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

DISCLOSEABLE AND CONNECTED TRANSACTIONS
OPTIONS IN RESPECT OF SOL DE JANEIRO

Reference is made to the Initial Announcement, in which the Company announced that it had entered into the Stockholders' Agreement, pursuant to which Connected Shareholder had granted to Parent Subsidiary the Original Call Option, and Parent Subsidiary had granted to Connected Shareholder the Original Put Option.

The Board is pleased to announce that on 29 March 2024 (after trading hours), the Company, together with the other shareholders of Intermediate Holding Company, among others, entered into the Supplemental Stockholders' Agreement, pursuant to which, among other matters, Parent Subsidiary granted the Additional Call Option to Connected Shareholder, and certain terms of the Original Call Option and the Original Put Option have been amended.

ADDITIONAL CALL OPTION

Parent Subsidiary has granted the Additional Call Option to Connected Shareholder under the Supplemental Stockholders' Agreement, the material terms of which are as follows:

- Grant Date:** Date of the Supplemental Stockholders' Agreement.
- Parties to Grant:** (i) Parent Subsidiary, as the Additional Call Option granter; and
(ii) Connected Shareholder, as the Additional Call Option holder.
- Additional Interest:** Equity interest in Intermediate Holding Company, representing 7% of the total equity interest of Intermediate Holding Company at the time of exercise of the Additional Call Option, provided that, if the equity interest of Intermediate Holding Company owned by Parent Subsidiary and its affiliates at the time of exercise of the Additional Call Option (without giving effect to the Additional Call Option) cumulatively represents less than 87.01% of the total share capital of Intermediate Holding Company, the Additional Interest shall be reduced by a number of shares such that the equity interest owned by Parent Subsidiary and its affiliates (after giving effect to the Additional Call Option) cumulatively represents 80.01% of the share capital of Intermediate Holding Company.
- Premium/Exercise Price:** No premium is payable for the Additional Call Option.
- The exercise price of the Additional Call Option is US\$28,300.72 per share. If the Additional Call Option was exercised as at the date of this announcement with respect to 7% of the total equity interest of Intermediate Holding Company, the aggregate exercise price would be approximately US\$88.5 million.

The Additional Call Option exercise price was determined after arm's length negotiations between the parties with reference to present and future performance of business and Heela Yang's contribution with respect thereto.

**Exercise Period/
Vesting Conditions:** The Additional Call Option may be exercised by the Connected Shareholder at any time during the 1 year period following the satisfaction of the Additional Call Option vesting conditions set out in the Supplemental Stockholders' Agreement, which are based on the consolidated EBIT and consolidated net sales of Intermediate Holding Company for the period of FY 2025 to FY 2028 (both inclusive). As such, the Additional Call Option may not be exercised prior to the end of FY 2028.

In addition, the Connected Shareholder will not be entitled to exercise the Additional Call Option if Heela Yang has ceased to be employed by Intermediate Holding Company, subject to limited exceptions.

ORIGINAL CALL OPTION

All material terms of the Original Call Option granted by Connected Shareholder under the Stockholders' Agreement shall remain the same except as amended by the Supplemental Stockholders' Agreement as follows:

**Revised Exercise
Period:** The Original Call Option exercise period under the Stockholders' Agreement has been replaced as follows:

- (a) prior to 31 March 2027, following the occurrence of a call option acceleration event, Parent Subsidiary may, at its discretion, within a 75–90 day period as specified under the Supplemental Stockholders' Agreement, require Connected Shareholder to sell all (but not some) of the Total Interest then-held by Connected Shareholder. Acceleration events include: (i) termination of Heela Yang's employment, (ii) a material breach by Connected Shareholder under the Stockholders' Agreement which remains uncured, and (iii) a direct or indirect change in control of Connected Shareholder;
- (b) after 31 March 2027, Parent Subsidiary may, at its discretion, at any time, require Connected Shareholder to sell all (but not some) of the Original Interest then-held by Connected Shareholder;
- (c) after the Additional Call Option Completion Date, Parent Subsidiary may, at its discretion, at any time, require Connected Shareholder to sell all (but not some) of the Total Interest then-held by Connected Shareholder; or
- (d) in connection with (but conditional upon) completion of an initial public offering of Intermediate Holding Company, or a direct or indirect change in control of the Company, Parent Subsidiary may, at its discretion, require Connected Shareholder to sell all (but not some) of the Total Interest then-held by Connected Shareholder, provided that if the call option is exercised in connection with an initial public offering, then the call option exercise price per share shall match the public offer price per share of the initial public offering.

Exercise Price: The call option exercise price shall be calculated in accordance with the terms of the Stockholders' Agreement and Supplemental Stockholders' Agreement, which is based on a multiple of the consolidated EBIT of Intermediate Holding Company multiplied by the exercised interest.

**Additional Designation
Right:** Parent Subsidiary may designate, with written notice, any of its affiliates to acquire the exercised interest.

ORIGINAL PUT OPTION

All material terms of the Original Put Option granted to Connected Shareholder under the Stockholders' Agreement shall remain the same except as amended by the Supplemental Stockholders' Agreement as follows:

Revised Exercise Period: The Original Put Option exercise period under the Stockholders' Agreement has been replaced as follows:

- (a) Connected Shareholder may, at its discretion, within a 120-day period following each vesting tranche, require Parent Subsidiary to acquire: (i) up to 25% of the Original Interest following 31 March 2025; (ii) cumulatively up to 50% of the Original Interest following 31 March 2026; and (iii) all of the remaining Original Interest following 31 March 2027;
- (b) following the occurrence of a put option acceleration event, Connected Shareholder may, at its discretion, within a 90-day period, require Parent Subsidiary to acquire all of the total Interest then-held by Connected Shareholder. Acceleration events include (i) termination of Heela Yang's employment, (ii) a material breach by Parent Subsidiary under the Stockholders' Agreements which remain uncured; (iii) a direct or indirect change of control of Intermediate Holding Company or Sol de Janeiro (including as a result of a change of control of Parent Subsidiary), and (iv) a direct or indirect change of control of the Company; or
- (c) in connection with (but conditional upon) the completion of an initial public offering of Intermediate Holding Company, Connected Shareholder may, at its discretion, require Parent Subsidiary to acquire all (but not some) of the remaining Original Interest then-held by Connected Shareholder, provided that the put option exercise price per share shall match the public offer price per share of the initial public offering.

Exercise Price: The put option exercise price shall be calculated in accordance with the terms of the Stockholders' Agreement and Supplemental Stockholders' Agreement, which is based on a multiple of the consolidated EBIT of Intermediate Holding Company multiplied by the exercised interest.

Additional Designation Right: Parent Subsidiary may designate, with written notice, any of its affiliates to acquire the exercised interest.

EXCHANGE RIGHT

Grant Date: Date of the Supplemental Stockholders' Agreement.

Parties to Grant:

- (i) Company, as the granter; and
- (ii) Connected Shareholder, as the holder.

Exercise Period: Connected Shareholder may, at any time following 31 March 2031, upon a 60 days' notice, require the Company to exchange some or all of the Total Interest then-held by Connected Shareholder for a number of shares of the Company to be determined based on the exchange ratio, provided that (A) shares of the Parent Subsidiary are listed on an internationally recognized exchange; (B) neither (x) an initial public offering, nor (y) a direct or indirect change of control of the Company has occurred prior to Connected Shareholder's exercise of the exchange right, and (C) after giving effect to the exchange, Mr. Reinold Geiger, directly or indirectly, continues to hold at least 66% of the share capital of the Company.

Exchange Ratio: The number of shares of the Company to be granted to Connected Shareholder shall be calculated in accordance with the terms of the Supplemental Stockholders' Agreement, and should be equal to the quotient of (x) a multiple of the most recent consolidated EBIT of Intermediate Holding Company multiplied by the exercised interest and (y) the volume weighted average price of the shares of the Company for thirty consecutive trading days immediately prior to the date of the exercise of the exchange right.

Limitations: Following completion of the exchange, Connected Shareholder shall be subject to the same transfer restrictions that apply to the shares of the Company held by Mr. Reinold Geiger and its affiliates.

INFORMATION ABOUT THE PARTIES

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, LimeLife by Alcone, 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.

Sol de Janeiro

Parent Subsidiary is a wholly-owned subsidiary of the Company and an investment holding company. Parent Subsidiary in turn holds 82.86% equity interest and voting rights in Intermediate Holding Company, which in turn, is an investment holding company for Sol de Janeiro. Sol de Janeiro is an innovative leader in the global premium body care market. Founded in the U.S., Sol de Janeiro is inspired by an authentic Brazilian philosophy of self-love and joy. It has shown cross-category success, selling premium body care, fragrance and hair care products both directly to consumers through its websites and wholesale to various distribution channels.

The financial information of Intermediate Holding Company on a consolidated basis for the two years ended 31 March 2023 (being the operating financial year of Sol de Janeiro prior to the Company's acquisition of Intermediate Holding Company in December 2021; and based on the unaudited management accounts of Intermediate Holding Company and its subsidiaries) are as follows:

	For FY 2022	For FY 2023
	<i>US\$</i>	<i>US\$</i>
Net profit before tax	10,095,000	73,933,000
Net profit after tax	13,622,000	56,783,000

As at 30 September 2023, the net assets of Intermediate Holding Company were EUR519,495,000.

Other Parties

Connected Shareholder is a controlled corporation of Heela Yang, who is currently serving as Chief Executive Officer of Sol de Janeiro and a director of Intermediate Holding Company. Connected Shareholder is also a substantial shareholder of Intermediate Holding Company. Accordingly, Connected Shareholder and Heela Yang are connected persons of the Company at the subsidiary level. Marc Capra is a minority shareholder of Intermediate Holding Company and an independent third party. Connected Shareholder and Marc Capra hold 16.28% and 0.86% equity interest, respectively, in Intermediate Holding Company.

REASONS FOR AND BENEFITS OF THE OPTIONS

The Options were granted to further align the interests of Connected Shareholder and Heela Yang with that of the Group, and as an additional incentive to Heela Yang to grow the financial and operational performance of Sol de Janeiro together with the Group. The Options are in recognition of the impressive performance and growth of Sol de Janeiro since its acquisition by the Group in 2021 and to date, as well as Heela Yang's contribution to Sol de Janeiro and its growth during this period as the Chief Executive Officer of Sol de Janeiro and director of Intermediate Holding Company.

The consideration for the Options was determined on arm's length negotiations among the parties with reference to present and future performance of business and Heela Yang's contribution with respect thereto.

CONFIRMATION OF THE DIRECTORS

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

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

IMPLICATIONS UNDER THE LISTING RULES

Connected Shareholder and its ultimate beneficial owner, Heela Yang, are connected persons of the Company at the subsidiary level. Accordingly, each of the Options is treated as a connected transaction pursuant to Rule 14A.24(2)(a) of the Listing Rules.

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

As all the applicable percentage ratios (calculated in accordance with the Listing Rules) for the Additional Call Option, assuming exercise in full, are less than 5%, the Additional Call Option does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

As all the applicable percentage ratios (calculated in accordance with the Listing Rules) for each of the Original Call Option and the Original Put Option, assuming exercise in full, are between 5% and 25%, each of the Original Call Option and the Original Put Option constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Company will make subsequent announcements to update its shareholders on the Options in accordance with the Listing Rules.

The Company's shareholders and potential investors are advised to exercise caution when dealing in the Company's shares.

DEFINITIONS

“Additional Call Option”	the new call option with respect to the Additional Interest granted to Connected Shareholder under the Supplemental Stockholders' Agreement, the material terms of which are set out in this announcement
“Additional Call Option Completion Date”	date on which Connected Shareholder acquires the Additional Interest following the exercise of the Additional Call Option, and as defined in the Supplemental Stockholders' Agreement

“Additional Interest”	an additional 7% equity interest in Intermediate Holding Company, subject to adjustments as set out in the Supplemental Stockholders’ Agreement and as described in this announcement
“Company”	L’Occitane International S.A., a company incorporated in Luxembourg with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00973)
“Connected Shareholder”	First Octave LLC, a Delaware limited liability company, which is controlled by Heela Yang and principally engaged in investment holding
“EBIT”	earnings before interest and taxation; and “EBITDA” means earnings before interest, taxation, depreciation and amortisation
“FY”	financial year ended 31 March
“Group”	the Company and its subsidiaries
“Initial Announcement”	the announcement issued by the Company dated 23 December 2021, disclosing, among other matters, the grant of a call option and a put option to Connected Shareholder under the Stockholders’ Agreement; a copy of which is available on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk)
“Intermediate Holding Company”	LOC SOL Owners Inc, a Delaware corporation that is indirectly owned by the Company and directly owned by Parent Subsidiary, Connected Shareholder and Marc Capra
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Options”	the Additional Call Option, the Original Call Option and the Original Put Option, as applicable
“Original Call Option”	the call option granted by Connected Shareholder to Parent Subsidiary on 23 December 2021 under the Stockholders’ Agreement and as further amended by the Supplemental Stockholders’ Agreement, the material terms of which are set out in this announcement and the Initial Announcement
“Original Interest”	16.28% equity interest in Intermediate Holding Company held by Connected Shareholder as at the date of this announcement
“Original Put Option”	the put option granted by Parent Subsidiary to Connected Shareholder on 23 December 2021 under the Stockholders’ Agreement and as further amended by the Supplemental Stockholders’ Agreement, the material terms of which are set out in this announcement and the Initial Announcement
“Parent Subsidiary”	LOC SOL Holdings Inc, a Delaware corporation that is directly owned by the Company
“Sol de Janeiro”	Sol de Janeiro Holdings, Inc., together with its subsidiaries
“Stockholders’ Agreement”	the stockholders’ agreement, dated 23 December 2021, entered into by the Company, Parent Subsidiary, and Connected Shareholder, among others
“Supplemental Stockholders’ Agreement”	supplemental agreement to the Stockholders’ Agreement, entered into by the Company, Intermediate Holding Company, Connected Shareholder, Heela Yang, and Marc Capra, the material details of which with respect to Connected Shareholder are set out in this announcement

“Total Interest”

the total equity interest in Intermediate Holding Company held by Connected Shareholder

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

Luxembourg, 2 April 2024

As at the date of this announcement, the executive directors of the Company 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 of the Company is Mr. Thomas Levilion; and the independent non-executive directors of the Company are Mrs. Christèle Hiss Holliger, Mr. Charles Mark Broadley, Ms. Betty Liu and Mr. Jackson Chik Sum Ng.