggregate number of Offer Shares (validly tendered for acceptance and election of the Share Alternative) to be settled by Rollover Shares will be up to the Share Alternative Cap and may be subject to the *Pro Rata* Downward Adjustment Mechanism, in which case, Share Alternative Holders will have the remainder of their Offer Shares validly tendered for acceptance to be settled in cash at the Offer Price.
- 2.5. Please refer to the sub-sections headed “— Part A. Cash Alternative under Share Offer” and “— Part B. Share Alternative under Share Offer”, which form part of this letter, for details of the Share Offer, including eligibility, terms and conditions (and for the Share Alternative, key risks to note), and how to accept the Share Offer.
- 2.6. **PLEASE NOTE: The Offer Price will not be increased, and Offeror does not reserve the right to do so. Shareholders, Award Holders and potential investors should be aware that, following the making of this statement, Offeror is not permitted to increase the Offer Price.**

Vested Option Offer

2.7. As at Latest Practicable Date, the Company has a total of 1,639,350 Vested Options outstanding, comprising:

	Number of Vested Options	Exercise price per Option	Number of Award Shares
(a)	1,045,200 Options	HK\$14.50 exercise price	1,045,200 Award Shares
(b)	594,150 Options	HK\$15.16 exercise price	594,150 Award Shares

2.8. In accordance with Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, J.P. Morgan, on behalf of Offeror, is making the Vested Option Offer to Vested Option Holders to cancel their Vested Options at the Award Cancellation Price, calculated as the “see-through” price (being the Offer Price *less* the exercise price of each such Vested Option), as follows:

	Number of Vested Options	Exercise price per Vested Option	Award Cancellation Price per Vested Option
(a)	1,045,200 Options	HK\$14.50 exercise price	HK\$19.50 in cash
(b)	594,150 Options	HK\$15.16 exercise price	HK\$18.84 in cash

2.9. Please refer to the sub-section headed “— Part C. Vested Option Offer”, which forms part of this letter, for details of the Vested Option Offer, including eligibility, terms and conditions, and how to accept the Vested Option Offer.

2.10. PLEASE NOTE: If you are a Vested Option Holder and you do not accept the Vested Option Offer on or between Composite Document Date and Offer Closing Date, then your Vested Options will automatically and immediately lapse after Offer Closing Date.

Liquidity Arrangement

2.11. As at Latest Practicable Date, the Company has a total of 8,196,677 Unvested Awards outstanding, comprising:

	Number of Unvested Awards	Exercise/issue price per Award	Number of Award Shares
(a)	6,530,400 Options ⁽¹⁾	HK\$20.67 exercise price	6,530,400 Award Shares
(b)	1,666,277 Free Shares ⁽²⁾	Nil issue price	1,666,277 Award Shares

Notes:

(1) The vesting date for these Options is: 27 October 2025.

(2) The vesting dates for these Free Shares are: (a) 30 June 2027 (for 808,531 Free Shares granted to Mr. Laurent Marteau); and (b) 30 June 2026 (for the remaining 857,746 Free Shares).

2.12. Offeror offers to enter into a Liquidity Agreement with each Unvested Award Holder pursuant to which Offeror will, in accordance with Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, pay to the Unvested Award Holder the Award Cancellation Price to cancel each Award following its vesting in accordance with the existing schedule and conditions of grant under the relevant Share Incentive Plan, with the Award Cancellation Price calculated as: (i) the “see-through” price (being the Offer Price *less* the exercise price of each such vested Option); or (ii) the equivalent of the Offer Price (for each vested Free Share), as follows:

For each Option following vesting	
with exercise price of HK\$20.67	HK\$13.33 in cash
For each Free Share following vesting.	HK\$34.00 in cash

2.13. Please refer to the sub-section headed “— Part D. Liquidity Arrangement”, which forms part of this letter, for details of the Liquidity Arrangement, including eligibility, terms and conditions (including material terms of the Liquidity Agreement), and how to enter into the Liquidity Arrangement.

2.14. **PLEASE NOTE: If you are an Unvested Award Holder and you do not enter into a Liquidity Agreement on or before Offer Closing Date, you will become a Shareholder of a privately-operated company upon vesting and exercise (in the case of Options) or allocation (in the case of Free Shares) of your Awards (assuming that the Offers become or are declared unconditional in all respects and the Shares are delisted from the Stock Exchange). In this case, the Company will become a wholly-owned private subsidiary of Offeror. See the sub-section headed “— Part B. Share Alternative under Share Offer — Key risk factors” for the key risk factors on having shares in a private company.**

3. CONDITIONS OF THE OFFERS

Conditions of the Share Offer

3.1. The Share Offer is subject to fulfillment or waiver (if waivable) of the following Conditions:

- (a) valid acceptances of the Share Offer having been received (and not withdrawn) by 4:00 p.m. on Offer Closing Date (or such later time or date as Offeror may decide, subject to the rules of the Takeovers Code) in respect of such number of Offer Shares which, together with purchases, would result in Offeror holding not less than 90% of the Offer Shares held by Disinterested Shareholders;
- (b) no event having occurred that would: (a) make: (i) the Offers, (ii) the acquisition of the Offer Shares, or (iii) any lapse of unexercised Vested Options after Offer Closing Date, void, unenforceable or illegal; (b) prohibit the implementation of the Offers or the treatment of Awards as described in this Composite Document; or (c) impose any additional material conditions or obligations with respect to the Offers;

- (c) all necessary consents (including amendments or waivers) in connection with the Offers (or structuring thereof, including financing) and in connection with the withdrawal of listing of the Shares from the Stock Exchange, which may be required under any existing contractual obligations of the Company having been obtained and remaining in effect (i.e., the consents required to be given by the counterparty(ies) of any contracts entered into between the Company and such counterparty(ies) when the Company withdraws the listing of its Shares on the Stock Exchange, pursuant to the terms of such contracts);
- (d) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency in Hong Kong, Luxembourg or any other applicable jurisdiction (i) having taken or instituted or initiated any outstanding action, proceeding, suit, investigation or enquiry; or (ii) having issued or proposed to issue any legislation, regulations or other guidance, that would make the Offers or the treatment of Awards or their respective implementation in accordance with their respective terms as described in this Composite Document void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Offers or their implementation in accordance with their terms);
- (e) since Initial Announcement Date and as of First Closing Date, there having been no material adverse change in the business, financial condition, trading position or prospects (whether operational, legal or otherwise) of the Group (to an extent which is material in the context of the Group taken as a whole); and
- (f) obtaining consent from the Executive in respect of the GA Disposal, which in turn, is conditional upon: (i) the Independent Financial Adviser giving a public opinion that the terms of the GA Disposal are fair and reasonable; and (ii) Disinterested Shareholders approving, by ordinary resolution, the GA Disposal at the Special Deal EGM.

3.2. Other than Condition (a), Offeror reserves the right to waive, in whole or in part, all or any of the Conditions above.

3.3. With respect to Condition (c) above, as of Latest Practicable Date, based on information available to Offeror, Offeror anticipates that certain waivers or consents from, and amendments to the terms of certain existing debt facility agreements with, the Group's material creditors will need to be obtained in respect of the Offers, the financing for the Offers or the withdrawal of listing of the Shares from the Stock Exchange. Offeror will use its best efforts to obtain any and all necessary waivers, consents or amendments of the Group's material debt facilities. For the avoidance of doubt, but without prejudice to Condition (c) above regarding obtaining waivers from the Group's material creditors as a condition to the Share Offer, the terms of the financing for the funding by Offeror for the Offers are not themselves conditional upon obtaining such consents and waivers. Additionally, pursuant to Rule 2A.08 of the Listing Rules, withdrawal of listing of the Shares from the Stock Exchange is subject to review by the Listing Committee of the Stock Exchange.

- 3.4. As of Latest Practicable Date, Condition (f) has been fulfilled.
- 3.5. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, Offeror should not invoke any or all of the Conditions (other than Condition (a)) so as to cause the Offers to lapse unless the circumstances that give rise to the right to invoke any such Condition are of material significance to Offeror in the context of the Offers.
- 3.6. As at Latest Practicable Date, other than Condition (f), none of the other Conditions has been fulfilled in full. If the above Conditions are not fulfilled or waived (if waivable) on or before the Long Stop Date, the Share Offer will lapse unless the Share Offer is extended by Offeror in accordance with the Takeovers Code. Offeror will issue an announcement in relation to the revision, extension or lapse of the Share Offer or fulfilling or waiving (if waivable) the Conditions in accordance with the Takeovers Code and the Listing Rules. In accordance with Rule 15.5 of the Takeovers Code, the latest time at which the Share Offer may become or may be declared unconditional as to acceptances is 7:00 p.m. on the 60th day after Composite Document Date (or such later date to which the Executive may consent).

Conditions of the Vested Option Offer and the Liquidity Arrangement

- 3.7. The Vested Option Offer and the Liquidity Arrangement are each conditional upon the Share Offer becoming or being declared unconditional in all respects.

Offers to remain open for at least 14 calendar days after Offer Unconditional Date

- 3.8. In accordance with Rule 15.3 of the Takeovers Code, Offeror must publish an announcement when the Share Offer becomes unconditional as to acceptances and when the Share Offer becomes or is declared unconditional in all respects. The Offers shall remain open for acceptance for at least 14 calendar days after the Offer Unconditional Date to give all remaining Minority Shareholders and Award Holders a final opportunity to accept the Offers. Shareholders are reminded that Offeror does not have any obligation to keep the Offers open for acceptance beyond this 14-day period.
- 3.9. **WARNING: Shareholders and potential investors of the Company should note that the Share Offer is subject to the Conditions described above. Additionally, Award Holders should note that the Vested Option Offer and the Liquidity Arrangement are each subject to the Share Offer becoming or being declared unconditional in all respects. The Conditions may or may not be fulfilled and/or waived and accordingly the Share Offer may or may not proceed (and the Vested Option Offer and the Liquidity Arrangement may or may not take effect). Shareholders, Award Holders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares and other securities of the Company, and if they are in doubt about their positions, they should consult their professional advisers.**

4. ADDITIONAL TERMS OF THE OFFERS

Acceptance of the Offers

- 4.1. Subject to fulfillment and/or waiver (if waivable) of the Conditions, provided that valid Forms of Acceptance and relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and valid pursuant to Note 1 to Rule 30.2 of the Takeovers Code and have been received by the Hong Kong Share Registrar, by accepting the Offers, acceptance of: (a) the Share Offer by any person will constitute a warranty by that person to Offeror that (i) the Offer Shares sold by that person to Offeror are free from all liens, charges, encumbrances, rights of pre-emption and any other third-party rights of any nature and together with all rights, benefits and entitlements attaching thereto; and (ii) additionally, where such person has elected the Share Alternative, such person is a Qualifying Shareholder and all regulatory approvals (if any) required by such person to receive Rollover Shares have been obtained; (b) the Vested Option Offer by any Vested Option Holder will constitute a representation by that person to Offeror and the Company that they approve the cancellation of their Vested Options; and (c) the Liquidity Arrangement by any Unvested Award Holder will constitute a warranty by that person to Offeror that the Unvested Awards which are to be subject to the Liquidity Arrangement are free from all third-party rights, liens, claims, charges, equities and encumbrances and together with all rights attaching thereto (other than those imposed under the terms of grant).
- 4.2. Acceptance of the Offers shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

No dividends or distributions

- 4.3. The Company has confirmed that, as of Latest Practicable Date, it has (a) not declared any dividend or distribution which remains unpaid; and (b) no plan to declare, recommend, or pay any dividends or make any other distributions until the close of the Share Offer.
- 4.4. If any dividend or other distribution or return of capital (whether in cash or in kind) is declared, made or paid in respect of the Offer Shares from Initial Announcement Date until Offer Closing Date (both dates inclusive), and such dividend right or amount is not transferred to Offeror with the Offer Shares, the Offer Price for each Offer Share (or in the case of the Share Alternative, the value of the total Rollover Shares exchanged for such Offer Shares) in respect of acceptances received during this period will be reduced by an amount equal to the amount or value of such dividend, distribution and/or return of capital, on a gross basis; and any reference, in this Composite Document or any other announcement or document, to the Offer Price (or the value of Rollover Shares offered under the Share Alternative) will be deemed to be a reference to the Offer Price (or the value of Rollover Shares offered under the Share Alternative) as so reduced.

Hong Kong stamp duty

- 4.5. In the case of the Cash Alternative, seller's *ad valorem* stamp duty at a rate of 0.1% of the market value of the Offer Shares or the consideration payable by Offeror in respect of relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholder on acceptance of the Share Offer (where the stamp duty calculated includes a fraction of HK\$1.00, the stamp duty would be rounded-up to the nearest HK\$1.00) for the transfer of Offer Shares to Offeror. Offeror will arrange for payment of the seller's *ad valorem* stamp duty on behalf of the accepting Shareholders and pay the buyer's *ad valorem* stamp duty and will account to the Stamp Office of Hong Kong for all stamp duty payable on the sale and purchase of Offer Shares in respect of valid acceptances received under the Share Offer.
- 4.6. In the case of the Share Alternative, the sale and purchase of Offer Shares will take place in Luxembourg and not Hong Kong, and as such, no Hong Kong stamp duty is payable for acceptance of the Share Offer electing the Share Alternative.
- 4.7. Neither the Vested Option Offer nor the Liquidity Arrangement involves the sale and purchase of Hong Kong stock. As such, no Hong Kong stamp duty is payable for acceptance of the Vested Option Offer or Liquidity Arrangement, cancellation of the underlying Awards, or payment of consideration by Offeror thereunder.

No set-off

- 4.8. Save as set out in this sub-section (under the sub-headings "No dividends or distributions" and "Hong Kong stamp duty"), settlement of the consideration for acceptances of the Offers will be implemented in full in accordance with the terms and conditions of the Offers set out in this Composite Document, the Forms of Acceptance (in respect of the Share Offer and the Vested Option Offer) and the Liquidity Agreement (in respect of the Liquidity Arrangement), without regard to any lien, right of set-off, counterclaim or other analogous right to which Offeror may otherwise be, or claim to be, entitled against such Minority Shareholder or Award Holder.

Further information about the Offer Period

- 4.9. See "Appendix VIII" (*Further information on Offer Period procedures*) for more information about the Offer Period.
- 4.10. **PLEASE NOTE: Shareholders and Award Holders are advised to consult their professional advisers if in doubt about potential taxation implications that may be applicable in Hong Kong or other jurisdictions in respect of receiving payment under the Offers.**

5. COMPARISONS OF THE OFFER PRICE

Offer Price and comparisons of value

- 5.1. The closing price as quoted on the Stock Exchange at the end of each calendar months during the period commencing six-months prior to the Offer Period and ending on the Latest Practicable Date, and other key dates, and the relative premium/(discount) of the Offer Price over such closing prices, are as follows:

Date	Closing price per Share	Premium/ (discount) of Offer Price over closing price per Share
29 September 2023	HK\$23.40	45.30%
31 October 2023	HK\$20.10	69.15%
30 November 2023	HK\$19.50	74.36%
29 December 2023	HK\$22.30	52.47%
31 January 2024	HK\$24.90	36.55%
5 February 2024 (Undisturbed Date)	HK\$26.00	30.77%
29 February 2024	HK\$29.60	14.86%
28 March 2024	HK\$31.65	7.42%
8 April 2024 (last trading date prior to Initial Announcement)	HK\$29.50	15.25%
30 April 2024 (dealings resumed following Initial Announcement)	HK\$32.30	5.26%
31 May 2024	HK\$32.50	4.62%
14 June 2024 (last trading date prior to Second Announcement)	HK\$32.65	4.13%
28 June 2024 (Latest Practicable Date)	HK\$33.20	2.41%

- 5.2. During the six-month period immediately prior to and including the Undisturbed Date, the highest closing price of Shares as quoted on the Stock Exchange was HK\$27.80 per Share on 31 August 2023, and the lowest closing price of Shares as quoted on the Stock Exchange was HK\$18.12 per Share on 29 November 2023.
- 5.3. During the period commencing six-months prior to Offer Period and ending on Latest Practicable Date, the highest closing price of Shares as quoted on the Stock Exchange was HK\$33.25 per Share on 24 June 2024, 25 June 2024 and 26 June 2024, and the lowest closing price of Shares as quoted on the Stock Exchange was HK\$18.12 per Share on 29 November 2023.

5.4. The Offer Price of HK\$34.00 per Offer Share represents:

- (a) a premium of approximately 36.11% over the average closing price of HK\$24.98 per Share, being the average closing price of Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to and including the Undisturbed Date;
- (b) a premium of approximately 40.55% over the average closing price of HK\$24.19 per Share, being the average closing price of Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to and including the Undisturbed Date;
- (c) a premium of approximately 49.91% over the average closing price of HK\$22.68 per Share, being the average closing price of Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days immediately prior to and including the Undisturbed Date;
- (d) a premium of approximately 60.83% over the average closing price of HK\$21.14 per Share, being the average closing price of Shares as quoted on the Stock Exchange for the sixty (60) consecutive trading days immediately prior to and including the Undisturbed Date; and
- (e) a premium of approximately 598.53% over the audited consolidated net asset value attributable to owners of the Company per Share of approximately EUR0.58 (equivalent to approximately HK\$4.87) as at 31 March 2024, based on the total number of issued and outstanding Shares as at 31 March 2024.

5.5. The Offeror Shares are not, and have not been, listed on a stock exchange. See “Appendix IV” (*General information of Offeror*) and “Appendix V” (*Estimate of value of Offeror Shares*) for more information on the estimated value of the Offeror Shares and capital changes during period commencing six-months prior to the Offer Period and ending on Latest Practicable Date.

6. VALUE OF THE OFFERS AND FUNDING

Total value of the Offers

- 6.1. **Share Offer.** The maximum value of (and amount payable by Offeror under) the Share Offer made to holders of Offer Shares is HK\$13,850,947,506.00, based on the assumptions that: (i) all holders of Offer Shares accept the Share Offer and elect the Cash Alternative in full; and (ii) there are no other changes to the relevant securities of the Company.
- 6.2. **Vested Option Offer.** The maximum value of (and amount payable by Offeror under) the Vested Option Offer made to Vested Option Holders is HK\$31,575,186.00, based on the assumption that all Vested Option Holders accept the Vested Option Offer in full.

- 6.3. **Liquidity Arrangement.** The maximum value of (and amount payable by Offeror under) the Liquidity Arrangement made to Unvested Award Holders is HK\$143,703,650.00, based on the assumptions that: (i) each Unvested Award Holder enters into a Liquidity Agreement; and (ii) all Unvested Awards are vested in full.

Funding for the Offers

- 6.4. Offeror will finance the consideration payable by Offeror under the Offers through the Offeror Shareholder Loan, which in turn is funded by: (i) external debt facilities provided by Crédit Agricole Corporate and Investment Bank to LOG; and (ii) a shareholder's loan from Holdco to LOG that is funded by paid-in-kind (PIK) loan note financing from: (a) Blackstone Rio Holdings (CYM) L.P. ("**Blackstone Investor**"); and (b) the West Street Strategic Solutions funds or other investment vehicles or accounts that are managed or advised by Goldman Sachs Asset Management International or its affiliates. LOG has undertaken to Offeror to pay on Offeror's behalf the cash consideration payable under the Offers.
- 6.5. Blackstone Investor is an exempted limited partnership established in the Cayman Islands. As at Latest Practicable Date, Blackstone Investor is wholly-owned by funds managed by Blackstone Inc. and its affiliates and such funds are ultimately controlled by Blackstone Inc. Blackstone Inc. is listed on the New York Stock Exchange (NYSE: BX).
- 6.6. Goldman Sachs Asset Management International is ultimately controlled by The Goldman Sachs Group, Inc., a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System.
- 6.7. J.P. Morgan, the exclusive financial adviser to Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to Offeror to satisfy the maximum amount of consideration required to effect the Offers.

7. IRREVOCABLE UNDERTAKINGS AND NON-BINDING LETTER OF SUPPORT

Irrevocable Undertaking to accept Share Offer

- 7.1. LOG has received an Irrevocable Undertaking from Pleasant Lake Partners LLC in respect of 47,956,250 Offer Shares ("**Pleasant Lake Partners undertaken interest**", representing approximately 3.25% of the issued and outstanding share capital of the Company and 11.88% of the Offer Shares held by Disinterested Shareholders) as at Latest Practicable Date to accept the Share Offer ("**Pleasant Lake Partners Irrevocable Undertaking**").

7.2. Pursuant to the Pleasant Lake Partners Irrevocable Undertaking, Pleasant Lake Partners has irrevocably undertaken to:

- (a) accept the Share Offer in respect of all of the Pleasant Lake Partners undertaken interest and to elect either the Cash Alternative or the Share Alternative;
- (b) not withdraw any acceptances of the Share Offer in respect of all of the Pleasant Lake Partners undertaken interest;
- (c) exercise, or direct the exercise of, all voting rights attached to the Pleasant Lake Partners undertaken interest to vote in favour of the GA Disposal in the general meeting of the Company; and
- (d) not sell, transfer, encumber or accept any other offer in respect of the Pleasant Lake Partners undertaken interest prior to the earlier of the closing or lapsing of the Share Offer.

7.3. The Pleasant Lake Partners Irrevocable Undertaking will lapse only upon an announcement that the Share Offer has terminated, lapsed or been withdrawn by Offeror, or if earlier, Long Stop Date (to the extent the conditions to the Offers have not been satisfied or waived by that date).

Irrevocable Undertakings to accept Share Offer in cash

7.4. LOG has received Irrevocable Undertakings, in respect of, in aggregate, 105,664,176 Offer Shares (representing approximately 7.16% of the issued and outstanding share capital of the Company and 26.18% of the Offer Shares held by Disinterested Shareholders) as at Latest Practicable Date to accept the Share Offer and receive the Offer Price in cash, and to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company. In particular, LOG has received an Irrevocable Undertaking from:

- (a) **ACATIS Investment KVG mbH**, in respect of 63,079,800 Offer Shares (“**ACATIS undertaken interest**”) to accept the Share Offer and to receive the Offer Price in cash, and to vote all Shares controlled by them at the time of such general meeting (being 90,114,000 Shares as at Latest Practicable Date) in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.

The ACATIS undertaken interest represents approximately 4.28% of the issued and outstanding share capital of the Company, and 15.63% of the Offer Shares held by Disinterested Shareholders, as at Latest Practicable Date.

- (b) *Global Alpha Capital Management Limited*, in respect of 42,584,376 Offer Shares managed by Global Alpha (“**Global Alpha undertaken interest**”) to accept the Share Offer and to receive the Offer Price in cash, and to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.

The Global Alpha undertaken interest represents approximately 2.89% of the issued and outstanding share capital of the Company, and 10.55% of the Offer Shares held by Disinterested Shareholders, as at Latest Practicable Date.

Irrevocable Undertaking to recommend Share Offer in cash

- 7.5. In addition, as part of Global Alpha’s Irrevocable Undertaking, with respect to an additional 11,704,731 Offer Shares in which Global Alpha’s clients are interested and over which Global Alpha has investment discretion (“**Global Alpha discretionary interest**”), Global Alpha has confirmed to LOG that it will recommend to its clients to accept the Share Offer and to receive the Offer Price in cash, and to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.
- 7.6. The Global Alpha discretionary interest represents approximately 0.79% of the issued and outstanding share capital of the Company, and 2.90% of the Offer Shares held by Disinterested Shareholders, as at Latest Practicable Date.

Non-binding Letter of Support

- 7.7. *LOG has received a Non-binding Letter of Support from ACATIS Investment KVG mbH*, in respect of 27,034,200 Offer Shares (“**ACATIS support interest**”), representing all remaining Offer Shares out of the total 90,114,000 Offer Shares managed by ACATIS that do not form part of the ACATIS undertaken interest, confirming their intention to accept the Share Offer and to receive the Offer Price in cash. The ACATIS support interest represents approximately 1.83% of the issued and outstanding share capital of the Company, and 6.70% of the Offer Shares held by Disinterested Shareholders, as at Latest Practicable Date.
- 7.8. The Non-binding Letter of Support indicates the supporting party’s support of, and intention to accept, the Share Offer, but is provided instead of an irrevocable undertaking to enable the supporting party to maintain a level of liquidity prior to or during the Offer Period, such that the supporting party has flexibility to sell some or all of that portion of Shares prior to or during the Offer Period (rather than accepting the Share Offer, which would only be settled following the Offer Unconditional Date).

7.9. Key details of the Irrevocable Undertakings and the Non-binding Letter of Support from ACATIS and Global Alpha are summarised below:

Consideration: *Irrevocable Undertakings to accept Share Offer in cash*

Each of (i) ACATIS (as to 63,079,800 Offer Shares); and (ii) Global Alpha (as to 42,584,376 Offer Shares), has irrevocably undertaken to LOG to accept the Share Offer in respect of its undertaken interest at the Offer Price in cash.

Irrevocable Undertaking to recommend Share Offer in cash

Additionally, Global Alpha (as to 11,704,731 Offer Shares) has undertaken to LOG to recommend to its clients to accept the Share Offer in respect of the Global Alpha discretionary interest at the Offer Price in cash.

Non-binding Letter of Support

ACATIS (as to the remaining 27,034,200 Offer Shares, out of its 90,114,000 Offer Shares, which are not covered by the ACATIS undertaken interest) has confirmed to LOG its intention to accept the Share Offer in respect of its support interest at the Offer Price.

No withdrawal: *Irrevocable Undertakings*

Each of (i) ACATIS (as to 63,079,800 Offer Shares); and (ii) Global Alpha (as to 42,584,376 Offer Shares) has irrevocably undertaken to LOG that it will not, prior to the earlier of the closing or lapsing of the Share Offer, withdraw any acceptance of the Share Offer in respect of its undertaken interest and will, where applicable, procure that no rights to withdraw any such acceptance are exercised.

Negative pledge: *Irrevocable Undertakings*

Each of (i) ACATIS (as to 63,079,800 Offer Shares); and (ii) Global Alpha (as to 42,584,376 Offer Shares) has irrevocably undertaken to LOG that it will not, prior to the earlier of the closing or lapsing of the Share Offer, sell, transfer, or encumber or accept any other offer in respect of its undertaken interest.

Voting:***Irrevocable Undertakings to vote***

Each of (i) ACATIS; and (ii) Global Alpha, has irrevocably undertaken to LOG to exercise, or procure the exercise of, all voting rights attached to all Shares controlled by them at the time of such general meeting (being (i) for ACATIS, 90,114,000 Shares, and (ii) for Global Alpha 42,584,376 Shares, as of the date of the respective Irrevocable Undertakings or Non-binding Letter of Support) to vote in favour of all resolutions proposed to approve or ensure the success of the Offers at a general meeting of the Company.

Irrevocable Undertaking to recommend voting

Additionally, Global Alpha (as to 11,704,731 Offer Shares) has irrevocably undertaken to LOG to recommend to its clients to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.

Lapse:***Irrevocable Undertakings***

The Irrevocable Undertakings will lapse only upon an announcement that the Share Offer has terminated, lapsed or been withdrawn by Offeror, or if earlier, the Long Stop Date.

7.10. As at Latest Practicable Date, other than the Irrevocable Undertakings and the Non-binding Letter of Support, Offeror Concert Group has not received any indication or irrevocable commitment from any other Shareholder to accept or reject the Share Offer.

7.11. See the section headed “Letter from the Board — Information on the Group” for the respective shareholding positions of Pleasant Lake Partners, ACATIS and Global Alpha.

8. POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING OF SHARES

- 8.1. Under Article 18, Offeror will be entitled to exercise the compulsory acquisition right once Offeror has acquired not less than 90% in value of the Shares for which the Share Offer is made (by virtue of acceptances of the Share Offer or otherwise) during the period of 4 months beginning on Composite Document Date (being the date the Share Offer commences); following which, Offeror has a period of 5 months after Composite Document Date to issue a compulsory acquisition notice to Shareholders, to acquire on a compulsory basis, the remaining Shares (being those Shares subject to the Share Offer not already owned or acquired by Offeror or Shares in respect of which valid acceptances have not been received under the Share Offer).
- 8.2. Under Rule 2.11 of the Takeovers Code, in addition to satisfying any requirements imposed by law, and except with the consent of the Executive, Offeror may only exercise such compulsory acquisition right if Offeror Concert Group obtains acceptances of the offer and purchases (in each case of the Offer Shares held by Disinterested Shareholders) on or between Initial Announcement Date and the date ending 4 months following Composite Document Date totaling 90% of the Offer Shares held by Disinterested Shareholders.
- 8.3. Subject to the satisfaction of the Conditions and requirements under Article 18 and Rule 2.11 of the Takeovers Code, Offeror will privatise the Company by exercising the right to which it is entitled under Article 18 to compulsorily acquire all remaining Offer Shares not already owned by Offeror under the Share Offer for cash at the Offer Price, following which listing of the Shares will be withdrawn from the Stock Exchange pursuant to Rule 6.15(1) of the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules in this regard, and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15(1) of the Listing Rules.
- 8.4. **PLEASE NOTE: If the abovementioned threshold under Article 18 required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied on or before Offer Closing Date, dealings in the Shares may be suspended from Offer Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15(1) of the Listing Rules.**
- 8.5. Whilst it is the intention of Offeror to privatise the Company, Offeror's ability to exercise rights of compulsory acquisition in respect of the Offer Shares is dependent on the prescribed threshold required for compulsory acquisition under Article 18 and on the requirements of Rule 2.11 of the Takeovers Code being satisfied.
- 8.6. In the event that Condition (a) is not met, Offeror will not be able to effect the compulsory acquisition, in which case the Share Offer will not become unconditional and will lapse and the Shares will remain listed on the Stock Exchange.

8.7. For the avoidance of doubt, acceptances to the Share Offer will only be settled after Offer Unconditional Date and in accordance with the Takeovers Code. Offeror and LOG confirm, other than for the purpose of fulfilling Condition (a) to the Share Offer, they will not cause the Company to fall below the public float requirement under the Listing Rules prior to the Share Offer becoming unconditional in all respects.

8.8. **PLEASE NOTE: Pursuant to Rule 14.81(3) of the Listing Rules, the Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued and outstanding Shares, are held by the public, or if the Stock Exchange believes that: (a) a false market exists or may exist in the trading of the Shares; or (b) that there are insufficient shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.**

9. DECLARATION OF THE SHARE OFFER BECOMING UNCONDITIONAL

9.1. The latest time at which Offeror can declare the Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th calendar day after the Composite Document Date (or such later date to which the Executive may consent).

9.2. If all Conditions are satisfied (or waived, as applicable), Shareholders will be notified by way of an announcement in accordance with the Takeovers Code and the Listing Rules as soon as practicable thereafter.

10. REASONS FOR AND BENEFITS OF THE OFFERS

Reasons for and benefits of the Offers for the Company

10.1. *Provide greater flexibility to the Company in making longer-term business-focused decisions and long-term sustainable growth.* The Offers provide greater flexibility to the Company, as a privately-operated business, to pursue strategic investments and more efficiently implement strategies, free from the pressures of the capital markets' expectations, regulatory costs and disclosure obligations, share price fluctuations, and sensitivity to short-term market and investor sentiment. In particular, this is important because:

- (a) The Company has a multi-brand strategy comprising: (i) the core L'OCCITANE en Provence brand, which accounts for approximately 55% of total sales during the 12-month period ending 31 March 2024; (ii) ELEMIS and Sol de Janeiro brands, which have been growing at a faster pace; and (iii) other smaller brands. As competition in the global skincare and cosmetics industry continues to intensify with the entry of new international and local brands, the core L'OCCITANE en Provence brand is facing challenges from slowing growth and declining operating profit over the 18-month period ended 30 September 2023; ELEMIS's ongoing implementation of premiumisation strategy has required accelerating marketing expenditures; Sol de Janeiro has delivered strong performance since the Company's acquisition, and will require continued investment in manufacturing, distribution, and logistics in order to maintain its growth track record. Each of the Company's brands face different market and industry-specific challenges that require brand-tailored and geography-specific strategies to grow or maintain their market position.

(b) Offeror believes that in order to maintain and invigorate the market shares of the Company's brands in an increasingly competitive environment, significant further investment in marketing, store refurbishment, IT infrastructure and attracting talent are of vital importance. These investments would entail incurring more costs in order to lay the foundation for longer-term growth. The bulk of the Company's incremental marketing investments has recently been allocated to boost the visibility and relevance of its core brand, L'OCCITANE en Provence, mostly in China, representing the Company's second largest market by revenue, where pressure from weakening consumer sentiment coupled with increasing competition from local brands and higher operating costs is likely to continue to materially impact the sector, but also in strategic markets and channels such as the United States, Japan, South Korea, and the travel retail channel.

10.2. Privatising the Group would better address these challenges by enabling the Company to more efficiently and effectively implement strategies that are vital for longer-term sustainable growth. As a privately-operated group, the Company would be better-positioned to address these concerns without the overhang of regulatory and listing-related costs, and without being driven by or needing to divert business/administrative resources towards maintaining the short-term value of its share price.

10.3. ***Consolidate the Company's independence and reduce market risk.*** Given the current shareholding structure of the Company and the low trading volume of Shares on the market, the listing is of relatively little utility to the Company which has not raised capital from the public equity markets since its initial public offering in 2010. The operational functioning of the Company in the event of a delisting would be simplified in view of the provisions to which listed companies are subject, which are in addition to the regulatory constraints that also apply to the Company.

10.4. ***The Liquidity Arrangement supports talent retention.*** Offeror intends to continue operating the Company's business and retain all employees (other than changes in the ordinary course of business), and therefore, it is vital to maintain the Unvested Awards for the purposes of retaining employees and incentivising Unvested Award Holders to reach their respective performance targets (which are linked to the financial performance of the Group for the period preceding each respective vesting date).

Reasons for and benefits of the Share Offer for Minority Shareholders and the Vested Option Offer for Vested Option Holders

10.5. ***Unlocking shareholder value at a compelling premium.*** The Offers provide an attractive opportunity for Minority Shareholders and Vested Option Holders to monetise their investments at a premium over market price. The Offer Price represents a premium of approximately 30.77% over the closing price of HK\$26.00 per Share as quoted on the Stock Exchange on the Undisturbed Date, as well as a premium of approximately 49.91% and 60.83% over the average closing price of approximately HK\$22.68 per share and HK\$21.14 per share for the 30 and 60 trading days up to and including the Undisturbed Date, respectively. See the sub-section headed "— Comparisons of the Offer Price — Offer Price and comparisons of value" for more details.

- 10.6. **Unique opportunity to fully monetise investment with limited liquidity.** Offeror notes that the trading liquidity of Shares has been at a low level for a sustained period of time. The average daily trading volume of Shares for the 6, 12 and 24 months leading up to and including the Undisturbed Date were approximately 1,229,584 Shares, 1,341,956 Shares and 927,839 Shares, respectively, representing only 0.08%, 0.09% and 0.06% of the outstanding share capital of the Company as at Initial Announcement Date. Offeror is mindful of this prolonged low trading volume, which makes it challenging for Minority Shareholders and Vested Option Holders to execute substantial disposals in the open market without adversely affecting share price. The Cash Alternative under the Share Offer and the Vested Option Offer present a unique and immediate opportunity for Minority Shareholders and Vested Option Holders to fully realise their investments in return for cash that can then be reinvested elsewhere.
- 10.7. **Realise gains amidst current uncertain market conditions.** The Cash Alternative under the Share Offer and Vested Option Offer provide Minority Shareholders and Vested Option Holders, respectively, with an opportunity to realise their investment in the Company for cash amidst an uncertain market climate marked by geopolitical factors and uncertain sentiment in the broader equity markets, among others. In particular, Asian markets have been considerably volatile, with the Hang Seng index down 44.52% in the last five years and 46.17% from its highest point in 2021 to the last trading date prior to Initial Announcement Date, whilst global markets have been similarly subject to uncertainties in the face of geopolitical developments and an environment of increasing interest-rates.
- 10.8. **Immediate and high certainty value realisation for all Shareholders compared to other strategic options.** Offeror has considered various strategic options to maximise shareholder value and has concluded that a going private transaction in its current form allows Shareholders to derive maximum benefit and to avoid the significant execution risks and exposure to uncertain market conditions that are associated with other alternative strategic actions.
- 10.9. **Low likelihood of an alternative general offer to realise value.** Offeror Concert Group collectively holds 72.63% of the total issued and outstanding share capital of the Company as at the Latest Practicable Date. This poses an obstacle to third parties to make an offer for the Shares, as a third-party would not be able to control the Company unless Offeror agreed to dispose of its controlling stake in the Company. Therefore, it is unlikely that Minority Shareholders will receive an alternative offer to realise value in their investments in the Company other than through Offeror.
- 10.10. **Opportunity to remain invested.** For Qualifying Shareholders, the Share Offer will allow these Minority Shareholders who have confidence in the long-term prospects of the Company, through election of the Share Alternative, to remain invested in the Company's business operations, subject to the risk factors of holding Rollover Shares as specified in the sub-section headed "— Part B. Share Alternative under Share Offer — Key risk factors".

Additional benefit of the Liquidity Arrangement for Unvested Award Holders

- 10.11. *Provides exit opportunity to Unvested Award Holders on the same price and comparable terms as the Cash Alternative.* Unvested Award Holders will preserve the same opportunity to realise their equity interests in the Company and be entitled to the “see-through” offer price (in the case of vested Options) or the equivalent of the Offer Price (in the case of vested Free Shares), as with all other Minority Shareholders when their Unvested Awards naturally vest in accordance with the existing schedule and conditions of grant under the relevant Share Incentive Plans. Without the Liquidity Arrangement, and upon vesting and exercise of the Unvested Awards (which is expected to be after the Company privatises if the Share Offer becomes or is declared unconditional in all respects), Unvested Award Holders will hold Shares in the Company with limited liquidity.

11. INTENTIONS OF OFFEROR REGARDING THE GROUP

- 11.1. It is the intention of Offeror that the existing business of the Group shall continue unaffected, notwithstanding the Offers or the completion thereof. Additionally, Offeror intends to retain the existing employees of the Group, and existing employment and hiring practices will remain unaffected (with usual personnel changes in the ordinary course of business). Offeror has no intentions to introduce major changes to the business operations or structure of the Group, including no plans to redeploy fixed assets of the Group. Subject to the Group’s business needs and prevailing market conditions, Offeror may explore various business opportunities to further develop the existing business of the Group, improve efficiency and create shareholder value.

12. INFORMATION ON OFFEROR GROUP

- 12.1. *Offeror* is a company incorporated in Luxembourg on 10 June 2024 with limited liability. It is an investment holding company and has no independent business operations and was established for the purposes of making the Offers and issuing new shares under the Share Alternative and Offeror Corporate Restructuring. As at Latest Practicable Date, Offeror is a wholly-owned subsidiary of LOG. See “Appendix IV” (*General information of Offeror*) and “Appendix VI” (*Summary of Rollover Shares*) for more information. As at Latest practicable Date, the sole director of Offeror is Mr. Reinold Geiger.
- 12.2. *LOG* is a company incorporated in Luxembourg with limited liability. It is an investment holding company and has no independent business operations. LOG holds interests in Offeror, the Company and other companies in, among other industries, retail and consumer products, and hotels and resorts. Offeror is ultimately controlled by Mr. Reinold Geiger. LOG has been, prior to the Share Offer, and will remain after the Share Offer, a controlling shareholder of the Company (as defined under the Takeovers Code and the Listing Rules). As at Latest Practicable Date, the directors of LOG are Mr. Reinold Geiger (Chairman), Mr. André Hoffmann, Mr. Karl Guénard, Mr. Olivier Baussan, Mr. Christopher Braden, Mr. Sylvain Desjonqueres, Mr. Adrien Geiger, Mr. Maximilien Geiger and Mr. Nicolas Geiger.

- 12.3. **Mr. Reinold Geiger** is the Chairman of the Board and an executive Director; as well as a director and chairman of the board of directors of LOG and the sole director of Offeror. Mr. Geiger, through his wholly-owned controlled corporations (being investment holding companies) — Société d’Investissements CIME S.A., Cime S.C.A., and Cime Management S.à.r.l. — is the sole ultimate controlling shareholder of LOG and Offeror. Mr. Geiger is also a 0.08% direct Shareholder.
- 12.4. **Lavender Investments Limited** is wholly-owned by Mr. André Hoffmann, who is an executive Director and director of LOG. Lavender Investments Limited is also a 0.17% direct Shareholder.
- 12.5. **Topco** is a special purpose vehicle established to hold 100% of Holdco, which in turn will control LOG following Offer Unconditional Date (immediately following the LOG Corporate Restructuring). The sole ultimate controlling shareholder of Topco is Mr. Reinold Geiger, who controls Topco through his wholly-owned controlled corporations. Mr. André Hoffmann is a substantial shareholder of Topco.
- 12.6. **Holdco** is a special purpose vehicle established to hold: (a) as at Latest Practicable Date 0.0004%; and (b) following Offer Unconditional Date 99%, interest in LOG. Holdco is wholly-owned by Topco. The remaining 1% interest in LOG is primarily held by LOG group’s employees and management who were awarded shares in LOG under LOG share incentive plans.
- 12.7. See the sub-section headed “— Other arrangements — LOG corporate structure charts” for the shareholdings of Offeror Group before and immediately following the LOG Corporate Restructuring.

13. OTHER ARRANGEMENTS

LOG Corporate Restructuring

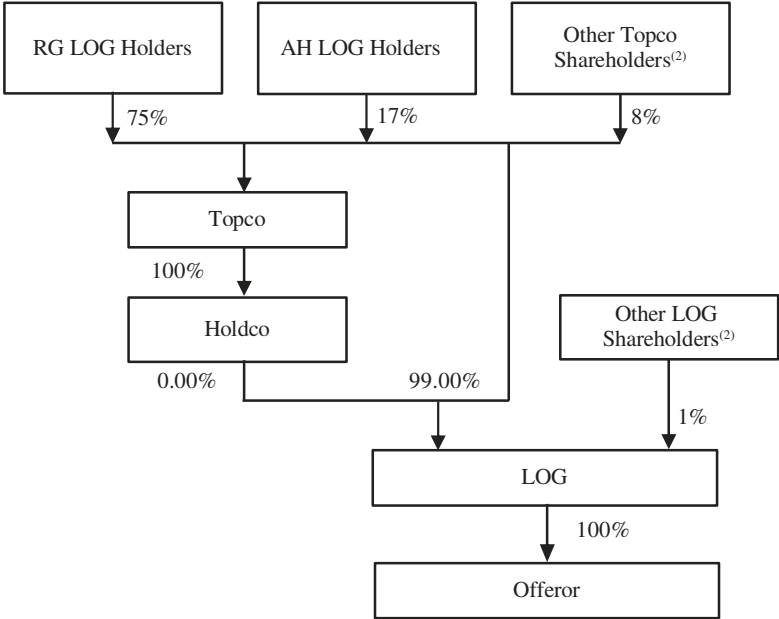
- 13.1. As part of the LOG Corporate Restructuring being implemented in parallel with the Offers:
- (a) RG LOG Holders and AH LOG Holders will contribute all of their LOG shares directly held by them as at Initial Announcement Date to Holdco, (a) with the majority portion of their LOG shares to be contributed in kind to Topco (which will then contribute such shares to Holdco) in exchange for a pro-rata shareholding (less the portion sold under the LOG Cash Buy-Out, defined below) in Topco (which wholly-owns Holdco); and (b) the remaining portion of their LOG shares to be sold to Holdco for cash payable by Holdco (“**LOG Cash Buy-Out**”) (“**LOG Contribution Arrangement**”). The LOG Contribution Arrangement is conditional upon the Share Offer becoming or being declared unconditional and will take place on or shortly after the Offer Unconditional Date.

(b) Pursuant to the LOG Cash Buy-Out, RG LOG Holders and AH LOG Holders are expected to sell LOG shares up to a maximum consideration of EUR171 million, which is calculated as the amount of LOG shares to be sold multiplied by the price per LOG share. The LOG shares to be sold by RG LOG Holders represent 322,175 LOG shares (i.e., representing approximately 3.3% of the total shareholding of RG LOG Holders in LOG) and the LOG shares to be sold by AH LOG Holders represent 322,175 LOG shares (i.e., representing approximately 13.0% of the total shareholding of AH LOG Holders in LOG). The number of LOG shares to be sold may be adjusted in case of a decrease in the net assets of the LOG group as at 31 March 2024 (based on audited financials) or, for Luxembourg corporate purposes, to ensure that the LOG shares are not overvalued under the LOG Contribution Arrangement. The price per LOG share payable by Holdco under the LOG Cash Buy-Out is pegged to the Offer Price, adjusted for assets and liabilities of LOG group (other than assets and liabilities associated with LOG's shareholding in the Group). The maximum consideration payable under the LOG Cash Buy-Out will not increase.

LOG corporate structure charts

13.2. The following corporate structure charts depict a simplified shareholding structure of Topco, Holdco, LOG and Offeror as at Latest Practicable Date and immediately following the LOG Corporate Restructuring following Offer Unconditional Date.

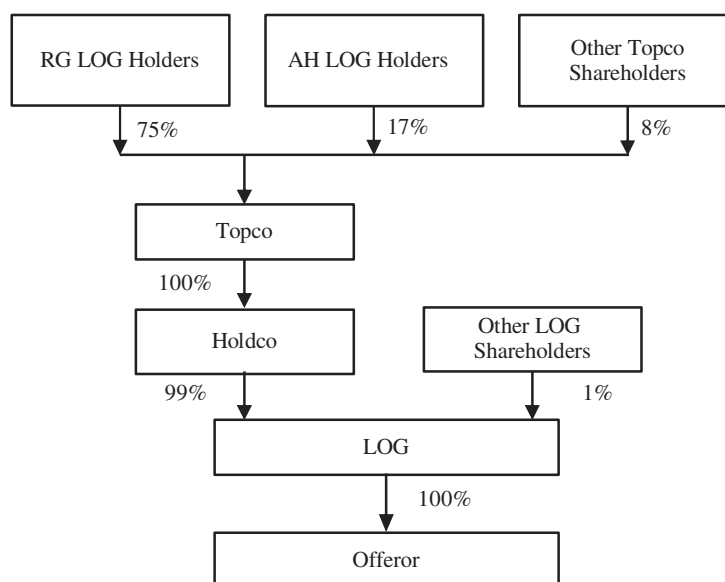
As at Latest Practicable Date ⁽¹⁾



Notes:

- (1) As at Latest Practicable Date, RG LOG Holders, AH LOG Holders, and Other Topco Shareholders hold approximately 75%, 17% and 8%, respectively, in Topco, and approximately 73%, 19%, and 7%, respectively, (directly and indirectly, in aggregate) in the total issued and outstanding share capital of LOG.
- (2) Not part of Offeror Group. Other Topco Shareholders are Mr. Christopher Braden, a director of LOG, Chasselas Equity S.A., and Chasselas S.A., none of whom are Shareholders. Other LOG Shareholders are primarily employees (or former employees) of LOG group who hold LOG shares pursuant to LOG's share incentive plans.
- (3) The percentages in this corporate structure chart are approximated due to rounding.

Following Offer Unconditional Date (upon completion of the LOG Corporate Restructuring but before Offeror Corporate Restructuring)⁽¹⁾



Note:

- (1) See notes in the structure chart above. The percentages in this corporate structure chart are approximated due to rounding.

Offeror Corporate Restructuring

13.3. In connection with the Share Offer, as soon as possible after Offer Closing Date:

- (a) LOG will contribute all of its Shares to Offeror in exchange for 10,675,873,910 Offeror Shares;
- (b) Offeror will issue the Rollover Shares (up to a maximum of 737,431,450 Rollover Shares) to Share Alternative Holders who have validly tendered their acceptances to the Share Offer and validly elected for the Share Alternative, following contribution of their Offer Shares to Offeror; and

- (c) under the Offeror Shareholder Loan, upon capitalisation, in one or more instances, Offeror will issue to LOG 10 Offeror Shares for every HK\$34.00 of capitalised shareholder loan (being the amount drawn down for the cash portion of the Offers), subject to adjustments for rounding and issuing whole Offeror Shares.

13.4. Following the Offeror Corporate Restructuring, LOG is expected to hold not less than approximately 95% of the total issued Offeror Shares, and the Share Alternative Holders, in aggregate, are expected to hold up to approximately 5% of the total issued Offeror Shares. See “Appendix IV” (*General information of Offeror*) for a simplified corporate structure chart of Offeror as at Latest Practicable Date and immediately following the Offeror Corporate Restructuring.

GA Disposal

- 13.5. Reference is made to the Special Deal Circular, in which it was disclosed that the Company and Lavender Investments Limited, a wholly-owned controlled corporation of Mr. André Hoffmann, had entered into the GA Disposal agreement on 28 March 2024 with respect to the GA Disposal.
- 13.6. As explained in the Special Deal Circular, Lavender Investments Limited is an associate of Mr. André Hoffmann, an executive Director, and accordingly, the GA Disposal constitutes a connected transaction of the Company. As the highest of the applicable percentage ratios, calculated in accordance with Rule 14.07 of the Listing Rules, is between 0.1% and 5%, the GA Disposal is subject to reporting and announcement requirements, but is exempt from circular (including independent financial advice) and shareholders’ approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.
- 13.7. Notwithstanding the position under the Listing Rules set out above, the GA Disposal is considered a “special deal” under Rule 25 of the Takeovers Code as it constitutes a disposal of the Group’s assets to a Shareholder when the Offers were reasonably in contemplation. Accordingly, the Offers are conditional upon Condition (f) being fulfilled.
- 13.8. The Independent Financial Adviser gave a public opinion, which was set out in the section headed “Letter from the Independent Financial Adviser” in the Special Deal Circular that the terms of the GA Disposal were fair and reasonable. Following this, on 21 June 2024, the Special Deal EGM was held, following which, the Company published the poll results of the Special Deal EGM, announcing that the GA Disposal agreement (and GA Disposal) was approved by ordinary resolution of the Disinterested Shareholders. As the Executive has granted its consent to the GA Disposal (and all conditions to the Executive’s consent have been fulfilled), Condition (f) to the Share Offer had been fulfilled as of Latest Practicable Date.

Yours faithfully,

For and on behalf of
J.P. Morgan Securities (Asia Pacific) Limited

A handwritten signature in black ink, appearing to read 'Sanjeev Malkani', written over a horizontal line.

Name: Sanjeev Malkani
Title: Managing Director

For and on behalf of
L'Occitane Holding S.A.

Yours faithfully,

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Name: Reinold Geiger
Position: Executive Director

IMPORTANT NOTICE:

- You may only elect one method of settlement, either the Cash Alternative or the Share Alternative (and not a combination of both).
- If you are a Registered Holder wishing to elect the Cash Alternative, you should complete, sign and lodge the “Share Offer Acceptance Form — Cash Alternative” to the Hong Kong Share Registrar by 4:00 p.m. (Hong Kong time) on Offer Closing Date.
- If you are a CCASS Holder wishing to elect the Cash Alternative, you should contact your CCASS Participant(s) through which you hold your Offer Shares and follow their instructions.
- If you are a director or employee of the Group wishing to elect the Cash Alternative, you should complete, sign and lodge the “Share Offer Acceptance Form-Cash Alternative” to the Company at longtermincentives@loccitane.com by 4:00 p.m. (Hong Kong time) on Offer Closing Date.

1. DETAILS OF THE CASH ALTERNATIVE**What is the Cash Alternative**

- 1.1. By electing the Cash Alternative, Minority Shareholders will accept to sell all of their Offer Shares tendered for acceptance to Offeror in cash at the Offer Price (being HK\$34.00 per Offer Share).

Conditions to the Cash Alternative

- 1.2. The Cash Alternative is one of two settlement methods under the Share Offer. The Share Offer is subject to the Conditions set out in the section headed “Letter from J.P. Morgan and Offeror — Conditions of the Offers — Conditions of the Share Offer”.

Settlement of the Cash Alternative

- 1.3. Settlement of the consideration payable by Offeror for valid acceptances of the Cash Alternative will be made as soon as possible and, in any event, no later than 7 business days after the later of: (i) the date of receipt of a completed and valid acceptance in respect of the Share Offer which have elected Cash Alternative; and (ii) the Offer Unconditional Date, or as otherwise consented to by the Executive and announced by Offeror and/or the Company. Relevant documents evidencing title must be received by the Hong Kong Share Registrar on behalf of Offeror to render the acceptance of the Share Offer by Minority Shareholders who have elected the Cash Alternative complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

- 1.4. No fractions of a cent will be payable, and the amount of consideration payable to a Shareholder who accepts the Cash Alternative will be rounded up to the nearest cent, or as otherwise consented to by the Executive and announced by Offeror and/or the Company.
- 1.5. Settlement of the Offer Price will be made in Hong Kong dollars by cheque. Cheque(s) not presented for payment within six months from the date of issue of the relevant cheque(s) will not be honoured and will be of no further effect, and in such circumstances cheque holders should contact Offeror for payment.

Additional terms of the Cash Alternative

- 1.6. See the section headed “Letter from J.P. Morgan and Offeror — Additional terms of the Offers” for more terms and conditions of the Offers (including the Cash Alternative under the Share Offer).

2. ELIGIBILITY FOR THE CASH ALTERNATIVE

- 2.1. The Cash Alternative is available to all Minority Shareholders (being all Shareholders, other than LOG). This includes Registered Holders and CCASS Holders.
- 2.2. For the avoidance of doubt, Minority Shareholders who have deposited all or part of their Offer Shares in CCASS do not need to withdraw these Offer Shares from CCASS in order to accept the Cash Alternative.

3. HOW TO ACCEPT THE SHARE OFFER AND ELECT THE CASH ALTERNATIVE

Accepting the Share Offer and electing the Cash Alternative

- 3.1. To accept the Cash Alternative, you should:
 - (a) *if you are a Registered Holder*: follow the instructions on the “Share Offer Acceptance Form-Cash Alternative” to complete, sign and lodge your election of the Cash Alternative, together with the relevant Evidence of Title, with the Hong Kong Share Registrar by **4:00 p.m. (Hong Kong time) on Offer Closing Date**.
 - (b) *if you are a CCASS Holder*: please contact your CCASS Participant(s) through which you hold your Offer Shares and follow their instructions. In particular, if your Offer Shares have been lodged with your investor participant’s account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System before the deadline set by HKSCC Nominees.
 - (c) *if you are a director or employee of the Group and hold Offer Shares*: you should complete, sign and return your “Share Offer Acceptance Form — Cash Alternative” to longtermincentives@loccitane.com (and not lodge with the Hong Kong Share Registrar) by **4:00 p.m. (Hong Kong time) on Offer Closing Date**.

Evidence of Title

- 3.2. “**Evidence of Title**” means satisfactory evidence of title showing that the Minority Shareholder has title over their Offer Shares, being original share certificate(s), original transfer receipt(s), or satisfactory indemnity/indemnities, or a combination thereof.
- 3.3. To accept the Share Offer and elect the Cash Alternative, you will need to provide Evidence of Title for your Offer Shares:
- (a) **Registered Holders who have Evidence of Title:** If you have the Evidence of Title for your Offer Shares, you will need to deliver the originals of these to the Hong Kong Share Registrar at the same time as lodging your Form of Acceptance.
 - (b) **Registered Holders who do not have the original share certificate(s) or transfer receipt(s):** If you do not have, or have lost, the Evidence of Title for all or part of your Offer Shares, for the outstanding Evidence of Title, you will need to deliver an original signed letter stating that one or more of your (i) original share certificate(s); (ii) transfer receipt(s); and/or (iii) satisfactory indemnity/indemnities, has been lost or is not readily available, at the same time as lodging your Form of Acceptance.

If you have lost your Evidence of Title in respect of your Offer Shares, you should also write to the Hong Kong Share Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Hong Kong Share Registrar. If you subsequently find the missing Evidence of Title, you should deliver this to the Hong Kong Share Registrar as soon as possible.

- (c) **CCASS Holders:** You should contact your CCASS Participant(s). If your CCASS Participant(s) does not have the Evidence of Title for all or part of your Offer Shares, you will need to deliver the outstanding Evidence of Title to them and instruct/authorise them to complete the Form of Acceptance on your behalf, as further advised by your CCASS Participant(s).

In particular, if your Offer Shares have been lodged with your investor participant’s account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System before the deadline set by HKSCC Nominees.

- (d) **Minority Shareholders who have lodged a transfer of Offer Shares for registration but not yet received the underlying share certificate(s):** If you have lodged a transfer of Offer Shares for registration (e.g., you have withdrawn your Offer Shares from CCASS or you are the transferee of Offer Shares) but have not yet received the underlying share certificate(s), you should deliver your transfer receipt(s) duly signed by yourself to the Hong Kong Share Registrar at the same time as lodging your Form of Acceptance. This act will be deemed to be an irrevocable authorisation to Offeror, J.P. Morgan, the Company and/or their respective agent(s) to collect the share certificate(s) underlying your registration and to deliver this to the Hong Kong Share Registrar on your behalf.

Only single election permitted

- 3.4. You can only elect either the Cash Alternative or the Share Alternative with respect to your Offer Shares (not a combination of both). Electing both settlement methods will render your election for the Share Alternative invalid and you will be deemed to have accepted the Share Offer and elected the Cash Alternative by default for all your Offer Shares tendered for acceptance.

4. KEY ACTIONS AND DATES

Key action	Key reference	Cut-off date	Contact/delivery address
1. Registered Holders: Complete, sign and lodge the “Share Offer Acceptance Form — Cash Alternative”.	See paragraph 3.1 of this section.	By 4:00 p.m. (Hong Kong time) on Offer Closing Date.	Hong Kong Share Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
2. CCASS Holders: Follow the instructions of your CCASS Participant(s).			Contact your CCASS Participant(s).
3. Directors and employees of the Group: Complete, sign and return the “Share Offer Acceptance Form — Cash Alternative”.			Email: longtermincentives@loccitane.com

IMPORTANT NOTICE:

- You may **only** elect one method of settlement, **either** the Cash Alternative or the Share Alternative (and **not** a combination of both).
- Only **Registered Holders** may accept the Share Alternative; in other words, only Share Alternative elections for Offer Shares that are recorded on the Company's register of members may be valid. You may **not** elect the Share Alternative if you are a CCASS Holder. Investors of the PRC will not be offered the Share Alternative.
- Overseas Registered Holders (other than those from Canada) must first complete, sign and return the Qualifying Shareholder Questionnaire to the Hong Kong Share Registrar before or at the same time as lodging your "Share Offer Acceptance Form-Share Alternative" in order to validly accept the Share Alternative.
- CCASS Holders who are Qualifying Shareholders will need to first withdraw their Offer Shares from CCASS before accepting the Share Alternative.
- Registered Holders must ensure that they are Qualifying Shareholders and should complete, sign and lodge the "Share Offer Acceptance Form — Share Alternative" with the Hong Kong Share Registrar by 4:00 p.m. (Hong Kong time) on Offer Closing Date.

1. DETAILS OF THE SHARE ALTERNATIVE**What is the Share Alternative**

- 1.1. By electing the Share Alternative, Share Alternative Holders (being those Minority Shareholders who are Qualifying Shareholders and elect the Share Alternative under the Share Offer) accept the offer to contribute their Offer Shares tendered for acceptance to Offeror in exchange for Rollover Shares (subject to the Share Alternative Cap) as follows:
- 1.2. ***In the event there is no Share Alternative Over-election:*** Each Offer Share validly tendered for acceptance will be exchanged for 10 Rollover Shares.
- 1.3. ***In the event there is a Share Alternative Over-election:*** The maximum number of Offer Shares to be exchanged for Rollover Shares under the Share Alternative shall not exceed the Share Alternative Cap (being 73,743,145 Offer Shares, representing 5% of the total issued and outstanding Shares as at Initial Announcement Date; exchangeable for 737,431,450 Rollover Shares). Accordingly, the number of Offer Shares validly tendered for acceptance to be settled by the Share Alternative (with each such Offer Share being exchanged for 10 Rollover Shares) for each Share Alternative Holder shall be reduced on a *pro rata* basis pursuant to the formula set out below (being the *Pro Rata* Downward Adjustment Mechanism), and the consideration for the remaining portion of each such Share Alternative Holder's respective Offer Shares validly tendered for acceptance will be settled in cash at the Offer Price.

- (a) the number of Offer Shares validly tendered for acceptance by each Share Alternative Holder that will be exchanged for Rollover Shares under the Share Alternative shall be calculated as follows:

$$NS = \frac{A}{B} \times C$$

“NS” = *number of Offer Shares validly tendered for acceptance by that Share Alternative Holder that will be exchanged for Rollover Shares under the Share Alternative*

“A” = *Share Alternative Cap (being 73,743,145 Offer Shares)*

“B” = *aggregate number of Offer Shares validly tendered for acceptance by all Share Alternative Holders, provided that such amount is equal to or greater than the Share Alternative Cap*

“C” = *total number of Offer Shares validly tendered for acceptance by that Share Alternative Holder*

- (b) the remaining number of Offer Shares validly tendered for acceptance by each such Share Alternative Holder shall be settled in cash at the Offer Price.

- 1.4. The decision of Offeror as to any downward adjustment in respect of valid acceptances of the Share Alternative in accordance with the *Pro Rata* Downward Adjustment Mechanism and as to the treatment of fractions will be conclusive and binding on all Shareholders.
- 1.5. See “Appendix V” (*Estimate of value of Offeror Shares*) for further information on the estimate value of the Rollover Shares.

Conditions to the Share Alternative

- 1.6. The Share Alternative is one of two settlement methods under the Share Offer. The Share Offer is subject to the Conditions set out in the section headed “Letter from J.P. Morgan and Offeror — Conditions of the Offers — Conditions of the Share Offer”.

Settlement of the Share Alternative

- 1.7. The total number of Offer Shares in respect of which valid acceptances of the Share Alternative have been received can only be determined after Offer Closing Date, following which, if the Share Alternative Cap has been exceeded, Offeror will apply the *Pro Rata* Downward Adjustment Mechanism.
- 1.8. Additionally, settlement of Offer Shares in respect of valid acceptances of the Share Alternative will be subject to the following settlement mechanism:
- (a) migration of the Offer Shares from the Hong Kong Share Register to the Luxembourg Share Register;

- (b) contribution of the Offer Shares from the Share Alternative Holder to Offeror in exchange for Rollover Shares (and, where the *Pro Rata* Downward Adjustment Mechanism has been applied, together with cash at the Offer Price); and
 - (c) issuance of a report from an independent auditor on the value of the Shares to be contributed to Offeror, shortly prior to, and for the purpose of, the issuance of the Rollover Shares to Share Alternative Holders and Offeror Shares to LOG under the Offeror Corporate Restructuring, as required under Luxembourg law before an increase of the share capital of Offeror and issuance of Offeror Shares.
- 1.9. Accordingly, settlement of the consideration payable by Offeror in respect of acceptances of the Share Alternative will be made as soon as possible, and in any event not more than 14 business days (in Hong Kong) after Offer Closing Date. Offeror has applied to the Executive, and the Executive has granted, a waiver from strict compliance with Rule 20.1 of the Takeovers Code for settlement to Share Alternative Holders in respect of the Share Alternative.
- 1.10. No fractions of a share or a cent will be issued or paid, respectively, and the number of Rollover Shares issuable to a Shareholder who accepts the Share Alternative will be rounded down to the nearest Rollover Share, or as otherwise consented to by the Executive and announced by Offeror and/or the Company, whilst payments in cash, if any, will be rounded up to the nearest cent.
- 1.11. If the *Pro Rata* Downward Adjustment Mechanism is applied, settlement of cash payable will be made in Hong Kong dollars by cheque. Cheque(s) not presented for payment within six months from the date of issue of the relevant cheque(s) will not be honoured and will be of no further effect, and in such circumstances cheque holders should contact Offeror for payment.
- 1.12. Settlement of Rollover Shares will be complete with the recording of the Rollover Share issuance under the Share Alternative Holder's name on Offeror's Luxembourg share register. No physical share certificate will be delivered to Share Alternative Holders who have been issued Rollover Shares.

Additional terms of the Share Alternative

- 1.13. See the section headed "Letter from J.P. Morgan and Offeror — Additional terms of the Offers" for more terms and conditions of the Offers (including the Share Alternative under the Share Offer).

Summary of Rollover Shares

- 1.14. See "Appendix VI" (*Summary of Rollover Shares*) for a summary of the terms and conditions attached to the Rollover Shares. A copy of Offeror's amended articles of association is available as a document on display.

2. ELIGIBILITY FOR THE SHARE ALTERNATIVE

- 2.1. **The Share Alternative is only available to Qualifying Shareholders who hold all of their Offer Shares as Registered Holders (i.e., it is not available to CCASS Holders).** CCASS Holders who are Qualifying Shareholders will need to first withdraw their Offer Shares from CCASS before accepting and electing the Share Alternative.
- 2.2. Election of the Share Alternative shall only be valid if all regulatory approvals (if any) required by the Minority Shareholder to receive the Rollover Shares have been obtained. See the section headed “Important notices” for more information for overseas Shareholders.
- 2.3. **Overseas Shareholders should read the section headed “Important notices” carefully and ensure that they are legally able to accept the Share Alternative and receive Rollover Shares under the laws and regulations of the jurisdiction in which they are resident.**

3. KEY RISK FACTORS

- 3.1. Before you elect the Share Alternative, you should be aware of the following risk factors:
 - (a) the Rollover Shares are securities in a private and unlisted company incorporated in and governed by the laws of Luxembourg, and as at Latest Practicable Date, Offeror has no intention for these securities to be listed or admitted to trading on any exchange or market, or be quoted on any inter-dealer system; accordingly, these securities will be illiquid and Offeror believes that it is unlikely that an active trading market will develop for the Rollover Shares;
 - (b) as of Latest Practicable Date, there is no intention or plan for all or any part of the business of the Company to be re-listed on any stock exchange, and there can be no assurance of such intention or plan in the future;
 - (c) your interest in Offeror will be that of a minority shareholder with limited shareholder protection rights and you will not have the benefits and protections of the Listing Rules in terms of disclosure of material information, appointment of directors (including independent non-executive directors) and restrictions on connected or notifiable transactions of Offeror group;
 - (d) Offeror or its subsidiaries, including the Company, may adopt from time to time share incentive plans that may dilute your shareholding position in Offeror or Offeror’s shareholding in its subsidiaries;
 - (e) the value of Offeror and your Rollover Shares in the future remains uncertain and there can be no assurance that your Rollover Shares can be sold in the future for a value that is at least the same as the Offer Price;

- (f) transfer of Rollover Shares is subject to transfer restrictions stipulated in Offeror's amended articles of association (see "Appendix VI" (*Summary of Rollover Shares*) for a summary of these restrictions);
- (g) there is no dividend policy in respect of the Rollover Shares; and dividend payments in respect of the Rollover Shares will not be guaranteed or secured. Payment of dividends on the Rollover Shares (if any) would solely depend on whether such payment is recommended or declared by Offeror's board of directors;
- (h) changes in the business and economic environment, and competition in the global skincare and cosmetics industry could adversely affect the profitability of Offeror and its assets;
- (i) the Company may no longer remain a "public company" under the Codes on Takeovers and Mergers and Share Buy-backs, in which case, the protections under these codes will not be applicable or afforded to Share Alternative Holders (whether the Company remains a "public company" under these codes will depend on a number of factors that the Executive will take into account, including among others, the number of Hong Kong shareholders in the Company or Offeror, and the extent of Shares or Offeror Shares traded in Hong Kong); and
- (j) LOG or Offeror may pledge, or otherwise encumber, part or all of the Shares, or the Company may pledge, or otherwise encumber, part or all of its securities in members of the Group, from time to time, in connection with financing arrangements, in which case, the rights attached to, or value of, Offeror Shares may be affected.

4. SINGLE SETTLEMENT ELECTION MEASURES

- 4.1. As mentioned in "Letter from J.P. Morgan and Offeror — The Offers — Share Offer", Minority Shareholders who accept the Share Offer may make a single election on settlement (being either the Cash Alternative or the Share Alternative with respect to their Offer Shares). Minority Shareholders who tender an invalid or incomplete "Share Offer Acceptance Form — Share Alternative" will receive the Cash Alternative by default.
- 4.2. Accordingly, Offeror has put in place the below measures (being the "**Single Settlement Election Measures**") for the purpose of identifying Share Alternative Holders who have elected for both the Cash Alternative and the Share Alternative:
 - (a) the Share Alternative is only available to Registered Holders with respect to the Offer Shares recorded on the Hong Kong Share Register or Luxembourg Share Register.
 - (b) if, on or after Composite Document Date and until the date of accepting the Share Offer, the Share Alternative Holder held any portion of their Offer Shares through CCASS (even if such Offer Shares have since been withdrawn from CCASS), the Share Alternative Holder is required to complete Part B of "Share Offer Acceptance Form — Share Alternative", and provide details of their holdings through CCASS during this period.

- (c) the Company will conduct a shareholder identification exercise pursuant to its power under section 329 of the SFO. The result of this exercise will be shared with Offeror, J.P. Morgan and the Hong Kong Share Registrar in the form of a report (“**Section 329 Report**”). If, having considered the Section 329 Report, the Forms of Acceptance for the Cash Alternative and the Share Alternative, and other relevant information such as the Company’s share registries, Offeror believes: (i) any Share Alternative Holder has elected the Cash Alternative and the Share Alternative with respect to their Offer Shares; (ii) the procedures set out in the “Share Offer Acceptance Form — Share Alternative” have not been complied with; (iii) any Share Alternative Holder is not a Qualifying Shareholder; or (iv) any information contained in the “Share Offer Acceptance Form — Share Alternative” is inaccurate, Offeror has absolute discretion to reject the election for the Share Alternative, in which case the Minority Shareholder will be deemed to have made an election for the Cash Alternative in respect of all of their Offer Shares tendered for acceptance. Any decision of Offeror in this regard shall be final and binding.

5. HOW TO ACCEPT THE SHARE OFFER AND ELECT THE SHARE ALTERNATIVE

- 5.1. To elect the Share Alternative, you must ensure that you hold all your Offer Shares as Registered Holder. If all or part of your Offer Shares are currently held through CCASS, all such Offer Shares must first be withdrawn from CCASS and registered in your name on the Hong Kong Share Register.

Procedure for withdrawal of Offer Shares from CCASS

- 5.2. For Share Alternative Holders who hold all or part of their Offer Shares in CCASS, their Offer Shares must first be withdrawn from CCASS by:
- (a) contacting their CCASS Participant(s) and make the withdrawal request; physical share certificate(s) in the name of HKSCC Nominees Limited will be withdrawn accompanying transfer form(s). The transfer form(s) should be duly completed, signed and stamped by the Hong Kong Stamp Duty Office at the Hong Kong Inland Revenue Department;
 - (b) following step (a) above, arranging delivery of the original duly completed, signed and stamped transfer form(s), together with the original share certificate(s) in the name of HKSCC Nominees Limited and associated fee to the Hong Kong Share Registrar (at address: Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong; between the office hours: 9:00 a.m. to 4:30 p.m., Hong Kong time, on a business day) for re-registration to the name of the Minority Shareholder; and
 - (c) in 10 business days after receipt by the Hong Kong Share Registrar of the documents at step (b) above, arranging collection from the Hong Kong Share Registrar of the original share certificate(s) in the name of the Minority Shareholder.

- 5.3. **PLEASE NOTE:** The above procedure is for guidance only and Minority Shareholders who wish to withdraw their Offer Shares from CCASS should consult their CCASS Participant(s) for further information and assistance on the withdrawal process.
- 5.4. **PLEASE FURTHER NOTE:** If you wish to elect the Share Alternative, you must first withdraw your Offer Shares from CCASS and record your Offer Shares on the Hong Kong Share Register. This process may take time and will be based on the specific procedure of your CCASS Participant(s) (or nominee/custodian). Please contact your CCASS Participant(s) as soon as possible to enquire about timing and follow their instructions on withdrawal. You must have your original share certificate (evidencing the Offer Shares being tendered for acceptance of the Share Alternative are registered on the Hong Kong Share Register in your name) or the transfer receipt (showing that the Offer Shares are in the process of being recorded on the Hong Kong Share Register in your name) when lodging your “Share Offer Acceptance Form — Share Alternative”.

Evidence of Title

- 5.5. “**Evidence of Title**” means satisfactory evidence of title showing that the Minority Shareholder has title over their Offer Shares, being original share certificate(s), original transfer receipt(s), or satisfactory indemnity/indemnities, or a combination thereof.
- 5.6. To accept the Share Offer and elect the Share Alternative, you will need Evidence of Title for your Offer Shares:
- (a) ***Registered Holders who have Evidence of Title:*** If you have: (i) the original share certificate(s); (ii) transfer receipt(s); and/or (iii) satisfactory indemnity/indemnities, showing, collectively, title for all of your Offer Shares, you will need to deliver the originals of these to the Hong Kong Share Registrar at the same time as lodging your Form of Acceptance.
 - (b) ***Registered Holders who do not have the original share certificate(s) or transfer receipt(s):*** If you do not have, or have lost, the Evidence of Title for all or part of your Offer Shares, with respect to the outstanding Evidence of Title, you will need to deliver an original signed letter stating that one or more of your (i) the original share certificate(s); (ii) transfer receipt(s); and/or (iii) satisfactory indemnity/indemnities, has been lost or is not readily available, at the same time as lodging your Form of Acceptance.

If you have lost your Evidence of Title in respect of your Offer Shares, you should also write to the Hong Kong Share Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Hong Kong Share Registrar. If you subsequently find the missing Evidence of Title, you should deliver this to the Hong Kong Share Registrar as soon as possible.

- (c) *Minority Shareholders who have lodged a transfer of Offer Shares for registration but not yet received the underlying share certificate(s):* If you have lodged a transfer of Offer Shares for registration (e.g., you have withdrawn your Offer Shares from CCASS or you are the transferee of Offer Shares) but have not yet received the underlying share certificate(s), you should deliver your transfer receipt(s) duly signed by yourself to the Hong Kong Share Registrar at the same time as lodging your Form of Acceptance. This act will be deemed to be an irrevocable authorisation to Offeror, J.P. Morgan, the Company and/or their respective agent(s) to collect the share certificate(s) underlying your registration and to deliver this to the Hong Kong Share Registrar on your behalf.

Accepting the Share Offer and electing the Share Alternative

5.7. Overseas Registered Holders (other than those from Canada):

- (a) You must first complete, sign and return the Qualifying Shareholder Questionnaire to the Hong Kong Share Registrar **before or at the same time as** lodging your “Share Offer Acceptance Form-Share Alternative” in order for your “Share Offer Acceptance Form-Share Alternative” to be considered valid.
- (b) The Qualifying Shareholder Questionnaire is available for download on the websites of the Company (group.loccitane.com); and the Securities and Futures Commission (www.sfc.hk) from this Composite Document Date until the end of the Offer Period.

5.8. PLEASE NOTE: If you are a Shareholder and lodge an acceptance form for the Share Alternative, and Offeror and/or the Company are of the reasonable view (after consulting with local counsel) that you are not a Qualifying Shareholder, your acceptance of the Share Alternative will not be valid, and you will be deemed to have accepted the Cash Alternative by default.

5.9. All Registered Holders who are Qualifying Shareholders:

- (a) a copy of the “Share Offer Acceptance Form — Share Alternative” will be made available to you on Composite Document Date.
- (b) follow the instructions on the “Share Offer Acceptance Form — Share Alternative” to complete, sign and lodge your election of the Share Alternative, together with the Evidence of Title and accompanying documents (reproduced in paragraph 5.10 below), with the Hong Kong Share Registrar by **4:00 p.m. (Hong Kong time) on Offer Closing Date.**
- (c) all Share Alternative Holders must complete “Part A” of the “Share Offer Acceptance Form — Share Alternative”. If, on or after Composite Document Date and until the date of accepting the Share Offer, you have held part or all of your Offer Shares through CCASS, please also complete “Part B” of the “Share Offer Acceptance Form — Share Alternative”.

5.10. The “accompanying documents” are:

- (a) if you are an individual and intend to receive the Rollover Shares in your name, a copy of your HKID/Passport/Identification Card; or
- (b) if you intend to receive the Rollover Shares through one or more entities, for each of these entities, a copy of that entity’s corporate information (including: company incorporation/establishment number, business registration number (if applicable), business license number (if applicable), evidence of company incorporation and continuing incorporation, evidence of members of your board of directors, evidence of registered address).

Other information

5.11. **Representations by the Share Alternative Holder in electing the Share Alternative:** By lodging the “Share Offer Acceptance Form — Share Alternative” with the Hong Kong Share Registrar, Share Alternative Holders are required to make certain representations that are set out the section headed “Share Offer Acceptance Form — Share Alternative”. Please read these carefully and ensure that you are able to give these representations to Offeror and the Company.

5.12. **Enquiries by Offeror:** Offeror, the Company, J.P. Morgan or the Hong Kong Share Registrar may make further enquiries with Minority Shareholders who accept the Share Offer for the purposes of obtaining additional information with respect to, among others: (a) incomplete Forms of Acceptance; (b) eligibility to be a Qualifying Shareholder; (c) KYC information for receiving the Rollover Shares; and (d) implementing the Single Settlement Election Mechanism.

5.13. **Offeror sole discretion:** Offeror reserves the right and has the sole final discretion to determine whether the requirements relating to a valid election for the Share Alternative have been satisfied in respect of any Share Alternative Holder or Offer Share, or waive any procedural or documentation requirement in respect of an election (based on such information as it may alternatively possess, receive or collect).

5.14. For the avoidance of doubt, a Share Alternative election will be considered valid only if:

- (a) the Share Alternative Holder has duly and properly completed and signed the “Share Offer Acceptance Form — Share Alternative” and has lodged “Share Offer Acceptance Form — Share Alternative”, together with all the accompanying documents requested under “Share Offer Acceptance Form — Share Alternative”, with the Hong Kong Share Registrar by **4:00 p.m. (Hong Kong time) on Offer Closing Date**; and
- (b) Offeror has not exercised its discretion and determined the election of the Share Alternative by the Share Alternative Holder invalid by reason of, among others: (i) Offeror considers the representations set out in the “Share Offer Acceptance Form — Share Alternative” are inaccurate (for example, if Offeror does not consider the Minority Shareholder a Qualifying Shareholder) or these forms are incomplete; (ii)

for an overseas Registered Holder (other than those from Canada), if the Qualifying Shareholder Questionnaire is missing or incomplete; or (iii) the Share Alternative Holder has not made a single election with respect to its Offer Shares.

6. KEY ACTIONS AND DATES

Key action	Key reference	Cut-off date	Contact/delivery address
1. Read the section headed “Important notices” carefully.	See “Important notices”	Before you lodge your Share Alternative acceptance form.	—
2. Withdraw your Offer Shares from CCASS (if applicable).	See paragraph 5.2 of this section.		Contact your CCASS Participant(s).
3. Complete, sign and return the “Qualifying Shareholder Questionnaire” (for overseas holders, other than those from Canada).	See paragraph 5.7 of this section.	8. Before or at the same time as you lodge your Share Alternative acceptance form.	9. Hong Kong Share Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
4. Complete, sign and lodge the “Share Offer Acceptance Form-Share Alternative”.	See paragraph 5.9 of this section.	By 4:00 p.m. (Hong Kong time) on Offer Closing Date.	

IMPORTANT NOTICE:

- **Vested Option Holders should complete, sign and return the “Vested Option Offer Acceptance Form” to longtermincentives@loccitane.com by 4:00 p.m. (Hong Kong time) on Offer Closing Date.**

1. DETAILS OF THE VESTED OPTION OFFER**Background**

- 1.1. In accordance with the relevant Share Incentive Plans, which provide that the Company may send notice to Vested Option Holders, specifying the exercise period and when the balance of Vested Options may lapse, the Company has sent the Share Incentive Notice to all Award Holders, pursuant to which, among others: (a) all Vested Options are eligible for the Vested Option Offer on and between Composite Document Date and Offer Closing Date; and (b) if the Vested Option Holder does not accept the Vested Option Offer by Offer Closing Date, their Vested Options shall lapse after Offer Closing Date.

What is the Vested Option Offer

- 1.2. In accordance with Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, J.P. Morgan, on behalf of Offeror, is making the Vested Option Offer to Vested Option Holders to cancel their Vested Options at the Award Cancellation Price, calculated as the “see-through” price (being the Offer Price *less* the exercise price of each such Vested Option), as follows:

	Number of Vested Options	Exercise price per Vested Option	Award Cancellation Price per Vested Option
(a)	1,045,200 Options	HK\$14.50 exercise price	HK\$19.50 in cash
(b)	594,150 Options	HK\$15.16 exercise price	HK\$18.84 in cash

Conditions to the Vested Option Offer

- 1.3. The Vested Option Offer is subject to the Share Offer becoming or being declared unconditional in all respects.

Settlement of the Vested Option Offer

- 1.4. Settlement of the consideration payable by Offeror in respect of valid acceptances of the Vested Option Offer will be made as soon as possible and, in any event, no later than 7 business days after the later of: (i) the date of receipt of a completed and valid acceptance in respect of the Vested Option Offer; and (ii) the Offer Unconditional Date, or as otherwise consented to by the Executive and announced by Offeror and/or the Company.

- 1.5. No fractions of a cent will be payable, and the amount of consideration payable to a Vested Option Holder who accepts the Vested Option Offer will be rounded up to the nearest cent, or as otherwise consented to by the Executive and announced by Offeror and/or the Company.
- 1.6. Settlement of cash for acceptances of the Vested Option Offer will be paid in Hong Kong dollars by Offeror, and may be received by Vested Option Holders by wire transfer or by cheque denominated in Hong Kong dollars, at the election of the Vested Option Holder.
 - (a) If by wire transfer, Offeror will remit the amount payable to the Company, which in turn, will be deposited to the designated account of the Vested Option Holder on file with the Company or otherwise specified to the Company (after deducting any wire transfer transaction costs imposed by the banks, such as electronic transfer and conversion costs, if any).
 - (b) If by cheque, cheques will be mailed by ordinary post to Vested Option Holders at the mailing address provided in the “Vested Option Offer Acceptance Form”; Vested Option Holders are reminded to check that their receiving bank is able to accept cheques denominated in Hong Kong dollars. Cheque(s) not presented for payment within six months from the date of issue of the relevant cheque(s) will not be honoured and will be of no further effect, and in such circumstances cheque holders should contact Offeror for payment.

Additional terms of the Vested Option Offer

- 1.7. In accepting the Vested Option Offer, the Vested Option Holder agrees to the cancellation of their Vested Options in exchange for the Vested Option Holder receiving the Award Cancellation Price.
- 1.8. Acceptance of the Vested Option Offer and the receipt of the Award Cancellation Price may trigger tax obligations (including withholding tax) of the Vested Option Holder and/or the Company on behalf of the Vested Option Holder. The Award Cancellation Price will be paid to Vested Option Holders net of any withholding tax applicable to the Vested Option Holder and required to be withheld by the Company, whether settlement is elected by the Vested Option Holder to be by wire transfer or cheque. All Vested Option Holders are recommended to consult their professional advisers if in any doubt as to the tax implications of the Vested Option Offer.
- 1.9. See the section headed “Letter from J.P. Morgan and Offeror — Additional terms of the Offers” for more terms and conditions of the Offers (including the Vested Option Offer).

2. ELIGIBILITY FOR THE VESTED OPTION OFFER

- 2.1. The Vested Option Offer is available to all Vested Option Holders (being holders of Options granted under the Share Incentive Plans that have vested on or before Initial Announcement Date, i.e., 29 April 2024, but have not been exercised by 20 May 2024, being the “Last Exercise Date” specified in the Initial Announcement).

3. HOW TO ACCEPT THE VESTED OPTION OFFER

- 3.1. To accept the Vested Option Offer, you should follow the instructions on the “Vested Option Offer Acceptance Form” to complete, sign and return your acceptance of the Vested Option Offer to longtermincentives@loccitane.com by **4:00 p.m. (Hong Kong time) on Offer Closing Date.**
- 3.2. **PLEASE NOTE: If you do not accept the Vested Option Offer by the above date, and the Share Offer becomes or is declared unconditional in all respects, your Vested Options will automatically and immediately lapse on the day following Offer Closing Date.**
- 3.3. Key dates to note for Vested Option Holders are set out below:

<i>Period</i>	<i>Event</i>
(i) Composite Document Date	First day to accept Vested Option Offer
(ii) Offer Unconditional Date	Vested Option Offer becomes unconditional
(iii) Offer Closing Date	Last day to accept the Vested Option Offer
(iv) Day following Offer Closing Date	Vested Options lapse ⁽¹⁾

Note:

- (1) Other than Vested Options in respect of which valid acceptances have been received by Offeror under the Vested Option Offer. If the Offers are terminated or withdrawn before Offer Unconditional Date, then Vested Options will not lapse after Offer Closing Date and Vested Options will continue to be exercisable between (x) the date that Offeror and/or the Company announces that the Offers have been terminated or are withdrawn; and (y) the end of the original exercise period, in accordance with the existing conditions of grant under the relevant Share Incentive Plan.

4. KEY ACTION AND DATE

Key action	Key reference	Cut-off date	Delivery address
1. Complete, sign and return the “Vested Option Offer Acceptance Form”.	See paragraph 3.1 of this section.	By 4:00 p.m. (Hong Kong time) on Offer Closing Date.	Email: longtermincentives@loccitane.com

IMPORTANT NOTICE:

- **Unvested Award Holders should sign, date and return the Liquidity Agreement to longtermincentives@loccitane.com by 4:00 p.m. (Hong Kong time) on Offer Closing Date.**

1. DETAILS OF THE LIQUIDITY ARRANGEMENT**Background**

- 1.1. In accordance with the relevant Share Incentive Plans and the Share Incentive Notice to all Award Holders, the Company has notified all Unvested Award Holders that no Unvested Awards will be accelerated, and all Unvested Awards will continue to vest in accordance with the existing vesting schedule and conditions of grant under the relevant Share Incentive Plans.

What is the Liquidity Arrangement

- 1.2. Offeror offers to enter into a Liquidity Agreement with each Unvested Award Holder pursuant to which Offeror will, in accordance with Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, pay to the Unvested Award Holder the Award Cancellation Price to cancel each Award following its vesting in accordance with the existing schedule and conditions of grant under the relevant Share Incentive Plan; with the Award Cancellation Price calculated as: (i) the “see-through” price (being the Offer Price *less* the exercise price of each such vested Option); or (ii) the equivalent of the Offer Price (for each vested Free Share), being:

	Number of Unvested Awards	Exercise/issue price per Award	Award Cancellation Price per Award
(a)	6,530,400 Options	HK\$20.67 exercise price	HK\$13.33 in cash
(b)	1,666,277 Free Shares	Nil issue price	HK\$34.00 in cash

Material terms of the Liquidity Arrangement

- 1.3. The material terms of the Liquidity Arrangement are set out below:

Parties to each Liquidity Agreement:

Offeror and relevant Unvested Award Holder.

Treatment prior to acquisition:

The Unvested Awards shall continue to vest in accordance with, and subject to, the existing schedule and conditions of grant under the relevant Share Incentive Plans.

Period within which to enter into the Liquidity Agreement:	Between Composite Document Date and Offer Closing Date.
Award Cancellation Price:	Offeror shall pay the Unvested Award Holder the Award Cancellation Price for each Award following its vesting.
Governing law:	The laws of Hong Kong.
Effective date of Liquidity Agreement:	Offer Unconditional Date.
Conditions of Liquidity Arrangement:	The Liquidity Arrangement is conditional upon the Share Offer becoming or being declared unconditional in all respects.

Settlement under the Liquidity Arrangement

- 1.4. Under the Liquidity Arrangement, payments will be made to all Unvested Award Holders who have entered into a Liquidity Agreement following vesting of their relevant Awards in accordance with the existing vesting schedule and conditions of grant under the relevant Share Incentive Plans. Award Holders will receive payment on a staggered basis and in accordance with the terms of the Liquidity Agreement, as follows;
- (a) by not less than 3 business days (Luxembourg and Hong Kong) before the first relevant vesting date for each Unvested Award Holder, the Unvested Award Holder shall send their account details (or if cheque denominated in Hong Kong dollars is elected by the Unvested Award Holder, then the name and mailing address for the cheque to be sent by ordinary post) to Offeror and the Company;
 - (b) following each vesting date, the Company will send to Offeror within 5 business days (Luxembourg and Hong Kong) commencing on the first date of the calendar month following the vesting date, a summary of vesting details and payment directions to each relevant Unvested Award Holder (in respect of the Award Cancellation Price), and/or the Company (in respect of the withholding tax amount, if any) (the “**Vesting Notice and Payment Directions**”); and
 - (c) Offeror will then arrange payment of the Award Cancellation Price to each Unvested Award Holder and/or the Company (to their designated account) in accordance with the Vesting Notice and Payment Directions within 5 business days (Luxembourg and Hong Kong) following receipt of the Vesting Notice and Payment Directions from the Company, against cancellation of the relevant Awards.

- 1.5. Accordingly, based on the existing vesting dates (and subject to existing vesting conditions) under the Share Incentive Plans, the settlement schedule will be as follows:

	Vesting date	Latest date for Unvested Award Holders to notify account/ mailing details	Latest payment date by Offeror
(a)	27 October 2025	22 October 2025	14 November 2025
(b)	30 June 2026	25 June 2026	15 July 2026
(c)	30 June 2027	25 June 2027	15 July 2027

- 1.6. Since settlement of the consideration payable by Offeror under the Liquidity Arrangement will not be made within 7 business days after the later of Offer Unconditional Date and the date of each Liquidity Agreement in accordance with Rule 20.1 of the Takeovers Code, Offeror has applied to the Executive for, and the Executive has granted, a waiver from strict compliance with Rule 20.1 of the Takeovers Code for settlement to Unvested Award Holders under the Liquidity Arrangement to be made as soon as possible and within 10 business days (Luxembourg and Hong Kong) commencing on the first calendar date of the calendar month following each vesting date.

- 1.7. Settlement will be made in accordance with the terms of the Liquidity Agreement. In particular, settlement of the Award Cancellation Price will be paid by Offeror in accordance with the Vesting Notice and Payment Directions, and may be received by Unvested Award Holders by wire transfer or by cheque denominated in Hong Kong dollars, at the election of the Unvested Award Holder.

- (a) If by wire transfer, Offeror will remit the amount payable to the designated account specified by the Unvested Award Holder and/or the Company (after deducting any wire transfer transaction costs imposed by the banks, such as electronic transfer and conversion costs, if any) in Hong Kong dollars, or at the prior election of the Unvested Award Holder, in Euros at the prevailing spot conversion rate of the receiving bank.
- (b) If by cheque, cheques will be mailed by ordinary post to the Unvested Award Holder at the specified mailing address; Unvested Award Holders are reminded to check that their receiving bank is able to accept cheques denominated in Hong Kong dollars. Cheque(s) not presented for payment within six months from the date of issue of the relevant cheque(s) will not be honoured and will be of no further effect, and in such circumstances cheque holders should contact Offeror for payment.

Additional terms of the Liquidity Arrangement

- 1.8. By entering into a Liquidity Agreement with Offeror, the Unvested Award Holder agrees to the cancellation of their Unvested Awards in exchange for the Unvested Award Holder receiving the Award Cancellation Price.

- 1.9. Acceptance of the Liquidity Arrangement and the receipt of the Award Cancellation Price may trigger tax obligations (including withholding tax) of the Unvested Award Holder and/or the Company on behalf of the Unvested Award Holder. The Award Cancellation Price will be paid to Unvested Award Holders net of any withholding tax applicable to the Unvested Award Holder and required to be withheld by the Company. All Unvested Award Holders are recommended to consult their professional advisers if in any doubt as to the tax implications of the Liquidity Arrangement.
- 1.10. See the section headed “Letter from J.P. Morgan and Offeror-Additional terms of the Offers” for more terms and conditions of the Offers (including the Liquidity Arrangement).
- 1.11. A copy of the Liquidity Agreement template is available as a document on display in accordance with the Takeovers Code.

2. ELIGIBILITY FOR THE LIQUIDITY ARRANGEMENT

- 2.1. The Liquidity Arrangement is available to all Unvested Award Holders (being holders of Options and Free Shares granted under the Share Incentive Plans that have not vested on or before Initial Announcement Date, i.e., 29 April 2024).

3. HOW TO ACCEPT THE LIQUIDITY ARRANGEMENT

- 3.1. Offeror will deliver to each Unvested Award Holder on Composite Document Date a copy of the Liquidity Agreement. To accept the Liquidity Arrangement, you should sign, date and return the Liquidity Agreement to longtermincentives@loccitane.com by **4:00 p.m. (Hong Kong time) on Offer Closing Date.**
- 3.2. **PLEASE NOTE: If you are an Unvested Award Holder and you do not enter into a Liquidity Agreement on or before Offer Closing Date, you will become a Shareholder of a privately-operated company upon vesting and exercise (in the case of Options) or allocation (in the case of Free Shares) of your Awards (assuming that the Offers become or are declared unconditional in all respects and the Shares are delisted from the Stock Exchange). In this case, the Company will become a wholly-owned private subsidiary of Offeror; see the sub-section headed “Letter from J.P. Morgan and Offeror — Part B. Share Alternative under Share Offer — Key risk factors” for the key risk factors on having shares in a private company.**

4. KEY ACTION AND DATE

Key action	Key reference	Cut-off date	Delivery address
1. Sign, date and return Liquidity Agreement.	See paragraph 3.1 of this section.	By 4:00 p.m. (Hong Kong time) on Offer Closing Date.	Email: longtermincentives@loccitane.com

The sole director
L'Occitane Holding S.A.
49, boulevard Prince Henri
L-1724 Luxembourg
Grand Duchy of Luxembourg

J.P.Morgan

2 July 2024

**(1) CONDITIONAL VOLUNTARY GENERAL OFFERS BY
J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED ON BEHALF OF OFFEROR
TO ACQUIRE ALL ISSUED AND OUTSTANDING SHARES IN THE COMPANY
(OTHER THAN SHARES ALREADY OWNED BY LOG) AND
TO CANCEL ALL VESTED OPTIONS; AND
(2) LIQUIDITY ARRANGEMENT WITH RESPECT TO UNVESTED AWARDS**

ESTIMATE OF VALUE OF OFFEROR SHARES

Dear Sirs/Mesdames,

We refer to the document of even date jointly issued by L'Occitane Holding S.A. and L'Occitane International S.A. (the “**Composite Document**”) of which this letter forms part. Capitalised terms used in this letter will, unless otherwise stated, have the same meaning as defined in the Composite Document.

Pursuant to the requirements of the Takeovers Code, you have requested us to provide you with an estimate of value of the Offeror Shares (the “**Estimate of Value**”). Under the Share Offer, Minority Shareholders may elect to receive (i) the **Cash Alternative**: cash of HK\$34.00 for each Offer Share; or (ii) the **Share Alternative**: 10 Rollover Share for each Offer Share. The Offeror Shares are unlisted and there is therefore no reference for a publicly traded price.

PURPOSE

The Estimate of Value has been provided to Offeror solely for the purposes of Paragraph 30 of Schedule I to the Takeovers Code, and shall not be used or relied upon for any other purpose whatsoever, and is not made on behalf of, and shall not confer rights or remedies upon, any third party. It is to be emphasized that the Estimate of Value contained herein is an estimated value of each Offeror Share based on certain assumptions and therefore does not necessarily reflect the actual value of the Offeror Shares. This letter is not addressed to any third party and the contents of this letter may not be used or relied upon by any third party for any purpose whatsoever; and J.P. Morgan expressly disclaims any duty or liability to any third party with respect to the contents of this letter. Except for its inclusion in the Composite Document, this letter may not be quoted or referred to, in whole or in part, nor may any other public reference to J.P. Morgan be made, without our prior written consent.

This letter sets out an Estimate of Value of each Offeror Share assuming the Share Offer has become or has been declared unconditional in all respects and such Offeror Share is in issue as at the date of this letter.

The Estimate of Value does not represent the value that a holder of an Offeror Share may realise on any future sale — and such a value may be higher or lower than the figure in this letter. The Estimate of Value is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the Latest Practicable Date. It should be understood that subsequent developments may affect the Estimate of Value expressed herein. J.P. Morgan assumes no obligation to update, revise or reaffirm the Estimate of Value based upon circumstances or events occurring after the Latest Practicable Date.

Additionally, the Estimate of Value is based on the announced value of HK\$34.00 per Offer Share under the Cash Alternative on which J.P. Morgan expresses no opinion and gives no representation. In providing the Estimate of Value, J.P. Morgan expresses no opinion and makes no recommendation to any person as to whether they should accept the Offers or whether they should make any election to choose the Cash Alternative or the Share Alternative. Further, J.P. Morgan expresses no opinion as to the fairness of the amount of the Cash Alternative and/or the Award Cancellation Price, the number and nature of Offeror Shares comprised in the Share Alternative as referenced in the Offers and/or the financial terms of the Liquidity Arrangement, nor does J.P. Morgan express any opinion as to the underlying decision by Offeror to engage in the Offers. Shareholders are urged to carefully review the terms and conditions attached to the issuance and receipt of Rollover Shares (including the rights of the shareholders of Offeror) and the risk factors of holding Rollover Shares as set out in the Composite Document, together with Offeror's amended articles of association. J.P. Morgan expresses no opinion and expressly disclaims any duty or liability with respect to the terms and conditions of Rollover Shares, and the impact (if any) to the value of Rollover Shares arising from the shareholder rights attached to such shares.

ASSUMPTIONS

For the purposes of our analysis, we have made the following assumptions:

- (i) There exists a willing buyer and seller, neither being under any compulsion to buy or sell, dealing on an arm's length basis, each having knowledge of all relevant facts;
- (ii) As at the date of this letter, the Share Offer has become or has been declared unconditional in all respects and the Company is a wholly-owned subsidiary of Offeror;
- (iii) The Offeror Shares that may be issued in connection with the Offers as part of the Offeror Corporate Restructuring, together with the 300,000 Offeror Shares held by LOG as of the Latest Practicable Date, comprise the entire issued share capital of Offeror and no person has any right to acquire or subscribe for any share or loan capital of Offeror. Such shares have been issued pursuant to the terms of the Offers free from all encumbrances, credited as fully-paid, non-assessable, and ranking pari passu with all issued shares in Offeror, including the right to receive in full all dividends and other distributions (if any) declared, made or paid on or after the date of their issue;

- (iv) Offeror was established for the sole purpose of the Offers and as such, we have assumed that immediately following the Share Offer becomes or is declared unconditional in all respects, Offeror's turnover, profits, assets and liabilities (on a consolidated basis), nature of business, business prospects and operations will be in all material respects the same as the Company, save for the cash and cash equivalents of HK\$1,020,000 (being the initial capital contribution to Offeror at the time of its incorporation), interest-free Offeror Shareholder Loan to the extent not capitalised and outstanding, any costs and expenses incurred by Offeror in connection with the Offers and any cash balance that may remain in Offeror that was not required to finance the amount payable in cash to Shareholders and Award Holders under the Offers;
- (v) The Offeror Shareholder Loan capitalisation has been completed at 10 Offeror Shares for every HK\$34.00 of capitalised shareholder loan (i.e. at the same exchange ratio of 10 Offeror Shares for each Offer Share under the Share Alternative), subject to adjustments for rounding and issuing whole Offeror Shares;
- (vi) Up to HK\$14,040,077,290 Offeror Shareholder Loan is made available from LOG to Offeror, which is in turn funded by (i) external debt facilities provided by Crédit Agricole Corporate and Investment Bank to LOG; and (ii) a shareholder's loan from Holdco to LOG that is funded by paid-in-kind (PIK) loan note financing from (a) Blackstone Rio Holdings (CYM) L.P.; and (b) the West Street Strategic Solutions funds or other investment vehicles or accounts that are managed or advised by Goldman Sachs Asset Management International or its affiliates. In the event that there are Minority Shareholders electing the Share Alternative, the Offeror Shareholder Loan will be reduced accordingly by the amount of the Offer Price and the Hong Kong stamp duty payment that would otherwise be payable by Offeror if such Minority Shareholders elect the Cash Alternative;
- (vii) Any Shares in the issued share capital of the Company acquired by Offeror under the Offers have been acquired free from all liens, options and third-party rights and together with the right to receive in full all dividends and other distributions (if any) declared, made or paid on or after the date of this letter, and all Awards have been cancelled;
- (viii) There is no change to the issued share capital of the Company from the Latest Practicable Date up to and including the completion of the Offers. There are no dilutive equity instruments and assuming the cancellation of the Awards, no person other than Offeror has any right to acquire or option to subscribe for any share or loan capital of the Company and no share capital of the Company is disposed of nor any right granted over or in respect of it at any future date;
- (ix) No dividend or other distribution (whether in cash or in kind) shall be declared, made or paid by the Company to the Shareholders between Initial Announcement Date and completion of the Offers, and any further dividend or distribution shall be subject to the approval of Offeror;

- (x) Offeror and the Company exist on a continuing basis and the valuation is assumed on this basis and not assuming any sale of shares of Offeror or the Company at any future date;
- (xi) Offeror Shares are unlisted and are valued on this basis. Whilst it is not possible to give a precise measure of the discount to reflect, among other things, the lack of marketability and the rights of the shareholders of Offeror and no methodological analysis can be undertaken for the purpose of estimating such a discount, for the purpose of calculating our range of Estimate of Value we have assumed a range of discounts of 0–30% to an equivalent listed security to reflect, among other things, the lack of marketability and such shareholders’ rights. We believe such range of discounts is an appropriate assumption to use for this purpose as it is consistent with the approach taken in recent market privatisation precedents in Hong Kong which involves unlisted offeror shares being offered as an alternative transaction consideration and which adopts an illiquidity discount methodology to assess the value of the unlisted offeror shares. In evaluating the level of discount applied, we have identified the following general offer/privatisation cases since 2013 which involved valuation of unlisted shares, and noted that a discount of 30% for lack of marketability/shareholders’ rights was applied to derive the low-end value of the unlisted shares under the share alternative in each of the respective cases:

Date of scheme/composite document	Company (stock code)	Discount applied
22 September 2023	Trigiant Group Limited (1300)	30%
4 May 2022	Suchuang Gas Corporation Limited (1430)	30%
10 November 2021	Lee Hing Development Limited (68)	30%
3 August 2021	Clear Media Limited (100)	30%
27 January 2021	Huifu Payment Limited (1806)	30%
20 June 2019	China Power Clean Energy Development Company Limited (735)	30%
5 September 2016	Nirvana Asia Ltd (1438)	30%
23 July 2013	Yashili International Holdings Ltd (1230)	30%

- (xii) We have relied on and assumed, without independent verification, the accuracy and completeness of the information reviewed by us (including but not limited to the management accounts of Offeror, which specify the amount of cash, assets, indebtedness and liabilities that are expected to remain in Offeror immediately following the Offers) for the purposes of the Estimate of Value; and we have not assumed and do not assume any responsibility or liability in relation thereto. We have not made any independent valuation or appraisal of the assets and liabilities of the Company, nor have we sought or been provided with any such valuation or appraisal. The Estimate of Value is necessarily based on financial, economic, market,

regulatory and other conditions in effect, and the information made available to us, as at the date of this letter. It should be understood that subsequent developments may affect the Estimate of Value contained in this letter;

- (xiii) The taxation of individual shareholders will vary and we have not taken account of the effects of any taxation exemptions, allowances or reliefs available for the purposes of income, capital gains, inheritance or any other applicable tax, duty or levy, notwithstanding these may be significant in the case of some shareholders;
- (xiv) No account has been taken of any potential transaction costs that a holder of the Shares or Awards or may incur in regard to accepting the Offers, or in any attempted or actual sale of Offeror Shares; and
- (xv) The Group will continue to operate in the ordinary course as a going concern and are not subject to any material adverse event; the assets and liabilities of the Company (on a consolidated basis) are fairly reflected in the Company's annual results comprising its audited consolidated accounts for the financial year ended 31 March 2024 which was published on 24 June 2024 (the "**Last Accounts**"); Neither the Company nor any of its subsidiaries disposes of any asset for less than its fair value (as reflected in the Last Accounts) nor suffers or incurs any liability, other than in the ordinary course of business.

METHODOLOGY

In our Estimate of Value, we derive ranges of value for Offeror Shares which reflect the estimated value of such shares hypothetically assuming for the purpose of calculating the top end of the range that they are listed and freely tradable, and for the purpose of calculating the bottom end of the range we have assumed a discount of 30% to reflect, among other things, the lack of marketability and shareholders' rights.

The estimated value of the Offeror Shares is equal to the total estimated value of the Shares (including the Awards and any cash balance that may remain in Offeror) rounded to the nearest Hong Kong dollar. As such, at the top end of our range, the total value of the Offeror Shares is calculated as:

$$(a) - (b) + (c)$$

Where (a), (b) and (c) are defined as follows:

"(a)" = *the estimated value of all of the outstanding Shares (including the Awards, assuming a "see-through" value), which represents the value of the Shares that Offeror will own;*

"(b)" = *the outstanding Offeror Shareholder Loan; and*

"(c)" = *any cash that may remain in Offeror immediately following the Offers.*

Following the implementation of the Offers, Offeror will not own any other assets or any other liabilities except for the Shares, the Offeror Shareholder Loan (which will be capitalised by the latest date for settlement of the Share Alternative under the Share Offer) and the cash that may remain in Offeror immediately following the Offers. As a result, the estimated value of the Offeror Shares is equal to “(a) — (b) + (c)”.

Value for “(a)” at the top end of the range is HK\$50,324,197,636, equivalent to the total value of Shares, Vested Options and Unvested Awards (in each case equivalent to the “see-through” value) as set out as below:

	Number of Shares/Vested Options/ Unvested Awards	Value per Share/Vested Option/ Unvested Award	Total Value
(i)	1,474,968,200 Shares issued and outstanding	HK\$34.00	HK\$50,148,918,800
(ii)	594,150 Vested Options with exercise price of HK\$15.16	HK\$18.84	HK\$11,193,786
(iii)	1,045,200 Vested Options with exercise price of HK\$14.50	HK\$19.50	HK\$20,381,400
(iv)	6,530,400 Unvested Options with exercise price of HK\$20.67	HK\$13.33	HK\$87,050,232
(v)	1,666,277 Free Shares with nil issue price	HK\$34.00	HK\$56,653,418
	Total		HK\$50,324,197,636

Value for “(b)” is nil assuming capitalisation of the Offeror Shareholder Loan has been completed.

Value for “(c)” is estimated to be: (i) approximately HK\$14,870,948, where all Minority Shareholders elect the Cash Alternative in full and assuming all Award Holders receive the Award Cancellation Price in full in respect of their Awards; and (ii) approximately HK\$12,363,681, where 73,743,145 Offer Shares (being the Share Alternative Cap) elect the Share Alternative and all other Offer Shares are tendered for the Cash Alternative in full and assuming all Award Holders receive the Award Cancellation Price in full in respect of their Awards.

As stated above, we have derived the lower end of the range for the estimate of value for each Offeror Share, by assuming a 30% discount to the value calculated above to reflect the lack of marketability and shareholders’ rights, of an unlisted share.

The valuation of non-publicly traded securities is inherently imprecise and is subject to certain uncertainties and contingencies, including, but not limited to, the above qualitative factors, the effects of which are difficult to predict. Consequently, the view expressed in this letter is not necessarily indicative of: (i) the price at which the Offeror Shares might actually

trade as at the date hereof or at any future date; (ii) the amount which might be realised upon a sale of an Offeror Share to a third party; or (iii) the amount that might be realized by a holder of an Offeror Share on liquidation of Offeror. Our Estimate of Value may differ substantially from estimates available from other sources. In addition, our view would be expected to fluctuate with changes in prevailing market conditions, the financial conditions and prospects of Offeror and other factors which generally influence the valuation of companies and securities. As a result, there can be no assurance that the actual price of an Offeror Share will not be higher or lower than the Estimate of Value.

	Assuming (i) all Minority Shareholders elect the Cash Alternative in full; and (ii) all Award Holders receive the Award Cancellation Price in full	Assuming (i) 73,743,145 Offer Shares (being the Share Alternative Cap) elect the Share Alternative; (ii) all other Offer Shares are tendered for the Cash Alternative in full; and (iii) all Award Holders receive the Award Cancellation Price in full
(a) the estimated value of all of the outstanding Shares (including the Awards, assuming a “see-through” value)	HK\$50,324,197,636	HK\$50,324,197,636
(b) the Offeror Shareholder Loan*	nil	nil
(c) any cash that may remain in Offeror immediately following the Offers**	HK\$14,870,948	HK\$12,363,681
Total value of the Offeror Shares	HK\$50,339,068,584	HK\$50,336,561,317
Number of Offeror Shares in issue immediately following the Offers***	14,805,608,407	14,804,870,975
Top end value per Offeror Share	HK\$3.40	HK\$3.40
Bottom end value per Offeror Share (Assuming a 30% discount for non-marketability of the Offeror Shares)	HK\$2.38	HK\$2.38

Notes:

* For the avoidance of doubt, in the event that the Offeror Shareholder Loan is not capitalised, the total value of Offeror Shares would decrease by the amount of the Offeror Shareholder Loan (being HK\$14,040,077,290 and HK\$11,530,303,093 respectively under the above two scenarios); and the total number of Offeror Shares in issue immediately following the Offers would be reduced by 4,129,434,497 and 3,391,265,615 respectively, resulting in the same value per Offeror Share.

** Cash that may remain in Offeror immediately following the Offers is calculated as:

- (a) under the first scenario, the Offeror Shareholder Loan of HK\$14,040,077,290, plus the initial capital contribution to Offeror of HK\$1,020,000, minus the maximum value of the Offers of HK\$14,026,226,342; and
- (b) under the second scenario, the Offeror Shareholder Loan of HK\$11,530,303,093 (being the maximum value of the Offeror Shareholder Loan of HK\$14,040,077,290, minus HK\$34 per Offer Share for 73,743,145 Offer Shares that elect the Share Alternative and 0.1% Hong Kong stamp duty on the value of such shares that would otherwise be payable by Offeror), plus the initial capital contribution to Offeror of HK\$1,020,000, minus the maximum value of the Offers of HK\$11,518,959,412 (being the maximum value of the Offers of HK\$14,026,226,342, minus HK\$34 per Offer Share per share for 73,743,145 Offer Shares that elect the Share Alternative).

Cash that may remain in Offeror immediately following the Offers will primarily be used to pay transaction costs (including stamp duty of approximately HK\$13,850,948 and HK\$11,343,681 under above two scenarios respectively).

*** In connection with the Offers, the Offeror Shares will be issued to Minority Shareholders upon election of the Share Alternative at 10 Offeror Shares for each Offer Share (subject to the Share Alternative Cap). The number of Offeror Share in issue immediately following the Offers is calculated as: 300,000 Offeror Shares held by LOG as of the Latest Practicable Date, plus 10,675,873,910 Offeror Shares issued to LOG in exchange for LOG's contribution of all of its Shares to Offeror, plus (a) under the first scenario, 4,129,434,497 Offeror Shares upon capitalisation of the Offeror Shareholder Loan of HK\$14,040,077,290; or (b) under the second scenario, 3,391,265,615 Offeror Shares upon capitalisation of the Offeror Shareholder Loan of HK\$11,530,303,093 (being the maximum value of Offeror Shareholder Loan of HK\$14,040,077,290 as reduced by the amount of the Offer Price and the Hong Kong stamp duty payment that would otherwise be payable by Offeror if such Minority Shareholders elect the Cash Alternative) and 737,431,450 Offeror Shares issued under the Share Alternative.

Under both scenarios above, each of the Offeror Shares has an estimated value of HK\$3.40 at the top end of the range and an estimated value of HK\$2.38 at the bottom end of the range. For all scenarios in between the two scenarios above, where a proportion of Minority Shareholders elect either of the Cash Alternative or the Share Alternative, the Estimate of Value for each Offeror Share remains the same at HK\$3.40 at the top end of the range, and an estimated value of HK\$2.38 at the bottom end of the range.

In determining the Estimate of Value, we have not taken into account, among other things, any financial projections of the Company.

No account has been taken of any potential transaction costs that a holder of the Shares or Awards or may incur in regard to accepting the Offers, or in any attempted or actual sale of Offeror Shares.

No account has been taken of any potential transaction costs that a holder of Offeror Shares may incur, or any potential costs that might be associated with a sale of Offeror to a third party or a liquidation of Offeror, which might be expected to reduce any return to a holder of an Offeror Share upon the occurrence of such an event.

We have produced the Estimate of Value using these methodologies and taken into account the information, factors, assumptions and limitations set out above.

ESTIMATE OF VALUE

On the basis of the above assumptions and methodology adopted by us and subject to the foregoing, the Estimate of Value as defined in this letter is within a range of HK\$2.38 to HK\$3.40 for each Offeror Share. This Estimate of Value does not represent a formal opinion by J.P. Morgan of the value of an Offeror Share or a Share, and is subject to the assumptions set out above.

Under the Share Alternative, each Minority Shareholder is entitled to receive 10 Offeror Share for every Offer Share held. For illustrative purposes, a Minority Shareholder with 1,000 Offer Shares valued at HK\$34.00 each is entitled to receive 10,000 Offeror Share (subject to the *Pro Rata* Downward Adjustment Mechanism) valued at (a) HK\$3.40 each at the top end of range assuming hypothetically that the Offeror Shares are listed and freely tradable; and (b) HK\$2.38 each at the bottom end of the range assuming a discount of 30% to reflect, among other things, the lack of marketability and shareholders' rights.

GENERAL

J.P. Morgan is acting as the financial adviser to Offeror in relation to the Offers and no one else in connection with the Offers. J.P. Morgan will not be responsible to anyone other than Offeror for providing advice in relation to the Offers, the contents of the Composite Document or any other matters referred to in the Composite Document.

Shareholders are urged to read carefully all the information contained in the Composite Document.

The value of an Offeror Share may be impacted by the factors described in this letter.

Further, in providing the Estimate of Value, J.P. Morgan expresses no opinion or recommendation to any person as to whether they should accept the Offers or whether they should make any election to choose the Cash Alternative or the Share Alternative. Shareholders are recommended to seek their own independent financial advice. Further, J.P. Morgan expresses no opinion as to the fairness of the amount of the Cash Alternative and/or the Award Cancellation Price, the number and nature of Offeror Shares comprised in the Share Alternative as referenced in the Offers and/or the financial terms of the Liquidity Arrangement.

Yours faithfully,

For and on behalf of
J.P. Morgan Securities (Asia Pacific) Limited

A handwritten signature in black ink, appearing to read 'Sanjeev Malkani', written over a horizontal line.

Name: Sanjeev Malkani
Title: Managing Director

To: The Board of Directors
L'OCCITANE HOLDING S.A. ("Offeror")
49, Boulevard Prince Henri L-1724
Luxembourg

2 July 2024

Dear Sirs/Madams,

We refer to the composite document jointly issued by Offeror and the Company dated 2 July 2024 (the "**Composite Document**") in connection with the Offers. Unless otherwise defined, capitalized terms used in this letter shall have the same meanings as those defined in the Composite Document.

We, as the exclusive financial adviser to Offeror, hereby give, and confirm that we have not withdrawn, our written consent to the issue of the Composite Document with the inclusion of our letters, and references to our name in the form and context in which they respectively appear.

We also consent to a copy of this letter being made available on display as described in the section headed "EXPERTS AND CONSENTS" in Appendix IV to the Composite Document.

[Remainder of the page intentionally left blank.]

Yours faithfully,

For and on behalf of
J.P. Morgan Securities (Asia Pacific) Limited

A handwritten signature in black ink, appearing to read 'Sanjeev Malkani', is written over a horizontal line.

Name: Sanjeev Malkani
Title: Managing Director

**CONVERTIBLE SHAREHOLDER LOAN
AGREEMENT**

By and among

L'Occitane Groupe S.A.
(the Lender)

and

L'Occitane Holding S.A.
(the Borrower)

Dated 15 June 2024

This shareholder loan agreement is made on 15 June 2024 by and between:

- (1) **L'Occitane Groupe S.A.**, a *société anonyme* organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 49, boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 125.718, duly represented for the purposes hereof ("**LOG**" or the "**Lender**"); and
- (2) **L'Occitane Holding S.A.**, a *société anonyme* organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 49, boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B286921, duly represented for the purposes hereof (the "**Borrower**" or the "**Offeror**").

The parties listed above are hereafter referred to collectively as the "**Parties**" and individually as a "**Party**".

WHEREAS:

- (A) The Lender holds a majority stake in the share capital of L'Occitane International S.A., having its registered office located at 49, Boulevard Prince Henri, L-1724 Luxembourg and registered with the commercial registry of Luxembourg under number RCS Luxembourg: B 80359 ("**LOI**").
- (B) The Lender intends to buy or receive by way of contribution, through the Offeror, which is a subsidiary of the Lender, all remaining shares of LOI currently listed on the Main Board of the Hong Kong Stock Exchange and not held by LOG or LOI, representing approximately 27% of LOI's issued share capital and voting rights, including shares corresponding to vested awards exercised on or before the Last Exercise Date (as defined in the Initial Acquisition Public Announcement), and to cancel vested options of LOI and to offer a liquidity arrangements to all holders of unvested awards by way of the Offers (the "**Acquisition**").
- (C) As part of the Acquisition, shareholders of LOI participating in the Share Offer (as defined in the revised Rule 3.5 announcement, the "**Revised Acquisition Public Announcement**") shall have the choice between (i) the Cash Alternative (as defined in the Revised Acquisition Public Announcement) and (ii) the Share Alternative (as defined in the Revised Acquisition Public Announcement), pursuant to which they shall contribute all or part of the shares they hold in LOI to the share capital of the Offeror by way of a contribution in kind of LOI shares at a value corresponding to the Offer Price (as defined in the Revised Acquisition Public Announcement) in exchange for the issuance of new shares in the Offeror, within a certain cap as set out in the Revised Acquisition Public Announcement.
- (D) In the context of the Acquisition, it is also contemplated that Schuss S.à r.l., a *société à responsabilité limitée*, incorporated and existing under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies' Register under number B 285665, having its registered office located at 49, boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg ("**HoldCo**") acquires shares in LOG (the "**Cash-Out**") for an overall amount equal to the Cash-Out Amount (as defined in the Investment Agreement).
- (E) The Acquisition (together with related costs) shall be financed in accordance with the Investment Agreement through a mix of:
 - (i) an investment for a global amount of EUR 1,551 million reduced by (i) the value of the Initial Roll-Over Stake converted in EUR using the Hedging Rate and (ii) the amount of Other Savings (as such terms are defined in the Investment Agreement), and subject to any permitted refunding under the Investment Agreement, to be made by Blackstone Rio Holdings (CYM) L.P. and the West Street Strategic Solutions funds or other investment vehicles or accounts that are managed or advised by Goldman Sachs Asset

Management or its affiliates (the “**GS Entities**” and together with Blackstone Rio Holdings (CYM) L.P., the “**Investors**”) through the subscription of notes to be issued by HoldCo, pursuant to the HoldCo PIK Subscription Agreement (as defined below), which shall in turn make the relevant portion of those proceeds not used to pay the consideration under the Cash-Out and to pay certain transaction costs available to the Lender by way of a shareholder loan; and

- (ii) a facility granted to the Lender by Crédit Agricole Corporate and Investment Bank as arranger and lender for an additional amount of EUR 375 million.
- (F) For the purpose of financing the Acquisition Consideration (as defined below), the Lender has agreed to provide to the Borrower a convertible shareholder loan bearing equity features (rather than debt features), to be drawn down in one or more times during the Availability Period, in Hong Kong dollars in accordance with the terms and conditions of a payment direction letter entered into between the Lender and the Borrower on or about the date hereof (the “**Payment Direction Letter**”).
- (G) The Loan is contemplated to be fully or partially converted into the share capital of the Borrower depending on the final results of the Offers.
- (H) For Luxembourg tax purposes, it is noted that it is the Parties’ intention for the Loan to be treated as equity based on the terms and conditions included in the Loan.
- (I) The Parties have therefore agreed to enter into this Agreement to set forth the terms and conditions of such Loan (as defined below).

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS

As used in this Agreement, the following terms have the meaning specified below:

“**Acquisition**” has the meaning set forth in the recitals.

“**Acquisition Consideration**” means the aggregate cash consideration payable by the Borrower in respect of the Acquisition and related transaction costs to be borne by the Borrower (if any).

“**Agreement**” means this shareholder loan agreement.

“**Availability Period**” means (i) the period between the date of dispatch of the Composite Document (included) and the expiry of the Certain Funds Period (included) insofar as the Stamp Duties Commitment is concerned, and (ii) the period between the Closing Date (included) and the expiry of the Certain Funds Period (included) insofar as the remainder of the Total Commitment is concerned.

“**Borrower**” has the meaning set forth in the recitals.

“**Business Day**” means any day, except Saturday, Sunday or any day on which banks are generally not open for business in Paris (France), New York (United States of America), London (United Kingdom), Luxembourg (Grand Duchy of Luxembourg) and Hong Kong.

“**Cash-Out**” has the meaning set forth in the recitals.

“**Certain Funds Period**” has the meaning set forth in the Holdco PIK Subscription Agreement.

“**Closing Date**” has the meaning set forth in the HoldCo PIK Subscription Agreement.

“**Composite Document**” means the offer composite document and offeree board circular to be jointly issued by the Offeror and LOI to the shareholders of LOI in connection with the Offers

(as defined in the Revised Acquisition Public Announcement) in accordance with the Takeovers Code, including any revisions thereof made in accordance with the Takeovers Code.

“Conversion Ratio” means one (1) share, having a nominal value of one Hong Kong dollar (HKD 1), in exchange for 3.4 Hong Kong dollars of principal amount of the Loan.

“HoldCo PIK Subscription Agreement” means the PIK facilities agreement initially entered into on 27 April 2024 by HoldCo as issuer and the Investors, as Original Subscribers (as defined therein), pursuant to which the subscribers agreed to make available to Holdco an amount up to EUR 1,551 million and as amended and restated on the date hereof.

“Investment Agreement” means the investment agreement initially entered into on 27 April 2024 between, *inter alia*, the Borrower, Mr. Reinold Geiger, Société d’Investissements CIME S.A., Mr. André Hoffmann, Lavender Investments Ltd, and the Investors and as amended and restated on the date hereof.

“Investors” has the meaning set forth in the recitals.

“Lender” has the meaning set forth in the recitals.

“Loan” has the meaning set forth in Article 3.1.

“Maturity Date” means the sixtieth (60th) anniversary date of the Closing Date.

“Offers” has the meaning set forth in in the Investment Agreement.

“Outstanding Amount” means, at a given date, the total amount of the Loan drawn and not repaid on that date.

“Party” has the meaning set forth in the recitals.

“Payment Direction Letter” has the meaning set forth in the recitals.

“Revised Acquisition Public Announcement” has the meaning set forth in the recitals.

“Stamp Duties Commitment” means a maximum amount of HKD 27,701,896 (corresponding to HKD 13,850,948 stamp duty to be paid by the Borrower as Offeror and HKD 13,850,948 stamp duty to be paid by the Borrower on behalf of LOI shareholders, which will be deducted from the proceeds to be paid to shareholders).

“Takeovers Code” means the Hong Kong Code on Takeovers and Mergers as in force and as amended from time to time.

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature, including any interest, additions to tax or penalties applicable thereto.

“Total Loan Commitment” means a maximum amount of HKD 14,040,077,290, including the Stamp Duties Commitment.

“VAT” means:

- (a) any value added tax imposed by the Value Added Tax Act 1994;
- (b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (c) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) or (b) above, or imposed elsewhere.

2. INTERPRETATION

Unless otherwise expressly provided in the Agreement, any agreement, instrument or statute defined or referred to in the Agreement or in any agreement or instrument that is referred to in the Agreement means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein.

3. LOAN

- 3.1 Subject to the terms and conditions of this Agreement, the Lender commits to grant to the Borrower an interest-free loan in a principal amount of up to the Total Loan Commitment (the “**Loan**”).
- 3.2 The Borrower may draw down the Loan in one or more instalments, during the Availability Period, by written request and/or in accordance with the terms of the Payment Direction Letter.
- 3.3 The Borrower may utilise the Loan drawn hereunder only for the purpose of financing the Acquisition Consideration, and to the extent the Acquisition Consideration has been settled in full in accordance with the Hong Kong Code on Takeovers and Mergers, the financing of general corporate purposes of the Borrower and its group.
- 3.4 The Lender shall fund the amounts drawn down by the Borrower pursuant to the terms of the Payment Direction Letter.
- 3.5 The Borrower accepts the Loan and acknowledges its obligation to repay any Outstanding Amounts under the Loan in accordance with the terms and conditions of this Agreement.

4. REPAYMENT AND PREPAYMENT

Notwithstanding the provisions of Article 14, the Borrower may prepay any Outstanding Amounts, in whole or in part, without any penalty or charge at any time after the Certain Funds Period, but at the latest must repay any Outstanding Amounts to the Lender in full on the Maturity Date.

5. PAYMENT

- 5.1 Payments of any amounts due under this Agreement by the Borrower to the Lender shall be remitted by the Borrower in Hong Kong dollars, in immediately available funds, on the due date for payment thereof by (i) wire to such account with such bank as the Borrower may have been informed by the Lender in writing prior to the due date or (ii) pursuant to any payment direction agreed between the Parties, including the Payment Direction Letter.
- 5.2 A payment under this Agreement which is due to be made on a day that is not a Business Day shall be made on the preceding Business Day.
- 5.3 All payments in respect of this Agreement shall (except as required by law) be made in Hong Kong dollars free and clear of any deductions or withholdings for taxes, levies, duties or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in Luxembourg.

6. CONVERSION

- 6.1 At any time upon request of the Lender, any Outstanding Amounts may be converted (in one or several instalments at any time) into new shares in the Borrower (credited as fully paid and free from all encumbrances) (the “**Conversion Shares**”) at the Conversion Ratio.
- 6.2 The Conversion Shares shall be ordinary shares of the Borrower.

- 6.3 On the conversion date, the Borrower shall issue the relevant number of Conversion Shares to be subscribed by the Lender by way of set-off against the Outstanding Amounts (or a portion thereof) with the subscription price of the Conversion Shares, procure that the Lender is registered in the register of shareholders of the Borrower with respect to such number of Conversion Shares and take any other actions that are necessary or desirable to effect the conversion of the Outstanding Amounts (or relevant portion thereof).
- 6.4 Notwithstanding anything to the contrary in this Agreement, at the time of the conversion of the Loan in accordance with this Article, for the purpose of such conversion, the Loan shall be automatically certain, due and payable (*certain, liquide et exigible*).

7. LIMITED RECOURSE

Any recourse of the Lender against the Borrower in respect of any amount it is entitled to under the Agreement is limited to any assets of the Borrower financed by this Agreement and any funds, monies or other assets received for, in relation with or deriving therefrom and the Lender will have no recourse on any other assets or rights of the Borrower.

8. NO WAIVER

No failure or delay of a Party to exercise any right or remedy under this Agreement shall be considered, or operate as, a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

9. ASSIGNMENT AND STAPLING

- 9.1 None of the Parties may assign any of its rights nor transfer any of its rights or obligations under this Agreement without the consent of the other Party.
- 9.2 The shares of the Borrower and this Loan may only be transferred together and any transfer of the Loan without the shares (or *vice-versa*) of the Borrower will be considered void by the Borrower.

10. NOTICES

- 10.1 Any notice or other formal communication given under this Agreement must be in writing and may be delivered by hand or courier, or sent by registered post or by email (subject to receipt being confirmed) to the Party to be served as follows:

- (a) If to the Lender:

L'Occitane Groupe S.A.

Attention: Ingo Dauer and Samuel Antunes

Address: 49, boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg

Email: ingo.dauer@loccitane.com and samuel.antunes@loccitane.com

- (b) If to the Borrower:

L'Occitane Holding S.A.

Attention: Ingo Dauer and Samuel Antunes

Address: 49, boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg

or at such other address or e-mail address as the relevant Party may notify to the other Parties under this Article 10.1.

10.2 Any notice or other communication shall be deemed to have been given:

- (a) if delivered by hand or courier, at the time of delivery at the address referred to in Article 10.1 above;
- (b) if sent by registered post, on the day indicated on the confirmation of receipt; and
- (c) if sent by e-mail, upon acknowledgement of receipt by the recipient.

11. TAX PROVISIONS

11.1 Stamp taxes

The Borrower shall pay and, within five (5) Business Days of demand, indemnify (or shall procure the payment to and/or indemnification of) the Lender against any cost, loss or liability that the Lender incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of this Agreement provided this Article 11 shall not apply in respect of any stamp duty, registration or similar tax payable (i) in respect of an assignment or transfer by the Lender of any of its rights and/or obligations under this Agreement (except where such assignment or transfer is executed at the request of the Borrower or (ii) in respect of a voluntary registration made by the Lender if such registration is not necessary to evidence, prove, maintain, enforce, compel or otherwise assert the rights of the Lender or obligations of any party under this Agreement.

11.2 VAT

11.2.1 All amounts set out, or expressed to be payable under this Agreement by the Borrower to the Lender which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to Article 11.2.2 below, if VAT is or becomes chargeable on any supply made by the Lender to the Borrower under this Agreement and the Lender is required to account to the relevant tax authority for the VAT, the Borrower shall pay (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and the Lender shall promptly provide an appropriate VAT invoice to the Borrower) or, where applicable, directly account for such VAT at the appropriate rate under the reverse charge procedure provided for by Article 196 of Council Directive 2006/112/EC, as amended and implemented by any relevant member state of the European Union, or under any other similar mechanism provided by any other applicable Tax law.

11.2.2 If VAT is or becomes chargeable on any supply made by the Lender (the “**Supplier**”) to any other lender herein (the “**Recipient**”) under this Agreement, and any Party other than the Recipient (the “**Relevant Party**”) is required by the terms of this Agreement to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):

- (a) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this Article 11.2.2 applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
- (b) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay

to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

- 11.2.3 Where this Agreement requires any Party to reimburse or indemnify the Lender for any costs or expenses, that Party shall also at the same time reimburse or indemnify (as the case may be) the Lender against all VAT incurred by the Lender in respect of such costs or expenses but only to the extent that the Lender (reasonably) determines that it is not entitled to credit or repayment from the relevant tax authority in respect of the VAT.
- 11.2.4 Any reference in this Article 11.2 to any Party shall, at any time when that Party is treated as a member of a group or unity (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules (provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant jurisdiction or any other similar provision in any jurisdiction which is not a member state of the European Union) so that a reference to a Party shall be construed as a reference to that Party or the relevant group or unity (or fiscal unity) of which that Party is a member for VAT purposes at the relevant time or the relevant representative member (or representative or head) of that group or unity (or fiscal unity) at the relevant time (as the case may be).
- 11.2.5 In relation to any supply made by a Lender to any Party under this Agreement, if reasonably requested by such Lender, that Party must promptly provide such Lender with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Lender's VAT reporting requirements in relation to such supply.

12. INDEMNITY, COSTS AND EXPENSES

The Borrower undertakes to indemnify the Lender against any actions, charges, claims, reasonable costs, damages, demands, reasonable expenses, liabilities, losses and proceedings which the Lender may sustain or incur as a consequence of any default by the Borrower in the performance of any of the obligations expressed to be assumed by it in this Agreement.

13. ENTIRE AGREEMENT

This Agreement represents the entire agreement and understanding of the Parties with reference to the transactions set forth herein and no representations or warranties have been made in connection with this Agreement other than those expressly set forth herein. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings and agreements between the Parties relating to the subject matter of this Agreement and all prior drafts of this Agreement.

14. SUBORDINATION

The rights of the Lender under this Agreement shall be subordinated to the rights of any senior creditors of the Borrower.

15. AMENDMENTS

Any term of this Agreement may be amended or waived only by written agreement signed by the Parties.

16. SEVERABILITY

If any term or provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, then (i) in lieu of any such illegal, invalid or unenforceable term or provision, the Parties intend that there shall be added as part of this Agreement a term or provision as similar in terms to such illegal, invalid or unenforceable term or provision as may be possible

and be legal, valid and enforceable and (ii) to the fullest extent permitted by applicable law, this illegality, invalidity or unenforceability shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof.

17. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

18. GOVERNING LAW AND ENFORCEMENT

18.1 This Agreement and all amendments, supplements, modifications, waivers and consents relating hereto or thereto shall be governed by, and construed and enforced in accordance with, the laws of the Grand Duchy of Luxembourg.

18.2 The courts of the city of Luxembourg shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement.

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L'OCCITANE GROUPE S.A.

By: Reinold Geiger

Title : Managing Director



L'OCCITANE HOLDING S.A.

By : Reinold Geiger

Title: Sole Director

WHITE & CASE

Dated 27 April 2024 as amended and restated on 15 June 2024

Share Pledge Agreement

as amended and restated pursuant to the terms of the Amendment and Restatement Agreement (each as defined below)

between

L'Occitane Holding S.A.
as New Pledgor

L'Occitane Groupe S.A.
as Retiring Pledgor

and

Crédit Agricole Corporate and Investment Bank
as Pledgee

in relation to certain shares in

L'Occitane International S.A.

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This Share Pledge Agreement (the “**Pledge Agreement**”) is dated 27 April 2024 as amended and restated on 15 June 2024 and made

Between:

- (1) **L’Occitane Holding S.A.**, a public limited liability company, (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg (“**Luxembourg**”), having its registered office at 49, boulevard du Prince Henri, L-1724 Luxembourg, Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) (the “**Luxembourg RCS**”) under number B286921 (the “**New Pledgor**”);
- (2) **L’Occitane Groupe S.A.**, a public limited liability company, (*société anonyme*) incorporated and existing under the laws of Luxembourg, having its registered office at 49, boulevard du Prince Henri, L-1724 Luxembourg, Luxembourg and registered with the Luxembourg RCS under number B125718 (the “**Retiring Pledgor**”, and together with the New Pledgor, the “**Pledgors**” and each a “**Pledgor**”); and
- (3) **Crédit Agricole Corporate and Investment Bank**, acting in its own name, on its own behalf and on behalf and for the account of the Secured Parties (as defined below) as security agent pursuant to clause 25 (*Role of the Agent, the Security Agent, Sole Underwriter, Mandated Lead Arranger and Bookrunner and the Reference Banks*) of the Facilities Agreement (as defined below) (the “**Pledgee**”).

Whereas:

- (A) On 27 April 2024, the Retiring Pledgor and the Pledgee entered into a French law governed facilities agreement made between, *inter alios*, the Retiring Pledgor as borrower, Crédit Agricole Corporate and Investment Bank as sole underwriter, mandated lead arranger and bookrunner and original lender, the financial institutions listed therein as original lenders and Crédit Agricole Corporate and Investment Bank as security agent and as agent, as amended and restated pursuant to an amendment and restatement agreement dated 15 June 2024 (the “**Facilities Agreement**”), to which the New Pledgor has acceded through an accession letter dated 15 June 2024 and made between the New Pledgor as acceding guarantor and Crédit Agricole Corporate and Investment Bank as agent and as security agent.
- (B) To secure the Secured Obligations (as defined below), the Retiring Pledgor pledged the shares it held in the Company in accordance with the terms of this Luxembourg law governed share pledge agreement originally dated 27 April 2024 and made between the Retiring Pledgor as pledgor and the Pledgee as such, in relation to certain shares in the Company (the “**Existing Share Pledge Agreement**”).
- (C) In connection with various amendments made in respect of the implementation of the Offer Acquisition (as defined in the Facilities Agreement) pursuant to which, among others, the New Pledgor is replacing the Retiring Pledgor as shareholder of the Company, the Parties have agreed to amend and restate in full the Existing Share Pledge Agreement on the terms and subject to the conditions set out in the Amendment and Restatement Agreement (as defined below).

It is agreed as follows:

1. Interpretation

1.1 Recitals

The recitals (A) to (C) (inclusive) above are an integral part of this Pledge Agreement.

1.2 Definitions

- (a) Capitalized terms used and otherwise not defined herein shall have the meanings specified in the Facilities Agreement.
- (b) In this Pledge Agreement, unless the contrary intention appears or the context otherwise requires:

“**Amendment and Restatement Agreement**” means the Luxembourg law governed amendment and restatement, accession and release agreement dated 15 June 2024.

“**Business Day**” has the meaning given to such term in the Facilities Agreement.

“**Collateral Act 2005**” means the Luxembourg act dated 5 August 2005 relating to financial collateral arrangements, as amended.

“**Companies Act 1915**” means the Luxembourg act dated 10 August 1915 on commercial companies, as amended.

“**Company**” means L’Occitane International S.A., a public limited liability company, (*société anonyme*) incorporated and existing under the laws of Luxembourg, having its registered office at 49, boulevard du Prince Henri, L-1724 Luxembourg, Luxembourg and registered with the Luxembourg RCS under number B80359.

“**Compulsory Acquisition**” has the meaning given to such term in the Facilities Agreement.

“**Compulsory Acquisition Stake**” has the meaning given to such term in the Facilities Agreement.

“**Corporate Restructuring (LOG Contribution)**” has the meaning given to such term in the Facilities Agreement.

“**Delisting**” has the meaning given to such term in the Facilities Agreement.

“**Dissenting Litigation Judicial Decision**” has the meaning given to such term in the Facilities Agreement.

“**Enforcement Event**” means:

- (i) an Event of Default has occurred and is continuing under (i) clause 22.1 (*Non-payment*), (ii) clause 22.5 (*Cross default*), (iii) clause 22.6 (*Insolvency Proceedings*), and/or (iv) clause 22.15 (*Subordinated Debt*) of the Facilities Agreement, excluding, for the avoidance of doubt, the opening of negotiations in view of concluding or the conclusion of an amicable agreement (*accord amiable*) within the meaning of the Luxembourg law of 7 August 2023 on business preservation and modernisation of bankruptcy law;
- (ii) an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement; or
- (iii) the filing of petition for, or the commencement of, a judicial reorganisation proceeding (*procédure de réorganisation judiciaire*) in respect of any Pledgor under the Luxembourg law of 7 August 2023 on business preservation and modernisation of bankruptcy law, as amended from time to time.

“**Event of Default**” has the meaning given to such term in the Facilities Agreement.

“**European Insolvency Regulation**” means Regulation (EU) No 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast), as may be amended from time to time.

“**Final Completion Date**” has the meaning given to such term in the Facilities Agreement.

“**Finance Document**” or “**Finance Documents**” has the meaning given to such term in the Facilities Agreement.

“**LOI Incentive Plans**” has the meaning given to such term in the Facilities Agreement.

“**Offer**” has the meaning given to such term in the Facilities Agreement.

“**Offer Acquisition**” has the meaning given to such term in the Facilities Agreement.

“**Notice of Pledge**” means a notice substantially in the form set out in Schedule 1 (*Notice of Pledge*) hereto.

“**Pledge**” means the security interest (pledge – *gage*) over the Shares created and constituted by, and in accordance with, this Pledge Agreement.

“**Secured Obligations**” means any and all present and future obligations at any time due, owing or incurred by the Pledgors to the Secured Parties (in whatever capacity) under the Finance Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

“**Secured Party**” or “**Secured Parties**” has the meaning given to the term “Finance Party” in the Facilities Agreement.

“**Security Period**” means the period beginning on the date of this Pledge Agreement and ending on the date on which all Secured Obligations have been unconditionally and irrevocably paid and discharged in full and none of the Secured Parties have any actual or contingent obligation under or in connection with the Finance Documents (or any of them).

“**Shares**” means:

- until the occurrence of the Corporate Restructuring (LOG Contribution), one billion sixty-seven million five hundred eighty-seven thousand three hundred ninety-one (1,067,587,391) shares (*actions*) held by the Retiring Pledgor as at the date of the Amendment and Restatement Agreement, representing (i) c.72.283% of the issued, fully paid-up and subscribed share capital of the Company and (ii) 100% of the shares and voting rights held by the Retiring Pledgor in the share capital of the Company as at the date of the Amendment and Restatement Agreement;
- if applicable, each share attributed to the New Pledgor under the Cash Alternative and the Share Alternative pursuant to clause 21.21(xi) (*Acquisition Documents, Acquisition and Offers*) of the Facilities Agreement;
- if applicable, upon the occurrence of the Corporate Restructuring (LOG Contribution), one billion sixty-seven million five hundred eighty-seven thousand three hundred ninety-one (1,067,587,391) shares (*actions*) in the Company to be transferred by the Retiring Pledgor to the New Pledgor, representing (i) c.72.283% of the issued, fully paid-up and subscribed share capital of the Company and (ii) together with the shares attributed to the New Pledgor under the Cash Alternative and the Share Alternative, 100% of the shares and voting rights in the share capital of the Company that will be held by the New Pledgor as at the date of the Corporate Restructuring (LOG Contribution);

- as well as all shares and other securities (including any preferred equity certificates or similar instruments) acquired (including, as the case may be, shares acquired pursuant to the Compulsory Acquisition) or offered in substitution or in addition to such shares to the Pledgors including those which may be subscribed by it in the case of an increase of the Company's share capital, following exchange, merger, consolidation, division, subscription for cash or otherwise;
- generally, all such shares in the capital of the Company now or at any time hereafter owned by the Pledgors; and
- except as expressly otherwise provided in this Pledge Agreement, the dividends, interest or yield thereon, redemption distribution, bonus, preference, option or conversion rights or otherwise to or in respect of any of the Shares.

“**Soulte**” means, in relation to Clause 9 (*Enforcement of the Pledge*) and 10 (*Payment of the Soulte*), the amount by which the value of the shares or securities appropriated, foreclosed or transferred pursuant to the enforcement of the Pledge exceeds the value of the Secured Obligations secured under this Pledge Agreement immediately prior to such enforcement occurring.

“**Treasury Shares**” means, as at the date of the Amendment and Restatement Agreement, the 1,996,691 treasury shares issued and held by the Company and, from time to time, the treasury shares held by the Company within the limits of the LOI Incentive Plans.

1.3 Miscellaneous

- (a) Clause headings are for ease of reference only and shall be ignored in construing this Pledge Agreement. References in this Pledge Agreement to a “Clause” are, save if explicitly stipulated otherwise, references to a clause herein.
- (b) Words importing the singular include the plural and *vice versa*. A reference to a person in this Pledge Agreement includes its successors, transferees and assignees save that with respect to each Pledgor, the terms of Clause 19(a) (*Assignment*) below shall apply.
- (c) A reference to a provision of law or regulation in this Pledge Agreement is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation.
- (d) Notwithstanding any provision to the contrary in this Pledge Agreement, this Pledge Agreement is subject to, and shall be read in accordance with, the terms of the Facilities Agreement. In the event of conflict between the terms of this Pledge Agreement and the Facilities Agreement, the terms of the Facilities Agreement shall prevail.
- (e) Each Pledgor hereby acknowledges the existence of the Finance Documents and confirm having knowledge of the terms thereof.
- (f) Unless otherwise stated, any reference in this Pledge Agreement to any agreement or document (including any reference to this Pledge Agreement or any other Finance Document or to any agreement or document entered into pursuant to or in accordance with such agreement or document) shall be construed as a reference to:
 - (i) such agreement or document as amended, restated, varied, novated or supplemented from time to time and which may include (as each Pledgor specifically agrees and acknowledges), without limitation (i) any increase in any amount made available thereunder and/or any alteration and/or addition to the purposes for which any such amount, or increased amount, may be used, (ii) any extension and/or any refinancing of the credit made available thereunder, (iii) any facilities provided in substitution or in addition to the

credit originally made available thereunder, (iv) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing, and (v) any combination of any of the foregoing in accordance with the terms thereof or, as the case may be, with the agreement of the relevant parties and (where any consents are, by the terms of this Pledge Agreement, any other Finance Document or the relevant document, required to be obtained as a condition to such amendment, extension or restatement being permitted) with the requisite consents; and

- (ii) any agreement or document whereby such agreement or document is so amended, restated, varied, novated or supplemented; and/or which is entered into pursuant to or in accordance with such agreement or document.
- (g) If and when the Retiring Pledgor is released of this Pledge Agreement in accordance with Clause 12(d) (*Release of the Pledge*), the “Pledgors” shall be read in its singular form and any obligations arising with respect to the Pledgors under this Pledge Agreement or the Pledge will be construed and interpreted as the obligations exclusively of the New Pledgor.

2. Creation of the Pledge

As continuing first ranking security interest (*gage de premier rang*) for the full and punctual payment, performance and discharge of the Secured Obligations, each Pledgor agrees to pledge and hereby pledges the Shares and its present and future rights, title, claims and interest in the Shares to, and in favour of, the Pledgee, who accepts the Pledge. For the avoidance of doubt, any Shares subscribed, acquired or otherwise received by any Pledgor, following the date of the Amendment and Restatement Agreement (including the shares of the Company acquired following the Acquisition by way of the Offer Acquisition, the Corporate Restructuring (LOG Contribution) and, if applicable, a Compulsory Acquisition (each as defined in the Facilities Agreement)) will automatically be pledged in favour of the Pledgee pursuant to this Pledge Agreement when acquired by the relevant Pledgor.

3. Perfection of the Pledge

- (a) The Pledgors procure that the Company will in accordance with paragraph (b) below, register the Pledge of each Share upon the implementation of, respectively, each acquisition by way of the Offer Acquisition, the Corporate Restructuring (LOG Contribution) and if applicable the Compulsory Acquisition in the share register (*registre des actionnaires*) of the Company (the “**Register**”) in the name of the Pledgee and will provide the Pledgee (acting in its own name and in the name and for the account of the Secured Parties) with a copy of the Register evidencing such registration.
- (b) As soon as practically possible following the acquisition of any of the Shares in the Company by the New Pledgor, the Pledgors procure that the Company will register the pledge over such Shares (including any acquisition pursuant to the Acquisition by way of the Offer Acquisition, the Corporate Restructuring (LOG Contribution) and, if applicable, a Compulsory Acquisition (each as defined in the Facilities Agreement) in accordance with the terms of the Facilities Agreement) pursuant to this Pledge Agreement in the Register in the name of the Pledgee:
 - (i) in respect of the Shares acquired by the New Pledgor following each acquisition by way of the Offer Acquisition only, on the date of, or at the latest within one (1) calendar month as from the date of their delivery pursuant to each relevant settlement pursuant to the implementation of such acquisition;

- (ii) in respect of the Shares acquired by the New Pledgor from the Retiring Pledgor only, within one (1) Business Day as from the day of the Corporate Restructuring (LOG Contribution);
- (iii) in respect of the Shares acquired by the New Pledgor following a Compulsory Acquisition only, within one (1) Business Day as from the day of their delivery pursuant to each relevant settlement or at the latest within one (1) calendar month as from the date of their delivery pursuant to each relevant settlement pursuant to the implementation of such acquisition,

and will provide the Pledgee with a copy of the Register evidencing such registration within the same deadline.

The text to be used for each registration is the following:

*“All the shares owned from time to time by L’Occitane Holding S.A. (the “**Pledgor**”), now and in the future, in L’Occitane International S.A. (the “**Company**”) and, in particular, the [●] ([●]) shares (actions) currently representing the [[●] per cent of the] issued share capital of the Company, have been pledged as a first ranking security interest in favour of [●] (the “**Pledgee**”) acting as security agent in the name and for the account of the Secured Parties (as defined in the Pledge Agreement, as defined below), pursuant to a share pledge agreement dated [●] and made between the Pledgor, L’Occitane Groupe S.A. and the Pledgee (the “**Pledge Agreement**”).”*

- (c) The Pledgors procure that the Company shall authorize any director (*administrateur*) of the Company, each acting individually, with full power of substitution, as its attorneys to proceed to the registration of the Pledge in the Register.
- (d) The New Pledgor shall, on the date of the Amendment and Restatement Agreement, (i) notify the Pledge to the Company by executing a notice of pledge substantially in the form of Schedule 1 (*Notice of Pledge*) and (ii) procure the Company to acknowledge the existence of the Pledge by executing a letter substantially in the form of Annex 1 (*Company Letter*) of Schedule 1 (*Notice of Pledge*) within one (1) Business Day of the execution of the Amendment and Restatement.
- (e) Without prejudice to Clause 3(c) above, the Pledgors procure that the Company shall reiterate the formalities referred to in Clause 3(a) and 3(b) above (with the text to be used for registration being amended as appropriate), each time that the Pledge is extended to further Shares in the Company. For the avoidance of doubt, the Pledgors will provide the Pledgee with a copy of the Register evidencing such registration on the date of such registration.

4. Preservation of the Pledge

- (a) The Pledge shall be a continuing first ranking security interest (*gage de premier rang*) and shall remain in full force and effect until it has been expressly released by the Pledgee in accordance with Clause 12 (*Release of the Pledge*) below.
- (b) The Pledge shall be cumulative, in addition to and independent of every other security interest which the Pledgee or any other Secured Party may at any time hold as security for the Secured Obligations or any rights, powers and remedies provided by law and shall not operate so as in any way to prejudice, affect or be prejudiced or affected by any security interest or other right or remedy which the Pledgee or any other Secured Party may now or at any time in the future have in respect of the Secured Obligations.
- (c) No failure on the part of the Pledgee to exercise, or delay on its part in exercising, any of its rights under this Pledge Agreement shall operate as a waiver or release thereof,

nor shall any single or partial exercise of any such right preclude any further or other exercise of that or any other rights.

- (d) Neither the obligations of each Pledgor contained in this Pledge Agreement nor the rights, powers and remedies conferred upon the Pledgee by this Pledge Agreement or by law nor the Pledge created hereby shall be discharged, impaired or otherwise affected by:
 - (i) any amendment to, or any variation, waiver or release of, any obligation of any Pledgor or any other person under any Finance Document; or
 - (ii) any failure to take, or to fully take, any security contemplated by any Finance Document or otherwise agreed to be taken in respect of the obligations of any Pledgor under the Finance Documents; or
 - (iii) any failure to realise or to fully realise the value of, or any release, discharge, exchange or substitution of (except any release or discharge made pursuant to Clause 12 (*Release of the Pledge*) below or in accordance with the terms of the Facilities Agreement), any security taken in respect of the obligations of any Pledgor under the Finance Documents; or
 - (iv) any other act, event or omission which but for this provision might operate to discharge, impair or otherwise affect any of the obligations of each Pledgor contained in this Pledge Agreement, the rights, powers and remedies conferred upon the Pledgee by this Pledge Agreement, the Pledge or by law.
- (e) The Pledgors hereby irrevocably waive any rights (if any) arising for it under article 2037 of the Luxembourg civil code or any right it may have of first requiring the Pledgee to proceed against or claim payment from, or to divide any action between and against, any other persons or enforce any guarantee or security before enforcing this Pledge.

5. Representations, Warranties and Undertakings

Each Pledgor hereby represents and warrants to the Pledgee that:

- (a) all Shares held by the relevant Pledgor may be freely transferred (and none of the Shares is subject to any pre-emption rights, options to purchase or sell or warrants or similar rights of any person (subject to any such rights that may arise in the context of a Dissenting Litigation Judicial Decision) other than those shares part of the LOI Incentive Plans and are capable of being pledged hereunder without the consent of any other party and the enforcement of the Pledge shall not require the consent of any other party;
- (b) the Shares represent (i) on the date of the Amendment and Restatement Agreement, 72.283 *per cent.* of the issued, fully subscribed and paid up share capital of the Company and 100 *per cent.* of the shares and voting rights of the Company held by the Retiring Pledgor and (ii) at any time following the occurrence of the Corporate Restructuring (LOG Contribution) (or, to the extent a Compulsory Acquisition is triggered, at any time following the implementation of that Compulsory Acquisition) 100 *per cent.* of the shares and voting rights held by the New Pledgor in the share capital of the Company;
- (c) subject to any Dissenting Litigation Judicial Decision, the Shares represent, on the Final Completion Date, one hundred *per cent.* of the issued, fully subscribed and paid up share capital of the Company other than those shares part of the LOI Incentive Plans and the Treasury Shares;

- (d) subject to any Dissenting Litigation Judicial Decision, it has not renounced or waived any rights, title or action under the Shares other than those shares part of the LOI Incentive Plans and the Treasury Shares;
- (e) the Company has not declared any dividends in respect of the Shares that are still unpaid on the date of the Amendment and Restatement Agreement;
- (f) the Register is held in physical form at its registered office in Luxembourg;
- (g) the shares of the Company (including the Shares and any future shares (following their issuance or repatriation, as the case may be)) exist solely in registered form (*actions nominatives*) and all of the Company's shares are registered in the Register held in Luxembourg;
- (h) the Company's head office (*administration centrale*), its place of effective management (*siège de direction effective*) and (for the purposes of the European Insolvency Regulation) its centre of main interests (*centre des intérêts principaux*) are located at its registered office (*siège statutaire*) in Luxembourg; and
- (i) The Company has no "establishment" (as that term is used in Article 2(b) of the European Insolvency Regulation) in any other jurisdiction than Luxembourg.

The representations, warranties and undertakings set out in Clause 5 are made on the date of this Pledge Agreement, on the date of the Amendment and Restatement Agreement and are deemed to be repeated by each Pledgor on each date on which any representations and warranties are deemed to be repeated under clause 18.31 (*Repetition*) of the Facilities Agreement and on the date it acquires any Shares. For the avoidance of doubt, representations and warranties which are expressly given with reference to the date of the Amendment and Restatement Agreement shall be repeated with reference to the facts and circumstances existing as of the date of the Amendment and Restatement Agreement.

6. Covenants

Each Pledgor hereby covenants to the Pledgee that, until the end of the Security Period:

- (a) it shall not, without the prior written consent of the Pledgee, approve an increase in the Company's share capital unless it subscribes for all the shares issued or as otherwise permitted under the Facilities Agreement (including under any permitted LOI Incentive Plans);
- (b) it shall not create or permit to subsist any lien, security interest, usufruct, claim, option, pledge, charge, assignment, transfer (including the transfer of legal title to a trustee or a fiduciary) and other encumbrances of any kind, other than the Pledge, in respect of the Shares (or any part thereof) (irrespective of its ranking), and shall not permit the existence of any such lien, security interest, claim, option, pledge, charge, assignment, transfer and other encumbrances of any kind other than the Pledge or any preferential right arising by operation of law, unless otherwise permitted under the Facilities Agreement;
- (c) it shall not (agree to) sell, transfer, assign, encumber or otherwise dispose of any of the Shares or any part thereof without the prior written consent of the Pledgee; it shall not renounce or waive any rights, title or action under the Shares in any way that would adversely affect the Pledgee's rights under this Pledge Agreement except with the Pledgee's prior written consent or unless otherwise permitted under the Facilities Agreement;

- (d) it shall not cause the Company's legal form to change or otherwise modify the Company's articles of association in any way that would adversely affect the Pledgee's rights under this Pledge Agreement except with the Pledgee's prior written consent or unless otherwise permitted under the Facilities Agreement;
- (e) it shall not take any action in respect of the Shares which could, directly or indirectly, have a material adverse effect on the validity, the effectiveness or the enforceability of the Pledge or the rights of the Pledgee under or in connection with the Pledge or have a material adverse effect on the Shares;
- (f) it shall, and shall cause the Company to, take all necessary actions which the Pledgee may request to protect the validity, the effectiveness and the enforceability of the Pledge or the rights of the Pledgee under this Pledge Agreement and/or to create and perfect the security interest that is granted, or purported to be granted, under this Pledge Agreement;
- (g) it procures on its own behalf that no executory attachment (*saisie exécutoire*) is made on the Shares (subject to any attachment that may arise in the context of a Dissenting Litigation Judicial Decision) and that it shall, immediately after becoming aware thereof, inform the Pledgee in writing of any distress, attachment (including executory attachment (*saisie exécutoire*), third party attachment (*saisie arrêt*) or protective attachment (*saisie conservatoire*)), enforcement or other legal process commenced by a third party in respect of all or part of the Shares and it shall, at its own expenses, promptly (i) send the Pledgee a copy of the relevant attachment or enforcement documentation, (ii) notify the relevant third party in writing of the existence of the Pledgee's interest in the relevant Shares, (iii) take such measures to challenge the attachment or enforcement and obtain the release or discharge of this attachment or enforcement at the earliest possible and (iv) keep the Pledgee regularly informed;
- (h) the Register is and will be at all times located in physical form at the registered office of the Company in Luxembourg;
- (i) the Company's head office (*administration centrale*), the place of effective management (*siège de direction effective*) and (for the purposes of the European Insolvency Regulation) the centre of main interests (*centre des intérêts principaux*) of the Company and each Pledgor will be located at all times at the place of its registered office (*siège statutaire*) in Luxembourg; and
- (j) the Pledgors procure that the Company shall, within five (5) Business Days from the Delisting, accede to this Pledge Agreement as company and the procurement obligations taken by the Pledgors in respect of the Company in Clauses 3(b) (*Perfection of the Pledge*), 3(e) (*Perfection of the Pledge*), 6(f) (*Covenants*), 7.1(b) (*Right to Dividend*), 8(b) (*Liability to Perform and Further Assurances*), 15(b) (*Power of Attorney*) and 15(c) (*Power of Attorney*) shall be borne directly by the Company only upon such accession.

7. Rights Attaching to the Shares

7.1 Right to Vote

- (a) Without prejudice to Clauses 7.1(b) below, each Pledgor shall remain the owner of the Shares and the voting rights attached to the Shares shall remain vested in the relevant Pledgor provided that the neither of the Pledgors shall, without the Pledgee's prior written consent, exercise (or refrain from exercising) its voting rights in respect of the Shares in any manner which would adversely affect the validity or enforceability of the Pledge or cause an Event of Default to occur.

- (b) Upon the occurrence of an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement, the Pledgee shall be entitled to exercise the voting rights in relation to the Shares in any manner it deems fit for the purpose of protecting and/or enforcing its rights under this Pledge Agreement (including for the avoidance of doubt any voting rights with respect to resolutions relating to the dismissal, replacement and/or appointment of the directors (*administrateurs*) of the Company). Upon the occurrence of an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement, each Pledgor shall no longer be entitled to exercise any voting rights in relation to the Shares nor, for the avoidance of doubt, to pass any resolution without the Pledgee's prior written consent. The Pledgors undertake to, and the Pledgors procure that the Company shall, inform the Pledgee of any meeting of the shareholders of the Company, as well as of the agenda thereof or of any proposed resolution in writing. Upon the occurrence of an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement, the Pledgee shall furthermore be entitled to exercise all rights of each Pledgor in relation to the convening and/or holding of meetings of the shareholders of the Company or the adoption of shareholder's resolutions in writing or otherwise. The Pledgee shall in particular have the right to request the board of directors (*conseil d'administration*) of the Company to convene a meeting of the shareholders and to request items to be put on or added to the agenda, to convene such meeting itself and/or to propose and adopt resolutions in written form, to the extent permitted under applicable law.

7.2 Right to Dividend

- (a) Until the occurrence of an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement, this Pledge Agreement does not affect any right of each Pledgor to be entitled to receive any dividends and other distributions paid or to be paid by the Company on all or any of the Shares, to the extent permitted under the Finance Documents.
- (b) Upon the occurrence of an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement, the Pledgee shall have sole entitlement to receive dividends and other distributions payable by the Company on all or any of the Shares. To this effect, the Pledgors and the Pledgee agree that the Company is hereby directed, upon the occurrence of an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement to make direct payment of all such dividends and other distributions to the Pledgee exclusively.

8. Liability to Perform and Further Assurances

- (a) It is expressly agreed that, notwithstanding anything to the contrary contained in this Pledge Agreement, each Pledgor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Shares and the Pledgee shall be under no obligation or liability by reason of or arising out of this Pledge Agreement. The Pledgee shall not be required in any manner to perform or fulfil any obligations of each Pledgor in respect of the Shares, or to make any payment, or to make any enquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or take any other action to collect or enforce the payment of any amount to which it may have been or to which it may be entitled hereunder at any time.

- (b) Each Pledgor shall, and the Pledgors procure that the Company shall, upon the written request of the Pledgee, at its own expense, promptly and duly execute and perform all such assurances, acts and things as the Pledgee may reasonably require as being necessary for perfecting or protecting all or any of the rights, powers, authorities and discretions which are for the time being exercisable by the Pledgee under this Pledge Agreement in relation to the Shares for facilitating the enforcement of any such rights or any part thereof and in the exercise of all powers, authorities and discretions vested in the Pledgee. To that effect, each Pledgor shall, and the Pledgors procure that the Company shall, in particular promptly execute all documents or instruments and give all notices, orders and directions and make all registrations which the Pledgee may reasonably think expedient.

9. Enforcement of the Pledge

- (a) At any time following the occurrence of an Enforcement Event or at any time a Secured Obligation which is due and payable remains unpaid, the Pledgee is entitled to enforce the Pledge immediately, without prior notice or other formality, at its absolute discretion, and exercise any right under (i) applicable law (including, without limitation, article 11 of the Collateral Act 2005) and/or (ii) this Pledge Agreement and to enforce all or any part of the Pledge in respect of the Shares in any manner it sees fit.

The Pledgee shall, in particular, be entitled to:

- (i) sell, or cause the sale of, the Shares (i) in a private sale (*vente de gré à gré*) at normal commercial terms (*conditions commerciales normales*) or (ii) subject to article 710-11 of the Companies Act 1915, in a sale organised by a stock exchange or regulated market (to be chosen by the Pledgee) or in a public sale (organised in any manner the Pledgee sees fit and which, for the avoidance of doubt, does not need to be made by or within a stock exchange or regulated market); or
- (ii) appropriate the Shares at their fair market value as determined by a Luxembourg independent auditor (*réviseur d'entreprises agréé*) or a reputable investment bank appointed by the Pledgee, as of the time of appropriation. The appropriation shall be effective on the date of the appropriation, even if the date of such appropriation is before the valuation has been commenced or completed. The Pledgee can further determine, at its sole discretion, that the right to appropriate all or part of the Shares be exercised by one or more entities other than the Pledgee (including one or more special purpose vehicles), it being understood that an appropriation of the Shares by such other entity or entities shall be deemed to have the same effects under the Pledge Agreement as if the Pledgee had proceeded with such appropriation; or
- (iii) request that the Shares be attributed (*attribution judiciaire*) to the Pledgee pursuant to a court order in discharge of the Secured Obligations or any part thereof following a valuation of the Shares made by a court appointed expert; or
- (iv) use any other realisation or enforcement method to the widest extent permitted by applicable law; and
- (v) act generally in relation to the Shares in such manner as the Pledgee shall reasonably determine in accordance with the Financial Collateral Law.

- (b) The Pledgee shall have the right, following the occurrence of an Enforcement Event to request enforcement of the Pledge in respect of all or part of the Shares at its absolute discretion. No action, choice or absence of action in respect of the enforcement of the Pledge, or partial enforcement, shall in any manner affect the Pledge as it then shall be (and in particular those Shares which have not been subject to enforcement). The Pledge shall continue to remain in full and valid existence until enforcement, discharge or termination hereof, as the case may be.

10. Payment of the *Soulte*

If following an enforcement of the Pledge in accordance with Clause 9 (*Enforcement of the Pledge*), any *Soulte* becomes due to the Pledgors by the Pledgee, such *Soulte* shall only become due and payable by the Pledgee upon the earlier of:

- (i) the date falling eight (8) days after the completion of the sale in accordance with paragraph (i) of Clause 9(a) (*Enforcement of the Pledge*); and
- (ii) at the latest on the date falling twelve (12) months after the appropriation in accordance with paragraph (iii) of Clause 9(a) (*Enforcement of the Pledge*).

11. Application of Proceeds

All proceeds or assets received or realised by the Pledgee in connection with the enforcement of the Pledge or otherwise pursuant to this Pledge Agreement shall be distributed in accordance with the provisions of clause 28 (*Payment Mechanics*) of the Facilities Agreement. This is without prejudice to the obligation under law to set off the value established following the completion of the valuation report in case of the enforcement by way of appropriation in accordance with Clause 9(a)(ii) of this Pledge Agreement, (subject to the provisions of Clause 10 (*Payment of the Soulte*)), against the then outstanding Secured Obligations.

12. Release of the Pledge

- (a) In case of any Dissenting Litigation Judicial Decision resulting in an executable judicial decision, obliging any Pledgor to return or transfer any of the shares in the Company acquired pursuant to a Compulsory Acquisition (“**Return Order**”), the Pledge over the Shares being subject to such Return Order will be automatically released and discharged without any further action, consent or formality being required from the Parties and the Company will be entitled to update the Register accordingly, provided that if the number of Shares subject to the Return Order exceeds the Compulsory Acquisition Stake, then only the Compulsory Acquisition Stake (and no other Shares) will be so released. Any such release shall not affect the Pledge over the Shares not concerned by the Return Order, which shall continue in full force and effect.
- (b) Without prejudice to paragraph (a) above, upon the expiry of the Security Period or as otherwise agreed by the Pledgee, the Pledge shall be discharged by the express release thereof granted by the Pledgee (i) acting on its own initiative or (ii) at the written request of the Pledgors. The Pledgee shall inform the Company of such release and instruct it to record the release of the Pledge in the Register.
- (c) The provisions of paragraph (a) above shall only apply upon receipt by the Pledgee of a copy of the Return Order provided by the Pledgors.
- (d) The Retiring Pledgor shall be released of this Pledge Agreement as from the Corporate Restructuring (LOG Contribution) and after having sent a notice, by e-mail, to the Pledgee (i) notifying the occurrence of the Corporate Restructuring (LOG

Contribution) and (ii) proving, to the Pledgee, the registration by the New Pledgor of the Shares it acquired from the Retiring Pledgor in the share register of the Company, in accordance with Clause 3(b)(ii). For the avoidance of doubt, the Retiring Pledgor remains liable for all its obligations and duties under this Pledge Agreement until the Pledgee has acknowledged the Retiring Pledgor's notice that the Corporate Restructuring (LOG Contribution) has occurred, or in any case after fifteen (15) Business Days after the notice was sent.

The text to be used for the release is the following:

“The pledge over all and future shares in L’Occitane International S.A. (the “Company”) granted pursuant to a share pledge agreement originally dated 27 April 2024 (the “Share Pledge Agreement”) (as amended by an amendment and restatement, accession and release agreement dated 15 June 2024, the “AR Accession and Release Agreement”) and entered into between L’Occitane Groupe S.A. as retiring pledgor (the “Pledgor”), L’Occitane Holding S.A. as new pledgor and Crédit Agricole Corporate and Investment Bank as pledgee (the “Pledgee”), has been released with effect from [●] 20[●] in accordance with the terms of the AR Accession and Release Agreement.”

13. Liability and Indemnity

- (a) Neither the Pledgee nor any of its agents shall be liable for any losses arising in connection with the exercise of any of its rights, powers and discretions (including without limitation its rights, powers and discretions in connection with the enforcement of the Pledge) hereunder save for any liability arising from the gross negligence or misconduct (*négligence grossière ou faute lourde*) or wilful default (*faute intentionnelle*) of the Pledgee or its agents.
- (b) Each Pledgor will indemnify the Pledgee and every attorney which may be appointed, from time to time, in respect of all liabilities and expenses incurred by it, him, her or them in the execution of any rights, powers or discretions vested in it, him, her or them pursuant thereto save for liabilities and expenses arising from the gross negligence or misconduct (*négligence grossière ou faute lourde*) or wilful default (*faute intentionnelle*) of the Pledgee or its attorney or both.

14. Delegation by the Pledgee

- (a) The Pledgee or any person appointed by the Pledgee may at any time and from time to time delegate by power of attorney or in any other manner to any properly qualified person or persons all or any of the powers, authorities and discretions which are for the time being exercisable by the Pledgee under this Pledge Agreement in relation to the Shares (or any part thereof).
- (b) Any such delegation may be made upon such terms (including a power of substitution) and subject to such regulations as the Pledgee or such person appointed by the Pledgee may think fit. The Pledgee shall as soon as practicable inform the Pledgors of the identity of the person appointed pursuant to this Clause 14.
- (c) The Pledgee or such person appointed by the Pledgee shall not be in any way liable or responsible to the Pledgors for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate except in the case of gross negligence (*faute lourde*) or wilful misconduct (*faute intentionnelle*).

15. Power of Attorney

- (a) Each Pledgor hereby, in order to fully secure the performance of its obligations hereunder, irrevocably appoints the Pledgee and every person appointed by the Pledgee hereunder to be its attorney (*mandataire*) acting severally, and on its behalf and in its name or otherwise, to execute and do all such acts and things which the relevant Pledgor is required to do and fails to do under the provisions of this Pledge Agreement (including, without limitation, to make any demand upon or to give any notice or receipt to the Company or any other person), it being understood that the Pledgee and every person appointed by the Pledgee hereunder shall only be able to exercise this power of attorney following the occurrence of an Event of Default which is continuing or if the relevant Pledgor has failed to comply with a further assurance or perfection obligation under this Pledge Agreement within ten (10) Business Days of being notified of that failure and being requested to comply and provided that such power of attorney will not have the effect of providing its recipients the right to exercise rights under this Pledge Agreement – including without limitation voting and rights enforcement rights – prior to the times specified expressly in accordance with the terms of this Pledge Agreement).
- (b) The Pledgors procure that the Company shall irrevocably appoint the Pledgee and every person appointed by the Pledgee hereunder to be its attorney (*mandataire*) acting severally, to make in its name and on its behalf all filings and publications in the RCS required to give effect to the exercise by the Pledgee of its rights under this Pledge Agreement including, in particular, any filings with the RCS appointing or dismissing directors (*administrateurs*) appointed in accordance with Clause 7.1(b) (*Rights attaching to the Shares*) above and any transfer of ownership of the Shares following an enforcement in accordance with Clause 9 (*Enforcement of the Pledge*) above (provided that such power of attorney will not have the effect of providing its recipients the right to exercise rights under this Pledge Agreement – including without limitation voting rights and enforcement rights – prior to the times specified expressly in accordance with the terms of this Pledge Agreement)
- (c) The Pledgors hereby agree to ratify and confirm, and the Pledgors procure that the Company shall agree to ratify and confirm, if need be, whatever any such attorney (as referred to in Clauses 15(a) and 15(b) above) shall properly do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in such clauses.
- (d) The Parties agree in accordance with article 2003 of the Luxembourg civil code that the powers of attorney granted pursuant to this Clause 15 and to Clause 19(d) (*Assignment*) do not terminate upon the occurrence of bankruptcy (*faillite*) or similar Luxembourg or foreign law proceedings affecting the rights of creditors generally in respect of any Pledgor or the Company.

16. Waivers and Remedies Cumulative

No waiver of any of the terms hereof shall be effective unless in writing and signed by the Pledgee. No delay in or non-exercise of any right by the Pledgee shall constitute a waiver. Any waiver may be on such terms as the Pledgee sees fit. The rights, powers and discretions of the Pledgee herein are additional to and not exclusive of those provided by law, by any agreement with or other security in favour of the Pledgee including the provisions set out in the Finance Documents.

17. Costs and Expenses

Each Pledgor shall pay all the costs and expenses set out in clause 16 (*Costs and Expenses*) of the Facilities Agreement and arising in relation with this Pledge Agreement.

18. Notices

Any notice or other communication to be served pursuant to this Pledge Agreement shall be served in accordance with the provisions of clause 30 (*Notices*) of the Facilities Agreement and, if given to the Company, using the following details:

L'Occitane International S.A.
Address: 49, boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg
Attention: Département Financement & Trésorerie / Karl Guenard
E-mail: samuel.antunes@loccitane.com / Julien.DESCAMPS@loccitane.com / Julien.combet@loccitane.com

19. Assignment

- (a) Neither of the Pledgors may assign, novate or otherwise transfer any of its rights under this Pledge Agreement without the prior written consent of the Pledgee. The Pledgee may assign, novate or otherwise transfer all or any part of its rights under this Pledge Agreement provided that such assignment, novation or transfer will be effected together with a parallel assignment, novation or transfer under the relevant Finance Documents. Such assignment, novation or other transfer by the Pledgee shall be enforceable towards the Pledgors and third parties pursuant to the provisions of article 1690 of the Luxembourg civil code.
- (b) In case of an assignment, novation or other transfer by the Pledgee or any other Secured Party to one or several transferees of all or any part of the Secured Obligations and/or of any other rights it may have under any of the Finance Documents, to the extent required under applicable law (including for the purpose of article 1278 of the Luxembourg civil code) and without prejudice to any other terms hereof or of any other Finance Documents, the Pledgee and each Pledgor hereby agree, that in any such event, this Pledge and all rights under this Pledge Agreement shall be preserved, so that the Pledge shall automatically, and without any formality, benefit to any such transferees.
- (c) This Pledge Agreement shall remain in effect despite any amalgamation, merger or demerger (however effected) relating to the Pledgee or any of the other Secured Parties, and references to the Pledgee or that other Secured Party shall be deemed to include any assignee, transferee or successor in title of the Pledgee or that other Secured Party and any person who, under any applicable law, has assumed the rights and obligations of the Pledgee or that other Secured Party hereunder (or, as applicable, under any other Finance Documents) or to which under such laws these rights and obligations have been assigned, novated or transferred in any manner.
- (d) To the extent a further notification, registration or any other step is required by law to give effect to the above, such further notification or registration shall be made or such other step taken, and each Pledgor hereby irrevocably appoints the Pledgee as its attorney (*mandataire*), to make any notifications and/or to proceed to any required registrations, and/or to take any other steps, and each Pledgor undertakes to do so itself if so requested by the Pledgee.

20. Severability

If, at any time, any provision of this Pledge Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Pledge Agreement nor of such provisions under the law of any other jurisdiction shall in any way be affected or impaired thereby.

21. Counterparts

This Pledge Agreement may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of the Pledge Agreement.

22. Amendments

None of the terms of this Pledge Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by or on behalf of the Parties.

23. Governing Law and Jurisdiction

- (a) This Pledge Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Luxembourg law.
- (b) Any dispute arising in connection with this Pledge Agreement shall be submitted to the courts of the district of Luxembourg-City.

Signatories

The New Pledgor

L'Occitane Holding S.A.



Name: Reinhold Geiger
Title: Sole Manager

The Retiring Pledgor

L'Occitane Groupe S.A.

A handwritten signature in blue ink, consisting of several loops and a vertical line, positioned above a horizontal line.

Name: Reinold Geiger
Title: Managing Director

The Pledgee

**Crédit Agricole Corporate and Investment
Bank**



Name: Alexandre Baklouti
Title: *Chargé d'affaires Agency*



Name: Gabrielle Aveline
Title: *Chargée d'affaires Agency*

Schedule 1 Notice of Pledge

L'Occitane Holding S.A.
société anonyme
Registered office: 49, boulevard du Prince Henri,
L-1724 Luxembourg,
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B286921

To: L'Occitane International S.A.
Address: 49, boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg
Attention: Département Financement & Trésorerie / Karl Guenard
E-mail: samuel.antunes@loccitane.com / Julien.DESCAMPS@loccitane.com / Julien.combet@loccitane.com

Copy to: Crédit Agricole Corporate and Investment Bank
Address: 12 place des Etats-Unis, CS70052, 92547 Montrouge Cedex, France
Attention: Gabrielle Aveline and Sarah Abounour
Email: gabrielle.aveline@ca-cib.com / sarah.abounour@ca-cib.com

TO BE SENT BY E-MAIL OR FAX AND TO BE DELIVERED BY REGISTERED MAIL WITH ACKNOWLEDGMENT OF RECEIPT OR BY HAND

Luxembourg, [●] 2024

Dear Sir, Madam,

We hereby give you notice that pursuant to a share pledge agreement dated 15 June 2024 (the “**Agreement**”, a copy of which is attached hereto in Annex 2) and entered into by L'Occitane Groupe S.A. as retiring pledgor (the “**Retiring Pledgor**”), L'Occitane Holding S.A. as new pledgor (the “**Pledgor**”) and Crédit Agricole Corporate and Investment Bank as pledgee (the “**Pledgee**”), the Pledgor has agreed to grant a pledge over the Shares (as defined in the Agreement) to the Pledgee as security interest for the Secured Obligations (as defined in the Agreement), in relation with a French law governed facilities agreement originally dated 27 April 2024 (and as amended and/or restated from time to time) and made between, *inter alios*, the Retiring Pledgor as borrower, Crédit Agricole Corporate and Investment Bank as sole underwriter, mandated lead arranger and bookrunner and original lender, the financial institutions listed therein as original lenders and Crédit Agricole Corporate and Investment Bank as security agent and as agent (the “**Facilities Agreement**”) to which the Pledgor has acceded through an accession letter dated 15 June 2024 and made between the Pledgor as acceding guarantor and Crédit Agricole Corporate and Investment Bank as agent and as security agent.

This notice of pledge (the “**Notice of Pledge**”) is governed by Luxembourg law and shall be binding upon your successors and assigns and shall inure to the benefit of, and be enforceable by, the Pledgee and its successors and assigns.

Upon receipt of this Notice of Pledge, we hereby instruct and appoint you (acting through your authorised representatives) to record the Pledge in your Register using the below language and to provide a copy of the Register within in accordance with and within the deadline set out under Clause 3 (*Perfection*) of the Agreement:

*“All the shares owned from time to time by L’Occitane Holding S.A. (the “**Pledgor**”), now and in the future, in L’Occitane International S.A. (the “**Company**”) and, in particular, the [●] ([●]) shares (actions) currently representing the [[●] per cent of the] issued share capital of the Company, have been pledged as a first ranking security interest in favour of [●] (the “**Pledgee**”) acting as security agent in the name and for the account of the Secured Parties (as defined in the Pledge Agreement, as defined below), pursuant to a share pledge agreement dated [●] and made between the Pledgor; L’Occitane Groupe S.A. and the Pledgee (the “**Pledge Agreement**”).”*

We kindly ask you to send, by e-mail and/or fax, a copy of the company letter as attached in Annex 1 to the present Notice of Pledge duly signed on your behalf to acknowledge receipt hereof, to us and to the Pledgee at the contact details set out above.

Yours faithfully,

The Pledgor

L'Occitane Holding S.A.

Name:

Title:

Annex 1 Company Letter

L'Occitane International S.A.
société anonyme
Registered office: 49, boulevard du Prince Henri,
L-1724 Luxembourg,
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B80359

By Email and/or registered mail with acknowledgment of receipt

To: Crédit Agricole Corporate and Investment Bank
Address: 12 place des Etats-Unis, CS70052, 92547 Montrouge Cedex, France
Attention: Gabrielle Aveline and Sarah Abounour
Email: gabrielle.aveline@ca-cib.com / sarah.abounour@ca-cib.com

L'Occitane Holding S.A.
Address: 49, boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg
Attention: Département Financement & Trésorerie / Karl Guenard
E-mail: samuel.antunes@loccitane.com / Julien.DESCAMPS@loccitane.com /
Julien.combet@loccitane.com

[●] 2024

Dear Sir, Madam,

Pledge of Shares

Reference is made to the share pledge agreement entered into on 15 June 2024 between L'Occitane Groupe S.A. as retiring pledgor, L'Occitane Holding S.A. as new pledgor (the “**Pledgor**”) and Crédit Agricole and Investment Bank as pledgee (the “**Pledgee**”) with respect to the pledge granted by the Pledgor over the Shares (the “**Share Pledge Agreement**”).

Capitalised terms defined in Share Pledge Agreement have, unless expressly defined in this letter, the same meaning in this letter.

This is to confirm that:

- (a) we acknowledge the terms and conditions of the Share Pledge Agreement;
- (b) we will proceed with any recording in the Register required in connection with the Share Pledge Agreement;
- (c) we accept to duly record in the Register any transfer of the Shares in accordance with Clause 9 (*Enforcement of the Pledge*) of the Share Pledge Agreement;
- (d) upon the occurrence of an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement, we acknowledge that the Pledgee shall have sole entitlement to (i) to exercise the voting rights in relation to the Shares and (ii) receive dividends and other distributions payable by us on all or any of the Shares. To this effect, we agree, if and when an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement occurs, to make direct payment of all such dividends and other distributions to the Pledgee exclusively; and

- (e) we have no notice of any transfer of such shares to a third party, nor of any attachment or other encumbrance thereon (save for the Pledge), so that to the best of our knowledge the Pledgor owns such shares free and clear of any encumbrances.

Yours sincerely,

The Company

L'Occitane International S.A.

Name:

Title:

Name:

Title:

Annex 2 Agreement

WHITE & CASE

Dated 15 June 2024

Share Pledge Agreement

between

L'Occitane Groupe S.A.
as Pledgor

and

Crédit Agricole Corporate and Investment Bank
as Pledgee

and

L'Occitane Holding S.A.
as Company

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This Share Pledge Agreement (the “Pledge Agreement”) is dated 15 June 2024 and made

Between:

- (1) **L’Occitane Groupe S.A.**, a public limited liability company, (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg (“**Luxembourg**”), having its registered office at 49, boulevard du Prince Henri, L-1724 Luxembourg, Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) (the “**Luxembourg RCS**”) under number B125718 (the “**Pledgor**”);
- (2) **Crédit Agricole Corporate and Investment Bank**, acting in its own name, on its own behalf and on behalf and for the account of the Secured Parties (as defined below) as security agent pursuant to clause 25 (*Role of the Agent, the Security Agent, Sole Underwriter, Mandated Lead Arranger and Bookrunner and the Reference Banks*) of the Facilities Agreement (as defined below) (the “**Pledgee**”); and
- (3) **L’Occitane Holding S.A.**, a public limited liability company, (*société anonyme*) incorporated and existing under the laws of Luxembourg, having its registered office at 49, boulevard du Prince Henri, L-1724 Luxembourg, Luxembourg and registered with the Luxembourg RCS under number B286921 (the “**Company**” and, together with the Pledgor and the Pledgee, the “**Parties**” and each a “**Party**”).

Whereas:

- (A) The Parties enter into this Pledge Agreement in connection with the French law governed facilities agreement originally dated 27 April 2024 and made between, *inter alios*, the Pledgor as borrower, Crédit Agricole Corporate and Investment Bank as sole underwriter, mandated lead arranger and bookrunner and original lender, the financial institutions listed therein as original lenders and Crédit Agricole Corporate and Investment Bank as security agent and as agent, as amended and restated pursuant to an amendment and restatement agreement dated the date hereof (the “**Facilities Agreement**”) to which the Company has acceded through an accession letter dated 15 June 2024 and made between the Company as acceding guarantor and Crédit Agricole Corporate and Investment Bank as agent and as security agent..
- (B) As of the date of the Pledge Agreement, the Pledgor is the owner of three hundred thousand (300,000) shares (*actions*) in the Company, representing 100 (one hundred) *per cent.* of the share capital and voting rights of the Company (as defined below).
- (C) The Pledgor has agreed to grant a pledge over the Shares (as defined below) to the Pledgee as security interest for the Secured Obligations (as defined below) upon and subject to the terms of this Pledge Agreement.

It is agreed as follows:

1. Interpretation

1.1 Recitals

The recitals (A) to (C) (inclusive) above are an integral part of this Pledge Agreement.

1.2 Definitions

- (a) Capitalized terms used and otherwise not defined herein shall have the meanings specified in the Facilities Agreement.

- (b) In this Pledge Agreement, unless the contrary intention appears or the context otherwise requires:

“**Authorized Minority Shareholder Participation**” means the up to 5 (five) *per cent.* of the shares in the Company which can be held by minority shareholders as a result of a capital increase by way of authorised capital (*augmentation de capital sous capital autorisé*) under the Share Alternative.

“**Business Day**” has the meaning given to such term in the Facilities Agreement.

“**Collateral Act 2005**” means the Luxembourg act dated 5 August 2005 relating to financial collateral arrangements, as amended.

“**Companies Act 1915**” means the Luxembourg act dated 10 August 1915 on commercial companies, as amended.

“**Enforcement Event**” means:

- (i) an Event of Default has occurred and is continuing under (i) clause 22.1 (*Non-payment*), (ii) clause 22.5 (*Cross default*), (iii) clause 22.6 (*Insolvency Proceedings*), and/or (iv) clause 22.15 (*Subordinated Debt*) of the Facilities Agreement, excluding, for the avoidance of doubt, the opening of negotiations in view of concluding or the conclusion of an amicable agreement (*accord amiable*) within the meaning of the Luxembourg law of 7 August 2023 on business preservation and modernisation of bankruptcy law;
- (ii) an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement; or
- (iii) the filing of petition for, or the commencement of, a judicial reorganisation proceeding (*procédure de réorganisation judiciaire*) in respect of the Pledgor under the Luxembourg law of 7 August 2023 on business preservation and modernisation of bankruptcy law, as amended from time to time.

“**Event of Default**” has the meaning given to such term in the Facilities Agreement.

“**European Insolvency Regulation**” means Regulation (EU) No 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast), as may be amended from time to time.

“**Finance Document**” or “**Finance Documents**” has the meaning given to such term in the Facilities Agreement.

“**Pledge**” means the security interest (pledge – *gage*) over the Shares created and constituted by, and in accordance with, this Pledge Agreement.

“**Secured Obligations**” means any and all present and future obligations at any time due, owing or incurred by the Pledgor to the Secured Parties (in whatever capacity) under the Finance Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

“**Secured Party**” or “**Secured Parties**” has the meaning given to the term “Finance Party” in the Facilities Agreement.

“**Security Period**” means the period beginning on the date of this Pledge Agreement and ending on the date on which all Secured Obligations have been unconditionally and irrevocably paid and discharged in full and none of the Secured Parties have any

actual or contingent obligation under or in connection with the Finance Documents (or any of them).

“**Shares**” means:

- the three hundred thousand (300,000) shares (*actions*) in the Company representing (i) 100% of the issued, fully paid-up and subscribed share capital of the Company at the date hereof and (ii) 100% of the shares and voting rights held by the Pledgor in the share capital of the Company at the date hereof, as well as all shares and other securities (including any preferred equity certificates or similar instruments) acquired or offered in substitution or in addition to such shares to the Pledgor including those which may be subscribed by it in the case of an increase of the Company’s share capital, following exchange, merger, consolidation, division, subscription for cash or otherwise;
- generally, all such shares in the capital of the Company now or at any time hereafter owned by the Pledgor; and
- except as expressly otherwise provided in this Pledge Agreement, the dividends, interest or yield thereon, redemption distribution, bonus, preference, option or conversion rights or otherwise to or in respect of any of the Shares, but excluding the Authorized Minority Shareholders Participation (when and if occurring).

“**Soulte**” means, in relation to Clause 9 (*Enforcement of the Pledge*) and 10 (*Payment of the Soulte*), the amount by which the value of the shares or securities appropriated, foreclosed or transferred pursuant to the enforcement of the Pledge exceeds the value of the Secured Obligations secured under this Pledge Agreement immediately prior to such enforcement occurring.

1.3 Miscellaneous

- (a) Clause headings are for ease of reference only and shall be ignored in construing this Pledge Agreement. References in this Pledge Agreement to a “Clause” are, save if explicitly stipulated otherwise, references to a clause herein.
- (b) Words importing the singular include the plural and *vice versa*. A reference to a person in this Pledge Agreement includes its successors, transferees and assignees save that with respect to the Pledgor, the terms of Clause 19(a) (*Assignment*) below shall apply.
- (c) A reference to a provision of law or regulation in this Pledge Agreement is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation.
- (d) Notwithstanding any provision to the contrary in this Pledge Agreement, this Pledge Agreement is subject to, and shall be read in accordance with, the terms of the Facilities Agreement. In the event of conflict between the terms of this Pledge Agreement and the Facilities Agreement, the terms of the Facilities Agreement shall prevail.
- (e) The Pledgor and the Company hereby acknowledge the existence of the Finance Documents and confirm having knowledge of the terms thereof.
- (f) Unless otherwise stated, any reference in this Pledge Agreement to any agreement or document (including any reference to this Pledge Agreement or any other Finance Document or to any agreement or document entered into pursuant to or in accordance with such agreement or document) shall be construed as a reference to:
 - (i) such agreement or document as amended, restated, varied, novated or supplemented from time to time and which may include (as the Pledgor

specifically agrees and acknowledges), without limitation (i) any increase in any amount made available thereunder and/or any alteration and/or addition to the purposes for which any such amount, or increased amount, may be used, (ii) any extension and/or any refinancing of the credit made available thereunder, (iii) any facilities provided in substitution or in addition to the credit originally made available thereunder, (iv) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing, and (v) any combination of any of the foregoing in accordance with the terms thereof or, as the case may be, with the agreement of the relevant parties and (where any consents are, by the terms of this Pledge Agreement, any other Finance Document or the relevant document, required to be obtained as a condition to such amendment, extension or restatement being permitted) with the requisite consents; and

- (ii) any agreement or document whereby such agreement or document is so amended, restated, varied, novated or supplemented; and/or which is entered into pursuant to or in accordance with such agreement or document.

2. Creation of the Pledge

As continuing first ranking security interest (*gage de premier rang*) for the full and punctual payment, performance and discharge of the Secured Obligations, the Pledgor agrees to pledge and hereby pledges the Shares and its present and future rights, title, claims and interest in the Shares to, and in favour of, the Pledgee, who accepts the Pledge. For the avoidance of doubt, any Shares subscribed, acquired or otherwise received by the Pledgor, following the date hereof will automatically be pledged in favour of the Pledgee pursuant to this Pledge Agreement.

3. Perfection of the Pledge

- (a) By executing this Pledge Agreement, the Company acknowledges and accepts the Pledge.
- (b) The Company will, on the date of this Pledge Agreement, or at the latest within one (1) Business Day as from the date of the execution of this Pledge Agreement, register the Pledge in the share register (*registre des actionnaires*) of the Company (the “**Register**”) in the name of the Pledgee and will provide the Pledgee (acting in its own name and in the name and for the account of the Secured Parties) with a copy of the Register evidencing such registration on the same date.
- (c) The text to be used for the registration is the following:

“*All the shares owned from time to time by L’Occitane Groupe S.A. (the “**Pledgor**”), now and in the future, in L’Occitane Holding S.A. (the “**Company**”) and, in particular, the [●] ([●]) shares (actions) currently representing the [[●] per cent of the] issued share capital of the Company, have been pledged as a first ranking security interest in favour of [●] (the “**Pledgee**”) acting as security agent in the name and for the account of the Secured Parties (as defined in the Pledge Agreement, as defined below), pursuant to a share pledge agreement dated [●] and made between the Pledgor, the Pledgee and the Company (the “**Pledge Agreement**”).*”
- (d) The Company hereby authorizes any director (*administrateur*) of the Company, each acting individually and Ingo Dauer and Marion Foki, with full power of substitution, as its attorneys to proceed to the registration of the Pledge in the Register.
- (e) The Company undertakes to reiterate the formalities referred to in Clause 3(b) above (with the text to be used for registration being amended as appropriate), each time that

the Pledge is extended to further Shares in the Company. For the avoidance of doubt, the Company will provide the Pledgee with a copy of the Register evidencing such registration on the date of such registration.

4. Preservation of the Pledge

- (a) The Pledge shall be a continuing first ranking security interest (*gage de premier rang*) and shall remain in full force and effect until it has been expressly released by the Pledgee in accordance with Clause 12 (*Release of the Pledge*) below.
- (b) The Pledge shall be cumulative, in addition to and independent of every other security interest which the Pledgee or any other Secured Party may at any time hold as security for the Secured Obligations or any rights, powers and remedies provided by law and shall not operate so as in any way to prejudice, affect or be prejudiced or affected by any security interest or other right or remedy which the Pledgee or any other Secured Party may now or at any time in the future have in respect of the Secured Obligations.
- (c) No failure on the part of the Pledgee to exercise, or delay on its part in exercising, any of its rights under this Pledge Agreement shall operate as a waiver or release thereof, nor shall any single or partial exercise of any such right preclude any further or other exercise of that or any other rights.
- (d) Neither the obligations of the Pledgor contained in this Pledge Agreement nor the rights, powers and remedies conferred upon the Pledgee by this Pledge Agreement or by law nor the Pledge created hereby shall be discharged, impaired or otherwise affected by:
 - (i) any amendment to, or any variation, waiver or release of, any obligation of the Pledgor or any other person under any Finance Document; or
 - (ii) any failure to take, or to fully take, any security contemplated by any Finance Document or otherwise agreed to be taken in respect of the obligations of the Pledgor under the Finance Documents; or
 - (iii) any failure to realise or to fully realise the value of, or any release, discharge, exchange or substitution of (except any release or discharge made pursuant to Clause 12 (*Release of the Pledge*) below or in accordance with the terms of the Facilities Agreement), any security taken in respect of the obligations of the Pledgor under the Finance Documents; or
 - (iv) any other act, event or omission which but for this provision might operate to discharge, impair or otherwise affect any of the obligations of the Pledgor contained in this Pledge Agreement, the rights, powers and remedies conferred upon the Pledgee by this Pledge Agreement, the Pledge or by law.
- (e) The Pledgor hereby irrevocably waives any rights (if any) arising for it under article 2037 of the Luxembourg civil code or any right it may have of first requiring the Pledgee to proceed against or claim payment from, or to divide any action between and against, any other persons or enforce any guarantee or security before enforcing this Pledge.

5. Representations, Warranties and Undertakings

The Pledgor hereby represents and warrants to the Pledgee that:

- (a) all Shares held by the Pledgor may be freely transferred (and none of the Shares is subject to any pre-emption rights, options to purchase or sell or warrants or similar

rights of any person and are capable of being pledged hereunder without the consent of any other party and the enforcement of the Pledge shall not require the consent of any other party;

- (b) the Shares represent (i) on the date of this Pledge Agreement, 100 *per cent.* of the issued, fully subscribed and paid up share capital of the Company and 100 *per cent.* of the shares and voting rights held by the Pledgor in the share capital of the Company;
- (c) it has not renounced or waived any rights, title or action under the Shares;
- (d) the Company has not declared any dividends in respect of the Shares that are still unpaid on the date hereof;
- (e) the Register is held in physical form at its registered office in Luxembourg;
- (f) the shares of the Company (including the Shares and any future shares (following their issuance)) exist solely in registered form (*actions nominatives*) and all of the Company's shares are registered in the Register held in Luxembourg;
- (g) the Company's head office (*administration centrale*), its place of effective management (*siège de direction effective*) and (for the purposes of the European Insolvency Regulation) its centre of main interests (*centre des intérêts principaux*) are located at its registered office (*siège statutaire*) in Luxembourg; and
- (h) The Company has no "establishment" (as that term is used in article 2(b) of the European Insolvency Regulation) in any other jurisdiction than Luxembourg.

The representations, warranties and undertakings set out in Clause 5 are made on the date of this Pledge Agreement and are deemed to be repeated by the Pledgor on each date on which any representations and warranties are deemed to be repeated under clause 18.32 (*Repetition*) of the Facilities Agreement and on the date it acquires future Shares. For the avoidance of doubt, representations and warranties which are expressly given with reference to the date of this Pledge Agreement shall be repeated with reference to the facts and circumstances existing as of the date of this Pledge Agreement.

6. Covenants

The Pledgor hereby covenants to the Pledgee that, until the end of the Security Period:

- (a) it shall not, without the prior written consent of the Pledgee, approve an increase in the Company's share capital unless it subscribes for all the shares issued or as otherwise permitted under the Facilities Agreement other than any Authorized Minority Shareholder Participation;
- (b) it shall not create or permit to subsist any lien, security interest, usufruct, claim, option, pledge, charge, assignment, transfer (including the transfer of legal title to a trustee or a fiduciary) and other encumbrances of any kind, other than the Pledge, in respect of the Shares (or any part thereof) (irrespective of its ranking), and shall not permit the existence of any such lien, security interest, claim, option, pledge, charge, assignment, transfer and other encumbrances of any kind other than the Pledge or any preferential right arising by operation of law, unless otherwise permitted under the Facilities Agreement;
- (c) it shall not (agree to) sell, transfer, assign, encumber or otherwise dispose of any of the Shares or any part thereof without the prior written consent of the Pledgee;
- (d) it shall not renounce or waive any rights, title or action under the Shares in any way that would adversely affect the Pledgee's rights under this Pledge Agreement except

with the Pledgee's prior written consent or unless otherwise permitted under the Facilities Agreement;

- (e) it shall not cause the Company's legal form to change or otherwise modify the Company's articles of association in any way that would adversely affect the Pledgee's rights under this Pledge Agreement except with the Pledgee's prior written consent or unless otherwise permitted under the Facilities Agreement;
- (f) it shall not take any action in respect of the Shares which could, directly or indirectly, have a material adverse effect on the validity, the effectiveness or the enforceability of the Pledge or the rights of the Pledgee under or in connection with the Pledge or have a material adverse effect on the Shares;
- (g) it shall, and shall cause the Company to (and the Company, by signing this Pledge Agreement, agrees to), take all necessary actions which the Pledgee may request to protect the validity, the effectiveness and the enforceability of the Pledge or the rights of the Pledgee under this Pledge Agreement and/or to create and perfect the security interest that is granted, or purported to be granted, under this Pledge Agreement;
- (h) it procures on its own behalf that no executory attachment (*saisie exécutoire*) is made on the Shares and that it shall, immediately after becoming aware thereof, inform the Pledgee in writing of any distress, attachment (including executory attachment (*saisie exécutoire*), third party attachment (*saisie arrêt*) or protective attachment (*saisie conservatoire*)), enforcement or other legal process commenced by a third party in respect of all or part of the Shares and it shall, at its own expenses, promptly (i) send the Pledgee a copy of the relevant attachment or enforcement documentation, (ii) notify the relevant third party in writing of the existence of the Pledgee's interest in the relevant Shares, (iii) take such measures to challenge the attachment or enforcement and obtain the release or discharge of this attachment or enforcement at the earliest possible and (iv) keep the Pledgee regularly informed;
- (i) the Register is and will be at all times located in physical form at the registered office of the Company in Luxembourg; and
- (j) the Company's head office (*administration centrale*), the place of effective management (*siège de direction effective*) and (for the purposes of the European Insolvency Regulation) the centre of main interests (*centre des intérêts principaux*) of the Company and the Pledgor will be located at all times at the place of its registered office (*siège statutaire*) in Luxembourg.

7. Rights Attaching to the Shares

7.1 Right to Vote

- (a) Without prejudice to Clauses 7.1(b) below, the Pledgor shall remain the owner of the Shares and the voting rights attached to the Shares shall remain vested in the Pledgor provided that the Pledgor shall not, without the Pledgee's prior written consent, exercise (or refrain from exercising) its voting rights in respect of the Shares in any manner which would adversely affect the validity or enforceability of the Pledge or cause an Event of Default to occur.
- (b) Upon the occurrence of an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement, the Pledgee shall be entitled to exercise the voting rights in relation to the Shares in any manner it deems fit for the purpose of protecting and/or enforcing its rights under this Pledge Agreement (including for the avoidance of doubt any voting rights with respect to resolutions relating to the dismissal, replacement

and/or appointment of the directors (*administrateurs*) of the Company). Upon the occurrence of an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement, the Pledgor shall no longer be entitled to exercise any voting rights in relation to the Shares nor, for the avoidance of doubt, to pass any resolution without the Pledgee's prior written consent. The Pledgor and the Company undertake to inform the Pledgee of any meeting of the shareholders of the Company, as well as of the agenda thereof or of any proposed resolution in writing. Upon the occurrence of an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement, the Pledgee shall furthermore be entitled to exercise all rights of the Pledgor in relation to the convening and/or holding of meetings of the shareholders of the Company or the adoption of shareholder's resolutions in writing or otherwise. The Pledgee shall in particular have the right to request the board of directors (*conseil d'administration*) of the Company to convene a meeting of the shareholders and to request items to be put on or added to the agenda, to convene such meeting itself and/or to propose and adopt resolutions in written form, to the extent permitted under applicable law.

7.2 Right to Dividend

- (a) Until the occurrence of an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement, this Pledge Agreement does not affect any right of the Pledgor to be entitled to receive any dividends and other distributions paid or to be paid by the Company on all or any of the Shares, to the extent permitted under the Finance Documents.
- (b) Upon the occurrence of an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement, the Pledgee shall have sole entitlement to receive dividends and other distributions payable by the Company on all or any of the Shares. To this effect, the Pledgor and the Pledgee agree that the Company is hereby directed (and the Company, by signing this Pledge Agreement, accepts), upon the occurrence of an Event of Default which is continuing in respect of which notice has been served by the Pledgee in accordance with clause 22.17 (*Acceleration*) of the Facilities Agreement to make direct payment of all such dividends and other distributions to the Pledgee exclusively.

8. Liability to Perform and Further Assurances

- (a) It is expressly agreed that, notwithstanding anything to the contrary contained in this Pledge Agreement, the Pledgor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Shares and the Pledgee shall be under no obligation or liability by reason of or arising out of this Pledge Agreement. The Pledgee shall not be required in any manner to perform or fulfil any obligations of the Pledgor in respect of the Shares, or to make any payment, or to make any enquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or take any other action to collect or enforce the payment of any amount to which it may have been or to which it may be entitled hereunder at any time.
- (b) The Pledgor and the Company shall, upon the written request of the Pledgee, each at its own expense, promptly and duly execute and perform all such assurances, acts and things as the Pledgee may reasonably require as being necessary for perfecting or protecting all or any of the rights, powers, authorities and discretions which are for the time being exercisable by the Pledgee under this Pledge Agreement in relation to the Shares for facilitating the enforcement of any such rights or any part thereof and in the

exercise of all powers, authorities and discretions vested in the Pledgee. To that effect, the Pledgor and the Company shall, in particular promptly execute all documents or instruments and give all notices, orders and directions and make all registrations which the Pledgee may reasonably think expedient.

9. Enforcement of the Pledge

- (a) At any time following the occurrence of an Enforcement Event or at any time a Secured Obligation which is due and payable remains unpaid, the Pledgee is entitled to enforce the Pledge immediately, without prior notice or other formality, at its absolute discretion, and exercise any right under (i) applicable law (including, without limitation, article 11 of the Collateral Act 2005) and/or (ii) this Pledge Agreement and to enforce all or any part of the Pledge in respect of the Shares in any manner it sees fit.

The Pledgee shall, in particular, be entitled to:

- (i) sell, or cause the sale of, the Shares (i) in a private sale (*vente de gré à gré*) at normal commercial terms (*conditions commerciales normales*) or (ii) subject to article 710-11 of the Companies Act 1915, in a sale organised by a stock exchange or regulated market (to be chosen by the Pledgee) or in a public sale (organised in any manner the Pledgee sees fit and which, for the avoidance of doubt, does not need to be made by or within a stock exchange or regulated market); or
 - (ii) appropriate the Shares at their fair market value as determined by a Luxembourg independent auditor (*réviseur d'entreprises agréé*) or a reputable investment bank appointed by the Pledgee, as of the time of appropriation. The appropriation shall be effective on the date of the appropriation, even if the date of such appropriation is before the valuation has been commenced or completed. The Pledgee can further determine, at its sole discretion, that the right to appropriate all or part of the Shares be exercised by one or more entities other than the Pledgee (including one or more special purpose vehicles), it being understood that an appropriation of the Shares by such other entity or entities shall be deemed to have the same effects under the Pledge Agreement as if the Pledgee had proceeded with such appropriation; or
 - (iii) request that the Shares be attributed (*attribution judiciaire*) to the Pledgee pursuant to a court order in discharge of the Secured Obligations or any part thereof following a valuation of the Shares made by a court appointed expert; or
 - (iv) use any other realisation or enforcement method to the widest extent permitted by applicable law; and
 - (v) act generally in relation to the Shares in such manner as the Pledgee shall reasonably determine in accordance with the Financial Collateral Law.
- (b) The Pledgee shall have the right, following the occurrence of an Enforcement Event to request enforcement of the Pledge in respect of all or part of the Shares at its absolute discretion. No action, choice or absence of action in respect of the enforcement of the Pledge, or partial enforcement, shall in any manner affect the Pledge as it then shall be (and in particular those Shares which have not been subject to enforcement). The Pledge shall continue to remain in full and valid existence until enforcement, discharge or termination hereof, as the case may be.

10. Payment of the *Soulte*

If following an enforcement of the Pledge in accordance with Clause 9 (*Enforcement of the Pledge*), any *Soulte* becomes due to the Pledgor by the Pledgee, such *Soulte* shall only become due and payable by the Pledgee upon the earlier of:

- (i) the date falling eight (8) days after the completion of the sale in accordance with paragraph (i) of Clause 9(a) (*Enforcement of the Pledge*); and
- (ii) at the latest on the date falling twelve (12) months after the appropriation in accordance with paragraph (iii) of Clause 9(a) (*Enforcement of the Pledge*).

11. Application of Proceeds

All proceeds or assets received or realised by the Pledgee in connection with the enforcement of the Pledge or otherwise pursuant to this Pledge Agreement shall be distributed in accordance with the provisions of clause 28 (*Payment Mechanics*) of the Facilities Agreement. This is without prejudice to the obligation under law to set off the value established following the completion of the valuation report in case of the enforcement by way of appropriation in accordance with Clause 9(a)(ii) of this Pledge Agreement, (subject to the provisions of Clause 10 (*Payment of the Soulte*)), against the then outstanding Secured Obligations.

12. Release of the Pledge

Upon the expiry of the Security Period or as otherwise agreed by the Pledgee, the Pledge shall be discharged by the express release thereof granted by the Pledgee (i) acting on its own initiative or (ii) at the written request of the Pledgor. The Pledgee shall inform the Company of such release and instruct it to record the release of the Pledge in the Register.

13. Liability and Indemnity

- (a) Neither the Pledgee nor any of its agents shall be liable for any losses arising in connection with the exercise of any of its rights, powers and discretions (including without limitation its rights, powers and discretions in connection with the enforcement of the Pledge) hereunder save for any liability arising from the gross negligence or misconduct (*négligence grossière ou faute lourde*) or wilful default (*faute intentionnelle*) of the Pledgee or its agents.
- (b) The Pledgor will indemnify the Pledgee and every attorney which may be appointed, from time to time, in respect of all liabilities and expenses incurred by it, him, her or them in the execution of any rights, powers or discretions vested in it, him, her or them pursuant thereto save for liabilities and expenses arising from the gross negligence or misconduct (*négligence grossière ou faute lourde*) or wilful default (*faute intentionnelle*) of the Pledgee or its attorney or both.

14. Delegation by the Pledgee

- (a) The Pledgee or any person appointed by the Pledgee may at any time and from time to time delegate by power of attorney or in any other manner to any properly qualified person or persons all or any of the powers, authorities and discretions which are for the time being exercisable by the Pledgee under this Pledge Agreement in relation to the Shares (or any part thereof).
- (b) Any such delegation may be made upon such terms (including a power of substitution) and subject to such regulations as the Pledgee or such person appointed by the Pledgee

may think fit. The Pledgee shall as soon as practicable inform the Pledgor of the identity of the person appointed pursuant to this Clause 14.

- (c) The Pledgee or such person appointed by the Pledgee shall not be in any way liable or responsible to the Pledgor for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate except in the case of gross negligence (*faute lourde*) or wilful misconduct (*faute intentionnelle*).

15. Power of Attorney

- (a) The Pledgor hereby, in order to fully secure the performance of its obligations hereunder, irrevocably appoints the Pledgee and every person appointed by the Pledgee hereunder to be its attorney (*mandataire*) acting severally, and on its behalf and in its name or otherwise, to execute and do all such acts and things which the Pledgor is required to do and fails to do under the provisions of this Pledge Agreement (including, without limitation, to make any demand upon or to give any notice or receipt to the Company or any other person), it being understood that the Pledgee and every person appointed by the Pledgee hereunder shall only be able to exercise this power of attorney following the occurrence of an Event of Default which is continuing or if the Pledgor has failed to comply with a further assurance or perfection obligation under this Pledge Agreement within ten (10) Business Days of being notified of that failure and being requested to comply and provided that such power of attorney will not have the effect of providing its recipients the right to exercise rights under this Pledge Agreement – including without limitation voting and rights enforcement rights – prior to the times specified expressly in accordance with the terms of this Pledge Agreement).
- (b) The Company hereby irrevocably appoints the Pledgee and every person appointed by the Pledgee hereunder to be its attorney (*mandataire*) acting severally, to make in its name and on its behalf all filings and publications in the RCS required to give effect to the exercise by the Pledgee of its rights under this Pledge Agreement including, in particular, any filings with the RCS appointing or dismissing managers (*gérants*) appointed in accordance with Clause 7.1(b) (*Rights attaching to the Shares*) above and any transfer of ownership of the Shares following an enforcement in accordance with Clause 9 (*Enforcement of the Pledge*) above (provided that such power of attorney will not have the effect of providing its recipients the right to exercise rights under this Pledge Agreement – including without limitation voting rights and enforcement rights – prior to the times specified expressly in accordance with the terms of this Pledge Agreement).
- (c) The Pledgor and the Company hereby agree to ratify and confirm, if need be, whatever any such attorney (as referred to in Clauses 15(a) and 15(b) above) shall properly do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in such clauses.
- (d) The Parties agree in accordance with article 2003 of the Luxembourg civil code that the powers of attorney granted pursuant to this Clause 15 and to Clause 19(d) (*Assignment*) do not terminate upon the occurrence of bankruptcy (*faillite*) or similar Luxembourg or foreign law proceedings affecting the rights of creditors generally in respect of the Pledgor or the Company.

16. Waivers and Remedies Cumulative

No waiver of any of the terms hereof shall be effective unless in writing and signed by the Pledgee. No delay in or non-exercise of any right by the Pledgee shall constitute a waiver. Any waiver may be on such terms as the Pledgee sees fit. The rights, powers and discretions of the

Pledgee herein are additional to and not exclusive of those provided by law, by any agreement with or other security in favour of the Pledgee including the provisions set out in the Finance Documents.

17. Costs and Expenses

The Pledgor shall pay all the costs and expenses set out in clause 16 (*Costs and Expenses*) of the Facilities Agreement and arising in relation with this Pledge Agreement.

18. Notices

Any notice or other communication to be served pursuant to this Pledge Agreement shall be served in accordance with the provisions of clause 30 (*Notices*) of the Facilities Agreement and, if given to the Company, using the following details:

L'Occitane Holding S.A.
Address: 49, boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg
Attention: Département Financement & Trésorerie / Karl Guenard
E-mail: samuel.antunes@loccitane.com / Julien.DESCAMPS@loccitane.com / Julien.combet@loccitane.com

19. Assignment

- (a) The Pledgor may not assign, novate or otherwise transfer any of its rights under this Pledge Agreement without the prior written consent of the Pledgee. The Pledgee may assign, novate or otherwise transfer all or any part of its rights under this Pledge Agreement provided that such assignment, novation or transfer will be effected together with a parallel assignment, novation or transfer under the relevant Finance Documents. Such assignment, novation or other transfer by the Pledgee shall be enforceable towards the Pledgor and third parties pursuant to the provisions of article 1690 of the Luxembourg civil code.
- (b) In case of an assignment, novation or other transfer by the Pledgee or any other Secured Party to one or several transferees of all or any part of the Secured Obligations and/or of any other rights it may have under any of the Finance Documents, to the extent required under applicable law (including for the purpose of article 1278 of the Luxembourg civil code) and without prejudice to any other terms hereof or of any other Finance Documents, the Pledgee and the Pledgor hereby agree, that in any such event, this Pledge and all rights under this Pledge Agreement shall be preserved, so that the Pledge shall automatically, and without any formality, benefit to any such transferees.
- (c) This Pledge Agreement shall remain in effect despite any amalgamation, merger or demerger (however effected) relating to the Pledgee or any of the other Secured Parties, and references to the Pledgee or that other Secured Party shall be deemed to include any assignee, transferee or successor in title of the Pledgee or that other Secured Party and any person who, under any applicable law, has assumed the rights and obligations of the Pledgee or that other Secured Party hereunder (or, as applicable, under any other Finance Documents) or to which under such laws these rights and obligations have been assigned, novated or transferred in any manner.
- (d) To the extent a further notification, registration or any other step is required by law to give effect to the above, such further notification or registration shall be made or such other step taken, and the Pledgor hereby irrevocably appoints the Pledgee as its attorney

(*mandataire*), to make any notifications and/or to proceed to any required registrations, and/or to take any other steps, and the Pledgor undertakes to do so itself if so requested by the Pledgee.

20. Severability

If, at any time, any provision of this Pledge Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Pledge Agreement nor of such provisions under the law of any other jurisdiction shall in any way be affected or impaired thereby.

21. Counterparts

This Pledge Agreement may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of the Pledge Agreement.

22. Amendments

None of the terms of this Pledge Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by or on behalf of the Parties.

23. Governing Law and Jurisdiction

- (a) This Pledge Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Luxembourg law.
- (b) Any dispute arising in connection with this Pledge Agreement shall be submitted to the courts of the district of Luxembourg-City.

Signatories

The Pledgor

L'Occitane Groupe S.A.




Name: Reinold Geiger
Title: Managing Director

The Pledgee

Crédit Agricole Corporate and Investment Bank



Name: Alexandre Baklouti
Title: *Chargé d'affaires Agency*



Name: Gabrielle Aveline
Title: *Chargée d'affaires Agency*

The Company

L'Occitane Holding S.A.

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a vertical line and a horizontal line, all connected by a single stroke.

Name: Reinold Geiger
Title: Sole Manager

CONTRIBUTION AGREEMENT

By and among

L'Occitane Groupe S.A.

as Contributor

and

L'Occitane Holding S.A.

as Contributtee

Dated 15 June 2024

THIS CONTRIBUTION AGREEMENT (the “**Agreement**”) is made on 15 June 2024 and effective as of the date hereof.

BETWEEN:

- (1) **L’Occitane Groupe S.A.**, a *société anonyme*, incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 49, boulevard Prince Henri, L-1724 Luxembourg, registered with the Luxembourg Trade and Companies’ Register under number B 125.718, duly represented for the purposes hereof (the “**Contributor**” or “**LOG**”);

AND

- (2) **L’Occitane Holding S.A.** a *société anonyme*, incorporated and existing under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies’ Register under B286921, having its registered office at 49, boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg (the “**Contributee**” or the “**Offeror**”),

each a “**Party**” and together the “**Parties**” to this Agreement.

RECITALS

- (A) At the date hereof, LOG holds a majority stake in the share capital of L’Occitane International S.A., a Luxembourg law governed *société anonyme*, registered with the Luxembourg Trade and Companies Register under number B80359, having its registered office at 49, Boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg (“**LOI**”) and intends to buy or receive by way of contribution in kind (the “**Acquisition**”), through the Contributee, all remaining LOI shares currently listed on the Main Board of the Hong Kong Stock Exchange not held by LOG nor by LOI, representing approximately 27% of the LOI’s issued share capital and voting rights (the “**Offer Shares**”), pursuant to the terms of the Offers.
- (B) As part of the Acquisition, shareholders of LOI participating in the Share Offer have been offered the choice between (i) the Cash Alternative (as defined in the revised 3.5 Rule announcement to be made on 15 June 2024 pursuant to the Takeovers Code, the “**Revised Acquisition Public Announcement**”) and (ii) the Share Alternative, pursuant to which they shall contribute all or part of the Offer Shares they hold in LOI to the share capital of the Offeror by way of a contribution in kind at a value corresponding to the Offer Price, within a certain cap as set out in the Revised Acquisition Public Announcement to occur immediately within a period of 14 Business Days following the Offer Closing Date (as defined in the Revised Acquisition Public Announcement).
- (C) In order for LOI to be fully owned by the Contributee after completion of the Offers, the Contributor intends to contribute 1,067,587,391 shares in LOI representing all of its shares in LOI (the “**Contributed LOI Shares**”) to the share capital of the Contributee (the “**Contribution**”), pursuant to the terms and conditions of this Agreement.

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. CONSTRUCTION

1.1 Definitions

When used in this Agreement, the following terms have the following meanings. Capitalized terms not otherwise defined in this Agreement shall have the meaning ascribed to them in the Revised Acquisition Public Announcement.

“**Acquisition**” has the meaning set out in the recitals.

“**Agreement**” means this contribution agreement.

“**Authorised Capital Increase Resolutions**” means the resolutions of the delegate of the sole director of the Contributor as authorized and acting in accordance with terms and conditions of the Board Resolutions, effecting, confirming and proceeding to the increase of the share capital of the Contributor by way of issuance of the New Shares in consideration for the Contribution, to be adopted within a period of 14 Business Days following the Offer Closing Date (as defined in the Revised Acquisition Public Announcement).

“**Board Resolutions**” means the resolutions of the sole director of the Contributor approving *inter alia* the share capital increase by way of issuance of new ordinary shares to the Contributor within the authorised share capital of the Contributor in consideration for the Contribution, and delegating power to a delegate of the sole director of the Contributor to effect, confirm and proceed to the share capital increase within the authorized share capital in accordance with the terms and conditions set out therein.

“**Business Day**” has the meaning set out in the Takeovers Code.

“**Confidential Information**” shall mean any information and data of whatever nature in this Agreement (including personal data) whether made available before or after the date of the Agreement, regardless of the form the information takes or the manner in which it is made available or communicated, while excluding the Excluded Information.

“**Contributed LOI Shares**” has the meaning set out in the recitals.

“**Contributor**” has the meaning set out in the recitals.

“**Contribution**” has the meaning set out in the recitals.

“**Contribution Date**” has the meaning set out in clause 3.1.

“**Contributor**” has the meaning set out in the recitals.

“**Excluded Information**” shall mean information which (i) was within the public domain at the time of its disclosure or subsequently comes into the public domain (other than as a result of a breach of the Agreement by a Party), (ii) was available to the recipient of the Confidential Information on a non-confidential basis prior to its disclosure, or (iii) becomes available to such person on a non-confidential basis from a source other than a Party, provided that such source is not prohibited from disclosing such information by a contractual, legal or fiduciary obligation to the disclosing party.

“Financial Adviser” means J.P. Morgan Securities (Asia Pacific) Limited, the financial advisor to the Offeror in respect of the Acquisition.

“New Shares” has the meaning set out in clause 2.1.

“Offer Price” means the price per share payable in cash under the Share Offer.

“Offer Shares” have the meaning set out in the recitals.

“Party” and **“Parties”** have the meaning set out in the recitals.

“Revised Acquisition Public Announcement” has the meaning set out in the recitals.

“Share Offer” means the voluntary conditional offer by the Financial Adviser on behalf of the Offeror to acquire all of the Offer Shares in accordance with the terms and conditions set out in the relevant offer documents, and any subsequent revision or extension of such offer.

“Shareholder Register” means the shareholder register of the Contributor.

“Signing Date” means the date of this Agreement.

“Takeovers Code” means the Hong Kong Code on Takeovers and Mergers as in force and as amended from time to time.

1.2 Interpretation

In this Agreement:

- (a) any reference to any agreement is to be construed as a reference to such agreement as it may be amended, supplemented, modified or extended from time to time, whether before or after the Signing Date;
- (b) a reference to a person or persons is, where relevant, deemed to be a reference to or to include their respective successors, permitted assignees or transferees, as appropriate;
- (c) reference to clauses and annexes are references to, respectively, clauses of and annexes to this Agreement and reference to this Agreement includes its annexes;
- (d) a reference to a law or regulation or any provisions thereof is to be construed as a reference to such law, regulation or provisions as the same may have been, or may from time to time hereafter be, amended or re-enacted;
- (e) words denoting the singular include the plural and vice versa;
- (f) words denoting a gender also include the other genders; and
- (g) words denoting persons include bodies corporate, partnerships, associations and any other organised groups of persons or entities whether incorporated or not.

1.3 Clause headings

Clause headings are for ease of reference only and shall not affect interpretation.

2. CONTRIBUTION OF THE CONTRIBUTED LOI SHARES

- 2.1 Subject to the terms and conditions of this Agreement and effective as of the Contribution Date, the Contributor hereby agrees to contribute and transfer each Contributed LOI Share at the Offer Price, to the share capital of the Contributor in exchange for the issuance of 10 new ordinary shares of the Contributor (the "**New Shares**") per Contributed LOI Share and the Contributor hereby agrees to accept such Contribution.
- 2.2 The Contribution of the Contributed LOI Shares shall be made together with all accrued benefits and rights, commitments and obligations attached to the Contributed LOI Shares at the Contribution Date or subsequently becoming attached to them (including the right to receive the full amount of all dividends which are distributed following the Signing Date, even in case the profits relate to prior periods).

3. DATE AND EFFECTIVENESS OF THE CONTRIBUTION

- 3.1 Subject to the terms and conditions of this Agreement, the Contribution shall take effect on the date of the Authorised Capital Increase Resolutions (the "**Contribution Date**"), resulting in the Contributor becoming the full owner of the Contributed LOI Shares as of such date.
- 3.2 The Contributor and the Contributor agree and confirm that each Contributed LOI Share shall be contributed to the Contributor as at the Contribution Date at the Offer Price in exchange for the New Shares and that the difference between the Offer Price and the nominal value of New Shares shall be credited to the Contributor's share premium account (*compte de prime d'émission*).
- 3.3 The Contribution will be subject to, and is conditional upon, a report drawn up by an independent auditor (*réviseur d'entreprises*) in accordance with article 420-23 (6) of the Luxembourg law of 10 August 1915 on commercial companies as amended.
- 3.4 The consideration for the transfer of the Contributed LOI Shares shall consist in the issuance to the Contributor of 10,675,873,910 New Shares having a nominal value of HKD 1 each to be issued in accordance with the Authorised Capital Increase Resolutions and the Board Resolutions. The Contributor undertakes to adopt an acknowledgment deed of the share capital increase in front of a Luxembourg notary within one (1) month of the Contribution.
- 3.5 The Contributor undertakes to issue the New Shares to the Contributor in accordance with the provisions of this Agreement as of the Contribution Date and to update the Shareholder Register to reflect such issuance.
- 3.6 The Contributor, the Contributor and LOI shall forthwith sign any supplementary documents and take all necessary action as the Parties may reasonably require of each other in order to document and effect the Contribution. The Parties hereby authorise any director of LOI, acting individually with full power of substitution to register the Contributor as holder of the Contributed LOI Shares in the shareholders' register of LOI as of the Contribution Date.

4. ACKNOWLEDGEMENT BY LOI OF THE CONTRIBUTION

The Contributor shall, on the Contribution Date, notify completion of the Contribution to LOI by executing a notice substantially in the form of Schedule 1 and procure that LOI acknowledges completion of the Contribution and transfer of its shares to the benefit of the Contributor.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS

The Contributor represents and warrants to the Contributor, on the Signing Date and as at the Contribution Date, that:

- (1) the Contributor is entitled to receive the New Shares and no applicable laws prevent it from receiving such New Shares as remuneration for the Contribution;
- (2) the Contributor has full beneficial and legal ownership of the Contributed LOI Shares and is the only person entitled to and having power to dispose of the Contributed LOI Shares;
- (3) the Contributed LOI Shares are freely transferable in accordance with applicable laws;
- (4) the Contributed LOI Shares are unencumbered, not subject to any lien, arrest, opposition, or any other charge or right of any third party, in particular no pre-emption rights which have not been duly waived or any other rights attached to the Contributed LOI Shares by virtue of which any person may be entitled to demand that the Contributed LOI Shares be transferred to him/her/it;
- (5) the ownership of the Contributed LOI Shares shall be validly contributed, converged and transferred by it to the Contributor on the Contribution Date, without such transfer of ownership being conditional upon any other formalities to be carried out in any other jurisdiction;
- (6) the Contributor is duly organized and validly existing under the laws of the jurisdiction in which it is organized and it has the power, capacity and authority to enter into this Agreement and to perform its obligations hereunder;
- (7) the execution of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by the competent corporate bodies of the Contributor;
- (8) this Agreement has been duly executed by the Contributor on the Signing Date and constitutes legal, valid and binding obligations of the Contributor, enforceable against it in accordance with its terms, and does not constitute a violation of, default under or conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under any term or provision of its articles of incorporation (*statuts*) and/or bylaws, as applicable, or equivalent organizational documents;
- (9) the Contributor has obtained all necessary authorizations required to be obtained by it to enter into this Agreement, the execution and the performance by it of the Agreement do not require any other consent, approval, authorization or other action by, filing with or notification to any relevant governmental authority.

- (10) the execution and the performance of this Agreement by the Contributor does not constitute a violation of, or a default under, conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under (i) any order applicable to it by which it or any of its properties and assets are bound, (ii) any applicable law or (iii) any agreements or engagements to which it is a party other than, in the case of subclauses (i) and (ii) above, such violations, defaults, conflicts, breaches, cancellations, terminations or liens which would not impair its ability to perform its obligations pursuant to the Agreement;
- (11) the Contributor is not insolvent and is not subject to any safeguard, bankruptcy, insolvency, moratorium, amicable or similar proceedings under applicable laws. No order has been made, petition presented or meeting convened for the winding up of it, nor any other action taken in relation to the appointment of an administrator, liquidator, receiver, administrative receiver, compulsory manager or any provisional liquidator (or equivalent in any other jurisdiction) (or other process whereby the business is terminated and the assets of the Contributor concerned are distributed amongst the creditors and/or shareholders or other contributors), and there are no proceedings under any applicable insolvency, bankruptcy, reorganization or similar laws (including proceedings with a view to the prevention or resolution of business difficulties) in any relevant jurisdiction, and no events have occurred which, under applicable laws, would justify any such proceedings.

6. CONFIDENTIALITY

The Parties shall keep secret and confidential the Confidential Information and not make Confidential Information available to any person except as expressly permitted by this Agreement and unless:

- (a) the Parties have previously agreed to such disclosure in writing;
- (b) disclosure is made to a Party's affiliates or to its and its affiliates' directors, corporate officers, employees, auditors, professional advisors and their respective advisors, who have a need to know such Confidential Information and on the condition that the aforementioned individuals and entities are bound by confidentiality obligations no less restrictive than those set forth in this clause 6;
- (c) disclosure is required by a legal or regulatory obligation, a request from a judicial, administrative, regulatory or supervisory authority (including of any stock-exchange and the Securities and Futures Commission of Hong Kong), a judicial expert, a court ruling or in the context of judicial or administrative procedures;
- (d) disclosure is made to the Financial Adviser; or
- (e) disclosure is made to tax authorities and intermediaries within the meaning of the DAC 6 Directive (EU 2018/822) in its respective national implementation as well as to the extent a disclosure is required vis-à-vis a regulatory authority.

7. DURATION

This Agreement shall enter into force and effect as of Signing Date and shall continue in full force until the earlier of (i) the Contribution Date and (ii) 31 December 2024, at 23:59 CET.

8. COSTS

Each of the Parties to this Agreement shall bear its own costs, charges and other expenses of whatever nature incurred in the negotiation, execution and performance of this Agreement and any matter contemplated by it.

9. NO WAIVER

No failure or delay of a Party to exercise any right or remedy under this Agreement shall be considered, or operate as, a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

10. SEVERABILITY

If one or more of the provisions of this Agreement is or becomes invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected and any invalid provision shall be deemed to be severable. Each of the Parties agrees in such case to use its best efforts to negotiate in good faith a legally valid and economically equivalent replacement provision.

11. ASSIGNMENT

None of the Parties may assign any of their rights under this Agreement without the written consent of the other Party.

12. NOTICES

12.1 All notices and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of delivery if delivered personally to the Party to whom notice is to be given, or (ii) on the first Business Day after delivery to an international courier service, if properly addressed and all costs prepaid, to the Parties at the addresses set forth in the recitals.

12.2 Either Party may change its address for the purpose of this clause by giving the other Party written notice of its new address.

13. FURTHER ASSURANCE

Each of the Parties shall execute and perform such further documents and agreements, and take such further actions as may be necessary and appropriate to carry out the purposes and intent of this Agreement and make all publication proceedings as required by law.

14. AMENDMENT

Any amendment to this Agreement must be drawn up in the form of a written amending agreement and signed by both Parties.

15. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the Parties with respect to the matters to which it refers and replaces and annuls any agreement, obligation, acknowledgement and undertaking, oral or written, between the Parties relating to the same subject matter.

16. COUNTERPARTS

This Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

17. GOVERNING LAW

This Agreement, and the rights, obligations and liabilities of each of the Parties hereunder, shall be governed by the laws of the Grand Duchy of Luxembourg.

18. JURISDICTION

18.1 Each of the Parties hereto irrevocably agrees that all disputes arising out of this Agreement shall be submitted exclusively to the courts of the city of Luxembourg, Grand Duchy of Luxembourg.

18.2 Each Party irrevocably waives any right that it may have to object to an action being brought in these courts, to claim that the action has been brought in an inconvenient forum, or to claim that these courts do not have jurisdiction.

[Remainder of page remains intentionally blank and signature page follows]

THE CONTRIBUTOR



L'Occitane Groupe S.A.

Name: Reinold Geiger

Title: Managing Director

THE CONTRIBUTEE



L'Occitane Holding S.A.

Name: Reinold Geiger

Title: Sole Director

Schedule 1 – Notice with acknowledgment of Contribution

NOTICE OF TRANSFER OF SHARES

L'Occitane Groupe S.A.

Société anonyme

Registered office: 49, boulevard du Prince Henri

L-1724 Luxembourg,

Grand Duchy of Luxembourg

Luxembourg Trade and Companies Register: B 125718

(the “**Transferor**”)

L'Occitane Holding S.A.

Société anonyme

Registered office: 49, boulevard du Prince Henri

L-1724 Luxembourg,

Grand Duchy of Luxembourg

Luxembourg Trade and Companies Register: B286921

(the “**Transferee**” and together with the Transferor hereafter, “**we**”)

To:

L'Occitane International S.A.

Société anonyme

Registered office: 49, boulevard du Prince Henri

L-1724 Luxembourg,

Grand Duchy of Luxembourg

R.C.S Luxembourg: B 80359

(the “**Company**” or “**you**”)

[date]

Dear Madams, dear Sirs,

In accordance with Article 1690 of the Luxembourg Civil Code and Article 430-4 of the law of 10 August 1915 on commercial companies, as amended (the “**Companies Law**”), we hereby give notice to you that 1,067,587,391 registered shares of the Company held by the Transferor (the “**Shares**”) have been transferred, on the date hereof, by the Transferor to the Transferee (the “**Transfer**”).

We kindly request you to countersign the present notice for your express, irrevocable and unconditional acceptance of the Transfer and of the Transferee as new holder of the Shares in accordance with Article 1690 of the Luxembourg Civil Code and Article 430-4 of the Companies Law.

We hereby grant powers to any director of the Company and Mr. Samuel Antunes and Mr. Ingo Dauer, as well as to any lawyer or employee of Arendt & Medernach S.A., each acting individually and with full power of substitution, to record the Transfer and the Transferee as new holder of the Shares in the share register of the Company.

The present notice is governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg. The parties irrevocably agree that any disputes arising out of or in connection with this notice will be submitted exclusively to the courts of the city of Luxembourg, Grand Duchy of Luxembourg.

[The rest of the page is left blank, the signature page follows]

Done on _____ 2024.

L'Occitane Holding S.A.

Name:

By:

Title:

L'Occitane Groupe S.A.

Name:

By:

Title:

For acknowledgement and acceptance of the Transfer for the purpose of Article 1690 of the Luxembourg Civil Code and Article 430-4 of the Companies Law.

The Company

L'Occitane International S.A.

By:

Title: Authorised signatory

IRREVOCABLE UNDERTAKING

THIS IRREVOCABLE UNDERTAKING (this “Undertaking”) is made on June 16, 2024.

To: L’Occitane Groupe S.A., a company incorporated under the laws of the Grand Duchy of Luxembourg with limited liability, with the registered office at 49, Boulevard Prince Henri, L-1724 Luxembourg (Luxembourg) (“**LOG**”); and

From: Pleasant Lake Partners LLC, with business/registered address at 100 Carr 115 Unit 1900, Rincon PR 00677 (“**Holder**”).

WHEREAS:

- (A) As at the date of this Undertaking, the Company has a total of 1,476,964,891 Shares issued and outstanding.
- (B) Holder is an investment management company and acts as the investment manager of Pleasant Lake Onshore Feeder Fund LP, PLP Drawdown LP and BEMAP Master Fund Ltd. Pursuant to the terms of its investment authority, Holder manages 47,956,250 Shares (“**Relevant Interest**”) held through those custodians named in Appendix A (“**Holder Custodians**”) on behalf of various clients of Holder.
- (C) Holder and LOG, among others, have entered into a confidentiality agreement dated June 3, 2024 (“**Confidentiality Agreement**”).
- (D) The Company and LOG jointly issued an announcement dated 29 April 2024 pursuant to Rule 3.5 of the Code. Holder understands that the revised offers are proposed to be made by or on behalf of a newly incorporated company established by LOG (“**Offeror**”), comprising:
 - (i) conditional voluntary general offers to acquire all of the issued Shares, other than those already held by LOG and treasury shares held by or for the Company (“**Share Offer**”) and to cancel all vested options (“**Vested Option Offer**”);
 - (ii) with respect to all unvested share options and free shares of the Company, a liquidity arrangement (together with the Share Offer and Vested Option Offer, the “**Offers**”) to be described in the revised Rule 3.5 Announcement (“**Revised Announcement**”),

on substantially the same terms as those to be described in the published version of the Revised Announcement, and on such other terms as may be agreed between Offeror and the Company or as may be required to comply with the requirements of the SFC, the Code, the Stock Exchange or the Listing Rules.

- (E) A reference in this Undertaking to “**Share Offer**”, “**Vested Option Offer**” or “**Offers**” also includes any new, renewed, or revised offers made by or on behalf of LOG or Offeror to acquire shares in the Company or to cancel the share options and free shares of the Company, as the case may be, *provided that* the terms of such offers are no less favourable to acceptors than the terms set out in the Revised Announcement.

Terms defined in “Schedule 1” hereto shall have the same meaning in this Undertaking.

Subject to the issuance of the Revised Announcement on terms that are in all material respects the same as the one attached to Appendix B of this Undertaking, and the terms and conditions contained

herein, Holder unconditionally and irrevocably makes to LOG the following undertakings, warranties, consents and acknowledgements:

1. Dealings and undertakings

- 1.1. Holder undertakes to LOG, and to direct the Holder Custodians to where applicable:
- (a) to accept the Share Offer in respect of all of the Relevant Interest, subject to the conditions set out in the Composite Document, in accordance with the procedure for acceptance set out in the Composite Document and on or before 1 p.m. (Hong Kong time) on the 5th Business Day following the despatch of the Composite Document, and in particular, to accept the Share Offer and elect either the Cash Alternative or the Share Alternative (each as defined in the Revised Announcement);
 - (b) to not withdraw any acceptances of the Share Offer in respect of all of the Relevant Interests; and
 - (c) (in respect of the Holder only) to comply with all applicable rules and regulations of Holder with respect to the Securities in which it is interested, including dealing disclosure and insider dealing obligations under the Code and the SFO during the offer period (as defined in the Code).
- 1.2. Holder undertakes to LOG, and to direct the Holder Custodians to where applicable, to exercise, or direct the exercise of, all voting rights attached to the Relevant Interest and any other Shares which Holder may, acquire on or after the date hereof, either in person or via a validly appointed proxy, to vote in favour of the special deal in relation to the GA Disposal (as defined in the Revised Announcement) in the general meeting of the Company, or at any adjournment of any such meeting and ensure that any such executed forms of proxy are received by the Company's registrars not later than the deadline(s) for receipt of proxies by the registrars for such general meeting, and to not, or not to direct, revoke or withdraw the terms of any proxy submitted in accordance with the foregoing paragraph or submit any new form of proxy or other voting instructions, either in writing or by attendance at any general meeting of the Company or otherwise.
- 1.3. Holder further undertakes to LOG that at any time between the date of this Undertaking and the date that the Share Offer closes, lapses or is withdrawn, Holder shall not, and shall direct the Holder Custodians (only in respect of the Relevant Interest) to not:
- (a) sell, transfer, Encumber, or otherwise dispose of any part of the Relevant Interest, other than pursuant to accepting the Share Offer;
 - (b) accept any other offer in respect of the Relevant Interest;
 - (c) vote in favour of any resolution to approve any arrangement (including an offer to acquire, or scheme of arrangement over, the securities of the Company) that conflicts with, or is in competition to, the Offers, *other than* a transaction proposed by LOG or Offeror; or
 - (d) enter into any agreement with a view to effecting any of the foregoing.

- 1.4. In respect of the Relevant Interests, the Holder further undertakes, and to use all reasonable endeavours to direct any necessary third party, to execute such documents and do such acts as may be reasonably required for the purpose of giving effect to this Undertaking and performance hereunder.

2. Warranties

- 2.1. Holder warrants to LOG, as at the date of this Undertaking and the date of the Composite Document, by reference to the facts and circumstances existing as at such dates respectively, that:
- (a) the information set out in Appendix A is true, complete and accurate. To the extent that there is any change to the information provided in Appendix A following the signing of this Undertaking, Holder will provide to LOG the updated information before the issuance of the Composite Document;
 - (b) other than the Relevant Interest as set out in Appendix A, Holder is not interested in any other Securities;
 - (c) it is legally established under the laws of its place of establishment, validly existing and in good standing. Holder has full requisite power, capacity and authority to enter into, and perform its obligations under, this Undertaking; and
 - (d) this Undertaking constitutes a legal, valid and binding obligation on the Holder and is enforceable against Holder in accordance with the terms and conditions herein.

3. Documentation

- 3.1. Holder consents to:
- (a) this Undertaking being disclosed to the SFC and the Stock Exchange;
 - (b) the inclusion of particulars of this Undertaking and the Relevant Interest (including the details set out in Appendix A) being included in the Revised Announcement and the Composite Document and any other document required to be published by Offeror, LOG or the Company pursuant to the Code or the Listing Rules; and
 - (c) this Undertaking being made available for display as required by Note 1 to Rule 8 of the Code or the Listing Rules.
- 3.2. Holder undertakes to provide to LOG such information relating to the Holder and its Shares as may be required to comply with the Code and the requirements of the SFC (unless specifically waived by the SFC) as soon as practicable and in any event before the issuance of the Composite Document.

4. Termination

- 4.1. This Undertaking shall terminate and all obligations under this Undertaking shall cease to be binding (other than those under section 5 (*Notices*), section 6 (*Governing Law; Disputes*), and section 7 (*General*), which shall survive and remain in full force and effect) upon the earlier of (a) unless the Revised Announcement has already been published, 14 days of the date of this Undertaking; (b) date of an announcement by Offeror and/or the Company declaring that the Share Offer has terminated, lapsed or been withdrawn by Offeror and (c) the Long Stop Date (as defined in the Revised Announcement) to the extent the conditions to the Offers have not been satisfied or waived by that date.
- 4.2. Termination of this Undertaking shall be without prejudice to LOG's or Holder's accrued rights and remedies, obligations and liabilities under this Undertaking as at the date of such termination.

5. Notices

- 5.1. Notices delivered in connection with this Undertaking shall be made in writing in English and shall be delivered in the manner set out as follows:

(a) If to LOG:

Address:	49, Boulevard Prince Henri, L – 1724 Luxembourg		
Quote:	Project Rio – Irrevocable Undertaking		
Attention:	Mr. Ingo DAUER	-	ingo.dauer@loccitane.com
	Mr. Samuel ANTUNES	-	samuel.antunes@loccitane.com
Please copy (Skadden):	Mr. Arash ATTAR-REZVANI	+33 1 55271127	arash.attar@skadden.com
	Mr. Patrick DUPUIS	+33 1 55271132	Patrick.Dupuis@skadden.com
	Ms. Paloma WANG	+852 3740 6888	paloma.wang@skadden.com
	Ms. Shimeng ZHANG	+852 3740 4893	shimeng.zhang@skadden.com
Please copy (J.P. Morgan):	Mr. Sanjeev MALKANI	+852 2800 6788	sanjeev.malkani@jpmorgan.com
	Ms. Judie ZHU	+852 2800 6510	judie.y.zhu@jpmorgan.com
	Ms. Blair HUANG	+852 2800 6635	blair.huang@jpmorgan.com

(b) If to Holder:

Holder:	Attention:	Jonathan Lennon / Mike Sherry
	Telephone:	+1-347-622-3519 / +1-585-694-4072
	Email:	JL@plpfunds.com / operations@plpfunds.com
	Address:	100 Carr 115 Unit 1900, Rincon PR 00677

5.2. Notices delivered under this Undertaking shall be delivered in writing by hand or sent by email or pre-paid express post.

5.3. Any notice shall be deemed to have been received: (a) if delivered by hand, when delivered; (b) if sent by email, 30 minutes after the time of sending unless a delivery failure notification is received; and (c) if sent by pre-paid post, (in the absence of evidence of earlier receipt) 48 hours after it was posted. Any notice received on a day which is not a Business Day shall be deemed to be received on the next following Business Day.

6. Governing Law; Disputes

6.1. This Undertaking shall be governed by and construed in accordance with law of Hong Kong and Holder agrees to submit to the exclusive jurisdiction of the courts of Hong Kong for all purposes in connection with this Undertaking.

6.2. The failure to exercise or delay in exercising a right or remedy provided by this Undertaking or by law does not impair or constitute a waiver of the right or remedy or an impairment of a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided under this Undertaking or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

6.3. If any provision of this Undertaking is or becomes illegal, invalid or unenforceable under the laws of any jurisdiction, that shall not affect:

(a) the legality, validity or enforceability in that jurisdiction of any other provision of this Undertaking; or

(b) the legality, validity or enforceability under the law of any other jurisdiction of that or another provision of this Undertaking.

6.4. Holder acknowledges that if it fails to perform or breaches any of the obligations under this Undertaking, damages may not be an adequate remedy and accordingly, LOG shall be entitled to the remedy of specific performance or other equitable relief.

7. General

7.1. By entering into this Undertaking, it will not, in the absence of any other factor, lead to a presumption that the Holder is acting in concert with LOG.

7.2. Holder acknowledges that this Undertaking, and discussions for the purpose of entering into this Undertaking, constitutes “Confidential Information” under the Confidentiality Agreement; other than as consented to under section 3.1 above or as previously approved by LOG, information contained in, or in connection with, this Undertaking shall be subject to the confidentiality obligations under the Confidential Agreement.

7.3. This Undertaking may be executed in any number of counterparts, in wet-ink or electronic signature (including DocuSign). Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Undertaking, *together* with the full text of the Undertaking being signed, by e-mail attachment (PDF) or telecopy shall be an effective mode of delivery.

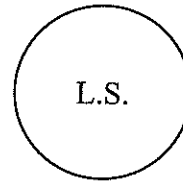
7.4. This Undertaking is executed in English only. In the event that any part of this Undertaking is translated into a language other than English, such translation shall be for reference only, and the English version of this Undertaking shall prevail as the official version.

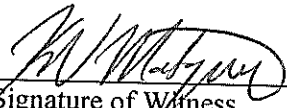
[Signature page to Irrevocable Undertaking]

This Undertaking is executed and delivered as a deed by the undersigned on the date stated at the beginning of this Undertaking.

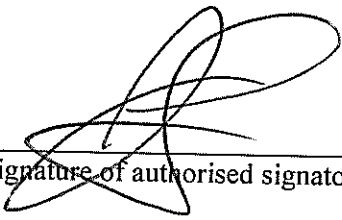
HOLDER

EXECUTED, SEALED and DELIVERED)
as a deed by and in the name of)
Pleasant Lake Partners LLC)
by its duly authorised signatory)
in the presence of:





Signature of Witness
Name of Witness: Katharine Montgomery
Occupation: VP, Marketing
Address: 50^{1/2} Pine St
Princeton, NJ 08542



Signature of authorised signatory

SCHEDULE 1

DEFINITIONS

In this Undertaking:

“Business Day”	means a day on which banks are open for the transaction of normal banking business in Hong Kong, Luxembourg or France (excluding Saturday and Sunday)
“Code”	The Hong Kong Code on Takeovers and Mergers issued by the SFC, as amended from time to time
“Company”	L’Occitane International S.A., a company incorporated in Luxembourg with limited liability, the shares of which are presently listed on the Main Board of the Stock Exchange under the stock code “973”
“Composite Document”	any offer document to be published by Offeror and the Company in connection with the Offers
“Confidentiality Agreement”	has the meaning ascribed to it in recital (C)
“Encumbrance”	means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, or other encumbrance or security interest having similar effect
“Holder”	has the meaning ascribed to it in the preamble
“Holder Custodians”	has the meaning ascribed to it in recital (B)
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“LOG”	has the meaning ascribed to it in the preamble
“Offeror”	has the meaning ascribed to it in recital (D)
“Offers”	has the meaning ascribed to it in recital (D)
“Relevant Interest”	has the meaning ascribed to it in recital (B) and as set out in <u>Appendix A</u>
“Revised Announcement”	has the meaning ascribed to it in recital (D)
“Rule 3.5 Announcement”	announcement published or to be published by Offeror and/or the Company pursuant to Rule 3.5 of the Code
“SFC”	The Securities and Futures Commission of Hong Kong

“SFO”	Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong
“Securities”	securities (as defined under schedule 1 to the SFO) of the Company; and for the avoidance of doubt, includes Shares, any convertible rights, options, warrants or other derivatives in respect of Shares
“Share(s)”	means an ordinary share of the Company with a par value of EUR0.03 (or, if there has been a subsequent subdivision, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares in the share capital of the Company resulting from such subdivision, reduction, consolidation, reclassification or reconstruction)
“Share Offer”	has the meaning ascribed to it in recital (D)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vested Option Offer”	has the meaning ascribed to it in recital (D)

APPENDIX A
RELEVANT INTEREST

Holder Custodian / Registered Shareholder	Number of Shares
J.P. Morgan Securities LLC	47,956,250

APPENDIX B
REVISED ANNOUNCEMENT

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

LR13.52
Note 5

This announcement appears for information purposes only and is not intended to and does not constitute, or form part of, any offer to purchase or subscribe for or an invitation to purchase or subscribe for any securities of Offeror, or the Company or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law.

LR13.51A

This announcement is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the applicable laws or regulations of such jurisdiction.

[Printer to insert Company's logo]

L'OCCITANE HOLDING S.A.
*(Incorporated under the laws of Luxembourg
with limited liability)*

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)*

JOINT ANNOUNCEMENT

- (1) REVISED PROPOSED PRIVATISATION BY WAY OF CONDITIONAL
VOLUNTARY GENERAL OFFERS BY
J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED
ON BEHALF OF OFFEROR
TO ACQUIRE ALL ISSUED AND OUTSTANDING SHARES IN THE COMPANY
(OTHER THAN SHARES ALREADY OWNED BY LOG) AND TO CANCEL
ALL VESTED OPTIONS;**
- (2) PROPOSED LIQUIDITY ARRANGEMENT BY OFFEROR WITH RESPECT TO
UNVESTED AWARDS;**
- (3) IRREVOCABLE UNDERTAKINGS AND NON-BINDING LETTERS OF SUPPORT TO
ACCEPT THE SHARE OFFER;**
- (4) SPECIAL DEAL WITH RESPECT TO THE GA DISPOSAL; AND**
- (5) RESUMPTION OF TRADING**

Exclusive Financial Adviser to Offeror [Printer to insert JPM's logo] J.P. Morgan Securities (Asia Pacific) Limited	Independent Financial Adviser to the Independent Board Committee [Printer to insert IFA's logo]
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INTRODUCTION

Reference is made to the Initial Announcement, in which LOG reserved the right to offer a share alternative, as described in the Initial Announcement, as an additional settlement method for the Share Offer (described as the “Potential Share Alternative Offer” in the Initial Announcement), and that if this right is exercised, a new announcement under Rule 3.5 of the Takeovers Code would be made.

On 17 June 2024, LOG informed the Board that LOG intended to exercise this right. This announcement sets out the revised proposal for the Share Offer. In connection with this, LOG has established a newly incorporated holding company for the purposes of making the Offers and issuing the Rollover Shares under the Share Alternative, as Offeror. As at Announcement Date, Offeror is a wholly-owned subsidiary of LOG.

Details of the Share Offer (with an option to elect settlement by way of the Cash Alternative or the Share Alternative) and arrangements for Awards (which remain unchanged) are set out in the section headed “Overview of the Offers”.

OFFERS

As at Announcement Date: (a) the Company has 1,474,968,200 Shares that are issued and outstanding, 1,639,350 Vested Options, and 8,196,677 Unvested Awards (with each Vested Option and Unvested Award representing one Share); and (b) Offeror Concert Group holds 1,071,328,991 Shares (representing approximately 72.63% of the total issued and outstanding share capital of the Company), of which Offeror Group holds 1,071,231,391 Shares (representing approximately 72.63% of the total issued and outstanding share capital of the Company). For more information, see the section headed “Information on the Group—Shareholdings in the Company”.

Additionally, as at Announcement Date, the Company has 1,996,691 Treasury Shares, which will not form part of the Offer Shares and will not be subject to the Share Offer.

Share Offer

J.P. Morgan will, on behalf of Offeror, make the Share Offer to Minority Shareholders for all Offer Shares, in exchange for either:

- Cash Alternative** HK\$34.00 in cash for each Offer Share; or
- Share Alternative** 10 Rollover Shares for each Offer Share.

Minority Shareholders who accept the Share Offer may elect, as a settlement method, either: (a) the Cash Alternative; or (b) the Share Alternative (but not a combination of both), with respect to their Offer Shares validly tendered for acceptance. Minority Shareholders who make an invalid election will receive the Cash Alternative by default.

The Share Alternative is subject to the Share Alternative Cap. This means that the aggregate number of

SFC 24/5

SFC 30/5

Offer Shares (validly tendered for acceptance and election of the Share Alternative) to be settled by Rollover Shares will be up to the Share Alternative Cap and may be subject to the *Pro Rata* Downward Adjustment Mechanism, in which case, Share Alternative Holders will have the remainder of their Offer Shares validly tendered for acceptance to be settled in cash at the Offer Price. See the section headed “Further information on the Share Alternative—Cap on the Share Alternative” for more information.

For Qualifying Shareholders who elect the Share Alternative, your attention is drawn to certain risk factors set out in this announcement and to be set out in the Composite Document, including but not limited to:

- (a) the Rollover Shares are securities in a private and unlisted company incorporated in and governed by the laws of Luxembourg, and as of Announcement Date, Offeror has no intention for these securities to be listed or admitted to trading on any exchange or market, or be quoted on any inter-dealer system; accordingly, these securities will be illiquid and Offeror believes that it is unlikely that an active trading market will develop for the Rollover Shares;
- (b) as of Announcement Date, there is no intention or plan for all or any part of the business of the Company to be re-listed on any stock exchange, and there can be no assurance of such intention or plan in the future;
- (c) your interest in Offeror will be that of a minority shareholder with limited shareholder protection rights and you will not have the benefits and protections of the Listing Rules in terms of disclosure of material information, appointment of directors (including independent non-executive directors) and restrictions on connected or notifiable transactions of Offeror group;
- (d) the value of Offeror and your Rollover Shares in the future remains uncertain and there can be no assurance that your Rollover Shares can be sold in the future for a value that is at least the same as the Offer Price;
- (e) transfer of Rollover Shares are subject to transfer restrictions stipulated in Offeror’s amended articles of association (which are summarised in “Appendix A” to this announcement, and will be further set out in the Composite Document);
- (f) there is no dividend policy in respect of the Rollover Shares; and dividend payments in respect of the Rollover Shares will not be guaranteed or secured. Payment of dividends on the Rollover Shares (if any) would solely depend on whether such payment is recommended or declared by Offeror’s board of directors;
- (g) changes in the business and economic environment, and competition in the global skincare and cosmetics industry could adversely affect the profitability of Offeror and its assets;
- (h) the Company may no longer remain a “public company” under the Codes on Takeovers and Mergers and Share Buy-backs, in which case, the protections under these codes will not be applicable or afforded to Share Alternative Holders (whether the Company remains a “public company” under these codes will depend on a number of factors that the Executive will take into account, including among others, the number of Hong Kong shareholders in the Company or Offeror, and the extent of Shares or Offeror Shares traded in Hong Kong); and
- (i) LOG or Offeror may pledge, or otherwise encumber, part or all of the Shares, or the Company may pledge, or otherwise encumber, part or all of its securities in members of the Group, from time to time, in connection with financing arrangements, in which case, the rights attached to, or value of,

Offeror Shares may be affected.

See the sections headed: (a) “Further information on the Cash Alternative” for more information on the Cash Alternative, including settlement and comparison of the Offer Price; and (b) “Further information on the Share Alternative” and “Appendix A” to this announcement for more information on the Share Alternative, including the Share Alternative Cap and *Pro Rata* Downward Adjustment Mechanism, settlement arrangements, Non-qualifying Shareholders who are not eligible for the Share Alternative, summary of Rollover Shares and key risk factors in relation to the Share Alternative.

The Share Offer is subject to the conditions set out in the section headed “Conditions of the Offers—Conditions of the Share Offer”.

If the Conditions are not satisfied or waived (if waivable) on or before the Long Stop Date, the Share Offer will lapse unless the Share Offer is extended by Offeror in accordance with the Takeovers Code.

The Offer Price will not be increased, and Offeror does not reserve the right to do so. Shareholders, Award Holders and potential investors should be aware that, following the making of this statement, Offeror will not be allowed to increase the Offer Price.

Vested Option Offer

J.P. Morgan will, on behalf of Offeror, make the Vested Option Offer to Vested Option Holders to cancel their Vested Options at the Award Cancellation Price, calculated as the “see-through” price (being the Offer Price *less* the exercise price of each such Vested Option), as follows:

For each Vested Option with exercise price of HK\$14.50	HK\$19.50 in cash
For each Vested Option with exercise price of HK\$15.16	HK\$18.84 in cash

The Vested Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

In accordance with the relevant Share Incentive Plans, the Company has sent the Share Incentive Notice to all Award Holders, pursuant to which: (a) all Vested Options: (i) may only be exercised on or between Initial Announcement Date and 20 May 2024; or (ii) if not exercised, will be eligible for the Vested Option Offer on and between Composite Document Date and Offer Closing Date; and (b) if the Vested Option Holder takes neither action under (i) nor (ii), their Vested Options shall lapse after Offer Closing Date.

NOTICE to Vested Option Holders: If you do not accept the Vested Option Offer on or between Composite Document Date and Offer Closing Date, then your Vested Options will automatically and immediately lapse after Offer Closing Date.

Accordingly:

- (a) Vested Option Holders who hold Vested Options will be eligible to participate in the Vested Option Offer; and
- (b) all remaining Vested Options in respect of which the Vested Option Holder has not validly accepted

the Vested Option Offer on or before Offer Closing Date, will automatically and immediately lapse after Offer Closing Date (in accordance with the relevant Share Incentive Plans and the Share Incentive Notice).

Treatment of Unvested Awards and Liquidity Arrangement

In accordance with the relevant Share Incentive Plans and the Share Incentive Notice to all Award Holders, Unvested Awards will be treated as follows:

- (a) no Unvested Awards will be accelerated, and all Unvested Awards will continue to vest in accordance with the existing schedule and conditions of grant under the relevant Share Incentive Plans; and
- (b) Unvested Award Holders will be eligible to participate in the Liquidity Arrangement, whereby Offeror will offer to enter into a Liquidity Agreement with each Unvested Award Holder, pursuant to which Offeror will pay to the Unvested Award Holder the Award Cancellation Price to cancel each Award following its vesting in accordance with the existing schedule and conditions of grant under the relevant Share Incentive Plan; with the Award Cancellation Price calculated as (i) the “see-through” price (being the Offer Price less the exercise price of each such vested Option); or (ii) the equivalent of the Offer Price (for each vested Free Share), as follows:

For each Option following vesting with exercise price of HK\$20.67	HK\$13.33 in cash
For each Free Share following vesting	HK\$34.00 in cash

The Liquidity Arrangement is conditional upon the Share Offer becoming or being declared unconditional in all respects.

NOTICE to Unvested Award Holders: If you do not enter into a Liquidity Agreement on or before Offer Closing Date, you will become a Shareholder of a privately-operated company upon vesting and exercise (in the case of Options) or allocation (in the case of Free Shares) of your Awards (assuming that the Offers become or are declared unconditional in all respects and the Shares are delisted from the Stock Exchange).

See the section headed “Outstanding Awards” for further details.

Value of the Offers

Assuming that all Minority Shareholders accept the Share Offer and elect the Cash Alternative in full, all Vested Option Holders with Vested Options as at Announcement Date accept the Vested Option Offer in full, and all Unvested Award Holders accept the Liquidity Arrangement in full, the maximum value for the Offers is expected to be: (a) HK\$13,850,947,506.00 for the Share Offer; (b) HK\$31,575,186.00 for the Vested Option Offer; and (c) HK\$143,703,650.00 for the Liquidity Arrangement.

Funding of the Offers

Offeror intends to finance the consideration payable by Offeror under the Offers through the Offeror Shareholder Loan, which in turn is funded by: (i) external debt facilities provided by Crédit Agricole

Corporate and Investment Bank to LOG; and (ii) a shareholder's loan from Holdco to LOG that is funded by paid-in-kind (PIK) loan note financing from: (a) Blackstone Rio Holdings (CYM) L.P.; and (b) the West Street Strategic Solutions funds or other investment vehicles or accounts that are managed or advised by Goldman Sachs Asset Management International or its affiliates. LOG has undertaken to Offeror to pay on Offeror's behalf the cash consideration payable under the Offers. See the section headed "Value of the Offers and funding" for further details.

WARNING: Shareholders and potential investors of the Company should note that the Share Offer is subject to the Conditions. Additionally, Award Holders should note that the Vested Option Offer and the Liquidity Arrangement are each subject to the Share Offer becoming or being declared unconditional in all respects. The Conditions may or may not be fulfilled and/or waived and accordingly the Share Offer may or may not proceed (and the Vested Option Offer and the Liquidity Arrangement may or may not take effect).

Shareholders, Award Holders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares and other securities of the Company, and if they are in doubt about their positions, they should consult their professional advisers.

IRREVOCABLE UNDERTAKINGS AND NON-BINDING LETTERS OF SUPPORT

Irrevocable Undertaking to accept Share Offer

LOG has received an Irrevocable Undertaking from Pleasant Lake Partners LLP in respect of 47,956,250 Offer Shares (representing approximately 3.25% of the issued and outstanding share capital of the Company and 11.88% of the Offer Shares held by Disinterested Shareholders) as at Announcement Date to accept the Share Offer, and to vote in favour of the GA Disposal at the Special Deal EGM.

Irrevocable Undertakings to accept Share Offer in cash

LOG has received Irrevocable Undertakings, which amount to, in aggregate 104,072,176 Offer Shares (representing approximately 7.06% of the issued and outstanding share capital of the Company and 25.78% of the Offer Shares held by Disinterested Shareholders) as at Announcement Date from ACATIS Investment KVG mbH (as to 63,079,800 Offer Shares) and Global Alpha Capital Management Limited (as to 40,992,376 Offer Shares) to accept the Share Offer and receive the Offer Price in cash, and to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.

Irrevocable Undertaking to recommend Share Offer in cash

In addition, as part of Global Alpha's Irrevocable Undertaking, with respect to an additional 11,704,731 Offer Shares (representing approximately 0.79% of the issued and outstanding share capital of the Company and 2.90% of the Offer Shares held by Disinterested Shareholders) in which Global Alpha's clients are interested and over which Global Alpha has investment discretion, Global Alpha has undertaken to LOG that it will recommend to its clients to accept the Share Offer and to receive the Offer Price in cash, and to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.

Non-binding Letters of Support

LOG has also received Non-binding Letters of Support, which amount to, in aggregate, 37,397,200 Offer Shares (representing approximately 2.54% of the issued and outstanding share capital of the Company and 9.27% of the Offer Shares held by Disinterested Shareholders) as at Announcement Date from ACATIS (as to the remaining 27,034,200 Offer Shares that ACATIS manages that are not covered under the Irrevocable

Undertaking) and Southeastern Asset Management, Inc. (as to 10,363,000 Offer Shares) confirming their intention to accept, or procure the acceptance of, the Share Offer and to receive the Offer Price, and to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.

See the section headed “Irrevocable Undertakings and Non-binding Letters of Support” for further details.

POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING OF SHARES

Pursuant to Article 18 and Rule 2.11 of the Takeovers Code, if Offeror acquires not less than 90% of the Offer Shares held by Disinterested Shareholders (by virtue of acceptances of the Share Offer or purchases) on or between Announcement Date and the date ending 4 months following Composite Document Date, Offeror will privatise the Company by exercising the right to which it is entitled under Article 18 to compulsorily acquire all remaining Offer Shares on the same terms as the Share Offer settled in cash at the Offer Price, following which the listing of Shares will be withdrawn from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

See the section headed “Possible compulsory acquisition and withdrawal of listing of Shares” for further details.

SPECIAL DEAL IN RESPECT OF GA DISPOSAL

On 2 April 2024 (before trading hours), the Company announced that it had entered into a disposal agreement on 28 March 2024 with Lavender Investments Limited, a wholly-owned controlled corporation of Mr. André Hoffmann, in relation to the GA Disposal. Under the Listing Rules, the GA Disposal constitutes a connected, but not a discloseable, transaction.

The GA Disposal is considered a “special deal” under Rule 25 of the Takeovers Code and requires consent from the Executive. The Executive’s consent, if granted, would be conditional upon: (a) the Independent Financial Adviser giving a public opinion that the terms of the GA Disposal are fair and reasonable; and (b) Disinterested Shareholders approving, by ordinary resolution, the GA Disposal at the Special Deal EGM.

Accordingly, the Offers are conditional on, among others, the Executive granting consent to the GA Disposal. If the Executive’s consent is not granted (or the conditions to the Executive’s consent are not fulfilled), and Offeror waives this condition, the GA Disposal will be terminated and Offeror will proceed with the Offers.

See “Other arrangements—Special deal with respect to the GA Disposal” for more information.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

As mentioned in the Initial Announcement, the Independent Board Committee, comprising independent non-executive Directors, Mrs. Christèle Hiss Holliger and Ms. Betty Liu, has been established for the purpose of making a recommendation to Disinterested Shareholders and Award Holders in connection with the Offers (and acceptance and election (in the case of the Share Offer) thereof) and the GA Disposal (and voting thereon). See the section headed “Independent Board Committee” for more information.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

As mentioned in the Initial Announcement, Somerley Capital Limited has been appointed as the Independent Financial Adviser (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Offers (and acceptance and election (in the case of

the Share Offer) thereof) and the GA Disposal (and voting thereon).

DESPATCH OF SPECIAL DEAL CIRCULAR AND COMPOSITE DOCUMENT

Special Deal Circular in respect of the GA Disposal

On 4 June 2024, the Company published the Special Deal Circular, setting out, among others, (i) details of the GA Disposal; (ii) the letter from the Independent Board Committee containing its recommendation in respect of the GA Disposal; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the GA Disposal (which contained the Independent Financial Adviser's opinion that the terms of the GA Disposal are fair and reasonable); and (iv) notice of the Special Deal EGM for Disinterested Shareholders to consider, and if thought fit, approve the GA Disposal.

Composite Document

Offeror and the Company will despatch the Composite Document containing, among other things, (i) details of the Offers and their terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation in respect of the Offers; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers; and (iv) the Forms of Acceptance, to Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and other applicable laws and regulations.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on 17 June 2024 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 1:00 p.m. on 17 June 2024.

1. INTRODUCTION

On 8 April 2024 (after trading hours), LOG informed the Board that, among other matters, LOG intended to make a firm conditional voluntary general offer for all Offer Shares pursuant to the Share Offer, as well as make appropriate arrangements for all Awards in accordance with Rule 13 of the Takeovers Code (being the Vested Option Offer and the Liquidity Arrangement). Details are set out in the Initial Announcement.

Under the Initial Announcement, LOG reserved the right to offer a share alternative, as described in the Initial Announcement, as an additional settlement method for the Share Offer (described as the "Potential Share Alternative Offer" in the Initial Announcement), and that if this right is exercised, a new announcement under Rule 3.5 of the Takeovers Code would be made. On 17 June 2024, LOG informed the Board that LOG intended to exercise this right. The purpose of this announcement is to set out the revised proposal for the Share Offer. In connection with this, LOG has established a newly incorporated holding company (being Offeror) for the purposes of making the Offers and issuing the Rollover Shares under the Share Alternative. As at the date of this announcement, Offeror is a wholly-owned subsidiary of LOG.

Details of the Share Offer (with an option to elect settlement by way of the Cash Alternative or the Share Alternative) and arrangements for Awards (which remain unchanged) are set out in the section headed "Overview of the Offers".

2. OVERVIEW OF THE OFFERS

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As at Announcement Date, the total issued share capital of the Company comprises 1,476,964,891 Shares, of which 1,996,691 are Treasury Shares.

Share Offer to Minority Shareholders

Share Offer

J.P. Morgan will, on behalf of Offeror, make the Share Offer to Minority Shareholders for all Offer Shares, in exchange for either:

Cash Alternative HK\$34.00 in cash for each Offer Share; or

Share Alternative 10 Rollover Shares for each Offer Share

The Share Offer will be extended to all holders of Offer Shares (being the Minority Shareholders) in accordance with the Takeovers Code. For the avoidance of doubt, the Treasury Shares will not be subject to the Share Offer.

Election of settlement method

Minority Shareholders who accept the Share Offer may elect, as a settlement method, either: (a) the Cash Alternative; or (b) the Share Alternative (and not a combination of both), with respect to their Offer Shares validly tendered for acceptance. Minority Shareholders who make an invalid election will receive the Cash Alternative by default.

Only Offer Shares held by registered holders will be eligible for the Share Alternative. Accordingly, Minority Shareholders who wish to elect the Share Alternative are required to withdraw the portion of their Offer Shares deposited in CCASS, if any, from CCASS and enter into the Company's Hong Kong share register, on or before the date that such Minority Shareholder delivers its acceptance for the Share Offer where the Share Alternative is elected. See the section headed "Further information on the Share Alternative—Withdrawal of Offer Shares from CCASS" for more information.

Offeror will take reasonable steps to put in place measures so that a Minority Shareholder is only able to elect one settlement method for the Share Offer (including requiring Share Alternative Holders with all or part of their Offer Shares held in CCASS on or after Composite Document Date to provide their account holder information as part of the acceptance form for the Share Alternative; and the Company will make enquiries under section 329 of the SFO), which will be further detailed in the Composite Document.

See the sections headed "Further information on the Cash Alternative" and "Further information on the Share Alternative" for more information on, among other things, a comparison of the Offer Price, settlement arrangements, the Share Alternative Cap, and summary of Rollover Shares.

The Offer Price will not be increased, and Offeror does not reserve the right to do so. Shareholders, Award Holders and potential investors should be aware that, following the making of this statement, Offeror will not be allowed to increase the Offer Price.

Vested Option Offer to Vested Option Holders

In accordance with Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, J.P. Morgan will, on behalf of Offeror, make the Vested Option Offer to Vested Option Holders to cancel their Vested Options at the Award Cancellation Price, calculated as the “see-through” price (being the Offer Price *less* the exercise price of each such Vested Option), as follows:

	Number of Vested Options	Exercise price per Vested Option		Award Cancellation Price per Vested Option
(a)	1,045,200 Options	HK\$14.50 exercise price	HK\$19.50 in cash
(b)	594,150 Options	HK\$15.16 exercise price	HK\$18.84 in cash

For the avoidance of doubt, by accepting the Vested Option Offer, the relevant Vested Option Holder agrees that each Vested Option held by them will be canceled in exchange for the relevant Award Cancellation Price.

See the section headed “Further information on the Vested Option Offer” for more information.

Liquidity Arrangement to Unvested Award Holders

Unvested Awards will not be accelerated for vesting and all Unvested Awards will remain to be vested under the existing schedule and conditions of grant under the relevant Share Incentive Plans. See the section headed “Further information on the Liquidity Arrangement” for more information on, among other things, material terms of the Liquidity Arrangement and Liquidity Agreement.

3. FURTHER INFORMATION ON THE CASH ALTERNATIVE

Settlement of the Cash Alternative

Settlement of the consideration payable by Offeror for valid acceptances of the Share Offer which have elected the Cash Alternative will be made as soon as possible and in any event no later than 7 business days after the later of: (i) the date of receipt of a completed and valid acceptance in respect of the Share Offer which have elected Cash Alternative; and (ii) the Offer Unconditional Date, or as otherwise consented to by the Executive and announced by Offeror and/or the Company. Relevant documents evidencing title must be received by the Hong Kong Share Registrar on behalf of Offeror to render the acceptance of the Share Offer by Minority Shareholders who have elected the Cash Alternative complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable, and the amount of consideration payable to a Shareholder who accepts the Cash Alternative will be rounded up to the nearest cent, or as otherwise consented to by the Executive and announced by Offeror and/or the Company.

Offer Price and comparisons of value

The Offer Price of HK\$34.00 per Offer Share represents:

- (a) a premium of approximately 30.77% over the closing price of HK\$26.00 per Share as quoted on

the Stock Exchange on the Undisturbed Date;

- (b) a premium of approximately 36.11% over the average closing price of HK\$24.98 per Share, being the average closing price of Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to and including the Undisturbed Date;
- (c) a premium of approximately 40.55% over the average closing price of HK\$24.19 per Share, being the average closing price of Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to and including the Undisturbed Date;
- (d) a premium of approximately 49.91% over the average closing price of HK\$22.68 per Share, being the average closing price of Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days immediately prior to and including the Undisturbed Date;
- (e) a premium of approximately 60.83% over the average closing price of HK\$21.14 per Share, being the average closing price of Shares as quoted on the Stock Exchange for the sixty (60) consecutive trading days immediately prior to and including the Undisturbed Date;
- (f) a premium of approximately 15.25% over the closing price of HK\$29.50 per Share as quoted on the Stock Exchange on the trading date prior to Initial Announcement Date (being on 8 April 2024);
- (g) a premium of approximately 4.13% over the closing price of HK\$32.65 per Share as quoted on the Stock Exchange on the trading date prior to Announcement Date;
- (h) a premium of approximately 402.22% over the audited consolidated net asset value attributable to owners of the Company per Share of approximately EUR0.81 (equivalent to approximately HK\$6.77) as at 31 March 2023, based on the total number of issued and outstanding Shares as at 31 March 2023; and
- (i) a premium of approximately 545.16% over the unaudited consolidated net asset value attributable to owners of the Company per Share of approximately EUR0.63 (equivalent to approximately HK\$5.27) as at 30 September 2023, based on the total number of issued and outstanding Shares as at 30 September 2023.

Highest and lowest closing prices of the Shares

During the six-month period immediately prior to and including the Undisturbed Date, the highest closing price of Shares as quoted on the Stock Exchange was HK\$27.80 per Share on 31 August 2023, and the lowest closing price of Shares as quoted on the Stock Exchange was HK\$18.12 per Share on 29 November 2023.

During the six-month period immediately prior to and including the trading date immediately prior to Initial Announcement Date (being 8 April 2024), the highest closing price of Shares as quoted on the Stock Exchange was HK\$32.00 per Share on 2 April 2024, and the lowest closing price of Shares as quoted on the Stock Exchange was HK\$18.12 per Share on 29 November 2023.

During the six-month period immediately prior to and including the trading date immediately prior to Announcement Date, the highest closing price of Shares as quoted on the Stock Exchange was HK\$32.80 per Share on 3 June 2024 and 6 June 2024, and the lowest closing price of Shares as quoted on the Stock Exchange was HK\$19.90 per Share on 18 December 2023.

Further terms

See the section headed “Further terms of the Offers—Acceptance of the Offers” for more information.

4. FURTHER INFORMATION ON THE SHARE ALTERNATIVE

Cap on the Share Alternative

The maximum number of Offer Shares to be exchanged for Rollover Shares pursuant to valid acceptances of the Share Offer electing to receive the Share Alternative shall not exceed the Share Alternative Cap (being 73,743,145 Offer Shares, representing 5% of the total issued and outstanding shares of the Company as at Initial Announcement Date; exchangeable for 737,431,450 Rollover Shares). In the event that the total number of Offer Shares in respect of which valid acceptances of the Share Offer electing the Share Alternative are received exceed the Share Alternative Cap, the number of Offer Shares validly tendered for acceptance to be settled by the Share Alternative (with each such Offer Share being exchanged for 10 Rollover Shares) for each Share Alternative Holder (being “Share Alternative Holders”) shall be reduced on a *pro rata* basis pursuant to the formula set out below (“*Pro Rata Downward Adjustment Mechanism*”), and the consideration for the remaining portion of each such Share Alternative Holder’s respective Offer Shares validly tendered for acceptance will be settled in cash at the Offer Price.

- (a) the number of Offer Shares validly tendered for acceptance by each Share Alternative Holder that will be exchanged for Rollover Shares under the Share Alternative shall be calculated as follows:

$$NS = \frac{A}{B} \times C$$

“NS” = number of Offer Shares validly tendered for acceptance by that Share Alternative Holder that will be exchanged for Rollover Shares under the Share Alternative

“A” = Share Alternative Cap (being 73,743,145 Offer Shares)

“B” = aggregate number of Offer Shares validly tendered for acceptance by all Share Alternative Holders, provided that such amount is equal to or greater than the Share Alternative Cap

“C” = total number of Offer Shares validly tendered for acceptance by that Share Alternative Holder

- (b) the remaining number of Offer Shares validly tendered for acceptance by each such Share Alternative Holder shall be settled in cash at the Offer Price.

No fractions of a share or a cent will be issued or paid, respectively, and the number of Rollover Shares issuable to a Shareholder who accepts the Share Alternative will be rounded down to the nearest Rollover Share, or as otherwise consented to by the Executive and announced by Offeror and/or the Company, whilst payments in cash, if any, will be rounded up to the nearest cent.

The decision of Offeror as to any downward adjustment in respect of valid acceptances of the Share Alternative in accordance with the *Pro Rata Downward Adjustment Mechanism* and as to the treatment of

fractions will be conclusive and binding on all Shareholders.

Value of the Rollover Shares

The Rollover Shares will be shares of a newly incorporated, unlisted company incorporated in Luxembourg. Following completion of the Offers, Offeror will own the Company, and the value of Rollover Shares will be primarily determined by the value of the Company and the shareholder loan from LOG to Offeror for the purpose of funding the Offers. Details of the estimates of value of the Offeror Shares will be set out in the Composite Document.

Withdrawal of Offer Shares from CCASS

Only Offer Shares held by registered holders will be eligible for the Share Alternative. For Qualifying Shareholders who hold all or part of their Offer Shares in CCASS and wish to elect the Share Alternative, their Offer Shares must first be withdrawn from CCASS by:

- (a) contacting their CCASS Participant(s) (or nominee/custodian) and make the withdrawal request; physical share certificate(s) in the name of HKSCC Nominees Limited will be withdrawn accompanying transfer form(s). The transfer form(s) should be duly completed, signed and stamped by the Hong Kong Stamp Duty Office at the Hong Kong Inland Revenue Department;
- (b) following step (a) above, arranging delivery of the original duly completed, signed and stamped transfer form(s), together with the original share certificate(s) in the name of HKSCC Nominees Limited and associated fee to the Hong Kong Share Registrar (at address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong; between the office hours: 9:00 a.m. to 4:30 p.m., Hong Kong time, on a business day) for re-registration to the name of the Minority Shareholder; and
- (c) in 10 business days after receipt by the Hong Kong Share Registrar of the documents at step (b) above, arranging collection from the Hong Kong Share Registrar of the original share certificate(s) in the name of the Minority Shareholder.

The above procedure is for guidance only and Minority Shareholders who wish to withdraw their Offer Shares from CCASS should consult their CCASS Participant(s) (or nominee/custodian) for further information and assistance on the withdrawal process.

NOTICE TO QUALIFYING SHAREHOLDERS: If you wish to elect the Share Alternative, you must first withdraw your Offer Shares from CCASS and record your Offer Shares on the Company's Hong Kong share register. This process may take time and will be based on your CCASS Participant(s) (or nominee/custodian). Please contact your CCASS Participant(s) (or nominee/custodian) as soon as possible to enquire about timing and follow their instructions on withdrawal. You must have your original share certificate (evidencing the Offer Shares being tendered for acceptance of the Share Alternative are registered on the Company's Hong Kong share register in your name) or the transfer receipt (showing that the Offer Shares are in the process of being recorded on the Company's Hong Kong share register in your name) when lodging your acceptance form for the Share Alternative.

Settlement of the Share Alternative

The total number of Offer Shares in respect of which valid acceptances of the Share Alternative have been received can only be determined after Offer Closing Date, following which, if the Share

Alternative Cap has been exceeded, Offeror will apply the *Pro Rata* Downward Adjustment Mechanism.

Additionally, settlement of Offer Shares in respect of valid acceptances of the Share Alternative will be subject to the following settlement mechanism:

- (a) migration of the Offer Shares from the Company's Hong Kong share register to the Company's Luxembourg share register; and
- (b) contribution of the Offer Shares from the Share Alternative Holder to Offeror in exchange for Rollover Shares (and, where the *Pro Rata* Downward Adjustment Mechanism has been applied, together with cash at the Offer Price).

Accordingly, settlement of the consideration payable by Offeror in respect of acceptances of the Share Alternative will be made as soon as possible, and in any event not more than 14 business days after the Offer Closing Date. Offeror will apply to the Executive before Composite Document Date for a waiver from strict compliance with Rule 20.1 of the Takeovers Code for settlement to Share Alternative Holders in respect of the Share Alternative.

Relevant documents evidencing title must be received by the Hong Kong Share Registrar on behalf of Offeror to render acceptances of the Share Offer by Minority Shareholders who have elected the Share Alternative complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

Documentation required for election of the Share Alternative

Accordingly, the following documentation will be required to be brought to the Hong Kong Share Registrar for election of the Share Alternative, further details of which will be set out in the Composite Document and the forms of which will be despatched together with the Composite Document on Composite Document Date:

- (a) Evidence of Title for the Offer Shares held by the Share Alternative Holder (and for holders with all or part of their Offer Shares held in CCASS, following withdrawal of these Offer Shares from CCASS);
- (b) duly completed acceptance form for electing the Share Alternative; and
- (c) the KYC information/documentation to be stated in the acceptance form for the Share Alternative, for the purposes of being issued the Rollover Shares and recording details of the Share Alternative Holder on the Offeror's register of members.

Non-qualifying Shareholders not eligible for Share Alternative

The Share Alternative, and receipt of Rollover Shares, are subject to the laws and regulations of the jurisdiction in which the Minority Shareholders are subject. Minority Shareholders wishing to elect the Share Alternative should be aware of the laws and regulations of their jurisdiction and ensure that they are able to elect the Share Alternative and receive Rollover Shares. Additionally, Rollover Shares issued will not be registered under any securities laws in any jurisdiction (including Hong Kong or overseas) and may only be issued to persons resident in a jurisdiction pursuant to an exemption from the requirements of the securities laws or regulations of that jurisdiction. In particular:

- (a) ***Stock Connect Investors.*** Investors who are interested in the Offer Shares through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect (collectively, "**Stock**

Connect) may not be eligible to elect the Share Alternative pursuant to Article 24 of the Implementation Rules for Registration, Depository and Clearing Services under the Mainland-Hong Kong Stock Markets Connect Programme (《內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則》); as at Announcement Date, these investors represent approximately 1.16% of the total issued and outstanding share capital of the Company.

- (b) **Certain overseas holders.** Minority Shareholders in jurisdictions where: (i) the laws or regulations of that jurisdiction restrict Offeror from distributing, or the holder of Offer Shares from accepting, the Rollover Shares under the Share Alternative; or (ii) doing so would expose Offeror or the holder of Offer Shares to significant civil, regulatory or criminal risk, and Offeror considers the exclusion of that jurisdiction to be necessary or expedient on account of these legal restrictions or risks, may not be eligible to elect the Share Alternative.

See the section headed “Notice to overseas Shareholders” for further information. Further information on this will be provided in the Composite Document and Forms of Acceptance.

Summary of Rollover Shares

See “Appendix A” to this announcement for a summary of key information about, and terms and conditions, attached to the Rollover Shares.

Risk factors

For Qualifying Shareholders who elect the Share Alternative, your attention is drawn to certain risk factors and other considerations to be set out in more detail in the Composite Document. Certain key risk factors and considerations are summarised below:

- (a) the Rollover Shares are securities in a private and unlisted company incorporated in and governed by the laws of Luxembourg, and as of Announcement Date, Offeror has no intention for these securities to be listed or admitted to trading on any exchange or market, or be quoted on any inter-dealer system; accordingly, these securities will be illiquid and Offeror believes that it is unlikely that an active trading market will develop for the Rollover Shares;
- (b) as of Announcement Date, there is no intention or plan for all or any part of the business of the Company to be re-listed on any stock exchange, and there can be no assurance of such intention or plan in the future;
- (c) your interest in Offeror will be that of a minority shareholder with limited shareholder protection rights and you will not have the benefits and protections of the Listing Rules in terms of disclosure of material information, appointment of directors (including independent non-executive directors) and restrictions on connected or notifiable transactions of Offeror group;
- (d) the value of Offeror and your Rollover Shares in the future remains uncertain and there can be no assurance that your Rollover Shares can be sold in the future for a value that is at least the same as the Offer Price;
- (e) transfer of Rollover Shares are subject to transfer restrictions stipulated in Offeror’s amended articles of association (which is summarised in “Appendix A” to this announcement, and will be further set out in the Composite Document);
- (f) there is no dividend policy in respect of the Rollover Shares; and dividend payments in respect of

the Rollover Shares will not be guaranteed or secured. Payment of dividends on the Rollover Shares (if any) would solely depend on whether such payment is recommended or declared by Offeror’s board of directors;

- (g) changes in the business and economic environment, and competition in the global skincare and cosmetics industry could adversely affect the profitability of Offeror and its assets;
- (h) the Company may no longer remain a “public company” under the Codes on Takeovers and Mergers and Share Buy-backs, in which case, the protections under these codes will not be applicable or afforded to Share Alternative Holders (whether the Company remains a “public company” under these codes will depend on a number of factors that the Executive will take into account, including among others, the number of Hong Kong shareholders in the Company or Offeror, and the extent of Shares or Offeror Shares traded in Hong Kong); and
- (i) LOG or Offeror may pledge, or otherwise encumber, part or all of the Shares, or the Company may pledge, or otherwise encumber, part or all of its securities in members of the Group, from time to time, in connection with financing arrangements, in which case, the rights attached to, or value of, Offeror Shares may be affected.

See the sections headed “Notice to overseas Shareholders” and “Further terms of the Offers—Acceptance of the Offers” and “Appendix A” to this announcement for more information.

5. OUTSTANDING AWARDS

As at Announcement Date, the Company has a total of 9,836,027 Awards outstanding (vested and unvested), comprising the following:

	Number of Awards outstanding (vested and unvested)	Exercise/issue price per Award	Number of Vested Awards	Number of Unvested Awards
(a)	1,045,200 Options	HK\$14.50 exercise price	1,045,200 Options	None
(b)	594,150 Options	HK\$15.16 exercise price	594,150 Options	None
(c)	6,530,400 Options ⁽¹⁾	HK\$20.67 exercise price	None	6,530,400 Options
(d)	1,666,277 Free Shares ⁽²⁾	Nil issue price	None	1,666,277 Free Shares

Notes:

- (1) The vesting date for these Options is: 27 October 2025.
- (2) The vesting dates for these Free Shares are: (a) 30 June 2027 (for 808,531 Free Shares granted to Mr. Laurent Marteau); and (b) 30 June 2026 (for the remaining 857,746 Free Shares).

Each Award entitles the Award Holder to receive one Award Share.

6. FURTHER INFORMATION ON THE VESTED OPTION OFFER

Notice to Vested Option Holders

In accordance with the relevant Share Incentive Plans, which provide that the Company may send notice to Vested Option Holders specifying the exercise period and when the balance of Vested Options may lapse, the Company has sent the Share Incentive Notice to all Award Holders, pursuant to which: (a) all Vested Options: (i) may only be exercised on or between Initial Announcement Date and 20 May 2024; or (ii) if not exercised, will be eligible for the Vested Option Offer on and between Composite Document Date and Offer Closing Date; and (b) if the Vested Option Holder takes neither action under (i) nor (ii), their Vested Options shall lapse after Offer Closing Date.

Accordingly:

- (a) Vested Option Holders who hold Vested Options will be eligible to participate in the Vested Option Offer; and
- (b) all remaining Vested Options in respect of which the Vested Option Holder has not validly accepted the Vested Option Offer on or before Offer Closing Date, will automatically and immediately lapse after Offer Closing Date (in accordance with the relevant Share Incentive Plans and the Share Incentive Notice).

Key dates to note for Vested Option Holders are set out below:

<i>Period</i>	<i>Event</i>
(i) Composite Document Date	First date to accept Vested Option Offer
(ii) Offer Unconditional Date	Vested Option Offer becomes unconditional
(iii) Offer Closing Date	Last date to accept the Vested Option Offer
(iv) Day following Offer Closing Date	Vested Options lapse ⁽¹⁾

Note:

- (1) Other than Vested Options in respect of which valid acceptances have been received by Offeror under the Vested Option Offer. If the Offers are terminated or withdrawn before Offer Unconditional Date, then Vested Options will not lapse after Offer Closing Date and Vested Options will continue to be exercisable between (x) the date that Offeror and/or the Company announces that the Offers have been terminated or are withdrawn; and (y) the end of the original exercise period, in accordance with the existing conditions of grant under the relevant Share Incentive Plan.

NOTICE to Vested Option Holders: If you do not accept the Vested Option Offer on or between Composite Document Date and Offer Closing Date, then your Vested Options will automatically and immediately lapse after Offer Closing Date.

Settlement of Vested Option Offer

Settlement of the consideration payable by Offeror in respect of valid acceptances of the Vested

Option Offer will be made as soon as possible and in any event no later than 7 business days after the later of: (i) the date of receipt of a completed and valid acceptance in respect of the Vested Option Offer; and (ii) the Offer Unconditional Date, or as otherwise consented to by the Executive and announced by Offeror and/or the Company.

No fractions of a cent will be payable, and the amount of consideration payable to a Vested Option Holder who accepts the Vested Option Offer will be rounded up to the nearest cent, or as otherwise consented to by the Executive and announced by Offeror and/or the Company.

Further terms

See the section headed “Further terms of the Offers—Acceptance of the Offers” for more information.

7. FURTHER INFORMATION ON THE LIQUIDITY ARRANGEMENT

Liquidity Arrangement and material terms of the Liquidity Agreement

In accordance with the relevant Share Incentive Plans and the Share Incentive Notice to all Award Holders, Unvested Awards will be treated as follows:

- (a) no Unvested Awards will be accelerated, and all Unvested Awards will continue to vest in accordance with the existing schedule and conditions of grant under the relevant Share Incentive Plans; and
- (b) all Unvested Awards shall remain to be vested in accordance with the existing schedule and conditions of grant under the relevant Share Incentive Plans and Unvested Award Holders will be eligible to participate in the Liquidity Arrangement.

Offeror proposes to enter into a Liquidity Agreement with each Unvested Award Holder pursuant to which Offeror will, in accordance with Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, pay to the Unvested Award Holder the Award Cancellation Price to cancel each Award following its vesting in accordance with the existing schedule and conditions of grant under the relevant Share Incentive Plan; with the Award Cancellation Price calculated as: (i) the “see-through” price (being the Offer Price *less* the exercise price of each such vested Option); or (ii) the equivalent of the Offer Price (for each vested Free Share).

The material terms of the Liquidity Arrangement are set out below:

Parties to each Liquidity Agreement:	Offeror and relevant Unvested Award Holder.
Treatment prior to acquisition:	The Unvested Awards shall continue to vest in accordance with, and subject to, the existing schedule and conditions of grant under the relevant Share Incentive Plans.
Period within which to enter into the Liquidity Agreement:	Between Composite Document Date and Offer Closing Date.
Award Cancellation	Offeror shall pay the Unvested Award Holder the Award Cancellation Price

Price: for each Award following its vesting, as follows:

For each Option following vesting
with exercise price of HK\$20.67 HK\$13.33 in cash

For each Free Share following vesting HK\$34.00 in cash

Governing law: The laws of Hong Kong.

Effective date of Offer Unconditional Date.

Liquidity Agreement:

Conditions of Liquidity Arrangement: As noted in the section headed “Conditions of the Offers—Conditions of the Vested Option Offer and the Liquidity Arrangement”, the Liquidity Arrangement is conditional upon the Share Offer becoming or being declared unconditional in all respects.

NOTICE to Unvested Award Holders: If you do not enter into a Liquidity Agreement on or before Offer Closing Date, you will become a Shareholder of a privately-operated company upon vesting and exercise (in the case of Options) or allocation (in the case of Free Shares) of your Awards (assuming that the Offers become or are declared unconditional in all respects and the Shares are delisted from the Stock Exchange).

Settlement under the Liquidity Arrangement

Under the Liquidity Arrangement, payments will be made to all Unvested Award Holders who have entered into a Liquidity Agreement following vesting of their relevant Awards in accordance with the existing schedule and conditions of grant under the relevant Share Incentive Plans, Award Holders will receive payment on a staggered basis and in accordance with the terms of the Liquidity Agreement, which will be further set out in the Composite Document.

Accordingly, based on the existing vesting dates under the Share Incentive Plans, the settlement of the consideration payable by Offeror under the Liquidity Arrangement will not be made within 7 business days after the later of Offer Unconditional Date and the date of each Liquidity Agreement in accordance with Rule 20.1 of the Takeovers Code. Offeror will apply to the Executive prior to Composite Document Date for a waiver from strict compliance with Rule 20.1 of the Takeovers Code for settlement to Unvested Award Holders under the Liquidity Arrangement.

Further terms

See the section headed “Further terms of the Offers—Acceptance of the Offers” for more information.

8. VALUE OF THE OFFERS AND FUNDING

Total value of the Share Offer and the Vested Option Offer

The maximum value of (and amount payable by Offeror under) the Share Offer made to holders of

Offer Shares is HK\$13,850,947,506.00; based on the assumptions that: (i) all holders of Offer Shares accept the Share Offer and elect the Cash Alternative in full; and (ii) there are no other changes to the relevant securities of the Company.

The maximum value of (and amount payable by Offeror under) the Vested Option Offer made to Vested Option Holders is HK\$31,575,186.00; based on the assumption that all Vested Option Holders accept the Vested Option Offer in full.

Total value of the Liquidity Arrangement

Additionally, the maximum value of (and amount payable by Offeror under) the Liquidity Arrangement made to Unvested Award Holders is HK\$143,703,650.00; based on the assumptions that: (i) each Unvested Award Holder enters into a Liquidity Agreement; and (ii) all Unvested Awards are vested in full.

Funding for the Offers

TC3.5 Note 3

Offeror intends to finance the consideration payable by Offeror under the Offers through the Offeror Shareholder Loan, which in turn is funded by: (i) external debt facilities provided by Crédit Agricole Corporate and Investment Bank to LOG; and (ii) a shareholder's loan from Holdco to LOG that is funded by paid-in-kind (PIK) loan note financing from: (a) Blackstone Rio Holdings (CYM) L.P. ("**Blackstone Investor**"); and (b) the West Street Strategic Solutions funds or other investment vehicles or accounts that are managed or advised by Goldman Sachs Asset Management International or its affiliates. LOG has undertaken to Offeror to pay on Offeror's behalf the cash consideration payable under the Offers.

Blackstone Investor is an exempted limited partnership established in the Cayman Islands. As at Announcement Date, Blackstone Investor is wholly-owned by funds managed by Blackstone Inc. and its affiliates and such funds are ultimately controlled by Blackstone Inc. Blackstone Inc. is listed on the New York Stock Exchange (NYSE: BX).

Goldman Sachs Asset Management International is ultimately controlled by The Goldman Sachs Group, Inc., a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System.

J.P. Morgan, the exclusive financial adviser to Offeror in respect of the Offers, [is satisfied] that sufficient financial resources are available to Offeror to satisfy the maximum amount of consideration required to effect the Offers.

TC3.5

9. CONDITIONS OF THE OFFERS

TC3.5(e)

Conditions of the Share Offer

The Share Offer is subject to fulfillment or waiver (if waivable) of the following Conditions:

- (a) valid acceptances of the Share Offer having been received (and not withdrawn) by 4:00 p.m. on Offer Closing Date (or such later time or date as Offeror may decide, subject to the rules of the Takeovers Code) in respect of such number of Offer Shares which, together with purchases, would result in Offeror holding not less than 90% of the Offer Shares held by Disinterested Shareholders;
- (b) no event having occurred that would: (a) make: (i) the Offers, (ii) the acquisition of the Offer Shares, or (iii) any lapse of unexercised Vested Options after Offer Closing Date, void,

unenforceable or illegal; (b) prohibit the implementation of the Offers or treatment of Awards as described in this announcement; or (c) impose any additional material conditions or obligations with respect to the Offers;

- (c) all necessary consents (including amendments or waivers) in connection with the Offers (or structuring thereof, including financing) and in connection with the withdrawal of listing of the Shares from the Stock Exchange, which may be required under any existing contractual obligations of the Company having been obtained and remaining in effect (i.e., the consents required to be given by the counterparty(ies) of any contracts entered into between the Company and such counterparty(ies) when the Company withdraws the listing of its Shares on the Stock Exchange, pursuant to the terms of such contracts);
- (d) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency in Hong Kong, Luxembourg or any other applicable jurisdiction (i) having taken or instituted or initiated any outstanding action, proceeding, suit, investigation or enquiry; or (ii) having issued or proposed to issue any legislation, regulations or other guidance, that would make the Offers or the treatment of Awards or their respective implementation in accordance with their respective terms as described in this announcement and to be set out in the Composite Document void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Offers or their implementation in accordance with their terms);
- (e) since Initial Announcement Date and as of the first closing date (being the date to be stated in the Composite Document as the first closing date of the Share Offer), there having been no material adverse change in the business, financial condition, trading position or prospects (whether operational, legal or otherwise) of the Group (to an extent which is material in the context of the Group taken as a whole); and
- (f) obtaining consent from the Executive in respect of the GA Disposal, which in turn, is conditional upon: (i) the Independent Financial Adviser giving a public opinion that the terms of the GA Disposal are fair and reasonable; and (ii) Disinterested Shareholders approving, by ordinary resolution, the GA Disposal at the Special Deal EGM.

Other than Condition (a), Offeror reserves the right to waive, in whole or in part, all or any of the Conditions above.

With respect to Condition (c) above, as of Announcement Date, based on information available to Offeror, Offeror anticipates that certain waivers or consents from, and amendments to the terms of certain existing debt facility agreements with, the Group's material creditors will need to be obtained in respect of the Offers, the financing for the Offers or the withdrawal of listing of the Shares from the Stock Exchange. Offeror will use its best efforts to obtain any and all necessary waivers, consents or amendments of the Group's material debt facilities. For the avoidance of doubt, but without prejudice to Condition (c) above regarding obtaining waivers from the Group's material creditors as a condition to the Share Offer, the terms of the financing for the funding by Offeror for the Offers are not themselves conditional upon obtaining such consents and waivers.

With respect to Condition (f), if the Executive's consent is not granted (or the conditions to the Executive's consent are not fulfilled), and Offeror waives this condition, the GA Disposal will be terminated and Offeror will proceed with the Offers.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, Offeror should not invoke any or all of the

Conditions (other than Condition (a)) so as to cause the Offers to lapse unless the circumstances that give rise to the right to invoke any such Condition are of material significance to Offeror in the context of the Offers.

As at Announcement Date, the Conditions have not been fulfilled. If the above Conditions are not fulfilled or waived (if waivable) on or before the Long Stop Date, the Share Offer will lapse unless the Share Offer is extended by Offeror in accordance with the Takeovers Code. Offeror will issue an announcement in relation to the revision, extension or lapse of the Share Offer or fulfilling or waiving (if waivable) the Conditions in accordance with the Takeovers Code and the Listing Rules. In accordance with Rule 15.5 of the Takeovers Code, the latest time on which the Share Offer may become or may be declared unconditional as to acceptances is 7:00 p.m. on the 60th day after Composite Document Date (or such later date to which the Executive may consent).

Conditions of the Vested Option Offer and the Liquidity Arrangement

The Vested Option Offer and the Liquidity Arrangement are each conditional upon the Share Offer becoming or being declared unconditional in all respects.

Offers to remain open for at least 14 calendar days after Offer Unconditional Date

In accordance with Rule 15.3 of the Takeovers Code, Offeror must publish an announcement when the Share Offer becomes unconditional as to acceptances and when the Share Offer becomes or is declared unconditional in all respects. The Offers shall remain open for acceptance for at least 14 calendar days after the Offer Unconditional Date to give all remaining Minority Shareholders and Award Holders a final opportunity to accept the Offers. Shareholders are reminded that Offeror does not have any obligation to keep the Offers open for acceptance beyond this 14-day period.

WARNING: Shareholders and potential investors of the Company should note that the Share Offer is subject to the Conditions described above. Additionally, Award Holders should note that the Vested Option Offer and the Liquidity Arrangement are each subject to the Share Offer becoming or being declared unconditional in all respects. The Conditions may or may not be fulfilled and/or waived and accordingly the Share Offer may or may not proceed (and the Vested Option Offer and the Liquidity Arrangement may or may not take effect). Shareholders, Award Holders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares and other securities of the Company, and if they are in doubt about their positions, they should consult their professional advisers.

10. POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING OF SHARES

Under Article 18, Offeror will be entitled to exercise the compulsory acquisition right once Offeror has acquired not less than 90% in value of the Shares for which the Share Offer is made (by virtue of acceptances of the offer or otherwise) during the period of 4 months beginning on Composite Document Date (being the date the Share Offer commences); following which, Offeror has within a period of 5 months after Composite Document Date to issue a compulsory acquisition notice to Shareholders, to acquire on a compulsory basis, the remaining Shares (being those Shares subject to the Share Offer not already owned or acquired by Offeror or Shares in respect of which valid acceptances have not been received under the Share Offer).

Under Rule 2.11 of the Takeovers Code, in addition to satisfying any requirements imposed by law, and except with the consent of the Executive, Offeror may only exercise such compulsory acquisition right

if Offeror Concert Group obtains acceptances of the offer and purchases (in each case of the Offer Shares held by Disinterested Shareholders) on or between Announcement Date and the date ending 4 months following Composite Document Date totaling 90% of the Offer Shares held by Disinterested Shareholders.

Subject to the satisfaction of the Conditions and requirements under Article 18 and Rule 2.11 of the Takeovers Code, Offeror will privatise the Company by exercising the right to which it is entitled under Article 18 to compulsorily acquire all remaining Offer Shares not already owned by Offeror under the Share Offer in cash at the Offer Price, following which listing of the Shares will be withdrawn from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules in this regard, and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the abovementioned threshold under Article 18 required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied on or before Offer Closing Date, dealings in the Shares may be suspended from Offer Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Whilst it is the intention of Offeror to privatise the Company, Offeror's ability to exercise rights of compulsory acquisition in respect of the Offer Shares is dependent on the prescribed threshold required for compulsory acquisition under Article 18 and on the requirements of Rule 2.11 of the Takeovers Code being satisfied.

In the event that Condition (a) is not met, Offeror will not be able to effect the compulsory acquisition, in which case the Share Offer will not become unconditional and will lapse and the Shares will remain listed on the Stock Exchange.

11. IRREVOCABLE UNDERTAKINGS AND NON-BINDING LETTERS OF SUPPORT

TC3.5(j)

Irrevocable Undertaking from Pleasant Lake Partners to accept Share Offer ("Pleasant Lake Partners Irrevocable Undertaking")

LOG has received an Irrevocable Undertaking from Pleasant Lake Partners LLC in respect of 47,956,250 Offer Shares ("**Pleasant Lake Partners undertaken interest**", representing approximately 3.25% of the issued and outstanding share capital of the Company and 11.88% of the Offer Shares held by Disinterested Shareholders) as at Announcement Date to accept the Share Offer.

Pursuant to the Pleasant Lake Partners Irrevocable Undertaking, Pleasant Lake Partners has irrevocably undertaken to:

- (a) accept the Share Offer in respect of all of the Pleasant Lake Partners undertaken interest and to elect either the Cash Alternative or the Share Alternative;
- (b) not withdraw any acceptances of the Share Offer in respect of all of the Pleasant Lake Partners undertaken interest;
- (c) exercise, or direct the exercise of, all voting rights attached to the Pleasant Lake Partners undertaken interest to vote in favour of the GA Disposal in the general meeting of the Company; and
- (d) not sell, transfer, encumber or accept any other offer in respect of the Pleasant Lake Partners undertaken interest prior to the earlier of the closing or lapsing of the Share Offer.

The Pleasant Lake Partners Irrevocable Undertaking will lapse only upon an announcement that the Share Offer has terminated, lapsed or been withdrawn by Offeror, or if earlier, the Long Stop Date (to the extent the conditions to the Offers have not been satisfied or waived by that date).

Irrevocable Undertakings to accept Share Offer in cash

LOG has received Irrevocable Undertakings, which amount to, in aggregate, 104,072,176 Offer Shares (representing approximately 7.06% of the issued and outstanding share capital of the Company and 25.78% of the Offer Shares held by Disinterested Shareholders) as at Announcement Date to accept the Share Offer and receive the Offer Price in cash, and to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company. In particular, LOG has received an Irrevocable Undertaking from:

- (a) ***ACATIS Investment KVG mbH***, in respect of 63,079,800 Offer Shares (“**ACATIS undertaken interest**”) to accept the Share Offer and to receive the Offer Price in cash, and to vote all Shares controlled by them at the time of such general meeting (being 90,114,000 Shares as at Announcement Date) in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.

The ACATIS undertaken interest represent approximately 4.28% of the issued and outstanding share capital of the Company, and 15.63% of the Offer Shares held by Disinterested Shareholders, as at Announcement Date.

- (b) ***Global Alpha Capital Management Limited***, in respect of 40,992,376 Offer Shares managed by Global Alpha (“**Global Alpha undertaken interest**”) to accept the Share Offer and to receive the Offer Price in cash, and to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.

The Global Alpha undertaken interest represents approximately 2.78% of the issued and outstanding share capital of the Company, and 10.16% of the Offer Shares held by Disinterested Shareholders, as at Announcement Date.

Irrevocable Undertaking to recommend Share Offer in cash

In addition, as part of Global Alpha’s Irrevocable Undertaking, with respect to an additional 11,704,731 Offer Shares in which Global Alpha’s clients are interested and over which Global Alpha has investment discretion (“**Global Alpha discretionary interest**”), Global Alpha has confirmed to LOG that it will recommend to its clients to accept the Share Offer and to receive the Offer Price in cash, and to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.

The Global Alpha discretionary interest represents approximately 0.79% of the issued and outstanding share capital of the Company, and 2.90% of the Offer Shares held by Disinterested Shareholders, as at Announcement Date.

Non-binding Letters of Support

LOG has received Non-binding Letters of Support, which amount to, in aggregate, 37,397,200 Offer Shares (representing approximately 2.54% of the issued and outstanding share capital of the Company and 9.27% of the Offer Shares held by Disinterested Shareholders) as at Announcement Date. In particular, LOG has received a Non-binding Letter of Support from:

- (a) **ACATIS Investment KVG mbH**, in respect of 27,034,200 Offer Shares (“**ACATIS support interest**”), representing all remaining Offer Shares out of the total 90,114,000 Offer Shares managed by ACATIS that do not form part of the ACATIS undertaken interest, confirming their intention to accept the Share Offer and to receive the Offer Price in cash.

The ACATIS support interest represent approximately 1.83% of the issued and outstanding share capital of the Company, and 6.70% of the Offer Shares held by Disinterested Shareholders, as at Announcement Date.

- (b) **Southeastern Asset Management, Inc.**, in respect of 10,363,000 Offer Shares (“**Southeastern support interest**”) confirming their intention to accept, or procure the acceptance of, the Share Offer, and to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.

The Southeastern support interest represent approximately 0.70% of the issued and outstanding share capital of the Company, and 2.57% of the Offer Shares held by Disinterested Shareholders, as at Announcement Date.

The Non-binding Letters of Support indicate each supporting party’s support of, and intention to accept, the Share Offer, but is provided instead of an irrevocable undertaking to enable the supporting party to maintain a level of liquidity prior to or during the Offer Period, such that the supporting party has flexibility to sell some or all of that portion of Shares prior to or during the Offer Period (rather than accepting the Share Offer, which would only be settled following the Offer Unconditional Date).

Key details of the Irrevocable Undertakings and Non-binding Letters of Support from ACATIS, Global Alpha and Southeastern are summarised below:

Consideration: ***Irrevocable Undertakings to accept Share Offer in cash***

Each of (i) ACATIS (as to 63,079,800 Offer Shares); and (ii) Global Alpha (as to 40,992,376 Offer Shares), has irrevocably undertaken to LOG to accept the Share Offer in respect of its undertaken interest at the Offer Price in cash.

Irrevocable Undertaking to recommend Share Offer in cash

Additionally, Global Alpha (as to 11,704,731 Offer Shares) has undertaken to LOG to recommend to its clients to accept the Share Offer in respect of the Global Alpha discretionary interest at the Offer Price in cash.

Non-binding Letters of Support

Each of (i) ACATIS (as to the remaining 27,034,200 Offer Shares, out of its 90,114,000 Offer Shares, which are not covered by the ACATIS undertaken interest); and (ii) Southeastern (as to 10,363,000 Offer Shares), has confirmed to LOG its intention to accept the Share Offer in respect of its support interest at the Offer Price.

No withdrawal: ***Irrevocable Undertakings***

Each of (i) ACATIS (as to 63,079,800 Offer Shares); and (ii) Global Alpha (as to 40,992,376 Offer Shares) has irrevocably undertaken to LOG that it will not, prior

to the earlier of the closing or lapsing of the Share Offer, withdraw any acceptance of the Share Offer in respect of its undertaken interest and will, where applicable, procure that no rights to withdraw any such acceptance are exercised.

Negative pledge: ***Irrevocable Undertakings***

Each of (i) ACATIS (as to 63,079,800 Offer Shares); and (ii) Global Alpha (as to 40,992,376 Offer Shares) has irrevocably undertaken to LOG that it will not, prior to the earlier of the closing or lapsing of the Share Offer, sell, transfer, or encumber or accept any other offer in respect of its undertaken interest.

Voting: ***Irrevocable Undertakings to vote***

Each of (i) ACATIS; and (ii) Global Alpha, has irrevocably undertaken to LOG to exercise, or procure the exercise, of all voting rights attached to all Shares controlled by them at the time of such general meeting (being (i) for ACATIS, 90,114,000 Shares, and (ii) for Global Alpha 40,992,376 Shares, as at Announcement Date) to vote in favour of all resolutions proposed to approve or ensure the success of the Offers at a general meeting of the Company.

Irrevocable Undertaking to recommend voting

Additionally, Global Alpha (as to 11,704,731 Offer Shares) has irrevocably undertaken to LOG to recommend to its clients to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.

Non-binding Letters of Support

Additionally, Southeastern has indicated to LOG its non-binding intention to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.

Lapse: ***Irrevocable Undertakings***

The Irrevocable Undertakings will lapse only upon an announcement that the Share Offer has terminated, lapsed or been withdrawn by Offeror, or if earlier, the Long Stop Date.

TC3.5 Note 2

As at Announcement Date, other than the Irrevocable Undertakings and Non-binding Letters of Support, Offeror Concert Group has not received any indication or irrevocable commitment from any other Shareholder to accept or reject the Share Offer.

See the section headed “Information on the Group—Shareholdings in the Company” for the respective shareholding positions of Pleasant Lake Partners, ACATIS, Global Alpha, and Southeastern.

12. NOTICE TO OVERSEAS SHAREHOLDERS

General notice to overseas Shareholders

This announcement does not constitute, and is not intended to constitute, an offer to the public or a solicitation to purchase, sell or otherwise invest in any Shares or Rollover Shares in any jurisdiction.

Further information will be provided in the Composite Document to be issued by Offeror and the Company.

The making of the Share Offer to Minority Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves about, and observe, any applicable legal, tax or regulatory requirements. It is the responsibility of the person wishing to accept the Share Offer to satisfy themselves as to the full observance of the laws of those relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes due by such person in such jurisdiction.

Additionally, the Share Offer will be made for the securities of a Luxembourg incorporated company and is subject to Hong Kong disclosure and other procedural requirements, which are different from those of other jurisdictions outside of Hong Kong (including securities laws in the United Kingdom, European Economic Area and United States). In addition, holders of Shares in overseas jurisdictions should be aware that this announcement has been (and the Composite Document will be) prepared in accordance with Hong Kong format and style, which differs from the formats and styles of overseas jurisdictions outside of Hong Kong (including the United Kingdom, European Economic Area and United States).

Rollover Shares issued under the Share Alternative will not be registered under any securities laws in any jurisdiction (including Hong Kong or overseas) and may only be issued to persons pursuant to an exemption from the registration or selling restriction requirements of the securities laws or regulations of the jurisdiction in which the Minority Shareholders are resident. In Hong Kong, this announcement and Composite Document is exempted from the prospectus registration and content requirements pursuant to paragraph 6 of the Seventeenth Schedule to the Companies (Winding-up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

In the event that the despatch of the Composite Document to overseas Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that Offeror regards as unduly onerous or burdensome (or otherwise not in the best interests of the Company or Shareholders), the Composite Document may not be despatched to such overseas Shareholders.

For that purpose, Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Composite Document to such overseas Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Composite Document is made available to overseas Shareholders. If such waiver is granted by the Executive, Offeror reserves the right to make arrangements in respect of overseas Shareholders in relation to the terms of the Share Offer. Such arrangements may include notifying any matter in connection with the Share Offer to overseas Shareholders by announcement or by advertisement in a newspaper that may or may not be circulated in the jurisdiction within which such persons are resident. The notice will be deemed to have been sufficiently given despite any failure causing difficulty for overseas Shareholders to receive that notice.

Notice to United Kingdom and European Economic Area investors

The information contained or referenced in this announcement are not being made (and the Composite Document will not be made), and have not been and will not be approved, by an authorised person for the purposes of section 21 of the UK Financial Services and Markets Act 2000, as amended (“FSMA”). The communication of the information contained or referenced in this announcement (and to

be contained or referenced in the Composite Document) to persons in the United Kingdom shall be exempt from the restrictions on financial promotions under section 21 of the FSMA on the basis that it is a communication by or on behalf of a body corporate which relates to a transaction to acquire shares in a body corporate and the object of the transaction may reasonably be regarded as being the acquisition of day to day control of the affairs of that body corporate within article 62 (Sale of body corporate) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

Notice to U.S. investors

The Share Offer will be extended to the United States pursuant to the applicable U.S. tender offer rules, in particular, Regulation 14E promulgated pursuant to the U.S. Securities Exchange Act of 1934 (the “**U.S. Exchange Act**”) or an available exemption therefrom and otherwise in accordance with the requirements of the SFO. Accordingly, the Share Offer will be subject to Hong Kong disclosure and other procedural requirements, including with respect to withdrawal rights and settlement procedures, which may differ from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Offers by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of acceptance of the Offers.

It may be difficult for U.S. holders of Shares to enforce their rights and any claims arising out of the U.S. federal securities laws, since Offeror and the Company are located in a country other than the United States, and some or all of their respective officers and directors may be residents of a country other than the United States. In addition, most of the assets of Offeror and the Group are located outside the United States. U.S. holders of Shares may not be able to bring a claim against a non-U.S. company or its officers or directors in a non-U.S. court for any violations of the securities laws of the United States. Further, it may be difficult for U.S. holders of Shares to effect service of process within the United States upon Offeror or the Company or their respective officers or directors or to enforce against them a judgment of a U.S. court predicated upon the federal or state securities laws of the United States.

Offeror is assessing the applicability of the exemptions available pursuant to Rule 14d-1(c) and Rule 14d-1(d) of the U.S. Exchange Act with respect to the Share Offer. Assuming such exemptions are available for the Share Offer, in accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, Offeror hereby discloses that it or its affiliates or its nominees, or their respective brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Shares outside of the United States, other than pursuant to the Share Offer, before or during the period in which the Share Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that: (i) any such purchase or arrangement complies with applicable law and is made outside the United States; and (ii) if applicable, the Offer Price is increased to match any consideration paid in any such purchase or arrangement. Any information about such purchases will be reported to the SFC and will be available on the SFC website at www.sfc.hk.

The above disclosures do not, whether directly or indirectly, represent legal advice, and none of the Company, Offeror, and their respective advisers, including J.P. Morgan, shall be taken to, or deemed to be, giving any advice, whether legal or otherwise, with respect to any jurisdiction, whether in Hong Kong or overseas.

Any acceptance by Shareholders will be deemed to constitute a representation and warranty from such persons to the Company, Offeror, and their respective advisers, including J.P. Morgan, that

those relevant laws and regulatory requirements in those jurisdictions to which the accepting overseas Shareholders are subject have been complied with. Shareholders, Award Holders and potential investors should consult their professional advisers if in doubt.

13. FURTHER TERMS OF THE OFFERS

Acceptance of the Offers

Subject to fulfilment and/or waiver (if waivable) of the Conditions, provided that valid acceptance forms and relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and valid pursuant to Note 1 to Rule 30.2 of the Takeovers Code and have been received by the Hong Kong Share Registrar, by accepting the Offers, acceptance of: (a) the Share Offer by any person will constitute a warranty by that person to Offeror that (i) the Offer Shares sold by that person to Offeror are free from all liens, charges, encumbrances, rights of pre-emption and any other third-party rights of any nature and together with all rights, benefits and entitlements attaching thereto; and (ii) additionally, where such person has elected the Share Alternative, such person is a Qualifying Shareholder and all regulatory approvals (if any) required by such person to receive Rollover Shares have been obtained; (b) the Vested Option Offer by any Vested Option Holder will constitute a representation by that person to Offeror and the Company that they approve the cancellation of their Vested Options; and (c) the Liquidity Arrangement by any Unvested Award Holder will constitute a warranty by that person to Offeror that the Unvested Awards which are to be subject to the Liquidity Arrangement are free from all third-party rights, liens, claims, charges, equities and encumbrances and together with all rights attaching thereto (other than those imposed under the terms of grant).

Acceptance of the Offers shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

No dividends or distributions

The Company has confirmed that, as of Announcement Date, it has (a) not declared any dividend or distribution which remains unpaid; and (b) no plan to declare, recommend, or pay any dividends or make any other distributions until the close of the Share Offer.

If any dividend or other distribution or return of capital (whether in cash or in kind) is declared, made or paid in respect of the Offer Shares from Initial Announcement Date and until Offer Closing Date (both dates inclusive), and such dividend right or amount is not transferred to Offeror with the Offer Shares, the Offer Price for each Offer Share (or in the case of the Share Alternative, the value of the total Rollover Shares exchanged for such Offer Shares) in respect of acceptances received during this period will be reduced by an amount equal to the amount or value of such dividend, distribution and/or return of capital, on a gross basis; and any reference, in this announcement, the Composite Document or any other announcement or document, to the Offer Price (or the value of Rollover Shares offered under the Share Alternative) will be deemed to be a reference to the Offer Price (or the value of Rollover Shares offered under the Share Alternative) as so reduced.

Hong Kong stamp duty

Seller's *ad valorem* stamp duty at a rate of 0.1% of the market value of the Offer Shares or consideration payable by Offeror in respect of relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholder on acceptance of the Share Offer (where the stamp duty calculated includes a fraction of HK\$1.00, the stamp duty would be rounded-up to the nearest HK\$1.00) for the transfer of Offer Shares to Offeror. Offeror will arrange for payment of the

seller's *ad valorem* stamp duty on behalf of the accepting Shareholders and pay the buyer's *ad valorem* stamp duty and will account to the Stamp Office of Hong Kong for all stamp duty payable on the sale and purchase of Offer Shares in respect of valid acceptances received under the Share Offer.

In the case of the Share Alternative, the sale and purchase of Offer Shares will take place in Luxembourg and not Hong Kong, and as such, no Hong Kong stamp duty is payable for acceptance of the Share Offer electing the Share Alternative.

Neither the Vested Option Offer nor the Liquidity Arrangement involves the sale and purchase of Hong Kong stock. As such, no Hong Kong stamp duty is payable for acceptance of the Vested Option Offer or Liquidity Arrangement, cancellation of the underlying Awards, or payment of consideration by Offeror thereunder.

Shareholders and Award Holders are advised to consult their professional advisers if in doubt about potential taxation implications that may be applicable in Hong Kong or other jurisdictions in respect of receiving payment under the Offers.

14. DECLARATION OF THE SHARE OFFER BECOMING UNCONDITIONAL

The latest time on which Offeror can declare the Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th calendar day after the Composite Document Date (or such later date to which the Executive may consent).

If all Conditions are satisfied (or waived, as applicable), Shareholders will be notified by way of an announcement in accordance with the Takeovers Code and the Listing Rules as soon as practicable thereafter.

15. REASONS FOR AND THE BENEFITS OF THE OFFERS

Reasons for and benefits of the Offers for the Company

Provide greater flexibility to the Company in making longer-term business-focused decisions and long-term sustainable growth. The Offers provide greater flexibility to the Company, as a privately-operated business, to pursue strategic investments and more efficiently implement strategies, free from the pressures of the capital markets' expectations, regulatory costs and disclosure obligations, share price fluctuations, and sensitivity to short-term market and investor sentiment. In particular, this is important because:

- (a) The Company has a multi-brand strategy comprising: (i) the core L'OCCITANE brand, which accounts for approximately 61% of total sales during the 12-month period ending 30 September 2023; (ii) ELEMIS and Sol de Janeiro brands, which have been growing at a faster pace; and (iii) other smaller brands. As competition in the global skincare and cosmetics industry continues to intensify with the entry of new international and local brands, the core L'OCCITANE brand is facing challenges from slowing growth and declining operating profit over the 18-month period ended 30 September 2023; ELEMIS's ongoing implementation of premiumisation strategy has required accelerating marketing expenditures; Sol de Janeiro has delivered strong performance since the Company's acquisition, and will require continued investment in manufacturing, distribution, and logistics in order to maintain its growth track record. Each of the Company's brands face different market and industry-specific challenges that require brand-tailored and geography-specific strategies to grow or maintain their market position.

- (b) Offeror believes that in order to maintain and invigorate the market shares of the Company's brands in an increasingly competitive environment, significant further investment in marketing, store refurbishment, IT infrastructure and attracting talent are of vital importance. These investments would entail incurring more costs in order to lay the foundation for longer-term growth. The bulk of the Company's incremental marketing investments has recently been allocated to boosting the visibility and relevance of its core brand, L'OCCITANE en Provence, mostly in China, representing the Company's second largest market by revenue, where pressure from weakening consumer sentiment coupled with increasing competition from local brands and higher operating costs is likely to continue to materially impact the sector, but also in strategic markets and channels such as the United States, Japan, South Korea, and the travel retail channel.

Privatising the Group would better address these challenges by enabling the Company to more efficiently and effectively implement strategies that are vital for longer-term sustainable growth. As a privately-operated group, the Company would be better-positioned to address these concerns without the overhang of regulatory and listing-related costs, and without being driven by or needing to divert business/administrative resources towards maintaining the short-term value of its share price.

Consolidate the Company's independence and reduce market risk. Given the current shareholding structure of the Company and the low trading volume of Shares on the market, the listing is of relatively little utility to the Company which has not raised capital from the public equity markets since its initial public offering in 2010. The operational functioning of the Company in the event of a delisting would be simplified in view of the provisions to which listed companies are subject, which are in addition to the regulatory constraints that also apply to the Company.

The Liquidity Arrangement supports talent retention. Offeror intends to continue operating the Company's business and retain all employees (other than changes in the ordinary course of business), and therefore, it is vital to maintain the Unvested Awards for the purposes of retaining employees and incentivising Unvested Award Holders to reach their respective performance targets (which is linked to the financial performance of the Group for the period preceding each respective vesting date).

Reasons for and benefits of the Share Offer for Minority Shareholders and the Vested Option Offer for Vested Option Holders

Unlocking shareholder value at a compelling premium. The Offers provide an attractive opportunity for Minority Shareholders and Vested Option Holders to monetise their investments at a premium over market price. The Offer Price represents a premium of approximately 30.77% over the closing price of HK\$26.00 per Share as quoted on the Stock Exchange on the Undisturbed Date, as well as a premium of approximately 49.91% and 60.83% over the average closing price of approximately HK\$22.68 per share and HK\$21.14 per share for the 30 and 60 trading days up to and including the Undisturbed Date, respectively. See the section headed "Further information on the Cash Alternative—Offer Price and comparisons of value" for more details.

Unique opportunity to fully monetise investment with limited liquidity. Offeror notes that the trading liquidity of Shares has been at a low level for a sustained period of time. The average daily trading volume of Shares for the 6, 12 and 24 months leading up to and including the Undisturbed Date were approximately 1,229,584 Shares, 1,341,956 Shares and 927,839 Shares, respectively, representing only 0.08%, 0.09% and 0.06% of the outstanding share capital of the Company as at Initial Announcement Date. Offeror is mindful of this prolonged low trading volume, which makes it challenging for Minority Shareholders and Vested Option Holders to execute substantial disposals in the open market without adversely affecting share price. The Cash Alternative under the Share Offer and the Vested Option Offer present a unique and immediate opportunity for Minority Shareholders and Vested Option Holders to fully

realise their investments in return for cash that can then be reinvested elsewhere.

Realise gains amidst current uncertain market conditions. The Cash Alternative under the Share Offer and Vested Option Offer provide Minority Shareholders and Vested Option Holders, respectively, with an opportunity to realise their investment in the Company for cash amidst an uncertain market climate marked by geopolitical factors and uncertain sentiment in the broader equity markets, among others. In particular, Asian markets have been considerably volatile, with the Hang Seng index down 44.52% in the last five years and 46.17% from its highest point in 2021 to the last trading date prior to Initial Announcement Date, whilst global markets have been similarly subject to uncertainties in the face of geopolitical developments and an environment of increasing interest-rates.

Immediate and high certainty value realisation for all shareholders compared to other strategic options. Offeror has considered various strategic options to maximise shareholder value and has concluded that a going private transaction in its current form allows shareholders to derive maximum benefit and to avoid the significant execution risks and exposure to uncertain market conditions that are associated with other alternative strategic actions.

Low likelihood of an alternative general offer to realise value. Offeror Concert Group collectively holds 72.63% of the total issued and outstanding share capital of the Company as at the Announcement Date. This poses an obstacle to third parties to make an offer for the Shares, as a third-party would not be able to control the Company unless Offeror agreed to dispose of its controlling stake in the Company. Therefore, it is unlikely that Minority Shareholders will receive an alternative offer to realise value in their investments in the Company other than through Offeror.

Opportunity to remain invested. For Qualifying Shareholders, the Share Offer will allow these Minority Shareholders who have confidence in the long-term prospects of the Company, through election of the Share Alternative, to remain invested in the Company’s business operations, subject to the risk factors of holding Rollover Shares as specified in the section headed “Further information on the Share Alternative—Risk factors”.

Additional benefit of the Liquidity Arrangement for Unvested Award Holders

Provides exit opportunity to Unvested Award Holders on the same price and comparable terms as the Cash Alternative. Unvested Award Holders will preserve the same opportunity to realise their equity interests in the Company and be entitled to the “see-through” offer price (in the case of vested Options) or the equivalent of the Offer Price (in the case of vested Free Shares), as with all other Minority Shareholders when their Unvested Awards naturally vest in accordance with the existing schedule and conditions of grant under the relevant Share Incentive Plans. Without the Liquidity Arrangement, and upon vesting and exercise of the Unvested Awards (which is expected to be after the Company privatises if the Share Offer becomes or is declared unconditional in all respects), Unvested Award Holders will hold Shares in the Company with limited liquidity.

Minority Shareholders and Award Holders are reminded to refer to the details of the Offers set out in the Composite Document, including the advice of the Independent Financial Adviser and the recommendation from the Independent Board Committee in respect of the Offers, before deciding whether or not to accept the Share Offer, the Vested Option Offer or enter into the Liquidity Arrangement.

16. INFORMATION ON 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 1,300 owned stores, and is present in 90 countries. Through its key brands—L'OCCITANE en Provence, Melvita, Erborian, L'OCCITANE au Brésil, ELEMIS, Sol de Janeiro and Dr. Vranjes Firenze—the Group offers new and extraordinary beauty experiences, using high quality products that respect nature, the environment and the people who surround it.

Financial information about the Group

The following is a summary of the audited consolidated financial results of the Group for the three years ended 31 March 2023 and the unaudited consolidated financial results of the Group for the six months ended 30 September 2022 and 2023, as extracted from the Company's financial reports for the corresponding financial periods:

	Year ended 31 March			Six months ended 30 September	
	2021 (restated)	2022	2023	2022	2023
Net sales (€ thousands)	1,537,845	1,781,358	2,134,689	900,505	1,072,024
Operating profit (€ thousands)	216,836	310,714	239,132	87,031	76,762
Profit for the period (€ thousands)	153,637	241,909	118,193	63,890	39,630
Profit attributable to equity owners (€ thousands)	151,180	242,034	115,110	61,832	34,033
Basic earnings per share (€)	0.103	0.165	0.078	0.042	0.023
	As at 31 March			As at 30 September	
	2021	2022	2023	2022	2023
Total assets (€ thousands)	2,489,539	3,009,074	2,816,428	3,070,445	2,936,887
Net assets (€ thousands)	1,271,537	1,314,606	1,187,001	1,352,953	952,147

Shareholdings in the Company

As at Announcement Date, the total issued share capital of the Company comprises 1,476,964,891 Shares, of which 1,996,691 are Treasury Shares. The authorised share capital of the Company is €1,500,000,000 divided into 50,000,000,000 Shares.

On the assumptions that there is no other change in shareholdings in the Company before the Share Offer, the table below sets out the shareholdings in the Company (based on the total issued and outstanding share capital of the Company as at Announcement Date): (i) as at Announcement Date; and (ii) immediately following completion of the Share Offer (assuming that the Share Offer and Vested Option Offer are accepted in full):

TC3.5(c)(i)
TC3.5(c)(ii)
TC3.5(c)(iii)
TC3.5(c)(iv)
TC3.8

As at Announcement Date ⁽¹⁾	Immediately after completion of the Share Offer (assuming the Share Offer and Vested Option
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Offer are accepted in full)⁽¹⁾

	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
<i>Offeror Group</i>				
Offeror ⁽²⁾	-	-	1,474,968,200	100.00%
LOG ⁽²⁾	1,067,587,391	72.38%	-	-
Reinold Geiger ⁽²⁾	1,148,750	0.08%	-	-
André Hoffmann ⁽²⁾	2,495,250	0.17%	-	-
Sub-total	1,071,231,391	72.63%	1,474,968,200	100.00%
<i>Other Offeror Concert Group⁽⁴⁾⁽⁵⁾⁽⁶⁾</i>				
Karl Guénard ⁽³⁾	97,600	0.01%	-	-
Sub-total of Offeror Concert Group	1,071,328,991	72.63%	1,474,968,200	100.00%
<i>Shareholder providing an Irrevocable Undertaking to accept Share Offer</i>				
Pleasant Lake Partners LLC ⁽⁷⁾	47,956,250	3.25%	-	-
Sub-total of this Shareholder	47,956,250	3.25%	-	-
<i>Shareholders providing Irrevocable Undertakings to accept Share Offer in cash</i>				
ACATIS Investment KVG mbH ⁽⁷⁾	63,079,800	4.28%	-	-
Global Alpha Capital Management Limited ⁽⁷⁾	40,992,376	2.78%	-	-
Sub-total of these Shareholders	104,072,176	7.06%	-	-
<i>Shareholders providing Non-binding Letters of Support</i>				
ACATIS Investment KVG mbH ⁽⁷⁾	27,034,200	1.83%	-	-
Southeastern Asset Management, Inc. ⁽⁷⁾	10,363,000	0.70%	-	-
Sub-total of these Shareholders	37,397,200	2.54%	-	-
<i>Other Minority Shareholders</i>				
Jackson Chik Sum Ng ⁽⁸⁾	30,000	0.00%	-	-
Other Shareholders	214,183,583	14.52%	-	-

Total	1,474,968,200	100.00%	1,474,968,200	100.00%
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Notes:

- (1) Based on the information available to Offeror and the Company as at Announcement Date; percentages are based on the total issued and outstanding share capital of the Company, which excludes 1,996,691 Treasury Shares. Percentages are subject to rounding.
- (2) As at Announcement Date and until immediately prior to completion of the Offeror Corporate Restructuring (being also completion of the Share Offer), Offeror is and will remain a wholly-owned subsidiary of LOG. See “Appendix A” to this announcement for a simplified corporate structure chart of Offeror immediately following completion of the Offeror Corporate Restructuring.

The sole ultimate controlling shareholder of LOG is Mr. Reinold Geiger. Mr. Geiger is the Chairman of the Board and an executive Director; he is also a director and chairman of the board of directors of LOG and the sole director of Offeror. Mr. Geiger is the ultimate beneficial owner of the entire issued share capital of Cime S.C.A., which has 100% interest in Société d’Investissements CIME S.A., which in turn controls 73.31% (as at Announcement Date) and will control 75.25% (following Offer Unconditional Date and immediately following the LOG Corporate Restructuring) of the total issued and outstanding share capital of LOG. Mr. Geiger is therefore deemed under the SFO to be also interested in all the Shares registered in the name of LOG. Accordingly, Mr. Geiger is deemed to be interested in 1,067,587,391 Shares beneficially owned by LOG and 1,996,691 Treasury Shares that are held by the Company. Mr. Geiger is also the beneficial owner of 1,148,750 Shares.

Mr. André Hoffmann is an executive Director and a director of LOG. Mr. Hoffmann wholly-owns Lavender Investments Limited, which in turn is a substantial shareholder of LOG, controlling 18.78% (as at Announcement Date) and 17.41% (following Offer Unconditional Date and immediately following the LOG Corporate Restructuring) of the total issued and outstanding share capital of LOG. Mr. Hoffmann, through Lavender Investments Limited, is also the beneficial owner of 2,495,250 Shares.

- (3) Executive Director and director of LOG, who also holds 166,300 Vested Options as at Announcement Date.
- (4) J.P. Morgan is the exclusive financial adviser to Offeror in respect of the Offers. Accordingly, J.P. Morgan and persons controlling, controlled by or under the same control as J.P. Morgan (except exempt principal traders and exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code) are presumed to be acting in concert with Offeror in accordance with class 5 of the definition of “acting in concert” under the Takeovers Code.

TC3.5 Note 1

As at Announcement Date, members of the J.P. Morgan group do not legally or beneficially own, control or have direction over any Shares (except in respect of Shares held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code and also excluding Shares held on behalf of non-discretionary investment clients of the J.P. Morgan group). Notwithstanding that connected exempt principal traders within the J.P. Morgan group are not acting in concert with Offeror, Shares held by any such connected exempt principal traders must not be assented to the Share Offer until the Share Offer becomes or is declared unconditional as to acceptances in accordance with the requirements of Rule 35.3 of the Takeovers Code, unless (i) the relevant connected exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients, and (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its clients that strictly prohibit the relevant connected exempt principal trader from exercising any discretion over the relevant Shares, and all instructions shall originate from the client only, and if no instructions are given, then no action shall be taken on the relevant Shares held by the relevant connected exempt principal trader.

- (5) Blackstone Investor is an original subscriber under the paid-in-kind (PIK) loan note financing for Holdco. Accordingly, Blackstone Investor and the various participating funds ultimately controlled by Blackstone Inc.

and managed by Blackstone Inc. and its affiliates (“**Participating Blackstone Funds**”, and together with Blackstone Investor, the “**Blackstone Entities**”) who are providing finance or financial assistance (directly or indirectly) to Offeror in connection with the Offers are presumed to be acting in concert with Offeror in accordance with class 9 of the definition of “acting in concert” under the Takeovers Code.

As at Announcement Date, none of the Blackstone Entities legally or beneficially own, control or have direction over any Shares.

- (6) Goldman Sachs International has been appointed by Holdco as a bookrunner in connection with the paid-in-kind (PIK) loan note financing for Holdco. Accordingly, Goldman Sachs International and persons controlling, controlled by or under the same control as Goldman Sachs International (except exempt principal traders and exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code) are presumed to be acting in concert with Offeror in accordance with class 5 of the definition of “acting in concert” under the Takeovers Code.

As at Announcement Date, members of the Goldman Sachs group do not legally or beneficially own, control or have direction over any Shares (except in respect of Shares held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code and also excluding Shares held on behalf of non-discretionary investment clients of the Goldman Sachs group). Notwithstanding that connected exempt principal traders within the Goldman Sachs group are not acting in concert with Offeror, Shares held by any such connected exempt principal traders must not be assented to the Share Offer until the Share Offer becomes or is declared unconditional as to acceptances in accordance with the requirements of Rule 35.3 of the Takeovers Code, unless (i) the relevant connected exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients, and (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its clients that strictly prohibit the relevant connected exempt principal trader from exercising any discretion over the relevant Shares, and all instructions shall originate from the client only, and if no instructions are given, then no action shall be taken on the relevant Shares held by the relevant connected exempt principal trader.

- (7) Pleasant Lake Partners has given an Irrevocable Undertaking over these 47,956,250 Shares. See the section headed “Irrevocable Undertakings and Non-binding Letters of Support” for more information.

As at Announcement Date, ACATIS controls 90,114,000 Shares, of which 63,079,800 Shares are the subject of an Irrevocable Undertaking and an additional 27,034,200 Shares are the subject of a Non-binding Letter of Support. See the section headed “Irrevocable Undertakings and Non-binding Letters of Support” for more information.

As at Announcement Date, Global Alpha controls 40,992,376 Shares, which are the subject of an Irrevocable Undertaking. Additionally, Global Alpha advises and has investment discretion over an additional 11,704,731 Shares for its clients. See the section headed “Irrevocable Undertakings and Non-binding Letters of Support” for more information.

Southeastern has given a Non-binding Letter of Support over these 10,363,000 Shares. See the section headed “Irrevocable Undertakings and Non-binding Letters of Support” for more information.

- (8) Independent non-executive Director.

Other than as disclosed above, as at Announcement Date, no other Offeror Concert Group members have an interest in the Shares that would need to be disclosed under Part XV of the SFO.

Awards

As at Announcement Date, the below Directors hold an aggregate of 1,241,031 Awards:

TC3.5(d)
TC3.5(c)(iv)

	Position	Number of Vested Options	Number of Unvested Awards
Laurent Marteau	Executive Director, Chief Executive Officer, Group Managing Director	-	205,200 Options ⁽¹⁾ 808,531 Free Shares ⁽²⁾
Karl Guénard	Executive Director, Company Secretary; director of Offeror	166,300 Options	61,000 Options ⁽¹⁾

Notes:

(1) The vesting date for these Options is: 27 October 2025.

(2) The vesting date for these Free Shares is: 30 June 2027.

See the section headed “Outstanding Awards” for more details on the Awards as at Announcement Date.

17. INFORMATION ON OFFEROR GROUP

Offeror Group

Offeror is a company incorporated in Luxembourg on 10 June 2024 with limited liability. Offeror is an investment holding company and has no independent business operations and was established for the purposes of making the Offers and issuing new shares under the Share Alternative and Offeror Corporate Restructuring. As at this Announcement Date, Offeror is a wholly-owned subsidiary of LOG; see “Appendix A” to this announcement for more information.

TC3.8
TC3.5(b)

LOG is a company incorporated in Luxembourg with limited liability. It is an investment holding company and has no independent business operations. LOG holds interests in Offeror, the Company and other companies in, among other industries, retail and consumer products, and hotels and resorts. Offeror is ultimately controlled by Mr. Reinold Geiger. LOG has been, prior to the Share Offer, and will remain after the Share Offer, a controlling shareholder of the Company (as defined under the Takeovers Code and the Listing Rules).

TC3.5(b)

Mr. Reinold Geiger is the Chairman of the Board and an executive Director; as well as a director and chairman of the board of directors of LOG and the sole director of Offeror. Mr. Geiger, through his wholly-owned controlled corporations (being investment holding companies)—Société d’Investissements CIME S.A., Cime S.C.A., and Cime Management S.à.r.l.—is the sole ultimate controlling shareholder of LOG and Offeror. Mr. Geiger is also a 0.08% direct Shareholder.

Lavender Investments Limited is wholly-owned by Mr. André Hoffmann, who is an executive Director and director of LOG. Lavender Investments Limited is also a 0.17% direct Shareholder.

Topco is a special purpose vehicle established to hold 100% of Holdco, which in turn will control LOG following Offer Unconditional Date (immediately following the LOG Corporate Restructuring). The sole ultimate controlling shareholder of Topco is Mr. Reinold Geiger, who controls Topco through his wholly-owned controlled corporations. Mr. André Hoffmann is a substantial shareholder of Topco.

Holdco is a special purpose vehicle established to hold: (a) as at Announcement Date 0.1%; and (b) following Offer Unconditional Date 99%, interest in LOG. Holdco is wholly-owned by Topco. The remaining 1% interest in LOG is primarily held by LOG group’s employees and management who were awarded shares in LOG under LOG share incentive plans.

See the section headed “Other arrangements—LOG corporate structure charts” for the shareholdings of Offeror Group before and immediately following the LOG Corporate Restructuring.

18. OTHER ARRANGEMENTS

TC3.5(f)

LOG Corporate Restructuring

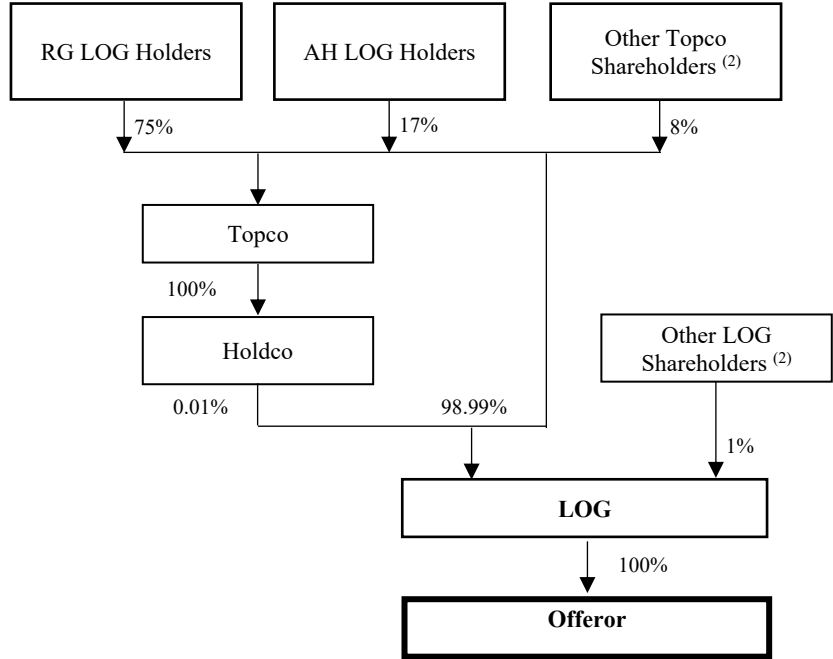
As part of the LOG Corporate Restructuring being implemented in parallel with the Offers:

- (a) RG LOG Holders and AH LOG Holders will contribute all of their LOG shares directly held by them as at Initial Announcement Date to Holdco, (a) with the majority portion of their LOG shares to be contributed in kind to Topco (which will then contribute such shares to Holdco) in exchange for a pro-rata shareholding (less the portion sold under the LOG Cash Buy-Out, defined below) in Topco (which wholly-owns Holdco); and (b) the remaining portion of their LOG shares to be sold to Holdco for cash payable by Holdco (“**LOG Cash Buy-Out**”) (“**LOG Contribution Arrangement**”). The LOG Contribution Arrangement is conditional upon the Share Offer becoming or being declared unconditional and will take place on or shortly after the Offer Unconditional Date. The price per LOG share payable by Holdco under the LOG Cash Buy-Out is pegged to the Offer Price, adjusted for assets and liabilities of LOG group (other than assets and liabilities associated with LOG’s shareholding in the Group).
- (b) Pursuant to the LOG Cash Buy-Out, RG LOG Holders and AH LOG Holders are expected to sell LOG shares up to a maximum consideration of EUR171 million. The LOG shares to be sold by RG LOG Holders represent 322,175 LOG shares (i.e., representing approximately 3.3% of the total holding of RG LOG Holders in LOG) and the LOG shares to be sold by AH LOG Holders represent 322,175 LOG shares (i.e., representing approximately 13.0% of the total holding of AH LOG Holders in LOG). The number of LOG shares to be sold may be adjusted in case of a decrease in the net assets of the LOG group as at 31 March 2024 (based on audited financials) or, for Luxembourg corporate purposes, to ensure that the LOG shares are not overvalued under the LOG Contribution Arrangement. The maximum consideration payable under the LOG Cash Buy-Out will not increase.

LOG corporate structure charts

The following corporate structure charts depict a simplified shareholding structure of Topco, Holdco, LOG and Offeror as at Announcement Date and immediately following the LOG Corporate Restructuring following Offer Unconditional Date.

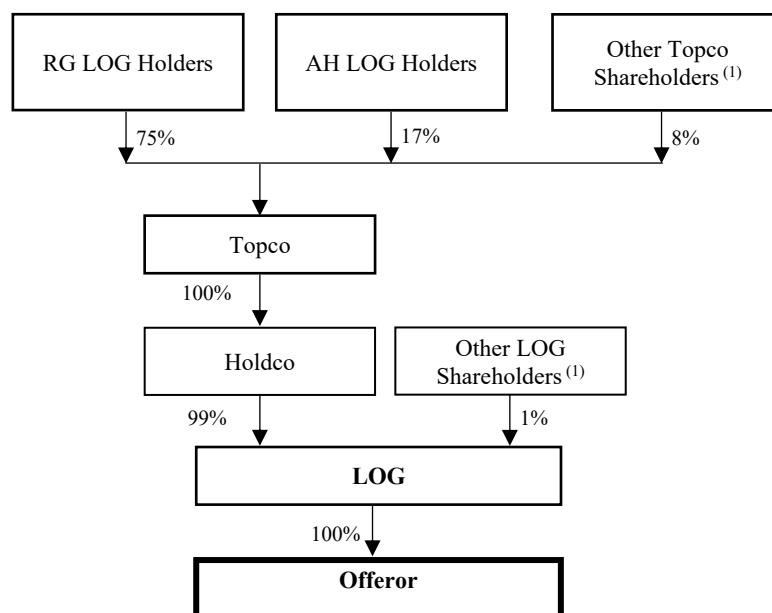
As at Announcement Date ⁽¹⁾



Notes:

- (1) As at Announcement Date, RG LOG Holders, AH LOG Holders, and Other Topco Shareholders hold approximately 75%, 17% and 8%, respectively, in Topco, and approximately 73%, 19%, and 7%, respectively, (directly and indirectly, in aggregate) in the total issued and outstanding share capital of LOG. The percentages in this corporate structure chart are approximated due to rounding.
- (2) Not part of Offeror Group. Other Topco Shareholders are Mr. Christopher Braden, a director of LOG, Chasselas Equity S.A., and Chasselas S.A., none of whom are Shareholders.

Following Offer Unconditional Date (upon completion of the LOG Corporate Restructuring but before Offeror Corporate Restructuring)



Note:

- (1) Not part of Offeror Group. The percentages in this corporate structure chart are approximated due to rounding.

Offeror Corporate Restructuring

In connection with the Share Offer, as soon as possible after Offer Closing Date (“**Offeror Corporate Restructuring**”):

- (a) LOG will contribute all of its Shares to Offeror in exchange for 10,675,873,910 Offeror Shares;
- (b) Offeror will issue the Rollover Shares (up to a maximum of 737,431,450 Rollover Shares) to Share Alternative Holders who have validly tendered their acceptances to the Share Offer and validly elected for the Share Alternative, following contribution of their Offer Shares to Offeror; and
- (c) under the Offeror Shareholder Loan, upon capitalisation, in one or more instances, Offeror will issue to LOG 10 Offeror Shares for every HK\$34.00 of capitalised shareholder loan (being the amount drawn down for the cash portion of the Offers), subject to adjustments for rounding and issuing whole Offeror Shares.

Following the Offeror Corporate Restructuring, LOG is expected to hold not less than 95% of the total issued Offeror Shares, and the Share Alternative Holders, in aggregate, are expected hold up to 5% of the total issued Offeror Shares. See “Appendix A” to this announcement for a simplified corporate structure chart of Offeror as at Announcement Date and immediately following the Offeror Corporate Restructuring.

Special deal with respect to the GA Disposal

On 28 March 2024, the Company entered into a disposal agreement with Lavender Investments Limited, a wholly-owned controlled corporation of Mr. André Hoffmann, pursuant to which the Company shall dispose of all its interests in Grown Alchemist to Lavender Investments Limited (being the GA Disposal). Further details about the GA Disposal, including background to the GA Disposal and material

TC3.5(g)
TC3.5(j)

terms of the GA Disposal agreement, are set out in the Special Deal Circular.

The highest of the applicable size test ratios (calculated in accordance with Rule 14.07 of the Listing Rules) is between 0.1% and 5%, and accordingly, the GA Disposal constitutes a connected, but not a discloseable, transaction under the Listing Rules. Under the Listing Rules, the GA Disposal is subject to announcement (which was made on 2 April 2024), but is exempt from the circular (including independent financial advice) and shareholder approval requirements.

Notwithstanding the Listing Rules requirements set out above, the GA Disposal is considered a “special deal” under Rule 25 of the Takeovers Code as it constitutes a disposal of the Group’s assets to a Shareholder when the Offers were reasonably in contemplation. As such, completion of the GA Disposal is subject to consent from the Executive. Accordingly, the Company has applied to the Executive for consent to the GA Disposal, which is normally conditional upon: (i) the Independent Financial Adviser giving a public opinion that the terms of the GA Disposal are fair and reasonable; and (ii) Disinterested Shareholders approving, by ordinary resolution, the GA Disposal at a general meeting of the Company.

Accordingly, (a) the Offers are conditional upon obtaining consent from the Executive in respect of the GA Disposal, which in turn, (b) would be conditional upon: (i) the Independent Financial Adviser giving a public opinion that the terms of the GA Disposal are fair and reasonable; and (ii) Disinterested Shareholders approving, by ordinary resolution, the GA Disposal at the Special Deal EGM (with (a) and (b) collectively constituting Condition (f) to the Share Offer).

If the Executive’s consent is not granted (or the conditions to the Executive’s consent are not fulfilled), and Offeror waives this condition, the GA Disposal will be terminated and Offeror will proceed with the Offers.

On 4 June 2024, the Company published the Special Deal Circular, setting out, among others, (i) details of the GA Disposal; (ii) the letter from the Independent Board Committee containing its recommendation in respect of the GA Disposal; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the GA Disposal (which contained the Independent Financial Adviser’s opinion that the terms of the GA Disposal are fair and reasonable); and (iv) notice of the Special Deal EGM for Disinterested Shareholders to consider, and if thought fit, approve the GA Disposal.

The Independent Board Committee and Independent Financial Adviser have each confirmed that as of Announcement Date, there has been no material change to the opinion and recommendation contained in their respective letters set out in Appendix II (*Letter from Independent Board Committee*), Appendix III (*Letter from Independent Financial Adviser*) to the Special Deal Circular and Appendix IV (*Reports from Company’s auditor and the Independent Financial Adviser on the GA Financial Information and Expected Gain*) to the Special Deal Circular since the latest practicable date set out in the Special Deal Circular.

19. OTHER INFORMATION

Other arrangements in relation to the Offers

As at Announcement Date:

- (a) save as disclosed under the section headed “Information on the Group—Shareholdings in the Company”, Offeror Concert Group does not own, control or have direction over any voting rights in any Shares nor own, control or have direction over any other rights or interests in the issued and outstanding share capital or voting rights of the Company;

TC3.5(c)(i)
&(ii)

- | | | |
|-----|---|---------------|
| (b) | save as disclosed under the section headed “Information on the Group—Awards”, Offeror Concert Group does not hold any warrants, options, derivatives or other securities convertible or exchangeable into Shares or other types of equity interest in the Company; | TC3.5(c)(iv) |
| (c) | there is no outstanding derivative in respect of the securities in the Company that has been entered into by Offeror Concert Group; | TC3.5(d) |
| (d) | save as disclosed under the section headed “Irrevocable Undertakings and Non-binding Letters of Support”, Offeror Concert Group has not received any irrevocable commitment to accept or reject the Offers or to vote for or against the GA Disposal; | TC3.5(c)(iii) |
| (e) | save as disclosed under the section headed “Irrevocable Undertakings and Non-binding Letters of Support”, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or other securities in the Company or Offeror which might be material to the Offers; | TC3.5(f) |
| (f) | save as disclosed under the section headed “Other arrangements—Special deal with respect to the GA Disposal”, there is no arrangement to which Offeror is a party that relate to circumstances in which it may or may not invoke or seek to invoke any Conditions; | TC3.5(g) |
| (g) | Offeror Concert Group has not borrowed or lent any relevant securities in the Company (as defined in Note 4 to the Rule 22 of the Takeovers Code); | TC3.5(h) |
| (h) | save for the Offer Price, the Rollover Shares, Award Cancellation Price, and as disclosed under the section headed “Other arrangements”, there is no other consideration, compensation or benefit in whatever form paid or to be paid by Offeror Concert Group, on the one hand, to any Shareholder (or Award Holder) or parties acting in concert with any of them, on the other hand, in connection with the Offers; | TC25 |
| (i) | save as disclosed under the sections headed “Irrevocable Undertakings and Non-binding Letters of Support” and “Other arrangements”, there is no agreement, arrangement or understanding or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder, on the one hand, and (ii)(a) Offeror Concert Group or (b) the Company, its subsidiaries or associated companies, on the other hand; | TC3.5(j) |
| (j) | save as disclosed under the sections headed “Irrevocable Undertakings and Non-binding Letters of Support” and “Other arrangements”, there is no agreement, arrangement or understanding (including any compensation) existing between (i) Offeror Concert Group, on the one hand; and (ii) any Directors, recent Directors, Shareholders or recent Shareholders or Award Holders, having any connection with or dependent upon the Offers, on the other hand; and | TCAI(14) |
| (k) | no benefit (other than statutory compensation) had been or would be given to any Director as compensation for loss of office or otherwise in connection with the Offers. | TCAII(10) |

Dealings in Shares and derivatives of the Company

Other than as set out below, none of Offeror Concert Group had dealt for value in any Shares, convertible securities, warrants or options of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six months period immediately prior to Initial Announcement Date and up to and including Announcement Date:

Holder	Date	Dealings	Highest Price per Share	Price per Share
Mr. Thomas Levilion, non-executive Director	2 February 2024	Exercised 413,000 Options	HK\$14.50	HK\$14.50
	2 February 2024	Sold 413,000 Shares on-market for cash	HK\$25.45	HK\$25.45
Mr. Karl Guénard, executive Director	22 December 2023	Exercised 97,600 Options	HK\$14.36	HK\$14.36

20. INTENTIONS OF OFFEROR REGARDING THE GROUP

It is the intention of Offeror that the existing business of the Group shall continue unaffected, notwithstanding the Offers or the completion thereof. Subject to the Group's business needs and prevailing market conditions, Offeror may explore various business opportunities to further develop the existing business of the Group, improve efficiency and create shareholder value.

21. INDEPENDENT BOARD COMMITTEE

As mentioned in the Initial Announcement, the Independent Board Committee has been established for the purpose of making a recommendation to: (a) the Disinterested Shareholders and Award Holders as to whether the Offers are fair and reasonable and as to acceptance and election (in the case of the Share Offer) thereof; and (b) the Disinterested Shareholders as to whether the GA Disposal is fair and reasonable and as to voting.

The Independent Board Committee comprises independent non-executive Directors, Mrs. Christèle Hiss Holliger and Ms. Betty Liu, who have no direct or indirect interest in the Offers and the GA Disposal as at Announcement Date.

(i) Mr. Thomas Levilion (non-executive Director) was a former executive Director; (ii) Mr. Jackson Chik Sum Ng (independent non-executive Director) holds 30,000 Shares and 400 free shares of LOG (vesting on 1 July 2024); and (iii) Mr. Charles Mark Broadley (independent non-executive Director) holds 400 free shares of LOG (vesting on 1 July 2024), and as such, they are not members of the Independent Board Committee.

22. INDEPENDENT FINANCIAL ADVISER

As mentioned in the Initial Announcement, Somerley Capital Limited has been appointed as the Independent Financial Adviser (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Offers (and acceptance and election (in the case of the Share Offer) thereof) and the GA Disposal (and voting thereon).

23. GENERAL

Taxation and independent advice

Shareholders and Award Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Offers. None of Offeror, the Company or J.P. Morgan, nor any of their respective directors, officers, associates, advisers or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Composite Document

It is the intention of Offeror and the Board to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offers and their terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation in respect of the Offers (and with respect to the Share Offer, election between Cash Alternative and Share Alternative); (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers (and with respect to the Share Offer, election between Cash Alternative and Share Alternative); and (iv) the Forms of Acceptance, to Shareholders as soon as possible and in compliance with the requirements of the Takeovers Code and other applicable laws and regulations.

Reference is made to the announcement dated 20 May 2024 jointly issued by the Company and Offeror; as of Announcement Date, the Executive has granted its consent to extend the time for despatch of the Composite Document to on or before 2 July 2024. Accordingly, except with the further consent of the Executive, Offeror and the Company expect to despatch the Composite Document on or before 2 July 2024.

Disclosure of dealings in the securities of the Company

Associates of the Company and Offeror (including persons who own or control 5% or more of any class of relevant securities issued by the Company or Offeror) are hereby reminded to disclose their dealings in the securities of the Company and Offeror pursuant to the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

24. RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on 17 June 2024 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 1:00 p.m. on 17 June 2024.

25. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“AH LOG Holders”	Mr. André Hoffmann and Lavender Investments Limited
“Announcement Date”	17 June 2024, being the date of this announcement
“Article 18”	article 18 of the Articles
“Articles”	the articles of association of the Company currently in force, a copy of which is available on the Stock Exchange website (www.hkexnews.hk)
“associates”	has the meaning ascribed to it in the Takeovers Code
“Award(s)”	outstanding, whether vested or unvested, Options or Free Shares as of Initial Announcement Date
“Award Cancellation Price”	being the price payable by Offeror in cash to: (i) Vested Option Holders under the Vested Option Offer, calculated as the “see-through” price of each vested Option, as set out in the section headed “Overview of the Offers—Vested Option Offer to Vested Option Holders”; and (ii) Unvested Award Holders under the Liquidity Arrangement, calculated as the “see-through” price for each vested Option or the equivalent of the Offer Price for each vested Free Share, as set out in the section headed “Further information on the Liquidity Arrangement—Liquidity Arrangement and material terms of the Liquidity Agreement”
“Award Holder”	a holder of an Award; and (i) if such holder holds a Vested Option, the “Vested Option Holder” , and (ii) if such holder holds an Unvested Award, the “Unvested Award Holder”
“Award Share”	the Share underlying each Award
“Board”	the board of directors of the Company
“business day”	has the meaning ascribed to it in the Takeovers Code
“Cash Alternative”	settlement of the Share Offer in cash at the Offer Price, as further set out in the section headed “Overview of the Offers—Share Offer to Minority Shareholders—Share Offer”
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“CCASS Participant”	the CCASS participant through which a Minority Shareholder holds an Offer Share that is deposited in CCASS and registered under the name of HKSCC

Nominees

“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 (stock code: 00973)
“Composite Document”	the composite offer document and offeree board circular to be jointly issued by Offeror and the Company to the Shareholders in connection with the Offers in accordance with the Takeovers Code, including any revisions thereof made in accordance with the Takeovers Code
“Composite Document Date”	the date of the Composite Document
“Conditions”	the condition(s) of the Share Offer, as set out under the section headed “Conditions of the Offers—Conditions of the Share Offer”
“Director(s)”	director(s) of the Company
“Disinterested Shareholders”	Shareholders other than: (i) with respect to the GA Disposal, Offeror Concert Group and persons who are involved in or interested in the GA Disposal; and (ii) with respect to the Offers, Offeror Concert Group
“€” or “EUR”	Euros, the single currency of participating members of the European Union
“Evidence of Title”	in respect of a Minority Shareholder, satisfactory evidence of title showing that the Minority Shareholder has title over their Offer Shares, being original share certificate(s), original transfer receipt(s), or satisfactory indemnity/indemnities, or a combination thereof
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong from time to time or any delegate of such Executive Director
“Forms of Acceptance”	the forms of acceptance and transfer/cancellation in respect of the Share Offer and the Vested Option Offer (as the case may be)
“Free Share”	a free share unit, representing one Share, granted under the Free Share Plan from time to time
“Free Share Plan”	the free share plan of the Company, being the Free Share Plan 2021
“GA Disposal”	the disposal of Grown Alchemist, the details of which are set out in “Other arrangements—Special deal with respect to the GA Disposal”
“Group”	the Company and its subsidiaries
“Grown Alchemist”	14 Groupe S.A., a company incorporated in Luxembourg with limited liability, and its subsidiaries (including Group Fourteen Holdings Pty. Ltd., a company incorporated in Australia with limited liability), which together operate the “Grown Alchemist” brand

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holdco”	Schuss S.à.r.l., a company incorporated in Luxembourg as a limited liability company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company
“Independent Board Committee”	the independent board committee of the Company formed for the purpose of advising and giving recommendation to (i) Disinterested Shareholders and Award Holders in respect of the terms of Offers; and (ii) Disinterested Shareholders in respect of the GA Disposal, pursuant to the requirements of the Takeovers Code
“Independent Financial Adviser”	Somerley Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed for the purpose of advising the Independent Board Committee in respect of the terms of Offers and the GA Disposal
“Initial Announcement”	the announcement dated 29 April 2024 jointly issued by LOG and the Company pursuant to Rule 3.5 of the Takeovers Code
“Initial Announcement Date”	29 April 2024, being the date of the Initial Announcement
“Irrevocable Undertakings”	the irrevocable undertakings given by Pleasant Lake Partners LLC (“ Pleasant Lake Partners ”), ACATIS Investment KVG mbH, (“ ACATIS ”), and Global Alpha Capital Management Limited (“ Global Alpha ”) to LOG as of Announcement Date as further set out in the section headed “Irrevocable Undertakings and Non-binding Letters of Support”
“J.P. Morgan”	J.P. Morgan Securities (Asia Pacific) Limited, a registered institution under the SFO, licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the SFO; as the exclusive financial adviser to Offeror in respect of the Offers
“Liquidity Agreement”	agreement to be entered into between Offeror and Unvested Award Holder under the Liquidity Arrangement
“Liquidity Arrangement”	the liquidity arrangement offered by Offeror to each Unvested Award Holder and as further detailed in the section headed “Further information on the Liquidity Arrangement—Liquidity Arrangement and material terms of the Liquidity Agreement”
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of

Hong Kong Limited

“Long Stop Date”	26 August 2024 (or such other date as Offeror and the Company may agree, and as permitted by the Executive), the latest date for the Offers to become unconditional in all respects
“LOG”	L’Occitane Groupe S.A., a company incorporated in Luxembourg
“LOG Corporate Restructuring”	corporate restructuring of LOG as further set out in the section headed “Other arrangements—LOG Corporate Restructuring”
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Minority Shareholders”	all holders of Offer Shares other than LOG; for the avoidance of doubt, this excludes Vested Option Holders with respect to Vested Options and Unvested Award Holders with respect to the Unvested Awards
“Non-binding Letters of Support”	the non-binding letters of support given by ACATIS and Southeastern Asset Management, Inc. (“ Southeastern ”) to LOG as of Initial Announcement Date as further set out in the section headed “Irrevocable Undertakings and Non-binding Letters of Support”
“Non-qualifying Shareholder”	a Minority Shareholder who is not eligible for the Share Alternative, as further explained in the section headed “Further information on the Share Alternative—Non-qualifying Shareholders not eligible for Share Alternative”
“Offer Closing Date”	the date to be stated in the Composite Document as the first offer closing date of the Share Offer and Vested Option Offer or any subsequent offer closing date of the Share Offer and Vested Option Offer as may be extended or revised in accordance with the Takeovers Code
“Offer Period”	has the meaning ascribed to it in the Takeovers Code
“Offer Price”	the price at which the Share Offer will be made, being HK\$34.00 per Offer Share, as to be further set out in the Composite Document
“Offer Shares”	all Shares in the total issued and outstanding share capital of the Company which are subject to the Share Offer, which excludes Shares held by LOG
“Offeror”	L’Occitane Holding S.A., a holding company incorporated in Luxembourg established for the purposes of making the Offers and issuing new shares under the Share Alternative and Offeror Corporate Restructuring; as at Announcement Date, Offeror is a wholly-owned subsidiary of LOG
“Offeror Concert Group”	Offeror and parties acting in concert with Offeror, including LOG, J.P. Morgan, Blackstone Entities, and Goldman Sachs International (except members of the J.P. Morgan group and Goldman Sachs group, which are exempt principal traders or exempt fund managers, in each case recognised

	by the Executive as such for the purposes of the Takeovers Code), Offeror Group, and persons who are presumed to be acting in concert with Offeror and to the extent that such presumption has not been rebutted
“Offeror Corporate Restructuring”	corporate restructuring of Offeror as further set out in the section headed “Other arrangements—Offeror Corporate Restructuring”
“Offeror Group”	Offeror, LOG, RG LOG Holders, AH LOG Holders, Holdco, Topco
“Offeror Share”	a share in the share capital of Offeror; which for the avoidance of doubt, includes a Rollover Share
“Offeror Shareholder Loan”	the interest-free shareholder’s loan from LOG to Offeror to fund the Offers, as mentioned in the section headed “Value of the Offers and funding—Funding for the Offers”, which will be capitalised by the latest date for settlement of the Share Alternative under the Share Offer for the amount drawn down by Offeror to fund the cash portion of the Offers as part of the Offeror Corporate Restructuring
“Offers”	the Share Offer, the Vested Option Offer and the Liquidity Arrangement
“Offer Unconditional Date”	the date on which the Share Offer becomes or is declared unconditional in all respects
“Option”	a share option, representing one Share, granted under the Share Option Plans from time to time
“Pro Rata Downward Adjustment Mechanism”	the <i>pro rata</i> downward adjustment mechanism applicable to the Share Alternative in the manner set out in the section headed “Further information on the Share Alternative—Cap on the Share Alternative”
“Qualifying Shareholder”	a Minority Shareholder who is not a Non-qualifying Shareholder
“RG LOG Holders”	Mr. Reinold Geiger, Société d’Investissements CIME S.A., Cime S.C.A., and Cime Management S.à.r.l.
“Rollover Share”	a new Offeror Share to be issued under the Share Alternative, subject to the Share Alternative Cap
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share”	an ordinary share in the issued share capital of the Company (unless specified otherwise, all references to (i) “ total issued share capital ” of the Company shall be inclusive of the Treasury Shares; (ii) “ total issued and outstanding share capital ” of the Company shall be exclusive of the Treasury Shares)
“Share Alternative”	settlement of the Share Offer by the issuance of Rollover Shares, as further set out in the sections headed “Overview of the Offers—Share Offer to

Minority Shareholders” and “Further information on the Share Alternative”

“Share Alternative Cap”	up to 73,743,145 Offer Shares, being the maximum number of Offer Shares that will be exchanged for Rollover Shares (being a maximum of up to 737,431,450 Rollover Shares) under the Share Alternative; the Share Alternative Cap represents 5% of the total issued and outstanding Shares as at Initial Announcement Date
“Share Alternative Holder”	(i) before settlement of the Share Alternative, a Qualifying Shareholder who validly accepts the Share Offer and validly elects the Share Alternative; and (ii) following settlement of the Share Alternative, a holder of a Rollover Share under the Share Alternative
“Shareholder”	a holder of Shares, including Award Holders after exercise or allocation (as the case may be) of their Awards and upon registration of the Award Shares in their name in the Company’s register of members
“Share Incentive Notice”	written notice sent by the Company to all Award Holders under the relevant Share Incentive Plans, informing Award Holders of the treatment of Vested Options and Unvested Awards
“Share Incentive Plans”	the Share Option Plans and the Free Share Plan
“Share Offer”	the voluntary conditional offer by J.P. Morgan on behalf of Offeror to acquire all of the Offer Shares in accordance with the terms and conditions to be set out in the Composite Document, and any subsequent revision or extension of such offer; which for the avoidance of doubt, may be settled, at the election of the Minority Shareholder, by either the Cash Alternative or the Share Alternative (but not a combination of both)
“Share Option Plans”	the share option plans of the Company, being the Share Option Plan 2013, Share Option Plan 2016 and Share Option Plan 2020, collectively, and each a “Share Option Plan”
“Special Deal Circular”	the circular dated 5 June 2024 published by the Company in relation to the GA Disposal
“Special Deal EGM”	the extraordinary general meeting of Shareholders to be convened by the Company at 4:00 p.m. (Hong Kong time) on Friday, 21 June 2024 for Disinterested Shareholders to consider, and if thought fit, approve the GA Disposal, the details of which are set out in the Special Deal Circular and the notice of general meeting published by the Company on the same date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers as in force and as amended from time to time

“Topco”	Nolde S.à.r.l., a company incorporated in Luxembourg as a limited liability company
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Treasury Shares”	Shares held in a treasury account on behalf of the Company, and which do not count towards the issued and outstanding share capital of the Company
“Undisturbed Date”	5 February 2024, being the last trading day prior to when there were irregular trading volumes and price movements in the Shares
“Unvested Awards”	Awards which have not vested on or before Initial Announcement Date
“U.S.” or “United States”	the United States of America
“Vested Option Offer”	the voluntary conditional cash offer by J.P. Morgan on behalf of Offeror to cancel all Vested Options in accordance with the terms and conditions set out in the Composite Document, and any subsequent revision or extension of such offer, at the Award Cancellation Price
“Vested Options”	Awards (being all Options) which have vested on or before Initial Announcement Date

In this announcement, amounts denominated in Euros have been translated into Hong Kong dollars at the rate of €1 = HK\$8.3920. Such conversion rate is for illustration purpose only and should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

By order of the board of directors of
L’Occitane Holding S.A.
Mr. Reinold Geiger
Sole Director

By order of the Board of
L’Occitane International S.A.
Mr. Laurent Marteau
Director and Chief Executive Officer

Luxembourg, 17 June 2024

As at Announcement Date, the sole director of Offeror is Mr. Reinold Geiger. The sole director of Offeror accepts full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at Announcement Date, the directors of LOG are Mr. Reinold Geiger (Chairman), Mr. André Hoffmann, Mr. Karl Guénard, Mr. Olivier Baussan, Mr. Christopher Braden, Mr. Sylvain Desjonquieres, Mr. Adrien Geiger, Mr. Maximilien Geiger and Mr. Nicolas Geiger. The directors of LOG jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of

their knowledge, opinions expressed in this announcement (other than the opinions expressed by the Directors in their capacity as Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

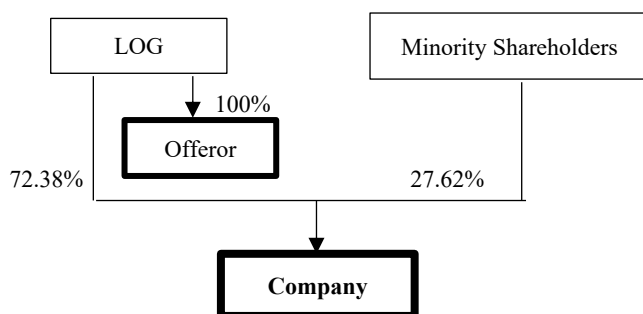
As at Announcement Date, the executive Directors are Mr. Reinold Geiger (Chairman), Mr. André Hoffmann, Mr. Laurent Marteau (Chief Executive Officer), Mr. Karl Guénard (Company Secretary) and Mr. Séan Harrington (Chief Executive Officer of ELEMIS), the non-executive Director is Mr. Thomas Levilion, and the independent non-executive Directors are Mrs. Christèle Hiss Holliger, Mr. Charles Mark Broadley, Ms. Betty Liu and Mr. Jackson Chik Sum Ng. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Offers and Offeror Concert Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than the opinions expressed by the directors of LOG in their capacity as directors of LOG, and the sole director of Offeror in his capacity as director of Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

APPENDIX A.....SUMMARY OF ROLLOVER SHARES

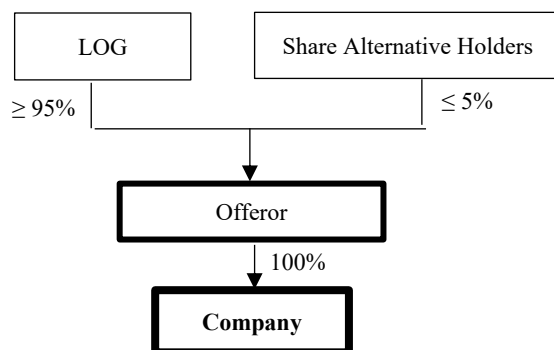
1. CORPORATE STRUCTURE OF OFFEROR INTEREST IN THE COMPANY

The following corporate structure charts depict a simplified shareholding structure of Offeror in the Company during Offer Period:

As at Announcement Date



Following Offer Closing Date (upon completion of the Offeror Corporate Restructuring)⁽¹⁾



Note: _____

(1) Assuming acceptance of the Offers in full.

2. KEY CORPORATE GOVERNANCE DETAILS OF OFFEROR

As at Announcement Date:

- SFC 24/5 (a) Offeror has an authorised share capital of HK\$16,000,000,000 divided into 16,000,000,000 ordinary shares with a nominal value of HK\$1.00 each. The total issued share capital of Offeror is 300,000 Offeror Shares, all of which are issued to LOG. Each Offeror Share is entitled to 1 vote at the general meeting of Offeror.

After completion of the Offeror Corporate Restructuring:

- SFC 24/5 (a) **Board composition.** Offeror’s board of directors will comprise no less than 3 directors. The initial Chairperson of Offeror’s board is Mr. Reinold Geiger, and going forward, the Chairperson shall be

appointed from time to time by the executive directors of Offeror. An Offeror director may be appointed (together with approval of their remuneration) or removed from the board by ordinary resolution of the shareholders of Offeror.

- (b) **General meeting of shareholders.** Offeror directors may call a general meeting of shareholders at any time. Offeror directors or Offeror’s auditor may also call a general meeting if a requisition in writing is given by one or more shareholders of Offeror who, in aggregate, hold not less than 10% of the right to vote at such general meeting, in which event, Offeror directors or Offeror’s auditor shall have one month from the date of receipt of such requisition to call a general meeting. General meetings of shareholders will be convened through announcements filed with the Luxembourg Trade and Companies Register and published at least 15 days before the meeting, on the *Recueil électronique des sociétés et associations* and in a Luxembourg newspaper. In such case, notices by mail shall be sent at least 8 days before the meeting to the registered shareholders by ordinary mail (*lettre missive*). Alternatively, the convening notices may be exclusively made by registered mail in case Offeror has only issued registered shares or if the addressees have individually agreed to receive the convening notices by another means of communication ensuring access to the information, by such means of communication.

- (c) The following key items will require the approval of shareholders of Offeror:

Key items	Quorum	Approval threshold	Type of meeting
Increasing the capital commitments of Offeror shareholders.	Unanimous attendance of all Offeror shareholders whose capital commitment is proposed to be increased.	Unanimous consent of all Offeror shareholders whose capital commitment is proposed to be increased.	Extraordinary general meeting.
Change of share capital of Offeror.	At least a majority of the issued share capital.	At least a 2/3 majority.	Extraordinary general meeting.
Dissolution of Offeror.	At least a majority of the issued share capital.	At least a 2/3 majority.	Extraordinary general meeting.
Amending Offeror’s articles of association (including, amongst others, (i) the change of corporate name, (ii) the change of financial year, (iii) the change of currency, (iv) the change of corporate purpose, and (v) the change of corporate form).	At least a majority of the issued share capital.	At least a 2/3 majority.	Extraordinary general meeting.
Merger, division (demerger), and change of nationality.	At least a majority of the issued share capital.	At least a 2/3 majority.	Extraordinary general meeting.
Transfer of professional assets (<i>transferts d’actifs, de branche d’activité et d’universalité</i> ;	At least a majority of the issued share capital.	At least a 2/3 majority.	Extraordinary general meeting.

<i>transferts du patrimoine professionnel).</i>			
Appointment and removal of statutory and independent auditor.	None.	At least a simple majority.	Ordinary general meeting.
Appointment, removal and discharge of directors.	None.	At least a simple majority.	Ordinary general meeting.
Approval of annual financial statements and report of the independent auditor.	None.	At least a simple majority.	Ordinary general meeting.

A copy of the amended articles of association of Offeror will be made available as a document on display at the same time as despatch of the Composite Document.

3. TERMS AND CONDITIONS OF ROLLOVER SHARES

A summary of the key terms and conditions attached to the issuance and receipt of Rollover Shares, which, aside from (a) below, will be recorded in the amended articles of association of Offeror to be published together with the Composite Document, are set out below:

- (a) **KYC documentation.** Share Alternative Holders shall promptly (in the manner to be set out in the Composite Document and Forms of Acceptance, and to be delivered to Offeror before issuance of the Rollover Shares) complete all applicable “know your client” checks as reasonably required by J.P. Morgan and/or Offeror or their respective associates.
- (b) **Qualifying Shareholder.** Share Alternative Holders shall ensure, and warrant to Offeror, that they are Qualifying Shareholders, and that all regulatory approvals (if any) required by such person to receive Rollover Shares have been obtained. Offeror’s board of directors may, from time to time, make requests to a Share Alternative Holder to provide reasonable evidence of such Share Alternative Holder being a Qualifying Shareholder (including evidence of obtaining appropriate regulatory approvals (if any) required for such person to hold Rollover Shares). The foregoing requirements shall cease to apply following enforcement of any pledge granted by LOG on its Offeror Shares.
- (c) **Voting rights and right to attend shareholder meetings.** Each Share Alternative Holder shall be entitled to attend, and vote at, general meetings of shareholders convened by Offeror. Each Rollover Share shall entitle its holder to one vote at general meetings of shareholders.
- (d) **No competition.** Share Alternative Holders must not be considered by Offeror’s board of directors (acting reasonably and without delay) to be a Competitor of Offeror or its associates (as defined in the Listing Rules), where: “**Competitor**” means any person that (directly or indirectly) carries on, or is concerned in, any business that is competitive, or would reasonably be considered to be competitive, with any Competitive Business, provided that a person shall not be regarded as a Competitor solely by being a passive investor (whether directly or indirectly) holding not more than 5% (together with its affiliates) of the issued share capital of any company whose shares are publicly traded or listed; and “**Competitive Business**” means any and all of the businesses carried on by Offeror and its subsidiaries (“**Offeror group**”) from time to time, excluding any individual business representing less than 5% of Offeror group’s consolidated revenues for the last financial year.
- (e) **Right of first refusal.** Other than in respect of any Permitted transfers (see paragraph (h) below), any proposed transfer of a Rollover Share shall be subject to a right of first refusal by LOG (or any

person designated by, or a successor to, LOG pursuant to the enforcement of any pledge granted by LOG on Offeror Shares or otherwise).

- (f) **Transfer restrictions.** Subject to the permitted transfers set out below, the following transfers of Rollover Shares shall not be permitted:
 - (i) transfers to a Competitor; and
 - (ii) transfers to any sanctioned transferees.
- (g) **No encumbrances.** No encumbrances (including charges or creation of any security or equitable mortgage) on the Rollover Shares shall be permitted.
- (h) **Permitted transfers.** The following transfers of Rollover Shares will be permitted: (1) transfers to and from LOG (including any of its successors pursuant to the enforcement of any pledge granted by LOG on Offeror Shares or otherwise); (2) transfers pursuant to the tag-along or drag-along rights (set out below); and (3) transfers to affiliates of the holders of Rollover Shares (provided that the transferee complies with the transfer restrictions described above).
- (i) **Tag-along rights.** In the event of a direct or indirect change of control of Offeror to the benefit of a *bona fide* third-party, through a single transfer or a series of transfers (“**control**” means, for the purpose of the tag-along and drag-along rights, by reference to the control of 50% or more of the share capital and/or voting rights of Offeror), each Share Alternative Holder (or its successor or assignee) shall have a right, but not an obligation, to sell, on conditions that are no less favourable than those offered by the *bona fide* third-party, all (but not part of) their then-held Rollover Shares to the *bona fide* third-party or such other person designated by LOG. In addition, in the event of a direct transfer by LOG (or any successor) of Offeror Shares representing 25% or more of the total issued Offeror Shares which does not result in a change of control of Offeror, each Share Alternative Holder (or its successor or assignee) shall have a right, but not an obligation, to sell on conditions (including consideration) that are no less favourable than those offered by the *bona fide* third-party, a number of Offeror Shares proportional to the stake transferred by LOG (or its successor). Neither tag-along right shall apply, however, in case of enforcement of any pledge granted by LOG on Offeror Shares.
- (j) **Drag-along rights.** In the event of a direct or indirect change of control of Offeror to the benefit of a *bona fide* third-party, through a single transfer or a series of transfers, LOG (or any of its successors pursuant to the enforcement of any pledge granted by LOG on Offeror Shares or otherwise) has a right, but not an obligation, to require all Share Alternative Holders (or their successors or assignee) to transfer all of their then-held Rollover Shares for cash, on conditions (including consideration) that are no less favourable than those offered by the *bona fide* third-party to LOG, to the *bona fide* third-party or such other person designated by LOG.
- (k) **Call option.** All Share Alternative Holders (and their successors) shall grant a call option to LOG (and to any successor thereto pursuant to the enforcement of any pledge granted by LOG on Offeror Shares or otherwise) entitling LOG (or such successor) the right, but not the obligation to require such holder to transfer all of their then-held Rollover Shares to LOG (or such other person designated by, or successor to, LOG) at 80% of the fair market value of those Rollover Shares; with the call option to be exercisable within 6 months after the date that Offeror’s board of directors, acting reasonably, issues a decision that (i) the holder is a sanctioned person; or (ii) the holder is a Competitor.

- (l) **Priority right and registration rights.** Additionally, in case of occurrence of a listing, on a stock exchange or another market index, of Offeror or the Company, and if any pledge granted by LOG on Offeror Shares has not been enforced pursuant thereto, the holders of Rollover Shares holding 1.5% or more of Offeror's share capital shall have the right, subject to customary lock-ups and requirements by relevant regulators, stock exchange authorities and financial advisors, to sell the Rollover Shares as part of the listing application, if an opportunity to sell is available, in priority to the Offeror Shares held by LOG. If the listing is made on stock exchange or market index in the United States, Qualifying Shareholders shall be entitled to request customary registration rights as appropriate for the purpose of giving effect to their priority right.
- (m) **Dividends.** Holders of Rollover Shares shall be entitled to receive their pro rata share of any distribution of dividends by Offeror made in respect of ordinary shares of Offeror, as may occur from time to time.
- (n) **Preemptive rights.** Holders of Rollover Shares shall have a preemptive right (*droit préférentiel de souscription*) in accordance with Luxembourg laws, save for issuances made (i) pursuant to management incentive plans, employee share incentive plans and other such plans up to an aggregate amount of 10% of all Offeror Shares in issue, or (ii) for the purposes of Emergency Funding, subject to customary catch-up rights and "**Emergency Funding**" means funding required urgently to (a) prevent an insolvency event or breach of applicable law, (b) avoid or cure a breach of any debt facility or other financing (including an event of default), (c) avoid or cure breach of any third party contract (other than any related-party contract), or (d) avert or mitigate unforeseen events which would cause significant immediate damage to the Offeror or any of its assets.
- (o) **Information rights.** Holders of Rollover Shares shall be entitled to receive the information due to any holder of ordinary shares in a Luxembourg *société anonyme*, including the annual audited accounts of Offeror. In addition, holders of Rollover Shares holding 1.5% or more of Offeror's share capital shall be entitled to receive, upon request, the half-yearly audited or unaudited (as the case may be) accounts of Offeror.
- (p) **Governance.** The board of directors of Offeror shall be responsible for the overall direction, supervision and management of Offeror and its subsidiaries.
- (q) **Amendment of articles.** Any amendment of any provision of the articles of Offeror or otherwise of the rights of the Rollover Shares which would have a disproportionate and detrimental impact on the rights or obligations of one or more holders of Rollover Shares or on the rights or obligations attached to the Offeror Shares held by any holder of Rollover Shares as compared to its impact on any other holder of Offeror Shares shall require the positive vote of any such affected holder of Rollover Shares.
- (r) **Governing law and dispute.** The governing law of Offeror's articles of association and with respect to the Offeror Shares shall be the laws of the Grand-Duchy of Luxembourg; disputes in respect of Offeror Shares or in respect of the articles of association of Offeror shall be settled by a court of competent jurisdiction in Luxembourg.

IRREVOCABLE UNDERTAKING

THIS IRREVOCABLE UNDERTAKING (this “Undertaking”) is made on 24.04.2024.

To: **L’Occitane Groupe S.A.**, a company incorporated under the laws of the Grand Duchy of Luxembourg with limited liability, with the registered office at 49, Boulevard Prince Henri, L-1724 Luxembourg (Luxembourg) (“**Offeror**”); and

From: **ACATIS Investment KVG mbH**, registered in Frankfurt under the number HRB 38666 with business/registered address at mainBuilding, Taunusanlage 18, 60325 Frankfurt am Main, Germany (“**Holder**”).

WHEREAS:

- (A) As at the date of this Undertaking, the Company has a total of 1,474,862,900 Shares issued and outstanding.
- (B) Holder is an investment management company. Pursuant to the terms of its investment authority, Holder manages 90,114,000 Shares (“**Holder Interest**”) held through those custodians named in Appendix A (“**Holder Custodians**”) on behalf of various clients of Holder.
- (C) Holder and Offeror, among others, have entered into a confidentiality agreement dated 9 April 2024 (“**Confidentiality Agreement**”).
- (D) Holder understands that offers are proposed to be made by or on behalf of Offeror, comprising:
 - (i) conditional voluntary general offers to acquire all of the issued Shares, other than those already held by Offeror and treasury shares held by or for the Company (“**Share Offer**”) and to cancel all vested options (“**Vested Option Offer**”);
 - (ii) with respect to all unvested share options and free shares of the Company, a liquidity arrangement to be described in the Rule 3.5 Announcement (together with the Share Offer and Vested Option Offer, the “**Offers**”),

on substantially the same terms as those to be described in the published version of the Rule 3.5 Announcement, and on such other terms as may be agreed between Offeror and the Company or as may be required to comply with the requirements of the SFC, the Code, the Stock Exchange or the Listing Rules.

- (E) A reference in this Undertaking to “**Share Offer**”, “**Vested Option Offer**” or “**Offers**” also includes any new, renewed, or revised offers made by or on behalf of Offeror to acquire shares in the Company or to cancel the share options and free shares of the Company, as the case may be, *provided that* the terms of such offers are no less favourable to acceptors than the terms set out in the Rule 3.5 Announcement.

Terms defined in “Schedule 1” hereto shall have the same meaning in this Undertaking.

Subject to the issuance of the Rule 3.5 Announcement and the terms and conditions contained herein, Holder unconditionally and irrevocably makes to Offeror the following undertakings, warranties, consents and acknowledgements:

1. Dealings and undertakings

- 1.1. With respect to 63,079,800 Shares which Holder is interested in (“**Relevant Interest**”), Holder undertakes to Offeror and to procure the Holder Custodians to where applicable:
- (a) to accept the Share Offer in respect of all of the Relevant Interest, subject to the conditions set out in the Composite Document, in accordance with the procedure for acceptance set out in the Composite Document and on or before 1 p.m. (Hong Kong time) on the 5th Business Day following the despatch of the Composite Document, and in particular, to accept the Share Offer to receive the offer price in cash;
 - (b) to not withdraw any acceptances of the Share Offer; and
 - (c) to comply with all applicable rules and regulations of Holder with respect to the Securities in which it is interested, including dealing disclosure and insider dealing obligations under the Code and the SFO during the offer period (as defined in the Code).
- 1.2. Holder undertakes to Offeror, and to procure the Holder Custodians to where applicable, to exercise, or procure the exercise of, all voting rights attached to the Holder Interest and any other Shares which Holder may acquire on or after the date hereof, either in person or via a validly appointed proxy, to vote in favour of all resolutions necessary or desirable to approve or otherwise ensure the success of the Offers and related matters proposed at any general meeting of the Company, or at any adjournment of any such meeting and ensure that any such executed forms of proxy are received by the Company’s registrars not later than the deadline(s) for receipt of proxies by the registrars for such general meeting, and to not, or procure not to, revoke or withdraw the terms of any proxy submitted in accordance with the foregoing paragraph or submit any new form of proxy or other voting instructions, either in writing or by attendance at any general meeting of the Company or otherwise.
- 1.3. Holder further undertakes to Offeror that at any time between the date of this Undertaking and the date that the Share Offer closes, lapses or is withdrawn, Holder shall not, and shall procure the Holder Custodians to not:
- (a) sell, transfer, Encumber, or otherwise dispose of any part of the Relevant Interest, other than pursuant to accepting the Share Offer;
 - (b) accept any other offer in respect of the Relevant Interest;
 - (c) vote in favour of any resolution to approve any arrangement (including an offer to acquire, or scheme of arrangement over, the securities of the Company) that conflicts with, or is in competition to, the Offers, *other than* a transaction proposed by Offeror;
 - (d) vote in favour of any resolution to approve any arrangement that is inconsistent with the success of the Offers and related matters proposed at any general meeting of the Company or at any adjournment of any such meeting;
 - (e) deal or agree to deal, or permit any person acting in concert with it to deal or agree to deal, in any Securities, *except* with the prior written consent of Offeror; or
 - (f) enter into any agreement with a view to effecting any of the foregoing.

- 1.4. With respect to the remaining Holder Interest (being 27,034,200 Shares), Holder undertakes to Offeror that at any time between the date of this Undertaking and the date that the Share Offer closes, lapses or is withdrawn, Holder shall not, and shall procure the Holder Custodians to not, sell, transfer or otherwise dispose of more than 704,777 Shares in any single privately negotiated transaction, block trade or otherwise that may prejudice the success of the Offers, provided that this shall not restrict Holder from conducting any open market transactions at prevailing market prices. Holder undertakes to promptly inform Offeror and provide details (including price and number of Shares) of any sale, transfer or disposal other than pursuant to accepting the Share Offer as soon as reasonably practicable but in any event within the first business day (as defined in the Code) after such sale, transfer or disposal has taken place.
- 1.5. Holder further undertakes, and to use all reasonable endeavours to procure that any necessary third party, to execute such documents and do such acts as may be reasonably required for the purpose of giving effect to this Undertaking and performance hereunder.

2. Warranties

- 2.1. Holder warrants to Offeror, as at the date of this Undertaking and the date that the Share Offer becomes or is declared unconditional in all respects, by reference to the facts and circumstances existing as at such dates respectively, that:
 - (a) the information set out in Appendix A and Appendix B is true, complete and accurate. To the extent that there is any change to the information provided in Appendix A or Appendix B following the signing of this Undertaking, Holder will provide to Offeror the updated information as soon as practicable following such change;
 - (b) other than the Holder Interest as set out in Appendix A, Holder is not interested in any other Securities;
 - (c) it is legally established under the laws of its place of establishment, validly existing and in good standing. Holder has full requisite power, capacity and authority to enter into, and perform its obligations under, this Undertaking;
 - (d) the Holder Interest has been validly allotted and issued and is fully paid or credited as fully paid and such Holder Interest, and is free from Encumbrances;
 - (e) this Undertaking constitutes a legal, valid and binding obligation on the Holder and is enforceable against Holder in accordance with the terms and conditions herein; and
 - (f) save for the transactions set out in Appendix B (if any), Holder has not dealt for value in any Securities since the date falling six months prior to the date of this Undertaking.

3. Documentation

- 3.1. Holder consents to:
 - (a) this Undertaking being disclosed to the SFC and the Stock Exchange;
 - (b) the inclusion of particulars of this Undertaking and the Holder Interest (including the details set out in Appendix A and Appendix B) being included in the Rule 3.5 Announcement and the Composite Document and any other document required to

be published by Offeror or the Company pursuant to the Code or the Listing Rules;
and

- (c) this Undertaking being made available for display as required by Note 1 to Rule 8 of the Code or the Listing Rules.

4. Termination

- 4.1. This Undertaking shall terminate and all obligations under this Undertaking shall cease to be binding (other than those under section 6 (*Notices*), section 7 (*Governing Law; Disputes*), and section 8 (*General*), which shall survive and remain in full force and effect) upon the earlier of (a) the date of an announcement by Offeror and/or the Company declaring that the Share Offer has terminated, lapsed or been withdrawn by Offeror and (b) the Long Stop Date (as defined in the Rule 3.5 Announcement) to the extent the conditions to the Offers have not been satisfied or waived by that date.
- 4.2. Termination of this Undertaking shall be without prejudice to Offeror's or Holder's accrued rights and remedies, obligations and liabilities under this Undertaking as at the date of such termination.

5. Undertaking survives

- 5.1. The warranties under section 2 above and all other provisions of this Undertaking, insofar as the same shall not have been performed upon the Share Offer becoming, or being declared to be, unconditional in all respects, shall remain in full force and effect.

6. Notices

- 6.1. Notices delivered in connection with this Undertaking shall be made in writing in English and shall be delivered in the manner set out as follows:

- (a) If to Offeror:

Address:	49, Boulevard Prince Henri, L – 1724 Luxembourg		
Quote:	Project Rio – Irrevocable Undertaking		
Attention:	Mr. Ingo DAUER	-	ingo.dauer@loccitane.com
	Mr. Samuel ANTUNES	-	samuel.antunes@loccitane.com
Please copy (Skadden):	Mr. Arash ATTAR-REZVANI	+33 1 55271127	arash.attar@skadden.com
	Mr. Patrick DUPUIS	+33 1 55271132	Patrick.Dupuis@skadden.com
	Ms. Paloma WANG	+852 3740 6888	paloma.wang@skadden.com
	Ms. Shimeng ZHANG	+852 3740 4893	shimeng.zhang@skadden.com

Please copy (J.P. Morgan):	Mr. Sanjeev MALKANI	+852 2800 6788	sanjeev.malkani@jpmorgan.com
	Ms. Judie ZHU	+852 2800 6510	judie.y.zhu@jpmorgan.com
	Ms. Blair HUANG	+852 2800 6635	blair.huang@jpmorgan.com

(b) If to Holder:

Holder:	Attention:	Dr. Hendrik Leber Thomas Bosch Johannes Hesche
	Telephone:	+49 69 9758 3752
	Email:	leber@acatis.de bosch@acatis.de hesche@acatis.de
	Address:	mainBuilding Taunusanlage 18 D-60325 Frankfurt am Main

- 6.2. Notices delivered under this Undertaking shall be delivered in writing by hand or sent by email or pre-paid express post.
- 6.3. Any notice shall be deemed to have been received: (a) if delivered by hand, when delivered; (b) if sent by email, 30 minutes after the time of sending unless a delivery failure notification is received; and (c) if sent by pre-paid post, (in the absence of evidence of earlier receipt) 48 hours after it was posted. Any notice received on a day which is not a Business Day shall be deemed to be received on the next following Business Day.

7. Governing Law; Disputes

- 7.1. This Undertaking shall be governed by and construed in accordance with law of Hong Kong and Holder agrees to submit to the exclusive jurisdiction of the courts of Hong Kong for all purposes in connection with this Undertaking.
- 7.2. The failure to exercise or delay in exercising a right or remedy provided by this Undertaking or by law does not impair or constitute a waiver of the right or remedy or an impairment of a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided under this Undertaking or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.
- 7.3. If any provision of this Undertaking is or becomes illegal, invalid or unenforceable under the laws of any jurisdiction, that shall not affect:
- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Undertaking; or
 - (b) the legality, validity or enforceability under the law of any other jurisdiction of that or another provision of this Undertaking.
- 7.4. Both parties acknowledges that if either party fails to perform or breaches any of the obligations under this Undertaking, damages may not be an adequate remedy and accordingly, the other (non-breaching) party shall be entitled to the remedy of specific performance or other equitable relief.

8. General

- 8.1. Holder acknowledges that this Undertaking, and discussions for the purpose of entering into this Undertaking, constitutes "Confidential Information" under the Confidentiality Agreement; other than as consented to under section 3.1 above or as previously approved by Offeror, information contained in, or in connection with, this Undertaking shall be subject to the confidentiality obligations under the Confidential Agreement.
- 8.2. This Undertaking may be executed in any number of counterparts, in wet-ink or electronic signature (including DocuSign). Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Undertaking, *together* with the full text of the Undertaking being signed, by e-mail attachment (PDF) or telecopy shall be an effective mode of delivery.
- 8.3. This Undertaking is executed in English only. In the event that any part of this Undertaking is translated into a language other than English, such translation shall be for reference only, and the English version of this Undertaking shall prevail as the official version.

[Signature page to Irrevocable Undertaking]

This Undertaking is executed and delivered as a deed by the undersigned on the date stated at the beginning of this Undertaking.

HOLDER

**EXECUTED, STAMPED and
DELIVERED**

as a deed by and in the name of ACATIS
Investment KVG mbH
by its managing directors and Portfolio
Manger



Dr. Hendrik Leber
Managing Director

Thomas Bosch
Managing Director

Johannes Hesche
Portfolio Manager

SCHEDULE 1

DEFINITIONS

In this Undertaking:

“Awards”	options and free shares granted by the Company over Shares pursuant to the Company’s share incentive plans
“Business Day”	means a day on which banks are open for the transaction of normal banking business in Hong Kong, Luxembourg or France (excluding Saturday and Sunday)
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing and Company Limited
“Code”	The Hong Kong Code on Takeovers and Mergers issued by the SFC, as amended from time to time
“Company”	L’Occitane International S.A., a company incorporated in Luxembourg with limited liability, the shares of which are presently listed on the Main Board of the Stock Exchange under the stock code “973”
“Composite Document”	any offer document to be published by Offeror and the Company in connection with the Offers
“Confidentiality Agreement”	has the meaning ascribed to it in recital (C)
“Encumbrance”	means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, or other encumbrance or security interest having similar effect
“Holder”	has the meaning ascribed to it in the preamble
“Holder Custodians”	has the meaning ascribed to it in recital (A)
“Holder Interest”	has the meaning ascribed to it in recital (A) and as set out in <u>Appendix A</u>
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Offeror”	has the meaning ascribed to it in the preamble
“Offers”	has the meaning ascribed to it in recital (D)
“Relevant Interest”	has the meaning ascribed to it in section 1.1
“Rule 3.5 Announcement”	announcement published or to be published by Offeror and/or the Company pursuant to Rule 3.5 of the Code

“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong
“Securities”	securities (as defined under schedule 1 to the SFO) of the Company; and for the avoidance of doubt, includes Shares, any convertible rights, options, warrants or other derivatives in respect of Shares
“Share(s)”	means an ordinary share of the Company with a par value of EUR0.03 (or, if there has been a subsequent subdivision, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares in the share capital of the Company resulting from such subdivision, reduction, consolidation, reclassification or reconstruction)
“Share Offer”	has the meaning ascribed to it in recital (D)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vested Option Offer”	has the meaning ascribed to it in recital (D)

APPENDIX A

HOLDER INTEREST

Holder Custodian / Registered Shareholder	Number of Shares
Hauck Aufhäuser Lampe Privatbank AG / ACATIS Investment KVG mbH on behalf of ACATIS Value Event Fonds	90,114,000

APPENDIX B

LIST OF PRIOR DEALINGS IN SECURITIES

The following table lists the dealings of Securities by Holder since the date falling six months prior to the date of this Undertaking.

Date	Dealing Type	Number of Shares	Nature of Securities	Price of Each Security (HK\$) dealt
05.04.2024	SELL	886,000	Common	29.53
28.03.2024	SELL	2,000,000	Common	31.43
18.03.2024	SELL	2,000,000	Common	30.77
12.03.2024	SELL	3,000,000	Common	29.67
04.03.2024	SELL	1,843,500	Common	29.25
23.02.2024	SELL	2,000,000	Common	28.56
16.02.2024	SELL	2,000,000	Common	28.13
12.02.2024	SELL	1,000,000	Common	27.56

IRREVOCABLE UNDERTAKING

THIS IRREVOCABLE UNDERTAKING (this “Undertaking”) is made on June 28, 2024.

To: L’Occitane Groupe S.A., a company incorporated under the laws of the Grand Duchy of Luxembourg with limited liability, with the registered office at 49, Boulevard Prince Henri, L-1724 Luxembourg (Luxembourg) (“**LOG**”); and

From: Global Alpha Capital Management Limited, with business/registered address at 1800 McGill College, Suite 1300, Montreal H3A 3J6 (“**Holder**”).

WHEREAS:

- (A) As at the date of this Undertaking, the Company has a total of 1,474,968,200 Shares issued and outstanding.
- (B) Holder is an investment management company. Pursuant to the terms of its investment authority, Holder manages 42,584,376 Shares (“**Relevant Interest**”) held through those custodians named in Appendix A (“**Holder Custodians**”) on behalf of various clients of Holder.
- (C) Holder and LOG, among others, have entered into a confidentiality agreement dated April 18, 2024 (“**Confidentiality Agreement**”).
- (D) The Company and L’Occitane Holding S.A. (“**Offeror**”) jointly issued a revised announcement dated 17 June 2024 (“**Rule 3.5 Announcement**”) pursuant to Rule 3.5 of the Code. Holder understands that offers are proposed to be made by or on behalf of Offeror, comprising:
 - (i) conditional voluntary general offers to acquire all of the issued Shares, other than those already held by LOG and treasury shares held by or for the Company (“**Share Offer**”) and to cancel all vested options (“**Vested Option Offer**”);
 - (ii) with respect to all unvested share options and free shares of the Company, a liquidity arrangement to be described in the Rule 3.5 Announcement (together with the Share Offer and Vested Option Offer, the “**Offers**”),

on substantially the same terms as those to be described in the published version of the Rule 3.5 Announcement, and on such other terms as may be agreed between Offeror and the Company or as may be required to comply with the requirements of the SFC, the Code, the Stock Exchange or the Listing Rules.

- (E) A reference in this Undertaking to “**Share Offer**”, “**Vested Option Offer**” or “**Offers**” also includes any new, renewed, or revised offers made by or on behalf of LOG or Offeror to acquire shares in the Company or to cancel the share options and free shares of the Company, as the case may be, *provided that* the terms of such offers are no less favourable to acceptors than the terms set out in the Rule 3.5 Announcement.
- (F) On April 26, 2024, Holder entered into an irrevocable undertaking (the “**Original Undertaking**”). Holder wishes to enter into this Undertaking to amend and restate in its entirety the Original Undertaking.

Terms defined in “Schedule 1” hereto shall have the same meaning in this Undertaking.

Subject to the terms and conditions contained herein, Holder unconditionally and irrevocably makes to LOG the following undertakings, warranties, consents and acknowledgements:

1. Dealings and undertakings

- 1.1. Holder undertakes to LOG, and to procure the Holder Custodians to where applicable:
- (a) to accept the Share Offer in respect of all of the Relevant Interest, subject to the conditions set out in the Composite Document, in accordance with the procedure for acceptance set out in the Composite Document and on or before 1 p.m. (Hong Kong time) on the 5th Business Day following the despatch of the Composite Document, and in particular, to accept the Share Offer to receive the offer price in cash;
 - (b) to not withdraw any acceptances of the Share Offer; and
 - (c) to comply with all applicable rules and regulations of Holder with respect to the Securities in which it is interested, including dealing disclosure and insider dealing obligations under the Code and the SFO during the offer period (as defined in the Code).
- 1.2. Holder undertakes to LOG, and to procure the Holder Custodians to where applicable, to exercise, or procure the exercise of, all voting rights attached to the Relevant Interest and any other Shares which Holder may acquire on or after the date hereof, either in person or via a validly appointed proxy, to vote in favour of all resolutions necessary or desirable to approve or otherwise ensure the success of the Offers and related matters proposed at any general meeting of the Company, or at any adjournment of any such meeting and ensure that any such executed forms of proxy are received by the Company's registrars not later than the deadline(s) for receipt of proxies by the registrars for such general meeting, and to not, or procure not to, revoke or withdraw the terms of any proxy submitted in accordance with the foregoing paragraph or submit any new form of proxy or other voting instructions, either in writing or by attendance at any general meeting of the Company or otherwise.
- 1.3. Holder further undertakes to LOG that at any time between the date of this Undertaking and the date that the Share Offer closes, lapses or is withdrawn, Holder shall not, and shall procure the Holder Custodians to not:
- (a) sell, transfer, Encumber, or otherwise dispose of any part of the Relevant Interest, other than pursuant to accepting the Share Offer;
 - (b) accept any other offer in respect of the Relevant Interest;
 - (c) vote in favour of any resolution to approve any arrangement (including an offer to acquire, or scheme of arrangement over, the securities of the Company) that conflicts with, or is in competition to, the Offers, *other than* a transaction proposed by LOG or Offeror;
 - (d) vote in favour of any resolution to approve any arrangement that is inconsistent with the success of the Offers and related matters proposed at any general meeting of the Company or at any adjournment of any such meeting;
 - (e) deal or agree to deal, or permit any person acting in concert with it to deal or agree to deal, in any Securities, *except* with the prior written consent of LOG; or
 - (f) enter into any agreement with a view to effecting any of the foregoing.

- 1.4. It is acknowledged that Holder advises businesses, funds, insurance companies, retail investors and other investors (“**Clients**”) which may be interested in the Shares. With respect to the Shares which the Clients are interested in (being 11,704,731 Shares as at the date of this Undertaking), Holder undertakes to recommend its Clients to accept the Share Offer and to receive the offer price in cash, and to vote in favour of all resolutions necessary to implement the Offers at a general meeting of the Company.
- 1.5. Holder further undertakes, and to use all reasonable endeavours to procure that any necessary third party, to execute such documents and do such acts as may be reasonably required for the purpose of giving effect to this Undertaking and performance hereunder.

2. Warranties

- 2.1. Holder warrants to LOG, as at the date of this Undertaking and the date that the Share Offer becomes or is declared unconditional in all respects, by reference to the facts and circumstances existing as at such dates respectively, that:
 - (a) the information set out in Appendix A and Appendix B is true, complete and accurate. To the extent that there is any change to the information provided in Appendix A or Appendix B following the signing of this Undertaking, Holder will provide to LOG the updated information as soon as practicable following such change;
 - (b) other than the Relevant Interest as set out in Appendix A, Holder is not interested in any other Securities;
 - (c) it is legally established under the laws of its place of establishment, validly existing and in good standing. Holder has full requisite power, capacity and authority to enter into, and perform its obligations under, this Undertaking;
 - (d) the Relevant Interest has been validly allotted and issued and is fully paid or credited as fully paid and such Relevant Interest, and is free from Encumbrances;
 - (e) this Undertaking constitutes a legal, valid and binding obligation on the Holder and is enforceable against Holder in accordance with the terms and conditions herein; and
 - (f) save for the transactions set out in Appendix B (if any), Holder has not dealt for value in any Securities since the date falling six months prior to the date of this Undertaking.

3. Documentation

- 3.1. Holder consents to:
 - (a) this Undertaking being disclosed to the SFC and the Stock Exchange;
 - (b) the inclusion of particulars of this Undertaking and the Relevant Interest (including the details set out in Appendix A and Appendix B) being included in the Rule 3.5 Announcement and the Composite Document and any other document required to be published by Offeror, LOG or the Company pursuant to the Code or the Listing Rules; and
 - (c) this Undertaking being made available for display as required by Note 1 to Rule 8 of the Code or the Listing Rules.

4. Termination

- 4.1. This Undertaking shall terminate and all obligations under this Undertaking shall cease to be binding (other than those under section 6 (*Notices*), section 7 (*Governing Law; Disputes*), and section 8 (*General*), which shall survive and remain in full force and effect) upon the earlier of (a) date of an announcement by Offeror and/or the Company declaring that the Share Offer has terminated, lapsed or been withdrawn by Offeror and (b) the Long Stop Date (as defined in the Rule 3.5 Announcement) to the extent the conditions to the Offers have not been satisfied or waived by that date.
- 4.2. Termination of this Undertaking shall be without prejudice to LOG's or Holder's accrued rights and remedies, obligations and liabilities under this Undertaking as at the date of such termination.

5. Undertaking survives

- 5.1. The warranties under section 2 above and all other provisions of this Undertaking, insofar as the same shall not have been performed upon the Share Offer becoming, or being declared to be, unconditional in all respects, shall remain in full force and effect.

6. Notices

- 6.1. Notices delivered in connection with this Undertaking shall be made in writing in English and shall be delivered in the manner set out as follows:

(a) If to LOG:

Address:	49, Boulevard Prince Henri, L – 1724 Luxembourg		
Quote:	Project Rio – Irrevocable Undertaking		
Attention:	Mr. Ingo DAUER	-	ingo.dauer@loccitane.com
	Mr. Samuel ANTUNES	-	samuel.antunes@loccitane.com
Please copy (Skadden):	Mr. Arash ATTAR-REZVANI	+33 1 55271127	arash.attar@skadden.com
	Mr. Patrick DUPUIS	+33 1 55271132	Patrick.Dupuis@skadden.com
	Ms. Paloma WANG	+852 3740 6888	paloma.wang@skadden.com
	Ms. Shimeng ZHANG	+852 3740 4893	shimeng.zhang@skadden.com
Please copy (J.P. Morgan):	Mr. Sanjeev MALKANI	+852 2800 6788	sanjeev.malkani@jpmorgan.com
	Ms. Judie ZHU	+852 2800 6510	judie.y.zhu@jpmorgan.com

	Ms. Blair HUANG	+852 2800 6635	blair.huang@jpmorgan.com
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(b) If to Holder:

Holder:	Attention:	Robert Beauregard
	Telephone:	514-490-2788
	Email:	rbeauregard@globalalphacapital.com
	Address:	1800 McGill College, Suite 1300, Montreal H3A 3J6

6.2. Notices delivered under this Undertaking shall be delivered in writing by hand or sent by email or pre-paid express post.

6.3. Any notice shall be deemed to have been received: (a) if delivered by hand, when delivered; (b) if sent by email, 30 minutes after the time of sending unless a delivery failure notification is received; and (c) if sent by pre-paid post, (in the absence of evidence of earlier receipt) 48 hours after it was posted. Any notice received on a day which is not a Business Day shall be deemed to be received on the next following Business Day.

7. Governing Law; Disputes

7.1. This Undertaking shall be governed by and construed in accordance with law of Hong Kong and Holder agrees to submit to the exclusive jurisdiction of the courts of Hong Kong for all purposes in connection with this Undertaking.

7.2. The failure to exercise or delay in exercising a right or remedy provided by this Undertaking or by law does not impair or constitute a waiver of the right or remedy or an impairment of a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided under this Undertaking or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

7.3. If any provision of this Undertaking is or becomes illegal, invalid or unenforceable under the laws of any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Undertaking; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that or another provision of this Undertaking.

- 7.4. Holder acknowledges that if it fails to perform or breaches any of the obligations under this Undertaking, damages may not be an adequate remedy and accordingly, LOG shall be entitled to the remedy of specific performance or other equitable relief.

8. General

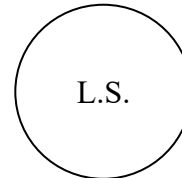
- 8.1. Holder acknowledges that this Undertaking, and discussions for the purpose of entering into this Undertaking, constitutes “Confidential Information” under the Confidentiality Agreement; other than as consented to under section 3.1 above or as previously approved by LOG, information contained in, or in connection with, this Undertaking shall be subject to the confidentiality obligations under the Confidential Agreement.
- 8.2. This Undertaking may be executed in any number of counterparts, in wet-ink or electronic signature (including DocuSign). Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Undertaking, *together* with the full text of the Undertaking being signed, by e-mail attachment (PDF) or telecopy shall be an effective mode of delivery.
- 8.3. This Undertaking is executed in English only. In the event that any part of this Undertaking is translated into a language other than English, such translation shall be for reference only, and the English version of this Undertaking shall prevail as the official version.

[Signature page to Irrevocable Undertaking]

This Undertaking is executed and delivered as a deed by the undersigned on the date stated at the beginning of this Undertaking.

HOLDER

EXECUTED, SEALED and DELIVERED)
as a deed by and in the name of **Global Alpha**)
Capital Management Ltd.)



by its duly authorised signatory
in the presence of:

Handwritten signature of Sabrina Lacroix in blue ink.

Signature of Witness
Name of Witness: Sabrina Lacroix
Occupation: Chief Compliance Officer
Address: 1800 McGill College, Suite 1300, Montreal H3A 3J6

Handwritten signature of the authorised signatory in black ink.

Signature of authorised signatory

SCHEDULE 1

DEFINITIONS

In this Undertaking:

“Awards”	options and free shares granted by the Company over Shares pursuant to the Company’s share incentive plans
“Business Day”	means a day on which banks are open for the transaction of normal banking business in Hong Kong, Luxembourg or France (excluding Saturday and Sunday)
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing and Company Limited
“Code”	The Hong Kong Code on Takeovers and Mergers issued by the SFC, as amended from time to time
“Company”	L’Occitane International S.A., a company incorporated in Luxembourg with limited liability, the shares of which are presently listed on the Main Board of the Stock Exchange under the stock code “973”
“Composite Document”	any offer document to be published by Offeror and the Company in connection with the Offers
“Confidentiality Agreement”	has the meaning ascribed to it in recital (C)
“Encumbrance”	means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, or other encumbrance or security interest having similar effect
“Holder”	has the meaning ascribed to it in the preamble
“Holder Custodians”	has the meaning ascribed to it in recital (A)
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“LOG”	has the meaning ascribed to it in the preamble
“Offeror”	has the meaning ascribed to it in recital (D)
“Offers”	has the meaning ascribed to it in recital (D)
“Original Undertaking”	has the meaning ascribed to it in recital (F)
“Relevant Interest”	has the meaning ascribed to it in recital (A) and as set out in <u>Appendix A</u>

“Rule 3.5 Announcement”	has the meaning ascribed to it in recital (D)
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong
“Securities”	securities (as defined under schedule 1 to the SFO) of the Company; and for the avoidance of doubt, includes Shares, any convertible rights, options, warrants or other derivatives in respect of Shares
“Share(s)”	means an ordinary share of the Company with a par value of EUR0.03 (or, if there has been a subsequent subdivision, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares in the share capital of the Company resulting from such subdivision, reduction, consolidation, reclassification or reconstruction)
“Share Offer”	has the meaning ascribed to it in recital (D)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vested Option Offer”	has the meaning ascribed to it in recital (D)

APPENDIX A
RELEVANT INTEREST

Holder Custodian / Registered Shareholder	Number of Shares
Northern Trust Cda	35,788.00
Northern Trust Cda	63,159.00
Northern Trust Cda	75,268.00
Northern Trust Cda	81,328.00
Northern Trust Cda	88,692.00
Northern Trust Cda	116,599.00
Northern Trust Cda	119,900.00
Northern Trust Cda	134,759.00
Northern Trust Cda	143,714.00
Northern Trust Cda	146,329.00
Northern Trust Cda	150,538.00
Northern Trust Cda	155,012.00
Royal Trust	174,362.00
BNY Mellon	183,849.00
Northern Trust Cda	219,251.00
Northern Trust Cda	219,852.00
Northern Trust Cda	221,882.00
Northern Trust Cda	225,035.00
BNY Mellon	231,878.00
BNY Mellon	240,456.00
Royal Trust	279,611.00
Royal Trust	405,750.00
Northern Trust Cda	462,737.00
State Street	472,566.00
Desjardins Trust Co	500,968.00
Northern Trust Cda	758,317.00
CIBC Mellon GSP	959,000.00
State Street	1,041,180.00
Northern Trust Cda	1,286,910.00
CIBC Mellon GSP	1,492,578.00
CIBC Mellon GSP	1,498,059.00
Northern Trust Cda	1,559,435.00
JP Morgan	3,246,386.00
Royal Trust	3,922,938.00
Royal Trust	8,602,441.00
UMB Bank	13,067,849.00

APPENDIX B

LIST OF PRIOR DEALINGS IN SECURITIES

The following table lists the dealings of Securities by Holder since the date falling six months prior to the date of this Undertaking.

Holder	Date	Dealings	Highest Price per Share	Price per Share
Global Alpha Capital Management Limited	31 October 2023	Purchased 91,750 Shares	HK\$20.13	HK\$20.13
	31 October 2023	Purchased 102,000 Shares	HK\$20.13	HK\$20.13
	02 November 2023	Sold 75,500 Shares	HK\$19.88	HK\$19.88
	03 November 2023	Purchased 45,750 Shares	HK\$20.09	HK\$20.09
	09 November 2023	Sold 46,000 Shares	HK\$19.22	HK\$19.22
	17 November 2023	Sold 52,000 Shares	HK\$19.07	HK\$19.07
	20 November 2023	Purchased 316,250 Shares	HK\$19.45	HK\$19.45
	21 November 2023	Purchased 149,500 Shares	HK\$19.43	HK\$19.43
	22 November 2023	Purchased 200,500 Shares	HK\$19.47	HK\$19.47
	23 November 2023	Purchased 161,750 Shares	HK\$19.80	HK\$19.80
	24 November 2023	Purchased 112,250 Shares	HK\$19.73	HK\$19.73
	27 November 2023	Purchased 757,000 Shares	HK\$20.21	HK\$20.21
	28 November 2023	Sold 823,750 Shares	HK\$19.59	HK\$19.59
	07 December 2023	Sold 9,750 Shares	HK\$20.00	HK\$20.00
	07 December 2023	Sold 2,250 Shares	HK\$20.00	HK\$20.00
	07 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
	07 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
	07 December 2023	Sold 1,000 Shares	HK\$20.00	HK\$20.00
	07 December 2023	Sold 1,000 Shares	HK\$20.00	HK\$20.00
	07 December 2023	Sold 750 Shares	HK\$20.00	HK\$20.00
	07 December 2023	Sold 500 Shares	HK\$20.00	HK\$20.00
07 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00	

07 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
07 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
07 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
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07 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
07 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
07 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 19,500 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 4,500 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 2,250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 2,250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 2,000 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 2,000 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 1,750 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 1,000 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 750 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 500 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00

08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
08 December 2023	Purchased 14,250 Shares	HK\$19.76	HK\$19.76
12 December 2023	Sold 97,750 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 66,500 Shares	HK\$19.86	HK\$19.86
12 December 2023	Sold 22,250 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 11,750 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 11,250 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 10,250 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 10,250 Shares	HK\$20.00	HK\$20.00

12 December 2023	Sold 8,250 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 4,750 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 3,500 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 3,000 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 1,750 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 1,750 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 1,750 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 1,500 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 1,500 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 1,000 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 1,000 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 1,000 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 1,000 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 750 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 500 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 500 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 500 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 500 Shares	HK\$20.00	HK\$20.00

12 December 2023	Sold 500 Shares	HK\$20.00	HK\$20.00
12 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 10,250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 2,250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 1,000 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 1,000 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 1,000 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 500 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 500 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
13 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
14 December 2023	Sold 426,250 Shares	HK\$20.01	HK\$20.01

14 December 2023	Sold 97,250 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 51,500 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 48,750 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 44,750 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 44,750 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 36,500 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 21,000 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 15,250 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 12,750 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 7,500 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 7,250 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 7,250 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 7,000 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 6,250 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 5,750 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 5,500 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 5,000 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 5,000 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 4,750 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 4,750 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 4,500 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 3,750 Shares	HK\$20.01	HK\$20.01

14 December 2023	Sold 3,000 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 2,750 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 2,500 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 2,500 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 2,500 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 2,000 Shares	HK\$20.01	HK\$20.01
14 December 2023	Sold 1,250 Shares	HK\$20.01	HK\$20.01
15 December 2023	Sold 104,500 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 23,750 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 12,500 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 12,000 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 11,000 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 11,000 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 9,000 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 5,250 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 3,750 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 3,000 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 1,750 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 1,750 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 1,750 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 1,750 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 1,500 Shares	HK\$20.00	HK\$20.00

15 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 1,250 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 1,000 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 1,000 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 750 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 750 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 500 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 500 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 500 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 500 Shares	HK\$20.00	HK\$20.00
15 December 2023	Sold 250 Shares	HK\$20.00	HK\$20.00
19 December 2023	Sold 273,750 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 62,500 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 33,000 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 31,500 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 28,750 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 28,750 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 23,500 Shares	HK\$20.02	HK\$20.02

19 December 2023	Sold 13,500 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 9,750 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 8,250 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 4,750 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 4,750 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 4,500 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 4,500 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 4,250 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 3,500 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 3,500 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 3,000 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 3,000 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 3,000 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 3,000 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 3,000 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 2,500 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 1,750 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 1,750 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 1,750 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 1,750 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 1,500 Shares	HK\$20.02	HK\$20.02
19 December 2023	Sold 1,500 Shares	HK\$20.02	HK\$20.02

19 December 2023	Sold 750 Shares	HK\$20.02	HK\$20.02
20 December 2023	Sold 544,000 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 120,000 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 62,750 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 60,500 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 54,750 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 54,500 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 44,500 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 18,250 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 15,750 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 9,000 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 8,750 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 8,750 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 8,750 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 7,750 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 7,000 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 7,000 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 6,000 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 6,000 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 6,000 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 6,000 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 5,500 Shares	HK\$20.10	HK\$20.10

20 December 2023	Sold 4,500 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 3,500 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 3,250 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 3,000 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 3,000 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 3,000 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 2,500 Shares	HK\$20.10	HK\$20.10
20 December 2023	Sold 1,500 Shares	HK\$20.10	HK\$20.10
20 December 2023	Purchased 39,000 Shares	HK\$20.62	HK\$20.62
03 January 2024	Purchased 63,250 Shares	HK\$22.16	HK\$22.16
08 January 2024	Sold 78,250 Shares	HK\$21.37	HK\$21.37
25 January 2024	Sold 99,750 Shares	HK\$23.61	HK\$23.61
31 January 2024	Sold 56,250 Shares	HK\$24.68	HK\$24.68
07 February 2024	Sold 167,750 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 49,000 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 40,500 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 21,250 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 20,500 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 19,250 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 18,750 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 18,250 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 15,000 Shares	HK\$27.94	HK\$27.94

07 February 2024	Sold 9,250 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 6,250 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 5,750 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 5,250 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 3,000 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 3,000 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 3,000 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 2,750 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 2,750 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 2,750 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 2,250 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 2,000 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 2,000 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 2,000 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 2,000 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 1,750 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 1,500 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 1,500 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 1,500 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 1,250 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 1,000 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 1,000 Shares	HK\$27.94	HK\$27.94

07 February 2024	Sold 1,000 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 750 Shares	HK\$27.94	HK\$27.94
07 February 2024	Sold 500 Shares	HK\$27.94	HK\$27.94
08 February 2024	Sold 1,031,500 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 248,500 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 202,750 Shares	HK\$27.82	HK\$27.82
08 February 2024	Sold 126,500 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 117,750 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 115,750 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 111,500 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 92,500 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 88,250 Shares	HK\$27.82	HK\$27.82
08 February 2024	Sold 56,750 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 38,250 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 36,000 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 33,000 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 18,500 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 18,250 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 17,750 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 17,750 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 16,750 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 16,500 Shares	HK\$27.56	HK\$27.56

08 February 2024	Sold 14,000 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 12,500 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 12,250 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 11,750 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 11,750 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 11,000 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 9,500 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 9,000 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 7,000 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 6,750 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 6,750 Shares	HK\$27.82	HK\$27.82
08 February 2024	Sold 6,000 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 5,250 Shares	HK\$27.56	HK\$27.56
08 February 2024	Sold 3,750 Shares	HK\$27.82	HK\$27.82
08 February 2024	Sold 3,000 Shares	HK\$27.56	HK\$27.56
09 February 2024	Sold 459,000 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 379,750 Shares	HK\$27.86	HK\$27.86
09 February 2024	Sold 165,250 Shares	HK\$27.86	HK\$27.86
09 February 2024	Sold 110,750 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 56,250 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 52,500 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 51,500 Shares	HK\$27.74	HK\$27.74

09 February 2024	Sold 49,750 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 41,250 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 25,250 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 17,000 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 16,000 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 14,750 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 12,250 Shares	HK\$27.86	HK\$27.86
09 February 2024	Sold 8,250 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 8,000 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 8,000 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 7,750 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 7,500 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 7,250 Shares	HK\$27.86	HK\$27.86
09 February 2024	Sold 7,250 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 6,250 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 5,500 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 5,500 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 5,250 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 5,250 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 4,750 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 4,250 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 4,000 Shares	HK\$27.74	HK\$27.74

09 February 2024	Sold 3,250 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 3,000 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 2,750 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 2,250 Shares	HK\$27.74	HK\$27.74
09 February 2024	Sold 1,250 Shares	HK\$27.74	HK\$27.74
14 February 2024	Sold 223,500 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 54,000 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 43,250 Shares	HK\$27.77	HK\$27.77
14 February 2024	Sold 27,500 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 25,500 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 25,000 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 24,250 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 20,000 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 18,750 Shares	HK\$27.77	HK\$27.77
14 February 2024	Sold 12,500 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 8,250 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 7,750 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 7,250 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 4,000 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 4,000 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 3,750 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 3,750 Shares	HK\$27.64	HK\$27.64

14 February 2024	Sold 3,500 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 3,500 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 3,000 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 2,750 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 2,500 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 2,500 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 2,500 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 2,500 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 2,000 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 2,000 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 1,500 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 1,500 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 1,500 Shares	HK\$27.77	HK\$27.77
14 February 2024	Sold 1,250 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 1,250 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 750 Shares	HK\$27.64	HK\$27.64
14 February 2024	Sold 750 Shares	HK\$27.77	HK\$27.77
15 February 2024	Sold 834,500 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 201,000 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 102,500 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 95,250 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 93,500 Shares	HK\$27.51	HK\$27.51

15 February 2024	Sold 90,250 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 75,000 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 46,000 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 30,750 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 29,250 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 26,750 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 14,750 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 14,750 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 14,500 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 14,500 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 13,500 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 13,500 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 11,500 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 10,250 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 9,750 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 9,750 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 9,250 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 8,750 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 7,750 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 7,250 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 7,000 Shares	HK\$27.76	HK\$27.76
15 February 2024	Sold 5,750 Shares	HK\$27.51	HK\$27.51

15 February 2024	Sold 5,250 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 5,000 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 4,000 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 3,000 Shares	HK\$27.76	HK\$27.76
15 February 2024	Sold 2,250 Shares	HK\$27.51	HK\$27.51
15 February 2024	Sold 250 Shares	HK\$27.76	HK\$27.76
21 February 2024	Sold 37,750 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 8,750 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 4,250 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 4,000 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 4,000 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 4,000 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 2,250 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 2,000 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 1,250 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 1,250 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 1,250 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 750 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 750 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 500 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 500 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 500 Shares	HK\$28.25	HK\$28.25

21 February 2024	Sold 500 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 500 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 500 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 500 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 500 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 500 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 250 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 250 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 250 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 250 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 250 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 250 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 250 Shares	HK\$28.25	HK\$28.25
21 February 2024	Sold 250 Shares	HK\$28.25	HK\$28.25
22 February 2024	Sold 47,000 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 10,750 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 5,250 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 5,000 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 5,000 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 5,000 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 2,750 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 2,500 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 1,750 Shares	HK\$28.28	HK\$28.28

22 February 2024	Sold 1,500 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 1,500 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 750 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 750 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 750 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 750 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 750 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 750 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 500 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 500 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 500 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 500 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 500 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 500 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 500 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 500 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 250 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 250 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 250 Shares	HK\$28.28	HK\$28.28
22 February 2024	Sold 250 Shares	HK\$28.28	HK\$28.28
23 February 2024	Sold 149,250 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 34,250 Shares	HK\$28.34	HK\$28.34

23 February 2024	Sold 16,500 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 16,250 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 16,000 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 15,500 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 9,000 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 8,000 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 5,250 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 4,750 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 4,500 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 2,500 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 2,500 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 2,500 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 2,500 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 2,250 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 2,250 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 2,000 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 1,750 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 1,500 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 1,500 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 1,500 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 1,500 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 1,250 Shares	HK\$28.34	HK\$28.34

23 February 2024	Sold 1,250 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 1,000 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 750 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 750 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 750 Shares	HK\$28.34	HK\$28.34
23 February 2024	Sold 500 Shares	HK\$28.34	HK\$28.34
26 February 2024	Sold 153,750 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 35,250 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 32,750 Shares	HK\$28.80	HK\$28.80
26 February 2024	Sold 17,000 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 16,500 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 16,500 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 16,000 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 9,250 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 8,250 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 5,500 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 5,000 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 4,750 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 2,750 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 2,500 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 2,500 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 2,500 Shares	HK\$28.15	HK\$28.15

26 February 2024	Sold 2,500 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 2,500 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 2,000 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 1,750 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 1,750 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 1,500 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 1,500 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 1,500 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 1,250 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 1,250 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 1,000 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 1,000 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 750 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 500 Shares	HK\$28.15	HK\$28.15
26 February 2024	Sold 250 Shares	HK\$28.15	HK\$28.15
27 February 2024	Sold 280,750 Shares	HK\$28.32	HK\$28.32
27 February 2024	Sold 271,000 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 62,250 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 30,000 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 29,250 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 29,250 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 28,000 Shares	HK\$28.31	HK\$28.31

27 February 2024	Sold 16,500 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 14,750 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 9,750 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 9,000 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 8,250 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 4,500 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 4,500 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 4,250 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 4,250 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 4,250 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 4,250 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 4,250 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 3,500 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 2,750 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 2,750 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 2,750 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 2,750 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 2,750 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 2,250 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 2,250 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 1,750 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 1,500 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 1,500 Shares	HK\$28.31	HK\$28.31

27 February 2024	Sold 1,250 Shares	HK\$28.31	HK\$28.31
27 February 2024	Sold 750 Shares	HK\$28.31	HK\$28.31
28 February 2024	Sold 87,500 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 20,250 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 9,750 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 9,500 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 9,500 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 9,000 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 5,250 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 4,750 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 3,000 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 2,750 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 2,750 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 1,500 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 1,500 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 1,500 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 1,500 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 1,500 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 1,250 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 1,250 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 1,000 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 1,000 Shares	HK\$29.11	HK\$29.11

28 February 2024	Sold 1,000 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 1,000 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 750 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 750 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 750 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 500 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 500 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 500 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 250 Shares	HK\$29.11	HK\$29.11
28 February 2024	Sold 250 Shares	HK\$29.11	HK\$29.11
02 April 2024	Sold 38,250 Shares	HK\$31.97	HK\$31.97
05 April 2024	Sold 22,750 Shares	HK\$30.58	HK\$30.58
03 May 2024	Purchased 15,750 Shares	HK\$32.25	HK\$32.25
16 May 2024	Purchased 3,000 Shares	HK\$32.24	HK\$32.24
16 May 2024	Purchased 52,500 Shares	HK\$32.24	HK\$32.24
26 June 2024	Purchased 4,500 Shares	HK\$33.27	HK\$33.27
26 June 2024	Purchased 5,250 Shares	HK\$33.27	HK\$33.27
26 June 2024	Purchased 5,750 Shares	HK\$33.27	HK\$33.27
26 June 2024	Purchased 5,750 Shares	HK\$33.27	HK\$33.27
26 June 2024	Purchased 11,750 Shares	HK\$33.27	HK\$33.27
26 June 2024	Purchased 15,000 Shares	HK\$33.27	HK\$33.27
26 June 2024	Purchased 17,250 Shares	HK\$33.27	HK\$33.27

26 June 2024	Purchased 32,500 Shares	HK\$33.27	HK\$33.27
26 June 2024	Purchased 34,750 Shares	HK\$33.27	HK\$33.27
26 June 2024	Purchased 49,250 Shares	HK\$33.27	HK\$33.27
26 June 2024	Purchased 78,500 Shares	HK\$33.27	HK\$33.27
27 June 2024	Purchased 5,750 Shares	HK\$33.21	HK\$33.21
27 June 2024	Purchased 6,750 Shares	HK\$33.21	HK\$33.21
27 June 2024	Purchased 7,250 Shares	HK\$33.21	HK\$33.21
27 June 2024	Purchased 7,250 Shares	HK\$33.21	HK\$33.21
27 June 2024	Purchased 15,250 Shares	HK\$33.21	HK\$33.21
27 June 2024	Purchased 19,500 Shares	HK\$33.21	HK\$33.21
27 June 2024	Purchased 22,250 Shares	HK\$33.21	HK\$33.21
27 June 2024	Purchased 42,250 Shares	HK\$33.21	HK\$33.21
27 June 2024	Purchased 45,000 Shares	HK\$33.21	HK\$33.21
27 June 2024	Purchased 63,500 Shares	HK\$33.21	HK\$33.21
27 June 2024	Purchased 101,250 Shares	HK\$33.21	HK\$33.21

NON-BINDING LETTER OF SUPPORT

To: L'Occitane Groupe S.A. (the "Offeror")

From: ACATIS Investment KVG mbH

25. April 2024

Dear Sirs

Proposed privatisation of L'Occitane International S.A. (Stock Code: 973) (the "Company") by the Offeror

We refer to (a) the proposed privatisation by way of conditional voluntary general offers by J.P. Morgan Securities (Asia Pacific) Limited on behalf of the Offeror to acquire all issued and outstanding shares in the Company (other than shares already owned by the Offeror) (the "Share Offer") and to cancel all vested options; and (b) the proposed liquidity arrangement by the Offeror with respect to unvested awards ((a) and (b) collectively, the "Offers") on the terms and subject to the conditions set out in the attached draft announcement (the "Announcement").

We are the sole beneficial owner of and able to control the votes with respect to 90,114,000 ordinary shares in the issued share capital of the Company (the "Shares"). We are not interested in, or able to control any votes with respect to, any other ordinary shares in the Company. Subject to the provisions of the irrevocable undertaking we entered into on the date of this letter and to the extent we cease to control some or all of the Shares, the provisions of this letter shall cease to apply to such Shares but will continue to apply to all other Shares controlled by us.

We confirm that it is currently our intention to (a) accept, or procure the acceptance of, the Share Offer in respect of the Shares and to receive the offer price in cash and (b) vote in favour of all resolutions which are necessary to implement the Offers proposed at a general meeting of the Company.

Although it is our current intention to take the action referred to in the previous paragraph, this letter is not intended to create legally binding obligations on ourselves to accept the Share Offer or vote in favour of the resolutions necessary to implement the Offers and does not affect our ability to deal in the Shares prior to accepting the Share Offer, or casting any vote with respect to the Offers. However, we agree to promptly notify you if we become aware that we are no longer able to comply with the terms of this letter or no longer intend to do so.

We consent to the inclusion of the particulars of this letter in the Announcement and other documentation to be issued in connection with the Offers and acknowledge the requirement for this letter to be available for inspection and be published on the website of the Company and the website of the Securities and Futures Commission of Hong Kong.

Yours faithfully,

For and on behalf of
ACATIS Investment KVG mbH



Name: Dr. Hendrik Leber
Title: Managing Director



Thomas Bosch
Managing Director



Johannes Hesche
Portfolio Manager

LIQUIDITY AGREEMENT

BETWEEN:

- (1) **L'Occitane Holding S.A.**, a *société anonyme* existing under the laws of the Grand Duchy of Luxembourg, having its registered office located at 49, boulevard du Prince Henri, L-1724 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B286921, duly represented for the purposes hereof ("**Offeror**"),
- (2) The undersigned beneficiary (the "**Unvested Award Holder**")

The Offeror and the Unvested Award Holder are hereinafter individually referred to as a "**Party**" and collectively as the "**Parties**".

WHEREAS:

- (A) Pursuant to the composite document jointly published by the Offeror and L'Occitane International S.A. ("**LOI**" or the "**Company**") on 2 July 2024 of a proposed privatisation of LOI by way of conditional voluntary general offers ("**Composite Document**"), the Offeror is offering a **Liquidity Arrangement** to all Unvested Award Holders.
- (B) The Company has approved the cancellation of the Unvested Awards, following payment of the Award Cancellation Price by the Offeror and its vesting in accordance with the existing schedule and conditions of grant under the relevant Share Incentive Plan, pursuant to the Liquidity Arrangement.
- (C) The Parties wish to enter into this liquidity agreement (the "**Agreement**") to set forth the detailed terms of the Liquidity Arrangement for the relevant Unvested Award Holder.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. DEFINITIONS

Unless otherwise defined herein or below, capitalised terms have the meaning given to them in the Composite Document:

- (a) "**Award Cancellation Price**" means:
 - (i) for each vested Option, the "see-through" offer price (being the Offer Price *less* the exercise price of the relevant Option); and
 - (ii) for each vested Free Share, the Offer Price;in each case net of taxes, as specified in Clause 12.2.
- (b) "**Business Day**" means any day on which banks are open for general business in Luxembourg and Hong Kong;
- (c) "**Offer Price**" shall have the meaning ascribed to it in the Composite Document;

- (d) **“Share Incentive Plan”** means one or more of the following plans, to the extent the Unvested Award Holder benefits from Awards thereunder (the number of awards outstanding as at Latest Practicable Date is 8,196,677):

Awards outstanding	Share Incentive Plan reference	Exercise/issue price per Award	Number of underlying Shares	Award Cancellation Price ⁽¹⁾	Vesting date
6,530,400 Options	2020 Stock Option Plan	HK\$20.67	6,530,400 Shares	HK\$13.33	27 October 2025
1,666,277 Free Shares	2021 free share plan	N/A	1,666,277 Shares	HK\$34.00	30 June 2027 or, as the case may be 30 June 2026

Note:

- (1) Award Cancellation Price is on the terms and conditions set out in this Agreement and the Composite Document.

- (e) **“Vesting Notice and Payment Directions”** means that defined under Clause 3.1.

2. CONDITION PRECEDENT

Settlement pursuant to Clause 3 shall be subject to the Share Offer becoming or being declared unconditional in all respects. If the Share Offer lapses, is withdrawn or otherwise terminates for any reason, this Agreement shall automatically terminate and be void and of null effect.

3. SETTLEMENT

3.1. The settlement procedure under this Agreement are as follows:

- (a) by not less than 3 Business Days before the first relevant vesting date for the Unvested Award Holder, the Unvested Award Holder shall send their account details (or if cheque denominated in Hong Kong dollars is elected, the name and mailing address for the cheque to be sent by ordinary post) to the Offeror and the Company;
- (b) following each vesting date, the Company will send to the Offeror within 5 Business Days commencing on the first date of the calendar month following the vesting date, a summary of vesting details and payment directions to the Unvested Award Holder (in respect of the Award Cancellation Price), and/or the Company (in respect of withholding tax amount, if any) (the **“Vesting Notice and Payment Directions”**); and
- (c) the Offeror will arrange payment of the Award Cancellation Price to the Unvested Award Holder and/or the Company (to their respective designated accounts) in accordance with the Vesting Notice and Payment Directions within 5 Business Days following receipt of the Vesting Notice and Payment Directions from the Company, against cancellation of the relevant Awards.

3.2. Settlement shall be made in accordance with the terms of this Agreement. In particular, settlement of the Award Cancellation Price shall be paid by the Offeror in accordance with the Vesting Notice and Payment Directions, and may be received by Unvested Award Holders by

wire transfer or by cheque denominated in Hong Kong dollars, at the election of the Unvested Award Holder.

- (a) If by wire transfer, Offeror shall remit the amount payable to the designated account specified by the Unvested Award Holder and/or the Company (after deducting any wire transfer transaction costs imposed by the banks, such as electronic transfer and conversion costs, if any) in Hong Kong dollars, or at the prior election of the Unvested Award Holder, in Euros at the prevailing spot conversion rate of the receiving bank.
- (b) If by cheque, cheques will be mailed by ordinary post to the Unvested Award Holder at the specified mailing address. Cheque(s) not presented for payment within six months from the date of issue of the relevant cheque(s) will not be honoured and will be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

3.3. Accordingly, based on the existing vesting dates under the Share Incentive Plans, the settlement schedule will be as follows:

	Vesting date	Latest date for the Unvested Award Holder to notify account/ mailing details	Latest payment date by the Offeror
(a)	27 October 2025	22 October 2025	14 November 2025
(b)	30 June 2026	25 June 2026	15 July 2026
(c)	30 June 2027	25 June 2027	15 July 2027

3.4. In electing cheque as the means of receiving the payment, the Unvested Award Holder understands and accepts that banks in its country of residence may or may not accept cheques denominated in Hong Kong dollars, in which case the Unvested Award Holder may not be able to cash the cheque. If the Unvested Award Holder chooses cheque as the means of receiving payment, the cheque will be mailed to the Unvested Award Holder by ordinary post at the Unvested Award Holder's own risk.

4. ACCEPTANCE OF CANCELLATION

By executing this Agreement, the Unvested Award Holder expressly and irrevocably consents and agrees:

- (a) to accept the Liquidity Arrangement on the terms and conditions of this Agreement and those set out in the Composite Document in relation to the Liquidity Arrangement; and
- (b) in consideration for the payment of the Award Cancellation Price to the Unvested Award Holder, to the cancellation of its rights under its Unvested Awards in accordance with the terms of the relevant Share Incentive Plan(s).

5. REPRESENTATIONS AND WARRANTIES

5.1. Each Party hereby represents and warrants to the other Party that:

- (a) it has the full power, authority and capacity to enter into and perform the obligations to which it is bound under this Agreement and the transactions contemplated thereby;
- (b) it has obtained all necessary authorisations required to be obtained by it to enter into this Agreement, the execution and the performance by it of the Agreement do not require any other consent, approval, authorisation or other action by, filing with or notification to any governmental authority;
- (c) it has duly and validly executed this Agreement, and, this Agreement constitutes or will, upon its execution by the parties thereto, constitute a legal, valid and binding obligation, enforceable against it in accordance with its terms; and
- (d) the execution and the performance by it of this Agreement does not constitute a violation of, or a default under, conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under (i) any order applicable to it by which it or any of its properties and assets are bound, (ii) any applicable law, or (iii) any agreements or engagements to which it is a party.

5.2. The Unvested Award Holder represents and warrants to the Offeror that it has obtained the consent of its spouse under the applicable matrimonial regime, to the extent such consent is required for the transactions hereunder.

6. SEVERABILITY

The fact that any Clause of this Agreement becomes void, unenforceable, invalid, illegal or inapplicable shall not affect the validity of the Agreement and shall not release the Parties from performance of the Agreement. In such an event, the Parties undertake, where possible, to substitute a valid Clause for the void, unenforceable, invalid, illegal or inapplicable Clause corresponding to the spirit and the purpose of the void, unenforceable, invalid, illegal or inapplicable Clause.

7. NOTICES

Any notice, claim or other communication under the Agreement shall be in writing and delivered by hand with acknowledgment of receipt, sent by registered post with acknowledgment of receipt, by email (provided that in respect of email transmission the recipient shall have acknowledged receipt of such email transmission), by an established overnight courier providing proof of delivery or notified by a bailiff (*huissier de justice*), addressed as follows:

- (a) if to the Offeror:

L'Occitane Holding S.A.

Attention: Adam Evans

Address: L'Occitane International (Suisse) SA, Chemin du Pré-Fleuri 5, 1228
Plan-les-Ouates, Switzerland

Email: longtermincentives@loccitane.com

- (b) if to the Unvested Award Holder: to the contact details included on the Unvested Award Holder's signature page.

8. SUCCESSORS

Neither Party may transfer or assign the benefit of all or any of its rights or obligations under the Agreement, directly or indirectly and in any manner whatsoever, except in the case of the

Unvested Award Holder, as a result of the death of the Unvested Award Holder, in which case the Company shall be promptly advised thereof and provided that the Unvested Award Holder's successor shall be bound by the terms of this Agreement, to the extent not expressly prohibited under applicable law.

9. FURTHER ASSISTANCE

Each Party agrees to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law and regulation (including but not limited to the Takeover Code and the Listing Rules) or as any Party may reasonably require to implement and/or give effect to this Agreement and the transactions contemplated hereunder.

10. EFFECTIVE DATE AND TERM

This Agreement shall be binding on the Parties as of the date of its execution by both Parties (the "**Agreement Date**") and shall take effect upon fulfilment of the condition precedent in Clause 2. This Agreement shall be valid for a period of 10 years from the Agreement Date, subject to termination in accordance with Clause 2.

11. VARIATION – WAIVERS

- 11.1.** No variation or amendment of this Agreement shall be effective unless in writing and signed by or on behalf of each of the Parties and no termination, lapse or variation of this Agreement may be effective unless such termination, lapse, variation or amendment is expressly provided for in this Agreement as signed between the Parties hereto or is subsequently agreed in writing and signed by each of the relevant Parties.
- 11.2.** No failure or delay by any Party in exercising any right, power or remedy provided by law or under this Agreement shall operate as a waiver of that right, power or remedy or of some other right, power or remedy, nor shall any partial exercise thereof preclude any further exercise of the same or of some other right, power or remedy.
- 11.3.** Any waiver of any right, power or remedy under the Agreement shall be in writing and may be given subject to such conditions as the grantor may decide. Any such waiver (unless otherwise specified) shall only be a waiver in the particular instance and for the particular purpose for which it was given.

12. TAXES AND COSTS

- 12.1.** Except as otherwise provided herein, each Party shall pay all the costs and expenses (including, but not limited to, financial advisory, accounting, legal and other professional or consulting fees and expenses) incurred by that Party or owed by it under applicable law, in connection with this Agreement.
- 12.2.** The Unvested Award Holder shall be responsible for the payment of any tax (including withholding tax) or social contributions payable by the Unvested Award Holder, or to be remitted to the relevant authorities by the Company on behalf of the Unvested Award Holder, that arise from the Liquidity Arrangement or any transaction under this Agreement. The Offeror shall be entitled to deduct or retain from the Award Cancellation Price any such tax or social contribution, or (if any such tax is required to be withheld by the Company) pay the relevant withholding amount from the Award Cancellation Price to the Company.

13. OWN ASSESSMENT

The Unvested Award Holder expressly acknowledges that it has carried out its own assessment of the Liquidity Arrangement and the terms of this Agreement and has had the opportunity to be assisted by its own advisors (including legal and tax advisors), and that neither the Offeror nor any other member of the Offeror Group, or any of their respective affiliates, directors, officers, employees, advisers or representatives has any duty of care or duty to inform the Unvested Award Holder whatsoever in respect of the Liquidity Arrangement.

14. SPECIFIC PERFORMANCE

The Unvested Award Holder acknowledges that if it fails to perform or breaches any of the obligations under this Agreement, damages may not be an adequate remedy and accordingly, Offeror shall be entitled to the remedy of specific performance or other equitable relief.

15. EXECUTION

This Agreement may be executed in any number of counterparts, in wet-ink or electronic signature (including DocuSign). Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Agreement, *together* with the full text of the Agreement being signed, by e-mail attachment (PDF) shall be an effective mode of delivery.

16. GOVERNING LAW AND DISPUTES

This Agreement shall be governed by and construed in accordance with law of Hong Kong and Holder agrees to submit to the exclusive jurisdiction of the courts of Hong Kong for all purposes in connection with this Agreement. The Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) shall not apply to this Agreement.

[The rest of the page is left blank, the signature page follows]

For the Offeror:

By: _____

For acceptance by the Unvested Award Holder

By:

Dated:

Details to be completed by Unvested Award Holder:

- Full name: _____
- Date of birth: _____
- Personal address: _____
- Email address: _____

Instructions: please date and fill in your personal details, then sign, either in wet ink or electronically by way of a certified electronic signature system such as DocuSign, and send a legible scan or the executed electronic document to longtermincentives@loccitane.com as soon as possible

CONTRIBUTION AGREEMENT

By and among

Société d'Investissements CIME

as Contributor

and

Nolde S.à r.l.

as Contributtee

and

L'Occitane Groupe S.A.

As Company

Dated 27 April 2024

THIS CONTRIBUTION AGREEMENT (the “**Agreement**”) is made on 27 April 2024 and effective as of the date hereof.

BETWEEN

- (1) **Société d’Investissements CIME**, a *société anonyme* organized under the laws of Luxembourg, having its registered office at boulevard Prince Henri 49, L-1724 Luxembourg, registered with the commercial registry of Luxembourg under number B 79.029, duly represented for the purposes hereof (the “**Contributor**”);

AND

- (2) **Nolde S.à r.l.**, a *société à responsabilité limitée*, incorporated and existing under the laws of the Grand Duchy of Luxembourg, in the process of being registered with the Luxembourg Trade and Companies’ Register, having its registered office located at 49, boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg (the “**Contributee**”);

each a “**Party**” and together the “**Parties**” to this Agreement.

IN THE PRESENCE OF

- (3) **L’Occitane Groupe S.A.**, a *société anonyme* existing under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B125718 and having its registered office at 49, boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg (the “**Company**”).

RECITALS

- (A) The Contributor is currently the owner of 9,676,946 shares in the Company (the “**LOG Shares**”).
- (B) The Company in turn holds a majority stake in the share capital of L’Occitane International S.A., a *société anonyme* incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 49, Boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B80359 (“**LOI**”) and intends to buy (the “**Acquisition**”) all remaining shares currently listed on the Main Board of the Stock Exchange of Hong Kong Limited and not held by the Company, representing approximately 27% of LOI’s issued share capital and voting rights as of the date hereof (the “**Offer Shares**”), and cancel all vested awards and offer a liquidity arrangement to all unvested awards, in accordance with appropriate alternative offer (the “**Unvested Award Offer**” and together with the Share Offer, the “**Offers**”).
- (C) The Acquisition (together with related costs) shall be financed through a mix of:
- (i) an investment for a global amount up to EUR 1,551 million to be made by a consortium composed of funds managed by Blackstone and Goldman Sachs Asset Management (the “**Investors**”) through the subscription of notes to be issued by the wholly owned subsidiary of the Contributee, Schuss S.à r.l. (“**Holdco**”) in accordance with the terms of an investment agreement dated on or about the date hereof (the “**Investment**”).

Agreement”), which shall in turn make part of those proceeds available to the Company by way of a shareholder loan in accordance with the Investment Agreement; and

- (ii) a facility to be granted to the Company by Crédit Agricole Corporate and Investment Bank as arranger and lender for a global amount of EUR 1,360 million, including an amount of EUR 375 million to finance part of the Acquisition, under the terms and conditions of a new facilities agreement.
- (D) In connection with the Acquisition, the Contributor wishes to contribute to the Contributor and the Contributor wishes to accept the contribution in kind by the Contributor consisting of all the LOG Shares held by it, reduced, as the case may be, by the number of LOG Shares to be sold by the Contributor to Holdco on the Offer Unconditional Date under the relevant Founders SPA, as such term is defined in the Investment Agreement (the **“Contributed LOG Shares”**) to the equity of the Contributor without the Contributor issuing new shares (account 115 of the standard chart of accounts *“apport en capitaux propres non rémunérés par des titres”*) to occur on the Offer Unconditional Date (the **“Contribution”**), it being specified that following completion of the Contribution, the Contributor shall in turn contribute all the Contributed LOG Shares to the equity of Holdco without Holdco issuing new shares (account 115 of the standard chart of accounts *“apport en capitaux propres non rémunérés par des titres”*) so that all Contributed LOG Shares shall be held by Holdco with effect as of the Offer Unconditional Date.
- (E) The Contributor, as shareholder of the Contributor, has approved the Contribution under shareholders’ resolutions of the Contributor dated on or around the date hereof.
- (F) The Contributor is a party to a shareholders’ agreement dated 28 March 2022 (the **“Existing SHA”**) governing the relationship of the shareholders of the Company and has, pursuant to the provisions of a waiver consent letter, confirmed its undertaking to sign this Agreement and waive any rights it may have under the Existing SHA.
- (G) The Parties agreed to enter into this agreement, setting forth the terms and conditions of the Contribution (the **“Agreement”**).

THE PARTIES HEREBY AGREE AS FOLLOWS:

Article 1 Construction

1.1 Definitions

When used in this Agreement, the following terms have the following meanings. Capitalized terms not otherwise defined in this Agreement shall have the meaning ascribed to them in the Investment Agreement.

“Acquisition” has the meaning set out in the recitals.

“Agreement” means this contribution agreement.

“Business Day” means any day on which banks are open for general business in the Grand Duchy of Luxembourg.

“Closing FMV” shall mean the value of 100% of the shares issued by the Company, as set forth in Annex 1.

“**Closing FMV per LOG Share**” shall have the meaning set out in the Investment Agreement, i.e. the value of each LOG Share, as determined in accordance with in Annex 1.

“**Confidential Information**” shall mean any information and data of whatever nature in this Agreement (including personal data) whether made available before or after the date of the Agreement, regardless the form the information takes or the manner in which it is made available or communicated, while excluding the Excluded Information.

“**Contributed LOG Shares**” has the meaning set out in the recitals.

“**Contributee**” has the meaning set out in the recitals.

“**Contribution**” has the meaning set out in the recitals.

“**Contributor**” has the meaning set out in the recitals.

“**Excluded Information**” shall mean information which (i) was within the public domain at the time of its disclosure or subsequently comes into the public domain (other than as a result of a breach of the Agreement by a Party), (ii) was available to the recipient of the Confidential information on a non-confidential basis prior to its disclosure; (iii) becomes available to such person on a non-confidential basis from a source other than a Party, provided that such source is not prohibited from disclosing such information by a contractual, legal or fiduciary obligation to the disclosing party.

“**Existing SHA**” has the meaning set out in the recitals.

“**Financial Adviser**” means J.P. Morgan Securities (Asia Pacific) Limited, the financial advisor to the Company in respect of the Acquisition.

“**Holdco**” has the meaning set out in the recitals.

“**Investment Agreement**” has the meaning set out in the recitals.

“**Investors**” has the meaning set out in the recitals.

“**LOG Shares**” has the meaning set out in the recitals.

“**LOI**” has the meaning set out in the recitals.

“**Offer Price**” means the price per share payable under the Share Offer.

“**Offer Unconditional Date**” has the meaning set out in the clause 3.1 of this Agreement.

“**Offers**” have the meaning set out in the recitals.

“**Party**” and “**Parties**” have the meaning set out in the recitals.

“**Share Offer**” means the voluntary conditional cash offer by the Financial Adviser on behalf of the Company to acquire all of the Offer Shares in accordance with the terms and conditions set out in the relevant offer documents, and any subsequent revision or extension of such offer.

“**Signing Date**” means the date of this Agreement.

“**Unvested Award Offer**” have the meaning set out in the recitals.

1.2 Interpretation

In this Agreement:

- (a) any reference to any agreement is to be construed as a reference to such agreement as it may be amended, supplemented, modified or extended from time to time, whether before or after the Signing Date;
- (b) a reference to a person or persons is, where relevant, deemed to be a reference to or to include their respective successors, permitted assignees or transferees, as appropriate;
- (c) reference to clauses and annexes are references to, respectively, clauses of and annexes to this Agreement and reference to this Agreement includes its annexes;
- (d) a reference to a law or regulation or any provisions thereof is to be construed as a reference to such law, regulation or provisions as the same may have been, or may from time to time hereafter be, amended or re-enacted;
- (e) words denoting the singular include the plural and vice versa;
- (f) words denoting a gender also include the other gender; and
- (g) words denoting persons include bodies corporate, partnerships, associations and any other organised groups of persons or entities whether incorporated or not.

1.3 Clause headings

Clause headings are for ease of reference only and shall not affect interpretation.

Article 2 Contribution of the Contributed LOG Shares

- 2.1 Subject to the terms and conditions of this Agreement and effective as of the Offer Unconditional Date, the Contributor hereby agrees to contribute and transfer each Contributed LOG Share at Closing FMV per LOG Share, to the capital reserves of the Contributor without the Contributor issuing new shares (account 115 of the standard chart of accounts named “*apport en capitaux propres non rémunérés par des titres*”) and the Contributor hereby agrees to accept such Contribution.
- 2.2 The Contribution of the Contributed LOG Shares shall be made together with all accrued benefits and rights, commitments and obligations attached to the Contributed LOG Shares at the Offer Unconditional Date or subsequently becoming attached to them (including the right to receive the full amount of all dividends which are distributed following the Signing Date, even in case the profits relate to prior periods).

Article 3 **Date and effectiveness of the Contribution**

- 3.1 The Contribution shall take effect automatically and concomitantly with the Share Offer becoming, or being declared to be, unconditional in all respects (the “**Offer Unconditional Date**”), resulting in the Contributor becoming the full owner of the Contributed LOG Shares.
- 3.2 The Contributor, the Contributor and the Company shall forthwith sign any supplementary documents and take all necessary action as the Parties may reasonably require of each other in order to document and effect the transaction envisaged by this Agreement. Following the Contribution, the Company undertakes to update its shareholders’ register to register the change of ownership of the Contributed LOG Shares and the Parties hereby authorise any director of the Company, acting individually with full power of substitution to register the Contributor as holder of the Contributed LOG Shares in the shareholders’ register of the Company as of the Offer Unconditional Date.
- 3.3 The Contributor shall, on the Offer Unconditional Date, confirm and acknowledge via a decision of its board of managers or a delegate of the board of managers that the Contribution has become effective. For avoidance of any doubt, such confirmation shall be only probative in nature.

Article 4 **Consideration**

- 4.1 The Contribution shall be made without any consideration payable by the Contributor to the Contributor and shall be regarded as a contribution to the equity and own funds and allocated as such to account 115 of the Company (compte 115 “*Apport en capitaux propres non rémunéré par des titres*”). Any rights and any references attached to the account 115 are those set out in the articles of association of the Company.
- 4.2 The Contributor may use the amounts held in this account to redeem its shares, set off net losses, make distributions to shareholders, allocate funds to the statutory reserve, make payments in relation to shares and for any other purpose permitted by law.

Article 5 **Valuation**

The Contributor and the Contributor agree and confirm that each Contributed LOG Share shall be contributed to the Contributor as at the Offer Unconditional Date at the Closing FMV per LOG Share, as set forth in Annex 1.

Article 6 **Representations, warranties and covenants**

The Contributor represents and warrants to the Contributor, as at the Signing Date and as at the Offer Unconditional Date, that:

- a) the Contributor has full beneficial and legal ownership of the Contributed LOG Shares and is the only person entitled to and having power to dispose of the Contributed LOG Shares;
- b) the Contributed LOG Shares are freely transferable in accordance with applicable laws;
- c) the Contributed LOG Shares are unencumbered, not subject to any lien, arrest, opposition, or any other charge or right of any third party, in particular no pre-emption rights which have not been duly waived or any other rights attached to the Contributed LOG Shares by virtue of which any

person may be entitled to demand that the Contributed LOG Shares be transferred to him/her/it; and

d) the ownership of the Contributed LOG Shares shall be validly contributed, converged and transferred by it to the account 115 of the standard chart of accounts “*apport en capitaux propres non rémunérés par des titres*”) of the Company on the Offer Unconditional Date, without such transfer of ownership being conditional upon any other formalities to be carried out in any other jurisdiction.

e) **Capacity and Authority**

(i) The Contributor is duly organized and validly existing under the laws of the jurisdiction in which it is organized and it has the power, capacity and authority to enter into this Agreement and to perform its obligations hereunder.

(ii) The execution of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by the competent corporate bodies of the Contributor.

(iii) This Agreement has been duly executed by the Contributor on the Signing Date and constitutes legal, valid and binding obligations of the Contributor, enforceable against it in accordance with its terms, and does not constitute a violation of, default under or conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under any term or provision of its articles of incorporation (*statuts*) and/or bylaws, as applicable, or equivalent organizational documents.

(iv) The Contributor has obtained all necessary authorizations required to be obtained by it to enter into this Agreement, the execution and the performance by it of the Agreement do not require any other consent, approval, authorization or other action by, filing with or notification to any Governmental Authority.

(v) No authorisation or consent of the Contributor’s spouse or partner, if any, is required, under any marriage contract, civil partnership (*pacte civil de solidarité*) or other related and/or similar agreement of the Contributor, as the case may be, for the disposal of the Contributed LOG Shares in accordance with the provisions of this Agreement or any such authorisation or consent, to the extent necessary, has been obtained or will be obtained prior to the Offer Unconditional Date.

(vi) The execution and the performance of this Agreement by the Contributor does not constitute a violation of, or a default under, conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under (i) any order applicable to it by which it or any of its properties and assets are bound, (ii) any applicable Law or (iii) any agreements or engagements to which it is a party other than, in the case of subclauses (i) and (ii) above, such violations, defaults, conflicts, breaches, cancellations, terminations or liens which would not impair its ability to perform its obligations pursuant to the Agreement.

f) **No Insolvency**

(i) The Contributor is not insolvent and is not subject to any safeguard, bankruptcy, insolvency, moratorium, amicable or similar Proceedings under applicable Laws. No order has been made, petition presented or meeting convened for the winding up of it, nor any

other action taken in relation to the appointment of an administrator, liquidator, receiver, administrative receiver, compulsory manager or any provisional liquidator (or equivalent in any other jurisdiction) (or other process whereby the business is terminated and the assets of the Contributor concerned are distributed amongst the creditors and/or shareholders or other contributors), and there are no Proceedings under any applicable insolvency, bankruptcy, reorganization or similar Laws (including Proceedings with a view to the prevention or resolution of business difficulties) in any relevant jurisdiction, and no events have occurred which, under applicable Laws, would justify any such Proceedings.

Article 7 **Confidentiality**

The Parties shall keep secret and confidential the Confidential Information and not make Confidential Information available to any person except as expressly permitted by this Agreement and unless:

- (a) the Parties have previously agreed to such disclosure in writing;
- (b) disclosure is made to a Party's affiliates or to its and its affiliates' directors, corporate officers, employees, auditors, professional advisors and their respective advisors, who have a need to know such Confidential Information and on the condition that the aforementioned individuals and entities are bound by confidentiality obligations no less restrictive than those set forth in this Article 7;
- (c) disclosure is made to the Investors;
- (d) disclosure is required by a legal or regulatory obligation, a request from a judicial, administrative, regulatory or supervisory authority (including of any stock-exchange and the Securities and Futures Commission of Hong Kong), a judicial expert, a court ruling or in the context of judicial or administrative procedures;
- (e) disclosure is made to the Financial Adviser; or
- (f) disclosure is made to tax authorities and intermediaries within the meaning of the DAC 6 Directive (EU 2018/822) in its respective national implementation as well as to the extent a disclosure is required vis-à-vis a regulatory authority.

Article 8 **Additional actions**

The Contributor undertakes to comply with any necessary formalities, make any necessary registrations, notifications, publications and/or filings and take any further action required in respect of the Contribution and/or the transfer of the Contributed LOG Shares.

Article 9 **Duration**

This Agreement shall enter into force and effect as of Signing Date and shall continue in full force until the later of (i) the Offer Unconditional Date and (ii) 31 December 2024, 23:59 CET.

Article 10 **Costs**

Each of the Parties to this Agreement shall bear its own costs, charges and other expenses of whatever nature incurred in the negotiation, execution and performance of this Agreement and any matter contemplated by it.

Article 11 **No Waiver**

No failure or delay of a Party to exercise any right or remedy under this Agreement shall be considered, or operate as, a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

Article 12 **Severability**

If one or more of the provisions of this Agreement is or becomes invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected and any invalid provision shall be deemed to be severable. Each of the Parties agrees in such case to use its best efforts to negotiate in good faith a legally valid and economically equivalent replacement provision.

Article 13 **Assignment**

None of the Parties may assign any of their rights under this Agreement without the written consent of the other Party.

Article 14 **Notices**

All notices and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of delivery if delivered personally to the Party to whom notice is to be given, or (ii) on the first Business Day after delivery to an international courier service, if properly addressed and all costs prepaid, to the Parties at the addresses set forth in the recitals.

Either Party may change its address for the purpose of this clause by giving the other Party written notice of its new address.

Article 15 **Additional acts**

Each of the Parties shall execute and perform such further documents and agreements, and take such further actions as may be necessary and appropriate to carry out the purposes and intent of this Agreement and make all publication proceedings as required by law.

Article 16 **Amendment**

Any amendment to this Agreement must be drawn up in the form of a written amending agreement and signed by all the Parties.

Article 17 **Governing law**

This Agreement, and the rights, obligations and liabilities of each of the Parties hereunder, shall be governed by the laws of the Grand Duchy of Luxembourg.

Article 18 **Jurisdiction**

Each of the Parties hereto irrevocably agrees that all disputes arising out of this Agreement shall be submitted exclusively to the courts of the city of Luxembourg, Grand Duchy of Luxembourg.



Each Party irrevocably waives any right that it may have to object to an action being brought in these courts, to claim that the action has been brought in an inconvenient forum, or to claim that these courts do not have jurisdiction.

Article 19 **Entire agreement**

This Agreement contains the entire agreement between the Parties with respect to the matters to which it refers and replaces and annuls any agreement, obligation, acknowledgement and undertaking, oral or written, between the Parties relating to the same subject matter.

Article 20 **Counterparts**

This Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

[Remainder of page remains intentionally blank and signature page follows]

THE CONTRIBUTOR



Société d'Investissements CIME S.A.

Represented by: Reinold Geiger

THE CONTRIBUTEE

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Nolde S.à r.l.

Represented by: Reinold Geiger

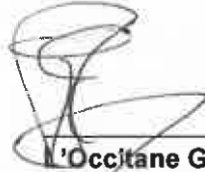
For acknowledgment and acceptance,



L'Occitane Groupe S.A.

Name: Reinold Geiger

Title: Authorized signatory



L'Occitane Groupe S.A.

Name: Reinold Geiger

Title: Authorized signatory

Annex 1 – Closing FMV of Contributed LOG Shares

- A. The “**Closing FMV**” for 100% of shares issued by the Company shall be calculated in accordance with the following formula:

Closing FMV = Closing Implied LOI Value – LOG Net Debt + Value of Non-LOI Assets

Where:

- a) “**Closing Implied LOI Value**” means the Offer Price (expressed in EUR using the Hedging Rate), multiplied by the number of LOI shares held by the Company immediately prior to the Offer Unconditional Date;
 - b) “**Hedging Rate**” means the reference hedging rate corresponding to the exchange rate equal to EUR 1 for HKD 8.3832;
 - c) “**LOG Net Debt**” means an amount equal to the difference between: (a) the Financial Debt of the Company and (b) the Cash of the Company. Such LOG Net Debt shall be equal to EUR 888,795,000, subject to the provisions of paragraph (C) below;
 - d) “**Financial Debt**” means the aggregate amount of the existing financial indebtedness of the Company as of 31 March 2024;
 - e) “**Cash**” means the aggregate of cash and cash equivalents including cash in hand and cash deposited (whether at term or not) with or balances credited to the accounts of the Company at any banking, postal, lending or other similar institution (together with all accrued interest), as of 31 March 2024; and
 - f) “**Value of Non-LOI Assets**” means an amount equal to the algebraic sum of: (a) the net book value of Les Minimes, (b) the receivables owed to the Company by Sean Harrington, Noella Gabriel, Oriele Frank, Dorothee Massoulier and Fabien Piacentino and (c) the receivable owed to the Company by Butler, (d) “Prepaid Expenses” corresponding to financing set-up costs, which are spread over the term of the financing, (e) “Accrued Interest on Debt” corresponding to the interest provisioned and due at end-March 2024 on existing financing, (f) “Account Payable and Accrued Liabilities” corresponding to account payable and accrued liabilities and (g) “Provision on LTI” including the provision on the Company's long-term incentive plan (free shares), in each case as of 31 March 2024. Such Value of Non-LOI Assets shall be equal to EUR 67,153,264.50, subject to the provisions of paragraph (C) below.
- B. The “**Closing FMV per LOG Share**” shall correspond to the Closing FMV divided by the total number of shares issued by the Company immediately prior to the Offer Unconditional Date (excluding the treasury shares).
- C. The sole manager or the board of managers of Holdco shall be fully empowered to revise the value of the above mentioned items, in order to reflect their closest available value for the calculation of the Closing FMV as of the Offer Unconditional Date, with the Offer Price remaining unchanged, as well as any other relevant financial factor(s) that the sole manager or the board of managers may deem relevant to take into account for the purpose of ensuring that the Closing



FMV per LOG Share does not overstate the value of each Contributed LOG Share; provided that the Hedging Rate set forth in paragraph b) above and the amounts in euros provided for in paragraphs c) and f) above as of the Signing Date shall be applicable for the calculation of the Closing FMV unless otherwise decided by the sole manager or the board of managers of Holdco in accordance with the provisions of this paragraph C.

SHARE PURCHASE AGREEMENT

By and among

Mr. Reinold Geiger
Société d'Investissements CIME
(as Sellers)

and

Schuss S.à r.l.
(as Purchaser)

In the presence of

L'Occitane Groupe S.A.
(the Company)

Dated 27 April 2024

SHARE PURCHASE AGREEMENT

BETWEEN:

1. **Mr. Reinold Geiger**, residing 12 rue Sigefroi, L-2536 Luxembourg (“**Reinold Geiger**”)
2. **Société d’Investissements CIME S.A.**, a *société anonyme* organized under the laws of the Grand Duchy of Luxembourg, having its registered office at boulevard Prince Henri 49, L-1724 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 79.029, duly represented for the purposes hereof (“**CIME**”),

Mr. Reinold Geiger and CIME acting jointly and severally among themselves (*agissant conjointement et solidairement entre eux*), referred together herein as the “**Sellers**”.

3. **Schuss S.à r.l.**, a *société à responsabilité limitée* incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 49, boulevard Prince Henri, L-1724 Luxembourg and in the process of being registered with the Luxembourg Trade and Companies Register, duly represented for the purposes hereof (the “**Purchaser**” or “**HoldCo**”).

The Sellers and the Purchaser are referred to collectively as the “**Parties**” and each individually as a “**Party**”.

IN THE PRESENCE OF:

4. **L’Occitane Groupe S.A.**, a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 49, boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg commercial registry under number B125718, duly represented for the purposes hereof (the “**Company**”).

WHEREAS:

- A. On 27 April 2024, Blackstone Rio Holdings (CYM) L.P, GS Rio Entities (as listed and defined therein), Mr. Reinold Geiger, Société d’Investissements CIME, Mr. André Hoffmann, Lavender Investments Ltd and the Company entered into an investment agreement (the “**Investment Agreement**”), providing for the terms and conditions of the debt investment to be made by BTO Rio and GS Rio Entities in the Purchaser up to EUR 1,551 million (the “**Investment**”) to allow the Purchaser to (i) partially finance, *inter alia*, the acquisition (the “**Acquisition**”) by the Company of the shares of L’Occitane International S.A., a *société anonyme* incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 49, Boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B80359 (“**LOI**”), listed on the Main Board of the Hong Kong Stock Exchange and not held by the Company and (ii) purchase certain ordinary shares of the Company held by the Sellers.
- B. On 27 April 2024, the Company entered into a facility agreement, pursuant to which Crédit Agricole Corporate and Investment Bank as arranger and lender agreed to grant a facility for a global amount of EUR 1,360 million under the terms and conditions of a new facilities agreement, including a portion amounting to EUR 375 million (such portion being referred to as, for the purposes hereof, the “**LOG Senior Debt**”) to finance part of the Acquisition.
- C. Furthermore, on the date hereof and in accordance with the Investment Agreement, the Sellers shall enter into:
 - (i) a contribution agreement pursuant to which the Sellers have undertaken to contribute portion of his Company’s shares to the equity of Nolde S.à r.l. (“**TopCo**”), without TopCo issuing new shares (by way of increase of account 115 of the standard chart of accounts (“*apports en capitaux propres non rémunérés par des titres*”)) (the “**TopCo Contribution**”), not otherwise sold to the Purchaser in accordance herewith; it being specified that TopCo shall contribute the relevant Company’s shares to HoldCo on the same day; and

- (ii) this agreement (the “**Agreement**”) providing for the sale by the Sellers and the acquisition by the Purchaser of ordinary shares of the Company (the “**Sale Shares**”) to be completed pursuant to the provisions hereof (the “**Sale of Ordinary Shares**”).
- D. Capitalized terms not otherwise defined in this Agreement shall have the meaning ascribed to them in the Investment Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1. SALE AND PURCHASE OF THE SALE SHARES

1.1 Number of Sale Shares

In accordance with the provisions of the Investment Agreement, the Purchaser agrees to acquire a number of Company’s shares corresponding to the following formula (rounded down to the nearest integer) (the “**Sale Shares**”):

$\text{Number of Sale Shares} = 50\% \text{ of the Cash-Out Amount} / \text{Closing FMV per LOG Share.}$
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Where both “Cash-Out Amount” and “Closing FMV per LOG Share” shall have the meaning ascribed to such terms in the Investment Agreement.

For the allocation of the total Sale Shares between the Sellers, it is provided that Reinold Geiger shall first be able to sell his Company’s shares and the outstanding number of Sale Shares, if any, shall be transferred by CIME to the Purchaser.

The number of the Sale Shares shall be determined by the board of HoldCo in a valuation report and in accordance with the provisions of the Investment Agreement.

1.2 Agreement to Sell and Purchase the Sale Shares

With effect on the Unconditional Offer Date (as defined in the Investment Agreement) and subject to the terms and conditions of this Agreement, the Seller shall sell and deliver to the Purchaser, and the Purchaser shall purchase from the Seller, the Sale Shares, free and clear of any Encumbrances, together with all rights and obligations attached thereto, including the right to receive any dividends that could be declared in the future.

1.3 Purchase Price

- (a) The aggregate cash consideration for the acquisition of the Sale Shares shall be equal to an amount per Sale Share corresponding to the Closing FMV per LOG Share, as set forth in Investment Agreement, multiplied by the number of Sale Shares held by the relevant Sellers (the “**Purchase Price**”).
- (b) The Parties acknowledge that the Purchase Price reflects the common intention of the Parties.
- (c) The Closing FMV per LOG Share shall be final and binding on the Parties and shall not be subject to any adjustment, except as the board of HoldCo may decide pursuant to the provisions of paragraph (C) of schedule 5.1(B) of the Investment Agreement.

1.4 Payment of the Purchase Price

On the Issuance Date (as defined in the Investment Agreement), the Purchaser shall pay the relevant portion of the Purchase Price to each Seller by wire transfer of immediately available funds in euros to the bank accounts of the relevant Seller, the details of which shall be provided by each Seller at least 15 calendar days in advance.

ARTICLE 2. COMPLETION

2.1 Completion of the Sale of Ordinary Shares

The transfer of ownership of the Sale Shares shall take effect automatically on the Unconditional Offer Date (as defined in the Investment Agreement) and simultaneously with the TopCo Contribution.

2.2 Completion Deliveries

- (a) The Purchaser shall, on the Issuance Date (as defined in the Investment Agreement), pay the Purchase Price in accordance with Article 1.4 and promptly deliver to the Seller evidence thereof.
- (b) The Seller shall, on the Unconditional Offer Date (as defined in the Investment Agreement), deliver or procure the delivery to the Purchaser of the copy of the updated share register of the Company duly reflecting completion of the Sale of Ordinary Shares to the Purchaser.

2.3 Formalities and Registration

The Parties hereby grant powers to any director of the Company, acting individually and with full power of substitution to register the Purchaser as holder of the Sale Shares in the share register of the Company as of the Unconditional Offer Date (as defined in the Investment Agreement).

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF THE SELLERS

The Sellers make to the Purchaser the representations and warranties set forth in this Article 3 as of the date hereof and on the Unconditional Offer Date (as defined in the Investment Agreement).

3.1 Capacity and Authority of CIME

- (a) CIME is duly organized and validly existing under the laws of the jurisdiction in which it is organized and it has the power, capacity and authority to enter into this Agreement and to perform its obligations hereunder.
- (b) The execution of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by the competent corporate bodies of CIME.
- (c) This Agreement has been duly executed by CIME on the date hereof and constitutes legal, valid and binding obligations of the CIME, enforceable against it in accordance with its terms, and does not constitute a violation of, default under or conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under any term or provision of its articles of incorporation (*statuts*) and/or bylaws, as applicable, or equivalent organizational documents.
- (d) CIME has obtained all necessary authorizations required to be obtained by it to enter into this Agreement, the execution and the performance by it of the Agreement do not require any other consent, approval, authorization or other action by, filing with or notification to any Governmental Authority.
- (e) The execution and the performance of this Agreement by CIME does not constitute a violation of, or a default under, conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under (i) any order applicable to it by which it or any of its properties and assets are bound, (ii) any applicable Law or (iii) any agreements or engagements to which it is a party other than, in the case of subclauses (i) and (ii) above, such violations, defaults, conflicts, breaches, cancellations, terminations or liens which would not impair its ability to perform its obligations pursuant to the Agreement.

3.2 No Insolvency

CIME is not insolvent and is not subject to any safeguard, bankruptcy, insolvency, moratorium, amicable or similar Proceedings under applicable Laws. No order has been made, petition presented or meeting convened for the winding up of it, nor any other action taken in relation to the appointment of an administrator, liquidator, receiver, administrative receiver, compulsory manager or any provisional liquidator (or equivalent in any other jurisdiction) (or other process whereby the business is terminated and the assets of CIME concerned are distributed amongst the creditors and/or shareholders or other contributors), and there are no Proceedings under any applicable insolvency, bankruptcy, reorganization or similar Laws (including Proceedings with a view to the prevention or resolution of business difficulties) in any relevant jurisdiction, and no events have occurred which, under applicable Laws, would justify any such Proceedings.

3.3 Capacity and Authority of Mr. Reinold Geiger

- (a) Reinold Geiger has legal capacity to enter into and perform the obligations to which he is bound under this Agreement and the transactions contemplated hereby.
- (b) This Agreement has been duly executed by Reinold Geiger and constitutes legal, valid and binding obligations of Reinold Geiger, enforceable against him/her in accordance with its terms.
- (c) Reinold Geiger has obtained all necessary authorizations required to be obtained by him/her to enter into this Agreement, and the execution and the performance by Reinold Geiger of this Agreement do not require any other consent, approval, authorization or other action by, filing with or notification to any Governmental Authority.
- (d) The execution and the performance by Reinold Geiger of this Agreement does not constitute a violation of, or a default under, conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under (i) any order applicable to him by which Reinold Geiger or any of his properties and assets are bound, (ii) any applicable Law or (iii) any agreements or engagements to which Reinold Geiger is a party other than, in the case of sub-Articles (i) and (ii) above, such violations, defaults, conflicts, breaches, cancellations, terminations or liens which would not impair his ability to perform his obligations pursuant to this Agreement.
- (e) No authorisation or consent of the Seller's spouse or partner, if any, is required, under any marriage contract, civil partnership (*pacte civil de solidarité*) or other related and/or similar agreement of the Seller, as the case may be, for the disposal of the Sale Shares in accordance with the provisions of this Agreement or any such authorisation or consent, to the extent necessary, has been obtained or will be obtained prior to the Closing Date.
- (f) Reinold Geiger is not bankrupt and no order has been made or petition presented to declare him bankrupt.

3.4 Sale Shares

- (a) The Company is duly formed and validly existing under the Laws of the jurisdiction in which it is formed.
- (b) The Sale Shares sold by the Sellers under this Agreement have been validly issued by the Company, fully paid up and, on Unconditional Offer Date (as defined in the Investment Agreement), the Sellers own all such Sale Shares, free and clear of any Encumbrances.
- (c) The Company is not insolvent, nor subject to any bankruptcy, insolvency, moratorium, amicable or similar Proceedings under applicable Laws. No Order has been made, petition presented or meeting convened for the winding up of it, nor any other action taken in relation to the appointment of an administrator, liquidator, receiver, administrative receiver, compulsory manager or any provisional liquidator (or equivalent in any other jurisdiction) (or other process whereby the business is terminated and the assets of the Company concerned are distributed amongst the creditors and/or shareholders or other contributors), and there are no Proceedings under any applicable insolvency, bankruptcy, reorganization or similar Laws (including Proceedings with a view to the prevention or resolution of business difficulties) in any relevant

jurisdiction, and no events have occurred which, under applicable Laws, would justify any such Proceedings.

3.5 No trading

The Sellers have not acquired, directly or indirectly, alone or in concert, any securities in LOI at a price in excess of the Offer Price during the three (3)-month period prior to the date on which the "offer period" (as defined in the Takeovers Code) in relation to the Share Offer commenced, and has not to acquired, disposed of or intervened in relation to, directly or indirectly, any securities in LOI between the end of such period and the date of publication of the results of the Share Offer, other than in accordance with the Investment Agreement.

For the purposes hereof "**Share Offer**" shall mean the voluntary conditional cash offer by J.P. Morgan Securities (Asia Pacific) Limited, acting as financial adviser of and acting on behalf of the Company to acquire all of the LOI shares in accordance with the terms and conditions set out in the relevant offer documents, and any subsequent revision or extension of such offer.

3.6 Compliance

- (a) None of the Sellers is a Sanctioned Person or operating in a Sanctioned Territory.
- (b) None of the Sellers has not been over the past three years, or is currently, the subject of any investigation, proceedings or enforcement action in connection with any actual or alleged violation of any Anti-Bribery Laws, Anti-Money Laundering Laws or Sanctions.

ARTICLE 4. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser makes to the Sellers the representations and warranties set forth in this Article 4 as of the date hereof and on Unconditional Offer Date (as defined in the Investment Agreement).

4.1 Organization and Power

- (a) The Purchaser is duly organized and validly existing under the laws of the jurisdiction in which it is organized and the Purchaser has the power and authority to enter into this Agreement and to perform its obligations hereunder.
- (b) The execution of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by the competent corporate bodies of the Purchaser.
- (c) This Agreement has been duly executed by the Purchaser and constitutes legal, valid and binding obligations of the Purchaser, enforceable against it in accordance with its terms, subject to applicable bankruptcy, fraudulent conveyance, insolvency, reorganization moratorium or other similar laws relating to creditors' rights generally.

4.2 Insolvency

- (a) No order has been made and no petition has been presented for the winding up of the Purchaser or for the appointment of any provisional liquidator or in relation to any other process whereby the business is terminated and the assets of the Purchaser are distributed amongst the creditors and/or shareholders or other contributors.
- (b) No receiver (including any administrative receiver) has been appointed in respect of the whole or any part of any of the property, assets and/or undertaking of the Purchaser nor has any such order been made (including, in any relevant jurisdiction, any other order by which, during the period it is in force, the affairs, business and assets of the Purchaser is managed by a person appointed for this purpose by a court, governmental agency or similar body).
- (c) The Purchaser (i) has not taken any step with a view to a suspension of payments or a moratorium of any indebtedness, (ii) has not made any voluntary arrangement with any of its creditors (*conciliation, mandat ad hoc, accord amiable ou collectif* or similar in any relevant jurisdiction) or (iii) is not subject to any insolvency proceedings.

ARTICLE 5. ACKNOWLEDGMENT

The Sellers acknowledge that the Sale of Ordinary Shares is part of an overall transaction and as contemplated in the schedules to the Investment Agreement, the global Investment amount shall be allocated in priority for the payment of the Offer price pursuant to the Offers (as defined in the Investment Agreement). As a consequence, if there is a positive balance between the Investment amount, together with the LOG Senior Debt, and the total amount to be paid under the Offers, such positive balance shall be allocated to fund the acquisition of the Sale Shares.

ARTICLE 6. NO WAIVER

No failure or delay of a Party to exercise any right or remedy under this Agreement shall be considered, or operate as, a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

ARTICLE 7. SEVERABILITY

If one or more of the provisions of this Agreement is or becomes invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected and any invalid provision shall be deemed to be severable. Each of the Parties agrees in such case to use its best efforts to negotiate in good faith a legally valid and economically equivalent replacement provision.

ARTICLE 8. MISCELLANEOUS

8.1 Indemnification

The liability of the Sellers shall be limited to any breach of the Agreement, including any of the representations and warranties granted by it in Article 3 above.

8.2 Application of the miscellaneous provisions of the Investment Agreement

Clauses 22 (*Costs and Expenses*), 25 (*Confidentiality and Announcements*) to 32 (*No Partnership*) and clauses 35 (*Negotiation of the Agreement*) to 36 (*Specific Performance*) of the Investment Agreement shall apply to this Agreement *mutatis mutandis*.

8.3 Assignment

None of the Parties may assign any of their rights under this Agreement without the written consent of the other Party.

8.4 Taxes

Any registration and transfer taxes payable as a result of the sale and purchase of the Sale Shares and all documents or agreements contemplated by or executed in connection with this Agreement shall be borne exclusively by the Purchaser and the Purchaser shall, on a timely basis and in compliance with the requirements of the relevant tax authorities, perform the related formalities and payments and shall promptly provide evidence thereof to the Sellers.

8.5 Counterparts

This Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

8.6 Jurisdiction and Applicable Law

- (a) This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the Laws of the Grand Duchy of Luxembourg.
- (b) In the event of any Dispute arising out of or in connection with This Agreement, a Party may send a Notice of Dispute to another Party. Following the receipt of such notice, the Parties shall discuss in good faith in order to try and resolve such Dispute amicably during a period of fifteen (15) Business Days after receipt of the Notice of Dispute.

- (c) Thereafter, should the Parties not have resolved such Dispute *inter partes*, the Parties irrevocably agree to submit such relevant Disputes to the mediation rules of the Centre de Médiation Civile et Commerciale (CMCC) in Luxembourg-City, by signing a pre-mediation agreement (*accord en vue de la médiation*) pursuant to Article 1251-9 of the New Code of Civil Procedure, which shall trigger a suspension of periods of limitation during the mediation phase. The obligation to mediate resulting from said agreement shall be considered fulfilled and the mediation to be terminated if, after the first session before the mediator, one or more of the Parties do not intend to continue to resolve the Dispute by means of mediation anymore. This clause is without prejudice to the right of the Parties to refer all or part of the Dispute to the judge for summary proceedings (*juge des référés*) in case of emergency. In the event such Dispute is not resolved pursuant to paragraph (b) above, the Parties irrevocably agree that the courts of the district of Luxembourg, Grand Duchy of Luxembourg, shall have exclusive jurisdiction to settle any Disputes, and waive any objection to proceedings before such courts on the grounds of venue or on the grounds that such proceedings have been brought in an inappropriate forum.
- (d) In the event such Dispute is not resolved pursuant to paragraph (c), the Parties irrevocably agree that the courts of the district of Luxembourg, Grand Duchy of Luxembourg, shall have exclusive jurisdiction to settle any Disputes, and waive any objection to proceedings before such courts on the grounds of venue or on the grounds that such proceedings have been brought in an inappropriate forum.
- (e) For the purposes of this Clause:
- (i) **“Dispute”** means any dispute, controversy, claim or difference of whatever nature arising out of, relating to or having any connection with the Agreement, including a dispute regarding the existence, formation, validity, interpretation, performance or termination of this Agreement or the consequences of its nullity and also including any dispute relating to any non-contractual rights or obligations arising out of, relating to or having any connection with this Agreement; and
 - (ii) **“Notice of Dispute”** shall mean a formal communication that one or more Parties send to the other Parties, signaling an issue or disagreement with the terms, execution, or interpretation of this Agreement, which shall at least (i) identify the Parties involved in the Dispute, (ii) concisely describe the nature of the Dispute, highlighting the specific provision(s) of the Agreement that has / have been violated, (iii) clearly detail the facts and circumstances that led to the Dispute and (iv) indicate the resolution sought.

The Agreement has been executed by the Parties on the date written above.

The Sellers



CIME
Name: Reinold Geiger
Title: Authorized signatory



Mr. Reinold Geiger

The Purchaser

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end.

Schuss S.à r.l.

Represented by: Reinold Geiger

By signing below for acceptance, the Company (i) acknowledges and approves the above-mentioned transfer of the Sale Shares, it being specified that any notification requirements with respect thereto are hereby waived, in accordance with the articles of association of the Company, article 1690 of the civil Code and article 430-4 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, and (ii) undertakes to register and execute the inscription of, and the transfer of the Sale Shares in the register of shareholders of the Company on or with effect as of the Unconditional Offer Date (as defined in the Investment Agreement).

In the presence of:



L'Occitane Groupe S.A.

Name: Reinold Geiger

Title: Authorized Signatory



L'Occitane Groupe S.A.

Name: Reinold Geiger

Title: Authorized Signatory

CONTRIBUTION AGREEMENT

By and among

Lavender Investments Limited

as Contributor

and

Nolde S.à r.l.

as Contributtee

and

L'Occitane Groupe S.A.

As Company

Dated 27 April 2024

THIS CONTRIBUTION AGREEMENT (the “**Agreement**”) is made on 27 April 2024 and effective as of the date hereof.

BETWEEN

- (1) **Lavender Investments Limited**, a limited company existing under the laws of Hong Kong, having its registered office at 36/F Tower Two, Time Square, 1 Matheson Street, Causeway Bay, Hong Kong, registered with the Hong Kong Registrar of Companies under number 63774783, duly represented for the purposes hereof (the “**Contributor**”);

AND

- (2) **Nolde S.à r.l.**, a *société à responsabilité limitée*, incorporated and existing under the laws of the Grand Duchy of Luxembourg, in the process of being registered with the Luxembourg Trade and Companies’ Register, having its registered office located at 49, boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg (the “**Contributee**”);

each a “**Party**” and together the “**Parties**” to this Agreement.

IN THE PRESENCE OF

- (3) **L’Occitane Groupe S.A.**, a *société anonyme* existing under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B125718 and having its registered office at 49, boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg (the “**Company**”).

RECITALS

- (A) The Contributor is currently the owner of 2,478,286 shares in the Company (the “**LOG Shares**”).
- (B) The Company in turn holds a majority stake in the share capital of L’Occitane International S.A., a *société anonyme* incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 49, Boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B80359 (“**LOI**”) and intends to buy (the “**Acquisition**”) all remaining shares currently listed on the Main Board of the Stock Exchange of Hong Kong Limited and not held by the Company, representing approximately 27% of LOI’s issued share capital and voting rights as of the date hereof (the “**Offer Shares**”), and cancel all vested awards and offer a liquidity arrangement to all unvested awards, in accordance with appropriate alternative offer (the “**Unvested Award Offer**” and together with the Share Offer, the “**Offers**”).
- (C) The Acquisition (together with related costs) shall be financed through a mix of:
- (i) an investment for a global amount up to EUR 1,551 million to be made by a consortium composed of funds managed by Blackstone and Goldman Sachs Asset Management (the “**Investors**”) through the subscription of notes to be issued by the wholly owned subsidiary of the Contributee, Schuss S.à r.l. (“**Holdco**”) in accordance with the terms of an investment agreement dated on or about the date hereof (the “**Investment**”).

Agreement”), which shall in turn make part of those proceeds available to the Company by way of a shareholder loan in accordance with the Investment Agreement; and

- (ii) a facility to be granted to the Company by Crédit Agricole Corporate and Investment Bank as arranger and lender for a global amount of EUR 1,360 million, including an amount of EUR 375 million to finance part of the Acquisition, under the terms and conditions of a new facilities agreement.

- (D) In connection with the Acquisition, the Contributor wishes to contribute to the Contributor and the Contributor wishes to accept the contribution in kind by the Contributor consisting of all the LOG Shares held by it, reduced, as the case may be, by the number of LOG Shares to be sold by the Contributor to Holdco on the Offer Unconditional Date under the relevant Founders SPA, as such term is defined in the Investment Agreement (the **“Contributed LOG Shares”**) to the equity of the Contributor without the Contributor issuing new shares (account 115 of the standard chart of accounts *“apport en capitaux propres non rémunérés par des titres”*) to occur on the Offer Unconditional Date (the **“Contribution”**), it being specified that following completion of the Contribution, the Contributor shall in turn contribute all the Contributed LOG Shares to the equity of Holdco without Holdco issuing new shares (account 115 of the standard chart of accounts *“apport en capitaux propres non rémunérés par des titres”*) so that all Contributed LOG Shares shall be held by Holdco with effect as of the Offer Unconditional Date.

- (E) The Contributor, as shareholder of the Contributor, has approved the Contribution under shareholders’ resolutions of the Contributor dated on or around the date hereof.

- (F) The Contributor is a party to a shareholders’ agreement dated 28 March 2022 (the **“Existing SHA”**) governing the relationship of the shareholders of the Company and has, pursuant to the provisions of a waiver consent letter, confirmed its undertaking to sign this Agreement and waive any rights it may have under the Existing SHA.

- (G) The Parties agreed to enter into this agreement, setting forth the terms and conditions of the Contribution (the **“Agreement”**).

THE PARTIES HEREBY AGREE AS FOLLOWS:

Article 1 Construction

1.1 Definitions

When used in this Agreement, the following terms have the following meanings. Capitalized terms not otherwise defined in this Agreement shall have the meaning ascribed to them in the Investment Agreement.

“Acquisition” has the meaning set out in the recitals.

“Agreement” means this contribution agreement.

“Business Day” means any day on which banks are open for general business in the Grand Duchy of Luxembourg.

“Closing FMV” shall mean the value of 100% of the shares issued by the Company, as set forth in Annex 1.

“**Closing FMV per LOG Share**” shall have the meaning set out in the Investment Agreement, *i.e.* the value of each LOG Share, as determined in accordance with in Annex 1.

“**Confidential Information**” shall mean any information and data of whatever nature in this Agreement (including personal data) whether made available before or after the date of the Agreement, regardless the form the information takes or the manner in which it is made available or communicated, while excluding the Excluded Information.

“**Contributed LOG Shares**” has the meaning set out in the recitals.

“**Contributee**” has the meaning set out in the recitals.

“**Contribution**” has the meaning set out in the recitals.

“**Contributor**” has the meaning set out in the recitals.

“**Excluded Information**” shall mean information which (i) was within the public domain at the time of its disclosure or subsequently comes into the public domain (other than as a result of a breach of the Agreement by a Party), (ii) was available to the recipient of the Confidential information on a non-confidential basis prior to its disclosure; (iii) becomes available to such person on a non-confidential basis from a source other than a Party, provided that such source is not prohibited from disclosing such information by a contractual, legal or fiduciary obligation to the disclosing party.

“**Existing SHA**” has the meaning set out in the recitals.

“**Financial Adviser**” means J.P. Morgan Securities (Asia Pacific) Limited, the financial advisor to the Company in respect of the Acquisition.

“**Holdco**” has the meaning set out in the recitals.

“**Investment Agreement**” has the meaning set out in the recitals.

“**Investors**” has the meaning set out in the recitals.

“**LOG Shares**” has the meaning set out in the recitals.

“**LOI**” has the meaning set out in the recitals.

“**Offer Price**” means the price per share payable under the Share Offer.

“**Offer Unconditional Date**” has the meaning set out in the clause 3.1 of this Agreement.

“**Offers**” have the meaning set out in the recitals.

“**Party**” and “**Parties**” have the meaning set out in the recitals.

“**Share Offer**” means the voluntary conditional cash offer by the Financial Adviser on behalf of the Company to acquire all of the Offer Shares in accordance with the terms and conditions set out in the relevant offer documents, and any subsequent revision or extension of such offer.

“**Signing Date**” means the date of this Agreement.

“**Unvested Award Offer**” have the meaning set out in the recitals.

1.2 Interpretation

In this Agreement:

- (a) any reference to any agreement is to be construed as a reference to such agreement as it may be amended, supplemented, modified or extended from time to time, whether before or after the Signing Date;
- (b) a reference to a person or persons is, where relevant, deemed to be a reference to or to include their respective successors, permitted assignees or transferees, as appropriate;
- (c) reference to clauses and annexes are references to, respectively, clauses of and annexes to this Agreement and reference to this Agreement includes its annexes;
- (d) a reference to a law or regulation or any provisions thereof is to be construed as a reference to such law, regulation or provisions as the same may have been, or may from time to time hereafter be, amended or re-enacted;
- (e) words denoting the singular include the plural and vice versa;
- (f) words denoting a gender also include the other gender; and
- (g) words denoting persons include bodies corporate, partnerships, associations and any other organised groups of persons or entities whether incorporated or not.

1.3 Clause headings

Clause headings are for ease of reference only and shall not affect interpretation.

Article 2 Contribution of the Contributed LOG Shares

- 2.1 Subject to the terms and conditions of this Agreement and effective as of the Offer Unconditional Date, the Contributor hereby agrees to contribute and transfer each Contributed LOG Share at Closing FMV per LOG Share, to the capital reserves of the Contributor without the Contributor issuing new shares (account 115 of the standard chart of accounts named “*apport en capitaux propres non rémunérés par des titres*”) and the Contributor hereby agrees to accept such Contribution.
- 2.2 The Contribution of the Contributed LOG Shares shall be made together with all accrued benefits and rights, commitments and obligations attached to the Contributed LOG Shares at the Offer Unconditional Date or subsequently becoming attached to them (including the right to receive the full amount of all dividends which are distributed following the Signing Date, even in case the profits relate to prior periods).

Article 3 **Date and effectiveness of the Contribution**

- 3.1 The Contribution shall take effect automatically and concomitantly with the Share Offer becoming, or being declared to be, unconditional in all respects (the “**Offer Unconditional Date**”), resulting in the Contributor becoming the full owner of the Contributed LOG Shares.
- 3.2 The Contributor, the Contributor and the Company shall forthwith sign any supplementary documents and take all necessary action as the Parties may reasonably require of each other in order to document and effect the transaction envisaged by this Agreement. Following the Contribution, the Company undertakes to update its shareholders’ register to register the change of ownership of the Contributed LOG Shares and the Parties hereby authorise any director of the Company, acting individually with full power of substitution to register the Contributor as holder of the Contributed LOG Shares in the shareholders’ register of the Company as of the Offer Unconditional Date.
- 3.3 The Contributor shall, on the Offer Unconditional Date, confirm and acknowledge via a decision of its board of managers or a delegate of the board of managers that the Contribution has become effective. For avoidance of any doubt, such confirmation shall be only probative in nature.

Article 4 **Consideration**

- 4.1 The Contribution shall be made without any consideration payable by the Contributor to the Contributor and shall be regarded as a contribution to the equity and own funds and allocated as such to account 115 of the Company (compte 115 “*Apport en capitaux propres non rémunéré par des titres*”). Any rights and any references attached to the account 115 are those set out in the articles of association of the Company.
- 4.2 The Contributor may use the amounts held in this account to redeem its shares, set off net losses, make distributions to shareholders, allocate funds to the statutory reserve, make payments in relation to shares and for any other purpose permitted by law.

Article 5 **Valuation**

The Contributor and the Contributor agree and confirm that each Contributed LOG Share shall be contributed to the Contributor as at the Offer Unconditional Date at the Closing FMV per LOG Share, as set forth in Annex 1.

Article 6 **Representations, warranties and covenants**

The Contributor represents and warrants to the Contributor, as at the Signing Date and as at the Offer Unconditional Date, that:

- a) the Contributor has full beneficial and legal ownership of the Contributed LOG Shares and is the only person entitled to and having power to dispose of the Contributed LOG Shares;
- b) the Contributed LOG Shares are freely transferable in accordance with applicable laws;
- c) the Contributed LOG Shares are unencumbered, not subject to any lien, arrest, opposition, or any other charge or right of any third party, in particular no pre-emption rights which have not been duly waived or any other rights attached to the Contributed LOG Shares by virtue of which any

person may be entitled to demand that the Contributed LOG Shares be transferred to him/her/it; and

d) the ownership of the Contributed LOG Shares shall be validly contributed, converged and transferred by it to the account 115 of the standard chart of accounts “*apport en capitaux propres non rémunérés par des titres*”) of the Company on the Offer Unconditional Date, without such transfer of ownership being conditional upon any other formalities to be carried out in any other jurisdiction.

e) **Capacity and Authority**

(i) The Contributor is duly organized and validly existing under the laws of the jurisdiction in which it is organized and it has the power, capacity and authority to enter into this Agreement and to perform its obligations hereunder.

(ii) The execution of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by the competent corporate bodies of the Contributor.

(iii) This Agreement has been duly executed by the Contributor on the Signing Date and constitutes legal, valid and binding obligations of the Contributor, enforceable against it in accordance with its terms, and does not constitute a violation of, default under or conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under any term or provision of its articles of incorporation (*statuts*) and/or bylaws, as applicable, or equivalent organizational documents.

(iv) The Contributor has obtained all necessary authorizations required to be obtained by it to enter into this Agreement, the execution and the performance by it of the Agreement do not require any other consent, approval, authorization or other action by, filing with or notification to any Governmental Authority.

(v) No authorisation or consent of the Contributor’s spouse or partner, if any, is required, under any marriage contract, civil partnership (*pacte civil de solidarité*) or other related and/or similar agreement of the Contributor, as the case may be, for the disposal of the Contributed LOG Shares in accordance with the provisions of this Agreement or any such authorisation or consent, to the extent necessary, has been obtained or will be obtained prior to the Offer Unconditional Date.

(vi) The execution and the performance of this Agreement by the Contributor does not constitute a violation of, or a default under, conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under (i) any order applicable to it by which it or any of its properties and assets are bound, (ii) any applicable Law or (iii) any agreements or engagements to which it is a party other than, in the case of subclauses (i) and (ii) above, such violations, defaults, conflicts, breaches, cancellations, terminations or liens which would not impair its ability to perform its obligations pursuant to the Agreement.

f) **No Insolvency**

(i) The Contributor is not insolvent and is not subject to any safeguard, bankruptcy, insolvency, moratorium, amicable or similar Proceedings under applicable Laws. No order has been made, petition presented or meeting convened for the winding up of it, nor any

other action taken in relation to the appointment of an administrator, liquidator, receiver, administrative receiver, compulsory manager or any provisional liquidator (or equivalent in any other jurisdiction) (or other process whereby the business is terminated and the assets of the Contributor concerned are distributed amongst the creditors and/or shareholders or other contributors), and there are no Proceedings under any applicable insolvency, bankruptcy, reorganization or similar Laws (including Proceedings with a view to the prevention or resolution of business difficulties) in any relevant jurisdiction, and no events have occurred which, under applicable Laws, would justify any such Proceedings.

Article 7 **Confidentiality**

The Parties shall keep secret and confidential the Confidential Information and not make Confidential Information available to any person except as expressly permitted by this Agreement and unless:

- (a) the Parties have previously agreed to such disclosure in writing;
- (b) disclosure is made to a Party's affiliates or to its and its affiliates' directors, corporate officers, employees, auditors, professional advisors and their respective advisors, who have a need to know such Confidential Information and on the condition that the aforementioned individuals and entities are bound by confidentiality obligations no less restrictive than those set forth in this Article 7;
- (c) disclosure is made to the Investors;
- (d) disclosure is required by a legal or regulatory obligation, a request from a judicial, administrative, regulatory or supervisory authority (including of any stock-exchange and the Securities and Futures Commission of Hong Kong), a judicial expert, a court ruling or in the context of judicial or administrative procedures;
- (e) disclosure is made to the Financial Adviser; or
- (f) disclosure is made to tax authorities and intermediaries within the meaning of the DAC 6 Directive (EU 2018/822) in its respective national implementation as well as to the extent a disclosure is required vis-à-vis a regulatory authority.

Article 8 **Additional actions**

The Contributor undertakes to comply with any necessary formalities, make any necessary registrations, notifications, publications and/or filings and take any further action required in respect of the Contribution and/or the transfer of the Contributed LOG Shares.

Article 9 **Duration**

This Agreement shall enter into force and effect as of Signing Date and shall continue in full force until the later of (i) the Offer Unconditional Date and (ii) 31 December 2024, 23:59 CET.

Article 10 **Costs**

Each of the Parties to this Agreement shall bear its own costs, charges and other expenses of whatever nature incurred in the negotiation, execution and performance of this Agreement and any matter contemplated by it.

Article 11 **No Waiver**

No failure or delay of a Party to exercise any right or remedy under this Agreement shall be considered, or operate as, a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

Article 12 **Severability**

If one or more of the provisions of this Agreement is or becomes invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected and any invalid provision shall be deemed to be severable. Each of the Parties agrees in such case to use its best efforts to negotiate in good faith a legally valid and economically equivalent replacement provision.

Article 13 **Assignment**

None of the Parties may assign any of their rights under this Agreement without the written consent of the other Party.

Article 14 **Notices**

All notices and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of delivery if delivered personally to the Party to whom notice is to be given, or (ii) on the first Business Day after delivery to an international courier service, if properly addressed and all costs prepaid, to the Parties at the addresses set forth in the recitals.

Either Party may change its address for the purpose of this clause by giving the other Party written notice of its new address.

Article 15 **Additional acts**

Each of the Parties shall execute and perform such further documents and agreements, and take such further actions as may be necessary and appropriate to carry out the purposes and intent of this Agreement and make all publication proceedings as required by law.

Article 16 **Amendment**

Any amendment to this Agreement must be drawn up in the form of a written amending agreement and signed by all the Parties.

Article 17 **Governing law**

This Agreement, and the rights, obligations and liabilities of each of the Parties hereunder, shall be governed by the laws of the Grand Duchy of Luxembourg.

Article 18 **Jurisdiction**

Each of the Parties hereto irrevocably agrees that all disputes arising out of this Agreement shall be submitted exclusively to the courts of the city of Luxembourg, Grand Duchy of Luxembourg.



Each Party irrevocably waives any right that it may have to object to an action being brought in these courts, to claim that the action has been brought in an inconvenient forum, or to claim that these courts do not have jurisdiction.

Article 19 **Entire agreement**

This Agreement contains the entire agreement between the Parties with respect to the matters to which it refers and replaces and annuls any agreement, obligation, acknowledgement and undertaking, oral or written, between the Parties relating to the same subject matter.

Article 20 **Counterparts**

This Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

[Remainder of page remains intentionally blank and signature page follows]

THE CONTRIBUTOR



Lavender Investments Limited

By: *Lugo Stiller*

Title: *Authorized Signatory*

THE CONTRIBUTEE

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right, positioned above a horizontal line.

Nolde S.à r.l.

Represented by: Reinold Geiger

For acknowledgment and acceptance,



L'Occitane Groupe S.A.

Name: Reinold Geiger

Title: Authorized Signatory



L'Occitane Groupe S.A.

Name: Reinold Geiger

Title: Authorized Signatory

Annex 1 – Closing FMV of Contributed LOG Shares

- A. The “**Closing FMV**” for 100% of shares issued by the Company shall be calculated in accordance with the following formula:

$$\text{Closing FMV} = \text{Closing Implied LOI Value} - \text{LOG Net Debt} + \text{Value of Non-LOI Assets}$$

Where:

- a) “**Closing Implied LOI Value**” means the Offer Price (expressed in EUR using the Hedging Rate), multiplied by the number of LOI shares held by the Company immediately prior to the Offer Unconditional Date;
- b) “**Hedging Rate**” means the reference hedging rate corresponding to the exchange rate equal to EUR 1 for HKD 8.3832;
- c) “**LOG Net Debt**” means an amount equal to the difference between: (a) the Financial Debt of the Company and (b) the Cash of the Company. Such LOG Net Debt shall be equal to EUR 888,795,000, subject to the provisions of paragraph (C) below;
- d) “**Financial Debt**” means the aggregate amount of the existing financial indebtedness of the Company as of 31 March 2024;
- e) “**Cash**” means the aggregate of cash and cash equivalents including cash in hand and cash deposited (whether at term or not) with or balances credited to the accounts of the Company at any banking, postal, lending or other similar institution (together with all accrued interest), as of 31 March 2024; and
- f) “**Value of Non-LOI Assets**” means an amount equal to the algebraic sum of: (a) the net book value of Les Minimes, (b) the receivables owed to the Company by Sean Harrington, Noella Gabriel, Oriele Frank, Dorothee Massoulier and Fabien Piacentino and (c) the receivable owed to the Company by Butler, (d) “Prepaid Expenses” corresponding to financing set-up costs, which are spread over the term of the financing, (e) “Accrued Interest on Debt” corresponding to the interest provisioned and due at end-March 2024 on existing financing, (f) “Account Payable and Accrued Liabilities” corresponding to account payable and accrued liabilities and (g) “Provision on LTI” including the provision on the Company's long-term incentive plan (free shares), in each case as of 31 March 2024. Such Value of Non-LOI Assets shall be equal to EUR 67,153,264.50, subject to the provisions of paragraph (C) below.
- B. The “**Closing FMV per LOG Share**” shall correspond to the Closing FMV divided by the total number of shares issued by the Company immediately prior to the Offer Unconditional Date (excluding the treasury shares).
- C. The sole manager or the board of managers of Holdco shall be fully empowered to revise the value of the above mentioned items, in order to reflect their closest available value for the calculation of the Closing FMV as of the Offer Unconditional Date, with the Offer Price remaining unchanged, as well as any other relevant financial factor(s) that the sole manager or the board of managers may deem relevant to take into account for the purpose of ensuring that the Closing



FMV per LOG Share does not overstate the value of each Contributed LOG Share; provided that the Hedging Rate set forth in paragraph b) above and the amounts in euros provided for in paragraphs c) and f) above as of the Signing Date shall be applicable for the calculation of the Closing FMV unless otherwise decided by the sole manager or the board of managers of Holdco in accordance with the provisions of this paragraph C.

SHARE PURCHASE AGREEMENT

By and among

Lavender Investments Limited
(as Seller)

and

Schuss S.à r.l.
(as Purchaser)

In the presence of

L'Occitane Groupe S.A.
(the Company)

Dated 27 April 2024

SHARE PURCHASE AGREEMENT

BETWEEN:

1. **Lavender Investments Limited**, a limited company existing under the laws of Hong Kong, having its registered office at 36/F Tower Two, Time Square, 1 Matheson Street, Causeway Bay, Hong Kong, registered with the Hong Kong Registrar of Companies under number 63774783, duly represented for the purposes hereof (the “**Seller**”),
2. **Schuss S.à r.l.**, a *société à responsabilité limitée* incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 49, boulevard Prince Henri, L-1724 Luxembourg and in the process of being registered with the Luxembourg Trade and Companies Register, duly represented for the purposes hereof (the “**Purchaser**” or “**HoldCo**”).

The Seller and the Purchaser are referred to collectively as the “**Parties**” and each individually as a “**Party**”.

IN THE PRESENCE OF:

3. **L’Occitane Groupe S.A.**, a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 49, boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B125718, duly represented for the purposes hereof (the “**Company**”).

WHEREAS:

- A. On 27 April 2024, Blackstone Rio Holdings (CYM) L.P, GS Rio Entities (as listed and defined therein), Mr. Reinold Geiger, Société d’Investissements CIME, Mr. André Hoffmann, Lavender Investments Ltd and the Company entered into an investment agreement (the “**Investment Agreement**”), providing for the terms and conditions of the debt investment to be made by BTO Rio and GS Rio Entities in the Purchaser up to EUR 1,551 million (the “**Investment**”) to allow the Purchaser to (i) partially finance, *inter alia*, the acquisition (the “**Acquisition**”) by the Company of the remaining shares of L’Occitane International S.A., a *société anonyme* incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 49, Boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B80359 (“**LOI**”), listed on the Main Board of the Hong Kong Stock Exchange and not held by the Company and (ii) purchase certain ordinary shares of the Company held by the Seller.
- B. On 27 April 2024, the Company entered into a facility agreement, pursuant to which Crédit Agricole Corporate and Investment Bank as arranger and lender agreed to grant a facility for a global amount of EUR 1,360 million under the terms and conditions of a new facilities agreement, including a portion amounting to EUR 375 million (such portion being referred to as, for the purposes hereof, the “**LOG Senior Debt**”) to finance part of the Acquisition.
- C. Furthermore, on the date hereof and in accordance with the Investment Agreement, the Seller shall enter into:
 - (i) a contribution agreement pursuant to which the Seller has undertaken to contribute portion of his Company’s shares to the equity of Nolde S.à r.l. (“**TopCo**”), without TopCo issuing new shares (by way of increase of account 115 of the standard chart of accounts (“*apports en capitaux propres non rémunérés par des titres*”)) (the “**TopCo Contribution**”), not otherwise sold to the Purchaser in accordance herewith; it being specified that TopCo shall contribute the relevant Company’s shares to HoldCo on the same day; and

- (ii) this agreement (the “**Agreement**”) providing for the sale by the Seller and the acquisition by the Purchaser of ordinary shares of the Company (the “**Sale Shares**”) to be completed pursuant to the provisions hereof (the “**Sale of Ordinary Shares**”).
- D. Capitalized terms not otherwise defined in this Agreement shall have the meaning ascribed to them in the Investment Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1. SALE AND PURCHASE OF THE SALE SHARES

1.1 Number of Sale Shares

In accordance with the provisions of the Investment Agreement, the Purchaser agrees to acquire a number of Company’s shares corresponding to the following formula (rounded down to the nearest integer) (the “**Sale Shares**”):

$\text{Number of Sale Shares} = 50\% \text{ of the Cash-Out Amount} / \text{Closing FMV per LOG Share.}$
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Where both “Cash-Out Amount” and “Closing FMV per LOG Share” shall have the meaning ascribed to such terms in the Investment Agreement.

The number of the Sale Shares shall be determined by the board of HoldCo in a valuation report and in accordance with the provisions of the Investment Agreement.

1.2 Agreement to Sell and Purchase the Sale Shares

With effect on the Unconditional Offer Date (as defined in the Investment Agreement) and subject to the terms and conditions of this Agreement, the Seller shall sell and deliver to the Purchaser, and the Purchaser shall purchase from the Seller, the Sale Shares, free and clear of any Encumbrances, together with all rights and obligations attached thereto, including the right to receive any dividends that could be declared in the future.

1.3 Purchase Price

- (a) The aggregate cash consideration for the acquisition of the Sale Shares shall be equal to an amount per Sale Share corresponding to the Closing FMV per LOG Share, as set forth in Investment Agreement, multiplied by the number of Sale Shares (the “**Purchase Price**”).
- (b) The Parties acknowledge that the Purchase Price reflects the common intention of the Parties.
- (c) The Closing FMV per LOG Share shall be final and binding on the Parties and shall not be subject to any adjustment, except as the board of HoldCo may decide pursuant to the provisions of paragraph (C) of schedule 5.1(B) of the Investment Agreement.

1.4 Payment of the Purchase Price

On the Issuance Date (as defined in the Investment Agreement), the Purchaser shall pay the Purchase Price to the Seller by wire transfer of immediately available funds in euros to the bank accounts of the Seller, the details of which are set out in the Schedule below.

ARTICLE 2. COMPLETION

2.1 Completion of the Sale of Ordinary Shares

The transfer of ownership of the Sale Shares shall take effect automatically on the Unconditional Offer Date (as defined in the Investment Agreement) and simultaneously with the TopCo Contribution.

2.2 Completion Deliveries

- (a) The Purchaser shall, on the Issuance Date (as defined in the Investment Agreement), pay the Purchase Price in accordance with Article 1.4 and promptly deliver to the Seller evidence thereof.
- (b) The Seller shall, on the Unconditional Offer Date (as defined in the Investment Agreement), deliver or procure the delivery to the Purchaser of the copy of the updated share register of the Company duly reflecting completion of the Sale of Ordinary Shares to the Purchaser.

2.3 Formalities and Registration

The Parties hereby grant powers to any director of the Company, acting individually and with full power of substitution to register the Purchaser as holder of the Sale Shares in the share register of the Company as of the Unconditional Offer Date (as defined in the Investment Agreement).

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller makes to the Purchaser the representations and warranties set forth in this Article 3 as of the date hereof and on the Unconditional Offer Date (as defined in the Investment Agreement).

3.1 Capacity and Authority

- (a) The Seller is duly organized and validly existing under the laws of the jurisdiction in which it is organized and it has the power, capacity and authority to enter into this Agreement and to perform its obligations hereunder.
- (b) The execution of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by the competent corporate bodies of the Seller.
- (c) This Agreement has been duly executed by the Seller on the date hereof and constitutes legal, valid and binding obligations of the Seller, enforceable against it in accordance with its terms, and does not constitute a violation of, default under or conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under any term or provision of its articles of incorporation (*statuts*) and/or bylaws, as applicable, or equivalent organizational documents.
- (d) The Seller has obtained all necessary authorizations required to be obtained by it to enter into this Agreement, the execution and the performance by it of the Agreement do not require any other consent, approval, authorization or other action by, filing with or notification to any Governmental Authority.
- (e) The execution and the performance of this Agreement by the Seller does not constitute a violation of, or a default under, conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under (i) any order applicable to it by which it or any of its properties and assets are bound, (ii) any applicable Law or (iii) any agreements or engagements to which it is a party other than, in the case of subclauses (i) and (ii) above, such violations, defaults, conflicts, breaches, cancellations, terminations or liens which would not impair its ability to perform its obligations pursuant to the Agreement.
- (f) No authorisation or consent of the Seller's spouse or partner, if any, is required, under any marriage contract, civil partnership (*pacte civil de solidarité*) or other related and/or similar

agreement of the Seller, as the case may be, for the disposal of the Sale Shares in accordance with the provisions of this Agreement or any such authorisation or consent, to the extent necessary, has been obtained or will be obtained prior to the Closing Date.

3.2 No Insolvency

The Seller is not insolvent and is not subject to any safeguard, bankruptcy, insolvency, moratorium, amicable or similar Proceedings under applicable Laws. No order has been made, petition presented or meeting convened for the winding up of it, nor any other action taken in relation to the appointment of an administrator, liquidator, receiver, administrative receiver, compulsory manager or any provisional liquidator (or equivalent in any other jurisdiction) (or other process whereby the business is terminated and the assets of the Seller concerned are distributed amongst the creditors and/or shareholders or other contributors), and there are no Proceedings under any applicable insolvency, bankruptcy, reorganization or similar Laws (including Proceedings with a view to the prevention or resolution of business difficulties) in any relevant jurisdiction, and no events have occurred which, under applicable Laws, would justify any such Proceedings.

3.3 Sale Shares

- (a) The Company is duly formed and validly existing under the Laws of the jurisdiction in which it is formed.
- (b) The Sale Shares sold by the Seller under this Agreement have been validly issued by the Company, fully paid up and, on Unconditional Offer Date (as defined in the Investment Agreement), the Seller owns all such Sale Shares, free and clear of any Encumbrances.
- (c) The Company is not insolvent, nor subject to any bankruptcy, insolvency, moratorium, amicable or similar Proceedings under applicable Laws. No Order has been made, petition presented or meeting convened for the winding up of it, nor any other action taken in relation to the appointment of an administrator, liquidator, receiver, administrative receiver, compulsory manager or any provisional liquidator (or equivalent in any other jurisdiction) (or other process whereby the business is terminated and the assets of the Company concerned are distributed amongst the creditors and/or shareholders or other contributors), and there are no Proceedings under any applicable insolvency, bankruptcy, reorganization or similar Laws (including Proceedings with a view to the prevention or resolution of business difficulties) in any relevant jurisdiction, and no events have occurred which, under applicable Laws, would justify any such Proceedings.

3.4 No trading

The Seller has not acquired, directly or indirectly, alone or in concert, any Securities in LOI at a price in excess of the Offer Price during the three (3)-month period prior to the date on which the "offer period" (as defined in the Takeovers Code) in relation to the Share Offer commenced, and has not to acquired, disposed of or intervened in relation to, directly or indirectly, any Securities in LOI between the end of such period and the date of publication of the results of the Share Offer, other than in accordance with the Investment Agreement.

For the purposes hereof "**Share Offer**" shall mean the voluntary conditional cash offer by J.P. Morgan Securities (Asia Pacific) Limited, acting as financial adviser of and acting on behalf of the Company to acquire all of the LOI shares in accordance with the terms and conditions set out in the relevant offer documents, and any subsequent revision or extension of such offer.

3.5 Compliance

- (a) The Seller is not a Sanctioned Person or operating in a Sanctioned Territory.

- (b) The Seller has not been over the past three years, or is currently, the subject of any investigation, proceedings or enforcement action in connection with any actual or alleged violation of any Anti-Bribery Laws, Anti-Money Laundering Laws or Sanctions.

ARTICLE 4. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser makes to the Seller the representations and warranties set forth in this Article 4 as of the date hereof and on Unconditional Offer Date (as defined in the Investment Agreement).

4.1 Organization and Power

- (a) The Purchaser is duly organized and validly existing under the laws of the jurisdiction in which it is organized and the Purchaser has the power and authority to enter into this Agreement and to perform its obligations hereunder.
- (b) The execution of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by the competent corporate bodies of the Purchaser.
- (c) This Agreement has been duly executed by the Purchaser and constitutes legal, valid and binding obligations of the Purchaser, enforceable against it in accordance with its terms, subject to applicable bankruptcy, fraudulent conveyance, insolvency, reorganization moratorium or other similar laws relating to creditors' rights generally.

4.2 Insolvency

- (a) No order has been made and no petition has been presented for the winding up of the Purchaser or for the appointment of any provisional liquidator or in relation to any other process whereby the business is terminated and the assets of the Purchaser are distributed amongst the creditors and/or shareholders or other contributors.
- (b) No receiver (including any administrative receiver) has been appointed in respect of the whole or any part of any of the property, assets and/or undertaking of the Purchaser nor has any such order been made (including, in any relevant jurisdiction, any other order by which, during the period it is in force, the affairs, business and assets of the Purchaser is managed by a person appointed for this purpose by a court, governmental agency or similar body).
- (c) The Purchaser (i) has not taken any step with a view to a suspension of payments or a moratorium of any indebtedness, (ii) has not made any voluntary arrangement with any of its creditors (*conciliation, mandat ad hoc, accord amiable ou collectif* or similar in any relevant jurisdiction) or (iii) is not subject to any insolvency proceedings.

ARTICLE 5. ACKNOWLEDGMENT

The Seller acknowledges that the Sale of Ordinary Shares is part of an overall transaction and as contemplated in the schedules to the Investment Agreement, the global Investment amount shall be allocated in priority for the payment of the Offer price pursuant to the Offers (as defined in the Investment Agreement). As a consequence, if there is a positive balance between the Investment amount, together with the LOG Senior Debt, and the total amount to be paid under the Offers, such positive balance shall be allocated to fund the acquisition of the Sale Shares.

ARTICLE 6. NO WAIVER

No failure or delay of a Party to exercise any right or remedy under this Agreement shall be considered, or operate as, a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

ARTICLE 7. SEVERABILITY

If one or more of the provisions of this Agreement is or becomes invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining

provisions contained herein shall not in any way be affected and any invalid provision shall be deemed to be severable. Each of the Parties agrees in such case to use its best efforts to negotiate in good faith a legally valid and economically equivalent replacement provision.

ARTICLE 8. MISCELLANEOUS

8.1 Indemnification

The liability of the Seller shall be limited to any breach of the Agreement, including any of the representations and warranties granted by it in Article 3 above.

8.2 Application of the miscellaneous provisions of the Investment Agreement

Clauses 22 (*Costs and Expenses*), 25 (*Confidentiality and Announcements*) to 32 (*No Partnership*) and clauses 35 (*Negotiation of the Agreement*) to 36 (*Specific Performance*) of the Investment Agreement shall apply to this Agreement *mutatis mutandis*.

8.3 Assignment

None of the Parties may assign any of their rights under this Agreement without the written consent of the other Party.

8.4 Taxes

Any registration and transfer taxes payable as a result of the sale and purchase of the Sale Shares and all documents or agreements contemplated by or executed in connection with this Agreement shall be borne exclusively by the Purchaser and the Purchaser shall, on a timely basis and in compliance with the requirements of the relevant tax authorities, perform the related formalities and payments and shall promptly provide evidence thereof to the Seller.

8.5 Counterparts

This Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

8.6 Jurisdiction and Applicable Law

- (a) This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the Laws of the Grand Duchy of Luxembourg.
- (b) In the event of any Dispute arising out of or in connection with This Agreement, a Party may send a Notice of Dispute to another Party. Following the receipt of such notice, the Parties shall discuss in good faith in order to try and resolve such Dispute amicably during a period of fifteen (15) Business Days after receipt of the Notice of Dispute.
- (c) Thereafter, should the Parties not have resolved such Dispute inter partes, the Parties irrevocably agree to submit such relevant Disputes to the mediation rules of the Centre de Médiation Civile et Commerciale (CMCC) in Luxembourg-City, by signing a pre-mediation agreement (*accord en vue de la médiation*) pursuant to Article 1251-9 of the New Code of Civil Procedure, which shall trigger a suspension of periods of limitation during the mediation phase. The obligation to mediate resulting from said agreement shall be considered fulfilled and the mediation to be terminated if, after the first session before the mediator, one or more of the Parties do not intend to continue to resolve the Dispute by means of mediation anymore. This clause is without prejudice to the right of the Parties to refer all or part of the Dispute to the judge for summary proceedings (*juge des référés*) in case of emergency. In the event such Dispute is not resolved pursuant to paragraph (b) above, the Parties irrevocably agree that the courts of the district of Luxembourg, Grand Duchy of Luxembourg, shall have exclusive jurisdiction to settle any Disputes, and waive any objection to proceedings before such courts on the grounds of venue or on the grounds that such proceedings have been brought in an inappropriate forum.

- (d) In the event such Dispute is not resolved pursuant to paragraph (c), the Parties irrevocably agree that the courts of the district of Luxembourg, Grand Duchy of Luxembourg, shall have exclusive jurisdiction to settle any Disputes, and waive any objection to proceedings before such courts on the grounds of venue or on the grounds that such proceedings have been brought in an inappropriate forum.
- (e) For the purposes of this Clause:
- (i) **“Dispute”** means any dispute, controversy, claim or difference of whatever nature arising out of, relating to or having any connection with the Agreement, including a dispute regarding the existence, formation, validity, interpretation, performance or termination of this Agreement or the consequences of its nullity and also including any dispute relating to any non-contractual rights or obligations arising out of, relating to or having any connection with this Agreement; and
 - (ii) **“Notice of Dispute”** shall mean a formal communication that one or more Parties send to the other Parties, signaling an issue or disagreement with the terms, execution, or interpretation of this Agreement, which shall at least (i) identify the Parties involved in the Dispute, (ii) concisely describe the nature of the Dispute, highlighting the specific provision(s) of the Agreement that has / have been violated, (iii) clearly detail the facts and circumstances that led to the Dispute, and (iv) indicate the resolution sought.

The Agreement has been executed by the Parties on the date written above.

The Seller

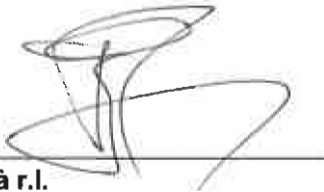
A handwritten signature in blue ink, consisting of stylized, cursive letters, positioned above a horizontal line.

Lavender

Name: Ingo Dauer

Title: Authorized signatory

The Purchaser

A handwritten signature in black ink, consisting of several loops and a vertical stroke, positioned above a horizontal line.

Schuss S.à r.l.

Represented by: Reinold Geiger

By signing below for acceptance, the Company (i) acknowledges and approves the above-mentioned transfer of the Sale Shares, it being specified that any notification requirements with respect thereto are hereby waived, in accordance with the articles of association of the Company, article 1690 of the civil Code and article 430-4 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, and (ii) undertakes to register and execute the inscription of, and the transfer of the Sale Shares in the register of shareholders of the Company on or with effect as of the Unconditional Offer Date (as defined in the Investment Agreement).

In the presence of:



L'Occitane Groupe S.A.

Name: Reinold Geiger

Title: Authorized Signatory



L'Occitane Groupe S.A.

Name: Reinold Geiger

Title: Authorized Signatory

Schedule

Bank account details of the Seller

Bank: BANQUE PICTET & Cie S.A.
60, route des Acacias
1211 Geneva 73
Switzerland

Account number: CH43 08755 0130856001 00

SWIFT CODE: PICT CH GG

**THIS QUESTIONNAIRE IS FOR SHAREHOLDERS NOT IN HONG KONG
OR CANADA.**

**THIS QUESTIONNAIRE IS IMPORTANT AND REQUIRES YOUR
IMMEDIATE ATTENTION. IF YOU ARE IN DOUBT ABOUT THIS
DOCUMENT, YOU SHOULD CONSULT YOUR LEGAL ADVISER.**

Groupe
L'OCCITANE
L'OCCITANE HOLDING S.A.

49, Boulevard Prince Henri L-1724 Luxembourg

R.C.S. Luxembourg: B286921

(Incorporated under the laws of Luxembourg with limited liability)

QUALIFYING SHAREHOLDER QUESTIONNAIRE

1. This Questionnaire is to be completed by a holder of shares of L'Occitane International S.A. (the "**Company**") who proposes to receive certain information about shares ("**Rollover Shares**") of L'Occitane Holding S.A. ("**LOH**"), a private company incorporated under the laws of Luxembourg.
2. By completing and returning this Questionnaire, the undersigned (the "**Signatory**") hereby confirms that it is able to receive such information about Rollover Shares pursuant to an exemption in all jurisdictions applicable to the Signatory.
3. ALL INFORMATION CONTAINED IN THIS QUESTIONNAIRE WILL BE TREATED CONFIDENTIALLY. However, the Signatory understands and agrees that LOH or the Company may present this Questionnaire to such parties as LOH or the Company deems reasonably appropriate. The Signatory further understands that this Questionnaire **is merely a request for information and is not an offer to sell, a solicitation of an offer to buy, or a sale of securities**. The Signatory also understands that it may be required to furnish additional information.
4. The Signatory hereby represents that the statement(s) initialed below are true and complete in all respects. The Signatory understands that a false representation may constitute a violation of law, and that any person who suffers damage as a result of a false representation may have a claim against the Signatory for damages.
5. All capitalised terms not otherwise defined in this Questionnaire shall have the same meanings as those defined in the announcement jointly issued by the Company and LOH dated 17 June 2024.

PART A

PART 1: DETAILS (PLEASE COMPLETE IN BLOCK LETTERS IN ENGLISH)	
1. Name of Shareholder:	<i>This should be the name as shown on the register of members of the Company.</i>
2. Registered address of Shareholder:	
3. Name of each entity through which you propose to hold Rollover Shares:	<i>Name of entity:</i> <i>Registered address:</i>
4. Total number of shares in the Company held by you:	<i>In numbers</i> <i>In words</i>
5. Share certificate number(s) in respect of the shares in the Company held by you:	
6. Contact telephone number (including country and area codes):	
7. Email address:	

PART 2: SIGNATURE

The Signatory hereby confirms that the information contained in this Part A and the questionnaire(s) (set out in Part B and/or Part C) relevant to the Signatory's jurisdiction(s) is true and accurate in all material respects and not misleading.

Name:

Title:

Date:

QUALIFYING SHAREHOLDER QUESTIONNAIRE

PART B

Please complete this Part B in relation to the jurisdiction(s) applicable to you.

(the remainder of this page is intentionally kept blank)

PART B (JAPAN): STATUS QUESTIONNAIRE

Please indicate with an “X”, the category or categories listed below that accurately describe the Signatory, including, if applicable, indicating in section (b) below the category or categories that qualify it as a Qualified Institutional Investor (*Tekikaku Kikan Toshika*) (“**QII**”) as defined in Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**FIEA**”) and Article 10, Paragraph 1 of the Definition Ordinance:

(a) The Signatory represents, warrants and certifies that the Signatory (check or initial all categories that apply):

(1) is a QII, and holds shares in the Company as a principal for its own account and not for the benefit of any other person. In the event that this section (a)(1) is applicable to the Signatory, the Signatory should also complete section (b) below.

(2) is NOT a QII as described in section (a)(1) above.

(b) If the Signatory is a QII and checked or initialed section(a)(1) above as applicable, check or initial the category or categories that apply to the Signatory:

(1) Financial Instruments Business Operator engaged in “Type I financial instruments business” (only those falling under the category of securities-related business, and except for those only engaging in the Type I electronic small amount subscription business as defined in Article 29-4-2, Paragraph 10 of the FIEA) or investment management business;

(2) Investment company prescribed in Article 2, Paragraph 12 of the Law Concerning Investment Trusts and Investment Corporations (Law No. 198 of 1951);

(3) Non-Japanese investment company prescribed in Article 2, Paragraph 25 of the Law Concerning Investment Trusts and Investment Corporations;

(4) Bank;

(5) Insurance company;

(6) Non-Japanese insurance company or another entity described in Article 2, Paragraph 7 of the Insurance Business Law (Law No. 105 of 1995);

(7) Shinkin Banks and Federations of Credit Cooperatives, and Labor Credit Associations and Federations of Labor Credit Associations;

(8) The Norinchukin Bank or the Shoko Chukin Bank;

JAPAN

- (9) (A) Credit Cooperative that has submitted a notification of such status to the Commissioner of the Financial Services Agency (the “**FSA**”) or a Federation of Credit Cooperatives; (B) a Federation of Agricultural Cooperatives engaged in the business of acceptance of deposits or savings or of facilities concerning mutual aid; or (C) a Federation of Mutual Aid Fishery Cooperatives engaged in the business of acceptance of deposits or savings or of facilities concerning mutual aid;
- (10) The Enterprise Turnaround Initiative Corporation of Japan (limited to the cases where it is engaged in business activities listed in Article 22, Paragraph (1), Item (i), Item (ii), Sub-items (a) and (c) and Items (iii), (vii) and (viii) of the Act on the Enterprise Turnaround Initiative Corporation of Japan (Act No. 63 of 2009));
- (11) Kabushiki Kaisha Great East Japan Earthquake Business Operator Support Organization (limited to the case where it is engaged in business activities provided for in Article 16, Paragraph (1), Item (i) and Item (ii), Sub-items (a) and (c) of the Kabushiki Kaisha Great East Japan Earthquake Business Operator Support Organization Law (Law No. 113 of 2011));
- (12) Person who administers and manages one or more fiscal loan funds and implements the fiscal investment and loan program;
- (13) Government Pension Investment Fund;
- (14) Japan Bank for International Cooperation and the Okinawa Development Finance Corporation;
- (15) Development Bank of Japan;
- (16) Agricultural Cooperative or Federation of Fishery Cooperatives engaged in the business of acceptance of deposits or savings;
- (17) Person listed in Article 1-9, Item (5) of the Enforcement Ordinance of the FIEA (and registered in accordance with the provisions of Article 33-2 of the FIEA);
- (18) Corporation (*kabushiki-kaisha*) conducting business listed in Article 17-3, Paragraph 2, Item (12) of the Enforcement Regulation of the Banking Law (Ordinance of the Ministry of Finance No. 10 of 1982), that has submitted a notification to the Commissioner of the FSA that the amount of its capital as of the time of such notification is at least JPY500 million and that its Articles of Incorporation provide that it is engaged in such business;
- (19) Limited liability partnership for investments prescribed in Article 2, Paragraph 2 of the Limited Partnership Act for Investment;

JAPAN

- (20) (A) Employees' pension fund (as such term is defined in Article 3, Item 11 of the Supplementary Provisions of Law No. 63 of 2013; the same applies in section (b)(24) below), which has submitted a notification in accordance with Article 176, Paragraph 2 of Employees' Pension Insurance Act (as such Article was effective immediately prior to the amendment to such Act by Article 1 of Law No. 63 of 2013 and is deemed effective due to Article 5, Paragraph 1 of the Supplementary Provisions of Law No. 63 of 2013) and that has submitted a notification to the Commissioner of the FSA that the aggregate amount of its liquid assets and fixed assets less the aggregate amount of its liquid liabilities, payment reserves and excessive reserve balance as described in the balance sheet (only those submitted in accordance with the provisions of Article 39, Paragraph 1 of the Cabinet Office Ordinance Concerning the Employees' Pension Funds prior to the repeal (Ordinance No. 324 of 1966)) concerning pension accounting for the recent fiscal year is JPY10 billion or more; (B) corporate pension fund that has submitted a notification to the Commissioner of the FSA that the aggregate amount of its liquid assets and fixed assets less the aggregate amount of its liquid liabilities and payment reserves as described in the balance sheet (only those submitted in accordance with the provisions of Article 117, Paragraph 3, Item (1) of the Enforcement Regulations for the Law Concerning Defined-Benefit Corporate Pension Plans (MHLW Ordinance No. 22 of 2002)) concerning pension accounting for the recent fiscal year is JPY10 billion or more; or (C) the Pension Fund Association;
- (21) Person authorized to do business listed in Article 29, Paragraph 1, Item (1) of the Law Concerning Special Measures against Urban Rehabilitation (Law No. 22 of 2002) to the extent of doing business listed in Article 29, Paragraph 1, Item (1) therein and person authorized to do business listed in Article 71, Paragraph 1, Item (1) of the same law to the extent of doing business listed in Article 71, Paragraph 1, Item (1) therein;
- (22) Trust company prescribed in Article 2, Paragraph 2 of the Trust Business Law (Law No. 154 of 2004) (excluding management type trust companies prescribed in Article 2, Paragraph 4 therein) that has submitted a notification to the Commissioner of the FSA;
- (23) Non-Japanese trust company prescribed in Article 2, Paragraph 6 of the Trust Business Law (excluding the non-Japanese management type trust companies prescribed in Article 2, Paragraph 7 therein) that has submitted a notification to the Commissioner of the FSA;

JAPAN

- (24) Corporation (other than existing employees' pension fund) that has submitted a notification to the Commissioner of the FSA that it satisfies either of the following requirements (as to a corporation that has submitted a notification described in section (b)(24)(ii) below, only those conducting transactions as Operating Partners¹):
 - (i) The corporation holds a balance of securities on the date immediately prior to the date of notification ("Nearest Preceding Day"), of JPY1 billion or more; or
 - (ii) The corporation (excluding those who satisfy section (b)(24)(i)) is an Operating Partner that satisfies each of the following requirements:
 - (a) Balance of securities, which the corporation holds as an Operating Partner, for the business subject to contribution under the partnership agreement, silent partnership agreement, limited liability partnership agreement, or any agreement similar to any of the above agreements governed under non-Japanese laws and regulations, is JPY1 billion or more as of the Nearest Preceding Day; and
 - (b) The corporation has obtained, for submitting the notification, the consent of all other partners of the partnership under the partnership agreement, the silent partners of all other silent partnership agreements having rights under the business subject to contribution regarding the silent partnership agreement or all other partners of the partnership under the limited liability partnership agreement, or all other partners under any agreement similar to any of the above agreements governed under non-Japanese laws and regulations;

- (25) Special Purpose Company (as provided for in Article 2, Paragraph 3 of the Act on Securitization of Assets (Law No. 105 of 2008)) which has submitted a notification to the Commissioner of the FSA as falling under any of the following requirements:
 - (i) The Specified Assets (as provided for in Article 2, Paragraph 1 of the Act on Securitization of Assets) in the Asset Securitization Plan as provided for in Article 2, Paragraph 4 of the Act on Securitization of Assets that have been filed pursuant to Article 4, Paragraph 1 of the Act on Securitization of Assets, including the securities (or, if a notification pursuant to Article 9, Paragraph 1 of the Asset Securitization Law regarding the amendment of the Asset Securitization Plan has been submitted, the amended Asset Securitization Plan) and the value of such securities is JPY1 billion or more;

¹ For purposes of this Part B (Japan), "**Operating Partners**" means (i) any partner(s) of a partnership to whom management of the business of such partnership is entrusted under a partnership agreement prescribed in Article 667, Paragraph 1 of the Civil Code (Law No. 89 of 1896) (including the operator under a silent partnership agreement prescribed in Article 535 of the Commercial Code (Law No. 48 of 1899), (ii) any partner(s) of a partnership engaging in the decision to conduct any material business of such partnership under a limited liability partnership agreement prescribed in Article 3, Paragraph 1 of the Limited Liability Partnership Act (Law No. 40 of 2005) and conducting the business on its own; and (iii) any partner(s) of a partnership with similar powers organized pursuant to non-Japanese laws and regulations).

- (ii) Pursuant to Article 200, Paragraph 1 of the Act on Securitization of Assets, the Special Purpose Company has entered into a trust agreement regarding the relevant Specified Assets (with limitation to the securities, solicitation for acquisition (as provided for in Article 2, Paragraph 3 of the FIEA and includes the reorganization issuance procedures prescribed in Article 2-2, Paragraph 2 of the FIEA) of which falls under any of the cases as provided for in Article 2, Paragraph 3, Item (ii), Sub-item (a) of the FIEA; the same applies to the requirement (iii) below) with a trust company, etc. (which falls under QII among the trust companies, etc. provided for in Article 33, Paragraph 1 of the Act on Securitization of Assets) in order for such company to conduct the management and disposition of such Specified Assets and that there is a resolution of the general meeting of the members of such Special Purpose Company for making such notification; or
 - (iii) Pursuant to Article 200, Paragraph 2 of the Act on Securitization of Assets, the Special Purpose Company has entrusted the business regarding management and disposition of the Specified Assets to the Financial Instruments Business Operator (with limitation to the person which conducts the investment management business) which is the assignor of the relevant Specified Assets or to the Financial Instruments Business Operator which has the financial base and personnel that are sufficient to duly conduct the management and disposition of the Specified Assets and that there is a resolution of the general meeting of members of such Special Purpose Company for making such notification;
- (26) Individual who has submitted a notification to the Commissioner of the FSA that it satisfies either of the following requirements:
- (i) Individual who satisfies each of the following requirements:
 - (a) Balance of securities, which the individual holds, is JPY1 billion or more as of the Nearest Preceding Day; and
 - (b) one year has passed since the individual opened an account with the “Financial Instruments Business Operator and Registered Financial Institution” within the meaning given to it under Article 34 of the FIEA; or
 - (ii) The individual is an Operating Partner who satisfies each of the following requirements:
 - (a) Balance of securities, which the individual holds as an Operating Partner, for the business subject to contribution under the partnership agreement, silent partnership agreement, limited liability partnership agreement, or any agreement similar to any of the above agreements governed under non-Japanese laws and regulations, is JPY1 billion or more as of the Nearest Preceding Day; and

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- (b) The individual has obtained, for purposes of submitting the notification, the required consent of all other partners of the partnership under the partnership agreement, the silent partners of all other silent partnership agreements having rights under the business subject to contribution regarding the silent partnership agreement or all other partners of the partnership under the limited liability partnership agreement, or all other partners under any agreement similar to any of the above agreements governed under non-Japanese laws and regulations;

- (27) Person (excluding individuals) conducting the following business in countries other than Japan in compliance with applicable non-Japanese laws and regulations who has submitted a notification to the Commissioner of the FSA that the amount of their stated capital (or capital commitment or total initial capital) as of the date of such notification is equal to or more than the relevant amount stated below:
 - (i) Type I financial instruments business falling under the category of securities-related business, except for those only engaging in the same type of business as the Type I electronic small amount subscription business as defined in Article 29-4-2, Paragraph 10 of the FIEA: JPY50 million;
 - (ii) investment management business: JPY50 million;
 - (iii) banking business prescribed in Article 2, Paragraph 2 of the Banking Law (Law No. 59 of 1981): JPY2 billion;
 - (iv) insurance business prescribed in Article 2, Paragraph 1 of the Insurance Business Law: JPY1 billion; or
 - (v) trust business prescribed in Article 2, Paragraph 1 of the Trust Business Law (excluding the management type trust business prescribed in Article 2, Paragraph 3 of the Trust Business Law): JPY100 million;

- (28) Non-Japanese government, non-Japanese governmental agency, non-Japanese local government, non-Japanese central bank or an international organization in which the nation of Japan participates (in its capacity as a sovereign nation), in each case that has submitted a notification of such status to the Commissioner of the FSA; and

JAPAN

- (29) A fund which falls under or is similar to the employees' pension fund or corporate pension fund established in accordance with foreign laws, which has submitted a notification to the Commissioner of the FSA to the effect that all of the following requirements are met:
 - (i) Such fund is operated for the purpose of management or delivery of, mainly, retirement funds, retirement allowance or other similar remuneration in a foreign country; and
 - (ii) The total amount of the assets in the document regarding the financial calculation for the recent business year that is equivalent to the balance sheet, deducted by the total amount of debt, is JPY10 billion or more.

- (30) Any other entity that is a QII under the FIEA because it is a:

SINGAPORE

PART B (SINGAPORE): INVESTOR CONFIRMATION FORM

Please indicate with an “X”, the category or categories listed below that accurately describe the Signatory. Please read the Appendices to this Part B (Singapore).

<input type="checkbox"/>	the Signatory hereby confirms that it is an “Institutional Investor” as defined in section 4A of the Securities and Futures Act 2001 of Singapore (the “ SFA ”) (see <u>Appendix I</u> to this Part B (Singapore)).
<input type="checkbox"/>	the Signatory hereby confirms that it is an “Accredited Investor” as defined in section 4A of the SFA (see <u>Appendix II</u> to this Part B (Singapore)).

In signing and completing this Questionnaire, and ticking the above box, the Signatory irrevocably acknowledges, represents, warrants to, and confirms that it is, as at the date of this Questionnaire and will remain to be on the dates of accepting the Share Offer for, and receiving, the Rollover Shares, an Institutional Investor or Accredited Investor, as defined in section 4A of SFA², and consents to be treated as such under the Singapore securities laws.

If the Signatory is an Accredited Investor, the Signatory further acknowledges that Accredited Investors are assumed to be better informed, and better able to access resources to protect their own interests, and therefore require less regulatory protection. If you agree to be treated as an Accredited Investor, you understand that you forgo the benefit of certain regulatory safeguards. For example, issuers of securities are exempted from issuing a full prospectus registered with the Monetary Authority of Singapore in respect of offers that are made only to Accredited Investors, and intermediaries are exempted from a number of business conduct requirements when dealing with Accredited Investors. The Signatory acknowledges that it should consult a professional adviser if they do not understand any consequence of being treated as an Accredited Investor.

² Please see Appendix I and II below for more information.

Appendix I — Institutional Investors as defined in section 4A(1)(c) of the SFA

Pursuant to section 4A(1)(c) of the SFA, An “**institutional investor**” refers to:

- (i) the Government;
- (ii) a statutory board as may be prescribed by the Second Schedule of the Securities and Futures (Classes of Investors) Regulations 2018 (the “**SF(CI)R**”);
- (iii) an entity that is wholly and beneficially owned, whether directly or indirectly, by a central government of a country and whose principal activity is
 - (A) to manage its own funds;
 - (B) to manage the funds of the central government of that country (which may include the reserves of that central government and any pension or provident fund of that country); or
 - (C) to manage the funds (which may include the reserves of that central government and any pension or provident fund of that country) of another entity that is wholly and beneficially owned, whether directly or indirectly, by the central government of that country;
- (iv) any entity
 - (A) that is wholly and beneficially owned, whether directly or indirectly, by the central government of a country; and
 - (B) whose funds are managed by an entity mentioned in section 4A(1)(c)(iii) of the SFA;
- (v) a central bank in a jurisdiction other than Singapore;
- (vi) a central government in a country other than Singapore;
- (vii) an agency (of a central government in a country other than Singapore) that is incorporated or established in a country other than Singapore;
- (viii) a multilateral agency, international organisation or supranational agency as may be prescribed by the Third Schedule of the SF(CI)R;
- (ix) a bank that is licensed under the Banking Act 1970;

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- (x) a merchant bank that is licensed under the Banking Act 1970;
- (xi) a finance company that is licensed under the Finance Companies Act 1967;
- (xii) a company or co-operative society that is licensed under the Insurance Act 1966 to carry on insurance business in Singapore;
- (xiii) a company licensed under the Trust Companies Act 2005;
- (xiv) a holder of a capital markets services licence;
- (xv) an approved exchange;
- (xvi) a recognised market operator;
- (xvii) an approved clearing house;
- (xviii) a recognised clearing house;
- (xix) a licensed trade repository;
- (xx) a licensed foreign trade repository;
- (xxi) an approved holding company;
- (xxii) a Depository as defined in section 81SF of the SFA;
- (xxiii) an entity or a trust formed or incorporated in a jurisdiction other than Singapore, which is regulated for the carrying on of any financial activity in that jurisdiction by a public authority of that jurisdiction that exercises a function that corresponds to a regulatory function of the Authority under the SFA, the Banking Act 1970, the Finance Companies Act 1967, the Financial Services and Markets Act 2022, the Monetary Authority of Singapore Act 1970, the Insurance Act 1966, the Trust Companies Act 2005 or such other Act as may be prescribed by regulations made under section 341 of the SFA;
- (xxiv) a pension fund, or collective investment scheme, whether constituted in Singapore or elsewhere;
- (xxv) a person (other than an individual) who carries on the business of dealing in bonds with accredited investors or expert investors;
- (xxvi) the trustee of such trust as the Authority may prescribe, when acting in that capacity; or

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(xxvii) such other person as the Authority may prescribe, which shall include

- (a) a designated market-maker;
- (b) a headquarters company or Finance and Treasury Centre which carries on a class of business involving fund management, where such business has been approved as a qualifying service in relation to that headquarters company or Finance and Treasury Centre under section 43E(2)(a) or 43G(2)(a) of the Income Tax Act 1947;
- (c) a person who undertakes fund management activity (whether in Singapore or elsewhere) on behalf of not more than 30 qualified investors;
- (d) a Service Company which carries on business as an agent of a member of Lloyd's (as defined in section 4(4) of the SF(CI)R);
- (e) a corporation the entire share capital of which is owned by an institutional investor or by persons all of whom are institutional investors;
- (f) a partnership (other than a limited liability partnership within the meaning of the Limited Liability Partnerships Act 2005) in which each partner is an institutional investor.

Appendix II — Accredited Investors as defined in section 4A(1)(a) of the SFA

Pursuant to section 4A(1)(a) of the SFA, an “**accredited investor**” refers to:

- (i) an individual —
 - (A) whose net personal assets³ exceed in value \$2 million (or its equivalent in a foreign currency) or such other amount as the Monetary Authority of Singapore (the “**Authority**”) may prescribe in place of the first amount;
 - (B) whose financial assets (net of any related liabilities) exceed in value \$1 million (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe in place of the first amount, where “financial asset” means —
 - (BA) a deposit as defined in section 4B of the Banking Act 1970;
 - (BB) an investment product as defined in section 2(1) of the Financial Advisers Act 2001; or
 - (BC) any other asset as may be prescribed by regulations made under section 341 of the SFA; or
 - (C) whose income in the preceding 12 months is not less than \$300,000 (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe in place of the first amount;
- (ii) a corporation with net assets exceeding \$10 million in value (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe, in place of the first amount, as determined by —
 - (A) the most recent audited balance sheet of the corporation; or
 - (B) where the corporation is not required to prepare audited accounts regularly, a balance sheet of the corporation certified by the corporation as giving a true and fair view of the state of affairs of the corporation as of the date of the balance sheet, which date must be within the preceding 12 months;

³ Pursuant to section 4A(1A) of the SFA, in determining the value of an individual’s net personal assets, the value of the individual’s primary residence —

- (a) is to be calculated by deducting any outstanding amounts in respect of any credit facility that is secured by the residence from the estimated fair market value of the residence; and
- (b) is taken to be the lower of the following:
 - (i) the value calculated under paragraph (a);
 - (ii) \$1 million.

- (iii) the trustee of such trust as the Authority may prescribe, when acting in that capacity; which shall include a trustee of —
 - (a) any trust all the beneficiaries of which are accredited investors within the meaning of section 4A(1)(a)(i), (ii) or (iv) of the SFA;
 - (b) any trust all the settlors of which —
 - (i) are accredited investors within the meaning of section 4A(1)(a)(i), (ii) or (iv) of the SFA;
 - (ii) have reserved to themselves all powers of investment and asset management functions under the trust; and
 - (iii) have reserved to themselves the power to revoke the trust; or
 - (c) any trust the subject matter of which exceeds SGD10 million (or its equivalent in a foreign currency) in value;
- (iv) such other person as the Authority may prescribe, which shall include —
 - (a) an entity (other than a corporation) with net assets exceeding SGD10 million (or its equivalent in a foreign currency) in value;
 - (b) a partnership (other than a limited liability partnership) in which every partner is an accredited investor;
 - (c) a corporation the entire share capital of which is owned by one or more persons, all of whom are accredited investors;
 - (d) a person who holds a joint account with an accredited investor, in respect of dealings through that joint account.

PART B (SWITZERLAND): INVESTOR CLASSIFICATION FORM

This Questionnaire serves as the classification of addressees in Switzerland, in accordance with the client categories defined by the Swiss Financial Services Act (the “**FinSA**”), of the Share Alternative in connection with the proposed privatisation of the Company by way of conditional voluntary general offers by J.P. Morgan Securities (Asia Pacific) Limited (“**JPM APAC**”) on behalf of LOH. As to the details of such offers and the Share Alternative in particular, reference is made to the initial announcement dated 29 April 2024 jointly issued by LOH and the Company and subsequent related announcements.

By signing this Part B (Switzerland), the Signatory confirms and undertakes towards LOH, the Company, JPM APAC, and to whom else it may concern, the following (*tick one box only; for sub-category (i), tick one additional box*):

The Signatory qualifies as a **professional client** pursuant to the FinSA (“**Professional Client**”), in the sub-category of:

- (a) prudentially regulated financial intermediary pursuant to the Swiss Banking Act, the Swiss Financial Institutions Act and/or the Swiss Collective Investment Schemes Act (e.g. a Swiss regulated bank, “fintech”, securities firm, portfolio manager, trustee, manager of collective assets, fund management company, SICAV, SICAF or limited partnership for collective investment)
- (b) supervised insurance undertaking
- (c) central bank
- (d) public entity, institution or foundation with professional treasury operations⁴
- (e) occupational pension scheme or other occupational pension institution, with professional treasury operations⁴
- (f) company with professional treasury operations⁴
- (g) large company⁵
- (h) private investment structure created for high-net-worth retail client(s), with professional treasury operations⁴

⁴ An entity is considered to have professional treasury operations if, within or outside of its organisation, it entrusts, on a permanent basis, the management of its financial assets to at least one professionally qualified person with experience in the financial sector.

⁵ To qualify as large, a company must exceed at least two of the following three parameters: (i) balance sheet total of CHF20 million; (ii) turnover of CHF40 million; (iii) equity of CHF2 million.

SWITZERLAND

- (i) high-net worth retail client or private investment structure created for high-net worth retail client(s) (without professional treasury operations), hereby declaring that it wishes to opt for treatment as Professional Client (*opting-out*) and, for this purpose, that the Signatory (*tick one additional box*):
 - on the basis of training, education and professional experience or on the basis of comparable experience in the financial sector, possesses the necessary knowledge to understand the risks associated with investments and owns eligible assets⁶ of at least CHF500,000 (or the equivalent in any other currency)
 - owns eligible assets⁶ of at least CHF2 million (or the equivalent in any other currency)

Further, the Signatory acknowledges, confirms and undertakes, as applicable, the following:

- Where an offer of securities in connection with the Share Alternative is made in Switzerland to Professional Clients only (potentially in conjunction with another applicable exemption under the FinSA), such offer is exempt from the obligation to publish a prospectus in accordance with art. 35 FinSA. The Signatory will therefore not be provided with a prospectus or other form of offering document in line with the disclosure requirements of the FinSA.
- Neither LOH nor the Company, JPM APAC or any of their affiliates or representatives provide any investment advisory or investment management services to the Signatory, and therefore, in particular, are not required to and will not conduct any form of suitability or appropriateness reviews for the benefit of the Signatory (this information is only provided once by way of this form and will not be repeated).
- Depending on the sub-category of Professional Client, the Signatory may have the possibility to opt into the retail client segment of the FinSA. Doing so may, however, render the Signatory ineligible for the Share Alternative.

The Signatory represents and warrants that this declaration and any documents provided in support of it are true, complete and accurate, and undertakes to immediately inform JPM APAC of any change in this respect. The Signatory further confirms having understood the classification as Professional Client and the associated implications and, if required, had competent counsel advise it on these matters. LOH, the Company, JPM APAC, and any of their affiliates and representatives, are entitled to rely on the statements made by the Signatory herein without any further inquiry.

⁶ Eligible assets include directly or indirectly owned financial assets, in particular: (i) sight or time deposits with banks and investment firms; (ii) certificated and uncertificated securities, including collective investment schemes and structured products; (iii) derivatives; (iv) precious metals; (v) life insurance policies with a redemption value; and (vi) claims for the restitution of assets (of the aforementioned types) held in fiduciary relationships. Direct investments in real estate and claims against social insurance schemes as well as occupational pension assets do not qualify as eligible assets.

UNITED KINGDOM AND EUROPEAN ECONOMIC AREA
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PART B (UNITED KINGDOM AND EUROPEAN ECONOMIC AREA): INVESTOR QUESTIONNAIRE AND ACKNOWLEDGEMENT

This Questionnaire and acknowledgement serves to provide information to LOH regarding the Signatory's status as an EU Qualified Investor or Relevant Person (as the case may be and both as defined below) in relation to the Signatory's proposed participation in the Share Alternative and the subscription of the Rollover Shares. Based on the information provided below, LOH may or may not, in its sole discretion, allow the Signatory to participate in the Share Alternative and the subscription for Rollover Shares.

THE SHARE ALTERNATIVE AND THE OFFER OF ROLLOVER SHARES ARE RESTRICTED FOR REGULATORY REASONS. YOU ARE REQUESTED TO REVIEW THE FOLLOWING INFORMATION AND CONFIRM CERTAIN STATEMENTS CONTAINED IN THIS QUESTIONNAIRE. YOUR CONFIRMATION MUST BE TRUE AND ACCURATE.

By completing this Part B (United Kingdom and European Economic Area), the Signatory confirms and undertakes towards LOH, the Company, J.P. Morgan, and to whom else it may concern, the following (*tick one box only*):

IF THE SIGNATORY IS LOCATED IN THE EEA:

In the European Economic Area (“EEA”), the Share Alternative and the offer of Rollover Shares are directed only at and are available only to persons in member states of the EEA that are “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”) (“**EU Qualified Investors**”).

- The Signatory is resident or physically present in a member state of the EEA and qualifies as an EU Qualified Investor.

IF THE SIGNATORY IS LOCATED IN THE UNITED KINGDOM:

In the United Kingdom, the Share Alternative and the offer of Rollover Shares are directed only at and are available only to persons that are “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “**UK Prospectus Regulation**”). In addition, these materials are for distribution only to and are only directed at qualified investors (as defined in the UK Prospectus Regulation) who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Financial Promotion Order**”), (ii) are high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Financial Promotion Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (as amended, the “**FSMA**”) in connection with any Rollover Shares may otherwise lawfully be communicated or caused to be communicated (all such persons being referred to as “**Relevant Persons**” and each a “**Relevant Person**”). The Share Alternative and the offer of Rollover Shares, and any materials relating thereto, are directed only at and are available only to Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which such materials relate are available only to Relevant Persons and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on such materials or any of their contents.

- The Signatory is resident or physically present in the United Kingdom and qualifies as a Relevant Person.

Further, the Signatory acknowledges and confirms the following:

- The Signatory has read, understands and agrees to comply with all of the restrictions set forth in this Part B (United Kingdom and EEA); and
- The Signatory can lawfully receive copies and review materials relating to the Share Alternative and the Rollover Shares.

UNITED STATES

PART B (UNITED STATES): PART 1 — STATUS QUESTIONNAIRE

If the Signatory is an ENTITY with “Qualified Institutional Buyer” (“QIB”) STATUS:

The legal representative of all entities with QIB status must initial one or more of the following six statements. The legal representative of all entities with QIB status by filling out the below form also hereby certifies that such entity is an “accredited investor” within the meaning of Rule 501 promulgated pursuant to the Act (as defined below).

<input type="checkbox"/>	<p>(a) The Signatory is one of the following entities, acting for its own account or the accounts of other QIBs, that in the aggregate owns and invests on a discretionary basis at least US\$100 million in securities of issuers that are not affiliated with the entity:</p>
	<ul style="list-style-type: none"> • An insurance company as defined in section 2(a)(13) of the Securities Act of 1933 (the “Act”); • An investment company registered under the Investment Company Act or a business development company as defined in section 2(a)(48) of that act; • A small business investment company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958 or a Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act; • A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees; • An employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974; • A trust fund of which the trustee is a bank or trust company and the participants are exclusively plans of the types identified in the previous two bullet points, except trust funds that include as participants individual retirement accounts or H.R. 10 plans; • A business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940; • An organization described in section 501(c)(3) of the Code, corporation (other than a bank as defined in section 3(a)(2) of the Act or a savings and loan association or other institution referenced in section 3(a)(5)(A) of the Act or a foreign bank or savings and loan association or equivalent institution), partnership, limited liability company or Massachusetts or similar business trust;

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	<ul style="list-style-type: none"> • An investment adviser registered under the Investment Advisers Act; and • An institutional “accredited investor” as defined in rule 501(a) under the Act, of a type not listed above.
<input type="checkbox"/>	(b) The Signatory is a dealer registered pursuant to section 15 of the Exchange Act of 1934, acting for its own account or the accounts of other QIBs, that in the aggregate owns and invests on a discretionary basis at least US\$10 million of securities of issuers that are not affiliated with the dealer, provided that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer.
<input type="checkbox"/>	(c) The Signatory is a dealer registered pursuant to section 15 of the Exchange Act acting in a riskless principal transaction on behalf of a QIB.
<input type="checkbox"/>	(d) The Signatory is an investment company registered under the Investment Company Act, acting for its own account or for the accounts of other QIBs, that is part of a “family of investment companies” (as defined under Rule 144A of the Act) which owns in the aggregate at least US\$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies.
<input type="checkbox"/>	(e) The Signatory is an entity, all of the equity owners of which are QIBs, acting for its own account or the accounts of other QIBs.
<input type="checkbox"/>	(f) The Signatory is a bank as defined in section 3(a)(2) of the Act, any savings and loan association or other institution as referenced in section 3(a)(5)(A) of the Act, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or the accounts of other QIBs, that in the aggregate owns and invests on a discretionary basis at least US\$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least US\$25 million as demonstrated in its latest annual financial statements, as of a date not more than 16 months preceding the date of sale under the rule in the case of a U.S. bank or savings and loan association, and not more than 18 months preceding such date of sale for a foreign bank or savings and loan association or equivalent institution.

PART B (UNITED STATES): PART 2 — CERTIFICATION AND ACKNOWLEDGEMENT

The Signatory represents, acknowledges and agrees that:

- (1) The Signatory has been advised that the Rollover Shares have not been, and will not be, registered under the Act, or any state securities laws and, therefore, cannot be resold unless the Rollover Shares are registered under the Act and applicable state securities laws or unless an exemption from such registration requirements is available. The Signatory is aware that neither LOH nor any of its subsidiaries is under any obligation to effect any such registration with respect to the Rollover Shares or to file for or comply with any exemption from registration.
- (2) The Signatory understands that the Rollover Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Act and that no representation is made as to the availability of the exemption provided by Rule 144A under the Act for resales of any Rollover Shares. The Signatory agrees that for so long as such securities are “restricted securities” (as so defined under the Act), the Signatory will not: (i) deposit the Rollover Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, or (ii) offer or sell the Rollover Shares except (A) in an “offshore transaction” (as that term is defined in Regulation S under the Act) pursuant to an exemption under such Regulation S from the registration requirements of the Act, (B) by transfer to a QIB to whom the Signatory inform that the Rollover Shares are “restricted securities”, or (C) pursuant to Rule 144 under the Act (if available), in each case in compliance with all applicable laws.
- (3) The Signatory understands that holding the Rollover Shares will involve a high degree of risk, that there may be no established market for the Rollover Shares and that a public market for the Rollover Shares may not develop in the near future.
- (4) The Signatory will be required to hold the Rollover Shares for the Signatory’s own account and not with a view to, or for resale in connection with, the distribution thereof in violation of the Act.
- (5) The Signatory has, either alone or together with the assistance of a “purchaser representative” (as such term is defined in Regulation D under the Act), such knowledge and experience in financial and business matters that the Signatory is capable of evaluating the merits and risks of holding the Rollover Shares, is able to incur a complete loss of the Rollover Shares to be acquired and is able to bear the economic risk of holding such Rollover Shares for an indefinite period of time.

UNITED STATES

- (6) The Signatory invests in or purchases securities similar to the Rollover Shares in the normal course of business and understands that the Signatory: (a) may not rely on any investigation that LOH, the Company, or their respective officers, directors, shareholders, consultants or agents, or any person acting on their behalf may have conducted with respect to the Rollover Shares, LOH or the Company, and none of such persons has made any representation to the Signatory, express or implied, with respect to the Rollover Shares, LOH or the Company; (b) has conducted its own investigation with respect to the Rollover Shares, LOH and the Company; (c) has received all information that the Signatory believes is necessary or appropriate in connection with its purchase of the Rollover Shares; and (d) is urged to seek independent advice from the Signatory's professional advisors relating to the suitability of the Rollover Shares in view of the Signatory's overall financial needs and with respect to the legal and tax implications, and other economic conditions relating to such participation. The Signatory is not relying on either LOH, the Company or any of LOH's or the Company's respective officers, directors, shareholders, consultants or agents with respect to the financial, legal, tax and other economic considerations involved in the Signatory's participation in the Share Offer.
- (7) The Signatory understands that it may be required to furnish additional information in order to be considered for eligibility to participate in the Share Offer.
- (8) The Signatory understands that Part B of this Questionnaire shall be governed by and construed in accordance with the laws of the State of *New York*.

OTHER JURISDICTIONS

PART C

Please complete this Part C if none of the above jurisdictions is applicable to you.

(the remainder of this page is intentionally kept blank)

OTHER JURISDICTIONS

PART C (OTHER JURISDICTIONS):

If the Signatory is from an overseas jurisdiction (i.e., other than Hong Kong) that is not listed in Part B above, please fill in the below:

Country of residence of the Signatory:	
Applicable regulation(s) and exemption(s) in the country of residence pursuant to which the Signatory can lawfully receive copies and review materials relating to the Share Alternative and the Rollover Shares:	

By completing this Part C (OTHER JURISDICTIONS), the Signatory confirms, acknowledges and undertakes towards LOH, the Company, J.P. Morgan, and to whom else it may concern, the following:

- The information provided in this Part C (OTHER JURISDICTIONS) is true, accurate and not misleading;
- The Signatory understands and agrees to comply with all of the requirements and restrictions under applicable laws and regulations of the Signatory's country of residence; and
- The Signatory hereby represents and warrants that it is legally permitted under the laws and regulations applicable to the Signatory (in particular, in the Signatory's jurisdiction of residence) to receive the Composite Document, the "Share Offer Acceptance Form — Share Alternative", to accept the Share Alternative, and to receive the Rollover Shares in accordance with the terms and conditions of the Composite Document and the "Share Offer Acceptance Form — Share Alternative".

Based on the information provided in this Qualifying Shareholder Questionnaire, LOH may or may not, in its sole discretion, consider the Signatory a Qualifying Shareholder.

CONTRIBUTION AGREEMENT

By and among

Holders of Contributed LOI Shares listed in Schedule 1

as Contributors

and

L'Occitane Holding S.A.

as Contributtee

Dated [●] 2024

THIS CONTRIBUTION AGREEMENT (the “**Agreement**”) is made on [●] 2024 and effective as of the date hereof:

BETWEEN:

- (1) **The holders of Offer Shares listed in Schedule 1**, acting severally and not jointly (the “**Contributors**”);

AND

- (2) **L’Occitane Holding S.A.** a *société anonyme*, incorporated and existing under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies’ Register under number B286921, having its registered office at 49, boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg (the “**Contributee**” or the “**Offeror**”),

each a “**Party**” and together the “**Parties**” to this Agreement.

RECITALS

- (A) At the date hereof, the Contributee intends to buy or receive by way of contribution in kind (the “**Acquisition**”) all remaining shares of L’Occitane International S.A., a *société anonyme* incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 49, boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies’ Register under number B80359 (“**LOI**”), currently listed on the Main Board of The Stock Exchange of Hong Kong Limited not held by L’Occitane Groupe S.A., a *société anonyme* incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 49, boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies’ Register under number B 125718 (“**LOG**”) nor by LOI and representing approximately 27% of the LOI’s issued share capital and voting rights (the “**Offer Shares**”), pursuant to the terms of the Offers.
- (B) As part of the Acquisition, shareholders of LOI participating in the Share Offer have been offered the choice between (i) the Cash Alternative; and (ii) the Share Alternative, each as defined and subject to the terms and conditions set out in the Composite Document and the Forms of Acceptance (as defined in the Composite Document).
- (C) Each Contributor has notified its willingness and undertaking to participate in the Share Alternative and has signed the Share Alternative Acceptance Form (as defined below) and therefore has undertaken to contribute the number of Offer Shares that the Contributor holds in LOI as set out opposite the Contributor’s name in the table in Schedule 1 (the “**Contributed LOI Shares**”) to the share capital of the Contributee (the “**Contribution**”), pursuant to the terms and conditions of this agreement (the “**Agreement**”).
- (D) Pursuant to the Share Alternative Acceptance Form, the Contributee has all powers and abilities to determine the number of Contributed LOI Shares contributed by each Contributor, fill in the relevant information in this Agreement and execute this Agreement on behalf of the Contributors.

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. CONSTRUCTION

1.1 Definitions

When used in this Agreement, the following terms have the following meanings. Capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to them in the Composite Document.

“**Acquisition**” has the meaning set out in the recitals.

“**Agreement**” means this contribution agreement.

“**Authorised Capital Increase Resolutions**” means the resolutions of the delegate of the sole director of the Contributor as authorized and acting in accordance with the terms and conditions of the Board Resolutions and effecting, confirming and proceeding to the increase of the share capital of the Contributor by way of issuance of the New Shares to the Contributors within the authorized share capital in consideration for the Contribution, to be adopted within a period of 14 Business Days following the Offer Closing Date (as defined in the Composite Document).

“**Board Resolutions**” means the resolutions of the sole director of the Contributor approving *inter alia* the share capital increase by way of issuance of new ordinary shares to the Contributors within the authorised share capital of the Contributor in consideration for the Contribution, and delegating power to a delegate of the sole director of the Contributor to effect, confirm and proceed to the share capital increase within the authorized share capital in accordance with the terms and conditions set out therein.

“**Business Day**” has the meaning set out in the Takeovers Code.

“**Composite Document**” means the offer composite document and offeree board circular jointly issued by the Offeror and LOI to the shareholders of LOI in connection with the Offers in accordance with the Takeovers Code, which is dated 2 July 2024, including any revisions thereof made in accordance with the Takeovers Code.

“**Confidential Information**” means any information and data of whatever nature in this Agreement (including personal data) whether made available before or after the date of the Agreement, regardless of the form the information takes or the manner in which it is made available or communicated, while excluding the Excluded Information.

“**Contributed LOI Shares**” has the meaning set out in the recitals.

“**Contributor**” has the meaning set out in the recitals.

“**Contribution**” has the meaning set out in the recitals.

“**Contribution Date**” has the meaning set out in clause 3.1.

“**Contributors**” has the meaning set out in the recitals.

“Excluded Information” means information which (i) was within the public domain at the time of its disclosure or subsequently comes into the public domain (other than as a result of a breach of the Agreement by a Party), (ii) was available to the recipient of the Confidential Information on a non-confidential basis prior to its disclosure, or (iii) becomes available to such person on a non-confidential basis from a source other than a Party, provided that such source is not prohibited from disclosing such information by a contractual, legal or fiduciary obligation to the disclosing party.

“Financial Adviser” means J.P. Morgan Securities (Asia Pacific) Limited, the financial advisor to the Offeror in respect of the Acquisition.

“New Shares” has the meaning set out in clause 2.1.

“Offer Price” means the price per share payable in cash under the Share Offer.

“Offer Shares” have the meaning set out in the recitals.

“Party” and **“Parties”** have the meaning set out in the recitals.

“Share Alternative” has the meaning set out in the Composite Document.

“Share Alternative Acceptance Form” means the acceptance form titled “Share Offer Acceptance Form—Share Alternative” issued by the Offeror and LOI on the same date as the publication of the Composite Document, pursuant to which the Contributors have granted all powers to the Offeror, LOI, the Financial Adviser and/or any persons directed by them to (i) determine the number of Contributed LOI Shares and, to the extent relevant, the amount to be paid in cash in case of Share Alternative Over-election (as defined therein), (ii) complete and execute this Agreement and any documents on behalf of such Contributors and (iii) proceed with the share capital increase to remunerate the Contribution.

“Share Offer” means the voluntary conditional offer by the Financial Adviser on behalf of the Offeror to acquire all of the Offer Shares in accordance with the terms and conditions set out in the Composite Document and Forms of Acceptance, and any subsequent revision or extension of such offer.

“Shareholder Register” means the shareholder register of the Contributor.

“Signing Date” means the date of this Agreement.

“Takeovers Code” means the Hong Kong Code on Takeovers and Mergers as in force and as amended from time to time.

1.2 Interpretation

In this Agreement:

- (a) any reference to any agreement is to be construed as a reference to such agreement as it may be amended, supplemented, modified or extended from time to time, whether before or after the Signing Date;
- (b) a reference to a person or persons is, where relevant, deemed to be a reference to or to include their respective successors, permitted assignees or transferees, as appropriate;

- (c) reference to clauses and annexes are references to, respectively, clauses of and annexes to this Agreement and reference to this Agreement includes its annexes;
- (d) a reference to a law or regulation or any provisions thereof is to be construed as a reference to such law, regulation or provisions as the same may have been, or may from time to time hereafter be, amended or re-enacted;
- (e) words denoting the singular include the plural and vice versa;
- (f) words denoting a gender also include the other genders; and
- (g) words denoting persons include bodies corporate, partnerships, associations and any other organised groups of persons or entities whether incorporated or not.

1.3 Clause headings

Clause headings are for ease of reference only and shall not affect interpretation.

2. CONTRIBUTION OF THE CONTRIBUTED LOI SHARES

2.1 Subject to the terms and conditions of this Agreement and effective as of the Contribution Date, each Contributor hereby agrees to contribute and transfer each Contributed LOI Share at the Offer Price, to the share capital of the Contributor in exchange for the issuance of 10 new ordinary shares of the Contributor (the “**New Shares**”) per Contributed LOI Share and the Contributor hereby agrees to accept such Contribution.

2.2 The Contribution of the Contributed LOI Shares shall be made together with all accrued benefits and rights, commitments and obligations attached to the Contributed LOI Shares at the Contribution Date or subsequently becoming attached to them (including the right to receive the full amount of all dividends which are distributed following the Signing Date, even in case the profits relate to prior periods).

3. DATE AND EFFECTIVENESS OF THE CONTRIBUTION

3.1 Subject to the terms and conditions of this Agreement, the Contribution shall take effect on the date of the Authorised Capital Increase Resolutions (the “**Contribution Date**”), resulting in the Contributor becoming the full owner of the Contributed LOI Shares as of such date.

3.2 Each Contributor and the Contributor agree and confirm that each Contributed LOI Share shall be contributed to the Contributor as at the Contribution Date at the Offer Price in exchange for the New Shares and that the difference between the Offer Price and the nominal value of New Shares shall be credited to the Contributor’s share premium account (*compte de prime d’émission*).

3.3 The Contribution will be subject to, and is conditional upon, a report drawn up by an independent auditor (*réviseur d’entreprises*) in accordance with article 420-23 (6) of the Luxembourg law of 10 August 1915 on commercial companies as amended.

3.4 The consideration for the transfer of the Contributed LOI Shares shall consist in the issuance to the Contributors of a total number of [●] New Shares having a nominal value of HKD 1 each to be issued under the Authorised Capital Increase Resolutions and the Board Resolutions, and per Contributor a number of New Shares as set out opposite its name in the table in

Schedule 1. The Contributor undertakes to adopt an acknowledgment deed of the share capital increase in front of a Luxembourg notary within one (1) month of the Contribution.

3.5 The Contributor undertakes to issue the New Shares to each of the Contributors in accordance with the provisions of this Agreement as of the Contribution Date and to update the Shareholder Register to reflect such issuance.

3.6 The Contributor, the Contributors and LOI shall forthwith sign any supplementary documents and take all necessary action as the Parties may reasonably require of each other in order to document and effect the Contribution. The Parties hereby authorize any director of LOI, acting individually with full power of substitution to register the Contributor as holder of the Contributed LOI Shares in the shareholders' register of LOI as of the Contribution Date.

4. ACKNOWLEDGEMENT BY LOI OF THE CONTRIBUTION

The Contributor shall, on the Contribution Date, notify completion of the Contribution to LOI by executing a notice substantially in the form of Schedule 2 and procure that LOI acknowledges completion of the Contribution and transfer of its shares to the benefit of the Contributor.

5. ADHERENCE TO THE ARTICLES OF ASSOCIATION

Each Contributor acknowledges having reviewed and fully understood the Articles of Association. Each Contributor hereby irrevocably adheres to each provision therein and accepts to be bound by the Articles of Association as at the Contribution Date, upon completion of the Contribution.

6. REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Contributor represents and warrants to the Contributor, on the Signing Date and as at the Contribution Date, that:

- (1) it is a Qualifying Shareholder;
- (2) it is entitled to receive the New Shares and no applicable laws prevent it from receiving such New Shares as remuneration for the Contribution;
- (3) it has full beneficial and legal ownership of the Contributed LOI Shares and is the only person entitled to and having power to dispose of the Contributed LOI Shares;
- (4) the Contributed LOI Shares are freely transferable in accordance with applicable laws;
- (5) it is a registered holder of the Contributed LOI Shares and/or the Contributed LOI Shares have been withdrawn from CCASS and the migration of the Contributed LOI Shares from LOI's Hong Kong share registry to LOI's Luxembourg share registry has been completed;
- (6) the Contributed LOI Shares are unencumbered, not subject to any lien, arrest, opposition, or any other charge or right of any third party, in particular no pre-emption rights which have not been duly waived or any other rights attached to the Contributed

LOI Shares by virtue of which any person may be entitled to demand that the Contributed LOI Shares be transferred to him/her/it;

- (7) the ownership of the Contributed LOI Shares shall be validly contributed, converged and transferred by it to the Contributtee on the Contribution Date, without such transfer of ownership being conditional upon any other formalities to be carried out in any other jurisdiction;
- (8) if a Contributor is a legal entity, that:
 - (i) it is duly organized and validly existing under the laws of the jurisdiction in which it is organized and it has the power, capacity and authority to enter into this Agreement and to perform its obligations hereunder;
 - (ii) the execution of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by the competent corporate bodies of the relevant Contributor;
 - (iii) this Agreement has been duly executed by the Contributor on the Signing Date and constitutes legal, valid and binding obligations of the Contributor, enforceable against it in accordance with its terms, and does not constitute a violation of, default under or conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under any term or provision of its articles of incorporation (*statuts*) and/or bylaws, as applicable, or equivalent organizational documents;
 - (iv) it has obtained all necessary authorizations required to be obtained by it to enter into this Agreement, the execution and the performance by it of the Agreement do not require any other consent, approval, authorization or other action by, filing with or notification to any relevant governmental authority.
 - (v) the execution and the performance of this Agreement by the Contributor does not constitute a violation of, or a default under, conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under (i) any order applicable to it by which it or any of its properties and assets are bound, (ii) any applicable law or (iii) any agreements or engagements to which it is a party other than, in the case of subclauses (i) and (ii) above, such violations, defaults, conflicts, breaches, cancellations, terminations or liens which would not impair its ability to perform its obligations pursuant to the Agreement;
 - (vi) it is not insolvent and is not subject to any safeguard, bankruptcy, insolvency, moratorium, amicable or similar proceedings under applicable laws. No order has been made, petition presented or meeting convened for the winding up of it, nor any other action taken in relation to the appointment of an administrator, liquidator, receiver, administrative receiver, compulsory manager or any provisional liquidator (or equivalent in any other jurisdiction) (or other process whereby the business is terminated and the assets of the Contributor concerned are distributed amongst the creditors and/or shareholders or other contributors), and there are no proceedings under any applicable insolvency, bankruptcy, reorganization or similar laws

(including proceedings with a view to the prevention or resolution of business difficulties) in any relevant jurisdiction, and no events have occurred which, under applicable laws, would justify any such proceedings.

- (9) if a Contributor is an individual, that:
- (i) he/she has legal capacity to enter into and perform the obligations to which he/she is bound under this Agreement and the transactions contemplated hereby;
 - (ii) this Agreement has been duly executed by the Contributor on the Signing Date and constitutes legal, valid and binding obligations of the Contributor, enforceable against him/her in accordance with its terms;
 - (iii) he/she has obtained all necessary authorizations required to be obtained by him/her to enter into this Agreement, and the execution and the performance by the Contributor of this Agreement do not require any other consent, approval, authorization or other action by, filing with or notification to any relevant governmental authority;
 - (iv) no authorisation or consent of the Contributor's spouse or partner, if any, is required, under any marriage contract, civil partnership (*pacte civil de solidarité*) or other related and/or similar agreement of the Contributor, as the case may be, for the disposal of the Contributed LOI Shares in accordance with the provisions of this Agreement or any such authorisation or consent, to the extent necessary, has been obtained;
 - (v) the execution and the performance by the Contributor of this Agreement does not constitute a violation of, or a default under, conflict with, or result in a breach, cancellation or termination of, or the creation of any lien under (i) any order applicable to him/her by which the Contributor or any of his/her properties and assets are bound, (ii) any applicable law or (iii) any agreements or engagements to which the Contributor is a party other than, in the case of sub-articles (i) and (ii) above, such violations, defaults, conflicts, breaches, cancellations, terminations or liens which would not impair his/her ability to perform his/her obligations pursuant to this Agreement;
 - (vi) he/she is not bankrupt and no order has been made or petition presented to declare him/her bankrupt.

7. CONFIDENTIALITY

The Parties shall keep secret and confidential the Confidential Information and not make Confidential Information available to any person except as expressly permitted by this Agreement and unless:

- (a) the Parties have previously agreed to such disclosure in writing;
- (b) disclosure is made to a Party's affiliates or to its and its affiliates' directors, corporate officers, employees, auditors, professional advisors and their respective advisors, who have a need to know such Confidential Information and on the condition that

the aforementioned individuals and entities are bound by confidentiality obligations no less restrictive than those set forth in this clause 7;

- (c) disclosure is required by a legal or regulatory obligation, a request from a judicial, administrative, regulatory or supervisory authority (including of any stock-exchange and the Securities and Futures Commission of Hong Kong), a judicial expert, a court ruling or in the context of judicial or administrative procedures;
- (d) disclosure is made to the Financial Adviser; or
- (e) disclosure is made to tax authorities and intermediaries within the meaning of the DAC 6 Directive (EU 2018/822) in its respective national implementation as well as to the extent a disclosure is required vis-à-vis a regulatory authority.

8. DURATION

This Agreement shall enter into force and effect as of Signing Date and shall continue in full force until the earlier of (i) the Contribution Date and (ii) 31 December 2024, at 23:59 CET.

9. OWN ASSESSMENT

Each Contributor expressly acknowledges that it has received sufficient information and documentation in relation to the Contribution and any transactions contemplated and described in the Composite Document, and has had an opportunity to ask all questions in relation thereto, as well as an opportunity to be assisted by its own advisors (including legal and tax advisors).

10. COSTS

Each of the Parties to this Agreement shall bear its own costs, charges and other expenses of whatever nature incurred in the negotiation, execution and performance of this Agreement and any matter contemplated by it.

11. NO WAIVER

No failure or delay of a Party to exercise any right or remedy under this Agreement shall be considered, or operate as, a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

12. SEVERABILITY

If one or more of the provisions of this Agreement is or becomes invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected and any invalid provision shall be deemed to be severable. Each of the Parties agrees in such case to use its best efforts to negotiate in good faith a legally valid and economically equivalent replacement provision.

13. ASSIGNMENT

None of the Parties may assign any of their rights under this Agreement without the written consent of the other Party.

14. NOTICES

14.1 All notices and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of delivery if delivered personally to the Party to whom notice is to be given, or (ii) on the first Business Day after delivery to an international courier service, if properly addressed and all costs prepaid, to the Parties at the addresses set forth in the recitals.

14.2 Either Party may change its address for the purpose of this clause by giving the other Party written notice of its new address.

15. FURTHER ASSURANCE

Each of the Parties shall execute and perform such further documents and agreements, and take such further actions as may be necessary and appropriate to carry out the purposes and intent of this Agreement and make all publication proceedings as required by law.

16. AMENDMENT

Any amendment to this Agreement must be drawn up in the form of a written amending agreement and signed by the relevant Parties.

17. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the Parties with respect to the matters to which it refers and replaces and annuls any agreement, obligation, acknowledgement and undertaking, oral or written, between the Parties relating to the same subject matter.

18. COUNTERPARTS

This Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

19. GOVERNING LAW

This Agreement, and the rights, obligations and liabilities of each of the Parties hereunder, shall be governed by the laws of the Grand Duchy of Luxembourg.

20. JURISDICTION

20.1 Each of the Parties hereto irrevocably agrees that all disputes arising out of this Agreement shall be submitted exclusively to the courts of the city of Luxembourg, Grand Duchy of Luxembourg.

20.2 Each Party irrevocably waives any right that it may have to object to an action being brought in these courts, to claim that the action has been brought in an inconvenient forum, or to claim that these courts do not have jurisdiction.

[Remainder of page remains intentionally blank and signature page follows]

**IN THE NAME AND ON BEHALF OF THE
CONTRIBUTORS**

[•]

Name:

Title:

THE CONTRIBUTEE

L'Occitane Holding S.A.

Name:

Title:

Schedule 1 – List of the Contributors

Name of the Contributor	Notices for each Contributor	Number of Contributed LOI Shares	Number of New Shares	Amount to be paid in cash in case of Share Alternative Over-election

Schedule 2 – Notice with acknowledgment of Contribution

NOTICE OF TRANSFER OF SHARES

The entities and persons set out in Schedule A, represented by [***]
(the “**Transferors**”)

L'Occitane Holding S.A.

Société anonyme

Registered office: 49, boulevard du Prince Henri

L-1724 Luxembourg,

Grand Duchy of Luxembourg

Luxembourg Trade and Companies Register: B 286921

(the “**Transferee**” and together with the Transferor hereafter, “**we**”)

To:

L'Occitane International S.A.

Société anonyme

Registered office: 49, boulevard du Prince Henri

L-1724 Luxembourg,

Grand Duchy of Luxembourg

R.C.S. Luxembourg: B 80359

(the “**Company**” or “**you**”)

[date]

Dear Madams, dear Sirs,

In accordance with Article 1690 of the Luxembourg Civil Code and Article 430-4 of the law of 10 August 1915 on commercial companies, as amended (the “**Companies Law**”), we hereby give notice to you that [number] registered shares of the Company held by the Transferors set out in Schedule A hereof (the “**Shares**”) have been transferred, on the date hereof, by the Transferors to the Transferee (the “**Transfer**”).

We kindly request you to countersign the present notice for your express, irrevocable and unconditional acceptance of the Transfer and of the Transferee as new holder of the Shares in accordance with Article 1690 of the Luxembourg Civil Code and Article 430-4 of the Companies Law.

We hereby grant powers to any director of the Company and Mr. Samuel Antunes and Mr. Ingo Dauer, as well as to any lawyer or employee of Arendt & Medernach S.A., each acting individually and with full power of substitution, to record the Transfer and the Transferee as new holder of the Shares in the share register of the Company.

The present notice is governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg. The parties irrevocably agree that any disputes arising out of or in connection with this notice will be submitted exclusively to the courts of the city of Luxembourg, Grand Duchy of Luxembourg.

[The rest of the page is left blank, the signature page follows]

Schedule A – List of Transferors and Shares transferred to the Transferee

Done on _____ 2024.

L'Occitane Holding S.A.

Name:

By:

Title:

IN THE NAME AND ON BEHALF OF THE TRANSFERORS

[•]

Name:

Title:

For acknowledgement and acceptance of the Transfer for the purpose of Article 1690 of the Luxembourg Civil Code and Article 430-4 of the Companies Law.

The Company

L'Occitane International S.A.

By:

Title: Authorised signatory

Registre de Commerce et des Sociétés

Numéro RCS : B125718

Référence de dépôt : L220220230

Déposé et enregistré le 06/10/2022



L'Occitane Groupe S.A.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

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L'OCCITANE GROUPE S.A.

Société anonyme
49, Boulevard Prince Henri L-1724 Luxembourg
R.C.S. Luxembourg: B125718

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

MANAGEMENT DISCUSSION & ANALYSIS		
Summary:		
	FY2022 € million or %	FY2021* Restated € million or %
Net sales	1,787.1	1,540.9
Operating profit	311.9	207.4
Profit for the year	208.0	133.6
Gross profit margin	82.1%	83.1%
Operating profit margin	17.5%	13.5%
Net profit margin	11.6%	8.7%
Net cash inflow from operations	308.3	423.1

Definitions:

Comparable Stores means existing retail stores which have been opened before the start of the previous financial year, including Company owned e-commerce websites.

Non-comparable Stores & others means all stores that are not Comparable Stores, i.e. stores opened, closed and renovated during the previous or the current financial period under discussion, together with other sales from marketplaces, mail-orders, services and LimeLife.

Comparable Store Sales means net sales from Comparable Stores during the financial period under discussion. Unless otherwise indicated, discussion of Comparable Store Sales excludes foreign currency translation effects.

Non-comparable Store Sales means net sales from Non-comparable Store Sales during the financial period under discussion. Non-comparable Store Sales also include sales from a limited number of promotional campaigns usually held at temporary common areas of shopping malls. Unless otherwise indicated, discussion of Non-comparable Store Sales excludes foreign currency translation effects.

Same Store Sales Growth represents a comparison between Comparable Store Sales for two financial periods. Unless otherwise indicated, discussion of Same Store Sales Growth excludes foreign currency translation effects.

Overall Growth means the total worldwide net sales growth for the financial period(s) presented excluding foreign currency translation effects.

REVENUE ANALYSIS

The Group's net sales were €1,787.1 million in FY2022, representing an increase of 16% as compared to FY2021.

Note that during the period from February 2021 to August 2021, L'Occitane, Inc., a subsidiary of the Group in the US, was under Chapter 11 proceedings of the US Bankruptcy Code. In accordance with IFRS, its results during that period were deconsolidated.

In FY2022, the business environment continued to improve as countries in Europe and the Americas began to lift the COVID-19 related restrictive measures. Retail channels saw a strong rebound in footfall while online channels remained dynamic. Travel retail, spas and cruise ship businesses also benefited from the comeback of local and international travelers. However, towards the end of FY2022, the macroeconomic conditions turned challenging, with a resurgence in COVID-19 outbreaks in many key markets and the geo-political situation in Ukraine and Russia.

PROFITABILITY ANALYSIS

COST OF SALES AND GROSS PROFIT

The cost of sales increased by 22.6%, or €58.9 million, to €319.6 million in FY2022. The gross profit margin decreased 1 point to 82.1% as compared to FY2021. The decrease is attributable to the following factors:

- deconsolidation of US subsidiary during the Chapter 11 proceedings for 0.6 points;
- unfavorable channel mix from higher sell-in proportion and unfavorable brand mix from ELEMIS and Sol de Janeiro, which have more sell-in businesses, for a total of 0.5 points; and
- higher freight and duties for 0.4 points, partly due to inventory rebuild and partly due to higher shipping costs.

The decrease in gross profit margin was partly offset by:

- improvement in production efficiency from higher volumes which led to lower average fixed costs absorption for 0.6 points; and
- price increase for 0.1 points.

DISTRIBUTION EXPENSES

The distribution expenses increased by 4.8%, or €32.5 million, to €704.2 million in FY2022. As a percentage to net sales, distribution expenses decreased by 4.2 points to 39.3%. This improvement is attributable to a combination of higher leverage from retail and other brick-and-mortar channels for 5.3 points;

- favorable brand and channel mix, mainly from the lower share of LimeLife in overall sales, as LimeLife has a high ratio of distribution expenses for 0.9 points;
- more efficient retail network as a result of the network rationalisation for 0.6 points; and
- positive effect from US deconsolidation for 0.4 points.

This improvement was partly offset by:

- one-off COVID subsidies from governments and rent concessions last year for 2.1 points;
- one-off impairment on 86 Champs café for 0.9 points; and
- increase in warehousing offset by various other gains for 0.1 points.

MARKETING EXPENSES

The marketing expenses increased by 31.4%, or €67.1 million, to €280.8 million in FY2022. As a percentage of net sales, marketing expenses increased by 1.9 points to 15.8%. The increase is attributable to:

- strategic investments in the Osmanthus fragrance line and hair care category in China through live streaming, social media, celebrity campaigns and video production for 0.9 points;
- re-investment in L'Occitane en Provence (other than China) and acceleration plan of Erborian for 0.5 points;
- brand mix for 0.5 points, mainly driven by ELEMIS which has a higher marketing ratio;
- ELEMIS's re-investment after drastic cuts during COVID-19 last year and investments in new markets in Asia for 0.4 points;

- FX, staff, COVID-19 subsidies last year and others for 0.2 points; and
- initial inclusion of Sol de Janeiro for 0.2 points.

This increase was partly offset by higher sales leverage for 0.8 points.

RESEARCH & DEVELOPMENT EXPENSES

The reported research and development (“R&D”) expenses increased by 8.8%, or €1.5 million, to €18.9 million in FY2022. As a percentage to net sales, R&D expenses remained the same at 1.1%.

GENERAL AND ADMINISTRATIVE EXPENSES

The reported general and administrative expenses increased by 15.3%, or €23.4 million, to €176.2 million in FY2022. As a percentage of net sales, general and administrative expenses remained flat to 10%. The increase is attributable to:

- one-off COVID-19 grants and furloughs from governments last year for 0.4 points;
- increase in long-term incentive and bonus provisions for 0.3 points corresponding to the strong financial achievements this year as compared to bonus cuts under the uncertain COVID-19 environment last year;
- one-off items, mostly Sol de Janeiro’s acquisition costs, for 0.2 points;
- IT investment, FX and others for 0.2 points; and
- various restructuring projects for 0.2 points.

The deterioration was mostly offset by higher sales leverage for 1.2 points.

SHARE OF (LOSSES) FROM ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD

Details of the €12.5 million net losses from associates and joint ventures accounted for using the equity method in FY2022 are shown below:

- loss of €8.9 million incurred by L’Occitane, Inc. during the deconsolidation between April and August 2021;
- loss of €5.0 million by Good Glamm Group (previously known as MyGlamm);
- loss of €0.4 million by CAPSUM and partly offset by gain of €0.7 million by L’Occitane Middle East;
- gain of €1.1 million by Pierre Hermé from April 1st to December 31st, 2021.

OTHER OPERATING INCOMES

Details of the €45.9 million other operating incomes in FY2022 are shown below:

- capital gain of €25.1 million from an increase in valuation of the investment in Good Glamm Group which is now accounted as an associate using the equity method;
- gain from the reconsolidation of L’Occitane, Inc. for €12.9 million;
- capital gain of €4.9 million from the cession of Pierre Hermé (accounted for using the equity method) on December 31st, 2021 for a total consideration of €22.6 million;
- capital gain of 1.4 million from the sale of Hivency share accounted for at fair value through profit and loss;
- government grants on R&D for €1.0 million;
- others for €0.1 million.

OTHER OPERATING LOSSES

Details of the €9.9 million other operating losses in FY2022 are shown below:

- share of €4.9 million calculated losses arising from dilution of shareholding percentage in Good Glamm Group;
- restructuring costs of €1.5 million, mainly relating to Chapter 11 proceedings;
- loss on sale of assets for €2.7 million;
- other items for €0.7 million.

OPERATING PROFIT

Reported operating profit increased by 50%, or €104.5 million, to €311.9 million.

The operating profit margin improved by 4 points of net sales to 17.5%.

The outstanding result is explained by the factors below:

- leverage of fixed costs and channel distribution costs primarily from retail on higher sales for 7.4 points;
- increase in valuation of the investment in Good Glamm Group for 1.1 points; and
- restructuring costs last year and effects of Chapter 11 proceedings for 0.6 points.

The improvement was partly offset by the following:

- COVID-19 subsidies received from government last year for 2.5 points;
- increase in L'Occitane en Provence's marketing investment in China and other key countries and ELEMIS's investments for 1.7 points;
- one-off impairment for 86 Champs café for 0.9 points;
- higher incentive as a result of outstanding profits for 0.3 points; and
- higher warehousing and related costs, rounding and other factors for 0.4 points.

PROFIT FOR THE YEAR

For the aforementioned reasons, net profit for FY2022 was a record €208.0 million, an increase of 55.7% or €74.4 million as compared to restated FY2021.

BALANCE SHEET AND CASH-FLOW REVIEW LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2022, the Group had cash and cash equivalents of €366.7 million as compared to €425.1 million as at 31 March 2021. The decrease was mainly explained by net cash outflow for investment in Sol de Janeiro. As at 31 March 2022, total borrowings, including term loans, revolving facilities, bank borrowings, finance lease liabilities, and current accounts with minority shareholders and related parties, amounted to €1,442.2 million. As at 31 March 2022, the aggregate amount of undrawn borrowing facilities was €374.2 million

CAPITAL EXPENDITURES

Net cash used in capital expenditures was €44.8 million in FY2022, as compared to €29.2 million in FY2021, representing an increase of €15.6 million.

The increase was mainly in retail stores related capital expenditures. The capital expenditures for FY2022 were primarily related to:

- leasehold improvements and other tangible assets, related to new and revamped stores of L'Occitane en Provence and wholesale clients of ELEMIS for €16.2 million;
- investments in various IT equipment and software for €13.6 million;
- investments in Couvent des Minimes for €6.5 million;
- replacement of machinery and equipment of the factory, office and warehousing facilities for a total of €8.2 million.

INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND FINANCIAL ASSETS

Net cash outflow from investment in subsidiaries, associates and financial assets was €315.9 million in FY2022, as compared to €51.5 million in last year. The outflow this year was mainly for the acquisition of the new brand Sol de Janeiro and an investment in Carbios, a French biochemical company specialising in plastic recycling, partially offset by the outflow coming from Pierre Hermé for a total consideration of €22.6 million.

FINANCING ACTIVITIES

Financing activities in FY2022 ended with a net cash outflow of €4.0 million (FY2021: outflow of €82.5 million). Net cash outflow during the year mainly reflected the following:

- principal components of lease payments of €108.5 million under IFRS 16;
- payment of dividend for €28.2 million; and
- net payment relating to acquisition of treasury shares and settlement of share options for €115.3 million.

This was partly offset by the following cash inflow:

- net bank borrowing for €245.6 million; and
- transactions with non-controlling interests for €6.1 million.

STRATEGIC REVIEW

In FY2022, the Group delivered a set of outstanding results, with solid sales growth of 16.0% and record profit margins. Sales momentum stood up well throughout the year, even as conditions turned challenging in FY2022 Q4 which saw a return of lockdowns in China — its largest market — and a marked increase in global geopolitical headwinds. The operating profit reached a record €311.9 million with the operating profit margin expanding to 17.5%, the highest level since the Group's listing.

This excellent outcome truly demonstrates the resilience of the Group's brands and teams, as well as its ability to withstand and overcome market turbulences. The Group's commitment to building trust, sustainable growth and profitability continued to fortify L'OCCITANE en Provence's position in the global premium beauty market. Targeted and disciplined investments within all of its brands began to pay dividends with ELEMIS being a key contributor to the Group's improved operating profitability on the back of a highly successful digital-first global expansion strategy.

At the same time, the Group continued to strengthen the foundation it has laid for delivering sustainable growth and profitability. The addition of Sol de Janeiro to its brand portfolio provided a new source of profitable growth, and along with its most recent acquisition, Grown Alchemist, the Group advanced its transformation into a multi-brand and geographically balanced group.

Targeted investments propel core brand's growth and world-class profitability

L'OCCITANE en Provence's results improved across the board throughout FY2022, growing 13.2% at constant rates and contributing 70% to the Group's overall growth, with balanced contribution from Asia, Europe and North America. All product categories also saw sales growth, another indication of the core brand's broad-based improvement, with double-digit growth in hand care — its largest category — and fragrances, led by the successful launch of the Osmanthus line.

Highly targeted marketing investments played a big role in this success, with close to half of the Group's annual media and marketing budget being geared towards major campaigns and special projects considered most strategic for the Group. One of the highlights was China, where the Group skillfully implemented well-thought-out campaigns that leveraged celebrities on TMall and JD.com to drive social media buzz and recruit new customers. As a result, L'OCCITANE en Provence outperformed the market during key shopping festivals and remains one of the top-ranked brands in the premium body care and hand care categories in China.

Although L'OCCITANE en Provence increased the level of marketing investments as a percentage of net sales, it proved to be highly efficient. Not only did the core brand see accelerated growth, it also expanded profitability. The better operating sales leverage, together with the gains from restructuring efforts such as closing underperforming stores during the Chapter 11 proceedings in the US, as well as a favorable channel mix effect with a higher proportion of online and offline sell-in sales, resulted in the core brand's world-class operating margin.

Omni-channel strategy drove simultaneous online and offline growth

The Group has long invested in an omni-channel presence to reach customers across all touchpoints online and offline, a strategy that has proved particularly prescient at the start of the pandemic when traffic shifted dramatically towards online channels. More than two years on, the Group's rich omni-channel proposition has encouraged a permanent shift in the shopping behaviour of its customers, a contributing factor behind the expansion of profitability in FY2022.

As a result, despite offline sales in many markets exceeding pre-pandemic levels, the Group's online sales continued to grow in FY2022. In addition, the Group expects its online mix to remain at the current high level even as offline traffic further normalises, as its digitally-centric or digitally-native brands, including ELEMIS, LimeLife and Sol de Janeiro grow. Through a well-coordinated and harmonised promotion strategy between all channels, continued online developments will contribute positively and further support the Group's omni-channel strategy.

With some of the Group's major markets continuing to face sporadic lockdowns and restrictions, its omni-channel strategy remains pivotal for engaging with customers remotely while still keeping a human approach to beauty.

Evolving into a geographically-balanced and multi-brand group

In recent years, the Group has accelerated its M&A activity in line with its strategy of building a leading portfolio of premium beauty brands while accelerating its path to become a global, multi-brand group that is more geographically-balanced and appealing to Millennial and Generation Z consumers.

In FY2022, the Group added two new brands to its portfolio — Sol de Janeiro and Grown Alchemist. Founded in the US and inspired by an authentic Brazilian philosophy of self-love and joy, Sol de Janeiro is a fast-growing, award-winning lifestyle skincare brand. In the span of six years since the brand's creation, Sol de Janeiro has gained an impressive following, and its best-selling Bum Bum Cream consistently tops rankings in North America. In the final quarter of FY2022, Sol de Janeiro maintained its growth trajectory and recorded close to 47% sales growth as compared to the same period last year. Towards the end of FY2022, the Group acquired majority control in the Australian cosmeceutical, clean skincare brand, Grown Alchemist. Founded in 2008, the brand has rapidly developed a global following with its focus on futuristic anti-aging technology and unique botanical skincare formulas for optimal skin health.

With both brands having strong traction in their respective home markets and limited international presence, the Group sees immense growth potential in the years to come.

Organization well-poised for future growth with completion of management transition

With the Group well-positioned for a sustainable future, it concluded a planned management transition. In September 2021, Mr. André Hoffmann succeeded Mr. Reinold Geiger as the Group's Chief Executive Officer. Mr. Geiger remains the Group's Chairman and Executive Director. Under the new organizational structure, Mr. Hoffmann will continue driving the Group's strategic planning to leverage the strengths of its core business as well as identify new opportunities.

Further, effective from 30 June 2022, Mr. Thomas Levilion will retire from his position as Chief Financial Officer of the Group. The Group would like to sincerely thank Mr. Levilion for his valuable contribution during his tenure and looks forward to his continued guidance as he remains on the Board as a non-executive director. The Group also extends a warm welcome to Mr. Christian-Matthias Klever who will succeed Mr. Levilion. Mr. Klever brings a wealth of experience from the luxury sector and will be a strong addition to the management team.

Long-term sustainability efforts gain recognition

The Group continued to make progress in its sustainability strategy, anchored by its three priorities of contributing to a carbon net-zero, nature-positive and fair and inclusive world. In September 2021, it announced the guiding principles of its biodiversity strategy and vision for a 'nature-positive' world, while also setting an ambitious objective of being B Corp certified by 2023.

The Group's more localised sustainability initiatives are also attracting recognition and awards. In South Korea, an eco-pop-up at the Hyundai Seoul won the MUSE Design Award (Sustainable Living/Green category) and the iF Design Award for its environmentally-conscious design, beating out 6,000 entrants and 11,000 entrants respectively from all around the world.

At the Group level, sustainability progress has been added as one of the metrics used to evaluate and incentivise its employees globally, ensuring an alignment of interests and a balance of purpose and profit. It also established a sustainability committee at the Board level to move forward on its sustainability journey in a unified and more structured way.

OUTLOOK

Looking ahead to FY2023, the global economy is facing many uncertainties. In the first quarter of FY2023, the lockdown of major cities in China has adversely impacted the Group's offline channels in the country, as well as sections of its online business due to warehouse closures.

Other regions are showing a nice rebound as countries reopen, thanks to the strong foundation the Group has laid to deliver sustainable growth and profitability in the mid-to-long term. Having passed the €1 billion sales mark in FY2013, the Group expects to pass the €2 billion sales mark in FY2023 while retaining healthy profitability, despite the current headwinds in the China market and the Group's exit from the Russian market.

With its leadership transition completed and management focused on delivering sustainable and profitable growth, the Group will continue to harness and invest in the inherent strength of its expanding number of brands and accelerate its ongoing transformation to deliver long-term value growth for Shareholders.

EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Cession of L'Occitane Russia

On 19 May 2022, the Group decided to exit from its subsidiary L'Occitane Russia. This subsidiary accounted for 3.5% of the consolidated net sales as of 31 March 2022 and 2.1% of the total assets of the Group as at 31 March 2022. On 3 June 2022, a share purchase agreement was signed between the Group and the four key directors of the subsidiary. Each of the four key directors will hold between 23% and 31% of the total shares formerly held by the Group.

The payment of the shares will be made through four installments between June 2025 and June 2028. The payment of the shares is secured by a pledge agreement signed on 3 June 2022.

There is a call option exercisable for the Group on 1 April 2025, 2026, 2027, 2028 and 2029. The exercise price is based on the fair value.

Based on these agreements, the Group will lose the exclusive control of the Russian entity and will not have any significant influence.

As of 31 March 2022, the test related to the valuation of the assets linked to the Russian subsidiary is consequently performed with regards to the present value of the receivable linked to the sale. This value depends on the capacity of the new entity to generate cash flows. Based on management's judgement, there are no indicators leading to the conclusion that the Group will not be in a position to recover this receivable. On that basis, management concluded that there is no impairment to be recorded in the accounts on the assets of L'Occitane Russia that amount to €33 million as of 31 March 2022. A reasonable change in the main assumptions used by Management will not trigger any material impairment of the assets tested.

At the date of the loss of exclusive control on 3 June 2022, the present value of the receivable of shares (corresponding to the deferred payments to be received from the acquirer of the shares) will approximately amount to €48 million. The present value of the receivable will be calculated with a discount rate of 12.5% that takes into account the risk of the new entity to generate sufficient cash flows in the future. This amount approximately corresponds to the net assets of L'Occitane Russia at that date (including the currency translation differences previously recorded in other comprehensive income in respect of L'Occitane Russia and the impact of elimination of the intercompany margin). Therefore no significant capital gain or loss is expected.

Refinancing

On 20 April 2022, and to refinance the FY2018 Revolving Facility, the Group signed an unsecured revolving facility agreement for an amount of €800 million, with a five-year maturity and an option to extend for two additional years.

Interest rate on this new Revolving Facility is based on Euribor 1 month plus margin.



Audit report

To the Shareholders of
L'OCCITANE GROUPE S.A.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of L'OCCITANE GROUPE S.A. (the "Company") and its subsidiaries (the "Group") as at 31 March 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated balance sheet as at 31 March 2022;
- the consolidated statement of changes in shareholders' equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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R.C.S. Luxembourg B 65 477 - TVA LU25482518*



Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Management Discussion and Analysis but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The Management Discussion and Analysis is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

PricewaterhouseCoopers, Société coopérative
Represented by

Electronically signed by:
Magalie Cormier

A handwritten signature in black ink, appearing to read 'Magalie Cormier', written over a horizontal line.

Magalie Cormier

Luxembourg, 27 July 2022

L'OCCITANE
EN PROVENCE
L'Occitane Groupe S.A.
CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2022

CONSOLIDATED STATEMENT OF INCOME

Year ended 31 March <i>In thousands of euros</i>	Notes	2022	2021 Restated *
Net Sales		1,787,114	1,540,880
Cost of sales		(319,575)	(260,711)
Gross profit		1,467,539	1,280,169
<i>% of net sales</i>		<i>82.1%</i>	<i>83.1%</i>
Distribution expenses	(23)	(703,199)	(670,735)
Marketing expenses	(23)	(280,831)	(213,772)
Research and development expenses	(23)	(18,907)	(17,385)
General and administrative expenses	(23)	(176,152)	(152,713)
Other operating income	(24)	45,934	7,365
Other operating expenses	(24)	(9,942)	(16,738)
Share of net profit of associates and joint ventures accounted for using the equity method	(10)	(12,495)	(8,768)
Operating profit		311,947	207,423
Finance income	(26)	3,179	6,030
Finance costs	(26)	(52,349)	(34,556)
Foreign currency gains / (losses)	(27)	256	(3,261)
Profit before income tax		263,033	175,636
Income tax expense	(28)	(54,152)	(42,010)
Profit for the year		208,881	133,626
Attributable to:			
Equity owners of the Company	(11)	143,510	91,793
Non-controlling interests		65,371	41,833
Total		208,881	133,626

* See note 2.2 for details regarding the restatement as a result of an error.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March <i>In thousands of euros, except per share data</i>	Notes	2022	2021 Restated *
Profit for the year		208,881	133,626
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income	(3.3)	(2,047)	(652)
Actuarial gains / (losses) on defined benefit obligation	(28.5)	1,834	233
		(213)	(419)
Items that may be subsequently reclassified to profit or loss			
Cash Flow hedges fair value gains/(losses), net of tax		56	363
Reclassification of currency translation differences relating to the deconsolidation of L'Occitane Inc.		-	(3,029)
Currency translation differences		50,514	(36,843)
		50,570	(39,509)
Other comprehensive income for the year, net of tax (1)		50,357	(39,928)
Total comprehensive income for the year		259,238	93,698
Attributable to:			
Equity owners of the Company		176,661	66,783
Non-controlling interests	(11)	82,577	26,915
Total		259,238	93,698

(1) Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 28.5.

The currency translation differences were mainly generated by subsidiaries labelled in USD.

* See note 2.2 for details regarding the restatement as a result of an error.

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CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2022

CONSOLIDATED BALANCE SHEET

ASSETS <i>In thousands of Euros</i>	Notes	31 March 2022	31 March 2021 Restated *
Property, plant and equipment	(6)	147,424	141,284
Right-of-use assets	(7)	264,934	301,271
Goodwill	(8)	1,001,827	759,833
Intangible assets	(9)	487,738	316,360
Deferred income tax assets	(28.2)	94,005	65,854
Investments accounted for using the equity method	(10)	67,239	78,533
Other non-current assets	(12)	109,158	86,114
Non-current assets		2,172,325	1,749,249
Inventories	(13)	268,866	199,074
Trade receivables	(14)	201,498	135,154
Other current assets	(15)	86,218	54,656
Derivative financial instruments	(16)	1,931	72
Cash and cash equivalents	(17)	366,692	425,111
Current assets		925,205	814,067
TOTAL ASSETS		3,097,530	2,563,316

EQUITY AND LIABILITIES <i>In thousands of Euros</i>	Notes	31 March 2022	31 March 2021 Restated *
Share capital	(18)	15,342	15,342
Additional paid-in capital	(18)	405,136	405,136
Other reserves		(1,205,678)	(983,178)
Retained earnings		909,013	777,641
Capital and reserves attributable to the equity owners		123,813	214,941
Non-controlling interests	(11)	415,627	425,191
Total equity		539,440	640,132
Borrowings	(19)	531,319	690,622
Lease liabilities	(7)	180,510	216,189
Deferred income tax liabilities	(28.2)	96,196	52,786
Other financial liabilities	(5.3)	217,397	18,671
Other non-current liabilities	(20)	30,963	37,596
Non-current liabilities		1,056,385	1,015,864
Trade payables	(21)	213,503	161,955
Social and tax liabilities		137,015	107,731
Current income tax liabilities		39,825	28,504
Lease liabilities	(7)	93,722	78,538
Borrowings	(19)	910,835	505,924
Other current liabilities	(20)	103,459	22,278
Derivative financial instruments	(16)	1,208	713
Provisions	(22)	2,138	1,677
Current liabilities		1,501,705	907,320
TOTAL EQUITY AND LIABILITIES		3,097,530	2,563,316

* See note 2.2 for details regarding the restatement as a result of an error.

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Notes	Capital and reserves attributable to equity holders										TOTAL EQUITY	
	Number of shares	Share capital	Additional paid-in capital	Cumul. Treasury Transf. DML	Capital restructuring	Treasury shares	Hedging reserve	Share based payments	Other reserves	Retained earnings		Non-controlling interests
	16,241,864	16,242	466,138	(1,242)	(89,011)	182,184	(1,931)	(18,178)	778,883	378,025	627,763	
In thousands of Euros												
Balance at 31 March 2021	16,241,864	16,242	466,138	(1,242)	(89,011)	182,184	(1,931)	(18,178)	778,883	378,025	627,763	
Profit for the year									82,733	40,894	123,627	
Other comprehensive income												
Currency translation differences	(24.5)			(24,802)						(11,403)	(36,488)	
Actuarial gains/(loss) on defined benefit obligation	(28.5)			(2,182)						(840)	(3,028)	
Change in FV of investments								148		65	203	
Cash flow hedges - fair value gain / (loss) net of tax	(28.5)							(471)		(102)	(573)	
Translation with owners				(17,177)				262		101	363	
Dividends to non-controlling interests								(4)			(4)	
Dividends to the owners of the company	(14.8)									(6,588)	(6,588)	
Transactions on treasury shares						1,408			(14,823)		(13,415)	
Employee share option: value of employee services	(18.3)					7,888		(7,959)	8,222		8,222	
Demerger of L'Occitane Inc.								2,881			2,881	
Non-controlling interests recorded as a liability	(5.1)								1,806		1,806	
Other contributions by and distributions to owners of the company									4,622		4,622	
Impact of the re-structure of L'Occitane S.A.									(11,684)		(11,684)	
Total transactions with owners of the company									25,724		25,724	
Balance at 31 March 2022	16,241,864	16,242	466,138	(88,011)	(82,373)	(2,373)	(1,331)	(26,179)	779,888	423,338	646,113	
Balance at 31 March 2021	16,241,864	16,242	466,138	(89,011)	(82,373)	(2,373)	(1,331)	(26,179)	778,883	378,025	646,113	
Other comprehensive income												
Profit for the year									143,510	66,372	209,882	
Other comprehensive income												
Currency translation differences	(28.5)									17,248	68,514	
Actuarial gain / (loss) on defined benefit obligation	(28.5)									508	1,534	
Change in FV of investments									1,480		1,480	
Cash flow hedges - fair value gain / (loss) net of tax	(28.5)									(587)	(2,147)	
Total transactions with owners of the company									143,510	66,372	209,882	
Dividends to the owners of the company	(18.3)								(13,181)		(13,181)	
Transactions on treasury shares						(88,822)					(88,822)	
Proceeds from exercise of stock options						14,898					14,898	
Employee share option: value of employee services	(18.3)								9,815		9,815	
Purchase of treasury shares										614	614	
Reclassification of L'Occitane Inc.											(12,815)	
Total transactions with owners of the company									97,847	9,815	107,662	
Acquisition of Ovon Abbeville												
Share of Ovon Abbeville	(1.2)									2,216	2,216	
Non-controlling interests recorded as a liability									(6,084)		(6,084)	
Change in the estimate in the valuation of the assets of put									(78)		(78)	
New put options granted to non-controlling interests										2,215	2,215	
Transaction with Ovon Abbeville non-controlling interests												
Acquisition of non-controlling interests in L'Occitane												
Total transactions with owners of the company									(18,032)	9,815	(8,217)	
Balance at 31 March 2022	16,241,864	16,242	466,138	(88,011)	(82,373)	(2,373)	(1,331)	(26,179)	779,888	423,338	646,113	

* See note 2.2 for details regarding the restatement as a result of an error.

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CONSOLIDATED FINANCIAL STATEMENTS
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CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March <i>In thousands of euros</i>	Notes	2022	2021 Restated *
Cash flows from operating activities			
Profit for the year from continuing operations		208,881	133,626
Depreciation, amortisation and impairment	(23.3)	178,187	192,027
Tax expenses	(28.1)	54,152	42,010
Unwinding of discount on IFRS16 liabilities	(7.2)	8,857	11,533
Interest (income) / expenses	(26)	15,033	15,909
Share of (profit) / loss from associates and joint ventures accounted for using the equity method	(10)	12,495	8,768
Share based payments	(18)	35,389	19,917
Change in the fair value of derivatives	(16),(27)	(1,308)	1,401
Other (gains) / losses on sale of assets, net	(29.1)	445	2,998
Net movements in provisions	(29.2)	2,620	2,878
Other operating (income) / expenses arising from the change in the % of interests in associates and joint ventures	(10)	(20,117)	-
Deconsolidation of L'Occitane Inc.	(5.1)	-	(2,719)
Reconsolidation of L'Occitane Inc.	(5.1)	(12,873)	-
Gain on sale of associate		(5,098)	-
Gain on sale of investment		(1,407)	-
Total of non-cash items		266,376	294,722
Interest paid	(26)	(14,242)	(13,968)
Income tax paid	(28.1)	(50,523)	(27,894)
Inventories		(22,149)	(10,752)
Trade receivables		(47,071)	(8,480)
Trade payables		(19,880)	34,444
Salaries, wages, related social items and other tax liabilities		3,845	25,013
Other assets and liabilities, net		(16,687)	(3,477)
Change in working capital		(102,142)	36,738
Net cash inflow from operating activities		308,349	423,124
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	(5.1), (5.2)	(332,559)	173
Purchases of property, plant and equipment	(6)	(40,203)	(23,951)
Purchases of intangible assets	(9)	(8,796)	(10,351)
Proceeds from sale of intangible assets and property, plant and equipment	(29.1)	2,859	2,121
Change in deposits and key moneys paid to the landlords		995	2,975
Change in non-current receivables and liabilities		302	915
Acquisition of financial assets		(20,575)	(9,012)
Reconsolidation / (deconsolidation) of L'Occitane Inc.	(5.1)	20,874	(7,743)
Proceeds from sale of associates and investments		25,007	-
Investments in associates	(10)	(8,859)	(39,585)
Net cash (outflow) from investing activities		(360,765)	(84,458)
Cash flows from financing activities			
Proceeds from non-controlling interests		6,067	25,724
Cash advances and loans made to other party		(3,786)	188
Proceeds from the capital contributed		-	2,944
Dividends paid to company's shareholders	(18.5)	(13,151)	(11,823)
Dividends paid to non-controlling interests in subsidiaries		(15,011)	(8,588)
Proceeds from the sales of stock options		(13,991)	8,222
Principal component of lease payments		(108,538)	(121,843)
Purchase of treasury shares		(101,234)	(11,307)
Proceeds from borrowings	(19.4)	1,275,382	230,726
Repayments of borrowings	(19.4)	(1,029,774)	(196,697)
Net cash (outflow) from financing activities		(4,014)	(82,454)
Exchange gains / (losses) on cash, cash equivalents and bank overdrafts	(29.4)	(1,999)	963
Net (decrease)/ increase in cash, cash equivalents and bank overdrafts		(68,419)	257,176
Cash, cash equivalents and bank overdrafts at beginning of the year		425,111	167,936
Cash and cash equivalents		425,111	167,936
Cash, cash equivalents and bank overdrafts at end of the year		366,692	425,111

* See note 2.2 for details regarding the restatement as a result of an error.

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1. THE GROUP

1.1 General information

L'Occitane Groupe S.A. (the "Company" or "LOG") and its consolidated subsidiaries (hereinafter referred to as the "Group") design, manufacture and market, under the trademarks "L'Occitane en Provence" and "Melvita", a wide range of cosmetic products, perfumes, soaps and fragrant products based on natural or organic ingredients.

The Group also designs and markets other ranges of home fragrance products, cosmetic products, perfumes, soaps and natural products under the trademarks "LimeLife", "ELEMIS", "Sol de Janeiro", "Erborian", "L'Occitane au Brésil" and "Grown Alchemist".

The Group also runs a hotel and a restaurant with the subsidiaries Les Minimes SAS and Le cloître des Minimes S.à r.l.

L'Occitane Groupe S.A. is a Luxembourg Société Anonyme registered in the Luxembourg Trade and Commercial Register, Grand Duchy of Luxembourg under the R.C.S. Number: B-125 718. The address of the Company is as follows: 49, Boulevard Prince Henri, L-1724 Luxembourg.

The main subsidiary of the Group, L'Occitane International S.A. ('LOI'), is listed on the Main Board of the Stock Exchange of Hong Kong.

These consolidated financial statements were approved by the Board of Directors for issue on 26 July 2022.

1.2 Main events of the year

Liquidity risk

During the year ended 31 March 2022, the Group continued to reimburse its borrowings:

- In July 2021, the FY2019 Term Loan was reimbursed for an amount of €275 million,
- In June 2021, the FY2021 PGE bank borrowing was reimbursed for an amount of €51.4 million.

The Group's access to liquidity was also preserved and new financings were signed (FY2022 Term loan and the FY2022 Bilateral Cash Pooling Facility). As at March 31, 2022, the total liquidity reserves (cash and cash equivalents net of bank overdrafts and undrawn borrowing facilities) amounted to €741 million.(Note 3.1).

The Group also prepared a cash projection for the period from April 2022 to March 2023 and showed no liquidity risks.

Other significant events of the year ended 31 March 2022

Sol de Janeiro

On 23 December 2021, the Group acquired 82.86% in Sol de Janeiro, based on a valuation of US\$450 million, mainly funded by the Group's cash on hand for an amount of € 300 million.

Founded in the US in 2015 as a results-driven premium body care brand with highly efficacious ingredients sustainably sourced from Brazil, Sol de Janeiro is one of the fastest growing premium skincare brands in North America, with cross-category success across body care, fragrance and hair care products. It sells both directly to consumers through its website and through various premium retailers across the globe.

The acquisition is in line with the Group's strategy of building a leading portfolio of premium beauty brands. Sol de Janeiro is a strategic fit for the Group in terms of brand recognition and identity, product quality, management capability, as well as growth, profitability and cash generation prospects. Sol de Janeiro's digital presence and established body care business in the US is complementary to the Group's balanced geographic strategy to build a portfolio of strong brands in all major geographic regions. Meanwhile, Sol de Janeiro is expected to leverage on the Group's international presence to expand into new markets.

The calculation of the provisional goodwill is presented in Note 5.1.1.

14 Groupe Sarl

On 23 July 2021, the Group acquired 100% of 14 Groupe Sarl, which holds 65% equity interest and voting rights in Grown Alchemist Holdings Pty Ltd. The consideration of the acquisition is € 10.2 million.

Founded in 2008, the Australian cosmeceutical, clean skincare brand has rapidly developed with a focus on futuristic anti-aging technology and unique botanical skincare formulas for optimal skin health.

On September 2021, the Group sold 49,72% of its interests in 14 Groupe Sarl for a total consideration of € 5.1 million. As of 31 March 2022, the Group hold 50,28% of the 14 Groupe Sarl's equity (representing 77,79% of the voting rights).

The calculation of the provisional goodwill is presented in Note 5.1.3.

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Sale of Pierre Hermé

On December 8, 2021, the Group sold its participation in Pierre Hermé for a total consideration of €22.6m.

Acquisition of minority interest of Elemis

On 28 March 2022, the Group repurchased 926 Elemis shares (corresponding to 7.72% of the total issued share capital of L'Occitane Elemis Sarl) for a purchase price of €76.6m from Chasselas Equity S.A. These shares were sold to Chasselas Equity S.A on 6 March 2019. The percentage of interests increased from 90.9% to 98.62% (Note 34).

Chapter 11 proceedings with respect to L'Occitane Inc

During FY2021, in order to drive sustainable growth and profitability, the Group focused on addressing loss areas and increasing the efficiency of the investments. Due to the difficulties faced by the subsidiary of L'Occitane in the United States, the Group announced on 26 January 2021 that it was accelerating the restructuring of its US store portfolio enabling the Group to best position the US business for the future. These actions led to the filing of Chapter 11 proceedings in order to accelerate and facilitate the negotiations with the lessors. In the consolidated statements of income FY21, the net gain from the deconsolidation of L'Occitane Inc. was recorded in the line "Reconsolidation/deconsolidation of L'Occitane Inc." within "Other operating income (Note 24)." as follows:

In thousands of euros

Derecognition of the assets and liabilities of L'Occitane Inc. at their carrying amounts	2,727
Recognition of the investment retained in L'Occitane Inc. at its fair value	-
Reclassification to statement of income of the amounts previously recognised in other comprehensive income (currency translation differences)	3,029
Net gain from the deconsolidation of L'Occitane Inc.	5,756

Since 31 August 2021, the Chapter 11 proceedings is ended and the Group gained back exclusive control of L'Occitane Inc. and the entity was re-consolidated (Note 5.1).

The impact of the reconsolidation of L'Occitane Inc. as at 31 August 2021 resulted in a net gain of €12.8m, which corresponds to the difference between the fair value of L'Occitane Inc. (Note 5.1) and the carrying amount of the investment in this associate (Note 10).

From 1 April 2021 to 31 March 2022, the contribution of L'Occitane Inc. is €89.8m for net sales and a loss of €2.5m for the net result.

Investment in Livelihoods Carbon fund

During FY22, the Group committed to invest in Livelihoods Carbon fund Sicav for a total amount of €5,000,000. Livelihoods was founded in 2008 under the leadership of Danone to restore degraded ecosystems, redevelop local economies and combat climate change. In return, it is expected to receive carbon offsets under the form of dividend in-kind until 2030. The commitment is disclosed in the commitments (Note 31). This investment is in line with the ESG (Environmental, Social and Governance) strategy of the group to reach neutrality for the entire group in 2030.

Crisis in Russia and Ukraine

On 19 May 2022, the Groupe decided to exit from its subsidiary L'Occitane Russia. This subsidiary accounted for 3.5% of the consolidated net sales as of 31 March 2022 and 2.1% of the total assets of the Group as at 31 March 2022. On 3 June 2022, a share purchase agreement was signed between the Group and the four key directors of the subsidiary. Each of the four key directors will hold between 23% and 31% of the total shares formerly held by the Group.

The payment of the shares will be made through four instalments between June 2025 and June 2028. The payment of the shares is secured by a pledge agreement signed on 3 June 2022.

There is a call option exercisable for the Group on 1 April 2025, 2026, 2027, 2028 and 2029. The exercise price is based on the fair value.

Based on these agreements, the Group will lose the exclusive control of the Russian entity and will not have any significant influence.

As of 31 March 2022, the test related to the valuation of the assets linked to the Russian subsidiary is consequently performed with regards to the present value of the receivable linked to the sale. This value depends on the capacity of the new entity to

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generate cash flows. Based on management's judgement, there are no indicators leading to the conclusion that the Group will not be in a position to recover this receivable. On that basis, Management concluded that there is no impairment to be recorded in the accounts on the assets of L'Occitane Russia that amount to €33 million as of 31 March 2022. A reasonable change in the main assumptions used by Management will not trigger any material impairment of the assets tested.

At the date of the loss of exclusive control on 3 June 2022, the present value of the receivable of shares (corresponding to the deferred payments to be received from the acquirer of the shares) will approximately amount to €48 million. The present value of the receivable will be calculated with a discount rate of 12.5% that takes into account the risk of the new entity to generate sufficient cash flows in the future.

This amount approximately corresponds to the net assets of L'Occitane Russia at that date (including the currency translation differences previously recorded in other comprehensive income in respect of L'Occitane Russia and the impact of elimination of the intercompany margin). Therefore, no significant capital gain or loss is expected.

1.3 Consideration of climate risks

The Group's current exposure to the consequences of change climate is limited. Therefore, at this stage, the impacts of the climate change on the consolidated financial statements are not significant.

The Group took the commitment to contribute to the world carbon neutrality by becoming a Carbon Net zero company by 2030. The first milestone will be to achieve Net Zero emissions on our two French production sites by 2025. The brands are also working on their own neutrality targets. At the meantime, the Group signed its first Sustainability-Linked Loan for €600 million revolving credit with a maturity on 31 March 2026 for which the terms of this financing are indexed on sustainability indicators:

- Preserving and regenerating natural
- Cultivated biodiversity
- Mitigate the climate crisis and supporting the communities in which the Group is involved.

The operating result may be impacted by prices of raw materials, the costs of production, transmission and distribution, and related costs at the end of the product's life.

The long-term effects of these changes are not quantifiable at this stage and the management considers that there are no short-term effects.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and changes in accounting principles

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. IFRS are available on the internet site of the European Commission.

The consolidated financial statements have been prepared under the historical cost basis, as modified by the revaluation of certain financial assets and financial liabilities (including derivative financial instruments) at fair value.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates. The areas involving a higher degree of judgment or complexity are disclosed in Note 4 of the consolidated financial statements.

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(a) New and amended standards

The Group has applied the following new and amended standards that are effective for the first time for the Group for the financial period beginning 1 April 2021:

Amendment to IFRS 16 – Leases – COVID-19-Related Rent Concessions

The Group has chosen to early adopt the amendment to IFRS 16 – Leases, which was initially adopted by the IASB (International Accounting Standards Board) on 28 May 2020 and by the European Union on 12 October 2020. The amendment was extended by one year and permits a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021).

This amendment aims to simplify certain provisions of IFRS 16, enabling lessees to recognise concessions granted due to the health crisis on rent initially due up to the end of 2021 as negative variable lease payments (i.e., directly in the income statement), without having to assess whether the concessions were granted pursuant to contractual or legal clauses governing the performance of the lease in question. The impact on the consolidated financial statements is described in Note 23.

Other new and amended standards

Several other amendments became effective for annual reporting periods beginning on or after 1 January 2021, but do not have a material impact on the consolidated financial statements:

- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments address issues arising during the reform of benchmark interest rates including the replacement of one benchmark rate with an alternative one,
- Employee benefits – amendment to IAS 19. The amendment address the allocation of personal benefits to periods of service providing details of allocation to be taken into account for the determination of the service delivery charge. The impacts are no material for the Group.

(b) Impact of standards issued but not yet applied by the Group

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(c) Change in the presentation of the consolidated statement of income

In the previous consolidated financial statements, the Group presented on separate lines of the consolidated statement of income certain elements such as the impact of the deconsolidation and reconsolidation of L'Occitane Inc., restructuring charges, and other gains losses presented for a net amount. This latter line "Other gains losses" included the following which was not significant: profit/(loss) on sale of assets, government grants, negative goodwill and other items. The Group has decided to change the presentation of its income statement to simplify the reading of the presentation of the consolidated statement of income and helps investors and other users of financial statements to better understand the financial performance. Therefore, certain non-core operating income and expenses were grouped on two separate lines of the consolidated statement of income.

Notes 2.27 and 24 indicate the nature of items included in other operating income and other operating expenses.

2.2 Correction of error in the accounting of an associate

In 2015, the Group invested in Good Glamm Group, a non-listed company, which operates in the distribution of cosmetic products mainly in India. The initial investment amounted to €1,880,000 with a percentage of interest of 11.06% as at 31 March 2016.

Since 2015, the total amount of subscriptions of the capital increases of Good Glamm Group amounted to €17.9m. The percentage of interest increased from 11.06% as at 31 March 2016 to 33.84% as at 31 March 2020 and then decreased to 23.34% as at 31 March 2021 and then to 15.53% as at 31 March 2022.

Since the financial year ended 31 March 2016, this investment was accounted for in the consolidated balance sheet at fair value through other comprehensive income (as per IFRS 9) and no fair value adjustments had been recorded considering that it was not material based on the value of the shares subscribed by other investors together with the uncertainties of the business mode of this recently created company.

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When preparing the consolidated financial statements, management has reassessed the accounting treatment of its investment considering the representation of the Group on the board of directors of Good Glamm Group. Due to the capacity of L'Occitane to appoint one director to the board of directors of Good Glamm Group, it has been considered that L'Occitane had the power to participate in the financial and operating policy decisions of Good Glamm Group. In accordance with IAS 28.6, the Group concluded that it has a significant influence on Good Glamm Group.

The consequence of this error is a reclassification of the investment in the consolidated balance sheet from 'Other non-current assets' to 'Investments accounted using the equity method'. Related share of profit from the associate attributable to the Group has been accounted for in the consolidated statement of income in 'Share of profit / (loss) from associates and joint ventures accounted for using equity method'.

According to IAS 8, this correction was applied retrospectively, and the Group corrected this error by restating each of the affected consolidated financial statements line items for the prior periods (including a presentation of the impact on the consolidated balance sheet at the beginning of the preceding comparative period which was 1 April 2020).

The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Consolidated Balance sheet (extract)

In thousands of Euros	Financial year ended 31 March 2021			Financial year ended 1 April 2020		
	31 March 2021	Increase / (decrease)	31 March 2021 (Restated)	1 April 2020	Increase / (decrease)	1 April 2020 (Restated)
Investments accounted for using the equity method	69,994	8,539	78,533	17,590	10,535	28,125
Other non-current assets	101,994	(15,880)	86,114	97,304	(14,480)	82,824
Retained earnings	784,982	(7,341)	777,641	723,884	(3,945)	719,939

Consolidated statement of income (extract)

In thousands of Euros	Financial year ended 31 March 2021			Financial year ended 31 March 2020		
	31 March 2021	Profit increase / (decrease)	31 March 2021 (Restated)	31 March 2020	Profit increase / (decrease)	31 March 2020 (Restated)
Share of profit/(loss) from associates and joint ventures accounted for using the equity method	(5,369)	(3,399)	(8,768)	(3,674)	(2,740)	(6,414)
Operating profit	210,822	(3,399)	207,423	187,727	(2,740)	184,987
Profit for the year	137,025	(3,399)	133,626	95,296	(2,740)	92,556

There is no material impact on the Other Comprehensive Income.

2.3 Principles of consolidation

The accounts of all companies included within the scope of consolidation are closed on 31 March.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liability incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement at the acquisition date. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

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If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through statement of income.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the statement of income.

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Put options arrangements

The Group has written put options over the equity of some of its subsidiaries which permit the holders to put their shares in the subsidiary back to the Group at their fair value on specified dates.

Puts on non-controlling interests are accounted for as follows:

- The present value of the cash payments related to the potential exercise of put options issued by the Group over non-controlling interests are accounted for as "other financial liabilities";
- The initial amount is recognised at present value of the redemption amount within "other financial liabilities" with a corresponding debit directly to "Equity - Excess of consideration in transactions with non-controlling interests". The change in estimates in the estimated value of the financial liability is also recorded with a corresponding adjustment to "Equity - Excess of consideration in transactions with non-controlling interests";
- In the event that the option expires unexercised, the liability is derecognised with a corresponding credit to "Equity - Excess of consideration in transactions with non-controlling interests".

When the put option is written as part of a business combination and when the control over the subsidiary is acquired, no non-controlling interests are recognised in respect of the shares subject to the put option.

Such options are subsequently measured at amortised cost, using the effective interest rate method, in order to accrete the liability up to the amount payable under the option at the date at which it first become exercisable. The charge arising is recorded as a financing cost.

(c) Associates and Joint arrangements

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures but no joint operations.

Interests in associate or joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

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Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. The elimination of upstream and downstream transactions between the Group and the associates / joint ventures is as follows:

- Downstream and upstream transactions (sales from the Group to associates and joint ventures): the elimination of unrealised gains is recorded as a decrease in the investment in the joint venture and a decrease to "Share of profit/loss from associates and joint ventures accounted for using the equity method";
- Upstream transactions (sales from the associates and joint ventures to the Group): the elimination of unrealised gains is recorded as a decrease in the investment in the joint venture and a decrease to "Share of profit/loss from associates and joint ventures accounted for using the equity method".

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use.

The percentage of shareholding disclosed in the consolidated financial statements is the one of L'Occitane International S.A. when the shares are held by this entity.

(d) Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss, for those which are recyclable only.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation of items are remeasured. The exchange rates prevailing at these dates are approximated by a single rate per currency for each day (unless these rates are not reasonable approximations of the cumulative effect of the rates prevailing on the transaction dates). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income under the line "Foreign currency gains / (losses)", except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in the statement of income as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

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(c) Group companies

None of the Group's entities has the functional currency of a hyperinflationary economy.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- ii. Income and expenses for each statement of income are translated at an estimated monthly average exchange rate (unless this rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- iii. All resulting exchange differences are recognised in other comprehensive income.

On consolidation, foreign exchange differences arising from the translation of the net investment in foreign operations including monetary items forming part of the reporting entity's net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are included in "Cumulative currency translation differences" within shareholders' equity. When a foreign operation is sold, exchange differences recorded in equity are recognised in the statement of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

2.5 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs) or groups of CGUs, that are expected to benefit from the synergies of the combination. Each CGU or group of CGUs to which goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes. Goodwill is monitored at the brands level.

For L'Occitane en Provence trademark, the goodwills are related to the past acquisitions of exclusive distributors and are monitored by country.

(b) Contractual customer relationship

These assets were acquired as part of business combinations. They are recognised at fair value at the date of the acquisition. The fair value at the acquisition date is determined through the excess profit method (the value of the customer relationship or backlog is calculated based on the present value of cash flows derived from the asset after deduction of the portions of the cash flows that can be attributed to supporting and contributory assets such as trademark and net working capital). Contractual customer relationships and backlog are amortised on a straight-line basis over the average period of the expected relationship with the customer which usually ranges between 3 years and 10 years (backlog from ELEMIS).

(c) Trademarks

Separately acquired trademarks are accounted for at historical cost. Trademarks acquired in business combinations are recognised at fair value at the acquisition date. The fair value at the acquisition date is determined through the royalty method (the value of the trademark is calculated based on the present value of the royalty stream that the business is saving by owing this asset). The acquired trademarks recognised as intangible assets relate to Melvita, Erborian, ELEMIS and Sol de Janeiro. At the acquisition date of LimeLife, the estimated fair value of the acquired trademark was not significant and therefore was not recognized separately from the goodwill. The valuation of these assets takes into account various factors, including brand awareness and royalty rate. The Group intends to continuously renew trademarks and sell products under the acquired trademarks. There is no foreseeable limit to the period over which the trademarks are expected to generate net cash inflows for the Group. Therefore, trademarks are considered to have an indefinite useful life and are not amortised but are tested annually for impairment. An annual review is performed to determine whether events and circumstances continue to support their useful life assessment. There is no change in the commercial and marketing strategy that modify the indefinite useful commercial life.

Trademarks are allocated to CGUs for the purpose of impairment testing, corresponding to brands (see Note 2.8). The allocation is made to those CGUs or group of CGUs that are expected to benefit from the trademark.

(d) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives (not exceeding 5 years).

Costs directly associated with the production and testing of identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Directly attributable costs include employee costs for software development and an appropriate portion of relevant overheads. These costs

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are amortised on a straight-line basis over their estimated useful lives. The Group's main enterprise resource planning (ERP) tool, SAP, is amortised over 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

(e) Commercial websites

Development costs directly attributable to the design and testing of commercial websites are recognised as intangible fixed assets and are amortised over their estimated useful lives, which does not exceed 3 years.

(f) Research and development costs

Research costs are expensed when incurred.

Development costs relating to project development are recognised as an intangible asset when the following criteria are met:

- It is technically feasible to complete the project so that it will be available for use or sale;
- Management intends to complete the project and use or sell it;
- There is an ability to use or sell the project;
- It can be demonstrated how the project will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the project are available;
- The expenditure attributable to the project during its development can be reliably measured.

In view of the large number of development projects and uncertainties concerning the decision to launch products relating to these projects, the Group considers that some of these capitalisation criteria are not met and the development costs are expensed when incurred.

2.6 Property, plant and equipment

All property, plant and equipment (PP&E) are stated at historical cost less depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other tangible assets is calculated on straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

PP&E	Estimated useful lives
Buildings	20 years
Equipment and machinery	Between 5 and 10 years
Information system equipment and cash registers	3 years
Leasehold improvements	Between 5 and 10 years
Leasehold improvements related to stores	5 years
Furniture and office equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

2.7 Leases

The Group leases various offices, retail stores, equipment, and vehicles. Leases are typically made of terms of 2 to 15 years (except for the flagship on the Champs-Élysées with an initial term of 24 years) but may have extension options as described below. Leases are negotiated on an individual basis and contain a wide range of different terms and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;

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- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option, and;
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs, and
- Restoration costs.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100 per cent of lease payments are on the basis of variable payment terms and there is a wide range of sales percentage applied. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options

The lease term corresponds to the non-cancellable period for which a lessee has the right to use an underlying asset, together with both :

- Periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and
- Periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

Estimation of lease terms: extension and termination options

The lease term corresponds to the non-cancellable period for which a lessee has the right to use an underlying asset, together with both:

- Periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and
- Periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

Extension and termination options are included in a number of property and equipment leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group divides the underlying assets into two categories:

- Other stores: the lease term corresponds to the initial term of the lease on the signature date, namely without taking into account any extension options, as the Group views the ability to take advantage of opportunities to relocate its stores throughout the term of the lease to be a key part of its store network management policy. Consequently, options to extend or even terminate leases are only accounted for if the Group has exercised the extension period. In the specific case of called "3-6-9"-type commercial leases in France granting the lessee an option to terminate the lease after 3 or 6 years, the Group does not consider the extension option for the same reasons;
- Other properties (offices, logistics platforms, plants): the lease term corresponds to the initial term of the lease.

Certain leases include automatic renewal clauses or have indefinite terms. The Group is unable to reliably estimate the lease term for these leases beyond their strictly contractual period. Accordingly, they are accounted for as leases with no extension option. The assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and that is within the control of the lessee.

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As explained in Note 2.1.a) above, the Group has chosen to early adopt the amendment to IFRS 16 – Leases, which was adopted by the IASB (International Accounting Standards Board) on 28 May 2020 and by the European Union on 12 October 2020. The impact on the consolidated financial statements is described in Note 23.

2.8 Impairment of non-financial assets

(a) Goodwill and trademarks

Goodwill and trademarks are allocated to group of CGUs by operating segment.

CGUs to which goodwill and trademarks have been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

(b) Other intangible assets (other than goodwill and trademarks), property, plant and equipment and right-of-use assets
Intangible assets that are subject to amortisation, property, plant and equipment and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. In assessing the fair value, an external valuation is obtained or management's best estimate is used to the extent the assumptions used by management reflect market expectations.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units: CGUs):

- For testing the carrying amount of the stores (mainly: right-of-use assets, architect / decorator costs, leasehold improvements, furniture), the cash-generating unit is the store;
- For corporate assets (assets other than those related to the stores and the flagship store on the Champs Elysées) where a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to an individual CGU, or otherwise to the smallest group of CGU for which a reasonable and consistent allocation basis can be identified (country or global brand in the case of the headquarter and the flagship store on the Champs Elysées).

Intangible assets (other than goodwill and trademarks), property, plant and equipment and right-of-use assets that have been subject to impairment in the previous year are reviewed for a possible reversal of the impairment at each reporting date (Notes 6, 7 and 9). Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years.

2.9 Deposits

Deposits are recorded at their historical value. Impairment is recorded if the net present value is higher than the estimated recoverable amount. The impact of not discounting is not material.

2.10 Assets held for sale and assets directly associated with discontinued operations

Non-current assets or disposal groups are classified as assets held for sale or directly associated with discontinued operations and stated at the lower of the carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through a continuing use and a sale is considered highly probable.

2.11 Inventories

Inventories are carried at the lower of cost or net realisable value (net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses); with cost being determined principally on the weighted average cost basis. The cost of inventories includes the cost of raw materials, direct labour, depreciation of machinery and production overheads (based on normal operating capacity). It excludes borrowing costs.

Inventories also include (a) the distribution and marketing of promotional goods that are intended to be sold to third parties and (b) miniature products, pouches and boxes that are essentially bundled and sold together with regular products.

The Group regularly reviews inventory quantities on hand for excess stock, discontinued products, obsolescence and declines in net realisable value below cost and records an allowance within "cost of sales" against the inventory balance for such declines.

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2.12 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and are subsequently measured at amortised cost using the effective interest method, less provision for impairment. The amount of the loss on a trade receivable is recognised in the income statement within "Distribution expenses".

2.13 Financial assets

Under IFRS 9, the Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through OCI ("FVOCI") – debt instrument;
- Fair value through OCI ("FVOCI") – equity instrument; or
- Fair value through profit or loss ("FVTPL").

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and the contractual terms of cash-flows. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Type of financial assets	Nature of classification	Measurement
At amortised costs		
Trade receivables	Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration (plus transactions costs that are directly attributable to the acquisition of the financial asset) that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.	These assets are subsequently measured at amortised cost using the effective cost interest method. Impairment losses are deducted. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Other financial assets at amortised cost	The Group classified its financial assets as at amortised cost only if both of the following criteria are met: <ul style="list-style-type: none"> • The asset is held within a business model whose objective is to collect the contractual cash flows, and • The contractual terms give rise to cash flows that are solely payments of principal and interest. 	These assets are subsequently measured at amortised cost using the effective cost interest method. Impairment losses are deducted. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gains or losses on derecognition are recognised in profit or loss (Note 24).
At fair value through OCI or profit or loss		
Financial assets at fair value through other comprehensive	Debt securities for which the contractual cash flows are solely payment of principal and interest and the objective of the Group's business model is achieved both by collecting	At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

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income – Debt instruments	contractual cash flows and selling assets.	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI (movements in the carrying amount). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss (Note 24).
Financial assets at fair value through other comprehensive income – Equity Instruments	On initial recognition of an equity instrument, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.	At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The Group subsequently measures all equity instruments at fair value. Changes in the fair value of financial assets at fair value OCI. Dividends from such investments continue to be recognised in the income statement as other income when the Group's right to receive payments is established. Where the Group's management have elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment (Note 24).
Financial assets at fair value through profit or loss	All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.	At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss (Note 24)

Impairment of financial assets

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses that uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the number of days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 March 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit in the line "General and administrative expenses". Subsequent recoveries of amounts previously written off are credited against the same line item.

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Debt investments

All of the entity's debt investments at amortised cost and FVOCI are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

2.14 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges of a net investment in a foreign operation (net investment hedge).

At inception of the transaction, the Group documents the economic relationship between the hedging instruments and the hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives used in hedging transactions are highly effective in offsetting changes in the fair values or cash flows of hedged items.

The fair value of the various derivative instruments used for hedging purposes is disclosed in Note 16. Movements on the hedging reserve in other comprehensive income are shown in the consolidated statement of changes in shareholders' equity.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gains or losses relating to the ineffective portion are recognised immediately in the statement of income within "finance income" or "finance costs" for interest derivatives and within "foreign currency gains / (losses)" for currency derivatives.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward component of the contract that relates to the hedged item is recognised within OCI in the costs of hedging reserve within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified to the statement of income in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the statement of income within "finance income" or "finance costs".

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of income within "finance income" or "finance costs" for interest derivatives and within "foreign currency gains/(losses)" for currency derivatives.

(c) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of income, within "foreign currency gains/(losses)".

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Gains and losses accumulated in equity are included in the statement of income when the foreign operation is partially divested or sold.

The Group does not use net investment hedges.

(d) Derivatives at fair value through profit and loss

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised immediately in the statement of income within "finance income", "finance costs" or "foreign currency gains / (losses)".

2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, short-term deposits and other short-term highly liquid investments with original maturities of three months or less.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.16 Share capital

Ordinary shares are classified as equity. There are no preference shares.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group's entity purchases the Group's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Group's equity owners. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Group's equity owners.

2.17 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

2.18 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Provisions

Within the normal framework of their activities, the Group and its subsidiaries are subject to various forms of litigation and legal proceedings. The Group sets aside a provision based on its past experience and on facts and circumstances known at the balance sheet date. Provisions for customer and warranty claims, dismantling and restoring obligations, restructuring costs and legal claims are recognised when:

- The Group has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation;
- And the amount has been reliably estimated.

If any, restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provision for costs of dismantling and restoring

When the lease agreement includes an obligation to restore the leased property into original condition at the end of the lease term or to compensate for dilapidation, a provision for the estimated discounted costs of dismantling and restoring or settlement is recorded over the length of the lease.

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Depending upon the nature of the obligation in the lease agreement, it may be considered that the alterations occurred when entering the lease. In this case the liability is immediately recorded at the inception of the lease and the same amount is included in right-of-use assets. This item is then depreciated over the lease term.

2.20 Employee benefits

(a) Pension obligations

The Group operates various pension schemes under both defined-benefit and defined-contribution plans:

- A defined-benefit plan is a pension plan that defines an amount of pension benefits that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation;
- A defined-contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. In a defined-contribution plan, the Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Defined benefit plans

The only significant regime with defined benefits concerns the retirement indemnities in France. The employees receive a lump sum varying according to their seniority and other components of the collective agreement governing their employment. The liability recognised in the balance sheet in respect of defined-benefit pension plans is the present value of the defined-benefit obligation at the balance sheet date. The defined-benefit obligation is calculated annually using the projected unit credit method. The present value of the defined-benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses resulting from experience adjustments and changes in the actuarial assumptions that are used to calculate the obligations (excluding the estimated return on plan assets) are fully recognised within "Other comprehensive income" in the period in which they arise (see Note 2.1).

Past-service costs are recognised immediately in the statement of income.

Defined contribution plans

For defined-contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Other post-employment obligations

The Group does not provide any other post-employment obligations.

(c) Share-based payment

L'Occitane Groupe S.A., the parent of the Company, operates a number of share-based payment plans granted to employees of the Group and its subsidiaries.

The Group has also authorised free share and share option plans over its own equity instruments, whose characteristics are described in Note 18.

Equity settled share-based payment

The fair value of the employee services received in exchange for equity instruments granted is recognised as an expense over the vesting period.

The total amount of the expense is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specific period of time).

Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of income, with a corresponding adjustment to equity in other reserves.

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The market conditions are taken into account in the valuation of the option at the grant date and are not updated for the subsequent closings. The number of shares expected to vest is estimated based on the non-market vesting conditions.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the equity instruments are exercised.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the equity instruments are exercised.

The grant by the parent company of share-based payments over its equity instruments to the employees of the Company or subsidiaries in the Group is treated as a capital contribution from the parent company. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as a share-based payment expense, with a corresponding effect in equity attributable to the equity owners of the Company as a "contribution from the parent".

(d) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: a) when the Group can no longer withdraw the offer of those benefits; and b) when the entity recognises costs for a restructuring within the scope of IAS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(e) Profit-sharing and bonus plans

The Group recognises a provision where legally, or contractually obliged or where there is a past practice that has created a constructive obligation.

(f) Employee leave entitlements

Employee entitlements to annual leave are recognised when they are accrued. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.21 Borrowings

Borrowings are initially recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn down occurs. If there is no evidence that some or all of the facility will likely be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's business. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intragroup transactions.

Revenue for sales invoiced when the transfer of control has not occurred is deferred in the balance sheet under the "deferred revenue" line, in "other current liabilities".

Revenue is recognised as follows:

(a) Sales of goods – retail (Sell-out channel)

The Group operates a chain of retail stores. Revenue from the sale of goods is recognised when the Group sells a product to the customer at the store.

Payment of the transaction price is due immediately when the customer purchases the products.

It is not the Group's policy to sell its products to end retail customers with a right of return. However, in some countries, the entity may retain an insignificant risk of ownership through a retail sale when a refund is offered or when return goods are accepted if the customer is not satisfied. Revenue in such cases is recognised at the time of the sale provided the entity can reliably estimate

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future returns and the Group recognises a liability in "Other current liabilities" for returns against revenue based on previous accumulated experience and other relevant factors.

(b) Sales of goods – wholesale and distributors (Self-in channel)

Sales are recognised when control of the products has transferred, i.e., when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The products are sometimes sold with conditional discounts. Sales are recorded based on the price specified in the sales contracts/invoices, net of the estimated conditional discounts.

No element of financing is deemed present as the sales are made with a credit term of maximum 90 days.

When the customer has a right to return the product within a given period, the Group is obliged to refund the purchase price. A refund liability for the expected refunds to customers is recognised as adjustment to "net sales" in "Other current liabilities".

(c) Sale of gift-cards

In some regions, in the ordinary course of the Group's business, the Group sells gift cards. The revenue is recognised when the customer redeems the gift cards for buying goods (the product is delivered to the customer).

As long as customers do not redeem these gift certificates cards, the revenue for sales is deferred in the balance sheet.

Gift cards exceeding the validity period are recognised in the statement of income.

(d) Loyalty programme

The Group accounts for award credits as a separately identifiable component of the sales transaction(s) in which they are granted. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the components, i.e., the goods sold (revenue) and the award credits granted (deferred revenue). The allocation is made by reference to the relative standalone values of the components, i.e. the amounts for which each component could be sold separately.

The fair value of the award credits is estimated by reference to the discount that the customer would obtain when redeeming the award credits for goods. The nominal value of this discount is reduced to take into account:

- any discount that would be offered to customers who have not earned award credits from an initial sale;
- the proportion of award credits that are expected to be forfeited by customers.

The Group recognises revenue in respect of the award credits in the periods, and reflecting the pattern, in which award credits are redeemed. The amount of revenue recognised is based on the number of award credits that have been redeemed relative to the total number expected to be redeemed.

The part of the consideration allocated to goods sold is recorded in Gross sales of products in the income statement and the deferred revenue is recorded in "Other current liabilities" in the balance sheet.

(e) Consideration paid to distributors

In some cases, the Group can enter into arrangements with distributors where payments are made to compensate for certain promotional actions.

As such payments cannot usually be separated from the supply relationship, the Group recognises the consideration paid as a deduction of revenue.

2.23 Distribution expenses

The line "Distribution expenses" in the statement of income includes expenses relating to stores, mainly: employee benefits, rent and occupancy, depreciation and amortisation, freight on sales, promotional goods, credit card fees, maintenance and repair, telephone and postage, travel and entertainment, doubtful receivables, start-up costs and closing costs.

Distribution promotional goods include testers and bags and are expensed when the Group has access to those items.

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Distribution expenses also include the amortisation of the ELEMIS backlog over 10 years.

2.24 Marketing expenses

The line "Marketing expenses" in the statement of income includes mainly the following expenses: employee benefits, advertising expenses and promotional goods.

Marketing promotional goods include press kits, gifts with purchases, samples, commercial brochures and decoration items used to prepare the windows and are expensed when the Group has access to those items.

2.25 Research and development expenses

The line "Research and development costs" in the statement of income mainly corresponds to employee benefits and professional fees.

2.26 Start-up and pre-opening costs of stores

Start-up costs and pre-opening costs of the stores are expensed when incurred under "Distribution expenses" in the statement of income. These costs mainly include broker and/or lawyer fees, rent paid before the opening date, travel expenses relating to the opening team.

2.27 Other operating income and other operating expenses

(a) Other operating income

The other operating income notably include the following:

- The impact of the deconsolidation / reconsolidation of subsidiaries;
- The capital gain arising from the change in the percentage of interests in associates and joint ventures;
- The net profit on sale of assets;
- The excess of the fair value of acquired net assets over the cost of an acquisition (negative goodwill).

(b) Other operating expenses

The other operating expenses notably include the following:

- The dilution loss arising from the change in the percentage of interests in associates and joint ventures
- The restructuring expenses;
- The net loss on sale of assets.

(c) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are first deferred in non-current liabilities and then classified as a reduction of the fixed asset when it is put in service. Grants are then credited to the income statement on a straight-line basis over the expected lives of the related assets.

2.28 Foreign currency gains / (losses)

The line "foreign currency gains/(losses)" in the statement of income relates to:

- Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the year-end translation of the exchange rates of monetary assets and liabilities denominated in foreign currencies (Note 2.3 (b)). These foreign currency gains and losses are mainly related to the financing of the subsidiaries;
- Gains or losses arising from changes in the fair value of the foreign exchange derivatives at fair value through profit and loss (Note 2.13 and Note 16);
- Gains or losses arising from the ineffective portion of changes in the fair value of foreign exchange derivatives that are designated as hedging instruments (Note 2.14 and Note 16).

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2.29 Income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, no deferred income tax is accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax asset against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the taxable entity of different taxable entities where there is an intention to settle the balances on a net basis.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

(a) Market risk

Foreign exchange risk

The Group conducts its distribution activities worldwide. Sales made by the subsidiaries are denominated in their local currency. The production sites are located in France and a major part of the production and purchasing costs is therefore denominated in EUR for L'Occitane en Provence. For ELEMIS, LimeLife and Sol of Janeiro the cost of goods sold is denominated in GBP and USD, respectively. The Group is thus exposed to foreign exchange risk on its commercial transactions, whether known or forecasted.

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As at 31 March 2022, the exposure to foreign exchange risk on the consolidated balance sheet was as follows:

<i>In thousands of euros</i>	EUR	JPY	HKD	USD	GBP	CNY	BRL	TWD	CHF	CAD	Other	Total
Trade receivables	32,244	17,744	9,436	39,520	29,678	35,626	11,794	4,712	334	923	19,487	201,498
Other current receivables	40,081	510	284	12,376	5,248	6,729	9,430	379	207	622	10,352	86,218
Cash and cash equivalents	166,451	22,883	2,458	32,504	62,313	22,723	3,679	1,071	1,397	5,715	45,498	366,692
Monetary assets	238,776	41,137	12,178	84,400	97,239	65,078	24,903	6,162	1,938	7,260	75,337	654,408
Borrowings	1,423,280	-	-	-	5,792	-	-	3,997	3,896	-	5,189	1,442,154
Trade payables	72,030	12,563	3,657	33,889	37,301	30,174	4,476	1,531	702	2,908	14,272	213,503
Social and tax liabilities	79,770	5,613	4,667	12,055	3,981	6,833	6,627	1,256	47	248	15,898	137,015
Monetary liabilities	1,575,080	18,176	8,344	45,944	47,074	37,007	11,103	6,784	4,645	3,156	35,359	1,792,672
Gross exposure in the statement of financial position before hedging	(1,336,304)	22,961	3,834	38,456	50,165	28,071	13,800	(622)	(2,707)	4,104	39,978	(1,138,264)

As at 31 March 2021, the exposure to foreign exchange risk on the consolidated balance sheet is as follows:

<i>In thousands of euros</i>	EUR	JPY	HKD	USD	GBP	CNY	BRL	TWD	CHF	CAD	Other	Total
Trade receivables	23,708	19,356	4,285	16,487	19,424	25,335	6,545	4,180	358	519	14,957	135,154
Other current receivables	29,876	147	519	4,054	4,139	3,695	6,748	294	13	(256)	5,427	54,656
Cash and cash equivalents	267,818	22,308	2,022	23,153	47,187	10,153	1,265	906	2,258	3,117	44,924	425,111
Monetary assets	321,402	41,811	6,826	43,694	70,750	39,183	14,558	5,380	2,629	3,380	65,308	614,921
Borrowings	1,156,543	-	-	20,896	4,460	-	-	2,212	5,962	879	5,594	1,196,546
Trade payables	15,234	13,468	11,454	13,380	38,110	36,947	4,699	4,753	1,139	2,821	19,950	161,955
Social and tax liabilities	63,426	9,645	4,068	5,987	2,615	4,115	3,677	1,057	51	251	12,839	107,731
Monetary liabilities	1,235,203	23,113	15,522	40,263	45,185	41,062	8,376	8,022	7,152	3,951	38,383	1,466,232
Gross exposure in the statement of financial position	(913,801)	18,698	(8,696)	3,431	25,565	(1,879)	6,182	(2,642)	(4,523)	(571)	26,925	(851,311)

The Group invoices its subsidiaries in their local currencies, whenever possible, in order to centralise foreign exchange risk at the Group level. The Group's foreign exchange risk is split between trading operations related to commercial transactions with subsidiaries and financing operations related to intercompany financing.

Commercial transactions:

The Group treasury's risk management policy is to hedge systematically the transaction risk (amounts invoiced) at a minimum of 80%.

The economic risk (amounts forecasted) is hedged depending on market conditions and anticipations from management. All decisions to hedge economic risk are formally approved by the Group CFO.

The Group uses forward contracts to hedge the main part of its foreign risk exposure and currency options on a maximum of 40% of its exposure on its main currencies (USD, GBP, JPY, CNY and RUB). All decisions to use foreign exchange derivatives based products are formally approved by the Group CFO.

The Group only designates the spot component of foreign currency forwards in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. It is discounted, where material.

The intrinsic value of foreign currency options is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the discounted spot market exchange rate is defined as the time value. It is discounted, where material.

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Financing operations:

The Group's risk management policy is to maximise natural hedging using multicurrency bank facilities whenever possible.

For those currencies not covered by multicurrency bank facilities, the Group's risk management policy is to finance subsidiaries in their local currencies, whenever possible, and to hedge the corresponding exposure for a maximum hedging cost of 7%.

During the financial years ended 31 March 2022 and 2021, if the euro had weakened/strengthened by 10% in comparison to the currencies listed below with all other variables held constant, equity, net sales and post-tax profit for the year would have been higher/lower as illustrated below:

In thousands of euros	Currency translation differences (other comprehensive)		Net sales		Profit of the year	
	2022	2021	2022	2021	2022	2021
31 March						
USD	88,569	45,732	27,316	25,543	5,959	(2,041)
JPY	13,679	10,367	20,603	21,527	9,180	5,636
HKD	(6,988)	12,670	(9,793)	10,928	(7,746)	12,282
CNY	26,172	17,659	32,799	26,364	19,611	12,562
GBP	49,032	34,355	23,480	17,622	11,943	(124)

The above sensitivity does not take into consideration the effect of a higher/lower euro on the fair market value of the foreign currency derivative instruments and on realised exchange gains and losses. The fair value of these derivatives at year-end is not material.

Cash flow and fair value interest rate risk

The Group's cash is currently invested in short-term treasury deposits to take advantage of any increase in euro interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. An analysis of the borrowings by category of rate is provided in Note 19.4.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. This has the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the differences between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

In accordance with the financial covenants described in Note 19.2, the margin of certain bank borrowings is liable to change.

Based on the simulations performed, on 31 March 2022 and 2021, if interest rates had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been lower / higher, mainly as a result of higher/lower interest expense on floating rate borrowings (Note 23).

In thousands of Euros	31 March	
	2022	2021
Sensitivity of finance costs	4,029	4,708
Sensitivity of finance income	401	375
Sensitivity of the post-tax profit	590	334

The impact of sensitivity of the equity would be the same as the impact on the post-tax profit, except for the effects mentioned below for derivatives.

The above sensitivity takes into consideration the impact of the interest rate derivatives existing at 31 March 2022 and 2021 on the interest expense but does not take into consideration the effect of a higher / lower interest rate on the fair market value of the derivatives designed to manage the cash flow interest risk floating-to-fixed interest rate swaps. The fair value of these derivatives at period end is not material.

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Price risk

The Group is not significantly exposed to commodity price risk.

The Group is exposed to price risk arising from investments in financial assets such as equity, fixed income, private equity, property or multi-asset funds. Investments are made in accordance with the limits and rules set by the Financial Investments Policy.

The amounts recognised in the consolidated statement of comprehensive income in relation to the investments held by the Group are disclosed in Note 3.3.

(b) Credit risk

Credit risk is managed on a Group basis, except where it relates to accounts receivable balances. Each local entity is responsible for monitoring and analysing the credit risk of its customers. Standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments, carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), derivative financial instruments and deposits with bank and financial institutions, as well as credit exposures to wholesale and retail customers.

The Group has no significant concentrations of credit risk for customers:

- For customers in the Sell-in and B-to-B activities, sales are made with credit terms generally between 60 and 90 days. The Group maintains adequate allowances for potential credit losses and monitors the solvency of its counterparts. As at 31 March 2022 and 2021, the Group did not have any significant concentrations of business conducted with a particular customer that could, if suddenly eliminated, severely impact its operations;
- For customers in the Sell-out activities, the Group's sales to end customers are made in cash or via major credit cards and no credit terms are generally granted. When the Sell-out sales are generated in department stores, a credit term is granted to the department store until the cash is transferred to the Group. This credit term is generally from 30 to 90 days;
- All significant cash deposits are made with major financial institutions with an investment grade rating and are invested in fixed-term deposits with negotiated terms and conditions and interest rates, or in mutual funds. The Group has temporary exposure to non-investment grade institutions on payments made by customers in certain countries, until the related amounts to investment grade institutions. Cash and cash equivalents and derivative financial instruments are concentrated with a few independently rated parties with a minimum rating of "BBB-" (investment Grade) except in countries rated below BBB-.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of its underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

During the full year ended 31 March 2022, the Group continued to reimburse its borrowings: trade pay

- In June 2021, the FY2021 PGE bank borrowing was reimbursed for an amount of €51.4 million
- In July 2021, the FY2019 Term Loan was reimbursed for an amount of €275 million.

There were new bank borrowings:

- In December 2021, a new FY2022 Term Loan was signed for an amount of €300 million
- In June 2021, a new FY2022 Bilateral Cash Pooling Facility was signed for an amount of €50 million.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facilities and cash and cash equivalents) based on expected cash flows. The liquidity reserves as at 31 March 2022 are as follows:

31 March	2022	2021
<i>In thousands of Euros</i>		
Cash and cash equivalents and bank overdrafts	366,692	425,111
Undrawn borrowing facilities (note 19.3)	374,177	647,272
Liquidity reserves	740,869	1,072,383

Surplus cash held by the Group is invested in call accounts, certificates of deposit, money market funds and securities or any other financial assets authorised by the Financial Investments Policy.

The repayment of certain bank borrowings depends on a financial covenant (Note 19.2).

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The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

<i>In thousands of euros</i>	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings (Note 19)	910,834	42,749	483,245	5,326	1,442,154
Trade payables (Note 21)	213,503	-	-	-	213,503
Lease liabilities (Note 7)	93,722	65,812	88,800	25,898	274,232
Interests payments on borrowings	14,244	26,341	26,761	62	67,408
Total on 31 March 2022	1,232,303	134,902	598,806	31,286	1,997,297
Borrowings (Note 19)	505,924	523,729	158,758	8,135	1,196,546
Trade payables (Note 21)	161,955	-	-	-	161,955
Lease liabilities (Note 7)	78,650	58,599	80,034	77,444	294,727
Interests payments on borrowings	12,158	21,016	26,914	14,306	74,394
Total on 31 March 2021	758,687	603,344	265,706	99,885	1,727,622

The interests payments on borrowings are based on the existing interest rates as at 31 March 2022. The net book value is close to the fair value.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, such that it can continue to provide returns for equity owners and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity owners, return capital to equity owners, issue new shares or sell assets to reduce debt.

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3.3 Fair value estimate

Fair value of financial instruments

The table below presents the net book value and fair value of some of the Group's financial instruments, with the exception of cash, trade receivables and trade payables as well as accrued expenses (their carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values given their short maturities):

<i>In thousands of euros</i>	31 March 2022		31 March 2021 Restated*	
	Net book value	Fair value	Net book value	Fair value
Assets				
Financial assets at fair value through other comprehensive income (FVOCI) (a)	33,117	33,117	17,503	17,503
Financial assets at fair value through profit or loss (FVPL) (b)	9,605	9,605	7,690	7,690
Other non-current assets	22,063	22,063	60,921	60,921
Derivative financial instruments (a)	1,931	1,931	72	72
Total assets	66,716	66,716	86,186	86,186
Liabilities				
Fixed rates	166,448	166,448	203,045	203,045
Floating rate	1,275,706	1,275,706	993,501	993,501
Total borrowings	1,442,154	1,442,154	1,196,546	1,196,546
Derivative financial instruments (a)	1,208	1,208	713	713
Other financial liabilities	206,965	206,965	18,671	18,671
Total liabilities	208,173	208,173	19,384	19,384

* See note 2.2 for details regarding the restatement as a result of an error.

(a) The fair value of financial instruments was determined as indicated below
(b) Including investments in Aquaponic Management Project.

Fair value measurement hierarchy

IFRS 13 for financial instruments requires disclosure of fair value measurements of the following fair value measurement hierarchy:

- Quoted prices in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (i.e. derived from prices) (level 2);
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

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The following table presents the Group's assets and liabilities that are measured at fair value:

In thousands of Euros	31 March 2022				31 March 2021 Restated*			
	Level 1 (a)	Level 2 (b)	Level 3 (c)	Total	Level 1 (a)	Level 2 (b)	Level 3 (c)	Total
Assets								
Derivatives at fair value	-	1,931	-	1,931	-	72	-	72
Financial assets at fair value through other comprehensive income (FVOCI)	9,079	24,038	-	33,117	-	17,503	-	17,503
Financial assets at fair value through profit or loss (FVPL)	-	-	9,605	9,605	-	-	7,690	7,690
Total assets	9,079	25,969	9,605	44,653	-	17,575	7,690	25,265
Liabilities								
Other financial liabilities	-	-	206,965	206,965	-	-	18,671	18,671
Derivatives at fair value	-	1,208	-	1,208	-	713	-	713
Total liabilities	-	1,208	-	208,173	-	713	18,671	19,384

* See note 2.2 for details regarding the restatement as a result of an error.

(a) The fair value of financial instruments traded in active markets (such as equity securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(b) The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by external counterparties using methods and assumptions that are based on market conditions existing at each balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in level 2.

(c) If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between the levels of the fair value hierarchy in the year ended 31 March 2022. No changes were made to any of the valuation techniques applied as at 31 March 2021.

Fair value measurements using financial instruments traded in active markets (level 1)

On 10 May 2021, LOI acquired shares in Carbios S.A. which is specialised in recycling plastic and packaging products for an initial amount of €10,000,000 (less than 3% of the total shares). This investment is measured at fair value through other comprehensive income.

Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability (level 2).

The following table presents the change in level 2 instruments for the period ended 31 March 2022:

In thousands of euros	Balance as at 31 March 2021	Disposals	Acquisitions	Gain/(loss) recognized in other comprehensive income	Balance as at 31 March 2022
Financial assets at fair value through other comprehensive income (FVOCI) (Note 13)					
SCPI FI Commerce (Real estate investment fund)	9,520	-	-	-	9,520
Truffle investment	4,939	-	6,600	(1,126)	10,413
Other investments	3,044	-	1,061	-	4,105
Total assets (level 2)	17,503	-	7,661	(1,126)	24,038

Equity investments at fair value through other comprehensive income mainly correspond to the investments in:

- Real estate investment fund (SCI Fi Commerce) for an amount of €9,520,000,
- Truffle investments funds for an amount of €10,413,000.

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- The financial assets at fair value through other comprehensive income correspond to other investments representing 14 investments with individual investments of which 12 are lower than €200,000. For all the investments the percentage of voting shares is lower than 20%. Those other investments are held indirectly by L'Occitane Innovation Lab and Fund Empire and the Group elected to measure those investments at fair value through other comprehensive income in accordance with IFRS 9.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the change in level 3 instruments for the years ended 31 March 2022 and 31 March 2021:

<i>In thousands of euros</i>	Balance as at 31 March 2021	Disposals / transfers	Acquisitions	Gain/(loss) recognized	Balance as at 31 March 2022
Assets					
Financial assets at fair value through profit or loss (FVPL)	7,690	(1,000)	2,915	-	9,605
Total assets (level 3)	7,690	(1,000)	2,915	-	9,605

<i>In thousands of euros</i>	Balance as at 31 March 2021	Disposals	Acquisitions	Unwinding of discount	Gain/(loss) recognized in other comprehensive income	Balance as at 31 March 2022
Other financial liabilities (Note 5.3)	18,671	-	200,066	1,724	(3,064)	217,397
Total Liabilities (level 3)	18,671	-	200,066	1,724	(3,064)	217,397

The other financial liabilities correspond to the put options granted by the Group to non-controlling interests:

- Put option on Sol de Janeiro non-controlling interests for €150,463,000,
- Put option on Elemis non-controlling interests for €15,435,000,
- Put on symbiose Cosmetics France non-controlling interest for €4,071,000,
- Put on L'Occitane GmbH non-controlling interests for €1,896,000.
- Put on Grown Alchemist non-controlling interests for €45,532,000.

Fair value of other financial instruments (unrecognised)

The Group also has a number of financial instruments (bank borrowings) that are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short term in nature.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, rarely equal the related actual results.

Estimates are used for, but not limited to, depreciation, amortisation and impairment of non-current assets (Notes 2.6, 2.7 and 2.8), allocation of the excess of the cost of an acquisition over the carrying value of the net assets acquired to contractual customer relationship and backlog (Note 2.6), indefinite life of trademarks (Note 2.8), measurement of lease liabilities (Note 2.7), valuation of inventories (Note 2.11), allowance of inventories (Note 2.11), measurement of provisions (Note 2.19), allowance of trade receivables (Note 2.12), revenue recognition (Note 2.22), current and deferred income taxes (Note 2.29), fair value of the derivative instruments (Note 2.14), valuation of share-based payments (Note 18.3), valuation of put options (Note 6.3) contingencies (Note 29), fair value of the Group's investment in L'Occitane Inc. (Note 5.1) and the purchase price for L'Occitane Inc. and Sol de Janeiro (note 5.1).

Estimates and judgments are continually assessed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are explained below.

4.1 Impairment test of non-current assets

Impairment test for intangible assets (including goodwill and trademarks), property, plant and equipment and right-of-use assets are performed in accordance with the accounting policy presented in Note 2.8.

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Goodwill and trademarks are allocated to operating segments defined as one or several brands under the responsibility of a dedicated management team.

The recoverable amounts of the Group of cash-generating units (CGUs) monitored at brand level have been determined on the basis of value-in-use calculations.

Value-in-use is determined with respect to projected future cash flows, taking into account the time value of money and the specific risks attributable to the CGUs. Future cash flow projections are based on medium-term budgets and plans. These plans are drawn up for a period of 4 to 5 years. Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rates stated below. These long-term growth rates are determined consistently with the strategy to operate the trademark and with the analysis of the forecasts included in industry reports specific to the industry in which each CGU operates.

The Covid-19 pandemic disrupted production and commercial operations, leading to a decrease in the Group's revenue and profit from recurring operations in the period. Nevertheless, although the effects of the decrease in levels of business travel and tourism will still be felt for some time, the Group believes that its activities will not be significantly affected over the long term.

Main key assumptions used for value-in-use calculations of the recoverable values of the main goodwill and trademarks are as follows:

31 March 2022 <i>in millions of euros</i>		Elemis	LimeLife	Melvita	Sol de Janeiro
Business plan time frame in years		4	5	5	5
Net sales annual growth rate over the plan		27.3%	32.7%	21.0%	60.0%
Budgeted EBITDA over the plan (*)		24.1%	6.8%	10.7%	22.3%
Long term growth rate		2.1%	2.0%	1.4%	2.1%
Post-tax discount rate		8.7%	8.5%	8.2%	8.5%
Carrying amounts	<i>Goodwill</i>	538	169	36	253
	<i>Trademark</i>	284	-	14	163
	<i>Other items</i>	67	21	9	(17.6)*
Recoverable value		1,279	255	80	397
Headroom available		390	64	21	219

(*) Mainly composed by the deferred tax assets recognized on the trademark for €36.3m (Note 5.1)

31 March 2021 <i>in millions of euros</i>		Elemis	LimeLife	Melvita
Business plan time frame in years		4	4	5
Net sales annual growth rate over the plan		28.0%	25.2%	18.1%
Budgeted EBITDA over the plan		30.7%	11.4%	12.9%
Long term growth rate		2.1%	2.0%	1.4%
Post-tax discount rate		8.3%	8.2%	7.8%
Carrying amounts	<i>Goodwill</i>	514	113	36
	<i>Trademark</i>	243	-	14
	<i>Other items</i>	64	15	11
Recoverable value		1,202	376	79
Headroom available		381	248	17

(*) Average % of EBITDA over the 4-year or 5-year plan

Assumptions	Approach used for determining values
Net sales annual growth rate ("CAGR")	Average annual growth rate over the plan based on past performance, management's expectations of market development, undergoing strategic positioning, current industry trends and including long-term inflation forecasts for each region. The projected annual growth rate can be higher than the historical performance and current average industry trends due to the expected effects of strategic positioning measures implemented and the international development of brands.

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Budgeted EBITDA	This financial indicator corresponds to operating profit plus net charges to depreciation and amortisation. Due to the IFRS 16 impacts, budgeted EBITDA does not include the lease expenses. Weighted EBITDA is expressed as a percentage of net sales over the forecast period. Budgeted EBITDA is based on past performance and management's expectations for the future, taking into account business development strategies for each country and distribution channel/sub-channel (Sell-out: retail, online sales; Sell-in: distributors, travel retail, market places).
Long term growth rate	Weighted average growth rate used to extrapolate cash flows beyond the budget period. The growth rates are consistent with forecasts in view of the country mix, the rise in the cost of raw materials and inflation.
Post-tax discount rate	WACC per country in which the trademark is exploited. This reflects the specific risks relating to the relevant segments and the countries in which the Group operates.
Terminal value	The sustainable long-term cash flow was assumed to be the extrapolation of the estimated cash flow of the : <ul style="list-style-type: none"> • FY26 plan ELEMIS; • FY27 plans for Melvita, LimeLife and Sol de Janeiro.
Other assumptions	Management has determined other assumptions such as working capital requirements (inventory turnover ratio, DSO and DPO) and annual capital expenditure based on the historical experience of Management and the planned strategy.
Headroom	Headroom is calculated as the difference between the recoverable value and all the assets used by the Group to operate the trademark: goodwill, trademark net of the corresponding deferred tax liability, right-of use assets, PP&E and working capital.

Sensitivity analysis

The recoverable amount of the ELEMIS, LimeLife, Melvita and Sol de Janeiro CGUs would equal its carrying amount if the key assumptions were to change individually as follows:

	ELEMIS	LimeLife	Melvita	Sol de Janeiro
CAGR	23.4%	30.5%	19.7%	48.7%
% of EBITDA for each year of the business plan decreased by	5.6 points	2.1 points	2.2 points	7.8 points
WACC	11.6%	10.4%	10.4%	11.8%
Long-term growth rate	-1.6%	-0.5%	-1.4%	-2.5%

For L'Occitane en Provence, the estimated value in use significantly exceeds the carrying amount of goodwill to such an extent that no reasonably possible change in any of the key assumptions would eliminate the headroom.

4.2 Depreciation and amortisation periods

The Group's main intangible assets and property, plant and equipment with a definite useful life relate to the stores. Right-of-use assets are depreciated on a straight-line basis in accordance with the accounting policy presented in Note 2.7. They are tested for impairment in accordance with the accounting policy presented in Note 2.8.

4.3 Allowance on inventories

The Group regularly reviews inventory quantities on hand for excess inventory, discontinued products, obsolescence and declines in net realisable value below cost and records an allowance against the inventory balance for such declines. When the annual inventory count takes place on a date different from the closing date, the quantity on hand is adjusted to take into account the shrinkage rate (after deduction of non-recurring differences) over the period between the date of the stocktaking and the balance sheet date.

4.4 Other financial liabilities

The Group has several put options on non-controlling interests resulting from business combinations and other transactions with minority shareholders. The liabilities resulting from the put options are estimated based on the contractual formula mainly using the EBITDA or EBIT (estimated based on the plan for the company without the effects of IFRS 16) for the determination of the price. The value is discounted reflecting the current market assessments of the time value and the risk specific to the liabilities. For the new put options recorded in FY22 for Sol de Janeiro and Grown Alchemist see Note 5.3.

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4.5 Business combination

The accounting for acquisition during the year included estimated values for acquired assets, liabilities, and, in particular, newly recognised intangible assets. This valuation process was supported by external experts and incorporated assumptions relating to future profit growth rates, EBIT margins and other commercial considerations. Useful economic lives have also been estimated for these new assets. Changes to the estimates formed, including both through the finalisation of provisional values and through prospective changes to useful economic lives of assets, may result in changes to balance sheet and income statement values resulting from the acquisition.

4.6 Income Tax

The Group is subject to income tax in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such a determination is made.

5. INFORMATION RELATING TO CHANGES IN THE GROUP STRUCTURE

The information disclosed below includes the impact of changes in the Group structure on the equity in 'other reserves' and in 'non-controlling interest'. Those amounts are the impacts in the consolidated financial statement of LOI that differ from the impact presented in the statement of changes in shareholders' equity of LOG. Those differences are due to differences in the percentage of interest between LOG and LOI.

5.1. For the year ended 31 March 2022

5.1.1 Acquisition of Sol de Janeiro

On 23 December 2021, the Group acquired 82,86% of Sol de Janeiro for a total consideration of €378.7m (see also Note 5.3 for put options granted to the minority shareholders).

Consideration for the acquisition in millions of euros

The breakdown of the consideration was as follows:

Cash paid	330,877
Ordinary shares issued	-
Contingent consideration	-
Percentage of interests	82.86%
Net identifiable assets acquired by the Group	154,799
Provisional goodwill	202,618

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Assets acquired and liabilities assumed

ASSETS	Carrying amount -	Fair value	Fair value
In thousands of euros	December 31, 2021	adjustment	Fair value
Property, plant and equipment, net	0.9	-	0.9
Intangible assets, net	1.1	156.7	157.8
Deferred income tax assets	2.7	-	2.7
Other non-current receivable	0.3	-	0.3
Non-current assets	5.0	156.7	161.7
Inventories	20.2	-	20.2
Trade receivable	5.9	-	5.9
Other current assets	6.3	-	6.3
Cash and cash equivalents	8.7	-	8.7
Current assets	41.1	-	41.1
Total assets	46.0	156.7	202.7
LIABILITIES			
In thousands of euros			
Deferred income tax liabilities	-	35.3	35.3
Non-current liabilities	-	35.3	35.3
Trade payables	9.3	-	9.3
Social and tax liabilities	0.4	-	0.4
Other current liabilities	3.0	-	3.0
Current liabilities	12.7	-	12.7
Total liabilities	12.7	35.3	47.9
Net identifiable assets acquired	33.3	121.4	154.8
Deduct: non-controlling interests	(5.7)	(20.8)	(26.5)
Add: goodwill	-	-	202.6
Net assets acquired	27.6	100.6	330.9

The Group recognises non-controlling interests in an acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The goodwill is attributable to a strategic fit for the Group in terms of brand recognition and identify, product quality, management capability, as well as growth, profitability, and cash generation prospects. The acquisition is in line with the Group's strategy to building a leading portfolio of premium beauty brands.

Purchase price allocation and fair value adjustments

When recognised the above assets and liabilities, a purchase price allocation was performed where identifiable assets and liabilities of Sol de Janeiro were measured at fair value as at 31 December 2021.

The fair value adjustments are as follows:

- The fair value of the trademark is estimated based on the royalty method with a net royalty rate of 7.7% and a post-tax discount rate of 10.3%, including a tax amortisation benefit effect;
- Deferred tax liabilities were recognized on the fair value adjustment of the trademark.

As of 31 March 2022, the above fair values had been determined on a provisional basis. The net identifiable assets acquired are based on the net book value of assets and liabilities as at 31 December 2021.

The impact between the acquisition date as at 23 December 2021 and the consolidation as from 31 December 2021 is not material.

Contribution to net sales and profit

The acquired business contributed to the Group's net sales and profit for the period from 31 December 2021 to 31 March 2022 are respectively €26.1m and €2.0m.

If the acquisition had occurred on 1 April 2021, consolidated unaudited pro-forma revenue and profit for the year ended 31 March 2022 would have been €90.5m and €15.5m respectively.

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Acquisition – related costs

The acquisition-related costs amounted to €2.9m and were recognised as administrative expenses. The acquisition costs comprise the insurance costs amounted to €0.5m and corresponds to the liabilities guarantee clause covered by the insurer and paid by the Company.

5.1.2 L'Occitane Inc. Chapter 11 proceedings

Context

On 14 January 2021, the Board of Directors approved the decision to file Chapter 11 proceeding with respect to L'Occitane Inc. The case was filed on 26 January 2021 before the bankruptcy court of New Jersey (the "court"). The aim of proceedings was to facilitate the negotiation of lease arrangements with lessors. The goal was to reach a consensual plan under which general unsecured creditors (mainly lessors) would agree to accept payment of less than the full amount of the liabilities. There was no plan to liquidate the subsidiary.

The Group owned 100% of L'Occitane Inc. However, based on the legal restrictions applicable to Chapter 11 proceedings, the operational activities of L'Occitane Inc. were managed through motions that must be validated by the Court. Motions granted by the Court to L'Occitane Inc. to operate the business could have been overturned by the same Court. The Group no longer controlled the relevant activities. Consequently, the exclusive control of L'Occitane Inc. was lost as soon as bankruptcy proceedings were filed. L'Occitane Inc. has been deconsolidated at the date of filing of the proceedings with the Court (26 January 2021). Subsequently to the derecognition of the assets and liabilities of L'Occitane Inc. the Group's investment in L'Occitane Inc. was recorded using the equity method.

As of 31 August 2021, the proceedings for Chapter 11 was closed by the Court and this date was considered as the effective date for the reconsolidation of L'Occitane Inc. since the Court does not have any control on L'Occitane Inc. Therefore, at this date, the Group L'Occitane gained back the exclusive control of the subsidiary, which has been consolidated in the consolidated financial statements of the Group.

In the consolidated financial statements, the impact of the operations of L'Occitane Inc. is presented as follows:

- As an investment accounted for using the equity method from 1 April 2021 to 31 August 2021. The net loss in the consolidated financial statements of income amounts to €8.9m and is presented within "Share of profit / (loss) from associates and joint ventures accounted for using the equity method" (Note 10);
- As a subsidiary consolidated through full integration method for the month from September 2021. The net sales and the net profit from September 2021 to March 2022 amounts to €89.7 million and €2.5million.

Fair value of the Group's investment in L'Occitane Inc.

As at 31 August 2021, the Group remeasured the fair value of L'Occitane Inc. for an amount of € 0 million which includes a creditor current account with the Group for €19,942,000 considered as part of the net debt.

The key underlying hypothesis for the estimation of the nil fair value of L'Occitane Inc. are as follows:

- The enterprise value was estimated in a range of \$40.0 million – \$44.9 million based on the discounted cash flow (DCF) method (weight of 50%) and the public companies multiples method (weight of 50%);
- For the DCF method, the annual growth rate (CAGR) and the EBIT margin were estimated at 2% and 2.5%. The WACC used was 9.5 %. The terminal value takes into account a long-term growth of 2% in line with the inflation forecast data for the United States.
- For the public companies multiples method, the revenue multiple applicable is estimated in a range of 0.23x – 0.27x and the EBIT multiple applicable is estimated in a range of 10.6x – 11.6x .
- Net debt was decreased from the enterprise value for an amount of \$42.3 million to take into account the intercompany loan, cash, the normalization of the net working capital and the cash-outs related to the finalization of Chapter 11 proceedings (accounts payable to landlords, rejected part of accounts payable to landlords and professional fees).

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Reconsolidation of the assets acquired and liabilities assumed of L'Occitane Inc.

The fair value of the investment in L'Occitane Inc. amounting to € 0 million is considered as the acquisition price.

As at 31 August 2021, the following assets and liabilities of L'Occitane Inc. were recognized as a result of the reconsolidation as follows:

ASSETS In thousands of euros	Carrying amount - August 31, 2021	Fair value adjustment	Provisional fair value
Property, plant and equipment, net	12.3	-	12.3
Intangible assets, net	0.3	-	0.3
Right-of-use assets	55.3	-	55.3
Deferred income tax assets	14.1	-	14.1
Other non-current receivable	0.6	-	0.6
Non-current assets	82.5	-	82.5
Inventories	16.1	-	16.1
Trade receivable	5.9	-	5.9
Current income taxes	0.9	-	0.9
Other current assets	3.8	-	3.8
Cash and cash equivalents	20.9	-	20.9
Current assets	47.5	-	47.5
Total assets	130.1	-	130.1
LIABILITIES			
In thousands of euros			
Borrowings	-	-	-
Lease liabilities	45.0	-	45.0
Other non-current liabilities	0.3	-	0.3
Non-current liabilities	45.3	-	45.3
Trade payables	50.3	-	50.3
Social and tax liabilities	3.4	-	3.4
Borrowings	19.9	-	19.9
Lease liabilities	12.6	-	12.6
Other current liabilities	3.7	-	3.7
Provisions	0.1	-	0.1
Current liabilities	90.1	-	90.1
Total liabilities	135.4	-	135.4
Net acquired	(5.3)	-	(5.3)
Minority shareholders	1.3	-	1.3
Fair value of L'Occitane	-	-	-
Goodwill	6.6	-	6.6

Purchase price allocation and fair value adjustments

When recognised the above assets and liabilities, a purchase price allocation was performed where identifiable assets and liabilities of L'Occitane Inc. were measured at fair value as at 31 August 2021

The fair value adjustments are as follows:

- L'Occitane Inc. does not own any trademarks;
- Customer relationships (Sell-In distribution channel): given that there are no long-term exclusive distribution agreements, the fair value is deemed to be insignificant;
- Right-of-use assets were measured at an amount equal to the recognised liability. Due to the renegotiation of the lease terms with the landlords during the Chapter 11 proceedings, the new terms reflect the market terms and no fair value adjustment was necessary;
- The deferred taxes assets were recognised based on the tax planning taking into account the Group's transfer pricing policy;

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- The lease liability is measured according to IFRS 16 and recognised as if lease contracts were new leases as at 31 August 2021.

The goodwill resulting from this business combination is attributable to future synergies, mainly thanks to the acquisition of a reorganised stores network with renegotiated leases arrangements.

There was no deductible goodwill for tax purposes.

5.1.3 Acquisition of 14 Groupe Sarl

On 23 July 2021, the Group acquired 100% of 14 Groupe Sarl., which in turn holds 65% equity interest and voting rights in Grown Alchemist Holdings Pty Ltd. The consideration of the acquisition is € 10.2 million (see also Note 5.3 for put options granted to the minority shareholders).

The breakdown of the consideration was as follows:

Cash paid	10,192
Ordinary shares issued	-
Contingent consideration	-
Percentage of interests	65.00%
Net identifiable assets acquired by the Group	5,914
Provisional goodwill	6,348

On September 2021, the Group sold 49,72% of its interests in 14 Groupe Sarl. for a total consideration of € 5.1 million. As of 31 March 2022, the Group hold 50,28% of the equity interest (representing 77,79% of the voting rights).

There are put options with non-controlling interests both for Grown Alchemist Holdings Pty Ltd and 14.Groupe Sarl. described in note 5.3.

5.1.4 Investment in Carbios

On 10 May 2021, the Group acquired shares in Carbios S.A. which is specialised in recycling plastic and packaging products for an initial amount of €10,000,000 and representing less than 3% of the total shares (Note 3.3).

5.1.5 Investment in L'Occitane Middle East

On 1 October 2021, the Group invested an additional amount of €4,924,138 in L'Occitane Middle East to develop the activity in Dubai. The percentage of interests remained stable at 51%.

5.1.6 Acquisition of minority interest of Elemis

On 28 March 2022, the Group repurchased 926 Elemis shares (corresponding to 7.72% of the total issued share capital of LOI Elemis Sarl) for a purchase price of €76.6 million from Chasselas Equity S.A. These shares were sold to Chasselas Equity S.A on 6 March 2019. After this acquisition, the percentage of interests increased from 90.9% to 98.62%.

The Group recognised a decrease in non-controlling interests and a decrease in equity attributable to owners of the Group. The effect of this acquisition is summarized as follows:

In thousands of euros	31 March 2022
Carrying amount of non-controlling interests acquired	68,878
Consideration paid to non-controlling interests	76,579
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity (attributable to owners of the Group)	(7,701)

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5.1.7 New minority interest on Symbiose France

On 16 December 2021, the general manager of Symbiose France acquired 2.21% (corresponding to 31 shares) of Symbiose France for a purchase price of €1 million. The percentage of interests decreased from 100% to 97.79%.

The Group recognised an increase in non-controlling interests and an increase in equity attributable to owners of the Group. The effect of this acquisition is summarized as follows:

In thousands of euros	31 March 2022
Carrying amount of non-controlling interests sold	147
Consideration received from non-controlling interests	1,000
Excess of consideration received recognised in the transactions with non-controlling interests reserve within equity (attributable to owners of the Group)	853

A put option was granted to the minority shareholder and general manager of Symbiose France and amounted to €4,071,000. The put option can be exercised in 2025.

5.2 For the year ended 31 March 2021

5.2.1 L'Occitane Inc. Chapter 11 filing

Change in the control of L'Occitane Inc.

On 14 January 2021, the Board of Directors approved the decision to file Chapter 11 proceeding with respect to L'Occitane Inc. The Group owned 100% of L'Occitane Inc. However, based on the legal restrictions applicable to Chapter 11 proceedings, the operational activities of L'Occitane Inc. were managed through motions that must be validated by the Court. Consequently, the Group no longer controlled the relevant activities. The exclusive control of L'Occitane Inc. was lost as soon as bankruptcy proceedings were filed. L'Occitane Inc. had been therefore deconsolidated at the date of filing of the proceedings with the court.

The Group had been still involved in the management of L'Occitane Inc. and maintained significant influence over the subsidiary:

- The Group was the sole shareholder of L'Occitane Inc.;
- The marketing strategy was defined at Group level;
- The Group was the owner of the trademark and the exclusive supplier of goods;
- The financing of L'Occitane Inc.'s operations was ensured by the Group;
- L'Occitane Inc. still run the business, albeit under the Court's supervision.

Subsequently to the derecognition of the assets and liabilities of L'Occitane Inc. the Group's investment in L'Occitane Inc. was recorded using the equity method.

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Derecognition of the assets and liabilities of L'Occitane Inc.

As at 31 January 2021 (the five days between the date of the filing and the end of month were assessed by management as not significant), the following assets (including goodwill) and liabilities of L'Occitane Inc. had been derecognized:

ASSETS <i>In thousands of Euros</i>	January 31, 2021
Property, plant and equipment	16.4
Right-of-use assets	71.4
Goodwill	5.8
Intangible assets	0.2
Deferred income tax assets	13.3
Other non-current assets	0.6
Non-current assets	107.7
Inventories	13.7
Trade receivables	6.5
Other current assets	1.1
Cash and cash equivalents	7.7
Current assets	29.0
Total assets	136.7
Borrowings	-
Lease liabilities	66.5
Other non-current liabilities	0.3
Non-current liabilities	66.8
Trade payables	22.5
Salaries and tax liabilities	4.5
Current income tax liabilities	-
Borrowings	19.9
Lease liabilities	17.9
Provisions	-
Other current liabilities	4.0
Current liabilities	68.8
Total liabilities	135.6
Non controlling interests AVL	1.3
Net assets	2.4

Prior to the deconsolidation of the subsidiary, no impairment test or review of the amortization schedule and the residual value of the non-current assets of L'Occitane Inc. had been required.

Fair value of the Group's investment in L'Occitane Inc.

As at 31 January 2021, the Group determined the fair value of L'Occitane Inc. for a nil amount with the assistance of an external advisor. The key underlying hypotheses for the estimation of the fair value of L'Occitane Inc. were as follows:

- The enterprise value was estimated in a range of \$43.3 million – \$48.1 million based on the discounted cash flow (DCF) method (weight of 50%) and the public companies multiples method (weight of 50%);
- For the DCF method, the annual growth rate (CAGR) and the EBIT margin were estimated at 5.6% and 2.5%. The WACC used was 9.5%. The terminal value took into account a long term growth of 2% in line with the inflation forecast data for the United States.
- For the public companies multiples method, the revenue multiple applicable was estimated in a range of 0.27x – 0.32x and the EBIT multiple applicable was estimated in a range of 10.6x – 12.8x.
- Net debt was decreased from the enterprise value for an amount of \$45.8 million to take into account the intercompany loan, cash, the normalization of the net working capital and the cash-outs related to the Chapter 11 proceedings (accounts payable to landlords, rejected part of accounts payable to landlords, closing stores termination fees, professional fees).

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Gain resulting from the loss of control of L'Occitane Inc.

The gain recorded in the line "Reconsolidation/deconsolidation of L'Occitane Inc." within "Other operating income" (Note 24) in the consolidated statement of income had been analysed as follows:

In thousands of euros

Derecognition of the assets and liabilities of L'Occitane Inc. at their carrying amounts	2,727
Recognition of the investment retained in L'Occitane Inc. at its fair value	-
Reclassification to statement of income of the amounts previously recognised in other comprehensive income (currency translation differences)	3,029
Net gain from the deconsolidation of L'Occitane Inc.	5,756

The derecognition of the assets and liabilities of L'Occitane Inc. at their carrying amounts also included consolidation entries accounting for a gain of € 3,704,000 (mainly the elimination of intercompany margin).

The loss from L'Occitane Inc. from 1 February 2021 to 31 March 2021 had been presented within "Share of profit/(losses) from associates and joint ventures accounted for using the equity method" in the consolidated statement of income (see Note 10).

The other impacts of the Chapter 11 filing, including the restructuring costs, were presented within "Restructuring expenses" in the consolidated statement of income (Note 25).

External fees (lawyers, real estate broker, financial advisors) corresponding to the services rendered before the Chapter 11 filing were expensed for an amount of € 2,336,000 in "Restructuring expenses" within "Other operating expenses" in the consolidated statement of income" (Note 24, 25). External fees corresponding to services rendered after 31 January 2021 were recorded for an amount of € 1,025,000 in the share of profit/(loss) from L'Occitane Inc. (Note 10).

Notional purchase price allocation

A notional purchase price allocation was performed where identifiable assets and liabilities of L'Occitane Inc. were measured at fair value as at 31 January 2021.

A purchase price allocation was performed to estimate the fair value of the shares held by L'Occitane International S.A. The fair value amounted to a nil amount.

The fair value adjustments were as follows:

- The existing goodwill was not considered as an identifiable asset but directly included as the residual value between the fair value of the Group's investment in L'Occitane Inc. and the fair value of the net assets acquired of L'Occitane Inc.;
- L'Occitane Inc. did not own any trademarks;
- Customer relationships (Sell-In distribution channel): given that there were no long term exclusive distribution agreements, the fair value was deemed to be insignificant;
- For 25 stores closed when L'Occitane Inc. entered Chapter 11, no right-of-use assets were attached to the related leases;
- Right-of-use assets were measured at an amount equal to the recognised liability and adjusted to reflect any unfavourable terms of the lease relative to market terms. This led to reducing the amount of the right-of-use asset compared to the lease liability for an amount of €10,599,000. This analysis was performed notably based on a range of market rental expenses proposed by a real estate broker;
- The deferred taxes assets were recognised based on the tax planning taking into account the current reorganisation and restructuring of L'Occitane Inc and based on the Group's transfer pricing policy;
- The lease liability was measured according to IFRS 16 and recognised as if lease contracts were new leases as at 31 January 2021.

5.2.2 Creation of a joint venture in the Middle East region

On 17 October 2019, the Group signed a letter of intent with the current distributor for the Middle East region to create a new company "L'Occitane Middle East" that is owned by L'Occitane International S.A. for 51% and by the distributor for 49%. The shareholder and distribution agreements were signed on 3 June 2020. The consideration paid for the 51% amounts to €10,103,000 and the acquisition costs were nil.

The joint venture agreement required unanimous consent from all parties for the main relevant activities. The Group therefore determined that it had a joint control over this entity which requires the equity method for the measurement of the shares.

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As at 31 March 2021, the Group share in L'Occitane Middle East's loss was recognised in the consolidated statement of income within "Share of profit/(losses) from joint ventures accounted for using the equity method" for an amount of €100,000.

5.2.3 Transaction with 86 Café Retail

As at 1 August 2020, the Group acquired 95% of 86 Café Retail from L'Occitane Groupe S.A. (parent company of L'Occitane International) for a total acquisition costs of €10,000, accounted for under IFRS 3. This subsidiary operated the café in the flagship store on the Champs Elysées in Paris.

In millions of euros	Value as at 1 August 2020	Fair value adjustment	Provisional fair value
Net equity acquired	(1.4)	-	(1.4)
Borrowings with L'Occitane International	2.5	-	2.5
Net identifiable assets acquired	1.1	-	1.1
Acquisition price	0.6	-	0.6
Excess of the fair value of acquired net assets over the cost of an acquisition (Note 24)	0.6	-	0.6

A pre-existing relationship via a current account between L'Occitane International and 86 Café Retail for a net amount of €645,000 was taken into account in the acquisition price.

The above badwill had been recognised within "Other operating income" (Note 24) in the consolidated statements of income. The new subsidiary generated a loss for the period in an amount of €664,000.

5.2.4 Investment in Capsum

As at 12 January 2021, the Group acquired 26% of Capsum for a total acquisition cost of €27,946,593. This entity is specialised in encapsulation in the cosmetic sector and co-develops and manufactures products with tailor-made formulas for established cosmetic brands.

As the Group has a significant influence in Capsum the investment was accounted for using the equity method (Note 10).

5.2.5 Transaction with South Africa minority shareholder

As at 8 December 2020, the Group acquired 25% of the interest hold by the minority shareholder in L'Occitane South Africa for a purchase price of €200,000. The Group now owns 100% of the interests in the subsidiary.

5.3 Other financial liabilities

The other financial liabilities correspond mainly to put option arrangements. The following put options have been granted by the Group to non-controlling interests:

In thousands of euros	% of interests of minority shareholders with put options	31 March 2021	Increase	Change in estimates in the valuation of the exercise price	Unwinding of discount	31 March 2022
Put on Sol de Janeiro non-controlling interests	17.3%	-	150,463	-	-	150,463
Put on ELEMIS non-controlling interests	1.4%	14,143	-	(258)	1,550	15,435
Put on Symbiose France non-controlling interests	2.2%	-	4,071	-	-	4,071
Put on L'Occitane GmbH non-controlling interests	30%	4,528	-	(2,806)	174	1,896
Put on Grown Alchemist non-controlling interests	49.7%	-	45,532	-	-	45,532
Total other financial liabilities	-	18,671	200,066	(3,064)	1,724	217,397

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The following table summarises the quantitative information about the significant unobservable inputs used in the measurement of the present value of the redemption amount of the main puts options granted to non-controlling interests :

<i>in thousands of euros</i>	Present value of the redemption amount		Unobservable Inputs	Range of Inputs		Relationship of unobservable inputs to value
	31 March 2021	31 March 2022		31 March 2021	31 March 2022	
Put on Sol de Janeiro non-controlling interests	-	150,463	Discount rate	-	1%	Increasing the discount rate by 100 basis points and decreasing the annual EBITDA growth rate by 100 basis points would decrease the fair value by €8,270,000.
			Annual EBITDA growth rate	-	17% - 27%	Decreasing the discount rate by 100 basis points and increasing the annual EBITDA growth rate by 100 basis points would increase the fair value by €8,828,000.
Put option arrangement in Grown Alchemist Holdings Pty Ltd non-controlling interests	-	17,632	Discount rate	-	1%	Increasing the discount rate by 100 basis points and decreasing the annual EBITDA growth rate by 100 basis points would decrease the fair value by €1,003,000.
			Annual EBITDA growth rate	-	27% - 60%	Decreasing the discount rate by 100 basis points and increasing the annual EBITDA growth rate by 100 basis points would increase the fair value by €1,071,000.
Put option arrangement in 14 Groupe S.A non-controlling interests	-	27,900	Discount rate	-	1%	Increasing the discount rate by 100 basis points and decreasing the annual EBITDA growth rate by 100 basis points would decrease the fair value by €1,700,000.
			Annual EBITDA growth rate	-	27% - 60%	Decreasing the discount rate by 100 basis points and increasing the annual EBITDA growth rate by 100 basis points would increase the fair value by €1,800,000.
Put on Bemis non-controlling interests	14,143	15,435	Discount rate	10.7%	0.7%	Increasing the discount rate by 100 basis points and decreasing the annual EBITDA growth rate by 100 basis points would decrease the fair value by €305,000.
			Annual EBITDA growth rate	Same unobservable inputs as the ones used in the Bemis business plan and disclosed in note 4.1.		Decreasing the discount rate by 100 basis points and increasing the annual EBITDA growth rate by 100 basis points would increase the fair value by €311,000.
Put on Symbiose Cosmetics non-controlling interests	-	4,071	Discount rate	-	1%	Increasing the discount rate by 100 basis points and decreasing the annual EBITDA growth rate by 100 basis points would decrease the fair value by €270,000.
			Annual EBITDA growth rate	-	17% - 27%	Decreasing the discount rate by 100 basis points and increasing the annual EBITDA growth rate by 100 basis points would increase the fair value by €270,000.
Put on L'Occitane GmbH non-controlling interests	4,528	1,896	Discount rate	0.7%	0.7%	Increasing the discount rate by 100 basis points and decreasing the annual EBITDA growth rate by 100 basis points would decrease the fair value by €92,000.
			Annual EBITDA growth rate	2% - 4%	3% - 5%	Decreasing the discount rate by 100 basis points and increasing the annual EBITDA growth rate by 100 basis points would increase the fair value by €97,000.

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Assumptions	Approach used to determine values
Discount rate	Reflect current market assessments of the time value and the risk specific to the liabilities.
Time periods	Management assumed exercise of the put option as from the beginning of the exercisable period.
Annual EBITDA growth factor	Estimated based on the plan for the company without the effects of IFRS 16
Annual EBIT growth factor	Estimated based on the plan for the company without the effects of IFRS 16
Put option arrangement in Sol de Janeiro	The put option granted to the Sol de Janeiro non-controlling interests can be exercised at different periods with an exercise price based on the multiple of the EBIT (between 20x and 17x). Under certain circumstances of departure of the minority shareholder, the multiple is decreased with a minimum of X17. This contingent consideration arrangement in which the payment is decreased if employment terminates for specific reasons corresponds to a remuneration for post-combination services recorded as a social liability and recognised as a remuneration expense over the vesting period of 3 years (Note 23).
Put option arrangement in Grown Alchemist Holdings Pty Ltd	The put option granted to the Grown Alchemist non-controlling interests can be exercised at different periods with an exercise price based on a X10 multiple of the EBITDA.
Put option arrangement in 14 Groupe Sarl	The put option granted to the 14 Groupe Sarl non-controlling interests can be exercised in FY27 with an exercise price based on a multiple of the EBITDA. The multiple of EBITDA increase in line with the increase of the EBITDA (from X10 to X17).

6 PROPERTY, PLANT AND EQUIPMENT

6.1 Year ended 31 March 2022

As of 31 March 2022, property, plant and equipment can be analysed as follows:

	Land	Buildings	Machinery and equipment	Other tangible assets	Leasehold improvements related to the stores	Other tangible assets related to the stores	Tangible assets in progress	Total
<i>In thousands of Euros</i>								
Cost as of 1 April 2021	3,393	74,790	68,180	109,977	127,170	32,963	6,426	421,899
Additions	35	41	2,737	8,184	13,295	2,982	12,929	40,203
Disposals	-	-	(1,657)	(8,390)	(17,734)	(5,097)	(124)	(33,002)
Acquisition of subsidiaries	-	-	831	3,266	7,413	2,704	-	14,214
Deconsolidation of L'occitane Inc.	-	-	-	-	-	-	-	-
Other movements	-	722	574	(1,757)	3,172	456	(3,353)	(186)
Exchange differences	195	1,094	449	2,811	3,499	1,200	105	9,353
Cost as of 31 March 2022	3,623	76,647	71,114	114,091	136,816	35,208	14,983	482,481
Accum. depreciation as of April 1, 2021	(3)	(34,946)	(44,893)	(84,272)	(89,829)	(26,673)	-	(280,616)
Depreciation	-	(4,129)	(6,516)	(13,434)	(16,483)	(5,414)	-	(45,976)
Impairment loss	-	-	-	-	(3,784)	-	-	(3,784)
Reversal of impairment loss	-	-	-	41	1,144	-	-	1,185
Disposals	-	-	341	7,351	16,999	4,965	-	29,656
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
Deconsolidation of L'occitane Inc.	-	-	-	-	-	-	-	-
Other movements	-	-	(6)	(1,280)	1,052	(4)	-	(238)
Exchange differences	-	(120)	(196)	(1,259)	(2,680)	(630)	-	(5,285)
Accum. deprecia. as of 31 March 2022	(3)	(39,194)	(61,370)	(92,863)	(93,781)	(27,856)	-	(305,067)
Net book value as of 31 March 2022	3,620	37,453	19,744	21,238	43,034	7,352	14,983	147,424

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The additions of the period mainly relate to 80 store openings and refurbishments for €7,348,000.

The disposals of the period mainly relate to 145 store closures.
Excluding non-cash items, total cash additions amount to €40,203,000.

6.2 Year ended 31 March 2021

As of 31 March 2021, property, plant and equipment can be analysed as follows:

<i>In thousands of Euros</i>	Land	Buildings	Machinery and equipment	Other tangible assets	Leasehold improvements related to the stores	Other tangible assets related to the stores	Tangible assets in progress	Total
Cost as of 1 April 2020	3,518	75,525	65,829	122,264	164,037	50,367	8,036	489,576
Additions	-	-	1,909	7,267	7,348	1,620	5,542	23,686
Disposals	-	-	(264)	(8,641)	(9,657)	(3,995)	(502)	(23,059)
Acquisition of subsidiaries	-	-	65	57	2,726	-	-	2,848
Deconsolidation of L'occitane Inc.	-	-	(506)	(10,285)	(36,479)	(14,092)	(2,348)	(63,710)
Other movements	-	-	1,472	1,322	1,387	422	(5,189)	(586)
Exchange differences	(125)	(735)	(325)	(2,007)	(2,192)	(1,359)	(113)	(6,856)
Cost as of 31 March 2021	3,393	74,790	68,180	109,977	127,170	32,963	5,426	421,899
Accum. depreciation as of April 1, 2020	(3)	(29,959)	(38,574)	(85,287)	(109,263)	(35,147)	-	(298,233)
Depreciation	-	(5,017)	(6,872)	(14,737)	(19,601)	(6,163)	-	(52,390)
Impairment loss	-	-	-	-	(519)	-	-	(519)
Reversal of impairment loss	-	-	-	18	928	-	-	946
Disposals	-	-	205	7,951	8,984	3,712	-	20,852
Acquisition of subsidiaries	-	-	-	(29)	(1,356)	-	-	(1,385)
Deconsolidation of L'occitane Inc.	-	-	487	6,502	29,835	10,180	-	47,004
Other movements	-	-	(372)	1	105	(5)	-	(271)
Exchange differences	-	31	133	1,309	1,058	850	-	3,381
Accum. depreciat. as of 31 March 2021	(3)	(34,945)	(44,993)	(84,272)	(89,829)	(26,573)	-	(280,615)
Net book value as of 31 March 2021	3,390	39,845	23,187	25,705	37,341	6,390	5,426	141,284

The additions of the period mainly relate to 61 store openings and refurbishments for €7,348,000.

The disposals of the period mainly relate to 145 store closures.
Excluding non-cash items, total cash additions amount to €23,951,000.

6.3 Classification of the depreciation of the PP&E in the statement of income

Depreciation of the Group's property, plant and equipment has been charged to statement of income as follows:

31 March <i>In thousands of euros</i>	2022	2021
Cost of goods sold	10,189	11,987
Distribution expenses	29,575	33,926
Marketing expenses	114	108
Research and development expenses	890	904
General and administrative expenses	5,208	5,465
Depreciation expenses	45,976	52,390

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6.4 Impairment tests of property, plant and equipment

31 March		2022	2021
<i>In thousands of euros</i>			
Accumulated impairment provision as of the beginning of the year		(3,650)	(8,184)
Impairment provision		(3,784)	(519)
Reversal of impairment provision (used)		125	527
Reversal of impairment provision (unused)		1,060	419
Deconsolidation of L'Occitane Inc.		-	3,943
Acquisition of subsidiaries		(154)	-
Exchange differences		(25)	164
Accumulated impairment provision as of 31 March		(6,428)	(3,650)

Property, plant and equipment are allocated to the Group's cash-generating units (CGUs) and are tested for impairment as described in Note 2.6.

An impairment loss amounting to €3,784,000 as at 31 March 2022 and €519,000 as at 31 March 2021 has been recorded within "distribution expenses" to adjust the carrying amount of certain fixed assets related to the stores.

The reversal of used impairment loss corresponds to stores that are closed.

7 LEASES

This note provides information for leases where the Group is a lessee.

7.1 Right-of-use assets

Amounts recognised in the consolidated balance sheet

Changes in right-of-use assets can be analysed as follows:

<i>In thousands of euros</i>	Stores	Offices	Other	Total
Net book value as at 31 March 2021	243,271	47,815	10,185	301,271
Additions	88,919	6,424	12,995	108,338
Disposals and change in estimated lease term	(92,594)	(1,176)	(767)	(94,537)
Depreciation (Note 23.3)	(73,524)	(16,868)	(5,723)	(96,115)
Reconsolidation of L'Occitane Inc. (Note 5.1)	44,875	8,399	2,004	55,278
Impairment loss net of reversals	(17,768)	-	-	(17,768)
Exchange differences	6,796	1,607	64	8,467
Net book value as at 31 March 2022	199,975	46,201	18,758	264,934

During the year ended 31 March 2022, the additions mainly relate to new stores (€6,665,000) and other effects such as the extension or renewal of contracts or new offices (€101,673,000).

The impairment loss net of reversals is mainly linked to the change in the estimated lease term for the flagship store on the Champs-Élysées, Paris, France. When the Group had entered into the lease agreement, considering the existence of an option to extend the lease and the characteristics of this store (premium location) and the amount of initial investments, the Group was reasonably certain to exercise that option. Therefore, the lease term initially corresponded to the initial term of the lease on the signature date (12 years) taking into account an extension period (12 years). Due to the poor performance of that store, the Group reassessed the lease term for a shorter period.

The key money for the flagship store on the Champs-Élysées is pledged for an amount of €15,599,273 as security for the FY 2019 Long-Term Loan.

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Amounts recognized in the consolidated statement of income

The consolidated statement of income shows the following amounts relating to leases:

31 March 2022				
<i>In thousands of euros</i>	Stores	Offices	Other	Total
Distribution expenses	(73,524)	-	-	(73,524)
General and administrative expenses	-	(16,868)	(5,723)	(22,591)
Depreciation expenses	(73,524)	(16,868)	(5,723)	(96,115)

Impairment tests for right-of-use assets

31 March		
<i>In thousands of euros</i>	2022	2021
Accumulated impairment provision as of the beginning of the year	(9,792)	(5,754)
Impairment provision	(19,923)	(10,193)
Reversal of impairment provision (used)	2,155	591
Deconsolidation of L'Occitane Inc.	-	5,367
Other Movement	-	154
Exchange differences	(1)	43
Accumulated impairment provision as of 31 March	(27,561)	(9,792)

Right-of-use assets are allocated to the Group's cash-generating units (CGUs) and are tested for impairment as described in Note 2.8. The Note 4.1 describes the key assumptions used for the value-in-use calculations.

An impairment loss amounting to €6,646,000 as at 31 March 2022 has been recorded within "Distribution expenses" to adjust the carrying amount of certain right-of-use assets related to stores.

The reversal of used impairment provisions corresponds to stores that are closed.

7.2 Lease liabilities

Amounts recognised in the consolidated balance sheet

Maturities of lease liabilities can be analysed as follows:

<i>In thousands of euros</i>	2022	2021
Within 1 year	93,722	78,538
Between 1 and 2 years	65,812	58,599
Between 2 and 5 years	88,800	80,034
Over 5 years	25,898	77,556
Total as at 31 March	274,232	294,727

The total cash outflow for leases for the year ended 31 March 2022 was €108,536,000.

Amounts recognised in the consolidated statement of income

The consolidated statement of income shows the following amounts relating to leases:

<i>In thousands of euros</i>	31 March 2022
Interest expense (included in finance cost)	8,861
Expense related to short-term leases (included in distribution expenses)	5,956
Expense related to leases of low-value assets that are not shown above as short-term leases (included in cost of goods sold and administrative expenses)	8
Expense related to variable lease payments not included in lease liabilities (included in distribution expenses)	74,119
Total	88,944

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8. GOODWILL

Goodwill is monitored by management at the level of the trademarks (Note 2.8).

8.1 Change in goodwill and breakdown

Change in goodwill can be analysed as follows:

<i>In thousands of euros</i>	31 March 2020	Additions	Other	Deconsolidation of L'Occitane Inc.	Exchange differences	31 March 2021	Additions	Reconsolidation of L'Occitane Inc.	Exchange differences	31 March 2022
L'Occitane en Provence (a)										
<i>of which: Russia</i>	25,385	-	-	-	(609)	24,776	-	-	(695)	24,081
<i>Japan</i>	21,833	-	-	-	(1,854)	19,979	-	-	(779)	19,200
<i>Malaysia</i>	9,454	-	-	-	(253)	9,201	-	-	386	9,587
<i>Norway</i>	4,356	-	-	-	660	5,016	-	-	147	5,163
<i>United States</i>	6,174	-	-	(5,791)	(383)	-	-	6,620	372	6,992
<i>Other countries</i>	21,163	-	-	-	(300)	20,863	-	-	1,000	21,863
Elemis (b)	514,910	-	10,738	-	(1,347)	524,301	-	-	13,355	537,656
LimeLife	121,336	-	-	-	(7,944)	113,392	-	-	6,362	119,754
Melvita	35,931	-	-	-	-	35,931	-	-	-	35,931
Erbarian	2,384	-	-	-	-	2,384	-	-	-	2,384
Sol de Janeiro	-	-	-	-	-	-	202,618	-	6,260	208,878
Grown Alchemist	-	-	-	-	-	-	6,348	-	-	6,348
Other (Les Minimes)	4,990	-	-	-	-	4,990	-	-	-	4,990
Total cost	767,916	-	-	-	(12,030)	760,833	208,966	6,620	26,408	1,001,827
Accumulated impairment	(1,000)	-	-	-	-	(1,000)	-	-	-	(1,000)
Total cost	766,916	-	-	-	(12,030)	759,833	208,966	6,620	26,408	1,001,827

(a) Goodwill related to L'Occitane en Provence are related to the past acquisitions of exclusive distributors in the above-mentioned countries.

8.2 Goodwill impairment testing

The key assumptions and sensibility analysis are disclosed in Note 4.1.

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9. INTANGIBLE ASSETS

9.1 Year ended 31 March 2022

Intangible assets include:

- Acquired trademarks with indefinite useful lives;
- Internally used software, including enterprise resource planning (ERP) systems, point-of-sales systems, etc.

Changes in intangible assets can be analysed as follows:

<i>In thousands of Euros</i>	Websites	Trademarks	Software	Contractual customer relationships	Intangible assets in progress	Other intangible assets	Total
Cost as of 1 April 2021	56	259,196	73,042	33,191	6,102	24,206	395,794
Additions	141	27	3,858	-	4,495	275	8,796
Disposals	(446)	(637)	(3,661)	(334)	(1)	(507)	(5,586)
Acquisition of subsidiaries	-	157,949	55	-	106	190	158,300
Other movements	1,069	-	2,684	-	(5,076)	1,539	216
Exchange differences	(1)	18,538	749	1,710	49	46	21,091
Cost as of 31 March 2022	819	435,073	76,727	34,567	5,675	25,749	578,611
Accumulated amortization and impairment as of April 1, 2021	(7)	(624)	3	(59,052)	(8,586)	(11,169)	(79,435)
Amortization	(183)	-	(8,731)	(3,478)	-	(3,337)	(15,729)
Disposals	446	624	3,476	334	-	235	5,115
Other movements	(603)	-	699	-	-	-	96
Exchange differences	(1)	-	(446)	(453)	-	(20)	(920)
Accumulated amortization and impairment as of 31 March 2022	(348)	-	(4,999)	(62,649)	(8,586)	(14,291)	(90,873)
Net book value as of 31 March 2022	471	435,073	71,728	(28,082)	(2,911)	11,458	487,738

Additions mainly concerned:

- Assets in progress for €4,495,000 are related mainly to software.
- Software for an amount of €3,858,000.

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9.2 Year ended 31 March 2021

<i>In thousands of Euros</i>	Websites	Trademarks	Key moneys	Software	Contractual customer relationships	Intangible assets in progress	Other intangible assets	Total
Cost as of 1 April 2020	9	276,257	-	68,746	35,272	5,935	21,275	407,494
Additions	47	-	-	3,750	-	5,673	881	10,351
Disposals	-	-	-	(1,226)	-	(230)	-	(1,456)
Deconsolidation of L'Occitane Inc	-	-	-	(854)	-	(219)	(72)	(1,145)
Other movements	-	-	-	3,121	-	(5,156)	2,091	56
Exchange differences	(0)	(17,061)	-	(494)	(2,081)	99	31	(19,506)
Cost as of 31 March 2021	56	259,196	-	73,042	33,191	6,102	24,206	395,794
Accumulated amortization and impairment as of April 1, 2020	-	(624)	-	(51,129)	(5,371)	-	(8,327)	(65,451)
Amortization	(7)	-	-	(10,241)	(3,406)	-	(2,854)	(16,508)
Disposals	-	-	-	1,224	-	-	-	1,224
Deconsolidation of L'Occitane Inc	-	-	-	854	-	-	52	906
Exchange differences	-	-	3	241	191	-	(40)	395
Accumulated amortization and impairment as of 31 March 2021	(7)	(624)	3	(59,052)	(8,586)	-	(11,169)	(79,434)
Net book value as of 31 March 2021	49	258,572	3	13,990	24,605	6,102	13,037	316,360

Additions mainly concerned:

- Assets in progress for €5,673,000 are related mainly to software.
- Software for an amount of €3,750,000.

9.3 Classification of the amortisation of intangible assets in the statement of income

Amortisation of the intangible assets has been charged to statement of income as follows:

31 March <i>In thousands of Euros</i>	2022	2021
Cost of goods sold	12	13
Distribution expenses	4,775	4,275
Marketing expenses	288	496
Research & development costs	-	13
General and administrative expenses	10,654	11,711
Amortisation expenses	15,729	16,508

9.4 Impairment test for intangible assets

Intangible assets are allocated to the Group's cash-generating units (CGUs) as described in Note 2.7 and tested for impairment. The Note 4.1 describes the key assumptions used for the value-in-use calculation.

31 March <i>In thousands of Euros</i>	2022	2021
Accumulated impairment as of the beginning of the year	(60)	(60)
Impairment loss	-	-
Reversal of impairment loss	-	-
Exchange differences	-	-
Accumulated impairment as of 31 March	(60)	(60)

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10. JOINT VENTURES AND ASSOCIATES

The Group has 51% interest in "L'Occitane Middle East", 100% in L'Occitane Inc. for the period from 1 April 2021 to 31 August 2021 as disclosed in Note 6.1.2, 26% in CAPSUM, 15.53% in Good Glamm Group and 84.9% of Pierre Hermé SAS from 1 April 2021 to 8 December 2021 (Note 1.2).

10.1 Interests in associates and joint ventures

The amounts disclosed for interests in associates and joint ventures are as follows:

<i>In thousands of euros</i>		% of			Share of profit	Carrying
Name of entity	Place of business	ownership interest	Nature of relationship	Measurement method	/ (loss) FY22	amount FY22
L'Occitane Inc. (5.1)	USA	100%	Associate	Equity method	(8,920)	-
Good Glamm Group	India	15.53%	Associate	Equity method	(5,019)	24,677
L'Occitane Middle East	Middle East	51%	Joint Venture	Equity method	678	15,890
CAPSUM	Europe/USA	26%	Associate	Equity method	(379)	26,672
Pierre Hermé SAS (1.2)	Paris/worldwide	85%	Joint Venture	Equity method	1,145	-
Total equity-accounted investments					(12,495)	67,239

The carrying amount of equity-accounted investments has changed as follows:

	L'Occitane Middle East	Capsum	Good Glamm Group Restated*	Pierre Hermé SAS	L'Occitane Inc.
31 March 2021 Restated*	9,624	28,091	8,539	16,357	15,921
Increase in capital	4,924	-	-	-	-
Capital gain, net of the dilution in the interest (Note 24)	-	-	20,117	-	-
Profit/(loss) for the period	678	(379)	(5,019)	1,145	(8,920)
Currency translation effects	664	-	1,040	-	68
Reconsolidation (Note 5.1.2)	-	-	-	-	(7,069)
Change in controlling interests	-	(1,040)	-	(17,502)	-
31 March 2022	15,890	26,672	24,677	-	-

See note 2.2 for details regarding the restatement as a result of an error.

In the €15,921,000, the loans granted by the Group to L'Occitane Inc. are considered to be part of the Group's net investment in that subsidiary.

The share of profit/(loss) from equity-accounted joint ventures is recorded in the line 'share of profit/(loss) from associates and joint ventures accounted for using the equity method' in the consolidated statement of income.

For Good Glamm Group, the dilution loss is calculated by comparing the carrying value of the disposed interest to the L'Occitane's share of the proceeds received for the new shares issued by the associate of joint venture. This dilution loss is recorded in the line 'Other operating expenses' of the consolidated statement of income (Note 24).

The exchange difference arising from the conversion of the associates and joint venture from their functional currency to the Group's presentation currency is recorded in the Group's other comprehensive income.

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10.2 Summary balance sheet for associates and joint ventures

<i>In thousands of euros</i>	L'Occitane Middle East 31 March 2022	CAPSUM 31 March 2022	Good Glamm Group 31 March 2022
Reconciliation of carrying amounts			
Net assets	3,232	25,987	169,765
Group's share in %	51%	26%	15.53%
Group's share in thousands of euros	1,648	6,757	26,365
Notional goodwill	14,242	19,915	(1,688)
Carrying amount	15,890	26,672	24,677

10.3 Summary statement of comprehensive income for associates and joint ventures

31 March 2022

<i>In thousands of euros</i>	L'Occitane Middle East	CAPSUM	Good Glamm Group
Net sales	22,798	38,707	30,273
Cost of sales	(9,356)	(32,643)	(11,606)
Gross profit	13,442	6,064	18,667
Distribution expenses	(2,866)	(2,526)	-
Marketing expenses	(3,690)	-	-
General and administrative expenses	(4,026)	(4,534)	(42,154)
Other gains/(losses), net	(1,004)	(10)	(2,199)
Other financial interests	(164)	-	(2,675)
Income tax expense	-	(454)	-
Profit/(loss) for the period	1,692	(1,460)	(28,361)
Other comprehensive income	-	-	-
Total comprehensive income	1,692	(1,460)	(28,361)

The statement of income of Good Glamm Group is presented by nature. Therefore, all the operating expenses were classified in only one line of the above income statement.

10.4 Summary statement of comprehensive income for associates and joint ventures

Summarised balance sheet <i>In thousand of euros</i>	L'Occitane Middle East 31 March 2022	Capsum 31 March 2022	Good Glamm Group 31 March 2022
Current assets			
Cash and cash equivalents	2,188	812	113,458
Other current assets	10,124	19,550	40,558
Total current assets	12,312	20,362	154,016
Non-current assets	12,505	53,719	68,445
Current liabilities	(8,084)	(25,668)	(14,708)
Non-current liabilities	(13,501)	(22,426)	(37,988)
Net assets	3,232	25,987	169,765

10.5 Commitments and contingent liabilities in respect of associates and joint ventures

There are no commitments to provide funding for joint venture and associate capital and no contingent liabilities (contingent liabilities incurred jointly with other investors or liabilities for which the Group is severally liable).

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11. INTERESTS IN OTHER ENTITIES

The summary financial information for each subsidiary that has non-controlling interests (NCI) material to the Group is set out below.

The materiality of non-controlling interests was determined based on a mix of quantitative and qualitative factors, notably the percentage of the subsidiary's contribution in the Group's consolidated financial statements, the amount of the non-controlling interests at year-end, and the importance of the subsidiary to the Group's strategy.

The amounts disclosed for each subsidiary are before inter-company eliminations.

Summary balance sheet

In thousands of euros	31 March 2022				31 March 2021	
	LimeLife	ELEMIS	Sol de Janeiro	Grown Alchemist	LimeLife	ELEMIS
Current assets	42,237	198,468	385,597	9,305	29,466	134,439
Current liabilities	50,168	51,380	354,910	2,796	31,967	40,027
Net current assets / (liabilities)	(7,931)	147,088	30,687	6,509	(2,501)	94,412
Non-current assets	131,604	841,968	379,515	7,676	118,779	815,089
Non-current liabilities	7,228	54,725	39,367	2,697	5,394	48,450
Net non-current assets / (liabilities)	124,376	787,243	340,148	4,979	113,385	766,639
Net assets / (liabilities)	116,445	934,331	370,835	11,488	110,884	861,051
% of interests owned by the Group	58.0%	90.9%	82.9%	32.7%	58.6%	90.9%
Accumulated non-controlling interests	3,433	12,371	28,307	1,799	5,594	73,946

Summary statement of comprehensive income

In thousands of euros	31 March 2022				31 March 2021	
	LimeLife	ELEMIS	Sol de Janeiro	Grown Alchemist	LimeLife	ELEMIS
Revenue	71,103	206,860	25,487	5,241	101,535	148,447
Profit / (loss) for the year	(7,372)	44,988	1,964	(1,279)	(615)	30,988
Other comprehensive income/(expense)	6,797	28,184	11,109	-	(8,595)	(17,413)
Total comprehensive income/(expense)	(575)	73,172	13,073	(1,279)	(9,210)	13,575

Other comprehensive income for ELEMIS mainly relates to currency translation adjustments on goodwill, trademarks and intangible assets.

Other comprehensive income for LimeLife mainly relates to currency translation adjustments on goodwill.

Summary statement of cash flows

In thousands of euros	31 March 2022				31 March 2021	
	LimeLife	ELEMIS	Sol de Janeiro	Grown Alchemist	LimeLife	ELEMIS
Cash flows from operating activities	(13,747)	10,769	(3)	(2,101)	6,224	45,530
Cash flows from investing activities	(368)	(7,993)	8,017	(206)	(1,532)	(35,046)
Cash flows from financing activities	18,261	(5,027)	3,285	3,791	(3,339)	(4,467)
Net increase/(decrease) in cash and cash equivalents	4,146	(2,251)	11,299	1,484	1,353	6,017

The cash flows from investing activities for ELEMIS relate to cash transferred to L'Occitane International S.A.

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12. OTHER NON-CURRENT ASSETS

The other non-current assets consist of the following:

31 March <i>In thousands of Euros</i>	2022	2021 Restated *
Deposits	24,800	24,763
Financial assets at fair value through other comprehensive income (FVOCI)	33,117	17,503
Loan to Pierre Hermé SAS	22,063	22,115
Investments held at fair value through profit and loss (FVPL)	9,605	7,690
Loan to Elemis minority shareholders	-	5,487
Tax receivables	7,315	6,848
Loan to Circle Trust	2,765	-
Loan to Erborian management	1,001	-
Loan to Elemis management	5,874	-
Other	2,497	1,552
Financial assets	121	156
Other non-current assets	109,158	86,114

13. INVENTORIES

Inventories can be analysed as follows:

31 March <i>In thousands of Euros</i>	2022	2021
Raw materials and supplies	37,591	25,037
Finished goods and work in progress	254,897	190,029
Inventories, gross	292,488	215,066
Less, allowance	(23,622)	(15,992)
Inventories, net	268,866	199,074

The increase in inventories mainly relate to the reconsolidation of L'Occitane Inc. (€16,136,000) and the acquisition of Sol de Janeiro (€ 22,312,000).

14. TRADE RECEIVABLES

Trade receivables can be analysed as follows:

31 March <i>In thousands of Euros</i>	2022	2021
Trade receivables, gross	206,814	139,136
Less, allowances for doubtful accounts	(5,316)	(3,982)
Trade receivables, net	201,498	135,154

The carrying amounts of the Group's trade receivables approximate their fair value. At the balance sheet date, there is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, located internationally. The maximum exposure to credit risk at each balance sheet date is the fair value of receivables set out above. The Group does not hold any collateral as security.

The trade receivables ageing analysis report is as follows:

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31 March <i>In thousands of Euros</i>	2022	2021
Current and past due within 3 months	193,874	132,977
3 to 6 months	7,872	2,321
6 to 12 months	2,337	1,746
Over 12 months	2,731	2,092
Trade receivables, gross	206,814	139,136

Movement of the Group's provision for impairment on trade receivables are as follows:

31 March <i>In thousands of euros</i>	2022	2021
At beginning of the year	(3,982)	(2,674)
Provision for impairment	(1,891)	(3,410)
Reversal of impairment	1,301	1,707
Reclassification	-	497
Deconsolidation of L'Occitane Inc.	-	8
Acquisition of Sol de Janeiro	(554)	-
Exchange differences	(190)	(110)
At end of the year	(5,316)	(3,982)

The creation and release of provision for impaired receivables have been included in distribution expenses.

The ageing of the provision for the impaired receivables from due date is as follows:

31 March <i>In thousands of euros</i>	2022	2021
Within 3 months	1,349	1,060
3 to 6 months	1,343	849
6 to 12 months	725	714
Over 12 months	1,899	1,359
Impaired receivables	5,316	3,982

The individually impaired receivables relate to wholesalers in unexpectedly difficult economic situations.

The ageing analysis of trade receivables by due date that were past due but not impaired as at 31 March 2022 and 2021 is as follows:

31 March <i>In thousands of euros</i>	2022	2021
Within 3 months	28,907	9,358
3 to 6 months	6,527	1,472
6 to 12 months	1,612	1,032
Over 12 months	833	734
Trade receivables past due but not impaired	37,879	12,596

These trade receivables relate to a number of customers for whom there is no significant financial difficulty based on past experience. The overdue amounts can be recovered.

The Group considers that there is no recoverability risk on these past due receivables.

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15. OTHER CURRENT ASSETS

The following table presents details of other current assets:

31 March		2022	2021
<i>In thousands of Euros</i>			
Value added tax receivable and other taxes and social items receivable		23 095	16 836
Prepaid expenses (a)		21 515	18 907
Income tax receivable		10 844	3 894
Advance payments to suppliers		12 168	10 331
L'Occitane Middle East current account		7 112	-
Other current assets		11 484	4 688
Total other current assets		86 218	54 656

(a) The income tax receivable relates to down payments of income tax that are higher than the final income tax expense expected to be paid for the year.

16. DERIVATIVE FINANCIAL INSTRUMENTS

16.1 Analysis of derivative financial instruments

Derivative financial instruments can be analysed as follows:

<i>In thousands of euros</i>	31 March 2022		31 March 2021	
	Assets	Liabilities	Assets	Liabilities
Foreign exchange derivatives at fair value through profit and loss	1,931	1,208	72	657
Sub-total derivative financial instruments at fair value through profit and loss	1,931	1,208	72	657
Interest rate derivatives at fair value through other comprehensive income	-	-	-	56
Sub-total derivative financial instruments designated as hedging instruments	-	-	-	56
Current portion of derivative financial instruments	1,931	1,208	72	713

Derivatives for trading derivatives are classified as a current asset or liability. The fair value of a derivative designated as hedging instrument is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

The hedged highly probable forecast transactions denominated in foreign currencies are expected to occur at various dates over the next 12 months. Gains and losses recognised in the hedging reserve in other comprehensive income on forward foreign exchange contracts designated as hedging instruments as of the end of the period will be recognised in the statement of income in the period or periods during which the hedged forecast transaction will affect the statement of income. This is generally within the 12 months from the balance sheet date.

The change in the fair value of derivatives at fair value through profit and loss is recognised in the statement of income within "Finance income"/"Finance costs" for interest derivatives and within "Foreign currency gains/(losses)" for currency derivatives.

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16.2 Derivatives at fair value through profit and loss

The change in fair value related to derivatives at fair value through profit and loss is as follows:

31 March	2022	2021
<i>In thousands of euros</i>		
- within 'foreign currency gains / (losses)' for currency derivatives (Note 25)	1,308	(1,401)
Total change in the fair value of derivatives at fair value through profit and loss : gains / (losses)	(1,401)	(1,401)

16.3 Derivatives designated as hedging instruments

The derivatives designated at fair value through other comprehensive income is disclosed in Note 16.

16.4 Notional amounts of derivatives

The notional principal amounts of the outstanding forward foreign exchange derivatives are as follows:

31 March	2022	2021
<i>In thousands of euros</i>		
Sale of currencies		
CNY	51,971	23,371
USD	29,810	10,376
HKD	23,931	7,147
JPY	13,947	2,819
GBP	9,161	2,799
RUB	8,586	3,249
MXN	4,597	3,573
THB	2,653	2,681
AUD	1,494	470
SGD	799	-
NOK	578	268
CZK	312	77
PLN	256	174
ZAR	204	69
HUF	200	60
SEK	92	111
Purchase of currencies		
CNY	6,056	-
HUF	57	-
MXN	308	-

17. CASH AND CASH EQUIVALENTS

The following table presents details of cash and cash equivalents:

31 March	2022	2021
<i>In thousands of euros</i>		
Cash at bank and in hand	364,023	423,214
Cash equivalents	2,669	1,897
Cash and cash equivalents	366,692	425,111

Cash equivalents include highly liquid investments in short-term bank deposits.

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The effective interest rates on cash at bank and in hand are as follows:

	2022	2021
Cash in Euros	Eonia/Euribor or equivalent + margin	Eonia or Euribor + margin
Cash in foreign currencies	Libor or equivalent / Local market rate + margin	Local market rate + margin

The effective interest rates on cash equivalents are as follows:

	2022	2021
Cash equivalents in Euros (short-term bank deposits)	Euribor or equivalent / Local market rate	Euribor / Local market rate

18. CAPITAL AND RESERVES

L'Occitane Groupe S.A. ("LOG") is a corporation incorporated in the Grand Duchy of Luxembourg. The authorized capital of the Company is €600,000,000 out of which €23,341,954 are issued as at 31 March 2014.

At 31 March 2022, the Company's share capital is held by the company "Société d'Investissement Cime S.A.", in a proportion of 72.28%.

All the shares of the Company are fully paid and benefit from the same rights and obligations.

As at 31 March 2022, 2,274,770 shares were pledged by the company Société d'Investissements Cime S.A (one of the shareholders of LOG).

18.1 Share capital and Additional paid-in capital

Changes in the number of shares, share capital and additional paid-in capital are as follows (in thousands of euros, except for the number of shares):

In thousands of Euros except "Number of shares"

	Number of shares	Share capital	Additional paid-in capital
Balance at 31 March 2022	15,341,954	15,342	405,136
Balance at 31 March 2021	15,341,954	15,342	405,136

18.2 Treasury shares

At 31 March 2022 the Company owns 1,628,931 of its own shares for an amount of €190,649,000.

These treasury shares have been deducted from 'Other reserves' within shareholders' equity attributable to equity holders.

18.3 Share-based payments

There are three types of share-based payments that were granted: (i) share-based payments related to LOI equity instruments and (ii) share-based payments related to LimeLife instruments and (iii) share-based payments related to LOG equity instruments.

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(i) *Main characteristics of the plans with LOI equity instruments*

Stock options

The stock option plans can be summarised as follows:

	31 March 2022		31 March 2021	
	Average exercise price in HKD per stock option	Number of options	Average exercise price in HKD per stock option	Number of options
At the beginning of the period	15.94	12,512,350	15.94	19,535,672
Exercised during the period	15.69	(5,544,450)	17.62	(4,945,400)
Cancelled/lapsed during the period	15.12	(271,300)	16.93	(2,077,922)
At the end of the period	15.94	6,696,600	15.94	12,512,350

Grant date	Vesting date	Exercise price	Number of share options	
			31 March 2022	31 March 2021
26 October 2012	26 October 2016	HKD 23.60	-	0
28 November 2012	29 November 2016	HKD 24.47	-	0
4 December 2013	4 December 2017	HKD 17.62	-	1,254,250
23 February 2015	23 February 2019	HKD 19.22	-	238,000
21 March 2016	21 March 2020	HKD 14.36	520,500	1,711,250
02 February 2017	02 February 2021	HKD 15.16	1,473,350	4,337,050
29 March 2018	29 March 2022	HKD 14.50	4,702,750	4,971,800
Total			6,696,600	12,512,350

Free shares

The free share plans can be summarised as follows:

	31 March 2022		31 March 2021	
	Average fair value in HKD per free share	Number of free shares	Average fair value in HKD per free share	Number of free shares
At the beginning of the period	14.50	3,360,300	14.50	3,371,400
Vested during the period	14.50	(2,333,700)	0	-
Forfeited during the period	14.50	(1,026,600)	14.50	(11,100)
At the end of the period	-	-	14.50	3,360,300

Free shares outstanding at the end of the years have the following expiry dates and exercise prices:

Grant date	Vesting date	Exercise price	Number of free shares	
			31 March 2022	31 March 2021
29 March 2018	29 March 2022	-	-	3,360,300
Total		-	-	3,360,300

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(ii) Main characteristics and detail of the plans with LimeLife equity instruments

L'Occitane International S.A. granted rights to LimeLife equity instruments to LimeLife's minority shareholders. This free share plan is based on a presence condition for a four-year period, starting from 12 December 2017. There are no performance criteria.

This plan can be summarised as follows:

	31 March 2022		31 March 2021	
	Average fair value in EUR per free shares	Number of free shares	Average fair value in EUR per free shares	Number of free shares
As at 1 April	6.4	1,266,891	6.4	844,594
Vested during the year	6.4	422,297	6.4	422,297
As at 31 March	6.4	1,689,188	6.4	1,266,891

Grant date	Vesting date	Number of free shares	
		31 March 2021	31 March 2020
12 December 2017	12 December 2018	422 297	422 297
12 December 2017	12 December 2019	422 297	422 297
12 December 2017	12 December 2020	422 297	422 297
12 December 2017	12 December 2021	422 297	422 297
Total		1 689 188	1 689 188

The assessed fair value at the grant date of the shares was determined based on the enterprise value of LimeLife (through discounted future cash flows) as at 12 December 2017.

(iii) Main characteristics of the plans with LOG equity instruments

The Company granted rights to its own equity instruments direct to LOI and its subsidiaries' employees.

At the time they receive LOG shares (free shares or shares upon the exercise of share options), employees are subject to a liquidity agreement signed with CIME (one of the shareholder of LOG), which is controlled by Mr. Reinold Geiger, a Director of the Company. Until the fiscal year ended 31 March 2010, the stock options and the free shares plan were considered as equity-settled share-based compensation plans because LOG was not entitled to a cash payment. On 23 November 2010, the liquidity agreement was modified in such a way that LOG was now liable to repurchase the shares held by the employees. Therefore, after this modification, the stock options and the free shares plans were considered as cash-settled share-based compensations. The accounting treatment was as follows:

- Until the modification date, the equity settled share-based compensation expense had been recorded with a corresponding effect in 'reserves' for an amount of €944,000;
- At the modification date of the liquidity agreement, the Group recognised the liability to settle in cash based on the fair value of the option shares and free shares at the modification date and the extent to which the specified services had been received. Such a liability amounted to €15,988,000;
- The change in the fair value of the liability between the modification date and the balance sheet date as at 31 March 2011 amounting to €1,455,000 was recognised as employee benefits in the statement of income.

During the vesting period the change in the liability is then recorded as an employee benefit expense (Note 24). After the vesting period, when the share options are exercised, the proceeds from the exercise share options are recorded as an increase in the liability.

Post vesting, since there is no longer a link to employee service, the change in the fair value of the liability relating to the vested awards is recorded in finance costs (Note 26). This liability is extinguished when the share held by the employees are repurchased by the Company.

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The total impact of the LOG share-based compensations is as follows:

In thousands of euros	Other reserves	Liability			Total liability	Employee benefits			Other finance costs	Cash
		Non-current portion of the liability (a)	Current portion of the liability (b)	Social charges (c)		Share-based compensation expense	Social liabilities	Total expense		
Share-based compensation expense of unvested awards	-	8,738	-	-	8,738	8,738	-	8,738	-	-
Change in the fair value of vested awards:	-	-	-	-	-	-	-	-	-	-
- vested stock options but not yet exercised	-	-	-	-	-	-	-	-	-	-
- shares resulting from the exercised stock options	-	-	3,462	-	3,462	-	-	-	3,462	-
- vested free shares	-	-	577	-	677	-	-	-	577	-
Repurchase of shares held by the employees:	-	-	-	-	-	-	-	-	-	-
- exercised stock options	-	-	-	-	-	-	-	-	-	-
- vested free shares	-	-	(72)	-	(72)	-	-	-	-	(72)
Reclassification from non-current portion to the current portion of the liability	-	-	(80)	-	(80)	-	-	-	-	(80)
Cumulated share-based compensation expense as at 31 March 2021	(11,938)	14,740	16,043	320	31,103	27,611	320	27,931	9,878	(18,846)
Share-based compensation expense of unvested awards	-	5,877	-	-	5,877	5,877	-	5,877	-	-
Change in the fair value of vested awards:	-	-	-	-	-	-	-	-	-	-
- vested stock options but not yet exercised	-	-	-	-	-	-	-	-	-	-
- shares resulting from the exercised stock options	-	-	7,726	-	7,726	-	-	-	7,726	-
- vested free shares	-	-	19,958	-	19,958	-	-	-	19,958	-
Repurchase of shares held by the employees:	-	-	-	-	-	-	-	-	-	-
- exercised stock options	-	-	-	-	-	-	-	-	-	-
- vested free shares	-	-	(404)	-	(404)	-	-	-	-	(404)
Reclassification from non-current portion to the current portion of the liability	-	(12,585)	12,585	-	-	-	-	-	-	(12,681)
Cumulated share-based compensation expense as at 31 March 2022	(11,938)	6,022	43,228	320	51,678	33,488	320	33,808	37,662	(31,731)

- (a) The non-current portion was recorded in the line 'Other non-current liabilities' in the balance sheet (Note 20).
(b) The current portion is recorded in the line 'Salaries, wages, related social items and other tax liabilities' in the balance sheet.
(c) The social charges are recorded in the line 'Salaries, wages, related social items and other tax liabilities' in the balance sheet.

The fair value of a share of L'Occitane Groupe SA was determined through the statutory net equity of the Company adjusted to take into account the market value of LOI's shares owned by the Company in the Hong Kong stock exchange. As at 31 March 2022, the fair value of a LOG share is estimated to €196.17 (€93.66 as at 31 March 2021).

On March 2022 and March 2021, the stock options plans were all vested and exercised.

During the fiscal year ended 31 March 2022, one share-based payments plan related to LOG equity instruments have been granted.

Set out below are summaries of free shares plans:

	2022		2021	
	Average exercise price in EUR per share option	Number of share option	Average exercise price in EUR per share option	Number of share option
As at 1 April	77.29	422,600	78.19	281,000
Granted during the year	144.21	37,600	68.4	288,000
Vested during the year	72.26	(103,800)	93.05	(146,400)
Forfeited during the year	68.4	(41,500)	-	-
Exercised during the year	-	-	-	-
As at 31 March	88.11	314,900	77.29	422,600

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Free shares outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Number of free shares	
		2022	2021
01 October 2019	30 September 2023	25,200	30,800
01 May 2017	30 April 2021	-	27,700
28 March 2018	27 March 2022	-	76,100
30 September 2020	29 September 2024	252,100	288,000
29 June 2021	29 June 2025	36,400	-
30 June 2021	30 June 2025	1,200	-
Total		314,900	422,600

(iv) Total share-based compensation expense

During the year ended 31 March 2022, the share-based compensation expense recognised within the statement of income is the following:

<i>In thousands of Euros</i>	2022	2021
LOI equity instruments	772	2,470
LOG equity instruments	33,561	12,201
LimeLife instruments	1,056	1,207
Social charges	260	1,240
Total (Note 22)	35,649	17,118

As at 31 March 2022, an amount of €444,000 had been recorded as share-based payments for the minority shareholders of LimeLife.

The total remaining share-based payment expense to be recognised within the future employee benefits is the following:

<i>In thousands of Euros</i>	2022	2021
LOI equity instruments	-	2,050
LOG equity instruments	8,687	9,960
LimeLife instruments	-	469
Total	8,687	12,479

During the period ended 31 March 2022, the share-based compensation expense recognized is the following:

- For plans with LOI equity instruments: €772,000 (€2,470,000 during the period ended 31 March 2021);
- For plans with LOG equity instruments:
 - A loss of €5,877,000 was recognized in employee benefits during the period ended 31 March 2022 (a loss of €12,201,000 as of 31 March 2021);
 - a loss of €27,684,000 was recognized in finance costs (a loss of €4,039,000 during the period ended 31 March 2021).

18.4 Distributable reserves

On 31 March 2022, the distributable reserves of L'Occitane Groupe S.A. was nil (€46,870,754 as at 31 March 2021).

In accordance with the Luxembourg regulations, a special reserve was recorded by the Company for the amount of the acquired treasury shares. This special reserve is not distributable.

18.5 Dividend per share

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On 29 September 2021, the Annual Shareholder's Meeting approved the distribution of €54,189,000, namely €0.03687

18.6 Additional paid in capital

Additional paid in capital includes:

- The additional paid in capital recognised in the statutory financial statements;
- The effect of valuing, at market value, the shares issued in exchange of acquisitions;
- The difference between the carrying amount net of tax and the nominal amount of the compound financial instruments converted to equity on 26 February 2007;
- The effect of the capital restructuring of L'Occitane International S.A. and the creation of L'Occitane Groupe S.A.

18.7 Currency translation differences

Over the period ended 31 March 2022, currency translation differences are mainly composed of currency translation differences from subsidiaries with a functional currency in USD, RUB and BRL, mainly on goodwill and some non-current assets.

19. BORROWINGS

Borrowings can be analysed as follows:

31 March <i>In thousands of Euros</i>	2022	2021
FY 2022 Term Loan (LOI)	300,354	-
FY 2021 Revolving facility (LOI)	64,604	36,821
FY 2021 PGE bank borrowing (COVID)	-	51,403
FY 2021 Affiliates borrowing (COVID)	-	996
FY 2020 NEU CP facility	282,800	135,000
FY 2019 Term Loan (LOI)	-	275,000
FY 2019 Long term loan (LOI)	15,602	17,598
FY 2018 EUROPP Bonds (LOG)	150,847	150,847
FY 2018 Revolving facilities (LOG)	619,067	521,070
FY 2012 bank borrowing (LOI)	3,571	4,286
Other bank borrowings	5,306	3,512
Bank overdrafts	3	13
Total	1,442,154	1,196,546
Less, current portion:		
- FY 2022 Term Loan (LOI)	(354)	-
- FY 2021 Revolving facility	275	(36,821)
- FY 2021 PGE bank borrowing (COVID)	-	(51,403)
- FY 2021 Affiliates borrowing (COVID)	-	(544)
- FY 2020 NEU CP	(282,800)	(135,000)
- FY 2019 Term Loan (LOI)	-	(275,000)
- FY 2019 Long term loan (LOI)	(2,018)	(1,999)
- FY 2018 EUROPP Bonds (LOG)	(847)	(847)
- FY 2018 Revolving facility (LOG)	(619,067)	(70)
- FY 2012 bank borrowing (LOI)	(714)	(715)
- Other bank borrowings	(5,306)	(3,512)
- Bank overdrafts	(4)	(13)
Total current	(910,835)	(505,924)
Total non-current	531,318	690,622

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19.1 Maturity of non-current borrowings

For the year ended 31 March 2022 and 2021, maturity of non-current borrowings, excluding current portion, can be broken down as follows:

<i>In thousands of Euros</i>	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total non-current
FY 2022 Term loan	-	300,000	-	300,000
FY2021 Revolving Facility	-	64,879	-	64,879
FY2021 Affiliates borrowings (COVID)	-	-	-	-
FY 2019 Long Term loan	2,035	6,223	5,326	13,584
FY 2018 Revolving facilities (LOG)	-	-	-	-
FY 2018 EUROPP Bonds	40,000	110,000	-	150,000
FY 2012 bank borrowing	713	2,143	-	2,856
Maturity on 31 March 2022	42,748	483,245	5,326	531,319
FY2021 Affiliates borrowings (COVID)	-	452	-	452
FY 2019 LongTerm loan	2,015	6,163	7,421	15,599
FY 2018 Revolving facilities (LOG)	521,000	-	-	521,000
FY 2018 EUROPP Bonds	-	150,000	-	150,000
FY 2012 bank borrowing	714	2,143	714	3,571
Maturity on 31 March 2021	523,729	158,758	8,135	690,622

19.2 Credit facilities agreements

FY2022 Term loan

On 21 December 2021, the Company signed a Term Loan Agreement for an amount of €300,000,000 with a three-year maturity. An amount of €300,000,000 equivalent was drawn as at 31 March 2022.

The FY 2022 Term Loan Agreement includes a repricing option.

The interest rates depend on the above-described leverage ratio calculated annually after the consolidated financial statements of the Group are issued. The interest rate is repriced in line with the change in the ratio, as follows:

Leverage ratio	Repricing
Ratio higher than 2.5	Euribor + Margin
Ratio between 2.0 and 2.5	Euribor + Margin - 0.25
Ratio between 1.5 and 2.0	Euribor + Margin - 0.45
Ratio between 1.0 and 1.5	Euribor + Margin - 0.55
Ratio between 0.5 and 1.0	Euribor + Margin - 0.65
Ratio lower than 0.5	Euribor + Margin - 0.75

During the year ended 31 March 2022, the interest rate was based on Euribor + Margin – 0.55

The FY2022 Term Loan Agreement is subject to a financial covenant: if the Company fails to maintain its leverage ratio below a given level, this will trigger a default event and the early repayment of the loan. The leverage ratio, which is based on the Group's

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annual consolidated financial statements, is calculated by dividing consolidated net debt by EBITDA. For the measurement of this ratio, the following definitions are used:

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments but excluding lease commitments within the scope of IFRS 16, long-term employee benefits, raw materials commitments and grants to a foundation) – cash and cash equivalents
EBITDA	Operating profit before depreciation, amortisation and impairment and before net movements in provisions (excluding the impact of IFRS 16)

The leverage ratio must be lower than 2.5. The covenant was respected as at 31 March 2022.

The directly attributable transaction costs related to the issuance of this FY2022 Term Loan Agreement amounted to €1,550,000. As this financing is a term loan, the fees were capitalised as a deferred charge and amortised over the term of the loan.

FY2022 Bilateral Cash Pooling Facility

On 30 June 2021, the Company signed an unsecured bilateral cash pooling facility in US Dollars (USD) for an amount up to USD 50 million with a one-year maturity and an option for an automatic extension on an annual basis. The facility was not automatically extended and cancelled as at 31 March 2022. As a consequence no amount was drawn as at 31 March 2022.

The FY2022 Bilateral Cash Pooling Facility includes a repricing option.

The interest rates depend on the below-described leverage ratio calculated annually after the consolidated financial statements of the Group are issued. The interest rate is repriced in line with the change in the ratio, as follows:

Leverage ratio	Repricing
Ratio higher than 2.5	Euribor + Margin
Ratio between 2.0 and 2.5	Euribor + Margin - 0.25
Ratio between 1.5 and 2.0	Euribor + Margin - 0.45
Ratio between 1.0 and 1.5	Euribor + Margin - 0.55
Ratio between 0.5 and 1.0	Euribor + Margin - 0.65
Ratio lower than 0.5	Euribor + Margin - 0.75

During the year end 31 March 2022, the interest rate was based on Euribor/Libor + Margin - 0.75.

The margin is always increased by 15 bps if the FY2022 Bilateral Cash Pooling Facility is drawn in USD.

The FY2022 Bilateral Cash Pooling Facility is subject to a financial covenant: if the Company fails to maintain its leverage ratio below a given level, this will trigger a default event and the early repayment of the loan. The leverage ratio, which is based on the Group's annual consolidated financial statements, is calculated by dividing consolidated net debt by EBITDA. For the measurement of this ratio, the following definitions are used:

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments but excluding lease commitments within the scope of IFRS 16, long-term employee benefits, raw materials commitments and grants to a foundation) – cash and cash equivalents
EBITDA	Operating profit before depreciation, amortisation and impairment and before net movements in provisions (excluding the impact of IFRS 16)

The leverage ratio must be lower than 2.5 (and can be temporarily extended to 3.0 twice in the event of a business combination). The covenant is calculated on an annual basis. The covenant is respected for the fiscal year ended 31 March 2022.

FY2021 Revolving credit facility (LOI)

On 31 March 2021, and to refinance both the FY2015 Revolving Credit Facility and the FY2021 Revolving Facility (COVID-19), the Company signed an unsecured multi-currency revolving facility agreement for an amount of €600 million with a five-year maturity and an option to extend for two additional years. The first extension for one additional year till 31st March 2027 has been activated on 28th February 2022. An amount of €64,604,162 had been drawn as at 31 March 2022.

The FY2021 Revolving Credit Facility includes a repricing option.

The interest rates depend on the below-described leverage ratio calculated annually after the consolidated financial statements of the Group are issued.

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The interest rate is repriced in line with the change in the ratio, as follows:

Leverage ratio	Repricing
Ratio higher than 2.5	Euribor + Margin
Ratio between 2.0 and 2.5	Euribor + Margin - 0.25
Ratio between 1.5 and 2.0	Euribor + Margin - 0.45
Ratio between 1.0 and 1.5	Euribor + Margin - 0.55
Ratio between 0.5 and 1.0	Euribor + Margin - 0.65
Ratio lower than 0.5	Euribor + Margin - 0.75

During the year ended 31 March 2022, the interest rate was based on Euribor/Libor + Margin - 0.75.

The margin is increased by 15 bps if the Revolving Credit Facility is drawn in USD.

A bonus of 1 bp can be obtained for each of 4 CSR (corporate social responsibility) KPIs:

- Traceability of plants used in the products;
- Use of renewable electricity;
- Direct Suppliers CSR rating;
- B-Corp certification (will be applicable in FY23).

The FY2021 Revolving Credit Facility is subject to a financial covenant: if the Company fails to maintain its leverage ratio below a given level, this will trigger a default event and the early repayment of the loan. The leverage ratio, which is based on the Group's annual consolidated financial statements, is calculated by dividing consolidated net debt by EBITDA. For the measurement of this ratio, the following definitions are used:

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments but excluding lease commitments within the scope of IFRS 16, long-term employee benefits, raw materials commitments and grants to a foundation) – cash and cash equivalents
EBITDA	Operating profit before depreciation, amortisation and impairment and before net movements in provisions (excluding the impact of IFRS 16)

The leverage ratio must be lower than 2.5 (and can be temporarily extended to 3.0 twice in the event of a business combination). The covenant is respected for the fiscal year ended 31 March 2022.

The directly attributable transaction costs related to the issuance of this FY2021 Revolving Credit Facility Agreement amounted to €2,848,561. As there is no evidence that some or all the facility will likely be drawn down, the fees were capitalized as a deferred charge and amortized over the term of the facility.

FY2021 PGE Bank Borrowing (COVID-19) (LOI)

To address the impact of the COVID-19 crisis on its operations, on 12 June 2020, Laboratoire M&L signed a new term loan, 90% guaranteed by the French State ("Prêt Garanti par l'Etat", PGE), for an amount of €50 million with a one-year initial maturity, and an extension option for up to a five years (June 2026).

The FY2021 PGE Bank Borrowing was not subject to any financial covenant.

As at 31 March 2022, the PGE was fully reimbursed.

FY2020 NEU CP facility (LOI)

On 17 October 2019, the Group signed a programme to issue of short-term marketable debt instrument ("NEU CP") on a commercial paper market in the eurozone governed by the Banque de France. The total amount available is €300,000,000.

Multiple short-term marketable debt instruments were drawn during the year.

As at 31 March 2022, the balance amounts to €282,800,000 for a weighted average rate of -0.23% for initial maturities comprising between 6 and 266 days.

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FY2019 Term Loan (LOI)

On 31 January 2019, the Company signed a Term Loan Agreement for an amount of €300,000,000 with a three-year maturity related to the ELEMIS acquisition. The full amount of €300,000,000 was drawn as at 31 March 2019. An amount of €25,000,000 was reimbursed during the year ended 31 March 2021.

On July 2021, the FY2019 Term Loan was fully reimbursed for a total outstanding amount of €275,000,000.

As at 31 March 2022, the FY2019 Term Loan was fully reimbursed.

FY2019 Long Term Loan (LOI)

On 4 September 2018, the Group signed a long-term loan agreement for an amount of €22.5 million with an 11-year maturity and that can be drawn by M&L Distribution France. As at 31 October 2018, the bank borrowing was fully drawn. This loan is repaid quarterly and four repayments were made in June 2021, September 2021, December 2021 and March 2022, for amounts of €497,082, €498,287, €499,495 and €500,707 respectively. As at 31 March 2022, the outstanding amount is €15,599,273.

The interest rate of the Long-Term Loan is 0.97% (fixed rate).

The FY2019 Long-Term Loan is secured by a pledge over business assets related to the 86 Champs-Élysées flagship store in Paris.

FY2012 bank borrowing

On 20 June 2011, the Group signed a bank borrowing agreement for an amount of €10.0 million with a 15-year maturity. The borrowing can only be drawn by Laboratoires M&L (formerly known as L'Occitane S.A.).

This loan is repaid annually and one repayment was made in December 2021, for amount of €714,286. As at 31 March 2022, the outstanding amount is €3,571,429.

The interest rate of the bank borrowing is based on Euribor 3M + margin.

The FY 2012 bank borrowing is secured by a pledge over the land and building acquired by Laboratoires M&L to build the new logistics platform in Manosque, France.

FY2018 Revolving facility (LOG)

On 27 April 2017, the Company signed a revolving facility agreement for an amount of € 800 million with a 5-year maturity. This revolving Facility has been reduced to €725 million following the EUROPP issue. An amount of €619 million is drawn as at 31 March 2022.

Event of default resulting in the early repayment of the FY 2018 revolving facility agreement depends on the 2 following financial ratios:

Leverage Financial Ratio

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments (but excluding lease commitments, long term employee benefits, raw materials commitments and grant to foundation) – cash and cash equivalents
EBITDA	Operating profit before depreciation, amortization and impairment and before net movements in provisions (excluding the impact of IFRS 16)

The LOG leverage financial ratio is calculated on a bi-annual basis. It is to be lower than 2.0 and was respected as at 31 March 2022 with a value of 0.38.

Loan to value (LTV)

Local net debt	Current and non-current borrowings (including finance leases and other commitments (but excluding lease commitments, long term employee benefits, raw materials commitments and grant to foundation) – cash and cash equivalents
LOI shares value	Market Value of L'Occitane International S.A. shares held by the Borrower to the same test period.

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The loan to value ratio is to be lower than 0.5. It is calculated on a quarterly basis. The ratio is respected as at 31 March 2022.

The FY 2018 revolving facility includes a repricing option. The interest rates depend on the above described. Loan to value ratio calculated every quarter. The change in the ratio results in repricing the interest rate as follows:

Loan to value ratio	Repricing
Ratio being comprised between 0.45 and 0.50	Euribor 3M + Margin
Ratio being comprised between 0.40 and 0.45	Euribor 3M + Margin - 0.20
Ratio being comprised between 0.35 and 0.40	Euribor 3M + Margin - 0.35
Ratio being comprised between 0.30 and 0.35	Euribor 3M + Margin - 0.50
Ratio being comprised between 0.25 and 0.30	Euribor 3M + Margin - 0.65
Ratio being comprised between 0.20 and 0.25	Euribor 3M + Margin - 0.75
Ratio lower than 0.20	Euribor 3M + Margin - 0.85

As at 31, March 2022, the ratio was lower than 0.5 and equal to 0.27 and the interest rate is based on Euribor + Margin - 0.65.

FY 2018 EUR EUROPP bonds (LOG)

On 20 December 2017, the company issued 6 years and 7 years bonds program for a total amount of €150 million in the form of a European Private Placement.

Event of default resulting in the early repayment of the FY2018 EUR EUROPP bonds depends on the 2 same covenants used for FY2018 Revolving Credit facility.

The pricing on these bonds is based on fixed rates different for each maturity.

19.3 Borrowing facilities

The Group has the following undrawn borrowing facilities:

31 March	2022	2021
<i>In thousands of Euros</i>		
Floating rate:		
- Expiring within one year	121,856	15,080
- Expiring beyond one year	252,321	632,192
Fixed rate:		
- Expiring within one year	-	-
- Expiring beyond one year	-	-
Total (note 3.1)	374,177	647,272

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19.4 Borrowing cash flow variation

The Group recognised the changes arising from cash flows and non-cash changes:

<i>In thousands of Euros</i>	Cash Flows			31 March 2022
	31 March 2021	Proceeds	Repayments	
FY2022 Term Loan	-	300,354	-	300,354
FY2021 Revolving facility	36,821	64,604	(36,821)	64,604
FY2021 PGE bank borrowing (COVID)	51,403	-	(51,403)	-
FY2021 Affiliates borrowing (COVID)	996	-	(996)	-
FY 2020 NEU CP Facility	135,000	282,800	(135,000)	282,800
FY 2019 Term loan (LOI)	275,000	-	(275,000)	-
FY 2019 Long term loan (LOI)	17,598	-	(1,996)	15,602
FY 2018 Revolving facility (LOG)	521,070	619,067	(521,070)	619,067
FY 2018 EUROPP Bonds (LOG)	150,847	-	-	150,847
FY 2012 bank borrowing	4,286	-	(715)	3,571
Other bank borrowings	3,512	8,557	(6,763)	5,306
Other bank borrowings	13	-	(10)	3
Total	1,196,546	1,275,382	(1,029,774)	1,442,154

20. OTHER CURRENT AND NON-CURRENT LIABILITIES

Other current and non-current liabilities include the following:

31 March <i>In thousands of Euros</i>	2022	2021
Retirement indemnities	12,135	13,146
Long term employment benefits	1,068	976
Provisions for dismantling and restoring	8,390	7,746
Share-based compensations (note 18.3 (iii))	8,016	14,340
Other	1,354	1,388
Total non current liabilities	30,963	37,596
Grants to a foundation	172	166
Deferred revenue (a)	19,014	17,083
Right to returned goods	2,145	1,359
Sale of Elemis minority shareholders	77,409	-
Provisions for dismantling and restoring	2,019	1,749
Other current liabilities	2,700	-
Total current liabilities	103,459	20,357

- (a) Deferred revenue related to (i) sales for which the transfer of control and related risks has not occurred at the year-end; and (ii) the fair value of the consideration received allocated to the award credits granted for any loyalty programmes.

20.1 Provision for retirement indemnities

Subsidiaries of the Group generally contribute to the national pension system, which is a defined-contribution obligation. The expense recognised in connection with those defined-contribution plans is classified in "social security" within the "employee benefits" (Note 23).

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In addition to these defined-contribution plans, a defined-benefit plan exists in France. A lump-sum payment is made on the date the employee reaches retirement age, such award being determined for each individual based upon factors such as years of service and projected final salary. There are no plan assets.

Amounts recognised in the balance sheet and in the statement of income
The amounts recognised in the balance sheet are determined as follows:

31 March		2022	2021
<i>In thousands of euros</i>			
Present value of unfunded obligations		12,135	13,146
Liability in the balance sheet		12,135	13,146

Movements in the defined benefit obligation over the year are as follows:

The amounts recognised in the income statement are as follows:

31 March		2022	2021
<i>In thousands of euros</i>			
Current service cost		1,634	1,279
Past service cost		-	-
Interest cost		60	126
Total included in employee benefit expenses (note 23)		1,694	1,405

Main assumptions

The principal actuarial assumptions used were as follows:

31 March		2022	2021
<i>In %</i>			
Discount rate		1.80	0.70
Inflation rate		2.00	1.70
Future salary increases		3.00	2.50
Retirement age (in number of years)		62-65	62-65

The discount rate is set with reference to corporate bond yield: iBoxx Euro zone AA rated corporate bonds + 10 years.

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory. Mortality assumptions for France (the most important country in terms of employee headcount) are based on the following table: Insee TD/TV 2009-11.

Assumptions regarding employee turnover are based on historical statistics recorded by the French subsidiaries in the previous years.

The sensitivity of the overall pension liability to changes in the principal assumptions is not material: an increase / decrease by 0.25% in the discount rate would result in an increase / decrease by €320,000 in the defined-benefit obligation.

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20.2 Provision for dismantling and restoring

As at 31 March 2022, provisions for dismantling and restoring costs are as follows:

In thousands of euros	31 March 2021	Charged / (credited) to the statement of income (Note 28.4)			Exchange differences	31 March 2022
		Provisions recorded in the statement of income	Unused amounts reversed	Used during the year		
Provisions recorded over the lease term	3,844	440	(19)	119	127	4,511
Provisions recorded at inception	5,651	196	-	181	(130)	5,898
Total	9,495	636	(19)	300	(3)	10,409

21. TRADE PAYABLES

The credit terms granted by suppliers to the production and distribution subsidiaries were generally between 80 and 110 days and between 30 and 60 days, respectively.

The ageing analysis of trade payables by due date at the respective balance sheet dates is as follows:

31 March	2022	2021
<i>In thousands of Euros</i>		
Current and past due within 3 months	207,949	156,556
Past due from 3 to 6 months	1,272	1,639
Past due from 6 to 12 months	1,093	2,555
Past due over 12 months	3,189	1,205
Trade payables	213,503	161,955

22. PROVISIONS

As at 31 March 2022 provisions can be analysed as follows:

In thousands of euros	31 March 2021	Charged / (credited) to the statement of income			Acquisition of subsidiaries	Exchange differences	31 March 2022
		Additional provisions	Unused amounts reversed	Used during the year			
Employee-related disputes (a)	962	70	(44)	(418)	94	91	755
Commercial claims (b)	471	853	-	(130)	-	(46)	1,148
Tax risks	244	43	-	(114)	-	63	236
Total	1,677	966	(44)	(662)	94	108	2,139

(a) Employee-related disputes relate mainly to disputes with employees with respect to employee benefits or potential claims from social security authorities.

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(b) Commercial claims relate mainly to claims from distributors.

In management's opinion, after taking appropriate legal advice, these legal claims will not give rise to any significant loss beyond the amounts provisioned at each balance sheet date.

No reimbursement is expected in connection with these provisions and accordingly no corresponding asset was recognised.

The provisions reversed unused are mainly due to certain risks reaching the end of the applicable limitation period.

23. EXPENSES BY NATURE

23.1 Breakdown of expenses by nature

Expenses by nature include the following amounts:

31 March In thousands of Euros	2022	2021
Employee benefit expenses (a)	424,159	376,181
Rent and occupancy (b)	109,785	89,252
Raw materials and consumables used	231,658	208,968
Change in inventories of finished goods and work in progress	(23,505)	(18,495)
Advertising costs (c)	229,137	167,182
Professional fees (d)	175,124	160,643
Depreciation, amortization and impairment (note 23.3)	178,187	192,027
Transportation expenses	100,473	76,060
Auditor's remuneration (e)	2,022	1,934
Other expenses	71,625	61,564
Total cost of sales, distribution expenses, marketing expenses, research and development expenses and general and administrative expenses	1,498,664	1,315,316

- (a) Employee benefits include wages, salaries, bonus, share-based payments, social security, post-employment benefits and temporary staff expenses.
- (b) The rent and occupancy amount as at 31 March 2022 mainly includes variable lease payments based on sales for €74,119,000, rent and occupancy costs relating to short-term leases for €5,956,000 and low-value leases for €8,000. This amount also includes €3,423,000 of rent concessions recorded as negative variable rents (Note 2.1).
- (c) Advertising costs also include all promotional goods gifted to customers with no obligation to purchase products. The increase is mainly explained by China, Elemis and Sol de Janeiro.
- (d) Professional fees mainly include payments made to warehouse management companies, marketing agencies and lawyers.
- (e) Auditor's remuneration relates to audit services for €1,951,000 (€1,546,000 for the financial year ended 31 March 2021) and audit related services for €70,537 (€348,000 for the financial year ended 31 March 2021).

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23.2 Workforce and employee benefits

Employee benefits include the following amounts:

31 March <i>In thousands of Euros</i>	2022	2021
Wages, salaries and bonus	337,919	295,422
Share-based payments (note 18.3 (iv))	11,549	15,878
Social security	75,393	62,462
Remuneration for post-combination services granted to non-controlling interests (Note 5.3)	501	-
Post employment benefit (note 20)	1,694	1,388
Others	3,316	1,031
Total employee benefits	430,372	376,181
Workforce (full time equivalent)	9,057	8,733

Wages, salaries and bonus include the cost of temporary staff.

The Group's workforce is expressed as the number of employees at the end of the period.

23.3. Breakdown of depreciation, amortisation and impairment

Depreciation, amortisation and impairment include the following:

31 March <i>In thousands of euros</i>	2022	2021
Depreciation of property, plant and equipment (Note 6)	45,976	52,446
Impairment on property, plant and equipment (Note 6)	3,784	519
Impairment reversal on property, plant and equipment (Note 6)	(1,185)	(946)
Depreciation of right-of-use assets (Note 7)	96,115	113,954
Impairment on right-of-use assets (Note 7)	17,768	9,602
Amortisation of intangible assets (Note 9)	15,729	16,452
Depreciation, amortisation and impairment	178,187	192,027

The variation is mainly explained by the impact of the deconsolidation of L'Occitane Inc. The total of depreciation, amortisation and impairment for L'Occitane Inc. was €12,049,000 as at March 2022 (€25,433,000 as at March 2021).

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24. OTHER OPERATING INCOME / EXPENSES

Other income / expenses, net are detailed as follows:

31 March <i>In thousands of euros</i>	2022	2021 Restated *
Reconsolidation/deconsolidation of L'Occitane Inc.	12,873	5,756
Capital gain arising from the change in the % of interests in associates and joint ventures (Note 10.1)	25,062	-
Gain on sale of associate	5,098	
Profit on sale of assets (Note 29.1)	1,712	-
Government grants (a)	1,044	1,115
Excess of the fair value of acquired net assets over the cost of an acquisition (negative goodwill) (b)	145	494
Other operating income	45,934	7,365
Restructuring expenses (Note 25)	(1,448)	(13,246)
Loss on sale of assets (Note 29.1)	(3,260)	(1,719)
Dilution loss arising from the change in the % of interests in associates and joint ventures (Note 10.1)	(4,945)	-
Other items	(289)	(15)
Other operating expenses	(9,942)	(14,980)

(a) Government grants corresponds to grants on research and development costs and on employee profit-sharing schemes.
(b) This was related in FY21 to 86 Café Retail acquisition during the year.

25. RESTRUCTURING EXPENSES

The restructuring expenses break down as follows:

31 March <i>In thousands of euros</i>	2022	2021
Employee termination benefits of the global restructuring plan	(73)	(10,910)
Fees in connections with the Chapter 11 case of L'Occitane Inc.	(1,375)	(2,336)
Total restructuring expenses	(1,448)	(13,246)

The employee termination benefits in 2021 related to the restructuring plan for approximately 10% of the corporate headcount within L'Occitane subsidiaries (for 17 subsidiaries).

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26. FINANCE INCOME AND FINANCE COSTS

Finance income and finance costs break down as follows:

31 March	2022	2021
<i>In thousands of euros</i>		
Interest on cash and cash equivalents	2,858	2,847
Others	321	-
Finance income	3,179	2,847
Interest expense	(14,080)	(7,707)
Interest and finance expenses paid/payable for lease liabilities (Note 7.2)	(8,857)	(11,533)
Unwinding of discount on other financial assets (Note 5.3)	(1,728)	(1,946)
Change in the fair value related to the liability of vested awards	(27,684)	-
Finance costs	(52,349)	(21,186)
Finance costs, net	(49,170)	(18,339)

27. FOREIGN CURRENCY GAINS / (LOSSES)

Foreign currency gains/(losses) break down as follows:

31 March	2022	2021
<i>In thousands of Euros</i>		
Foreign exchange differences	(1,052)	(1,860)
Fair value losses on derivatives (note 16)	1,308	(1,401)
Foreign currency gains / (losses)	256	(3,261)

Foreign exchange differences mainly correspond to:

- Unrealised net foreign exchange gains: €144,000 (net gains amounting to €2,256,000 for the year ended 31 March 2021);
- Realised net foreign exchange gains: €112,000 (net losses amounting to €5,517,000 for the year ended 31 March 2021).

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28. INCOME TAX EXPENSE

28.1 Income tax expense

Income tax expense breaks down as follows:

31 March	2022	2021
<i>In thousands of euros</i>		
Current income tax	(60,337)	(44,338)
Deferred income tax	6,185	2,328
Total tax expense	(54,152)	(42,010)

Reconciliation between the reported income tax expense and the theoretical amount that would arise using a standard tax rate is as follows:

31 March	2022	2021
<i>In thousands of Euros</i>		
Profit before income tax and share of profit in joint venture	255,672	184,404
Income tax calculated at corporate tax rate (<i>Luxembourg tax rate of 24.94% as at 31 March 2022 and 2021</i>)	(63,765)	(45,990)
Effect of different tax rates in foreign countries	24,491	19,663
Effect of unrecognised tax assets	(8,890)	(8,526)
Expenses not deductible for taxation purposes	(4,565)	(4,567)
Provisions for tax risks	(142)	-
Change in tax rate	(268)	(79)
Effect of unremitted tax earnings	(916)	(2,509)
Minimum tax payments	(97)	(2)
Income tax expense	(54,152)	(42,010)

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28.2 Components of deferred income tax assets and liabilities

Nature of deferred income tax assets and liabilities

Net deferred income tax assets recorded at 31 March 2022 and 2021 break down as follows:

<i>In thousands of euros</i>	2022	2021
ASSETS		
Intercompany margin in inventory	31,412	22,893
Excess tax basis over carrying amount of PP&E	14,028	9,170
Tax losses carried forward	22,519	16,704
Lease liabilities	7,368	6,627
Employee benefits	7,110	5,144
Promotional goods expensed	3,848	2,962
Inventory valuation	6,591	3,406
Loyalty programmes	2,662	2,491
New tax regulation	269	265
Other temporary differences	11,298	5,710
Total assets	107,105	75,372
<i>To be recovered after more than 12 months</i>	<i>46,349</i>	<i>35,449</i>
<i>To be recovered within 12 months</i>	<i>60,756</i>	<i>39,923</i>
LIABILITIES		
Identified trademarks in business combinations	(79,222)	(40,856)
Goodwill tax amortization	(20,825)	(13,521)
Income tax on unremitted earnings (Note 28.4)	(7,718)	(7,836)
Derivative financial instruments	(244)	-
Other temporary differences	(1,287)	(91)
Total liabilities	(109,296)	(62,304)
<i>To be recovered after more than 12 months</i>	<i>(101,334)</i>	<i>(34,477)</i>
<i>To be recovered within 12 months</i>	<i>(7,962)</i>	<i>(27,827)</i>
Deferred income tax, net	(2,191)	13,068
<i>Deferred income tax assets</i>	<i>94,005</i>	<i>65,854</i>
<i>Deferred income tax liabilities</i>	<i>(96,196)</i>	<i>(52,786)</i>

Recognition of deferred income tax assets

Deferred income tax assets are recognised to the extent that the realisation of the related benefit through the future taxable profits is probable.

On 31 March 2022, the Group had tax losses of €233,438,000 to be carried over, generating a potential deferred income tax asset of €60,824,000. On 31 March 2021, these figures were €154,408,000 and €35,465,000 respectively.

The deferred income tax assets that were not recognised at 31 March 2022, amount to €38,161,000 (€84,398,000 at 31 March 2021)

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28.3 Movements in deferred tax assets and liabilities, net

31 March

In thousands of euros

	2022	2021
At the beginning of the year	13,068	34,500
(Charged) / credited to income (Note 28.1)	6,185	2,328
(Charged) / credited to equity (Note 28.5)	(564)	(171)
Deconsolidation of L'Occitane Inc.	14,078	(13,133)
Acquisition of subsidiaries	(32,543)	-
Other (a)	-	(10,738)
Exchange differences	(2,415)	282
At the end of the year	(2,191)	13,068

(a) The tax value of the ELEMIS intangible assets that are deductible from the taxable result in the United States were adjusted during the year ended March 31, 2021. This adjustment resulted in additional deferred tax liabilities for the trademark for an amount of €10,738,000. The goodwill related to Elemis was accordingly modified to take into account this adjustment.

28.4 Income tax on unremitted earnings

Deferred income taxes on the unremitted earnings of the Group's foreign subsidiaries and associates are provided for unless the Group intends to indefinitely reinvest the earnings in the subsidiaries. The Group does intend to indefinitely reinvest unremitted earnings of its foreign subsidiaries in most jurisdictions.

For certain subsidiaries for which the Group does not intend to indefinitely reinvest unremitted earnings in these foreign jurisdictions, the corresponding distribution of earnings may trigger taxes. Therefore, the Group provides for deferred income taxes on these earnings where distribution would trigger taxes. The corresponding deferred tax liability amounts to €7,718,000 on 31 March 2022 and €7,836,000 on 31 March 2021.

28.5 Income tax on components of comprehensive income

The tax (charge) / credit relating to components of other comprehensive income is as follows:

In thousands of euros	31 March 2022			31 March 2021		
	Before tax	Tax (charge)/credit	After tax	Before tax	Tax (charge)/credit	After tax
Cash flow hedges fair value gains/(losses) (Note 16)	1,890	-	1,890	(289)	-	(289)
Actuarial gains/(losses) on defined-benefit obligation (Note 20.1)	2,398	(564)	1,834	404	(171)	233
Currency translation differences	50,485	-	50,485	(36,843)	-	(36,843)
Other comprehensive income	54,773	(564)	54,209	(36,728)	(171)	(36,899)

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29. SUPPLEMENTAL DISCLOSURE ON CASH FLOW INFORMATION

29.1 Proceeds from sale of assets

In the consolidated cash flow statement, proceeds from the sale of assets comprise the following:

31 March <i>In thousands of euros</i>	2022				2021			
	Intangible assets	Property, plant and equipment	Right-of-use assets	Total	Intangible assets	Property, plant and equipment	Right-of-use assets	Total
Disposals - Cost	5,586	33,002	2,391	40,979	1,456	23,059	1,650	26,165
Disposals - Accumulated depreciation and amortisation	(5,115)	(29,656)	(1,801)	(36,572)	(1,224)	(20,851)	(250)	(22,325)
Net book value (Note 6 and 9)	471	3,346	590	4,407	232	2,208	1,400	3,840
Profit/(loss) on sale of assets (Note 24)	73	(1,767)	146	(1,548)	(210)	(1,264)	(245)	(1,719)
Proceeds from sale of assets	644	1,579	736	2,859	22	944	1,165	2,121

Profit/(loss) on the sale of assets is presented within "Other operating income/expenses" in the consolidated statement of income (Note 24).

29.2 Net movement in provisions

In the consolidated statement of cash flows, net movement in provisions recorded in the consolidated statement of income comprises the following:

31 March <i>In thousands of euros</i>	Notes	2022	2021
Employee-related disputes	(22)	(392)	136
Commercial claims	(22)	723	242
Tax risks	(22)	(71)	(70)
Dismantling and restoring	(20.2)	917	1,251
Retirement benefits	(20.1)	1,443	1,256
Other		-	63
Net movement in provisions		2,620	2,878

29.3 Other non-cash items

The Group has granted share-based payments that are described in the Note 18.3.

29.4 Effects of exchange rate fluctuation on the increase/(decrease) in cash and cash equivalents

The effects of exchange rate fluctuations as stated in the consolidated statement of cash flows include the following:

- The translation at the closing exchange rate of foreign currency cash and cash equivalents;
- The exchange rate effect of the movement in foreign currency cash and cash equivalents from the average exchange rate to the closing exchange rate;
- The exchange movements on intragroup transactions not settled at year-end.

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29.5 Cash flow reported on a net basis

In accordance with IAS 7.23, proceeds from and repayments of borrowings in which the turnover is quick, the amounts are large, and the maturities are short are reported on a net basis in the consolidated statement of cash flows.

30. CONTINGENCIES

30.1 Legal proceedings

The Group is subject to legal proceedings, claims, taxes, custom, employee-related and other disputes arising in the ordinary course of business. Management does not expect that the ultimate costs to resolve these other matters will have a material adverse effect on the Group's consolidated financial position, statement of income or cash flows.

30.2 Other contingent liabilities

The Group has contingent liabilities in respect of bank, other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. All guarantees given by the Group are described in Note 30.

31 COMMITMENTS

31.1 Capital and other expenditure commitments

Capital and other expenditure contracted for at the balance sheet date but not yet incurred is as follows:

31 March <i>In thousands of euros</i>	2022	2021
Property, plant and equipment	4,746	1,241
Intangible assets	20	83
Raw materials	6,717	2,299
Total	11,483	3,623

The amounts as of 31 March 2022 and 2021 mainly relate to the plants in France.

31.2 Other commitments

31 March <i>In thousands of Euros</i>	2022	2021
Pledge of property (land and building)	19,171	21,884
Total	19,171	21,884

The Group has also committed to invest up to €20,000,000 in an investment fund named Truffle Capital (maturity of 5 years with renewal option of 2 years). The Group has already invested a cumulated amount of €13,000,000.

During FY22, the Group committed to invest in Livelihoods Carbon fund Sicav for a total amount of €5,000,000. Livelihoods was founded in 2008 under the leadership of Danone to restore degraded ecosystems, redevelop local economies and combat climate change. In return, it is expected to receive carbon offsets under the form of dividend in-kind until 2030.

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32. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described below.

32.1 Key management compensation

Key management is composed of the Directors (executive and non-executive Board members of the Company) and the senior management.

Director's emoluments

Directors are the Board members. Directors' emoluments expensed during the periods are analysed as follows:

31 March	Salaries and other benefits kind	Employer's contribution to as retirement benefit scheme	Bonus	Directors fees	Share-based payments	Services	Total
<i>In thousands of Euros</i>							
2022	2,091	195	1,681	-	294	697	4,968
2021	670	45	561	-	137	772	2,185

Other than the types of emoluments described above, none of the Directors received any other form of compensation during the relevant periods. There was no arrangement under which a director has waived or agreed to waive any emolument.

There was no payment during the above financial years or periods to directors as an inducement to join the Group or as compensation for loss of office.

32.2 Sales of products and services

In the normal course of business the Group has sold L'Occitane en Provence products to Les Minimes SAS. Since 30 March 2012, Les Minimes SAS is controlled by the Group (ownership of 77.35%, whereas Mr. Reinold Geiger owns 17.85% and independent third parties own 4.80%).

32.3 Purchases of goods and services

31 March

In thousands of euros

	2022	2021
Purchases		
- Services from Directors	-	4
- Goods and services from Pierre Hermé (a)	1,468	1,027
- Goods from Capsum	3,439	4,281
- Goods from L'Occitane Inc.	-	422
Total purchases	4,907	5,734
Payables to related parties in connection with the above services		
- Goods and services from Pierre Hermé (a)	293	156
- Goods from L'Occitane Middle East	51	7
- Goods from Capsum	230	435
- Goods from L'Occitane Inc.	-	311
Total payables	574	909

a) Before December 2021, the Company used to run two flagship stores (in Paris and London) with Pierre Hermé SAS, which was an associate of L'Occitane Group S.A. The Group sub-leased a part of the flagship in Paris and recharged certain operating expenses to Pierre Hermé SAS.

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32.4 Borrowings from related parties / loans to related parties

31 March In thousands of euros	2022	2021
Loans to related parties		
- L'Occitane Middle East	6,945	-
- Receivables from Circle trust	2,765	-
- Receivables from Erborian management	1,001	
- Receivables from Elemis management	5,874	-
- Receivables from L'Occitane Inc.	-	19,942
- Receivables from Pierre Hermé SAS	-	22,115
Total loans to related parties	16,585	42,057

32.5 Transactions with other related parties

There was no transactions with other related parties.

32.6 Formation of joint ventures/acquisition of additional interests in a subsidiary

No transaction occurred with related parties linked to the formation of joint-ventures or acquisitions of additional interests in subsidiaries other than those listed in Note 6 during the years ended 31 March 2021 and 31 March 2020.

32.7 Commitments and contingencies

The Group has not guaranteed any loan to any key management personnel.

33. POST BALANCE SHEET EVENTS

Restructuring of the Swiss branch of the Company

The Group decided to create an independent Swiss legal entity and subsidiary (hereafter called "L'Occitane International (Suisse) S.A.") with legal existence since January 26, 2022.

All assets subject to transfer (mainly commercial activity with subsidiaries and distributors and financing activity) to L'Occitane International (Suisse) S.A were transferred by L'Occitane International S.A on April 1st 2022. There is no impact on the consolidated financial information.

Cession of L'Occitane Russia

On 19 May 2022, the Group decided to exit from its subsidiary L'Occitane Russia. This subsidiary accounted for 3.5% of the consolidated net sales as of 31 March 2022 and 2.1% of the total assets of the Group as at 31 March 2022. On 3 June 2022, a share purchase agreement was signed between the Group and the four key directors of the subsidiary. Each of the four key directors will hold between 23% and 31% of the total shares formerly held by the Group.

The payment of the shares will be made through four instalments between June 2025 and June 2028. The payment of the shares is secured by a pledge agreement signed on 3 June 2022.

There is a call option exercisable for the Group on 1 April 2025, 2026, 2027, 2028 and 2029. The exercise price is based on the fair value.

Based on these agreements, the Group will lose the exclusive control of the Russian entity and will not have any significant influence.

As of 31 March 2022, the test related to the valuation of the assets linked to the Russian subsidiary is consequently performed with regards to the present value of the receivable linked to the sale. This value depends on the capacity of the new entity to generate cash flows. Based on management's judgement, there are no indicators leading to the conclusion that the Group will not be in a position to recover this receivable. On that basis, Management concluded that there is no impairment to be recorded in the accounts on the assets of L'Occitane Russia that amount to €33 million as of 31 March 2022. A reasonable change in the main assumptions used by Management will not trigger any material impairment of the assets tested.

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At the date of the loss of exclusive control on 3 June 2022, the present value of the receivable of shares (corresponding to the deferred payments to be received from the acquirer of the shares) will approximately amount to €48 million. The present value of the receivable will be calculated with a discount rate of 12.5% that takes into account the risk of the new entity to generate sufficient cash flows in the future.

This amount approximately corresponds to the net assets of L'Occitane Russia at that date (including the currency translation differences previously recorded in other comprehensive income in respect of L'Occitane Russia and the impact of elimination of the intercompany margin). Therefore, no significant capital gain or loss is expected.

Refinancing

On 20 April 2022, and to refinance the FY2018 Revolving Facility, the Group signed an unsecured revolving facility agreement for an amount of €800 million, with a five-year maturity and an option to extend for two additional years. Interest rate on this new Revolving Facility is based on Euribor 1 month plus margin.

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34. LIST OF SUBSIDIARIES AND ASSOCIATES

The list of subsidiaries and associates was as follows:

Subsidiaries	City - Country	% of interest		Method of consolidation	
		31 March		31 March	
		2022	2021	2022	2021
LOG Groupe S.A.	Luxembourg			Global	Global
L'Occitane International S.A.	**** Luxembourg	72.3	72.3	Global	Global
Laboratoires M&L	* Manosque - France	100.0	100.0	Global	Global
M&L Distribution France S.a.r.l.	** Manosque - France	100.0	100.0	Global	Global
Café Retail 86	* Paris - France	100.0	100.0	Global	Global
L'Occitane Inc.	* New York - USA	100.0	100.0	Global	Equity
L'Occitane (Far East) Limited	* Hong Kong	100.0	100.0	Global	Global
L'Occitane Singapore Pte. Limited	** Singapore	100.0	100.0	Global	Global
L'Occitane Japon K.K.	*** Tokyo - Japan	100.0	100.0	Global	Global
Melvita Japon K.K.	** Tokyo - Japan	100.0	100.0	Global	Global
L'Occitane Do Brasil	* Jundiaí - Brazil	100.0	100.0	Global	Global
Espaço Do Banho	*** São Paulo - Brazil	100.0	100.0	Global	Global
L'Occitane Ltd.	* London - UK	100.0	100.0	Global	Global
L'Occitane GmbH	* Villach - Austria	70.0	70.0	Global	Global
L'Occitane GmbH	* Dusseldorf - Germany	100.0	100.0	Global	Global
L'Occitane Italia S.r.l.	* Milan - Italy	100.0	100.0	Global	Global
L'Occitane Australia Pty Ltd	** Sydney - Australia	100.0	100.0	Global	Global
L'Occitane (Suisse) S.A.	* Geneva - Switzerland	100.0	100.0	Global	Global
L'Occitane Espana S.L.	* Madrid - Spain	100.0	100.0	Global	Global
L'Occitane Central Europe s.r.o.	* Prague - Czech Rep.	100.0	100.0	Global	Global
L'Occitane (Taiwan) Limited	*** Taipei - Taiwan	100.0	100.0	Global	Global
L'Occitane Belgium Sprl	* Antwerpen - Belgium	100.0	100.0	Global	Global
L'Occitane Trading (Shanghai) Co. Limited	** Shanghai - China	100.0	100.0	Global	Global
L'Occitane (Korea) Limited	** Seoul - Korea	100.0	100.0	Global	Global
L'Occitane Airport Venture LLC	** Dallas - USA	65.0	65.0	Global	Global
L'Occitane Mexico S.A. de CV	* Mexico City - Mexico	99.9	99.9	Global	Global
L'Occitane (China) Limited	** Hong Kong	100.0	100.0	Global	Global
L'Occitane Macau Limited	** Macau	100.0	100.0	Global	Global
L'Occitane Rus LLC (Russia)	* Moscow - Russia	100.0	100.0	Global	Global
Melvita (International) SAS (formely Verveina SAS)	** Manosque - France	100.0	100.0	Global	Global
L'Occitane Thailand Ltd.	** Bangkok - Thailand	100.0	100.0	Global	Global
L'Occitane Ventures (Thailand) Ltd.	** Bangkok - Thailand	100.0	100.0	Global	Global
L'Occitane Polska Sp.z.o.o	* Warsaw - Poland	100.0	100.0	Global	Global
L'Occitane Canada Corp	* Toronto - Canada	100.0	100.0	Global	Global
L'Occitane India Private Limited	** New Delhi - India	51.0	51.0	Global	Global
L'Occitane Nederland B.V.	* Amsterdam, The Netherlands	100.0	100.0	Global	Global
L'Occitane Malaysia SDN	** Kuala Lumpur - Malaysia	100.0	100.0	Global	Global
L'Occitane Ireland Ltd	* Dublin - Ireland	100.0	100.0	Global	Global
Symbiose Cosmetics France SAS	* Paris - France	97.8	100.0	Global	Global
Symbiose Cosmetics Korea	** Seoul - Korea	97.8	100.0	Global	Global
L'Occitane Nordic AB	* Stockholm - Sweden	100.0	100.0	Global	Global
L'Occitane South Africa	* Johannesburg - South Africa	100.0	100.0	Global	Global
L'Occitane International GMBH	* Dusseldorf - Germany	100.0	100.0	Global	Global
L'Occitane Portugal Unipessoal LDA	* Lisbon - Portugal	100.0	100.0	Global	Global
L'Occitane Norge AS	* Oslo - Norway	100.0	100.0	Global	Global
L'Occitane Distribution Asia Pte. Ltd.	** Singapore	100.0	100.0	Global	Global
L'Occitane Opera Industria e Comercio de Cosmetics LTDA	*** São Paulo - Brazil	100.0	100.0	Global	Global
Limelife Co-Invest Sarl (Lux)	** Luxembourg-Luxembourg	58.0	58.6	Global	Global
Limelife USA LLC	** New York - USA	58.0	58.6	Global	Global
Limelife Canada	** Toronto - Canada	58.0	58.6	Global	Global
Limelife Brasil Comercio De Cosméticos e Produtos De Perfumaria LTDA	** São Paulo - Brazil	58.0	58.6	Global	Global
Limelife Servicos de Cobranca Ltda	** São Paulo - Brazil	58.0	58.6	Global	Global
Limelife Gesta de sistema de franquia Eireli	** São Paulo - Brazil	58.0	58.6	Global	Global
Limelife France SAS	** Paris - France	58.0	58.6	Global	Global

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Subsidiaries	City - Country	% of interest		Method of consolidation	
		31 March		31 March	
		2022	2021	2022	2021
LimeLife by Alcone UK Ltd	** London - UK	58.0	58.6	Global	Global
LimeLife Deutschland GMBH	** Berlin - Germany	58.0	58.6	Global	Global
LimeLife Italia S.P.A.	** Milan - Italy	58.0	58.6	Global	Global
LimeLife by Alcone Espana S.L.	** Madrid - Spain	58.0	58.6	Global	Global
LimeLife Australia	** Sydney - Australia	58.0	58.6	Global	Global
LimeLife Ireland (branch of UK)	** Dublin - Ireland	58.0	58.6	Global	Global
LimeLife Japan	** Tokyo - Japan	58.0	0.6	Global	Global
LimeLife Fempire Fund LLC	** New-York - USA	58.0	0.0	Global	Not consolidated
LOI Participations SARL	* Luxembourg - Luxembourg	100.0	100.0	Global	Global
L'Occitane Innovation Lab	* Manosque - France	100.0	100.0	Global	Global
LOI ELEMIS SARL	* Luxembourg - Luxembourg	98.6	90.9	Global	Global
ELEMIS Ltd USA	** Coral Gables - US	98.6	90.9	Global	Global
ELEMIS SPS LLC	** Wilmington - US	98.6	90.9	Global	Global
ELEMIS Ltd UK	** Bristol - UK	98.6	90.9	Global	Global
ELEMIS Spa Ltd (UK)	** Bristol - UK	98.6	90.9	Global	Global
ELEMIS Asia Pacific Limited	** Hong-Kong - China	98.6	90.9	Global	Global
Duolab International SARL	* Plan les Ouates - Switzerland	100.0	100.0	Global	Global
Duolab UK Limited	** London - UK	100.0	100.0	Global	Global
Casum S.A.	* Marseille - France	26.0	27.7	Equity	Equity
Casum Inc.	* Texas - US	26.0	27.7	Equity	Equity
Good Glamm Group	* Pune - India	15.5	23.3	Equity	Equity
LOC SOL Holding Inc.	* Dover Kent County - USA	100.0	0.0	Global	Not consolidated
LOC SOL Owners Inc.	** Dover Kent County - USA	83.0	0.0	Global	Not consolidated
LOC SOL Target Inc.	** Dover Kent County - USA	83.0	0.0	Global	Not consolidated
Sol de Janeiro Holding Inc.	** Dover Kent County - USA	83.0	0.0	Global	Not consolidated
Sol de Janeiro USA Inc.	** Dover Kent County - USA	83.0	0.0	Global	Not consolidated
Sol de Janeiro SAS	** Paris - France	83.0	0.0	Global	Not consolidated
Sol de Janeiro IP Inc.	** Dover Kent County - USA	83.0	0.0	Global	Not consolidated
Les Minimes SAS	**** France	79.5	79.5	Global	Global
Le Cloître des Minimes S.à.r.l	***** France	79.5	79.5	Global	Global
LOG Investment	**** Luxembourg	99.3	99.3	Global	Global
Pierre Hermé SAS	**** France	0.0	84.9	Equity	Equity
14 Groupe Sarl	**** Luxembourg	32.7	0.0	Global	Not consolidated
Group Fourteen Holding	**** Australia	32.7	0.0	Global	Not consolidated
Group Fourteen LLC	**** USA	32.7	0.0	Global	Not consolidated
Group Fourteen Operations Pty Ltd	**** Australia	32.7	0.0	Global	Not consolidated
Grown Alchemist Europe B.V.	**** Netherlands	32.7	0.0	Global	Not consolidated
Group Fourteen IP Pty Ltd	**** Australia	32.7	0.0	Global	Not consolidated
L'Occitane Middle East FZCO JV	* Dubai - UAE	51.0	51.0	Equity	Equity
L'Occitane Arabia	** Jeddah KSA	51.0	0.0	Equity	Not consolidated
L'Occitane Emirates LLC	** Dubai, UAE	51.0	0.0	Equity	Not consolidated
L'Occitane International (Suisse) SA	* Plan les Ouates - Switzerland	100.0	0.0	Global	Not consolidated

* directly held by LOI

** indirectly held by LOI

*** both directly and indirectly held by LOI

**** directly held by LOG

***** indirectly held by LOG

The percentages of interest are representative of voting rights as no shares have multiple voting rights. These percentages are unchanged at the approval date of the financial statements. The percentage of interest above mentioned is the percentage of interest of L'Occitane International S.A. in the subsidiaries, except for the associates, joint ventures and L'Occitane International SA that are directly held by the Company.

The main changes in the list of subsidiaries and associates are disclosed in Note 6.

Disclaimer: some information presented in tables have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, some percentages presented in the tables reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Registre de Commerce et des Sociétés

Numéro RCS : B125718

Référence de dépôt : L230220131

Déposé et enregistré le 20/10/2023



L'Occitane Groupe S.A.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023



Audit report

To the Shareholders of
L'OCCITANE GROUPE S.A.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of L'OCCITANE GROUPE S.A. (the "Company") and its subsidiaries (the "Group") as at 31 March 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of income for the year then ended;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated balance sheet as at 31 March 2023;
 - the consolidated statement of changes in shareholders' equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Management Discussion and Analysis but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The Management Discussion and Analysis is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

PricewaterhouseCoopers, Société coopérative

Luxembourg, 31 July 2023

Represented by

Electronically signed by:
Magalie Cormier

A handwritten signature in black ink, appearing to read 'Magalie Cormier', written over a horizontal line.

Magalie Cormier

L'Occitane Groupe S.A.
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CONSOLIDATED STATEMENT OF INCOME

Year ended 31 March <i>In thousands of euros, except per share data</i>	Notes	2023	2022
Net sales		2,134,693	1,787,114
Cost of sales		(416,548)	(319,575)
Gross profit		1,718,145	1,467,539
<i>% of net sales</i>		<i>80.5%</i>	<i>82.1%</i>
Distribution expenses	(23)	(786,821)	(703,199)
Marketing expenses	(23)	(367,709)	(280,831)
Research and development expenses	(23)	(22,481)	(18,907)
General and administrative expenses	(23)	(201,659)	(176,152)
Other operating income	(24)	4,060	45,934
Other operating expenses	(24)	(90,098)	(9,942)
Share of profit/(loss) from associates and joint ventures accounted for using the equity method	(10)	(16,590)	(12,495)
Operating profit		236,847	311,947
Finance income	(25)	4,115	3,179
Finance costs	(25)	(70,954)	(52,349)
Foreign currency gains/(losses)	(26)	(6,239)	256
Profit before income tax		163,769	263,033
Income tax expense	(27)	(61,838)	(54,152)
Profit for the year		101,931	208,881
Attributable to:			
Equity owners of the Company		67,885	143,510
Non-controlling interests	(11)	34,046	65,371
Total		101,931	208,881

The accompanying notes are an integral part of these consolidated financial statements.

L'Occitane Groupe S.A.
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March In thousands of euros	Notes	2023	2022
Profit for the year		101,931	208,881
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial gains/(losses) on defined-benefit obligations	(27.5)	1,410	1,834
Changes in the fair value of equity investments at fair value through other comprehensive income	(3.3)	(2,481)	(2,047)
		(1,071)	(213)
<i>Items that may subsequently be reclassified to profit or loss</i>			
Fair value gains/(losses) on cash flow hedges, net of tax		-	56
Reclassification of currency translation differences relating to the sale of L'Occitane Russia	(5.1)	10,805	-
Currency translation differences	(27.5)	(50)	48,742
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		(600)	1,772
		10,155	50,570
Total comprehensive income/(loss)		111,015	259,238
Attributable to:			
- Equity owners of the Company		73,533	176,661
- Non- controlling interests	(11)	37,482	82,577
Total comprehensive income/(loss)		111,015	259,238

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 27.5.

During the fiscal year ended 31 March 2023, the currency translation differences were mainly generated by subsidiaries denominated in USD for €18.8m and GBP (€17.8m). During the fiscal year ended 31 March 2022, the currency translation differences were mainly generated by subsidiaries denominated in USD and notably for goodwill, trademarks and right-of-use assets.

The accompanying notes are an integral part of these consolidated financial statements.

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CONSOLIDATED BALANCE SHEET

ASSETS <i>In thousands of euros</i>	Notes	31 March 2023	31 March 2022
Property, plant and equipment	(6)	185,033	147,424
Right-of-use assets	(7)	271,656	264,934
Goodwill	(8)	901,492	1,001,827
Intangible assets	(9)	490,355	487,738
Deferred income tax assets	(27.2)	84,966	94,005
Investments accounted for using the equity method	(10)	66,124	67,239
Other non-current assets	(12)	120,106	109,158
Non-current assets		2,119,732	2,172,325
Inventories	(13)	317,306	268,866
Trade receivables	(14)	256,048	201,498
Other current assets	(15)	99,627	86,218
Derivative financial instruments	(16)	2,337	1,931
Cash and cash equivalents	(17)	151,941	386,692
Current assets		827,259	925,205
TOTAL ASSETS		2,946,991	3,097,530

EQUITY AND LIABILITIES <i>In thousands of euros</i>	Notes	31 March 2023	31 March 2022
Share capital	(18)	14,342	15,342
Additional paid-in capital	(18)	405,136	405,136
Other reserves		(1,289,255)	(1,205,678)
Retained earnings		946,218	909,013
Capital and reserves attributable to the equity owners of the Company		76,441	123,813
Non-controlling interests	(11)	391,805	415,627
Total equity		468,246	539,440
Borrowings	(19)	1,096,819	531,319
Lease liabilities	(7.2)	193,309	180,510
Other financial liabilities	(5.3)	338,650	217,397
Other non-current liabilities	(20)	30,359	30,963
Deferred income tax liabilities	(27.2)	99,488	96,196
Non-current liabilities		1,758,625	1,056,385
Trade payables	(21)	212,425	213,503
Social and tax liabilities		112,225	137,015
Current income tax liabilities	(27)	25,940	39,825
Borrowings	(19)	241,834	910,835
Lease liabilities	(7.2)	82,393	93,722
Derivative financial instruments	(16)	248	1,208
Provisions	(22)	3,683	2,138
Other current liabilities	(20)	41,372	103,459
Current liabilities		720,120	1,501,705
TOTAL EQUITY AND LIABILITIES		2,946,991	3,097,530

The accompanying notes are an integral part of these consolidated financial statements.

L'Occitane Groupe S.A.
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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In thousands of euros (except "Number of Shares")	At 31 March 2023										Non- controlling interests	TOTAL EQUITY
	Basic (Number of Shares)	Share capital	Additional paid- in capital	Current Currency Transf. Off.	Capital restructuring	Treasury shares	Hedging reserve	Share based payments	Other reserves	Retained earnings		
Balance at 31 March 2022	14,241,364	14,240	22,028	2,183	2,000	(24,632)	2,222	17,121	12,277	12,222	111,272	155,225
Comprehensive income												
Profit for the year										143,510	83,372	226,882
Other comprehensive income												
Current currency translation differences	(17.5)			33,266								33,249
Actuarial gains on defined benefit obligations									1,326			1,326
Changes in fair value of equity investments at fair value through OCI									(1,400)		(84)	(2,447)
Gain from sale of equity investments at fair value through OCI	(17.5)								80		63	110
Financial income from equity investments									2,720		14,238	16,958
Dividends to non-controlling interests											(15,910)	(15,910)
Dividends to the owners of the liability	(18.5)									(93,157)		(93,157)
Transactions on treasury shares									(84,863)			(84,863)
Proceeds from securities sold									(14,886)	9,513		4,627
Employee share option value of vested awards	(18.3)								14,236			14,236
Purchase of treasury shares									(13,941)			(13,941)
Rescission of L'Occitane Inc.											3,210	3,210
Total comprehensive income									(67,842)	(2,911)	9,314	(61,439)
Acquisition of Green Abstrax												
Acquisition of Green Abstrax											3,216	3,216
Share of Profit Share									(6,046)			(6,046)
Noncontrolling interests recorded on business									(7)	(9)	1,612	1,596
Change in estimates in the valuation of the share price of the int options granted to non-controlling interests	(5.3)								2,275		618	3,643
Net and option granted to non-controlling interests	(5.3)								(157,048)		(42,837)	(199,886)
Transactions with Green Abstrax non-controlling interests											8,047	8,047
Acquisition of non-controlling interests in L'Occitane subsidiaries									(6,822)		(89,347)	(96,169)
Balance at 31 March 2023	14,223,864	14,240	22,028	2,183	2,000	(24,632)	2,222	17,121	12,277	12,222	111,272	155,225
Comprehensive income												
Profit for the year										47,885	34,046	81,931
Other comprehensive income												
Current currency translation differences	(17.5)			(1,481)								(1,499)
Actuarial gains on defined benefit obligations												
Changes in fair value of equity investments at fair value through OCI									1,619		793	2,412
Changes in fair value of equity investments at fair value through OCI									(1,726)		(71)	(1,797)
Realized portion of currency translation differences related to the sale of L'Occitane France				7,610							2,265	9,875
Financial income from equity investments									4,781		12,678	17,459
Dividends to non-controlling interests											(17,352)	(17,352)
Dividends to the owners of the liability	(18.5)										(4,478)	(4,478)
Transactions on treasury shares												
Capitalization of shares	(1,000,000)		(1,000)									(1,000,000)
Proceeds from securities sold									(8,380)			(8,380)
Employee share option value of vested awards									3,372			3,372
Proceeds from purchase of 626,000 treasury shares									(1,372)			(1,372)
Employee share option value of employee services	(18.3)								15,847			15,847
Acquisition of Green Abstrax												
Total comprehensive income									13,112	(24,674)	14,627	3,065
Change in estimates in the valuation of the share price of the int options granted to non-controlling interests	(5.3)								(37,842)		(23,911)	(61,753)
Transactions with Green Abstrax non-controlling interests											(13,354)	(13,354)
Acquisition of non-controlling interests in L'Occitane subsidiaries									3,886			3,886
Balance at 31 March 2023	14,223,864	14,240	22,028	2,183	2,000	(24,632)	2,222	17,121	12,277	12,222	111,272	155,225

The accompanying notes are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March In thousands of euros	Notes	2023	2022
Cash flows from operating activities			
Profit for the year from continuing operations		101,931	208,881
<i>Adjustments to reconcile profit for the year to net cash from operating activities</i>			
Depreciation, amortisation and impairment	(23)	233,087	178,187
Tax expenses	(27.1)	61,838	54,152
Share-based payment		403	35,389
Unwinding of discount on lease liabilities	(7.2)	7,609	8,857
Interests (income) / expense	(25)	27,601	15,033
Change in the fair value of derivatives	(16), (26)	(1,368)	(1,308)
Other losses / (gains) on sale of assets, net	(28.1)	294	445
Net movements in provisions	(28.2)	3,829	2,620
Share of (profit) / loss from associates and joint ventures accounted for using the equity method	(10)	16,590	12,495
Other operating (income) / expenses arising from the change in the % interest in associates and joint ventures	(10)	(1,700)	(20,117)
Reconsolidation of L'Occitane Inc.	(5.2)	-	(12,873)
Gain on sale of associate		-	(5,098)
Gain on sale of investment		-	(1,407)
Capital loss from the sale of L'Occitane Russia before reclassification of currency translation differences		3,832	-
Change in the fair value of financial assets		35,901	-
Reclassification to income statement of the change previously recognised in other comprehensive income (currency translation differences)		10,605	-
Total of non-cash items		388,523	268,376
Interests paid	(25)	(27,801)	(14,242)
Income tax paid	(27.1)	(69,610)	(50,523)
<i>Changes in working capital</i>			
Inventories	(13)	(54,955)	(22,149)
Trade receivables	(14)	(67,096)	(47,071)
Trade payables	(21)	9,539	(19,880)
Salaries, wages, related payroll items and other tax liabilities		(5,708)	3,645
Other assets and liabilities, net		(11,193)	(16,687)
Changes in working capital		(129,411)	(102,142)
Net cash inflow/(outflow) from operating activities		273,832	308,349
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	(5.1), (5.2)	-	(332,559)
Investments in associates	(10)	(13,456)	(8,859)
Acquisition of property, plant and equipment	(6.1)	(86,814)	(40,203)
Acquisition of intangible assets	(9)	(8,850)	(8,798)
Acquisition of financial assets	(3.3)	(8,560)	(20,575)
Proceeds from sale of intangible assets and property, plant and equipment	(29.1)	3,769	2,859
Reconsolidation/(deconsolidation) of L'Occitane Inc.	(5.2)	-	20,874
Proceeds from sale of associates and investments		106	25,007
Deconsolidation of L'Occitane Russia		(11,854)	-
Change in deposits and key money paid to lessors		58	995
Change in non-current receivables and liabilities		2,537	302
Net cash inflow/(outflow) from investing activities		(122,884)	(350,755)
Cash flows from financing activities			
Payment for acquisition of non-controlling interests in a non-wholly owned subsidiary		(76,579)	-
Proceeds from issue of share capital from non-controlling interests in a non wholly owned subsidiary		20,000	-
Proceeds from non-controlling interests		-	6,067
Dividends paid to equity owners of the Company	(18.5)	(34,678)	(13,151)
Dividends paid to non-controlling interests		(27,260)	(15,011)
Purchase of treasury shares	(18.2)	(34,472)	(101,234)
Proceeds from the exercise of stock options	(18.2)	-	(13,991)
Principal components of lease payments		(113,744)	(108,538)
Proceeds from borrowings	(19.4)	1,065,915	1,275,382
Repayments of borrowings	(19.4)	(1,168,289)	(1,029,774)
Cash advances and loans made to other party	(5.2)	(625)	3,766
Net cash inflow/(outflow) from financing activities		(370,722)	(4,014)
Exchange gains/(losses) on cash, cash equivalents and bank overdrafts	(28.4)	5,003	(1,999)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		(214,751)	(58,419)
Cash, cash equivalents and bank overdrafts at beginning of the year		366,692	425,111
Cash and cash equivalents		366,692	425,111
Cash, cash equivalents and bank overdrafts at end of the year		151,941	366,692
Cash and cash equivalents		151,941	366,692

The accompanying notes are an integral part of these consolidated financial statements.

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1 THE GROUP

1.1 General information

L'Occitane Groupe S.A. (the "Company" or LOG) and its consolidated subsidiaries (hereinafter referred to as the "Group") design, manufacture and market, under the trademarks "L'Occitane en Provence" and "Melvita", a wide range of cosmetic products, perfumes, soaps and home fragrance products based on natural or organic ingredients.

The Group also designs and markets other ranges of home fragrance products, cosmetic products, perfumes, soaps and natural products under the trademarks "ELEMIS", "Sol de Janeiro", "LimeLife", "Erborian", "L'OCCITANE au Brésil" and "Grown Alchemist".

The Group also runs a hotel and a restaurant with the subsidiaries Les Minimés SAS and Le Cloître des Minimés S.à.r.l. L'Occitane Groupe S.A. is a 'société anonyme' organised and existing under the laws of Luxembourg and registered in the Luxembourg Trade and Commercial Register, Grand Duchy of Luxembourg under number B-80 359. The Company's address is as follows: 49, Boulevard Prince Henri, L-1724 Luxembourg.

These consolidated financial statements were approved by the Board of Directors for issue on 31 July 2023.

1.2 Main events of the year

Comparison with the comparative period ended 31 March 2022

The comparison of the consolidated financial statements is impacted by the reconsolidation of L'Occitane Inc. on 31 August 2021, the acquisition of Sol de Janeiro on 23 December 2021 and the sale of L'Occitane Russia on 3 June 2022.

Sale of L'Occitane Russia

On 19 May 2022, the Group decided to exit from its subsidiary L'Occitane Russia. This former subsidiary accounted for 3.5% of the consolidated net sales for the year on 31 March 2022 and 2.1% of the total assets of the Group as at 31 March 2022. On 3 June 2022, a share purchase agreement was signed between the Group and the four key directors of the subsidiary. Each of the four key directors hold between 23% and 31% of the total shares formerly held by the Group (Notes 3.3 and 5.1).

This sale resulted in a capital loss of €3.6 million. In addition, €10.8 million correspond to the related currency translation difference previously recognised in other comprehensive income that has been reclassified to income statement. The goodwill was derecognised for €28.5 million (Note 5.1).

Impairment test of LimeLife and Melvita businesses

To take into account the slower than expected development of LimeLife and Melvita, Management has revised down its sales and EBITDA (operating profit before depreciation, amortisation and impairment) objectives over the plan. In this context, a total impairment loss of €75.3 million was recorded in the line "Other operating expenses" within the operating profit (Note 4.1).

1.3 Consideration of climate risks

The Group's current exposure to the consequences of climate change is limited. Therefore, at this stage, the impacts of climate change on the consolidated financial statements are not significant.

There is no change in market demand for cosmetic products that could indicate that the property, plant and equipment might be impaired or that the useful lives or that the residual values of property, plant and equipment and intangible assets would need to be reassessed.

Operating performance may be impacted by prices of raw materials, the costs of production, transmission and distribution, and related costs at the end of the product's life.

The long-term effects of these changes are not currently quantifiable and management considers that there are no short-term effects.

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The Group undertook to contribute to global carbon neutrality by becoming a net-zero company by 2030. The first milestone will be to achieve net-zero emissions at our two French production sites by 2025. The brands are also working on their own neutrality targets. In parallel, the Group signed its first sustainability-linked loan for €600 million (revolving facility) maturing on 31 March 2026, whose terms are indexed to sustainability indicators:

- Preserving and regenerating nature
- Cultivating biodiversity
- Mitigating the climate crisis and supporting the communities in which the Group is involved.

The Group committed to invest in two environmental funds such as Livelihoods Carbon fund Sicav and Mirova fund Sicav (Note 30.2).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and changes in accounting principles

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. For operations conducted by the Group, they are similar. IFRS are available on the European Commission's website.

The consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial assets and financial liabilities (including derivative financial instruments) at fair value.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates. Areas involving a higher degree of judgement or complexity are disclosed in Note 4 of the consolidated financial statements.

New and amended standards

The Group has applied the following new and amended standards that are effective for the first time for the Group for the financial period beginning 1 April 2022:

Other new and amended standards

Several other amendments became effective for annual reporting periods beginning on or after 1 April 2022, but do not have a material impact on the consolidated financial statements:

- **Onerous contracts:** the amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.
- **Business combinations:** the amendment to IFRS 3 confirms that contingent assets should not be recognised at the acquisition date.
- **Property, plant and equipment:** the amendment to IAS 16, Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.
- **Annual Improvements to IFRS Standards 2018–2020:**
 - **Financial Instruments:** the amendment to IFRS 9 clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
 - **Leases:** the amendment to IFRS 16 indicates that the illustration of payments from the lessor relating to leasehold improvements should be removed to prevent any confusion about the treatment of lease incentives. Financial Reporting Standards: the amendment to IFRS 1 allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

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Impact of standards issued but not yet applied by the Group

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Principles of consolidation

The financial statements of all companies included within the scope of consolidation have a 31 March year-end.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liability incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement at the acquisition date. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

If the business combination is achieved in stages, the acquisition date carrying amount of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the statement of income.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the statement of income.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying amount of the subsidiary's net assets is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Put option arrangements

The Group has written put options on the equity of some of its subsidiaries which entitle their holders to sell their shares in the subsidiary back to the Group at their fair value on specified dates.

Puts on non-controlling interests are accounted for as follows:

The present value of the cash payments related to the potential exercise of put options issued by the Group on non-controlling interests are accounted for as other financial liabilities.

The initial amount is recognised at the present value of the redemption amount within other financial liabilities, with a corresponding debit directly to "Equity – Excess consideration in transactions with non-controlling interests". The change in estimates in the estimated value of the financial liability and the exchange difference are also recorded with a corresponding adjustment to "Equity – Excess consideration in transactions with non-controlling interests".

In the event that the option expires unexercised, the liability is derecognised with a corresponding credit to "Equity – Excess consideration in transactions with non-controlling interests".

When the put option is written as part of a business combination and when control over the subsidiary is acquired, no non-controlling interests are recognised in respect of the shares subject to the put option.

Such options are subsequently measured at amortised cost using the effective interest rate method, in order to accrete the liability up to the amount payable under the option at the date at which it first becomes exercisable. This unwinding of discount is also recorded in "Equity – Excess consideration in transactions with non-controlling interests"

Associates and joint arrangements

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

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Joint arrangements

A joint arrangement is an arrangement in which two or more parties have joint control. Joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures and no joint operations.

Interests in associates and joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. The elimination of upstream and downstream transactions between the Group and the associates/joint ventures is as follows:

- Downstream and upstream transactions (sales from the Group to associates and joint ventures): the elimination of unrealised gains is recorded as a decrease in the investment in the joint venture and a reduction in "Share of profit/(loss) from associates and joint ventures accounted for using the equity method";
- Upstream transactions (sales from the associates and joint ventures to the Group): the elimination of unrealised gains is recorded as a decrease in the investment in the joint venture and a decrease to "Share of profit/(loss) from associates and joint ventures accounted for using the equity method".

Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use.

The percentage of shareholding disclosed in the consolidated financial statements is the one of L'Occitane International S.A. when the shares are held by this entity.

Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity-account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss (only those which are subject to recycling in profit or loss).

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss, where appropriate.

2.3 Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation of items are remeasured. The exchange rates prevailing at these dates are approximated by a single rate per currency for each day (unless these rates are not reasonable approximations of the cumulative effect of the rates prevailing on the transaction dates). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income under the line "Foreign currency gains/(losses)", except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the statement of income as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Group companies

None of the Group's entities has the functional currency of a hyperinflationary economy.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet; Income and expenses for each statement of income are translated at an estimated monthly average exchange rate (unless this rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and All resulting exchange differences are recognised in other comprehensive income.

On consolidation, foreign exchange differences arising from the translation of the net investment in foreign operations including monetary items forming part of the reporting entity's net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are included in "Cumulative currency translation differences" within shareholders' equity. When a foreign operation is sold, exchange differences recorded in equity are recognised in the statement of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

2.4 Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the combination. Each CGU or group of CGUs to which goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes. Goodwill is monitored at brand level.

For the L'Occitane en Provence trademark, goodwill relates to past acquisitions of exclusive distributors and is monitored by country.

Contractual customer relationships and backlog

These assets were acquired as part of business combinations. They are recognised at fair value at the date of the acquisition. The fair value at the acquisition date is determined through the excess profit method (the value of the customer relationship or backlog is calculated based on the present value of cash flows derived from the asset after deduction of the portions of the cash flows that can be attributed to supporting and contributory assets such as trademarks and net working capital). Contractual customer relationships and backlog are amortised on a straight-line basis over the average period of the expected relationship with the customer, which usually ranges between 3 and 10 years (ELEMIS backlog).

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Trademarks

Separately acquired trademarks are accounted for at historical cost. Trademarks acquired in business combinations are recognised at fair value at the acquisition date. The fair value at the acquisition date is determined through the royalty method (the value of the trademark is calculated based on the present value of the royalty stream that the business is saving by owning this asset). The acquired trademarks recognised as intangible assets relate to Melvita, Erborian, ELEMIS and Sol de Janeiro. The valuation of these assets takes into account various factors, including brand awareness and royalty rate. The Group intends to continuously renew trademarks and sell products under the acquired trademarks. There is no foreseeable limit to the period over which the trademarks are expected to generate net cash inflows for the Group. Therefore, trademarks are considered to have an indefinite useful life and are not amortised but are tested annually for impairment. An annual review is performed to determine whether events and circumstances continue to support their useful life assessment. There is no change in the commercial and marketing strategy that modifies the indefinite useful commercial life. Trademarks are allocated to CGUs for the purpose of impairment testing (see Note 2.7). The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the trademark.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives (not exceeding 5 years).

Costs directly associated with the production and testing of identifiable and unique software products controlled by the Group and that are expected to generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Directly attributable costs include employee costs for software development and an appropriate portion of relevant overheads. These costs are amortised on a straight-line basis over their estimated useful lives. The Group's main enterprise resource planning (ERP) tool, SAP, is amortised over 10 years.

Costs associated with maintaining computer software programmes and costs related to configuration and customisation of software as part of a SaaS (Software as a service) arrangement are recognised as an expense as incurred.

Commercial websites

Development costs directly attributable to the design and testing of commercial websites are recognised as intangible fixed assets and are amortised over their estimated useful lives, which does not exceed 3 years.

Research and development costs

Research costs are expensed when incurred.

Development costs relating to project development are recognised as an intangible asset when the following criteria are met:
It is technically feasible to complete the project so that it will be available for use or sale;
Management intends to complete the project and use or sell it;
There is an ability to use or sell the project;
It can be demonstrated how the project will generate probable future economic benefits;
Adequate technical, financial and other resources to complete the development and to use or sell the project are available;
The expenditure attributable to the project during its development can be reliably measured.

In view of the large number of development projects and uncertainties concerning the decision to launch products relating to these projects, the Group considers that some of these capitalisation criteria are not met and the development costs are expensed when incurred.

2.5 Property, plant and equipment

All property, plant and equipment (PP&E) are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to prepare for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of income during the financial period in which they are incurred.

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Land is not depreciated. Depreciation on other property, plant and equipment is calculated on a straight-line basis to allocate their cost to their residual values over their estimated useful lives, as follows:

PP&E	Estimated useful lives
Buildings	20 years
Equipment and machinery	Between 5 and 10 years
Information system equipment and cash registers	3 years
Leasehold improvements	Between 5 and 10 years
Leasehold improvements related to stores	5 years
Furniture and office equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

2.6 Leases

The Group leases various offices, retail stores, equipment and vehicles. Leases are typically signed for terms of 2 to 15 years but may have extension options as described below. Leases are negotiated on an individual basis and contain a wide range of different terms and conditions.

Assets and liabilities arising from a lease are initially measured based on the present value. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the incremental borrowing rate is used, which is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment and under similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance costs. Finance costs are charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, which comprises the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Any costs to restore the asset.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100 per cent of lease payments are on the basis of variable payment terms and a wide range of sales percentages are applied. Variable payment terms are used for a variety of reasons, including minimising the fixed cost base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

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Extension and termination options

The lease term corresponds to the non-cancellable period for which a lessee has the right to use an underlying asset, together with both:

Periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and
Periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

Extension and termination options are included in a number of property and equipment leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group divides the underlying assets into two categories:

Stores: the lease term corresponds to the initial term of the lease on the signature date, namely without taking into account any extension options, as the Group views the ability to take advantage of opportunities to relocate its stores throughout the term of the lease to be a key part of its store network management policy. Consequently, options to extend or even terminate leases are only accounted for if the Group has exercised the extension option. In the specific case of "3-6-9"-type commercial leases in France, granting the lessee an option to terminate the lease after 3 or 6 years, the Group does not consider the extension option for the same reasons;

Other properties (offices, logistics platforms): the lease term corresponds to the initial term of the lease.

Certain leases include automatic renewal clauses or have indefinite terms. The Group is unable to reliably estimate the lease term for these leases beyond their strictly contractual period. Accordingly, they are accounted for as leases with no extension option. The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and that is within the control of the lessee.

The Group has chosen to adopt the amendment to IFRS 16 – Leases, which was adopted by the International Accounting Standards Board (IASB) on 28 May 2020 and by the European Union on 12 October 2020. The impact on the consolidated financial statements is described in Note 23.

2.7 Impairment of non-financial assets

Goodwill and trademarks

Goodwill and trademarks are allocated to groups of CGUs by operating segment.

CGUs to which goodwill and trademarks have been allocated are tested for impairment annually, or more frequently when there is an indication that they may be impaired. If the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Other intangible assets (other than goodwill and trademarks), property, plant and equipment and right-of-use assets

Amortisable intangible assets, property, plant and equipment and right-of-use assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. In assessing the fair value, an external valuation is obtained or management's best estimate is used to the extent the assumptions used by management reflect market expectations.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (i.e., cash-generating units, or CGUs):

For testing the carrying amount of the stores (mainly right-of-use assets, architect/decorator costs, leasehold improvements, furniture), the cash-generating unit is the store;

For corporate assets (assets other than those related to the stores) where a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to an individual CGU, or otherwise to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified (country or global brand in the case of the headquarters).

Intangible assets (other than goodwill and trademarks), property, plant and equipment and right-of-use assets that have been subject to impairment in the previous year are reviewed for a possible reversal of the impairment at each reporting date (Notes 6, 7 and 9). Where an impairment loss is subsequently reversed, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years.

2.8 Deposits

Deposits are recorded at their historical value. Impairment is recorded if the net present value is higher than the estimated recoverable amount. The impact of not discounting is not material.

2.9 Assets held for sale and assets directly associated with discontinued operations

Non-current assets or disposal groups are classified as assets held for sale or directly associated with discontinued operations and stated at the lower of the carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable.

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value (net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses); with cost determined principally on a weighted average cost basis. The cost of inventories includes the cost of raw materials, direct labour, depreciation of machinery and production overheads (based on normal operating capacity). It excludes borrowing costs.

Inventories also include (a) the distribution and marketing of promotional goods that are intended to be sold to third parties and (b) miniature products, pouches and boxes that are essentially bundled and sold together with regular products.

The Group regularly reviews inventory quantities on hand for excess stock, discontinued products, obsolescence and a decline in net realisable value below cost and records an allowance within "cost of sales" against the inventory balance for any such decline.

2.11 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method, less provision for impairment. The amount of the loss on a trade receivable is recognised in the statement of income within "Distribution expenses".

2.12 Financial assets

Under IFRS 9, the Group classifies its financial assets in the following measurement categories:

Amortised cost;

Fair value through OCI ("FVOCI") – debt instruments;

Fair value through OCI ("FVOCI") – equity instruments; or

Fair value through profit or loss ("FVTPL").

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The classification of financial assets under IFRS 9 is generally based on the business model according to which a financial asset is managed and the contractual terms of cash flows. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

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Type of financial asset	Nature of classification	Measurement
<i>At amortised cost</i>		
Trade receivables	Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration (plus transactions costs that are directly attributable to the acquisition of the financial asset) that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore subsequently measures them at amortised cost using the effective interest method.	<p>These assets are subsequently measured at amortised cost using the effective cost interest method. Impairment losses are deducted.</p> <p>Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.</p> <p>Any gain or loss on derecognition is recognised in profit or loss.</p>
Other financial assets at amortised cost	<p>The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:</p> <p>The asset is held within a business model whose objective is to collect the contractual cash flows, and</p> <p>The contractual terms give rise to cash flows that are solely payments of principal and interest.</p>	<p>These assets are subsequently measured at amortised cost using the effective cost interest method. Impairment losses are deducted.</p> <p>Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.</p> <p>Any gains or losses on derecognition are recognised in profit or loss (Note 24).</p>
<i>At fair value through OCI or profit or loss</i>		
Financial assets at fair value through other comprehensive income – Debt instruments	These relate to debt securities for which the contractual cash flows are solely payment of principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.	<p>At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.</p> <p>These assets are subsequently measured at fair value.</p> <p>Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss.</p> <p>Other net gains and losses are recognised in OCI (movements in the carrying amount). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss (Note 24).</p>

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<i>At fair value through OCI or profit or loss</i>		
Financial assets at fair value through other comprehensive income – Equity instruments	<p>On initial recognition of an equity instrument, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI.</p> <p>This election is made on an investment-by-investment basis.</p>	<p>At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.</p> <p>The Group subsequently measures all equity instruments at fair value. Changes in the fair value of financial assets at fair value OCI.</p> <p>Dividends from such investments continue to be recognised in the income statement as other income when the Group's right to receive payments is established.</p> <p>Where the Group's management has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment (Note 24).</p>
Financial assets at fair value through profit or loss	<p>All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.</p> <p>On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.</p>	<p>At initial recognition, the Group measures a financial asset at its fair value.</p> <p>Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.</p> <p>These assets are subsequently measured at fair value.</p> <p>Net gains and losses, including any interest or dividend income, are recognised in profit or loss (Note 24).</p>

Impairment of financial assets

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses that uses a lifetime expected loss allowance for all trade receivables.

To measure expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the number of days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 March 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit on the line "General and administrative expenses". Subsequent recoveries of amounts previously written off are credited against the same line item.

Debt investments

All of the entity's debt investments at amortised cost and FVOCI are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

2.13 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or

Hedges of a net investment in a foreign operation (net investment hedge).

At inception of the transaction, the Group documents the economic relationship between the hedging instruments and the hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives used in hedging transactions are highly effective in offsetting changes in the fair values or cash flows of hedged items.

The fair value of the various derivative instruments used for hedging purposes is disclosed in Note 16. Movements in the hedging reserve in other comprehensive income are shown in the consolidated statement of changes in shareholders' equity.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

(a) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The Group does not use fair value hedges.

(b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gains or losses relating to the ineffective portion are recognised immediately in the statement of income within "finance income" or "finance costs" for interest derivatives and within "foreign currency gains/(losses)" for currency derivatives.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward component of the contract that relates to the hedged item is recognised within OCI in "Other reserves-Other items" within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified to the statement of income in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the statement of income within "finance income" or "finance costs".

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of income within "finance income" or "finance costs" for interest derivatives and within "foreign currency gains/(losses)" for currency derivatives.

The Group does not use cash flow hedges.

(c) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of income within "Foreign currency gains/(losses)".

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Gains and losses accumulated in equity are included in the statement of income when the foreign operation is partially divested or sold.

The Group does not use net investment hedges.

(d) Derivatives at fair value through profit and loss

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised immediately in the statement of income within "Finance income", "Finance costs" or "Foreign currency gains/(losses)".

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, short-term deposits and other short-term highly liquid investments with original maturities of three months or less.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.15 Share capital

Ordinary shares are classified as equity. There are no preference shares.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where a Group entity purchases the Group's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to owners of the Company. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

2.16 Dividend distribution

Dividends paid to the Group's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

2.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Provisions

Within the normal framework of their activities, the Group and its subsidiaries are subject to various forms of litigation and legal proceedings. The Group sets aside a provision based on its past experience and on facts and circumstances known at the balance sheet date. Provisions for customer and warranty claims, dismantling and restoration obligations, restructuring costs and legal claims are recognised when:

The Group has a present legal or constructive obligation as a result of past events;
It is probable that an outflow of resources will be required to settle the obligation; and
The amount can be reliably estimated.

Restructuring provisions comprise lease termination penalties and employee termination payments where appropriate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

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Provision for dismantling and restoration costs

When the lease agreement includes an obligation to restore the leased property to its original condition at the end of the lease term or to compensate for dilapidation, a provision for the estimated discounted dismantling, restoration or compensation costs is recorded over the lease term.

Depending upon the nature of the obligation in the lease agreement, it may be considered that the alterations occurred when entering the lease. In this case the liability is immediately recorded at the inception of the lease and the same amount is included in right-of-use assets. This item is then depreciated over the lease term.

2.19 Employee benefits

Pension obligations

The Group operates various pension schemes under both defined-benefit and defined-contribution plans:

A defined-benefit plan is a pension plan that defines an amount of pension benefits that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation;

A defined-contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. In a defined-contribution plan, the Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Defined-benefit plans

The only significant defined-benefit plans concern retirement indemnities in France. Employees receive a lump sum varying according to their seniority and other components of the collective agreement governing their employment.

The liability recognised in the balance sheet in respect of defined-benefit pension plans is the present value of the defined-benefit obligation at the balance sheet date. The defined-benefit obligation is calculated annually using the projected unit credit method. The present value of the defined-benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses resulting from experience adjustments and changes in the actuarial assumptions that are used to calculate the obligations (excluding the estimated return on plan assets) are fully recognised within "Other comprehensive income" in the period in which they arise (see Note 2.1).

Past-service costs are recognised immediately in the statement of income.

Defined-contribution plans

For defined-contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised in employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other post-employment obligations

The Group does not provide any other post-employment obligations.

Share-based payment

L'Occitane Groupe S.A., the parent of the Company, operates a number of share-based payment plans granted to employees of the Group and its subsidiaries.

The Group has also authorised free share and stock option plans on its own equity instruments, the characteristics of which are described in Note 18.

Equity-settled share-based payment

The fair value of the employee services received in exchange for equity instruments granted is recognised as an expense over the vesting period.

The total amount of the expense is determined by reference to the fair value of the equity instruments granted:

Including any market performance conditions (for example, an entity's share price);

Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

Including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specific period of time).

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Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of income, with a corresponding adjustment to equity in other reserves.

Market conditions are taken into account in the valuation of the option at the grant date and are not updated at subsequent reporting dates. The number of shares expected to vest is estimated based on non-market vesting conditions.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and additional paid-in capital when the equity instruments are exercised.

Cash settled share-based compensations

Cash settled share-based compensations are rights granted to employees to receive a future cash payment based on the price of equity instruments of the Group. The Group might grant a right to receive a future cash payment by granting to its employees a right to shares (including shares to be issued upon the exercise of options) that are redeemable.

For cash-settled share-based compensations, the Group measures services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at each reporting date and at the date of settlement, with any changes in fair value recognised in the statement of income (as an employee benefit expense).

The liability is measured by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered service to date.

Post vesting, since there is no longer a link to employee service, the change in the fair value of the liability relating to the vested awards is recorded in finance costs.

When the share options are exercised, the proceeds from the exercise share options are recorded as an increase in the liability. This liability is extinguished when the share held by the employees are repurchased by the Company.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: a) when the Group can no longer withdraw the offer of those benefits; and b) when the entity recognises costs for a restructuring within the scope of IAS 37 which involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Profit-sharing and bonus plans

The Group recognises a provision where legally or contractually obliged, or where there is a past practice that has created a constructive obligation.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they are accrued. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.20 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of income over the period of the borrowings using the effective interest method.

Fees paid on arranging loan facilities are recognised as loan transaction costs to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. If there is no evidence that some or all of the facility will likely be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.21 Revenue recognition

Revenue (net sales) comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's business. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intraGroup transactions.

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Revenue from sales invoiced when the transfer of control has not occurred is deferred in the balance sheet as deferred revenue within other current liabilities.

Revenue is recognised as follows:

Sales of goods – Retail channel

The Group operates a chain of retail stores. Revenue from the sale of goods is recognised when the Group sells a product to the customer at the store.

Payment of the transaction price is due immediately when the customer purchases the products and takes delivery in store.

It is not the Group's policy to sell its products to end retail customers with a right of return. However, in some countries, the entity may retain an insignificant risk of ownership through a retail sale when a refund is offered or when return goods are accepted if the customer is not satisfied. Revenue in such cases is recognised at the time of the sale provided the entity can reliably estimate future returns and the Group recognises a liability in "Other current liabilities" for returns against revenue based on previous accumulated experience and other relevant factors.

Sale of goods – Online channel

Sales are recognised when control of the products has transferred, i.e., when the products are delivered to the final customer.

Sales of goods – Wholesale & other channel

Sales are recognised when control of the products has transferred, i.e., when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Products are sometimes sold with conditional discounts. Sales are recorded based on the price specified in the sales contracts/invoices, net of the estimated conditional discounts.

No element of financing is deemed present as the sales are made with a maximum credit term of 90 days.

When the customer has a right to return the product within a given period, the Group is obliged to refund the purchase price. A refund liability for the expected refunds to customers is recognised as adjustment to net sales in "Other current liabilities".

Sale of gift cards

In some regions, in the ordinary course of the Group's business, the Group sells gift cards. Revenue is recognised when the customer redeems the gift cards for buying goods (the product is delivered to the customer). As long as customers do not redeem the cards, the revenue for sales is deferred in the balance sheet.

Gift cards exceeding the validity period are recognised in the statement of income.

Loyalty programme

The Group accounts for award credits as a separately identifiable component of the sales transaction(s) in which they are granted. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the components, i.e., the goods sold (revenue) and the award credits granted (deferred revenue). The allocation is made by reference to the relative standalone values of the components, i.e., the amounts for which each component could be sold separately.

The fair value of the award credits is estimated by reference to the discount that the customer would obtain when redeeming the award credits for goods. The nominal value of this discount is reduced to take into account:

Any discount that would be offered to customers who have not earned award credits from an initial sale;
The proportion of award credits that are expected to be forfeited by customers.

The Group recognises revenue in respect of the award credits in the periods, and reflecting the pattern, in which award credits are redeemed. The amount of revenue recognised is based on the number of award credits that have been redeemed relative to the total number expected to be redeemed.

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The part of the consideration allocated to goods sold is recorded in gross sales of products in the statement of income and the deferred revenue is recorded in "Other current liabilities" in the balance sheet.

Consideration paid to distributors

In some cases, the Group can enter into arrangements with distributors where payments are made to compensate for certain promotional initiatives.

As such payments cannot usually be separated from the supply relationship, the Group recognises the consideration paid as a deduction from revenue.

2.22 Distribution expenses

The "Distribution expenses" line in the statement of income includes expenses relating to stores, mainly: employee benefits, rent and occupancy, depreciation and amortisation, freight on sales, promotional goods, credit card fees, maintenance and repair, telephone and postage, travel and entertainment, doubtful receivables, start-up costs and closing costs.

Distribution promotional goods include testers and bags and are expensed when the Group has access to those items.

Distribution expenses also include the amortisation of the ELEMIS backlog over 10 years (Note 2.4) which was based on the contractual period of the distribution agreement.

2.23 Marketing expenses

The "Marketing expenses" line in the statement of income includes mainly the following expenses: employee benefits, advertising expenses and promotional goods.

Marketing promotional goods include press kits, gifts with purchases, samples, commercial brochures and decoration items used to prepare the windows and are expensed when the Group has access to those items.

2.24 Research and development expenses

The "Research & development expenses" line in the statement of income mainly corresponds to employee benefits and professional fees.

2.25 Start-up and pre-opening costs of stores

Start-up costs and pre-opening costs of the stores are expensed as incurred under "Distribution expenses" in the statement of income. These costs mainly include broker and/or lawyer fees, rent paid before the opening date, and travel expenses relating to the opening team.

2.26 Other operating income and other operating expenses

Other operating income

- Other operating income notably includes:
- Impacts of the deconsolidation/reconsolidation of subsidiaries;
- Capital gains arising on changes in the percentage of interests in associates and joint ventures;
- Net profits on sales of assets;
- Excess of the fair value of acquired net assets over the cost of an acquisition (negative goodwill).

Other operating expenses

- Other operating expenses notably include:
- Impairment loss on goodwill and trademarks;
- Dilution losses arising from changes in the percentage of interests in associates and joint ventures;
- Restructuring expenses;
- Net losses on sales of assets.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

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Government grants relating to costs are deferred and recognised in the statement of income over the period necessary to match them with the costs they are intended to cover.

Government grants relating to property, plant and equipment are first deferred in non-current liabilities and then classified as a reduction of property, plant and equipment when the asset concerned comes into service. Grants are then credited to the statement of income on a straight-line basis over the expected lives of the related assets.

2.27 Foreign currency gains/(losses)

The "Foreign currency gains/(losses)" line in the statement of income relates to:

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the year-end translation of the exchange rates of monetary assets and liabilities denominated in foreign currencies (Note 2.3 (b)). These foreign currency gains and losses are mainly related to the financing of the subsidiaries;

Gains or losses arising from changes in the fair value of the foreign exchange derivatives at fair value through profit or loss (Note 2.13 and Note 16);

Gains or losses arising from the ineffective portion of changes in the fair value of foreign exchange derivatives that are designated as hedging instruments (Note 2.13 and Note 16).

2.28 Income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and recognises provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, no deferred income tax is accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax asset against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the same entity or different taxable entities where there is an intention to settle the balances on a net basis.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

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Market risk

Foreign exchange risk

The Group conducts its distribution activities worldwide. Sales made by the subsidiaries are denominated in their local currency. The production sites are located in France and a major portion of production and purchasing costs is therefore denominated in EUR for L'Occitane en Provence and Melvita. For ELEMIS, LimeLife and Sol de Janeiro, transactions relating to the cost of sales are respectively carried out with third parties in GBP and USD, and production and purchasing in GBP and USD. For Grown Alchemist, transactions relating to the cost of sales are carried out in AUD. The Group is thus exposed to foreign exchange risk on its commercial transactions (both known and forecasted).

The Group invoices its subsidiaries in their local currencies whenever possible, in order to centralise foreign exchange risk at Group level. The Group's foreign exchange risk is split between trading operations related to commercial transactions with subsidiaries and financing operations related to intercompany financing.

As at 31 March 2023, the exposure to foreign exchange risk on the consolidated balance sheet is as follows:

<i>In thousands of euros</i>	EUR	JPY	HKD	USD	GBP	CNY	BRL	TWD	CHF	CAD	Other	Total
Trade receivables	44,063	15,999	21,222	82,361	24,514	35,389	12,103	4,804	257	843	14,693	256,048
Other current receivables	60,289	781	70	9,547	5,223	2,820	13,674	464	46	241	6,471	99,626
Cash and cash equivalents	35,064	1,867	2,298	45,747	13,878	15,097	1,825	1,687	20,359	2,088	12,031	151,941
Monetary assets	139,416	18,647	23,590	137,655	43,615	53,306	27,602	6,755	20,662	3,172	33,195	507,615
Borrowings	1,323,299	-	-	-	-	-	-	4,227	4,918	679	5,532	1,338,653
Trade payables	85,182	10,813	7,550	49,069	21,420	17,097	5,778	1,953	392	1,989	11,183	212,426
Social and tax liabilities	57,328	4,361	5,815	17,351	3,219	3,727	7,073	1,098	149	183	11,921	112,225
Monetary liabilities	1,465,809	15,174	13,365	66,420	24,639	20,824	12,851	7,278	5,457	2,851	28,636	1,663,304
Gross exposure in the statement of balance sheet	(1,326,393)	3,473	10,225	71,235	18,976	32,482	14,751	(523)	15,205	321	4,559	(1,165,689)

As at 31 March 2022, the exposure to foreign exchange risk on the consolidated balance sheet was as follows:

<i>In thousands of euros</i>	EUR	JPY	HKD	USD	GBP	CNY	BRL	TWD	CHF	CAD	Other	Total
Trade receivables	32,244	17,744	9,436	39,520	29,678	35,626	11,794	4,712	334	923	19,487	201,498
Other current receivables	40,081	510	284	12,376	5,248	6,729	9,430	379	207	622	10,352	86,218
Cash and cash equivalents	166,451	22,883	2,458	32,504	62,313	22,723	3,679	1,071	1,397	5,715	45,498	366,692
Monetary assets	238,776	41,137	12,178	84,400	97,239	65,078	24,903	6,162	1,938	7,260	75,337	654,408
Borrowings	1,423,280	-	-	-	5,792	-	-	3,997	3,896	-	5,189	1,442,154
Trade payables	72,030	12,563	3,657	33,889	37,301	30,174	4,476	1,531	702	2,608	14,272	213,503
Social and tax liabilities	79,770	5,613	4,687	12,055	3,981	6,833	6,627	1,256	47	248	15,898	137,015
Monetary liabilities	1,575,080	18,176	8,344	45,944	47,074	37,007	11,103	6,784	4,645	3,156	35,359	1,792,672
Gross exposure in the statement of balance sheet	(1,336,304)	22,961	3,834	38,456	50,165	28,071	13,800	(622)	(2,707)	4,104	39,978	(1,138,264)

Commercial transactions

The Group treasury's risk management policy is to systematically hedge transaction risk (amounts invoiced) at a minimum of 80%.

Economic risk (amounts forecasted) is hedged depending on market conditions and management expectations. All decisions to hedge economic risk are formally approved by the Director of Group Cash Management and Financing.

The Group uses forward contracts to hedge the main part of its foreign exchange risk exposure and currency options hedging up to 40% of its exposure on its main currencies (USD, GBP, JPY, HKD and CNY). All decisions to use foreign exchange derivatives-based products are formally approved by the Group Treasury Manager. The Group does not use hedge accounting.

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The intrinsic value of foreign currency options is determined with reference to the relevant spot market exchange rate. The difference between the contracted strike rate and the discounted spot market exchange rate is defined as the time value.

Financing operations

The Group's risk management policy is to maximise natural hedging using multicurrency bank facilities whenever possible.

For those currencies not covered by multicurrency bank facilities, the Group's risk management policy is to finance subsidiaries in their local currencies whenever possible, and to hedge the corresponding exposure.

During the financial years ended 31 March 2023 and 2022, if the euro had weakened/strengthened by 10% in comparison to the currencies listed below with all other variables held constant, equity, net sales and post-tax profit for the year would have been higher/lower as illustrated below:

In thousands of euros 31 March	Currency translation differences (other comprehensive income)		Net sales		Profit for the year	
	2023	2022	2023	2022	2023	2022
	USD	91,057	88,569	60,598	27,316	8,969
JPY	11,812	13,679	18,120	20,603	7,837	9,180
HKD	(278)	(6,988)	(16,125)	(9,793)	(1,459)	(7,746)
CNY	20,758	26,172	29,810	32,799	13,904	19,611
GBP	46,964	49,032	22,752	23,480	7,604	11,943

The above sensitivity does not take into consideration the effect of a higher/lower euro on the fair market value of the foreign currency derivative instruments and on realised exchange gains and losses. The fair value of these derivatives at year-end is not material.

Cash flow and fair value interest rate risk

The Group's cash is currently invested in short-term treasury deposits to take advantage of any increase in euro interest rates. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. An analysis of borrowings by type of interest rate is provided in Note 19.3.

The Group can manage its cash flow interest rate risk by using floating-to-fixed interest rate swaps. These swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the differences between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts. The Group does not have any floating-rate interest swap.

In accordance with the financial covenants described in Note 19.2, the margin of certain bank borrowings is liable to change.

Based on the simulations performed as of 31 March 2023 and 2022, if interest rates had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been lower/higher, mainly as a result of higher/lower interest expense on floating-rate borrowings (Note 25).

<i>In thousands of euros</i>	2023	2022
Sensitivity of finance costs	11,468	4,029
Sensitivity of finance income	1,419	401
Sensitivity of post-tax profit	1,427	590

The sensitivity of equity would be the same as the impact on post-tax profit, except for the effects mentioned below for derivatives.

Price risk

The Group is not significantly exposed to commodity price risk.

The Group is exposed to price risk arising from investments in financial assets such as equity, fixed income, private equity, property or multi-asset funds. Investments are made in accordance with the limits and rules set by the Financial Investments Policy.

The amounts recognised in the consolidated statement of income or in the consolidated statement of comprehensive income in relation to the investments held by the Group are disclosed in Note 3.3.

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Credit risk

Credit risk is managed on a Group basis, except where it relates to trade receivables balances. Each local entity is responsible for monitoring and analysing the credit risk of its customers. Standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), derivative financial instruments and deposits with bank and financial institutions, as well as credit exposures to wholesale, retail customers and to the former four key directors of L'Occitane Russia (Notes 3.3 and 5.1).

The Group has no significant concentrations of credit risk for customers:

For customers in the "Wholesale & other" channel, sales are made with credit terms generally between 60 and 90 days. The Group maintains adequate allowances for potential credit losses and monitors the solvency of its counterparties. As at 31 March 2023 and 2022, the Group did not have any significant concentrations of business with a particular customer that could, if suddenly eliminated, severely impact its operations;

For customers in the "Retail" and "Online" channels, the Group's sales to end customers are made in cash or via major credit cards and no credit terms are generally granted. When the Retail and Online sales are generated in department stores, a credit term is granted to the department store until the cash is transferred to the Group. This credit term is generally from 30 to 90 days;

All significant cash deposits are made with major financial institutions with an investment grade rating and are invested in fixed-term deposits with negotiated terms and conditions and interest rates, or in mutual funds. The Group has temporary exposure to non-investment grade institutions on payments made by customers in certain countries, until the related amounts to investment grade institutions. Cash and cash equivalents and derivative financial instruments are concentrated with a few independently rated parties with a minimum rating of "BBB-" (Investment Grade) except in countries rated below BBB-.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of its underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facilities and cash and cash equivalents) based on expected cash flows. The liquidity reserves as at 31 March 2023 were as follows:

31 March	2023	2022
<i>In thousands of euros</i>		
Cash and cash equivalents and bank overdrafts	151,941	366,692
Undrawn borrowing facilities (Note 20.3)	599,523	374,177
Liquidity reserves	751,464	740,869

Surplus cash held by the Group is invested in call accounts, certificates of deposit, money market funds and securities or any other financial assets authorised by the Financial Investments Policy.

The repayment of certain bank borrowings is subject to a financial covenant (Note 19.2).

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The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining time to contractual maturity at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows:

<i>In thousands of euros</i>	Between				Total
	Less than 1 year	1 and 2 years	2 and 5 years	Over 5 years	
Borrowings (Note 19)	241,834	412,768	680,840	3,211	1,338,653
Trade payables (Note 21)	212,425	-	-	-	212,425
Lease liabilities (Note 7.2)	82,393	66,993	92,925	33,391	275,702
Interests payments on borrowings	12,095	8,791	1,392	21	22,299
Total as at 31 March 2023	548,747	488,552	775,157	36,623	1,849,079
Borrowings (Note 19)	910,834	42,749	483,245	5,326	1,442,154
Trade payables (Note 21)	213,503	-	-	-	213,503
Lease liabilities (Note 7.2)	93,722	65,813	88,800	25,898	274,233
Interests payments on borrowings	14,244	26,341	26,761	62	67,408
Total as at 31 March 2022	1,232,303	134,903	598,806	31,286	1,997,298

The interest payments on borrowings are based on existing interest rates as at 31 March 2023. The net carrying amount approximates the fair value.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, such that it can continue to provide returns for equity owners and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity owners, return capital to equity owners, issue new shares or sell assets to reduce debt.

3.3 Fair value estimate

Fair value of financial instruments

The table below presents the net carrying amount and fair value of some of the Group's financial instruments, with the exception of cash, trade receivables and trade payables as well as accrued expenses (their carrying amount less impairment of trade receivables and payables is assumed to approximate their fair values given their short maturities):

<i>In thousands of euros</i>	31 March 2023		31 March 2022	
	Net carrying amount	Fair value	Net carrying amount	Fair value
Assets				
Financial assets at fair value through other comprehensive income (FVOCI)	37,880	37,880	33,117	33,117
Financial assets at fair value through profit or loss (FVPL)	19,744	19,744	9,605	9,605
Derivative financial instruments	2,337	2,337	1,931	1,931
Total assets	59,961	59,961	44,653	44,653
Liabilities				
Fixed rates	164,425	164,425	166,448	166,448
Floating rate	1,174,228	1,174,228	1,275,706	1,275,706
Total borrowings	1,338,653	1,338,653	1,442,154	1,442,154
Derivative financial instruments	248	248	1,208	1,208
Other financial liabilities	338,650	338,650	206,965	206,965
Total liabilities	338,898	338,898	208,173	208,173

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The fair value of financial instruments was determined as indicated below.

Fair value measurement hierarchy

IFRS 13 for financial instruments requires the disclosure of fair value measurements by level according to the following fair value measurement hierarchy:

Quoted prices in active markets for identical assets or liabilities (level 1);

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2);

Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value:

<i>In thousands of euros</i>	31 March 2023				31 March 2022			
	Level 1 (a)	Level 2 (b)	Level 3 (c)	Total	Level 1 (a)	Level 2 (b)	Level 3 (c)	Total
Assets								
Derivatives at fair value (Note 16)	-	2,337	-	2,337	-	1,931	-	1,931
Financial assets at fair value through profit or loss	-	-	19,744	19,744	-	-	9,605	9,605
Financial assets at fair value through other comprehensive income (FVOCI) (Note 12)	9,416	2,847	25,617	37,880	9,079	24,038	-	33,117
Total assets	9,416	5,184	45,361	59,961	9,079	25,969	9,605	44,653
Liabilities								
Derivatives at fair value (Note 16)	-	248	-	248	-	1,208	-	1,208
Other financial liabilities (Note 4.3)	-	-	338,650	338,650	-	-	206,965	206,965
Total liabilities	-	248	338,650	338,898	-	1,208	206,965	208,173

The fair value of financial instruments traded in active markets (such as equity securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by external counterparties using methods and assumptions that are based on market conditions existing at each balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

As at 31 March 2022, some data used to measure the fair value of some investments classified in level 2 were not directly based on observable and identifiable market data. Therefore, the Group modified the classification of Financial assets at fair value through other comprehensive income and the corresponding investments were reclassified from level 2 to level 3 as at 31 March 2022 for an amount of €21.7million. There is no impact on the fair value of those investments.

Fair value measurements using financial instruments traded in active markets (level 1)

On 10 May 2021, LOI acquired shares in Carbios S.A., which is specialised in recycling plastic and packaging products, for a net amount of €10,000,000 and including total depreciation of €584,000 (less than 3% of the total shares), of which €337,000 was reversed in the year ended 31 March 2023.

Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability (level 2).

The following table presents the change in level 2 instruments for the period ended 31 March 2023:

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<i>In thousands of euros</i>	Financial assets as at 31 March 2022	Transfer from level 2 to level 3	New financial assets	Disposals	Gain/(loss) recognised through OCI	Gain/(loss) recognised through profit and loss	Exchange difference	Financial assets as at 31 March 2023
Derivative financial instruments (Note 17)	1,931	-	-	-	-	406	-	2,337
Other investments at fair value through other comprehensive Income (FVOCI)	2,306	(325)	1,068	-	(230)	-	28	2,847
Sub-total financial assets at FVOCI	2,306	(325)	1,068	-	(230)	-	28	2,847
Total financial Assets (level 2)	4,237	(325)	1,068	-	(230)	406	28	5,184

<i>In thousands of euros</i>	Financial liabilities as at 31 March 2022	Transfer from level 2 to level 3	New financial liabilities	Disposals	Gain/(loss) recognised through OCI	Gain/(loss) recognised through profit and loss	Exchange difference	Financial liabilities as at 31 March 2023
Derivative financial instruments (Note 17)	1,208	-	-	-	-	(960)	-	248
Total financial Liabilities (level 2)	1,208	-	-	-	-	(960)	-	248

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the change in level 3 instruments for the year ended 31 March 2023 :

Level 3										
<i>In thousands of euros</i>	Financial assets as at 31 March 2022	Transfer from level 2 to level 3	New financial assets	Disposals	Gain/(loss) recognised through OCI	Gain/(loss) recognised through profit or loss	Unwinding of discount	Exchange difference	Changes in estimates in the valuation of the exercise price	Financial assets as at 31 March 2023
Financial assets at fair value through profit and loss (FVPL)										
Other financial assets at fair value through profit or loss (FVPL)	9,605	-	1,494	-	-	-	-	-	-	11,099
Fair value of the receivable from the sale of L'Occitane Russia	-	-	44,548	-	-	(35,901)	-	-	-	8,645
Sub-total financial assets at FVPL	9,605	-	46,040	-	-	(35,901)	-	-	-	19,744
Financial assets at fair value through other comprehensive income (FVOCI)										
SCPI FI Commerce (real estate investment fund)	9,620	-	-	-	(441)	-	-	-	-	9,079
Truffle investment	10,413	-	5,400	-	(2,056)	-	-	-	-	13,757
Other investments	1,799	325	520	(38)	(125)	-	-	-	-	2,781
Sub-total financial assets at FVOCI	21,792	325	6,220	(38)	(2,622)	-	-	-	-	26,817
Total financial assets (level 3)	31,397	325	62,260	(38)	(2,622)	(35,901)	-	-	-	46,561
<i>In thousands of euros</i>	Financial liabilities as at 31 March 2022	Transfer from level 2 to level 3	New financial liabilities	Disposals	(Gain)/loss recognised through OCI	(Gain)/loss recognised through profit and loss	Unwinding of discount	Exchange difference	Changes in estimates in the valuation of the exercise price	Financial liabilities as at 31 March 2023
Other financial liabilities (Note 6.3)	217,397	-	-	-	-	-	2,732	2,561	115,960	338,650
Total financial liabilities (level 3)	217,397	-	-	-	-	-	2,732	2,561	115,960	338,650

Assets at fair value through other comprehensive income

Among the financial assets at fair value through other comprehensive income, other investments correspond to 1 investment of €1,400,000 and 12 other investments individually representing less than €200,000; for all investments, the percentage of voting shares is lower than 20%.

Considerations for assessing the fair value of the receivable from the sale of L'Occitane Russia

Main characteristics

As described in Note 6.1, the main characteristics of the transaction are as follows:

- Payment for the shares will be made through four instalments between June 2025 and June 2028;
- Payment for the shares is secured by a pledge agreement signed on 3 June 2022;

There is a call option exercisable for the Group on 3 June 2025, 2026, 2027, 2028 and 2029. The exercise price is based on the fair value of the Russian business will be determined by an independent expert.

Classification of the receivable from the sale of L'Occitane Russia

Under IFRS 9, the receivable from the sale of L'Occitane Russia does not meet the SPPI criteria and is considered as a non-recourse loan. Therefore, the receivable cannot be measured at amortised cost and is valued at fair value through profit and loss.

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Assessment of the fair value

To assess the fair value of the receivable, the following scenarios were considered:

- Investors can pay the contractual instalments: the Group will receive the cash flows;
- Investors cannot pay the contractual instalments: the Group will receive the collateral, i.e., the shares of the Russian entity.

The main factors impacting the value of the receivable are the equity value of the Russian entity in RUB and the FX rate, and the related volatility.

The optional nature of the payment requires diffusion models to assess the risk factors; a Monte-Carlo model is used to determine the fair value.

The fair value of the receivable was assessed based on the following key assumptions:

Key assumptions	As at 3 June 2022	As at 31 March 2023
Assumptions used to estimate the equity value in RUB (enterprise value estimated based on the discounted future cash flows - net debt)		
Business plan time frame in years	4	3
Annual growth in net sales over the plan	2.5%	2.5%
Average EBITDA (%) over the 4-year plan (EBITDA: operating profit before depreciation, amortisation and impairment)	31.8%	32.4%
Long-term growth rate	4.5%	4.0%
Post-tax discount rate	28.0%	30.0%
Equity value (in thousands of RUB)	5,050,000	4,183,222
Assumptions used to estimate the fair value of the receivable under the Monte Carlo diffusion model		
<i>Market inputs</i>		
EUR and RUB risk-free interest rates	EUR rates and forward points between 1 and 6 years	EUR rates and forward points between 1 and 6 years
RUB/EUR implied volatility	Between 13% (2 years) and 48% (1 week)	Between 13% (2 years) and 25% (1 week)
Exchange spot rate (EUR/RUB)	67.41	84.59
<i>Other inputs</i>		
Subsidiary/foreign exchange spot correlation	0%	0%
Volatility based on historical volatility of market indices (MOEX) ⁽¹⁾	35%	35%
Fair value of the receivable before liquidity discount (in thousands of euros)	52,407	43,227
Liquidity discount ⁽²⁾	15%	80%
Fair value of the receivable (in thousands of euros)	44,546	8,645

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(1) Given the lack of a directly observable market for the volatility of the subsidiary, its volatility is estimated based on the historical volatility of the MOEX benchmark index over a 3-year period (given the first option is long dated with an expiry date in 2025).

(2) The liquidity discount has been increased to consider higher uncertainty due to the ongoing war and sanctions. Based on this model, the fair value of the receivable from the sale of L'Occitane Russia amounts to €44.5 million as of 3 June 2022 and to €8.6 million as of 31 March 2023. The change in the fair value of the receivable from the sale of L'Occitane Russia is recorded as a financial item within "Finance costs" for a loss of €35.9 million (Note 25).

Sensitivity analysis

The relationship of key inputs to the fair value of the receivable are as follows:

- Increasing the CAGR to 5% over the business plan time frame would increase the fair value of the receivable (pre-liquidity discount) by €7.6 million as at 3 June 2022 and by €11.5 million as at 31 March 2023;
- Decreasing the CAGR to 0% over the business plan time frame would decrease the fair value of the receivable (pre-liquidity discount) by €11.3 million as at 3 June 2022 and by €9.1 million as at 31 March 2023;
- Increasing the discount rate by 5% would decrease the fair value of the receivable (pre-liquidity discount) by €3.3 million as at 3 June 2022 and by €3.7 million as at 31 March 2023;
- Decreasing the discount rate by 5% would increase the fair value of the receivable (pre-liquidity discount) by €4.0 million as at 3 June 2022 and by €4.5 million as at 31 March 2023;
- Increasing the EBITDA rate by 5% would increase the fair value of the receivable (pre-liquidity discount) by €5.0 million as at 3 June 2022 and by €9.1 million as at 31 March 2023;
- Decreasing the EBITDA rate by 5% would decrease the fair value of the receivable (pre-liquidity discount) by €6.7 million as at 3 June 2022 and by €7.7 million as at 31 March 2023;
- Decreasing the volatility rate to 25% would increase the fair value of the receivable (pre-liquidity discount) by €3.6 million as at 3 June 2022 and by €2.1 million as at 31 March 2023;
- Increasing the volatility rate to 45% would decrease the fair value of the receivable (pre-liquidity discount) by €4.1 million as at 3 June 2022 and by €2.5 million as at 31 March 2023;
- Increasing the RUB/EUR foreign exchange volatility by 5% would decrease the fair value of the receivable (pre-liquidity discount) by €1.3 million as at 3 June 2022 and by €0.9 million as at 31 March 2023.

Other financial liabilities (Note 4.3)

Other financial liabilities correspond to the put options granted by the Group to non-controlling interests:

- Put option on Sol de Janeiro non-controlling interests for €285.1 million;
- Put option on 14 Group S.A non-controlling interests for €23.4 million;
- Put option on Grown Alchemist Holdings Pty Ltd. non-controlling interests for €10.0 million;
- Put option on Elemis non-controlling interests for €13.8 million;
- Put option on Symbiose Cosmetics France non-controlling interests for €4.4 million;
- Put option on L'Occitane GmbH non-controlling interests for €1.9 million.

Fair value of other financial instruments (unrecognised)

The Group also has a number of financial instruments (bank borrowings) that are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different from their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short term in nature.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and judgements concerning the future. By definition, the resulting accounting estimates rarely match actual results.

Estimates are used for, but not limited to, depreciation, amortisation and impairment of non-current assets (Notes 2.5, 2.6 and 2.7), allocation of the excess of the cost of an acquisition over the carrying amount of the net assets acquired to contractual customer relationships and backlog (Note 2.4), indefinite life of trademarks (Note 2.4), measurement of lease liabilities (Note 2.6), measurement of inventories (Note 2.10), inventory allowance (Note 2.10), measurement of provisions (Note 2.18), trade receivables allowance (Note 2.11), revenue recognition (Note 2.21), current and deferred income taxes (Note 2.28), fair value of derivative instruments (Note 2.13), valuation of share-based payments (Note 18.3), valuation of put options (Note 5.3), contingencies (Note 29), the allocation of the purchase price for Grown Alchemist (Note 5.1) and the estimated fair value of the receivable from the sale of L'Occitane Russia, representing a new significant estimate for the period (Notes 3.3 and 5.1).

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Estimates and judgements are continually assessed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are explained below.

4.1 Impairment test of non-current assets

Impairment tests of intangible assets (including goodwill and trademarks), property, plant and equipment and right-of-use assets are performed in accordance with the accounting policy presented in Note 2.7.

Goodwill and trademarks are allocated to operating segments defined as one or several brands under the responsibility of a dedicated management team.

The recoverable amounts of the group of cash-generating units (CGUs) monitored at brand level were determined on the basis of value-in-use calculations.

Value in use is determined with respect to projected future cash flows, taking into account the time value of money and the specific risks attributable to the CGUs. Future cash flow projections are based on medium-term budgets and plans. These plans are drawn up for a period of 4 to 5 years. Cash flows beyond the 4 or 5-year period are extrapolated using the estimated long-term growth rates stated below. These long-term growth rates are determined consistently with the strategy to operate the trademark and with the analysis of the forecasts included in industry reports specific to the sector in which each CGU operates.

The plan takes into account the inflationary context which can impact costs but which is also reflected in the sale price of products. Therefore Management considers that its activities will not be significantly affected by the inflation context.

The main key assumptions used for value-in-use calculations of the recoverable amounts of the main goodwill and trademarks are as follows:

31 March 2023 in millions of euros	Elemis	LimeLife	Melvita	Sol de Janeiro
Business plan time frame in years	5	5	5	5
Compound annual growth rate in net sales over the plan	19.6%	14.7%	20.8%	17.8%
Average percentage of EBITDA over the plan	23.2%	5.8%	(2.6)%	19.8%
Long-term growth rate	1.9%	1.9%	1.9%	1.9%
Post-tax discount rate	9.6%	8.7%	9.5%	8.7%
Carrying amounts of assets before impairment test				
<i>Goodwill</i>	530.4	122.0	35.9	213.2
<i>Trademark</i>	285.8	-	14.1	165.9
<i>Other items</i>	94.7	21.8	2.2	7.2
Recoverable amount	1,214.5	91.3	29.4	908.4
Headroom available/(impairment loss)	303.7	(52.5)	(22.8)	518.1

For LimeLife and Melvita, to take into account the low performance of the business which was lower than expectations over the last periods, Management has revised down its sales and EBITDA objectives over the plan to estimate the value-in-use. Management has determined that the fair value less costs to sell would not be higher than the value-in-use calculations.

For Melvita, the carrying amount of the CGU has been reduced to its recoverable amount through recognition of a total impairment loss of €22.8 million against goodwill. For LimeLife, the carrying amount of the CGU has been reduced to its recoverable amount through recognition of a total impairment loss of €52.5 million against goodwill.

No other class of assets was impaired. Those losses are included in the line "Other operating expenses" within the operating profit.

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31 March 2022 in millions of euros	Elemis	LimeLife	Melvita	Sol de Janeiro
Business plan time frame in years	4	5	5	5
Compound annual growth rate in net sales over the plan	27.3%	32.7%	21.0%	60.0%
Average percentage of EBITDA over the plan	24.1%	6.8%	10.7%	22.3%
Long-term growth rate	2.1%	2.0%	1.4%	2.1%
Post-tax discount rate	8.7%	8.5%	8.2%	8.5%
Carrying amounts of assets before impairment test				
<i>Goodwill</i>	538	169	36	253
<i>Trademark</i>	284	-	14	163
<i>Other items</i>	67	21	9	(17.6)*
Recoverable amount	1,279	255	80	397
Headroom available	390	64	21	219

(*) Mainly comprising the deferred tax assets recognized on the trademark for €33.6 million (Note 5.2).

Assumptions	Approach used to determine values
Compound annual growth rate in net sales ("CAGR")	Average annual growth rate over the plan based on past performance, management's expectations of market development, strategic positioning, current industry trends and including long-term inflation forecasts for each region. The projected annual growth rate can be higher than the historical performance and current average industry trends due to the expected effects of strategic positioning measures implemented and the international development of brands.
Budgeted EBITDA	The EBITDA is defined as follows: operating profit before depreciation, amortisation and impairment. Due to IFRS 16 impacts, budgeted EBITDA does not include lease expenses. Weighted EBITDA is expressed as a percentage of net sales over the forecast period. Budgeted EBITDA is based on past performance and management's expectations for the future, taking into account business development strategies for each country and distribution channel/sub-channel (Retail, Online channels, Wholesale & others).
Long-term growth rate	Weighted average growth rate used to extrapolate cash flows beyond the budget period. The growth rates are consistent with forecasts in view of the country mix, the rise in the cost of raw materials and inflation.
Post-tax discount rate	WACC per country in which the trademark is operated. This reflects the specific risks relating to the relevant segments and the countries in which the Group operates.
Terminal value	The sustainable long-term cash flow was determined by extrapolating the estimated cash flow in the FY28 plans for ELEMIS, Melvita, LimeLife and Sol de Janeiro.
Other assumptions	Management used other assumptions such as working capital requirements (inventory turnover ratio, DSO and DPO) and annual capital expenditure based on historical management experience and the planned strategy.
Headroom/(impairment loss)	Headroom or impairment loss is calculated as the difference between the recoverable value and all the assets used by the Group to operate the trademark: goodwill, trademark net of the corresponding deferred tax liability, right-of use assets, PP&E and working capital.

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Sensitivity analysis

The recoverable amount of the ELEMIS and Sol de Janeiro CGUs would equal its carrying amount if the key assumptions were to change individually as follows:

	ELEMIS	Sol de Janeiro
CAGR	16.8%	8.4%
EBITDA % for each year of the business plan decreased by	5.1 points	10.1 points
WACC	12%	16.9%
Long-term growth rate	-1.4%	-13.6%

The recoverable amount of the LimeLife and Melvita CGUs would decrease if the key assumptions were to change individually as follows:

Additional impairment loss due to:	LimeLife	Melvita
100 basis-point decrease in CAGR	€3.3 million	€1.4 million
50 basis-point decrease in the EBITDA % for each year	€4.0 million	€3.8 million
50 basis-point increase in WACC	€6.2 million	€2.9 million
50 basis-point decrease in long-term growth rate	€4.8 million	€2.3 million

For L'Occitane en Provence, the estimated value in use significantly exceeds the carrying amount of goodwill to an extent that no reasonably possible change in any of the key assumptions would eliminate the headroom.

4.2 Depreciation and amortisation periods

The Group's main intangible assets and property, plant and equipment with a definite useful life relate to the stores. Right-of-use assets are depreciated on a straight-line basis in accordance with the accounting policy presented in Note 2.6 and are tested for impairment in accordance with the accounting policy presented in Note 2.7.

4.3 Other financial liabilities

The Group has several put options on non-controlling interests resulting from business combinations and other transactions with non-controlling shareholders. The liabilities resulting from the put options are estimated based on the contractual formula, mainly using EBITDA or EBIT (as estimated based on the plan for the company excluding the effects of IFRS 16) to determine the price. The value is discounted reflecting the current market assessment of the time value and the risk specific to the liabilities.

4.4 Business combinations

The accounting for acquisitions during the year included estimated values for acquired assets and liabilities and, in particular, newly recognised intangible assets. This valuation process was supported by external experts and incorporated assumptions relating to future profit growth rates, EBIT margins and other commercial considerations. Useful economic lives were also estimated for these new assets. Changes to the estimates made, including both adjustments to provisional values and through prospective changes to the useful economic lives of the assets, may result in changes to the amounts reported in the balance sheet and statement of income as a result of the acquisition.

4.5 Income tax

The Group is subject to income tax in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income tax. There are many transactions and calculations for which the ultimate tax assessment is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters differs from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such assessment is made.

4.6 Investments at fair value

The Group measures some financial instruments at their fair value through other comprehensive income. This estimate relates to those classified in level 2 and 3 (Note 3.3).

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4.7 Receivable from the sale of L'Occitane Russia

The Group measures the receivable from the sale of L'Occitane Russia at fair value through profit and loss, based on diffusion models to assess the risk factors and a Monte-Carlo model to determine the fair value (Note 3.3).

5 INFORMATION RELATING TO GROUP STRUCTURE

5.1 For the year ended 31 March 2023

5.1.1 Exit from Russia

On 19 May 2022, the Group decided to exit from its subsidiary L'Occitane Russia. This subsidiary accounted for 3.5% of consolidated net sales for the year to 31 March 2022 and 2.1% of the Group's total assets as at that date. On 3 June 2022, a share purchase agreement was signed between the Group and the four key directors of the subsidiary. Each of the four key directors hold between 23% and 31% of the total shares formerly held by the Group.

Payment for the shares will be made through four instalments between June 2025 and June 2028 (Note 3.3) and is secured by a pledge agreement signed on 3 June 2022. There is a call option exercisable for the Group on 1 April 2025, 2026, 2027, 2028 and 2029. The exercise price is based on the fair value to be determined by an independent expert.

Based on these agreements, the Group no longer has exclusive control of the Russian entity and does not have significant influence. The exit from the Group was completed on 31 May 2022 (the three days between 31 May 2022 and the date of agreements were assessed by management as not material).

Derecognition of the assets and liabilities of L'Occitane Russia

The following assets (including goodwill) and liabilities of L'Occitane Russia were derecognised:

Assets	31 May 2022
<i>In millions of euros</i>	
Property, plant and equipment	2.1
Right-of-use assets	15.9
Goodwill	28.5
Intangible assets	0.6
Deferred income tax assets	2.8
Other non-current assets	1.2
Non-current assets	51.0
Inventories	10.2
Trade receivables	8.1
Other current assets	2.7
Cash and cash equivalents	11.7
Current assets	32.7
Total assets	83.8
Lease liabilities	9.8
Other non-current liabilities	0.2
Non-current liabilities	10.0
Trade payables	15.3
Social and tax liabilities	3.3
Lease liabilities	6.5
Other current liabilities	1.0
Provisions	0.0
Other current liabilities	26.1
Total liabilities	36.1
Net assets	47.6

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The impact on the consolidated financial statements of the two months of activity in April and May is €10.4 million in net sales and €1.2 million in profit.

Loss resulting from the sale of L'Occitane Russia

The capital loss on disposal estimated as at 3 June 2022 amounts to €14.4 million and is composed of (in millions of euros):

Fair value of the receivable after illiquidity discount	44.6
(-) Net assets of the Russian entity as at 3 June 2022	47.6
(-) Net amount of loss on trade receivables and reversal of consolidation entries	(0.6)
Capital loss from the sale of L'Occitane Russia before reclassification of currency translation differences	(3.6)
(-) Reclassification to statement of income of the charge previously recognised in other comprehensive income (currency translation differences)	(10.8)
Capital loss from the sale of L'Occitane Russia	(14.4)

The capital loss is recorded within "Other operating expenses" in the statement of income (see Note 3.3 for details on the fair value of the receivable).

5.1.2 Investment in L'Occitane Middle East

On 1 June 2022, the Group invested an additional amount of €13.5 million in cash in L'Occitane Middle East to develop its activity in Saudi Arabia. The percentage interest remained stable at 51% (Note 10).

5.2 For the year ended 31 March 2022

5.2.1 Acquisition of Sol de Janeiro

On 23 December 2021, the Group acquired 82.86% of Sol de Janeiro for a total consideration of €378.7 million (see also Note 5.3 on put options granted to non-controlling shareholders).

Consideration for the acquisition in millions of euros

The breakdown of the consideration was as follows:

Cash paid	330,877
Ordinary shares issued	-
Contingent consideration	-
Percentage interest	82.86%
Net identifiable assets acquired by the Group	154,799
Provisional goodwill	202,618

As at 31 March 2023, the final goodwill amounted to €203 million.

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Assets acquired and liabilities assumed

ASSETS	Carrying amount - December 31, 2021	Fair value adjustment	Fair value
In thousands of euros			
Property, plant and equipment, net	0.9	-	0.9
Intangible assets, net	1.1	156.7	157.8
Deferred income tax assets	2.7	-	2.7
Other non-current receivables	0.3	-	0.3
Non-current assets	5.0	156.7	161.7
Inventories	20.2	-	20.2
Trade receivables	5.9	-	5.9
Other current assets	6.3	-	6.3
Cash and cash equivalents	8.7	-	8.7
Current assets	41.1	-	41.1
Total assets	46.0	156.7	202.7
LIABILITIES			
In thousands of euros			
Deferred income tax liabilities	-	35.3	35.3
Non-current liabilities	-	35.3	35.3
Trade payables	9.3	-	9.3
Social and tax liabilities	0.4	-	0.4
Other current liabilities	3.0	-	3.0
Current liabilities	12.7	-	12.7
Total liabilities	12.7	35.3	47.9
Net identifiable assets acquired	33.3	121.4	154.8
Deduct: non-controlling interests	(5.7)	(20.8)	(26.5)
Add: goodwill	-	-	202.6
Net assets acquired	27.6	100.6	330.9

The Group recognises non-controlling interests in an acquired entity based on the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Goodwill was attributable to the acquisition's strategic fit for the Group in terms of brand recognition and identity, product quality, management capability, and growth, profitability, and cash generation prospects. The acquisition was in line with the Group's strategy of building a leading portfolio of premium beauty brands.

Purchase price allocation and fair value adjustments

The purchase price allocation led to the measurement of the identifiable assets and liabilities of Sol de Janeiro at fair value as at 31 December 2021.

The fair value adjustments were as follows:

The fair value of the trademark was estimated based on the royalty method with a net royalty rate of 7.7% and a post-tax discount rate of 10.3%, including a positive tax amortisation effect;

Deferred tax liabilities were recognized on the fair value adjustment of the trademark.

As at 31 March 2022, the above fair values had been determined on a provisional basis. The net identifiable assets acquired are based on the net carrying amount of assets and liabilities as at 31 December 2021. As at 31 March 2023, the above fair values are final.

The impact between the acquisition date at 23 December 2021 and the consolidation as from 31 December 2021 was not material.

Contribution to net sales and profit

The acquired business contributed €26.1 million to the Group's net sales and €2.0 million to its profit for the period from 31 December 2021 to 31 March 2022.

If the acquisition had occurred on 1 April 2021, consolidated unaudited pro-forma net sales and profit for the year ended 31 March 2022 would have been €90.5 million and €15.5 million, respectively.

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Acquisition-related costs

Acquisition-related costs amounted to €2.9 million and were recognised as administrative expenses. Acquisition costs comprise insurance costs for €0.5 million, corresponding to the liability guarantee clause covered by the insurer and paid by the Company.

5.2.2 L'Occitane Inc. Chapter 11 proceedings

Context

On 14 January 2021, the Board of Directors approved the decision to file Chapter 11 proceedings with respect to L'Occitane Inc. The case was filed on 26 January 2021 before the bankruptcy court of New Jersey (the "Court"). The aim of proceedings was to facilitate the negotiation of lease arrangements with lessors. The goal was to reach a consensual plan under which general unsecured creditors (mainly lessors) would agree to accept payment of less than the full amount of the liabilities. There was no plan to liquidate the subsidiary.

The Group owned 100% of L'Occitane Inc. However, based on the legal restrictions applicable to Chapter 11 proceedings, the operational activities of L'Occitane Inc. were managed through motions that must be validated by the Court. Motions granted by the Court to L'Occitane Inc. to operate the business could have been overturned by the same Court. The Group no longer controlled the relevant activities. Consequently, the exclusive control of L'Occitane Inc. was lost as soon as bankruptcy proceedings were filed. L'Occitane Inc. was deconsolidated at the date the proceedings were filed with the Court (26 January 2021). Subsequent to the derecognition of the assets and liabilities of L'Occitane Inc., the Group's investment in L'Occitane Inc. was recorded using the equity method.

As of 31 August 2021, the Chapter 11 proceedings were closed by the Court and this date was considered as the effective date for the reconsolidation of L'Occitane Inc., since the Court had no control of L'Occitane Inc. At this date, the L'Occitane Group therefore regained exclusive control of the subsidiary, which was reconsolidated in its consolidated financial statements.

In the consolidated financial statements, the impact of the operations of L'Occitane Inc. was presented as follows:

As an investment accounted for using the equity method from 1 April 2021 to 31 August 2021: the net loss in the consolidated statement of income amounts to €8.9 million and was presented within "Share of profit/(loss) from associates and joint ventures accounted for using the equity method" (Note 10);

As a fully consolidated subsidiary for the month from September 2021. Net sales and net profit for the period from September 2021 to March 2022 amounted to €89.7 million and €2.5 million, respectively.

Fair value of the Group's investment in L'Occitane Inc.

As at 31 August 2021, the Group remeasured the fair value of L'Occitane Inc. at €0 million, including a creditor current account with the Group for €19,942,000 considered as part of net debt.

The key underlying assumptions for the zero fair value estimate of L'Occitane Inc. were as follows:

The enterprise value was estimated in a range of \$40.0 million – \$44.9 million based on the discounted cash flow (DCF) method (50%) and the public companies multiples method (50%);

Under the DCF method, the annual growth rate (CAGR) and the EBIT margin were estimated at 2% and 2.5%, respectively. The WACC used was 9.5 %. The terminal value takes into account a long-term growth rate of 2% in line with the inflation forecast data for the United States;

For the public companies multiples method, the revenue multiple applicable was estimated in a range of 0.23x – 0.27x, while the EBIT multiple applicable was estimated in a range of 10.6x – 11.6x;

Net debt was deducted from the enterprise value in an amount of \$42.3 million to take into account the intercompany loan, cash, the normalisation of the net working capital and the cash-outs related to the finalisation of Chapter 11 proceedings (accounts payable to landlords, rejected part of accounts payable to landlords and professional fees).

Reconsolidation of the assets acquired and liabilities assumed of L'Occitane Inc.

The fair value of the investment in L'Occitane Inc. amounting to €0 million was considered as the acquisition price.

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As at 31 August 2021, the following assets and liabilities of L'Occitane Inc. were recognized as a result of the reconsolidation:

ASSETS In thousands of euros	Carrying amount - 31 August 2021	Fair value adjustment	Provisional fair value
Property, plant and equipment, net	12.3	-	12.3
Intangible assets, net	0.3	-	0.3
Right-of-use assets	55.3	-	55.3
Deferred income tax assets	14.1	-	14.1
Other non-current receivables	0.6	-	0.6
Non-current assets	82.5	-	82.5
Inventories	16.1	-	16.1
Trade receivables	5.9	-	5.9
Current income taxes	0.9	-	0.9
Other current assets	3.8	-	3.8
Cash and cash equivalents	20.9	-	20.9
Current assets	47.5	-	47.5
Total assets	130.1	-	130.1
LIABILITIES			
in thousands of euros			
-			
Borrowings	-	-	-
Lease liabilities	45.0	-	45.0
Other non-current liabilities	0.3	-	0.3
Non-current liabilities	45.3	-	45.3
Trade payables	50.3	-	50.3
Social and tax liabilities	3.4	-	3.4
Borrowings	19.9	-	19.9
Lease liabilities	12.6	-	12.6
Other current liabilities	3.7	-	3.7
Provisions	0.1	-	0.1
Current liabilities	90.1	-	90.1
Total liabilities	135.4	-	135.4
Net assets acquired/(liabilities assumed)	(5.3)	-	(5.3)
Non-controlling interests	1.3	-	1.3
Fair value of L'Occitane goodwill	6.6	-	6.6

Purchase price allocation and fair value adjustments

During the purchase price allocation process, the identifiable assets and liabilities of L'Occitane Inc. were measured at fair value as at 31 August 2021.

The bases for fair value adjustments were as follows:

- L'Occitane Inc. did not own any trademarks;
- Customer relationships (Wholesale & other channel): given that there were no long-term exclusive distribution agreements, the fair value of customer relationships is not deemed to be material;
- Right-of-use assets were measured at an amount equal to the recognised liability. Due to the renegotiation of the lease terms with the landlords during the Chapter 11 proceedings, the new lease terms reflected the market terms and no fair value adjustment was necessary;
- Deferred tax assets were recognised based on the tax planning, taking into account the Group's transfer pricing policy;
- The lease liability was measured in accordance with IFRS 16 and recognised as if lease contracts were new leases as at 31 August 2021.

Goodwill resulting from this business combination was attributable to future synergies, mainly thanks to the acquisition of a reorganised stores network with renegotiated lease arrangements.

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There was no deductible goodwill for tax purposes.

5.2.3 Acquisition of 14 Groupe Sarl

On 23 July 2021, the Group acquired 100% of 14 Groupe Sarl., which in turn holds 65% equity interest and voting rights in Grown Alchemist Holdings Pty Ltd. The consideration of the acquisition is € 10.2 million (see also Note 5.3 for put options granted to the minority shareholders).

The breakdown of the consideration was as follows:

Cash paid	10,192
Ordinary shares issued	-
Contingent consideration	-
Percentage of interests	65.00%
Net identifiable assets acquired by the Group	5,914
Provisional goodwill	6,348

As at 31 March 2023, the final goodwill amounted to €6.3 million.

On September 2021, the Group sold 49,72% of its interests in 14 Groupe Sarl. for a total consideration of € 5.1 million. As of 31 March 2022, the Group hold 50,28% of the equity interest (representing 77,79% of the voting rights).

There are put options with non-controlling interests both for Grown Alchemist Holdings Pty Ltd and 14 Groupe Sarl. described in note 5.3.

5.2.4 Investment in Carbios

On 10 May 2021, the Group acquired shares in Carbios S.A., specialising in plastic and packaging product recycling, for an initial amount of €10,000,000. The shares acquired represent less than 3% of the total share capital (Note 3.3).

5.2.5 Investment in L'Occitane Middle East

On 1 October 2021, the Group invested an additional amount of €4,924,138 in L'Occitane Middle East to develop its activity in Dubai. The percentage interest remained stable at 51%.

5.2.6 Acquisition of a non-controlling interest in Elemis

On 28 March 2022, the Group repurchased 926 Elemis shares (corresponding to 7.72% of the total issued share capital of LOI Elemis Sarl) for a purchase price of €76.6 million from Chasselas Equity S.A. These shares were sold to Chasselas Equity S.A on 6 March 2019. Following this acquisition, the Group's percentage interest increased from 90.9% to 98.62%.

The Group recognised a decrease in non-controlling interests and a decrease in equity attributable to owners of the Group. The effect of this acquisition can be summarized as follows:

In thousands of euros	31 March 2022
Carrying amount of non-controlling interests acquired	68,878
Consideration paid to non-controlling interests	76,579
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity (attributable to owners of the Company)	(7 701)

5.2.7 New non-controlling interest in Symbiose France

On 16 December 2021, the general manager of Symbiose France acquired 2.21% (corresponding to 31 shares) of Symbiose France for a purchase price of €1 million. The percentage interest decreased from 100% to 97.79%.

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The Group recognised an increase in non-controlling interests and an increase in equity attributable to owners of the Group. The effect of this acquisition can be summarized as follows:

In thousands of euros	31 March 2022
Carrying amount of non-controlling interests sold	147
Consideration received from non-controlling interests	1,000
Excess of consideration received recognised in the transactions with non-controlling interests reserve within equity (attributable to owners of the Company)	853

A put option was granted to the non-controlling shareholder and general manager of Symbiose France in an amount of €4,071,000 as at 31 March 2022. The put option can be exercised in 2025.

5.3 Other financial liabilities

Changes in other financial liabilities

Other financial liabilities correspond mainly to put option arrangements. The following put options have been granted by the Group to non-controlling interests:

In thousands of euros	% non-controlling shareholders with put options	31 March 2022	Excess of consideration in transactions with non-controlling interests				31 March 2023
			New put options	Change in the valuation of the exercise price of the put options granted to non-controlling interests			
				Change in estimates in the valuation of the exercise price	Unwinding of discount	Exchange differences	
Put on Sol de Janeiro non-controlling interests	17.30%	150,463	-	127,365	1,505	5,805	285,138
Put on 14 Groupe SA non-controlling interests	59.76%	27,900	-	(3,023)	783	(2,270)	23,400
Put on Grown Alchemist non-controlling interests	35.90%	17,632	-	(5,832)	210	(974)	10,036
Put on Elemis non-controlling interests	1.40%	15,435	-	(1,775)	111	-	13,771
Put on Symbiose France non-controlling interests	2.20%	4,071	-	225	61	-	4,357
Put on L'Occitane GmbH non-controlling interests	30%	1,896	-	-	52	-	1,948
Total other financial liabilities		217,397	-	116,960	2,732	2,661	338,660

The Group records all changes related to (i) changes in estimates, (ii) exchange differences and (iii) unwinding of discounts in equity within "Excess of consideration in transactions with non-controlling interests".

Inputs used by management to determine the present value of the put options

The following table summarises quantitative information about significant unobservable inputs used in the measurement of the present value of the redemption amount of the main put options granted to non-controlling interests:

in thousands of euros	Present value of the redemption amount		Unobservable Inputs	Range of Inputs			Relationship of unobservable inputs to present value of redemption amount
	31 March 2022	31 March 2023		31 March 2022	March 2022	31 March 2023	
Put on Sol de Janeiro non-controlling interests	150,463	285,138	Annual EBIT growth rate	17% / 27%	15% / 19%		Increasing the annual EBIT growth rate by 100 basis points would increase the present value by €2,851,000. Decreasing the annual EBIT growth rate by 100 basis the points would decrease the present value by €2,851,000.
			Compound annual growth rate ("CAGR")	27%	19%		
			Average % EBIT over the plan	22%	20%		
Put on Elemis non-controlling interests	15,435	13,771	Annual EBIT growth rate	Same observable inputs as the ones used in the Elemis business and disclosed in note 4.1			Increasing the annual EBIT growth rate by 100 basis points would increase the present value by €138,000. Decreasing the annual EBIT growth rate by 100 basis the points would decrease the present value by €138,000.
			Compound annual growth rate ("CAGR")				
EBIT FY24							

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			Annual EBIT growth rate	17 / 27%	-8% / 26%	
Put on Symbiose non-controlling interests	4,071	4,357	Compound annual growth rate ("CAGR")	9%	9%	Increasing the annual EBIT growth rate by 100 basis points would increase the present value by €19,000. Decreasing the annual EBIT growth rate by 100 basis the points would decrease the present value by €19,000.
			Average % EBIT over the plan	18%	20%	
			Annual EBIT growth rate	3% / 5%	1% / 5%	
Put on L'Occitane GmbH non-controlling interests	1,896	1,948	Compound annual growth rate ("CAGR")	3%	2%	Increasing the annual EBIT growth rate by 100 basis points would increase the present value by €19,000. Decreasing the annual EBIT growth rate by 100 basis the points would decrease the present value by €19,000.
			Average % EBIT over the plan	26%	26%	
			Annual EBIT growth rate	3% / 5%	1% / 5%	

in thousands of euros	Present value of the redemption amount		Unobservable inputs	Range of inputs		Relationship of unobservable inputs to present value of redemption amount
	31 March 2022	31 March 2023		31 March 2022	31 March 2023	
Put option arrangement in 14 Groupe S.A non-controlling interests		23,400	Annual EBITDA growth rate	-	27% / 33%	Increasing the discount rate by 100 basis points and decreasing the annual EBITDA growth rate by 100 basis points would decrease the present value by €683,000. Decreasing the discount rate by 100 basis points and increasing the annual EBITDA growth rate by 100 basis points would increase the present value by €718,000.
			Compound annual growth rate ("CAGR")	-	15%	
			Average % EBITDA over the plan	-	20%	

Put option arrangement in Grown Alchemist Holdings Pty Ltd non-controlling interests

At the acquisition date, a put option was granted to the non-controlling shareholders of Grown Alchemist Holdings Pty Ltd for an amount of €17.6m.
On May 4, 2023, the Board approved the acquisition of the shares held by the non-controlling shareholders for an amount of €10m.
As at March 31, 2023, the fair value of the put option corresponds to the purchase price for the shares.

Other considerations regarding the put options

Assumptions	Approach used to determine values
Discount rate	Reflect current market assessments of the time value and the risk specific to the liability.
Timing	Management assumed exercise of the put option as from the beginning of the exercisable period: Put on Sol de Janeiro: exercise windows between 2025 and 2027 Put on Elemis: from April 1st, 2024 Put on Symbiose: exercise windows between 2024 and 2037 Put on L'Occitane GmbH: from March 1st, 2027 Put on 14 Group S.A.: exercise windows between 2025 and 2027
Annual EBITDA growth factor	The EBITDA is defined as follows: operating profit before depreciation, amortisation and impairment. Estimated based on the plan for the company excluding the effects of IFRS 16
Annual EBIT growth factor	The EBIT corresponds to the operating profit. Estimated based on the plan for the company excluding the effects of IFRS 16

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Put option arrangement in Sol de Janeiro	The put option granted to Sol de Janeiro non-controlling interests can be exercised at different periods at an exercise price based on an EBIT multiple (between 20x and 17x). Under certain circumstances of departure of the non-controlling shareholder, the multiple is decreased to a minimum of 17x. This contingent consideration arrangement in which the payment is decreased if employment terminates for specific reasons corresponds to remuneration for post-combination services recorded as a social liability and recognised as remuneration expense over the 3-year vesting period (Note 24).
Put option arrangement in 14 Groupe S.A.	The put option granted to 14 Groupe S.A non-controlling interests can be exercised in FY 2027 at an exercise price based on an EBITDA multiple. The EBITDA multiple increases in line with the increase in EBITDA (from 10x to 17x).

6 PROPERTY, PLANT AND EQUIPMENT

6.1 Year ended 31 March 2023

As at 31 March 2023, property, plant and equipment can be analysed as follows:

<i>In thousands of euros</i>	Land	Buildings	Machinery and equipment	Other PP&E	Leasehold and improvements related to stores	Other PP&E related to stores	PP&E in progress	Total
Cost as at 31 March 2022	3,623	76,647	71,114	114,091	136,815	35,208	14,983	462,481
Additions	-	4	4,252	13,541	19,576	3,241	45,968	86,582
Disposals	-	(332)	(1,720)	(6,484)	(12,112)	(3,263)	(798)	(24,709)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
Deconsolidation of L'Occitane Russia	-	-	-	(2,522)	(3,438)	(3,231)	(87)	(9,278)
Other movements	-	18	4,560	1,284	6,968	2,914	(3,118)	12,626
Exchange differences	(43)	(200)	(158)	(573)	(3,673)	(224)	19	(4,852)
Cost as at 31 March 2023	3,680	76,137	78,048	119,337	144,136	34,645	66,967	512,850
Accum. deprec. as at 31 March 2022	(3)	(39,194)	(51,370)	(92,853)	(93,781)	(27,856)	-	(306,057)
Depreciation	-	(4,214)	(6,289)	(14,731)	(15,852)	(3,182)	-	(44,268)
Reversal of impairment loss	-	-	-	-	918	-	-	918
Disposals	-	262	1,721	6,137	10,886	3,217	-	22,223
Deconsolidation of L'Occitane Russia	-	-	-	1,547	2,990	2,664	-	7,201
Other movements	-	-	(3,536)	(351)	(6,081)	(2,556)	-	(12,524)
Exchange differences	-	31	73	604	2,809	173	-	3,690
Accum. deprec. as at 31 March 2023	(3)	(43,116)	(58,401)	(98,647)	(98,111)	(27,640)	-	(327,817)
Net carrying amount as at 31 March 2023	3,677	33,022	19,647	20,690	46,025	7,105	66,967	186,033

Additions of the period mainly relate to the whole refurbishment of Le Cloître for €42,913,000 and to 87 store openings and refurbishments for €19,576,000.

Disposals of the period mainly relate to 106 store closures.

Excluding non-cash items, total cash additions amount to €89,814,000.

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6.2 Year ended 31 March 2022

As at 31 March 2022, property, plant and equipment can be analysed as follows:

<i>In thousands of euros</i>	Land	Buildings	Machinery and equipment	Other PP& E	Leasehold and improvements related to stores	Other PP&E related to stores	PP&E in progress	Total
Cost as at 31 March 2021	3,393	74,790	68,180	109,977	127,170	32,963	6,428	421,899
Additions	35	41	2,737	8,184	13,295	2,982	12,929	40,203
Disposals	-	-	(1,657)	(8,390)	(17,734)	(5,097)	(124)	(33,002)
Acquisition of subsidiaries	-	-	831	3,266	7,413	2,704	-	14,214
Other movements	-	722	574	(1,757)	3,172	456	(3,353)	(186)
Exchange differences	195	1,094	449	2,811	3,499	1,200	105	9,353
Cost as at 31 March 2022	3,623	76,647	71,114	114,091	136,816	35,208	14,983	452,481
Accum. depreciation as at 31 March 2021	(9)	(34,945)	(44,993)	(84,272)	(89,829)	(26,573)	-	(280,616)
Depreciation	-	(4,129)	(6,516)	(13,434)	(16,483)	(5,414)	-	(45,976)
Impairment loss	-	-	-	-	(3,784)	-	-	(3,784)
Reversal of impairment loss	-	-	-	41	1,144	-	-	1,185
Disposals	-	-	341	7,351	16,999	4,965	-	29,656
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
Other movements	-	-	(6)	(1,280)	1,052	(4)	-	(238)
Exchange differences	-	(120)	(196)	(1,259)	(2,880)	(830)	-	(5,285)
Accum. deprecia. as at 31 March 2022	(2)	(39,194)	(51,370)	(92,853)	(93,781)	(27,866)	-	(306,067)
Net carrying amount as at 31 March 2022	3,820	37,453	19,744	21,238	43,034	7,362	14,983	147,424

Additions of the period mainly relate to 80 store openings and refurbishments for €13,295,000.

Disposals of the period mainly relate to 110 store closures.
Excluding non-cash items, total cash additions amount to €31,726,000.

6.3 Classification of PP&E depreciation in the statement of income

Depreciation of the Group's property, plant and equipment was charged to the consolidated statement of income as follows:

31 March <i>In thousands of euros</i>	2023	2022
Cost of sales	9,250	10,189
Distribution expenses	28,390	29,575
Marketing expenses	118	114
Research and development expenses	583	890
General and administrative expenses	5,927	5,208
Depreciation expense	44,268	45,976

6.4 Impairment tests of property, plant and equipment

31 March <i>In thousands of euros</i>	2023	2022
Accumulated impairment provision as of the beginning of the year	(6,428)	(3,650)
Impairment provision	-	(3,784)
Reversal of impairment loss (used)	918	125
Reversal of impairment loss (unused)	-	1,060
Acquisition of subsidiaries	-	(154)
Exchange differences	-	(25)
Accumulated impairment provision as at 31 March	(5,510)	(6,428)

Property, plant and equipment are allocated to the Group's cash-generating units (CGUs) and are tested for impairment as described in Note 2.5.

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An impairment loss amounting to €3,784,000 as at 31 March 2022 was recorded within "cost of sales" and "distribution expenses" to adjust the carrying amount of fixed assets related to the stores.

The reversal of used impairment provisions corresponds to stores that are closed.

7 LEASES

This note provides information on leases where the Group is a lessee.

7.1 Right-of-use assets

Amounts recognised in the consolidated balance sheet
Changes in right-of-use assets can be analysed as follows:

<i>In thousands of euros</i>	Stores	Offices	Other	Total
Net book value as at 31 March 2022	199,975	46,201	18,758	264,934
Additions	104,593	17,976	16,958	139,527
Charge in estimated lease term	(14,982)	(1,310)	(372)	(16,664)
Depreciation (Note 23.3)	(80,176)	(13,292)	(7,044)	(100,512)
Sale of L'Occitane Russia (Note 5.1)	(12,812)	(2,398)	(665)	(15,875)
Impairment loss net of reversals (note 23.3)	(418)	-	-	(418)
Reclassification	179	(22)	20	177
Exchange differences	220	541	(274)	487
Net book value as at 31 March 2023	196,579	47,696	27,381	271,656

During the year ended 31 March 2023, additions mainly relate to new stores (€12,521,000) and other effects such as the extension or renewal of contracts or new offices (€113,534,000).

During the financial year ended 31 March 2022, the Group reassessed the lease term of the store on the Champs-Élysées, Paris, France as a shorter period until the next exit option in July 2023. This resulted in a decrease in the net carrying amount of the right-of-use assets and of lease liabilities. On 19 December 2022, an agreement was reached in which the Group waives its right to the exit option in July 2023 and is eligible for a rent-free period of 8 months in an amount of €3.1 million from 1 April 2023. The contract and the lease term are then extended until July 2026 which resulted in an increase in the net carrying amount of the right-of-use assets and of lease liabilities by €10.7 million.

The key money for the flagship store on the Champs-Élysées is pledged for an amount of €15,599,273 as security for the 2019 Long-Term Loan.

Amounts recognized in the consolidated statement of income
The consolidated statement of income shows the following amounts relating to leases:

31 March 2023	Stores	Offices	Other	Total
<i>In thousands of euros</i>				
Distribution expenses	(80,176)	-	-	(80,176)
General and administrative expenses	-	(13,292)	(7,044)	(20,336)
Depreciation expense	(80,176)	(13,292)	(7,044)	(100,512)
31 March 2022				
<i>In thousands of euros</i>				
Distribution expenses	(73,524)	-	-	(73,524)
General and administrative expenses	-	(16,868)	(5,723)	(22,591)
Depreciation expenses	(73,524)	(16,868)	(5,723)	(96,115)

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Impairment tests for right-of-use assets

31 March 2023	2023	2022
<i>In thousands of euros</i>		
Accumulated impairment as of the beginning of year	(27,561)	(9,792)
Impairment loss	(4,064)	(19,923)
Reversal of impairment loss (used)	3,646	2,155
Exchange differences	143	(1)
Accumulated impairment provision as at March	(27,836)	(27,561)

Right-of-use assets are allocated to the Group's cash-generating units (CGUs) and are tested for impairment as described in Note 2.6. Note 4.1 describes the key assumptions used for the value-in-use calculations.

An impairment loss amounting to €4,064,000 as at 31 March 2023 was recorded within "Distribution expenses" to adjust the carrying amount of certain right-of-use assets related to stores.

The reversal of used impairment provisions corresponds to stores that are closed.

7.2 Lease liabilities

Amounts recognised in the consolidated balance sheet
Maturities of lease liabilities can be analysed as follows:

<i>In thousands of euros</i>	2023	2022
Within 1 year	82,393	93,722
Between 1 and 2 years	66,993	65,812
Between 2 and 5 years	92,925	88,800
Over 5 years	33,391	25,898
Period ended 31 March	275,702	274,232
Total current portion	82,393	93,722
Total non-current portion	193,309	180,510

The total cash outflow for leases for the year ended 31 March 2023 was €113,553,000.

Amounts recognised in the consolidated statement of income
The consolidated statement of income shows the following amounts relating to leases:

<i>In thousands of euros</i>	31 March 2023	31 March 2022
Interest expense (included in finance costs)	7,609	8,861
Expense related to short-term leases (included in distribution expenses)	4,021	5,956
Expense related to leases of low-value assets that are not shown above as short-term leases (included in cost of sales and administrative expenses)	3	8
Expense related to variable lease payments not included in lease liabilities (included in distribution expenses)	67,155	74,119
Total	78,788	88,944

The variable lease payments are mainly linked to sales generated from stores.

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8 GOODWILL

Goodwill is monitored by management at the level of the trademarks (Note 2.7).

8.1 Change in goodwill and breakdown

Change in goodwill can be analysed as follows:

In thousands of euros	31 March 2021	Additions	Reconsolidation of L'Occitane France	Exchange differences	31 March 2022	Additions	Sale of L'Occitane Russia	Impairment loss	Exchange differences & Other	31 March 2023
Elemis	524,501			13,355	537,656				(7,263)	530,393
Sol de Janeiro		202,619		6,260	208,878				4,593	213,471
Limelife	113,392			6,362	119,754				2,484	122,238
L'Occitane (a)										
of which Russia	24,776			(695)	24,081		(28,492)		4,430	
Japan	19,579			(779)	19,200				(1,283)	17,917
Malaysia	9,201			386	9,587				(264)	9,323
Norway	5,016			147	5,163				(762)	4,401
United States			6,620	372	6,992				145	7,137
Other countries	20,863			1,000	21,863				(405)	21,458
Melvita	35,931			-	35,931					35,931
Erborian	2,384			-	2,384					2,384
Grown Alchemist	-	6,348		-	6,348					6,348
Other (Les Minimes S.A.S.)	4,990			-	4,990					4,990
Total year	760,833	208,966	6,620	26,408	1,004,827		(28,492)		3,881	875,727
Accumulated impairment loss	(1,000)				(1,000)			(75,364)	2,129	174,235
Net carrying amount	759,833	208,966	6,620	26,408	1,003,827		(28,492)	(75,364)	3,820	861,462

Goodwill related to L'Occitane en Provence results from past acquisitions of exclusive distributors in the above-mentioned countries.

Impairment loss is related to the goodwill of Melvita for €22.8m and Limelife for €52.5m.

8.2 Goodwill impairment testing

The key assumptions and sensitivity analysis are disclosed in Note 4.1.

9 INTANGIBLE ASSETS

9.1 Year ended 31 March 2023

Intangible assets include:

Acquired trademarks with indefinite useful lives;

Internally used software, including enterprise resource planning (ERP) systems, point-of-sale systems, etc.

Changes in intangible assets can be analysed as follows:

In thousands of euros	Websites	Trademarks	Software	Contractual customer relationships	Intangible assets progress	Other intangible assets	Total
Cost as at 31 March 2022	819	435,073	76,727	34,567	5,675	25,748	578,610
Additions	578	60	2,403	-	3,150	2,659	8,850
Disposals	(69)	(149)	(1,437)	-	(322)	(438)	(2,415)
Acquisition of subsidiaries		-	-	-	-	-	-
Deconsolidation of L'Occitane Russia	(229)	-	(587)	-	-	(1)	(817)
Other movements	1,546	-	(550)	-	(5,328)	4,120	(212)
Exchange differences	(50)	8,699	(71)	621	(17)	(27)	9,155
Cost as at 31 March 2023	1,695	443,683	75,485	35,188	3,158	22,061	593,171
Accumulated amortisation and impairment at 31 March 2022	(348)	-	(64,054)	(12,183)	-	(14,287)	(90,872)
Amortisation	(831)	-	(6,035)	(3,402)	-	(3,770)	(14,038)
Disposals	37	-	1,224	-	-	444	1,705
Deconsolidation of L'Occitane Russia	41	-	215	-	-	1	257
Other movements	(739)	-	788	-	-	(35)	14
Exchange differences	68	-	32	(18)	-	36	118
Accumulated amortisation and impairment as at 31 March 2023	(1,772)	-	(67,830)	(15,603)	-	(17,611)	(102,816)
Net carrying amount as at 31 March 2023	823	443,683	8,655	19,585	3,158	14,450	490,355

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Additions mainly concerned:

Assets in progress for €3,150,000 related mainly to software (excluding SaaS costs);

Software for an amount of €2,403,000.

9.2 Year ended 31 March 2022

Intangible assets include:

Acquired trademarks with indefinite useful lives (Sol de Janeiro, Elemis, Melvita);

Internally used software, including enterprise resource planning (ERP) systems, point-of-sale systems, etc.

Changes in intangible assets can be analysed as follows:

<i>In thousands of euros</i>	Websites	Trademarks	Software	Contractual customer relationship ships	Intangible assets progress	Other intangible assets	Total
Cost as at 31 March 2021	56	259,196	73,042	33,191	6,102	24,206	395,794
Additions	141	27	3,858	-	4,495	275	8,796
Disposals	(446)	(637)	(3,661)	(334)	(1)	(507)	(5,586)
Acquisition of subsidiaries	-	157,949	55	-	106	190	158,300
Other movements	1,069	-	2,684	-	(5,076)	1,539	216
Exchange differences	(1)	18,538	749	1,710	49	45	21,090
Cost as at 31 March 2022	819	435,073	76,727	34,667	6,676	26,748	678,610
Accumulated amortisation and impairment at 31 March 2021	(7)	(624)	(59,052)	(8,586)	-	(11,165)	(79,434)
Amortisation	(183)	-	(8,731)	(3,478)	-	(3,337)	(15,729)
Disposals	446	624	3,476	334	-	235	5,115
Other movements	(603)	-	699	-	-	-	96
Exchange differences	(1)	-	(446)	(453)	-	(20)	(920)
Accumulated amortisation and impairment as at 31 March 2022	(348)	-	(64,054)	(12,183)	-	(14,287)	(90,872)
Net carrying amount as at 31 March 2022	471	435,073	12,673	22,384	6,676	11,461	487,738

Additions mainly concerned:

Assets in progress for €4,495,000 related mainly to software (excluding SaaS costs);

Software for an amount of €3,858,000.

9.3 Classification of the amortisation of intangible assets in the consolidated statement of income

Intangible asset amortisation was charged to the statement of income as follows:

31 March	2023	2022
<i>In thousands of euros</i>		
Cost of sales	13	12
Distribution expenses	4,381	4,775
Marketing expenses	15	288
General and administrative expenses	9,629	10,654
Amortisation expense	14,038	15,729

9.4 Impairment tests of intangible assets

Intangible assets with an indefinite useful life are allocated to the Group's cash-generating units (CGUs) as described in Note 2.4 and tested for impairment. Note 4.1 describes the key assumptions used for the value-in-use calculations.

31 March	2023	2022
<i>In thousands of euros</i>		
Accumulated impairment provision as at the beginning of the year	(60)	(60)
Accumulated impairment provision as at 31 March	(60)	(60)

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10 ASSOCIATES AND JOINT VENTURES

The Group has 51% interest in "L'Occitane Middle East", 26% in CAPSUM and 15.53% in Good Glamm Group.

10.1 Interests in associates and joint ventures

The amounts disclosed for interests in associates and joint ventures are as follows:

<i>In thousands of euros</i>					Share of profit / (loss)	Carrying amount
Name of entity	Place of business	% of ownership interest	Nature of relationship	Measurement method	FY23	FY23
Good Glamm Group	India	15.53%	Associate	Equity method	(9,419)	16,839
L'Occitane Middle East	Middle East	51%	Joint Venture	Equity method	(7,024)	22,760
CAPSUM	Europe/USA	26%	Associate	Equity method	(147)	26,525
Total Investments in associates and joint ventures					(16,590)	66,124

Changes in the carrying amount of equity-accounted investments are as follows:

	Good Glamm Group	L'Occitane Middle East	Capsum	TOTAL
31 March 2022	24,677	15,890	26,672	67,239
Increase in capital	-	13,456	-	13,456
Capital gain arising from the change in the % interest in associates and joint ventures (Note 24)	1,700	-	-	1,700
Profit/(loss) for the period	(9,419)	(7,024)	(147)	(16,590)
Currency translation effects	(1,038)	438	-	(600)
Other	919	-	-	919
31 March 2023	16,839	22,760	26,525	66,124

10.2 Summary balance sheet for associates and joint ventures

<i>In thousand of euros</i>	Good Glamm Group 31 March 2023	L'Occitane Middle East 31 March 2023	Capsum 31 March 2023
Current assets			
Cash and cash equivalents	16,150	4,860	775
Other current assets	78,290	28,812	22,831
Total current assets	94,440	33,672	23,606
Non-current assets	82,650	22,441	48,036
Current liabilities	(56,870)	(25,777)	(30,271)
Non-current liabilities	(12,020)	(24,225)	(15,824)
Net assets	108,200	6,111	25,547

<i>In thousands of euros</i>	Good Glamm Group 31 March 2023	L'Occitane Middle East 31 March 2023	CAPSUM 31 March 2023
Reconciliation of carrying amounts			
Net assets	108,200	6,111	25,547
Group's share in %	15.53%	51%	26%
Group's share in thousands of euros	16,803	3,117	6,642
Notional goodwill	36	19,643	19,883
Carrying amount	16,839	22,760	26,525

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10.3 Summary statement of comprehensive income for associates and joint ventures

31 March 2023 <i>In thousands of euros</i>	Good Glamm Group	L'Occitane Middle East	CAPSUM
Net sales	77,070	47,180	46,421
Cost of sales	(28,920)	(17,496)	(35,483)
Gross profit	48,150	29,684	10,938
Distribution expenses	-	(17,293)	(3,330)
Marketing expenses	-	(6,733)	-
General and administrative expenses	(98,680)	(10,107)	(7,115)
Other gains/(losses), net	(900)	-	31
Other financial interest	(5,440)	(759)	(192)
Income tax expense	-	-	(899)
Profit/(loss) for the period	(56,870)	(5,208)	(567)
Other comprehensive income	-	-	-
Total comprehensive income	(56,870)	(5,208)	(567)

The statement of income of Good Glamm Group is presented by nature. Accordingly, all operating expenses were classified in only one line of the above income statement.

10.4 Commitments and contingent liabilities in respect of associates and joint ventures

There are no commitments to provide funding for joint ventures or associates and no contingent liabilities (contingent liabilities incurred jointly with other investors or liabilities for which the Group is severally liable).

11 INTERESTS IN OTHER ENTITIES

The summary financial information for each subsidiary that has non-controlling interests (NCI) material to the Group is set out below.

The materiality of non-controlling interests was determined based on a mix of quantitative and qualitative factors, notably the percentage of the subsidiary's contribution in the Group's consolidated financial statements, the amount of the non-controlling interests at year-end, and the importance of the subsidiary to the Group's strategy.

The amounts disclosed for each subsidiary are before inter-company eliminations.

Summary balance sheet

<i>In thousands of euros</i>	31 March 2023				31 March 2022			
	LimeLife	ELEMIS	Sol de Janeiro	Grown Alchemist	LimeLife	ELEMIS	Sol de Janeiro	Grown Alchemist
Current assets	32,605	230,682	126,899	12,128	42,237	198,468	385,597	9,305
Current liabilities	53,997	42,246	44,943	12,762	50,168	51,380	354,910	2,796
Net current assets / (liabilities)	(21,392)	188,436	81,956	(634)	(7,931)	147,088	30,687	6,509
Non-current assets	88,602	832,762	387,117	1,333	131,604	841,968	379,515	7,676
Non-current liabilities	9,048	53,729	37,097	36	7,228	54,725	39,367	2,697
Net non-current assets / (liabilities)	79,554	779,033	350,020	1,297	124,376	787,243	340,148	4,979
Net assets / (liabilities)	58,162	967,469	431,976	663	116,445	934,331	370,835	11,488
% interest owned by the Group	58.0%	98.6%	82.8%	32.0%	58.0%	98.6%	82.8%	32.7%
Accumulated non-controlling interests	72	13,101	37,310	450	3,433	12,371	28,307	1,799

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Summary statement of comprehensive income

<i>In thousands of euros</i>	31 March 2023				31 March 2022			
	LimeLife	ELEMIS	Sol de Janeiro	Grown Alchemist	LimeLife	ELEMIS	Sol de Janeiro	Grown Alchemist
Net sales	55,295	225,097	268,225	1,503	71,103	206,860	25,487	5,241
Profit / (loss) for the year	(63,237)	41,607	51,156	(4,344)	(7,372)	44,988	1,964	(1,279)
Other comprehensive income/(expense)	5,196	(8,468)	1,467	(149)	6,797	28,184	11,109	-
Total comprehensive income/(expense)	(58,041)	33,139	52,623	(4,493)	(675)	73,172	13,073	(1,279)

Other comprehensive income is mainly related to currency translation adjustments on goodwill, trademarks and intangible assets.

Other comprehensive income for LimeLife mainly relates to currency translation adjustments on goodwill.

Summary statement of cash flows

<i>In thousands of euros</i>	31 March 2023				31 March 2022			
	LimeLife	ELEMIS	Sol de Janeiro	Grown Alchemist	LimeLife	ELEMIS	Sol de Janeiro	Grown Alchemist
Cash flows from operating activities	(9,994)	28,178	30,853	(11,738)	(13,747)	10,769	(3)	(2,101)
Cash flows from investing activities	(1,152)	(4,875)	(2,228)	(341)	(368)	(7,993)	8,017	(206)
Cash flows from financing activities	5,271	(28,504)	(37,269)	10,701	18,261	(5,027)	3,285	3,781
Net increase/(decrease) in cash and cash equivalents	(5,875)	(5,201)	(8,644)	(1,378)	4,146	(2,251)	11,299	1,484

12 OTHER NON-CURRENT ASSETS

Other non-current assets can be analysed as follows:

31 March		
<i>In thousands of euros</i>	2023	2022
Deposits	23,227	24,800
Equity investments at fair value through other comprehensive income (FVOCI) (Note 3.3)	37,880	33,117
Loan to Pierre Hermé SAS	22,063	22,063
Investment held at fair value through profit or loss (FVPL)	11,099	9,605
Fair value of the receivable from the sale of L'Occitane Russia (Note 3.3)	8,645	-
Tax receivables	5,575	7,315
Loan to Circle Trust	2,619	2,765
Loan to Erborian management	1,016	1,001
Loan to Elemis management	6,069	5,874
Other	1,913	2,497
Financial assets	-	121
Other non-current assets	120,106	109,158

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13 INVENTORIES

Inventories can be analysed as follows:

31 March <i>In thousands of euros</i>	2023	2022
Raw materials and supplies	55,213	37,591
Finished goods and work in progress	285,379	254,897
Inventories, gross	340,592	292,488
Less allowance	(23,286)	(23,622)
Inventories	317,306	268,866

14 TRADE RECEIVABLES

Trade receivables can be analysed as follows:

31 March <i>In thousands of euros</i>	2023	2022
Trade receivables, gross	260,551	206,814
Less allowance for doubtful receivables	(4,503)	(5,316)
Trade receivables	256,048	201,498

The carrying amounts of the Group's trade receivables approximate their fair value. At the balance sheet date, there is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers located across the globe. The maximum credit risk exposure at each balance sheet date is the fair value of receivables set out above. The Group does not hold any collateral as security.

The trade receivables ageing analysis is as follows:

31 March <i>In thousands of euros</i>	2023	2022
Current and past due within 3 months	235,650	193,874
3 to 6 months	15,333	7,872
6 to 12 months	3,464	2,337
Over 12 months	6,104	2,731
Trade receivables, gross	260,551	206,814

Movements in the Group's impairment allowance for trade receivables are as follows:

31 March <i>In thousands of euros</i>	2023	2022
At the beginning of the year	(5,316)	(3,982)
Impairment allowance	(3,581)	(1,891)
Reversal of impairment	3,601	1,301
Sale of L'Occitane Russia (Note 5.1)	931	-
Acquisition of Sol de Janeiro	-	(554)
Exchange differences	(138)	(190)
At the end of the year	(4,503)	(5,316)

The accrual and reversal of a receivables impairment allowance was included in distribution expenses.

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The ageing of the receivables impairment allowance by due date is as follows:

31 March	2023	2022
<i>In thousands of euros</i>		
Within 3 months	1,003	1,349
3 to 6 months	615	1,343
6 to 12 months	335	725
Over 12 months	2,550	1,899
Impaired receivables	4,503	5,316

Individually impaired receivables relate to wholesalers facing unexpectedly difficult economic circumstances.

The ageing analysis of trade receivables past due but not impaired as at 31 March 2023 and 2022 is as follows:

31 March	2023	2022
<i>In thousands of euros</i>		
Within 3 months	23,000	28,907
3 to 6 months	14,718	6,527
6 to 12 months	3,129	1,612
Over 12 months	3,554	833
Trade receivables past due but not impaired	44,401	37,879

These trade receivables relate to a number of customers for whom there is no significant financial difficulty based on past experience. The overdue amounts can be recovered.

The Group considers that there is no recoverability risk on these past due receivables.

15 OTHER CURRENT ASSETS

The following table presents details of other current assets:

<i>In thousands of euros</i>	2023	2022
Value added tax receivable and other taxes and social items receivable	39,339	23,095
Prepaid expenses	22,944	21,515
Income tax receivable (a)	11,528	10,844
Advance payments to suppliers	9,276	12,168
L'Occitane Middle East current account (b)	7,277	7,112
Other current assets	9,263	11,484
Total other current assets	99,627	86,218

The income tax receivable relates to down payments of income tax that are higher than the final income tax expense expected to be paid for the year.

The group has granted three loans to L'Occitane Middle East. The loans are denominated in US dollar and repayable in full on April 24, 2023, September 15, 2023 and January 4, 2024. The average interest rates during the year were respectively 3.3%, 3.6% and 3.3%. There are no collateral as security against the loans.

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16 DERIVATIVE FINANCIAL INSTRUMENTS

Analysis of derivative financial instruments

Derivative financial instruments can be analysed as follows:

<i>In thousands of euros</i>	31 March 2023		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
loss	2,337	248	1,931	1,208
Sub-total derivative financial instruments at fair value through profit or loss	2,337	248	1,931	1,208
Interest rate derivatives at fair value through other comprehensive income	-	-	-	-
Sub-total derivative financial instruments designated as hedging instruments	-	-	-	-
Current portion of derivative financial instruments	2,337	248	1,931	1,208

Trading derivatives are classified as current assets or current liabilities. The fair value of a derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability if the maturity of the hedged item is less than 12 months.

Hedged highly probable forecast transactions denominated in foreign currencies are expected to occur at various dates over the next 12 months. Gains and losses recognised in the hedging reserve within other comprehensive income on forward foreign exchange contracts designated as hedging instruments as of the end of the period will be recognised in the statement of income in the period or periods during which the hedged forecast transaction will itself affect the statement of income. This is generally within the 12 months from the balance sheet date.

The change in the fair value of derivatives at fair value through profit and loss is recognised in the statement of income within "Foreign currency gains/(losses)" for currency derivatives.

Derivatives at fair value through profit or loss

The change in the fair value of derivatives at fair value through profit or loss is as follows:

31 March	2023	2022
<i>In thousands of euros</i>		
- within 'foreign currency gains / (losses)' for currency derivatives (Note 28)	1,366	1,308
Total change in the fair value of derivatives at fair value through profit or loss : gains / (losses)	1,366	1,308

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Notional amounts of derivatives

Notional principal amounts of outstanding forward foreign exchange derivatives are as follows:

31 March	2023	2022
<i>In thousands of euros</i>		
Sale of currencies		
CNY	63,077	51,971
HKD	26,427	23,931
USD	17,995	29,810
AUD	13,128	1,494
JPY	11,052	13,947
MXN	6,817	4,597
KRW	4,906	-
GBP	3,473	9,161
THB	2,631	2,653
PLN	586	256
CZK	483	312
CAD	407	-
HUF	367	200
CHF	201	-
NOK	166	578
SEK	50	92
RUB	-	8,586
SGD	-	799
ZAR	-	204
Purchase of currencies		
GBP	41,970	-
USD	22,151	-
CNY	16,437	-
JPY	15,223	6,056
AUD	2,010	-
CAD	1,527	-
CHF	1,505	-
NOK	1,241	-
SEK	939	-
CZK	809	-
HKD	656	-
PLN	-	-
MXN	-	308
HUF	-	57

17 CASH AND CASH EQUIVALENTS

The following table presents details of cash and cash equivalents:

31 March	2023	2022
<i>In thousands of euros</i>		
Cash at bank and on hand	150,951	364,023
Cash equivalents	990	2,669
Cash and cash equivalents	151,941	366,692

Cash equivalents include highly liquid investments in short-term bank deposits.

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The effective interest rates on cash at bank and in hand are as follows:

	2023	2022
Cash in euros	€STR or Euribor + margin	€STR or Euribor + margin
Cash in foreign currencies	Local market rate + margin	Local market rate + margin

The effective interest rates on cash equivalents are as follows:

	2023	2022
Cash equivalents in euros (short-term bank deposits)	Euribor/Local market rate	Euribor/Local market rate

18 CAPITAL AND RESERVES

L'Occitane Groupe S.A. ("LOG") is a corporation incorporated in the Grand Duchy of Luxembourg. The authorized capital of the Company is €600,000,000 out of which €23,341,954 are issued as at 31 March 2023.

At 31 March 2023, the Company's share capital is held by the company "Société d'Investissement Cime S.A.", in a proportion of 72.28%.

All of the Company's issued shares are fully paid up and carry the same rights and obligations.

As at 31 March 2023, 2,274,770 shares were pledged by the company Société d'Investissements Cime S.A (one of the shareholders of LOG).

18.1 Share capital and additional paid-in capital

Changes in the number of shares, share capital and additional paid-in capital are as follows (in thousands of euros, except for the number of shares):

	Number of shares	Share capital	Additional paid-in capital
As at 31 March 2022	15,341,954	15,342	405,136
Cancellation of shares	(1,000,000)	(1,000)	-
As at 31 March 2023	14,341,954	14,342	405,136

18.2 Treasury shares

At 31 March 2023 the Company owns 846,926 of its own shares for an amount of €187,277,000.

These treasury shares have been deducted from 'Other reserves' within shareholders' equity attributable to equity holders.

18.3 Share-based payment

The Company grants three types of share-based payments:

- Share-based payments related to LOI equity instruments;
- Share-based payments related to LimeLife equity instruments until March 31, 2022;
- Share-based payments related to LOG equity instruments.

Fair value of options granted

The fair value at grant date is independently determined using an adjusted Black-Scholes model, which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the share price at the grant date, the expected dividend yield, the risk-free interest rate over the term of the option, and the correlations and volatilities of the peer group companies.

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Main characteristics and description of the plans settled in LOI instruments

Stock options

The stock option plans can be summarised as follows:

	31 March 2023		31 March 2022	
	Average exercise price in HKD per share option	Number of options	Average exercise price in HKD per share option	Number of options
At the beginning of the period	14.63	6,696,600	15.94	12,512,350
Granted during the year	20.67	8,186,000	-	-
Exercised during the period	14.56	(1,473,429)	15.69	(5,544,450)
Cancelled/lapsed during the period	117.70	(458,000)	15.12	(271,300)
At the end of the year	18.35	12,951,171	14.63	6,696,600

A new share-based payment plan settled in LOI equity instruments was granted on October 27, 2022 for a total of 8,186,000 share options

The cancelled stock options relate to employees who left the Company before the end of the vesting period.

Stock options outstanding at the end of the years have the following vesting dates and exercise prices:

Grant date	Expiry date	Exercise price	Number of share options	
			2023	2022
21 March 2016	21 March 2020	14.36 HKD	520,500	520,500
02 February 2017	02 February 2021	15.16 HKD	1,347,800	1,473,350
29 March 2018	29 March 2022	14.50 HKD	3,134,671	4,702,750
27 October 2022	27 October 2026	20.67 HKD	7,948,200	-
Total			12,951,171	6,696,600

Free shares

The free share plans can be summarised as follows:

	31 March 2023		31 March 2022	
	Average exercise price in HKD per free share	Number of free shares	Average exercise price in HKD per free share	Number of free shares
As at April 1st	-	-	14.50	3,360,300
Vested during the period	-	-	14.50	(2,333,700)
Forfeited during the period	-	-	14.50	(1,026,600)
At the end of the period	-	-	-	-

Main characteristics and description of the plans settled in LimeLife equity instruments

L'Occitane International S.A. granted rights to LimeLife equity instruments to LimeLife's non-controlling shareholders. This free share plan was based on a four-year presence condition starting 12 December 2017. There were no performance criteria. The plan was vested as at 31 March 2022.

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This plan can be summarised as follows:

	31 March 2023		31 March 2022	
	Average fair value in EUR per free share	Number of free shares	Average fair value in EUR per free share	Number of free shares
As at April 1	-	-	6.4	1,266,891
Vested during the year	-	-	6.4	422,297
As at March 31	-	-	6.4	1,689,188

Grant date	Vesting date	Number of free shares	
		31 March 2023	31 March 2022
12 December 2017	12 December 2018	-	422,297
12 December 2017	12 December 2019	-	422,297
12 December 2017	12 December 2020	-	422,297
12 December 2017	12 December 2021	-	422,297
Total		-	1,689,188

The fair value was assessed at the grant date of the shares was determined by reference to the enterprise value of LimeLife (based on discounted future cash flows) as at 12 December 2017.

Main characteristics and description of the plans settled in LOG equity instruments

The Company granted rights to its own equity instruments to L'Occitane International S.A. and to its subsidiaries' employees.

At the time they receive LOG shares (free shares or shares upon the exercise of share options), employees are subject to a liquidity agreement signed with CIME (one of the shareholder of LOG), which is controlled by Mr. Reinold Geiger, a Director of the Company. Until the fiscal year ended 31 March 2010, the stock options and the free shares plan were considered as equity-settled share-based compensation plans because LOG was not entitled to a cash payment. On 23 November 2010, the liquidity agreement was modified in such a way that LOG was now liable to repurchase the shares held by the employees. Therefore, after this modification, the stock options and the free shares plans were considered as cash-settled share-based compensations. The accounting treatment was as follows:

Until the modification date, the equity settled share-based compensation expense had been recorded with a corresponding effect in 'reserves' for an amount of €944,000;

At the modification date of the liquidity agreement, the Group recognised the liability to settle in cash based on the fair value of the option shares and free shares at the modification date and the extent to which the specified services had been received. Such a liability amounted to €15,988,000;

The change in the fair value of the liability between the modification date and the balance sheet date as at 31 March 2011 amounting to €1,455,000 was recognised as employee benefits in the statement of income.

During the vesting period the change in the liability is then recorded as an employee benefit expense (Note 23). After the vesting period, when the share options are exercised, the proceeds from the exercise share options are recorded as an increase in the liability.

Post vesting, since there is no longer a link to employee service, the change in the fair value of the liability relating to the vested awards is recorded in finance costs (Note 25). This liability is extinguished when the share held by the employees are repurchased by the Company.

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The total impact of the LOG share-based compensations is as follows:

In thousands of euros	Other reserves	Liability			Total liability	Employee benefits			Other finance costs	Cash
		Non-current portion of the liability (a)	Current portion of the liability (b)	Social charges (c)		Share-based compensation expense	Social liabilities	Total expense		
Cumulated share-based compensation expense as at 31 March 2021	(11,839)	14,740	16,043	320	31,103	27,611	320	27,931	9,878	(16,646)
Share-based compensation expense of unvested awards	-	5,877	-	-	5,877	5,877	-	5,877	-	-
Change in the fair value of vested awards:	-	-	-	-	-	-	-	-	-	-
- vested stock options but not yet exercised	-	-	7,726	-	7,726	-	-	-	7,726	-
- shares resulting from the exercised stock options	-	-	10,956	-	10,956	-	-	-	10,956	-
- vested free shares	-	-	-	-	-	-	-	-	-	-
Repurchase of shares held by the employees:	-	-	-	-	-	-	-	-	-	-
- exercised stock options	-	-	(404)	-	(404)	-	-	-	-	(404)
- vested free shares	-	-	(12,681)	-	(12,681)	-	-	-	-	(12,681)
Reclassification from non-current portion to the current portion of the liability	-	(12,585)	12,585	-	-	-	-	-	-	-
Cumulated share-based compensation expense as at 31 March 2022	(11,839)	8,032	43,224	320	51,578	33,488	320	33,808	37,692	(31,731)
Share-based compensation expense of unvested awards	-	394	2,151	-	2,545	2,545	-	2,545	-	-
Change in the fair value of vested awards:	-	-	-	-	-	-	-	-	-	-
- vested stock options but not yet exercised	-	-	-	-	-	-	-	-	-	-
- shares resulting from the exercised stock options	-	-	(6,303)	-	(6,303)	-	-	-	(6,303)	-
- vested free shares	-	-	3,347	-	3,347	-	-	-	3,347	-
Repurchase of shares held by the employees:	-	-	-	-	-	-	-	-	-	-
- exercised stock options	-	-	(431)	-	(431)	-	-	-	-	(431)
- vested free shares	-	-	(14,402)	-	(14,402)	-	-	-	-	(14,402)
Reclassification from non-current portion to the current portion of the liability	-	(7,681)	7,681	-	-	-	-	-	-	-
Cumulated share-based compensation expense as at 31 March 2023	(11,839)	746	35,289	320	36,334	36,033	320	36,353	34,806	(46,564)

(a) The non-current portion was recorded in the line 'Other non-current liabilities' in the balance sheet (Note 20).

(b) The current portion is recorded in the line 'Salaries, wages, related social items and other tax liabilities' in the balance sheet.

(c) The social charges are recorded in the line 'Salaries, wages, related social items and other tax liabilities' in the balance sheet.

The fair value of a share of L'Occitane Groupe SA was determined through the statutory net equity of the Company adjusted to take into account the market value of LOI's shares owned by the Company in the Hong Kong stock exchange. As at 31 March 2023, the fair value of a LOG share is estimated to €136.99 (€196.17 as at 31 March 2022).

During the fiscal year ended 31 March 2023, no share-based payments plan related to LOG equity instruments has been granted.

The free share plans are summarized below:

	2023		2022	
	Average exercise price in EUR per free share	Number of free shares	Average exercise price in EUR per free share	Number of free shares
As at 1 April	88.11	314,900	77.29	422,600
Granted during the year	-	-	144.21	37,600
Vested during the year	-	-	72.26	(103,800)
Forfeited during the year	95.09	(52,900)	68.40	(41,500)
As at 31 March	86.70	262,000	88.11	314,900

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Free shares outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Number of free shares	
		2023	2022
01 October 2019	30 September 2023	16,800	25,200
30 September 2020	29 September 2024	223,900	252,100
29 June 2021	29 June 2025	20,500	36,400
30 June 2021	30 June 2025	800	1,200
Total		262,000	314,900

Total share-based payment expense

In the years ended 31 March 2022 and 31 March 2023, the share-based payment expense recognised within employee benefits was as follows:

The total remaining share-based payment expense to be recognised within future employee benefits is as follows:

<i>In thousands of euros</i>	2023	2022
LOG equity instruments	2,831	8,687
Total	2,831	8,687

During the period ended 31 March 2023, the share-based compensation expense recognized is the following:

- For plans with LOI equity instruments: €814,000 (€772,000 during the period ended 31 March 2022);
- For plans with LOG equity instruments:
 - A loss of €2,545,000 was recognized in employee benefits during the period ended 31 March 2023 (a loss of €5,877,000 as of 31 March 2022);
 - A gain of €2,956,000 was recognized in finance costs (a loss of €27,864,000 during the period ended 31 March 2022).

18.4 Distributable reserves

On 31 March 2023, the distributable reserves of L'Occitane Groupe S.A. was nil, same as of March 2022.

In accordance with the Luxembourg regulations, a special reserve was recorded by the Company for the amount of the acquired treasury shares. This special reserve is not distributable.

18.5 Dividend per share

On 29 September 2021, the Annual Shareholder's Meeting approved the distribution of €54,189,000, namely €0.03687

18.6 Additional paid in capital

Additional paid in capital includes:

- Additional paid in capital recognised in the individual Company financial statements;
- The impact of marking to market the shares issued in consideration for acquisitions;
- The difference between the carrying amount net of tax and the nominal amount of the compound financial instruments converted to equity on 26 February 2007.

18.7 Currency translation differences

At 31 March 2023, currency translation differences are mainly composed of currency translation differences relating to subsidiaries with a functional currency in USD, GBP, RUB, JPY and CNY, and arising mainly on goodwill and some non-current assets.

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19 BORROWINGS

Borrowings can be analysed as follows:

<i>In thousands of euros</i>	31 March 2023	31 March 2022
FY 2023 Revolving facilities (LOG)	667,610	-
FY 2022 Term loan	300,031	300,354
FY 2021 Revolving Facility	11,132	64,604
FY 2020 NEU CP Facility	187,000	282,800
FY 2019 Long-term loan	13,587	15,602
FY 2018 EUROPP Bonds	150,838	150,847
FY 2018 Revolving facilities	-	619,067
FY 2012 bank borrowing	2,860	3,571
Other bank borrowings	5,590	5,306
Bank overdraft	4	3
Total	1,338,652	1,442,154
FY 2023 Revolving facilities (LOG)	(5,610)	-
FY 2022 Term loan	(32)	(354)
FY 2021 Revolving Facility	(5)	275
FY 2020 NEU CP Facility	(187,000)	(282,800)
FY 2019 Long-term loan	(2,037)	(2,018)
FY 2018 EUROPP Bonds	(40,838)	(847)
FY 2018 Revolving facilities	-	(619,067)
FY 2012 bank borrowing	(714)	(714)
Other bank borrowings	(5,593)	(5,306)
Bank overdraft	(4)	(4)
Total current portion	(241,833)	(910,835)
Total non-current portion	1,096,819	531,319

19.1 Maturity of non-current borrowings

For the years ended 31 March 2023 and 2022, the maturity of non-current borrowings, excluding the current portion, can be broken down as follows:

<i>In thousands of euros</i>	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
FY 2023 Revolving facilities (LOG)	662,000	-	-	662,000
FY 2022 Term loan	300,000	-	-	300,000
FY 2021 Revolving facility	11,130	-	-	11,130
FY 2019 Long Term Loan	2,054	6,284	3,211	11,549
FY 2018 EUROPP Bonds	110,000	-	-	110,000
FY 2012 bank borrowing	714	1,426	-	2,140
Maturity as at 31 March 2023	1,085,898	7,710	3,211	1,096,819
FY 2022 Term loan	-	300,000	-	300,000
FY 2021 Revolving facility	-	64,879	-	64,879
FY 2019 Long Term Loan	2,035	6,223	5,326	13,584
FY 2018 EUROPP Bonds	40,000	110,000	-	150,000
FY 2012 bank borrowing	713	2,143	-	2,856
Maturity as at 31 March 2022	42,748	483,245	5,326	531,319

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19.2 Credit facility agreements

FY2023 Revolving Credit Facility (LOG)

On 20 April 2022, and to refinance the FY2018 Revolving Credit Facility, the Company signed an unsecured euro revolving facility agreement for an amount of €800 million with a five-year maturity and an option to extend for two additional years. An amount of €662,000,000 had been drawn as at 31 March 2023.

Leverage Ratio:

The FY2023 Revolving Credit Facility is subject to a financial covenant: if the Company fails to maintain its leverage ratio below a given level, this will trigger a default event and the early repayment of the loan. The leverage ratio, which is based on the Group's annual consolidated financial statements, is calculated by dividing consolidated net debt by EBITDA. The following definitions are used to measure this ratio:

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments but excluding lease commitments within the scope of IFRS 16, long-term employee benefits, raw materials commitments and grants to a foundation) – cash and cash equivalents
EBITDA	Operating profit before depreciation, amortisation and impairment and before net movements in provisions (excluding the impact of IFRS 16)

The leverage ratio must be lower than 2.5 (and can be temporarily extended to 3.0 on two occasions in the event of a business combination). The covenant was respected at 31 March 2023.

Loan to value (LTV):

Local net debt	Current and non-current borrowings (including finance leases and other commitments (but excluding lease commitments, long term employee benefits, raw materials commitments and grant to foundation) – cash and cash equivalents
LOI shares value	Market Value of L'Occitane International S.A. shares held by the Borrower to the same test period.

The loan to value ratio is to be lower than 0.5. It is calculated on a quarterly basis.

The FY 2023 revolving facility includes a repricing option. The interest rates depend on the above described. Loan to value ratio calculated every quarter. The change in the ratio results in repricing the interest rate as follows:

Loan to value ratio	Repricing
Ratio being comprised between 0.45 and 0.50	Euribor + Margin
Ratio being comprised between 0.40 and 0.45	Euribor + Margin - 0.15
Ratio being comprised between 0.35 and 0.40	Euribor + Margin - 0.30
Ratio being comprised between 0.30 and 0.35	Euribor + Margin - 0.45
Ratio being comprised between 0.25 and 0.30	Euribor + Margin - 0.60
Ratio being comprised between 0.20 and 0.25	Euribor + Margin - 0.70
Ratio being comprised between 0.15 and 0.20	Euribor + Margin - 0.80
Ratio lower than 0.15	Euribor + Margin - 0.90

As at 31, March 2023, the ratio was lower than 0.5 and the interest rate is based on Euribor + Margin - 0.70.

A bonus of 1 bp can be obtained for each of 3 CSR (corporate social responsibility) KPIs:

Decrease of the greenhouse gas footprint (scope 1);

Use of renewable electricity (scope 2);

Decrease of the carbon footprint (scope 3);

This will be used for the first time as of 31st March 2024.

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The directly attributable transaction costs related to the issuance of this FY2023 Revolving Credit Facility Agreement amounted to €4,214,182. As there is no evidence that some or all the facility will likely be drawn down, the fees were capitalized as a deferred charge and amortized over the term of the facility.

FY2023 Bilateral Cash Pooling Facility

On 30 September 2022, the Group signed an unsecured bilateral cash pooling facility in US dollars (USD) for an amount up to USD 40million with a one-year maturity and an automatic yearly extension option. An amount of €0 (euro equivalent) had been drawn as at 31 March 2023

The FY2023 Bilateral Cash Pooling Facility is periodically contractually repriced. The interest rates depend on the leverage ratios set out below, calculated annually following publication of the consolidated financial statements. The interest rate is repriced in line with the change in the ratio, as follows:

Leverage ratio	Repricing
Ratio higher than 2.5	MFFR + Margin
Ratio between 2.0 and 2.5	MFFR + Margin - 0.25
Ratio between 1.5 and 2.0	MFFR + Margin - 0.45
Ratio between 1.0 and 1.5	MFFR + Margin - 0.55
Ratio between 0.5 and 1.0	MFFR + Margin - 0.65
Ratio lower than 0.5	MFFR + Margin - 0.75

As at 31 March 2023, the interest rate was based on the Mid Fed Funds Rate (MFFR) + Margin - 0.65.

The margin is consistently increased by 15 bps until 31 December 2022 and by 35 bps from January 2023 if the FY2023 Bilateral Cash Pooling Facility is drawn in USD.

The FY2023 Bilateral Cash Pooling Facility is subject to a financial covenant: if the Company fails to maintain its leverage ratio below a given level, this will trigger a default event and the early repayment of the loan. The leverage ratio, which is based on the Group's annual consolidated financial statements, is calculated by dividing consolidated net debt by EBITDA. The following definitions are used to measure this ratio:

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments but excluding lease commitments within the scope of IFRS 16, long-term employee benefits, raw materials commitments and grants to a foundation) – cash and cash equivalents
EBITDA	Operating profit before depreciation, amortisation and impairment and before net movements in provisions (excluding the impact of IFRS 16)

The leverage ratio must be lower than 2.5 (and can be temporarily extended to 3.0 twice in the event of a business combination). The covenant was respected as at 31 March 2023.

FY2022 Term loan

On 21 December 2021, the Company signed a Term Loan Agreement for an amount of €300,000,000 with a three-year maturity. An amount of €300,000,000 (euro equivalent) had been drawn as at 31 March 2023.

The FY 2022 Term Loan Agreement is periodically contractually repriced. The interest rates depend on the above described leverage ratio, calculated annually following publication of the Group's consolidated financial statements. The interest rate is repriced in line with the change in the ratio, as follows:

Leverage ratio	Repricing
Ratio higher than 2.5	Euribor + Margin
Ratio between 2.0 and 2.5	Euribor + Margin - 0.25
Ratio between 1.5 and 2.0	Euribor + Margin - 0.45
Ratio between 1.0 and 1.5	Euribor + Margin - 0.55
Ratio between 0.5 and 1.0	Euribor + Margin - 0.65
Ratio lower than 0.5	Euribor + Margin - 0.75

During the year ended 31 March 2023, the interest rate was based on Euribor + Margin – 0.65.

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The FY2022 Term Loan Agreement is subject to a financial covenant: if the Company fails to maintain its leverage ratio below a given level, this will trigger a default event and the early repayment of the loan. The leverage ratio, which is based on the Group's annual consolidated financial statements, is calculated by dividing consolidated net debt by EBITDA. For the measurement of this ratio, the following definitions are used:

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments but excluding lease commitments within the scope of IFRS 16, long-term employee benefits, raw materials commitments and grants to a foundation) – cash and cash equivalents
EBITDA	Operating profit before depreciation, amortisation and impairment and before net movements in provisions (excluding the impact of IFRS 16)

The leverage ratio must be lower than 2.5. The covenant was respected as at 31 March 2023.

The directly attributable transaction costs related to the issuance of this FY2022 Term Loan Agreement amounted to €1,550,000. As this financing is a term loan, the fees were capitalised as a deferred charge and amortised over the term of the loan.

FY2021 Revolving Credit Facility

On 31 March 2021, and to refinance both the FY2015 Revolving Credit Facility and the FY2021 Revolving Facility (COVID-19), the Company signed an unsecured multi-currency revolving facility agreement for an amount of €600 million with a five-year maturity and an option to extend for two additional years. The first extension for one additional year till 31st March 2027 has been activated on 28th February 2022. An amount of €11,126,962 had been drawn as at 31 March 2023.

The FY2021 Revolving Credit Facility is periodically contractually repriced. The interest rates depend on the below-described leverage ratio calculated annually after the consolidated financial statements of the Group are issued. The interest rate is repriced in line with the change in the ratio, as follows:

Leverage ratio	Repricing
Ratio higher than 2.5	Euribor + Margin
Ratio between 2.0 and 2.5	Euribor + Margin - 0.25
Ratio between 1.5 and 2.0	Euribor + Margin - 0.45
Ratio between 1.0 and 1.5	Euribor + Margin - 0.55
Ratio between 0.5 and 1.0	Euribor + Margin - 0.65
Ratio lower than 0.5	Euribor + Margin - 0.75

In the year ended 31 March 2023, the interest rate was based on Euribor + Margin - 0.62.

The margin is increased by 15 bps if the Revolving Credit Facility is drawn in USD.

A bonus of 1 bp can be obtained for each of 4 CSR (corporate social responsibility) KPIs:

- Traceability of plants used in the products;
- Use of renewable electricity;
- Direct Suppliers CSR rating;
- B-Corp certification

As at 31 March 2023, the Group reached three KPIs out of four KPIs. The impact was a decrease in the margin of 0.03 bps.

The FY2021 Revolving Credit Facility is subject to a financial covenant: if the Company fails to maintain its leverage ratio below a given level, this will trigger a default event and the early repayment of the loan. The leverage ratio, which is based on the Group's annual consolidated financial statements, is calculated by dividing consolidated net debt by EBITDA. The following definitions are used to measure this ratio:

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments but excluding lease commitments within the scope of IFRS 16, long-term employee benefits, raw materials commitments and grants to a foundation) – cash and cash equivalents
EBITDA	Operating profit before depreciation, amortisation and impairment and before net movements in provisions (excluding the impact of IFRS 16)

The leverage ratio must be lower than 2.5 (and can be temporarily extended to 3.0 on two occasions in the event of a business combination). The covenant was respected at 31 March 2023.

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The directly attributable transaction costs related to the issuance of this FY2021 Revolving Credit Facility Agreement amounted to €3,514,000. As there is no evidence that some or all the facility will likely be drawn down, the fees were capitalized as a deferred charge and amortized over the term of the facility.

FY2020 NEU CP facility

On 17 October 2019, the Group signed a programme to issue short-term marketable debt instruments ("NEU CP") on a commercial paper market in the eurozone governed by the Banque de France. The total amount available is €300,000,000.

Multiple short-term marketable debt instruments were drawn during the year.

As at 31 March 2023, the balance amounts to €187,000,000 for a weighted average rate of 3.0% for initial maturities comprising between 5 and 199 days.

FY2019 Long-Term Loan

On 4 September 2018, the Group signed a long-term loan agreement for an amount of €22.5 million with an 11-year maturity that can be drawn by M&L Distribution France. As at 31 October 2018, the bank borrowing had been fully drawn. This loan is repaid quarterly and four repayments were made in June 2022, September 2022, December 2022 and March 2023, for amounts of €501,921, €503,138, €504,358 and €505,581 respectively.

The outstanding amount as at 31 March 2023 is €13,584,275.

The interest rate on the Long-Term Loan is 0.97% (fixed rate).

The FY2019 Long-Term Loan is secured by a pledge over business assets related to the 86 Champs-Élysées flagship store in Paris.

FY2012 bank borrowing

On 20 June 2011, the Group signed a bank borrowing agreement for an amount of €10.0 million with a 15-year maturity. The borrowing can only be drawn by Laboratoires M&L (formerly known as L'Occitane S.A.).

This loan is repaid in annual instalments, with one repayment made in December 2021 for an amount of €714,286. As at 31 March 2023, the outstanding amount is €2,857,143.

The interest rate of the bank borrowing is based on 3M Euribor + Margin.

The FY 2012 bank borrowing is secured by a pledge over the land and building acquired by Laboratoires M&L to build the new logistics platform in Manosque, France.

FY2018 Revolving facility (LOG)

On 27 April 2017, the Company signed a revolving facility agreement for an amount of € 800 million with a 5-year maturity. This revolving Facility has been reduced to €725 million following the EUROPP issue. An amount of €619 million is drawn as at 31 March 2023 (€619m as at 31 March 2022)

Event of default resulting in the early repayment of the FY 2018 revolving facility agreement depends on the 2 following financial ratios:

Leverage Financial Ratio

Consolidated net debt	Current and non-current borrowings (including finance leases and other commitments (but excluding lease commitments, long term employee benefits, raw materials commitments and grant to foundation) – cash and cash equivalents
EBITDA	Operating profit before depreciation, amortization and impairment and before net movements in provisions (excluding the impact of IFRS 16)

The LOG leverage financial ratio is calculated on a bi-annual basis. It is to be lower than 2.0 and was respected as at 31 March 2023 with a value of 0.38.

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Loan to value (LTV)

Local net debt	Current and non-current borrowings (including finance leases and other commitments (but excluding lease commitments, long term employee benefits, raw materials commitments and grant to foundation) – cash and cash equivalents
LOI shares value	Market Value of L'Occitane International S.A. shares held by the Borrower to the same test period.

The loan to value ratio is to be lower than 0.5. It is calculated on a quarterly basis. The ratio is respected as at 31 March 2023.

The FY 2018 revolving facility includes a repricing option. The interest rates depend on the above described. Loan to value ratio calculated every quarter. The change in the ratio results in repricing the interest rate as follows:

Loan to value ratio	Repricing
Ratio being comprised between 0.45 and 0.50	Euribor 3M + Margin
Ratio being comprised between 0.40 and 0.45	Euribor 3M + Margin - 0.20
Ratio being comprised between 0.35 and 0.40	Euribor 3M + Margin - 0.35
Ratio being comprised between 0.30 and 0.35	Euribor 3M + Margin - 0.50
Ratio being comprised between 0.25 and 0.30	Euribor 3M + Margin - 0.65
Ratio being comprised between 0.20 and 0.25	Euribor 3M + Margin - 0.75
Ratio lower than 0.20	Euribor 3M + Margin - 0.85

As at 31, March 2023, the facility was refinanced and replaced by the FY2023 Revolving facility.

FY 2018 EUR EUROPP bonds (LOG)

On 20 December 2017, the company issued 6 years and 7 years bonds program for a total amount of €150 million in the form of a European Private Placement.

Event of default resulting in the early repayment of the FY2018 EUR EUROPP bonds depends on the 2 same covenants used for FY2023 Revolving Credit facility.

The pricing on these bonds is based on fixed rates different for each maturity.

19.3 Borrowing facilities

The Group has the following undrawn borrowing facilities:

31 March	2023	2022
<i>In thousands of euros</i>		
Floating rate:		
- Expiring within one year	59,650	121,856
- Expiring beyond one year	539,873	252,321
Fixed rate:		
- Expiring within one year	-	-
- Expiring beyond one year	-	-
Total	599,523	374,177

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19.4 Changes in cash flows relating to borrowings

The Group recognised changes arising from cash flows and non-cash changes:

<i>In thousands of euros</i>	31 March 2022	Cash Flows		Other charges		31 March 2023
		Proceeds	Repayments	Interest Expense	Interest Paid	
FY2023 Revolving facilities (LOG)	-	667,549	-	61	-	667,610
FY2022 Term Loan	300,354	-	-	31	(354)	300,031
FY2021 Revolving facility	64,604	69,443	(123,233)	312	5	11,131
FY2021 PGE bank borrowing (COVID)	-	-	-	-	-	-
FY2021 Affiliates borrowing (COVID)	-	-	-	-	-	-
FY2020 NEU CP	282,800	317,000	(412,800)	-	-	187,000
FY2019 Term Loan (LOI)	-	-	-	-	-	-
FY2019 Long term loan (LOI)	15,602	-	(2,015)	2	(2)	13,587
FY2018 Revolving facility (LOG)	619,067	-	(619,067)	-	-	-
FY2018 EUROPP Bonds (LOG)	150,847	-	-	838	(847)	150,838
FY2015 Revolving facility (LOI)	-	-	-	-	-	-
FY2012 bank borrowing	3,571	-	(714)	3	-	2,860
Other bank borrowings	5,306	11,923	(11,460)	6	(184)	5,591
Bank overdraft	3	-	-	4	(3)	4
Total	1,442,154	1,065,915	(1,169,289)	1,258	(1,385)	1,338,653

20 OTHER CURRENT AND NON-CURRENT LIABILITIES

Other current and non-current liabilities include the following:

31 March

<i>In thousands of euros</i>	2023	2022
Retirement indemnities	10,963	12,135
Long-term employment benefits	1,144	1,068
Provisions for dismantling and restoration costs	8,708	8,390
Share-based compensations	8,016	8,016
Other	1,528	1,354
Total non-current liabilities	30,359	30,963
Grants to a foundation	74	172
Deferred revenue (a)	31,920	19,014
Right to return goods	1,996	2,145
Sale of ELEMIS non-controlling shareholders (b)	0	76,579
Provisions for dismantling and restoration costs	2,475	2,019
Other current liabilities	4,907	3,530
Total current liabilities	41,372	103,459

Deferred revenue relates to (i) sales for which the transfer of control and related risks has not occurred at the year-end; and (ii) the fair value of the consideration received which is allocated to the award credits granted for any loyalty programmes. The liability relating to the acquisition of non-controlling interests in Elemis was paid on 1 April 2022.

20.1 Provision for retirement benefits

Subsidiaries of the Group generally contribute to the national pension system, which is a defined-contribution obligation. The expense recognised in connection with these defined-contribution plans is classified in "social security" within "employee benefits" (Note 23.1).

In addition to these defined-contribution plans, a defined-benefit plan exists in France. A lump-sum payment is made on the date the employee reaches retirement age, such award being determined for each individual based upon factors such as years of service and projected final salary. There are no plan assets.

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Amounts recognised in the balance sheet and in the statement of income
The amounts recognised in the balance sheet are determined as follows:

31 March		2023	2022
<i>In thousands of euros</i>			
Present value of unfunded obligations		10,963	12,135
Liability in the balance sheet		10,963	12,135

Movements in the defined-benefit obligation over the year are as follows:

<i>In thousands of euros</i>	2023	2022
As at 1 April	12,135	13,146
Current service cost	907	1,634
Past service cost	-	-
Interest cost	148	60
Change in IAS19	-	(1,347)
Actuarial (gains) / losses	(1,884)	(1,073)
Exchange differences	(162)	(34)
Benefits paid	(182)	(251)
As at 31 March	10,963	12,135

The amounts recognised in the income statement are as follows:

31 March	2023	2022
<i>In thousands of euros</i>		
Current service cost	907	1,634
Interest cost	148	60
Total included in employee benefit expenses (Note 23)	1,055	1,694

Main assumptions

The principal actuarial assumptions used were as follows:

31 March	2023	2022
<i>In %</i>		
Discount rate	3.60	1.80
Inflation rate	2.10	2.00
Future salary increases	3.50	3.00
Retirement age (in number of years)	62-65	62-65

The discount rate is set with reference to a corporate bond yield: iBoxx Euro zone AA rated corporate bonds + 10 years.

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory. Mortality assumptions for France (the most important country in terms of employee headcount) are based on the Insee TD/TV 2009-11 table.

Assumptions regarding employee turnover are based on historical statistics recorded by the French subsidiaries in previous years.

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The sensitivity of the overall pension liability to changes in the principal assumptions is not material: an increase/decrease of 0.25% in the discount rate would result in an increase/decrease of €320,000 in the defined-benefit obligation.

20.2 Provision for dismantling and restoration costs

As at 31 March 2023, provisions for dismantling and restoration costs are as follows:

<i>In thousands of euros</i>	31 March 2022	Charged / (credited) to the statement of Income		Reclassification	Exchange differences	31 March 2023
		Provisions recorded in the statement of income	Used during the year			
Provisions recorded over the lease term	4,511	979	(29)	(391)	63	5,133
Provisions recorded at inception	5,898	710	(170)	-	(387)	6,051
Total	10,409	1,689	(199)	(391)	(324)	11,184

21 TRADE PAYABLES

The credit terms granted by suppliers to the production and distribution subsidiaries are generally between 80 and 110 days and between 30 and 60 days, respectively.

The ageing analysis of trade payables by due date at 31 March 2023 and 2022 is as follows:

31 March <i>In thousands of euros</i>	2023	2022
Current and past due within 3 months	210,385	207,949
Past due from 3 to 6 months	812	1,272
Past due from 6 to 12 months	32	1,093
Past due over 12 months	1,196	3,189
Trade payables	212,425	213,503

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22 PROVISIONS

As at 31 March 2023, provisions can be analysed as follows:

<i>In thousands of euros</i>	31 March 2022	Charged / (credited) to the statement of income			Reclassificatio n	Exchange differences	31 March 2023
		Additional provisions	Unused amounts reversed	Used during the year			
Employee-related disputes (a)	755	1,259	-	(88)	-	(22)	1,904
Commercial claims (b)	1,148	404	-	(31)	-	11	1,532
Tax risks	236	12	(90)	-	107	(18)	247
Total	2,139	1,675	(90)	(119)	107	(29)	3,683

Employee-related disputes relate mainly to disputes with employees with respect to employee benefits or potential claims from social security authorities.

Commercial claims relate mainly to claims from distributors.

In management's opinion, after taking appropriate legal advice, these legal claims will not give rise to any significant loss beyond the amounts provisioned at each balance sheet date.

No reimbursement is expected in connection with these provisions and accordingly, no corresponding asset was recognised.

The unused provisions reversed mainly result from certain risks reaching the end of the applicable limitation period.

23 EXPENSES BY NATURE

Breakdown of expenses by nature

Expenses by nature include the following amounts:

31 March <i>In thousands of euros</i>	2023	2022
Employee benefit expenses (a)	502,892	424,159
Rent and occupancy (b)	115,997	109,785
Raw materials and consumables used	355,994	227,186
Change in inventories of finished goods and work in progress	(61,046)	(23,505)
Advertising costs (c)	305,758	229,137
Auditors' remuneration (d)	2,804	2,802
Professional fees (e)	206,786	160,184
Depreciation, amortisation and impairment (Note 23.3)	157,723	178,187
Transportation expenses	106,348	100,473
Other expenses (f)	101,962	90,256
Total cost of sales, distribution expenses, marketing expenses, research and development expenses and general and administrative expenses	1,795,218	1,498,664

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- (a) Employee benefits include wages, salaries, bonuses, share-based payment, social security, post-employment benefits and temporary staff expenses.
- (b) The rent and occupancy amount as at 31 March 2023 mainly includes variable lease payments based on sales for €67,155,000 (€74,119,000 for the financial year ended 31 March 2022) and rent and occupancy costs relating to short-term leases for €4,021,000 (€5,956,000 for the financial year ended 31 March 2022). During the financial year ended 31 March 2022, an amount of €3,423,000 of rent concessions had been recorded as negative variable rents.
- (c) Advertising costs also include all promotional goods gifted to customers with no obligation to purchase products.
- (d) Auditors' remuneration relates to audit services for €2,465,000 (€1,918,000 as at 31 March 2022) and non-audit services for €212,000 (€613,000 as at 31 March 2022), of which €2,171,000 relates to PwC's Audit services (€1,918,000 as at 31 March 2022) and €212,000 relates to PwC's non-audit services (€613 as at 31 March 2022).
- (e) Professional fees mainly include payments made to warehouse management companies, marketing agencies and lawyers.
- (f) Other expenses notably include out-of-pocket travel expenses, IT services, telephone and postage.

Workforce and employee benefits

Employee benefits include the following amounts:

31 March	2023	2022
<i>In thousands of euros</i>		
Wages, salaries and bonuses	414,090	337,919
Share-based payment (Note 18.3)	(3,706)	11,549
Social security	83,676	75,393
Remuneration for post-combination services granted to non-controlling interests (Note 5.3)	4,354	501
Post-employment benefits (Note 20.1)	1,055	1,694
Other	3,423	3,316
Total employee benefits	502,892	430,372
Workforce (full-time equivalent)	8,718	9,057

Wages, salaries and bonuses includes the cost of temporary staff.

The Group's workforce is expressed as the number of employees at the end of the reporting period.

Breakdown of depreciation, amortisation and impairment

Depreciation, amortisation and impairment include the following:

<i>In thousands of euros</i>	31 March 2023	31 March 2022
Depreciation of property, plant and equipment (Note 6.3)	44,268	45,976
Impairment of property, plant and equipment (Note 6.4)	-	3,784
Reversal of impairment on property, plant and equipment (Note 6.4)	(918)	(1,185)
Depreciation of right-of-use assets (Note 7.1)	100,512	96,115
Impairment of right-of-use assets (Note 7.1)	(177)	17,768
Amortisation of intangible assets (Note 9)	14,038	15,729
Depreciation, amortisation and impairment	157,723	178,187

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24 OTHER OPERATING INCOME/EXPENSES

Other operating income/expenses, net can be analysed as follows:

31 March <i>In thousands of euros</i>	2023	2022
Capital gain arising from the change in the % interest in associates and joint ventures (Note 10.1)	1,700	25,062
Government grants (a)	1,514	1,044
Reconsolidation/deconsolidation of L'Occitane Inc.	-	12,873
Other items	846	-
Excess of the fair value of acquired net assets over the acquisition cost (negative goodwill)	-	145
Gain on sale of associate	-	5,098
Profit on sale of assets	-	1,712
Other operating income	4,060	45,934
Impairment of LimeLife and Melvita goodwill (note 4)	(75,364)	-
Reclassification to income statement of the charge previously recognized in other comprehensive income (currency translation differences) (Note 5.1)	(10,805)	-
Capital loss from the sale of L'Occitane Russia before reclassification of currency translation differences (Note 5.1)	(3,632)	-
Loss on sale of assets (Note 28.1)	(288)	(3,260)
Dilution loss arising from the change in the % interest in associates and joint ventures (Note 10.1)	-	(4,945)
Restructuring expenses	-	(1,448)
Other items	(9)	(289)
Other operating expenses	(90,098)	(9,942)

Government grants correspond to grants for research and development costs and employee profit-sharing schemes.

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25 FINANCE INCOME AND FINANCE COSTS

Finance income and finance costs break down as follows:

31 March	2023	2022
<i>In thousands of euros</i>		
Interest on cash and cash equivalents	2,799	2,858
Others	1,316	321
Finance income	4,115	3,179
Change in the fair value related to the liability of vested awards	2,956	(27,684)
Interest expense	(30,400)	(14,080)
Interest and finance expenses paid/payable for lease liabilities (Note 7.2)	(7,609)	(8,857)
Unwinding of discount on other financial assets (Note 4.3)	-	(1,728)
Change in the fair value of the receivable from the sale of L'Occitane Russia	(35,901)	-
Finance costs	(70,954)	(52,349)
Finance costs, net	(66,839)	(49,170)

Interest expense relates to bank borrowings, current accounts with non-controlling interests and related parties and bank overdrafts.

26 FOREIGN CURRENCY GAINS/(LOSSES)

Foreign currency gains/(losses) break down as follows:

31 March	2023	2022
<i>In thousands of euros</i>		
Foreign exchange differences	(7,605)	(1,052)
Fair value gains/(losses) on derivatives (Note 16)	1,366	1,308
Foreign currency gains/(losses)	(6,239)	256

Foreign exchange differences mainly correspond to:

- Net unrealised foreign exchange loss: €11 million (net losses amounting to €2.2 million for the year ended 31 March 2022);
- Net unrealised foreign exchange gain: €1.1 million (net gains amounting to €1.8 million for the year ended 31 March 2022).
- Net realised foreign exchange loss: €6.0 million (net losses amounting to €5.0 million for the year ended 31 March 2022);
- Net realised foreign exchange gain: €8.3 million (net gains amounting to €3.8 million for the year ended 31 March 2022).

27 INCOME TAX EXPENSE

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27.1 Income tax expense

Income tax expense breaks down as follows:

31 March	2023	2022
<i>In thousands of euros</i>		
Current income tax	(55,206)	(60,337)
Deferred income tax	(6,632)	6,185
Total income tax expense	(61,838)	(54,152)

The reconciliation between the reported income tax expense and the theoretical tax expense that would arise using a standard tax rate is as follows:

31 March	2023	2022
<i>In thousands of euros</i>		
Profit before tax and share of profit/(loss) from joint ventures accounted for using the equity method	178,659	255,672
Income tax calculated at corporate tax rate (<i>Luxembourg tax rate of 24.94% as at 31 March 2023 and 2022</i>)	(44,558)	(63,765)
Effect of different tax rates in foreign countries	19,955	24,491
Changes in tax rates	1,255	(268)
Effect of unrecognized tax assets	(20,457)	(8,890)
Recognition of previously unrecognized tax assets	366	-
Expenses not deductible for taxation purposes (a)	(17,212)	(4,565)
Provision for tax risks	31	(142)
Effect of unremitted tax earnings	(1,208)	(916)
Minimum tax payments	(10)	(97)
Income tax expense	(61,838)	(54,152)

For the year ended 31 March 2023, expenses not deductible for taxation purposes mainly relate to the impairment losses of LimeLife and Melvita goodwill and to L'Occitane Russia divestiture.

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27.2 Components of deferred income tax assets and liabilities

Nature of deferred income tax assets and liabilities

Net deferred income tax assets recorded at 31 March 2023 and 2022 break down as follows:

<i>In thousands of euros</i>	2023	2022
ASSETS		
Intercompany margin in inventory	28,002	31,412
Excess tax basis over carrying amount of PP&E	10,288	14,028
Tax losses carried forward	24,675	22,519
Lease liabilities	7,047	7,368
Employee benefits	5,408	7,110
Promotional goods expensed	3,420	3,848
Inventory valuation	6,767	6,591
Loyalty programs	2,167	2,662
New tax regulation	134	269
Deferred tax related to grants to a foundation	1,198	-
Other temporary differences	12,282	11,298
Total assets	101,388	107,105
<i>To be recovered after more than 12 months</i>	<i>43,969</i>	<i>46,349</i>
<i>To be recovered within 12 months</i>	<i>57,419</i>	<i>60,756</i>
LIABILITIES		
Identified trademarks in business combinations	(79,290)	(79,222)
Goodwill tax amortization	(27,939)	(20,825)
Income tax on unremitted earnings (Note 27.4)	(8,728)	(7,718)
Derivative financial instruments	(298)	(244)
Other temporary differences	(1,655)	(1,287)
Total liabilities	(115,910)	(109,296)
<i>To be recovered after more than 12 months</i>	<i>(108,884)</i>	<i>(101,334)</i>
<i>To be recovered within 12 months</i>	<i>(7,026)</i>	<i>(7,962)</i>
Deferred income tax, net	(14,522)	(2,191)
Deferred income tax assets	84,966	94,005
Deferred income tax liabilities	(99,488)	(96,196)

Recognition of deferred income tax assets

Deferred income tax assets are recognised to the extent that the realisation of the related benefit through future taxable profits is probable.

As at 31 March 2023, the Group had tax losses of €270,552,000 to be carried forward, generating a potential deferred income tax asset of €74,273,000. As at 31 March 2022, these figures were €233,438,000 and €60,824,000, respectively.

Deferred tax assets include an amount of €23,096,000 relating to carried-forward tax losses of the following main subsidiaries:

- LimeLife US for €10,504,000;
- L'Occitane Inc. for €2,798,000;
- ELEMIS US for €9,767,000

The losses were incurred by these subsidiaries over the last two financial years following the COVID-19 pandemic. The Group concluded that the deferred tax assets will be recoverable using estimates of future taxable profit based on the approved business plans and budgets for each subsidiary. Each subsidiary is expected to generate taxable profit from 2024 onwards. The losses can be carried forward indefinitely and do not expire.

Unrecognised deferred income tax assets at 31 March 2023 amount to €49,682,000 (€38,161,000 at 31 March 2022) and mainly related to Brazil.

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27.3 Movements in deferred tax assets and liabilities, net

Movements in deferred tax assets and liabilities, net during the year were as follows:

31 March		2023	2022
<i>In thousands of euros</i>			
At the beginning of the year		(2,191)	13,068
(Charged) / credited to income (Note 27.1)		(6,632)	6,185
(Charged) / credited to equity (Note 27.5)		(474)	(564)
Sale of L'Occitane Russia (Note 5.1)		(3,424)	-
Reconsolidation of L'Occitane Inc. (Note 5.2)		-	14,078
Acquisition of subsidiaries (Note 5.2)		-	(32,543)
Exchange differences		(1,801)	(2,415)
At the end of the year		(14,522)	(2,191)

27.4 Income tax on unremitted earnings

Deferred income taxes on the unremitted earnings of the Group's foreign subsidiaries and associates are provided for unless the Group intends to indefinitely reinvest the earnings in the subsidiaries. The Group does intend to indefinitely reinvest unremitted earnings of its foreign subsidiaries in most jurisdictions.

For certain subsidiaries for which the Group does not intend to indefinitely reinvest unremitted earnings in these foreign jurisdictions, the corresponding distribution of earnings may trigger taxes. Therefore, the Group provides for deferred income taxes on these earnings where distribution would trigger taxes. The corresponding deferred tax liability amounts to €6,728,000 at 31 March 2023 and €7,718,000 at 31 March 2022.

27.5 Income tax on components of other comprehensive income

The tax (charge)/credit relating to components of other comprehensive income is as follows:

In thousands of euros	31 March 2023			31 March 2022		
	Before tax	Tax (charge)/credit	After tax	Before tax	Tax (charge)/credit	After tax
Fair value gains/(losses) on cash flow hedges (Note 16)	1,410	-	1,410	1,890	-	1,890
Actuarial gains/(losses) on defined-benefit obligations (Note 20.1)	1,884	(474)	1,410	2,398	(564)	1,834
Currency translation differences	(650)	-	(650)	50,485	-	50,485
Other comprehensive income	2,644	(474)	2,170	54,773	(564)	54,209

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28 SUPPLEMENTAL DISCLOSURE ON CASH FLOW INFORMATION

28.1 Proceeds from sale of assets

In the consolidated statement of cash flows, proceeds from the sale of assets comprise the following:

31 March <i>In thousands of euros</i>	2023				2022			
	Intangible assets	Property, plant and equipment	Right-of-use assets	Total	Intangible assets	Property, plant and equipment	Right-of-use assets	Total
Disposals - Cost	2,415	24,709	3,703	30,827	5,586	33,002	2,391	40,979
Disposals - Accumulated depreciation and amortisation	(1,705)	(22,223)	(2,893)	(26,821)	(5,115)	(29,656)	(1,801)	(36,572)
Net carrying amount (Note 6 and 9)	710	2,486	810	4,006	471	3,346	590	4,407
Profit/(loss) on sale of assets (Note 24)	5	(284)	(9)	(288)	73	(1,767)	146	(1,548)
Proceeds from sale of assets	715	2,202	801	3,718	544	1,579	736	2,859

Profit/(loss) on the sale of assets is presented within "Other operating income/expenses" in the consolidated statement of income (Note 24).

28.2 Net movement in provisions and other liabilities

In the consolidated statement of cash flows, the net movement in provisions and other liabilities recorded in the consolidated statement of income comprises the following:

31 March <i>In thousands of euros</i>	Notes	2023	2022
Employee-related disputes	(22)	1,171	(392)
Commercial claims	(22)	373	723
Tax risks	(22)	(78)	(71)
Dismantling and restoration costs	(20.2)	1,490	917
Retirement benefits	(20.1)	873	1,443
Net movement in provisions		3,829	2,620

28.3 Other non-cash items

The Group has granted share-based payments as described in Note 18.3.

28.4 Effects of exchange rate fluctuations on the net increase/(decrease) in cash and cash equivalents

The effects of exchange rate fluctuations as stated in the consolidated statement of cash flows include the following:

The translation at the closing exchange rate of foreign currency cash and cash equivalents;

The exchange rate effect of the movement in foreign currency cash and cash equivalents from the average exchange rate to the closing exchange rate;

The exchange movements on intragroup transactions not settled at year-end.

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28.5 Cash flows reported on a net basis

In accordance with IAS 7.23, proceeds from and repayments of borrowings in which the turnover is quick, the amounts are large and the maturities are short are reported on a net basis in the consolidated statement of cash flows.

29 CONTINGENCIES

29.1 Legal proceedings

The Group is subject to legal proceedings, claims, taxes, customs, employee-related and other disputes arising in the ordinary course of business. Management does not expect that the ultimate costs required to settle these other matters will have a material adverse effect on the Group's consolidated financial position, statement of income or cash flows.

29.2 Other contingent liabilities

The Group has contingent liabilities in respect of bank, other guarantees and other matters arising in the ordinary course of business. It is not expected that any material liabilities will arise from the contingent liabilities. All guarantees given by the Group are described in Note 30.

30 COMMITMENTS

30.1 Capital and other expenditure commitments

Capital and other expenditure contracted at the balance sheet date but not yet incurred is as follows:

31 March <i>In thousands of euros</i>	2023	2022
Property, plant and equipment	4,348	4,746
Intangible assets	269	20
Raw materials	5,117	6,717
Total	9,734	11,483

The amounts as at 31 March 2023 and 31 March 2022 mainly relate to the plants in France.

30.2 Other commitments

31 March <i>In thousands of euros</i>	2023	2022
Pledge over property (land and buildings)	16,441	19,171
Total	16,441	19,171

The Group has also committed to invest up to €20,000,000 in an investment fund named Truffle Capital (maturity of 5 years with a 2-year renewal option) and to €3,000,000 in an investment fund named Karista (maturity of 5 years). The Group has already invested a cumulative amount of €18,400,000 in Truffle Capital and €1,416,000 in Karista

In FY22, the Group committed to invest in Livelihoods Carbon fund Sicav for a total amount of €5,000,000. Livelihoods was founded in 2008 under the leadership of Danone to restore degraded ecosystems, redevelop local economies and combat climate change. In return, it is expected to receive carbon offsets under the form of dividends in-kind until 2030. As at March 31 2023, an amount of capital calls of €139,000 was recorded in the line "Other non-current assets" in the balance sheet.

During FY23, the Group committed to invest in the Mirova fund Sicav for a total amount of €40,000,000. Mirova was founded in 2012 under the leadership of Natixis Investment Managers to preserve and restore natural capital including sustainable agriculture and sustainable forestry. In return, it is expected to receive carbon offsets under the form of dividends in-kind until 2030. As at March 31 2023, no capital call was recorded in the line "Other non-current assets" in the balance sheet.

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31 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described below.

31.1 Key management compensation

Key management is composed of the directors (executive and non-executive Board members of the Company) and senior management.

Directors' emoluments

Directors are the Board members. Directors' emoluments expensed during the year can be analysed as follows:

31 March	Salaries and other benefits kind	Employer's contribution to as retirement benefit scheme	Bonus	Directors fees	Share-based payments	Services	Total
<i>In thousands of Euros</i>							
2023	1,545	85	777	-	368	622	3,396
2022	1,450	95	893	-	212	697	3,347

Other than the types of emoluments described above, none of the Directors received any other form of compensation during the relevant periods. There was no arrangement under which a director has waived or agreed to waive any emolument.

There was no payment during the above financial years or periods to directors as an inducement to join the Group or as compensation for loss of office.

31.2 Sales of products and services

31 March	2023	2022
<i>In thousands of euros</i>		
Sales of goods and services		
- Sales of L'Occitane products to L'Occitane Middle East	18,123	10,612
- Sales of L'Occitane products to Capsum	6	-
- Sales of Erborian products to L'Occitane Middle East	3,699	368
- Sales of Melvita products to L'Occitane Middle East	-	46
- Sales of Elemis products to L'Occitane Middle East	5,261	-
- Interests on loan to L'Occitane Middle East	223	-
Total sales of products	27,312	11,026
Receivables from related parties in connection with the above sales of products		
- Receivables from L'Occitane Middle East	16,082	6,921
Total receivables	16,082	6,921

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31.3 Purchases of goods and services

31 March <i>In thousands of euros</i>	2023	2022
Purchases		
- Goods and services from Pierre Hermé (a)	-	1,468
- Goods and services from Capsum	2,409	3,439
Total purchases	2,409	4,907
Payables to related parties in connection with the above services		
- Goods and services from Pierre Hermé (a)	-	293
- Goods from L'Occitane Middle East	25	51
- Goods from Capsum	759	230
Total payables	784	574

- a) The Company runs two stores (in Paris and London) with Pierre Hermé SAS. The Company buys pastries from Pierre Hermé SAS for takeaway sales. Pierre Hermé SAS used to be an associate of L'Occitane Group S.A. until it sold its shares to a third party in December 2021. From that time, Pierre Hermé is no longer a related party of L'Occitane International S.A.

31.4 Borrowings from related parties/loans to related parties

31 March <i>In thousands of euros</i>	2023	2022
Loans to related parties		
- L'Occitane Middle East	7,277	6,945
- Receivables from Grown Alchemist management	2,727	2,765
- Receivables from Erborian management	1,016	1,001
- Receivables from Elemis management	6,069	5,874
- Receivables from Les Minimes	487	-
Total loans to related parties	17,576	16,585

31.5 Formation of joint ventures/Acquisition of additional interests in a subsidiary

There were no transactions with related parties linked to the formation of joint ventures or acquisition of additional interests in subsidiaries other than those listed in Note 5 during the years ended 31 March 2023 and 31 March 2022.

31.6 Commitments and contingencies

The Group has not guaranteed any loans to any key management personnel.

31.7 Other transactions with related parties

There were no transactions with related parties other than those listed in Note 5 during the years ended 31 March 2023 and 31 March 2022.

32 POST BALANCE SHEET EVENTS

On 11 May 2023, L'Occitane International S.A. purchased 35% of Group Fourteen Holdings Pty Ltd (holding company of Grown Alchemist activity) for a total consideration of € 10,061,000. The Company percentage of interests of the Company after this transaction is 67%.

On 31 May 2023, L'Occitane International S.A. took part to the last fund raising of Good Glamm Group (accounted for using equity method) for €9,427,000 and increased its percentage of interests to 15.93%.

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33 LIST OF SUBSIDIARIES AND ASSOCIATES

The list of subsidiaries and associates was as follows:

Subsidiaries and investments accounted for using the equity method	City - Country of incorporation and operation	31 March		31 March	
		2023	2022	2023	2022
LOG Groupe S.A.	Luxembourg - Luxembourg	Parent	Parent	Full	Full
L'Occitane International S.A.	**** Luxembourg - Luxembourg	72.3	72.3	Full	Full
L'Occitane International (Suisse) S.A.	* Plan les Ouates - Switzerland	100.0	100	Full	Full
Laboratoires M&L	* Manosque - France	100.0	100.0	Full	Full
M&L Distribution France S.a.r.l.	** Manosque - France	100.0	100.0	Full	Full
Café & Retail 86	* Paris - France	100.0	100.0	Full	Full
L'Occitane Inc.	* New York - USA	100.0	100.0	Full	Full
L'Occitane (Far East) Limited	* Hong Kong	100.0	100.0	Full	Full
L'Occitane Singapore Pte. Limited	** Singapore	100.0	100.0	Full	Full
L'Occitane Japon K.K.	*** Tokyo - Japan	100.0	100.0	Full	Full
Melvita Japon K.K.	** Tokyo - Japan	100.0	100.0	Full	Full
L'Occitane Do Brasil	* Curitiba - Brazil	100.0	100.0	Full	Full
Espaço Do Banho	** Sao Paulo - Brazil	100.0	100.0	Full	Full
L'Occitane Ltd.	* London - UK	100.0	100.0	Full	Full
L'Occitane GmbH	* Villach - Austria	70.0	70.0	Full	Full
L'Occitane GmbH	* Dusseldorf - Germany	100.0	100.0	Full	Full
L'Occitane Italia S.r.l.	* Milan - Italy	100.0	100.0	Full	Full
L'Occitane Australia Pty Ltd	** Sydney - Australia	100.0	100.0	Full	Full
L'Occitane (Suisse) S.A.	* Geneva - Switzerland	100.0	100.0	Full	Full
L'Occitane Espana S.L.	* Madrid - Spain	100.0	100.0	Full	Full
L'Occitane Central Europe s.r.o.	* Prague - Czech Republic	100.0	100.0	Full	Full
L'Occitane (Taiwan) Limited	*** Taipei - Taiwan	100.0	100.0	Full	Full
L'Occitane Belgium Sprl	* Antwerpen - Belgium	100.0	100.0	Full	Full
L'Occitane Trading (Shanghai) Co. Limited	** Shanghai - China	100.0	100.0	Full	Full
L'Occitane (Korea) LLC	** Seoul - Korea	100.0	100.0	Full	Full
L'Occitane Airport Venture LLC	** Dallas - USA	65.0	65.0	Full	Full
L'Occitane Mexico S.A. de CV	* Mexico City - Mexico	99.9	99.9	Full	Full
L'Occitane (China) Limited	** Hong Kong	100.0	100.0	Full	Full
L'Occitane Macau Limited	** Macau	100.0	100.0	Full	Full
L'Occitane Rus LLC (Russia)	* Moscow - Russia	-	100.0	-	Full
Melvita (International) SAS (formerly Verveina SAS)	** Manosque - France	100.0	100.0	Full	Full
L'Occitane Thailand Ltd.	** Bangkok - Thailand	100.0	100.0	Full	Full
L'Occitane Ventures (Thailand) Ltd.	** Bangkok - Thailand	100.0	100.0	Full	Full
L'Occitane Polska Sp.z.o.o	* Warsaw - Poland	100.0	100.0	Full	Full
L'Occitane Canada Corp	* Toronto - Canada	100.0	100.0	Full	Full
L'Occitane India Private Limited	** New Delhi - India	51.0	51.0	Full	Full
L'Occitane Nederland B.V.	* Amsterdam - The Netherlands	100.0	100.0	Full	Full
L'Occitane Malaysia SDN	** Kuala Lumpur - Malaysia	100.0	100.0	Full	Full
L'Occitane Ireland Ltd	* Dublin - Ireland	100.0	100.0	Full	Full
Symbiose Cosmetics France SAS	* Paris - France	97.8	97.8	Full	Full
Symbiose Cosmetics Korea	** Seoul - Korea	97.8	97.8	Full	Full
L'Occitane Nordic AB	* Stockholm - Sweden	100.0	100.0	Full	Full
L'Occitane South Africa	* Johannesburg - South Africa	100.0	100.0	Full	Full
L'Occitane International GMBH	* Dusseldorf - Germany	-	100.0	-	Full
L'Occitane Portugal Unipessoal L.DA	* Lisbon - Portugal	100.0	100.0	Full	Full
L'Occitane Norge AS	* Oslo - Norway	100.0	100.0	Full	Full
L'Occitane Distribution Asia Pte. Ltd.	** Singapore	100.0	100.0	Full	Full
L'Occitane Opera Indústria e Comercio de Cosméticos LTDA	*** Sao Paulo - Brazil	100.0	100.0	Full	Full
LimeLife Co-Invest Sarl (Lux)	** Luxembourg - Luxembourg	58.0	58.0	Full	Full
LimeLife USA LLC	** New York - USA	58.0	58.0	Full	Full
LimeLife Canada Ltd	** Toronto - Canada	58.0	58.0	Full	Full
Comercio De Cosméticos e Produtos De Perfumaria LTDA	** Sao Paulo - Brazil	58.0	58.0	Full	Full
LimeLife Serviços de Cobrança Ltda	** Sao Paulo - Brazil	-	58.0	-	Full
LimeLife Gesta de sistema de franquia Eireli	** Sao Paulo - Brazil	-	58.0	-	Full
LimeLife France SAS	** Paris - France	58.0	58.0	Full	Full

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Subsidiaries and investments accounted for using the equity method	City - Country of incorporation and operation	% interest		Method of consolidation	
		31 March		31 March	
		2023	2022	2023	2022
LimeLife by Alcone UK Ltd	** London - UK	58.0	58.0	Full	Full
LimeLife Deutschland GMBH	** Berlin - Germany	58.0	58.0	Full	Full
LimeLife Italia S.P.A.	** Milan - Italy	58.0	58.0	Full	Full
LimeLife by Alcone Espana S.L.	** Madrid - Spain	58.0	58.0	Full	Full
LimeLife Australia Pty Ltd	** Sydney - Australia	58.0	58.0	Full	Full
LimeLife by Alcone Ireland Ltd (branch of UK)	** Dublin - Ireland	58.0	58.0	Full	Full
LimeLife Japan KK	** Tokyo - Japan	58.0	58.0	Full	Full
LimeLife Firepire Fund LLC	** New-York - USA	58.0	58.0	Full	Full
LOI Participations SARL	* Luxembourg - Luxembourg	100.0	100.0	Full	Full
L'Occitane Innovation Lab	* Manosque - France	100.0	100.0	Full	Full
LOI ELEMIS SARL	* Luxembourg - Luxembourg	98.6	98.6	Full	Full
ELEMIS Ltd USA	** Coral Gables - USA	98.6	98.6	Full	Full
Elemis SPS LLC	** Wilmington - USA	98.6	98.6	Full	Full
ELEMIS Ltd UK	** Bristol - UK	98.6	98.6	Full	Full
Elemis Spa Ltd (UK)	** Bristol - UK	-	98.6	-	Full
Elemis Asia Pacific Limited	** Hong-Kong - China	98.6	98.6	Full	Full
Duolab International SARL	* Plan les Ouates - Switzerland	100.0	100.0	Full	Full
Duolab UK Limited	** London - UK	100.0	100.0	Full	Full
Casparum S.A.	* Marseille - France	26.0	26.0	Equity	Equity
Casparum Inc.	* Texas - USA	26.0	26.0	Equity	Equity
Sanghvi Beauty & Technology Private Limited (Good Glam Group)	* Pune - India	15.5	15.5	Equity	Equity
LOC SOL Holding Inc.	* Dover Kent County - USA	100.0	100.0	Full	Full
LOC SOL Owners Inc.	** Dover Kent County - USA	83.0	83.0	Full	Full
LOC SOL Target Inc.	** Dover Kent County - USA	83.0	83.0	Full	Full
Sof de Janeiro Holding Inc.	** Dover Kent County - USA	83.0	83.0	Full	Full
Sof de Janeiro USA Inc.	** Dover Kent County - USA	83.0	83.0	Full	Full
Sof de Janeiro SAS	** Paris - France	83.0	83.0	Full	Full
Sof de Janeiro IP Inc.	** Dover Kent County - USA	83.0	83.0	Full	Full
L'Occitane Middle East FZCO JV	* Dubai - UAE	51.0	51.0	Equity	Equity
L'Occitane Arabia	** Jeddah - KSA	51.0	51.0	Equity	Equity
L'Occitane Emirates LLC	** Dubai - UAE	51.0	51.0	Equity	Equity
14 Group S.A.	* Luxembourg - Luxembourg	32.0	32.7	Full	Full
Group Fourteen Holdings Australia Pty Ltd	** Melbourne - Australia	32.0	32.7	Full	Full
Group Fourteen LLC	** Wilmington - USA	32.0	32.7	Full	Full
Group Fourteen Operations Pty Ltd	** Melbourne - Australia	32.0	32.7	Full	Full
Group Fourteen IP Pty Ltd	** Melbourne - Australia	32.0	32.7	Full	Full
Grown Alchemist Ltd	** London - UK	32.0	32.7	Full	Full
Grown Alchemist Europe BV	** Amsterdam - The Netherlands	32.0	32.7	Full	Full
Group Fourteen Europe Pty Ltd	** Melbourne - Australia	32.0	32.7	Full	Full
Grown Alchemist Pty Ltd	** Melbourne - Australia	32.0	32.7	Full	Full
Les Minimes SAS	**** Mane - France	60.6	79.5	Full	Full
Le Cloître des Minimes SARL	**** Mane - France	60.6	79.5	Full	Full
LOG Investment	**** Luxembourg - Luxembourg	99.3	99.3	Full	Full

* directly held by LOI

** indirectly held by LOI

*** both directly and indirectly held by LOI

**** directly held by LOG

***** indirectly held by LOG

The percentages of interest are representative of voting rights as no shares have multiple voting rights. These percentages are unchanged at the approval date of the financial statements. The percentage of interest above mentioned is the percentage of interest of L'Occitane International S.A. in the subsidiaries, except for Les Minimes SAS, Le Cloître des Minimes SARL, LOG Investment and L'Occitane International SA that are directly held by the Company.

The main changes in the list of subsidiaries and associates are disclosed in Note 5.

Disclaimer: some information presented in tables have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, some percentages presented in the tables reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.