Q&A

GrandVision received the following 5 questions of the VEB. These are the only questions we received.

1.The European Commission recently indicated in a so-called 'charge sheet' that the proposed acquisition could lead to market dominance of the new combined company, both in the wholesale and in the retail segment. How does GrandVision assess the content of this charge sheet?

As you can understand, we cannot comment on any of the merger clearance processes which are still under review and which are confidential, including the EC merger clearance process. As indicated in our press release of 6 February 2020, the European Commission has initiated a Phase II review of the intended sale by HAL Optical Investments B.V. (“HAL”) of its 76.72% ownership interest in GrandVision to EssilorLuxottica S.A. ("EssilorLuxottica"). EssilorLuxottica and GrandVision are working closely together and cooperate with the European Commission to fully demonstrate the rationale of the proposed acquisition and the benefits that it will bring to customers, consumers and all the eyewear industry players.

2.According to GrandVision, does the content of this ‘charge sheet’ affect the agreement between HAL and EssilorLuxottica, for example by requiring the parties to enter into discussions with each other related to the terms of the proposed transaction?

3.Under the terms of the GrandVision transaction, could the Covid-19 pandemic qualify as a material adverse change as a result of which EssilorLuxottica may decide not to proceed with the proposed transaction with HAL?

As for Questions 2 and 3, note that the Block Trade Agreement is an agreement between HAL and EssilorLuxottica and we are therefore not in a position to comment on that agreement, or on any discussions that may be had between HAL and EssilorLuxottica in relation to that agreement.

4.Does GrandVision still have confidence about the closing of the proposed transaction within the published timeframe, i.e. before 31 July 2021? If so, can GrandVision clarify this?

GrandVision thinks that the previously mentioned timeline to close the transaction, i.e. 12-24 months following our July 31, 2019 Press Release, remains valid.

5.In the press release dated July 31, 2019 in which the intended transaction with EssilorLuxottica was shared with the market for the first time, it was stated - as one of the terms of the transaction - that HAL will pay EssilorLuxottica a termination fee of EUR 100 million if GrandVision's net debt at closing of the transaction exceeds EUR 993 million. Does GrandVision expect its net debt level to remain below this threshold, as shown in the last press release dated June 22, 2020?

On 31 May 2020, GrandVision had a net debt of €842 million, versus a net debt position at the end of 1Q20 of €755 million. Most of our store networks around the world are now in ramp-up and our business is in recovery. These developments will have a positive effect on our net debt position. We are therefore comfortable with our financial position.

GrandVision remains confident that, assuming the continued ramp-up and recovery of our business, its net debt will remain below the €993 million limit upon which the transaction with EssilorLuxottica is conditional.

We further note that GrandVision's main shareholder HAL has the right to provide a capital injection to cure a potential net debt position in excess of that limit at closing of the transaction.