

FOLLI FOLLIE COMMERCIAL MANUFACTURING AND TECHNICAL SOCIETE

ANONYME ANNOUNCEMENT

26 November 2019

The Board of Directors (the “**Board**”) of Folli Follie Commercial Manufacturing and Technical Societe Anonyme, under the distinctive title “FF Group” (hereinafter the “**Company**” or “**FF SA**”, and together with its subsidiaries, the “**Group**”) today announces that on 26 November 2019, it reached an in principle agreement on the commercial terms for its financial restructuring¹ with an ad hoc group of creditors consisting of the following (the “**Unsecured Creditors’ Committee**”):

- (a) the lender under the €20,000,000 Schuldschein loan due 2021 issued by FF Group Finance Luxembourg II SA (“**LuxCo II**”) and guaranteed by the Company (the “**20m Schuldschein**”);
- (b) the lender under the €31,000,000 Schuldschein loan due 2021 issued by LuxCo II and guaranteed by the Company (the “**31m Schuldschein**” and together with the 20m Schuldschein, the “**Schuldschein**”); and
- (c) an ad hoc committee of holders of the €249,500,000 1.75 per cent. Guaranteed Exchangeable Notes due 2019 issued by FF Group Finance Luxembourg SA and guaranteed by the Company (the “**Eurobonds**”), together holding in aggregate approx. 26.4% of the principal amount of the Eurobonds.

Throughout negotiations, the Company has also been in regular discussions with an informal group of creditors holding in aggregate approx. 34.2% of the principal amount CHF 150,000,000 3.25 per cent. Notes due 2021 issued by LuxCo II and guaranteed by the Company (the “**Swissbonds**”) and approx. 6.7% of the Eurobonds regarding the proposed terms of the financial restructuring (the “**CHF Group**”). The Unsecured Creditors’ Committee and CHF Group together hold approx. 41.2% of the Group’s overall outstanding debt.

In outline, the in principle agreement reached with the Unsecured Creditors’ Committee contemplates the following:

- (a) a restructuring of all of the outstanding debt of the Company, including the Eurobonds, Swissbonds and Schuldschein, implemented through a restructuring agreement submitted to the Athens Multi-Member Court of First Instance (the “**Greek Court**”) pursuant to Article 106b and/or d of Greek law 3588/2007 (the “**Restructuring Agreement**”);
- (b) the Restructuring Agreement contemplates that:
 - substantially all of the Group’s real estate assets will be transferred to a newly incorporated company (“**AssetsCo**”) which shall be wholly owned by the Company’s creditors on ratification of the Restructuring Agreement by the Greek Court (“**Completion**”);
 - the Group’s businesses relating to jewelry, fashion, cosmetics, outlets and department stores shall be transferred to a newly incorporated company (“**OpsCo**”) and on Completion 49% of the issued share capital of OpsCo shall be held by AssetsCo, with the remaining 51% held by the Group; and

¹ The restructuring is conditional upon documentation, necessary consents, court and regulatory approvals, internal committee approvals, tax analysis and legal review by creditors’ counsel.

- on Completion EUR 60,000,000 of debt shall be reinstated as a new debt instrument issued by OpsCo to the creditors, with an initial interest rate of 7% (consisting of 3% cash interest and 4% PIK interest), an initial 5 year maturity and guaranteed by the Company.

The Company will work to progress the necessary documentation to solicit consents from holders under both the Eurobonds and Swissbonds regarding the above restructuring proposal.

The Company will issue further announcements in due course detailing how holders under the Eurobonds and Swissbonds can participate in the respective consent solicitation processes.

Contacts

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This announcement is released by Folli Follie Commercial Manufacturing and Technical Société Anonyme in compliance with the Market Abuse Regulation (EU) 596/2014 (MAR) and the Rule Book of the Athens Exchange. It contains information that qualifies as inside information for the purposes of Article 7 of MAR. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, the person responsible for arranging the release of this announcement on behalf of the Company is Mantalena Kasidiaropoulou, Head Investor Relations.

IMPORTANT NOTICE.

Stakeholders should seek their own advice on the matters set out above.

If any of the assumptions used in the analysis are incorrect, this may materially impact the indicative outcomes for stakeholders.

The terms set out in this announcement are not exhaustive and do not constitute an offer or an invitation or an inducement to engage in investment activity. This announcement is not intended to be legally binding and remains subject to due diligence, tax input, legal advice, satisfactory documentation and other matters. The content of this announcement is provided for information purposes only and is not investment advice.

This announcement includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this announcement, including, without limitation, those regarding our intentions, beliefs or current expectations concerning, among other things, the Group's future financial condition and performance, results of operations and liquidity, and our strategy, plans, objectives and targets. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that actual outcomes may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if the actual outcomes are consistent with the forward-looking statements contained in this announcement, those outcomes may not be indicative of results or developments in subsequent periods. Readers should not place undue reliance on forward-looking statements. Any forward-looking statements are only made as at the date of this announcement and, except as required by law, we undertake no obligation, and do not intend, to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise.

This announcement is not an offer of securities for sale in the United States or any other jurisdiction. The securities discussed herein have not been registered, and there is no intention to register them, under the securities laws of any jurisdictions. In particular, the securities discussed herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. This announcement is not a prospectus for the purposes of the EU Prospectus Directive.