



## **PRESS RELEASE**

### **Merger by incorporation of Arts S.r.l. and Aura1 S.r.l. in Salvatore Ferragamo S.p.A.**

*Florence, 25<sup>th</sup> June 2020* – Today the Board of Directors of Salvatore Ferragamo S.p.A. (“**Salvatore Ferragamo**” or the “**Acquiring Company**” or the “**Company**”) (MTA: SFER), parent company of the Salvatore Ferragamo Group, one of the major players of the luxury sector, approved the merger by incorporation in Salvatore Ferragamo of the wholly owned subsidiaries Arts S.r.l. and Aura1 S.r.l. (individually “**Arts**” and “**Aura**” or jointly, the “**Merged Companies**”) (respectively, the “**Merger Project**” and the “**Merger**”). On the same date the Sole Director of Arts and the Sole Director of Aura approved the Merger Project.

Pursuant to article 2505 of the civil code, the decision concerning the approval of the Merger will be taken as follows:

- a) for Salvatore Ferragamo, by the Board of Directors of the company, by virtue of the powers granted thereto in accordance with article 25, paragraph 2, lett. a), of the Articles of Association;
- b) for Arts and Aura by their Shareholders Meeting.

Pursuant to article 2505, paragraph 3 of the civil code, a number of shareholders of Salvatore Ferragamo representing at least 5% of its share capital may request that the decision on the Merger approval be taken by the Extraordinary Shareholders Meeting according to article 2502, paragraph 1, of the civil code. The shareholders who are interested in exercising said power shall send, within eight days from the date on which the Merger Project is published on the Company’s website, by registered letter with advice of receipt, a communication to Salvatore Ferragamo S.p.A., Ufficio Affari Societari - Via Mercalli 205 - 207, 50019 Sesto Fiorentino (FI), together with a certification proving the ownership of the Company’s shares. The aforesaid documentation shall have to be anticipated via PEC to the address: [salvatore.ferragamo@legalmail.it](mailto:salvatore.ferragamo@legalmail.it).

Starting from today the following documents are available to the public at the registered office of each of the companies taking part in the Merger and on the website of Salvatore Ferragamo at the address <http://group.ferragamo.com> in the Governance/Extraordinary Operations section, as provided for by applicable laws and regulations:

- i) the Merger Project jointly drawn up by the three companies taking part in the Merger together with the Acquiring Company’s Articles of Association in force that, compared to the current version, will remain unchanged after the Merger;
- ii) the Financial Statements of the three latest business years of Salvatore Ferragamo S.p.A. including the financial statements as at 31<sup>st</sup> December 2019, which replaces the relevant balance sheet according to article 2501 quarter, paragraph 2, of the civil code, completed with the reports of the directors and the statutory auditors;

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- iii) the Financial Statements of the three latest business years of Arts including the financial statements as at 31<sup>st</sup> December 2019, which replaces the relevant balance sheet according to article 2501 quarter, paragraph 2, of the civil code, completed with the reports of the sole director and the statutory auditors;
- iv) the Financial Statement as at 31<sup>st</sup> December 2019 of Aura, which replaces the relevant balance sheet according to article 2501 quarter, paragraph 2, of the civil code, completed with reports of the sole director and the statutory auditors. Aura was established in December 2018 and therefore no other financial statements have been prepared in addition to the one closed on 31<sup>st</sup> December 2019.

Moreover, starting from today the abovementioned Merger Project, together with the Financial Statements as at 31<sup>st</sup> December 2019 of each company taking part into the Merger as relevant balance sheet pursuant to article 2501-*quater*, paragraph 2, of the civil code, is also available to the public on the eMarket STORAGE at the address [www.emarketstorage.com](http://www.emarketstorage.com).

All the documents are also available to anyone upon request at the registered office of the Company.

In 2012 the Board of Directors of Salvatore Ferragamo decided to make use, among other things, of the derogation envisaged by article 70, paragraph 8, of the Consob Regulation no. 11971/99 (so called *opt-out* regime) and therefore no information document concerning the Merger will be drawn up or made available to the public. Furthermore, the Merger does not qualify as a significant transaction pursuant to Article 70, paragraph 6, of the said Consob Regulation.

The main terms and conditions of the Merger are detailed here-below. For more information, please make reference to the Merger Project made available as per the above.

## **Description of the companies participating in the Merger**

### Acquiring Company - Salvatore Ferragamo

Salvatore Ferragamo S.p.A., a joint stock company established under Italian law, with registered office in Florence, via Tornabuoni n. 2, registered at the Florence Company Register under no. 02175200480, with share capital of 16,939,000.00 euros, subscribed and paid for 16,879,000.00 euros, divided into no. 168,790,000 ordinary shares, with a par value of € 0.10 each - of which n. 150,000 shares with voting rights suspended pursuant to Article 2357-ter, paragraph 2 of the civil code as treasury shares of the Acquiring Company, and no. 168,640,000 shares with voting rights - listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A.. Ferragamo Finanziaria S.p.A. carries out management and coordination activities on the Company, pursuant to art. 2497 et seq. of the civil code.

### Merged Company - Aura

Aura 1 S.r.l., a limited liability company established under Italian law, with registered office in Florence, via delle Mantellate n. 8 registered at the Florence Company Register under no. 06875640481, with share capital of Euro 33,659.00, fully paid. As of today, the share capital of Aura is wholly owned by the Company.

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## Merged Company - Arts

Arts S.r.l., a limited liability company established under Italian law, with registered office in Scandicci (FI), via Vittorio Michelassi n. 5/7, street 05560, registered at the Florence Company Register under no. 03300290487, with share capital of Euro 150,000.00, fully paid.

As of today, the share capital of Arts is held as follows:

- a share equal to 50.8% of the share capital, equal to a nominal value of Euro 76,201.00, is held by Aura;
- a share equal to 49.2% of the share capital, equal to a nominal value of Euro 73,799.00, is held by the Company.

## **Purpose of the Merger**

On 27<sup>th</sup> April 2020 the Company purchased:

- a 100% stake in the share capital of Aura and
- a 49.2% stake in the share capital of Arts.

In consideration of the fact that Aura, in turn, holds the remaining 50.8% of the share capital of Arts, upon the outcome of these operations the Company acquired - partially indirectly - the entire share capital of Arts. The activity carried out by Arts consists in the study and development of shapes for men's shoes by Salvatore Ferragamo, in the creation of prototypes, in the management of the relationships with the production chain and in the testing activities of the finished products; activities that, if internalized, can lead to important synergies also in relation to women's shoes.

In view of the above and also in order to reorganize the structure of the ownership chain, allowing greater flexibility in internal processes and consequently optimizing the management of resources and intercompany economic-financial flows deriving from the activities currently split up between Aura and Arts, it is considered appropriate to integrate these companies by merger by incorporation into Salvatore Ferragamo.

## **Merger modalities, terms and timing**

### Balance sheets

Since the conditions envisaged by art. 2501-quater, paragraph 2, of the civil code are met, the balance sheets of the companies participating in the Merger referred to in paragraph 1 of the same article are replaced by the financial statements of the last financial year ended on 31<sup>st</sup> December 2019 of the Company, Aura and Arts.

### Simplified procedure

Since 100% of the Merged Companies are held - although in part with reference to Arts - by the Acquiring Company, the simplifications provided for by art. 2505 of the civil code applies and therefore:

- (i) the provisions of art. 2501-ter, paragraph 1, numbers 3), 4) and 5) of the civil code do not apply;
- (ii) it was not necessary to prepare a report of the administrative bodies of the companies taking part in the Merger pursuant to art. 2501-quinquies of the civil code;
- (iii) it was not necessary to prepare an expert report on the fairness of the exchange ratio pursuant to art. 2501-sexies of the civil code.

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Salvatore Ferragamo will not increase its share capital. The shares representing the entire share capital of Arts and Aura will be cancelled. In addition, no amendments will be made to the Articles of Association of the Company.

## Effective date of the Merger

The Merger, for civil purposes, will be effective (subject to legal obligations) from the date that will be indicated in the Merger deed, in accordance with the provisions of art. 2504-bis, paragraph 2 of the civil code (the "**Effective Date**").

Starting from the Effective Date, the Acquiring Company will take over all the assets and liabilities of the Merged Companies, assuming all the rights and obligations, pursuant to art. 2504-bis, paragraph 1 of the civil code.

Starting from the Effective Date, all corporate offices of the Merged Companies will cease and all powers of attorney previously issued will expire.

Pursuant to art. 2504-bis, paragraph 3 of the civil code, for accounting (with consequent imputation to the financial statements of the Company of any activity of the Merged Companies) and tax purposes, the Merger will be effective from January 1 of the year in which the Merger will produce its civil effects as indicated above.

## Right of withdrawal

The Merger does not attribute the right of withdrawal to those shareholders of the Company who did not take part in the approval process, as none of the case provided for by art. 2437 of the civil code is verified.

## Impact of the Merger on the Company's shareholding structure

On the Effective Date the share capital of the Company will remain unchanged with respect to that existing today, as well as its shareholding structure and the shares held by the same shareholders in the share capital of the Company, since the Merger does not determine any assignment of shares pursuant to art. 2501-ter, paragraph 1, numbers 4) and 5) of the civil code nor, consequently, any determination of exchange ratios or cash adjustments pursuant to art. 2501-ter, paragraph 1, number 3) of the civil code.

The Merger will determine, on the Effective Date, the extinction of the Merged Companies and therefore the cancellation of their shareholdings and share capital.

## **Other information**

The Merger is not subject to any condition precedent or resolutive.

There are no special treatments for particular categories of shareholders.

There are no special advantages in favour of the directors of the companies taking part in the Merger.

## **Information notice for transactions with related parties**

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Despite the Merger involves Aura and Arts - which are subsidiaries of Salvatore Ferragamo and, therefore, related parties to it, pursuant to the Consob Regulation for related party transactions approved with resolution no. 17221 of 12 March 2010 and subsequent amendments, as well as to the Procedure governing transactions with related parties approved by the Company - it is not necessary to apply the protections provided therein, since (i) the transaction is carried out, as mentioned above, between subsidiaries and (ii) there are no interests, classified as significant based on the criteria defined by the Procedure, of other related parties of the Company.

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## **Salvatore Ferragamo S.p.A.**

Salvatore Ferragamo S.p.A. is the parent Company of the Salvatore Ferragamo Group, one of the world's leaders in the luxury industry and whose origins date back to 1927.

The Group is active in the creation, production and sale of shoes, leather goods, apparel, silk products and other accessories, along with women's and men's fragrances. The Group's product offer also includes eyewear and watches, manufactured by licensees.

The uniqueness and exclusivity of our creations, along with the perfect blend of style, creativity and innovation enriched by the quality and superior craftsmanship of the 'Made in Italy' tradition, have always been the hallmarks of the Group's products.

With approximately 4,000 employees and a network of 652 mono-brand stores as of 31 March 2020, the Ferragamo Group operates in Italy and worldwide through companies that allow it to be a leader in the European, American and Asian markets.

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For further information:

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This press release is also published on the Company's web site <https://group.ferragamo.com/> in the section Press Releases.