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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)*

**CONNECTED TRANSACTION**  
**ACQUISITION OF GROWN ALCHEMIST**

**THE ACQUISITION**

We are pleased to announce that on 24 March 2022 (after trading hours), our Board approved the entry into the Acquisition Agreement and the Shareholders Agreement. The Acquisition Agreement and the Acquisition are expected to be signed and closed on 1 April 2022. Pursuant to the Acquisition Agreement, LOGI shall sell and transfer 49.24% of the equity interests (representing 76.18% of the voting rights) of the Target to our Company (being the Acquisition). The Target holds 65% equity interest and voting rights of Grown Alchemist. Following the Acquisition, LOGI will cease to be a shareholder of the Target and Grown Alchemist will become our non-wholly owned subsidiary and its financials will be consolidated into our Group.

Upon completion of the Acquisition, our Company shall replace LOGI as a party to the Shareholders Agreement, under which (i) our Company shall grant a Put Option to each Remaining Shareholder to sell the Optioned Interests owned by such Remaining Shareholder to our Company; and (ii) each Remaining Shareholder shall grant a Call Option to our Company to acquire the Optioned Interests owned by such Remaining Shareholder.

**LISTING RULES IMPLICATIONS**

LOGI is majority-owned by LOG, a substantial shareholder of our Company, and accordingly, the Acquisition constitutes a connected transaction. As the highest relevant applicable percentage ratio, calculated in accordance with Rule 14.07 of the Listing Rules, is between 0.1% and 5%, the Acquisition is subject to reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

As all the applicable percentage ratios (calculated in accordance with the Listing Rules) for each of the Put Option and the Call Option, assuming exercise of each in full and calculated in aggregate with the Acquisition, are less than 5%, neither the Put Option nor the Call Option constitutes a notifiable transaction under Chapter 14 of the Listing Rules.

As each of the Put Option and the Call Option granted with respect to the Connected Shareholders is treated as a connected transaction pursuant to Rule 14A.24(2)(a) of the Listing Rules, the Put Option and Call Option with respect to the Connected Shareholders would be subject to reporting and announcement requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

## THE ACQUISITION AND THE OPTIONS

We are pleased to announce that on 24 March 2022 (after trading hours), our Board approved the entry into the Acquisition Agreement and the Shareholders Agreement. The Acquisition Agreement and the Shareholders Agreement are expected to be signed and closed, respectively, on 1 April 2022. Pursuant to the Acquisition Agreement, LOGI shall sell and transfer 49.24% of the equity interests (representing 76.18% of the voting rights) of the Target to our Company (being the Acquisition). The Target holds 65% equity interest and voting rights of Grown Alchemist. Following the Acquisition, LOGI will cease to be a shareholder of the Target and Grown Alchemist will become our non-wholly owned subsidiary and its financials will be consolidated into our Group.

Set out below is a summary of the principal terms and conditions of the Acquisition Agreement with respect to our Company:

<b>Date</b>	Expected to be signed on and dated 1 April 2022
<b>Parties</b>	(i) our Company (ii) LOGI (iii) the Target (iv) the Remaining Shareholders
<b>Acquisition Target</b>	49.24% of the equity interests (representing 76.18% of the voting rights) of the Target, which in turn holds 65% equity interest and voting rights of Grown Alchemist.
<b>Consideration and Basis of Consideration for the Acquisition</b>	The consideration for the Acquisition is EUR5,032,820.40, payable in cash on 1 April 2022.  The consideration was determined through arm's length negotiations among the parties based on the original acquisition costs of the 65% equity interest in Grown Alchemist by the Target, being AUD16,250,000.

Upon completion of the Acquisition, our Company shall replace LOGI as a party to the Shareholders Agreement, under which (i) our Company shall grant a Put Option to each Remaining Shareholder to sell the Optioned Interests owned by such Remaining Shareholder to our Company; and (ii) each Remaining Shareholder shall grant a Call Option to our Company to acquire the Optioned Interests owned by such Remaining Shareholder.

Set out below is a summary of the principal terms of the Options with respect to our Company:

<b>Date</b>	24 September 2021  <i>(our Company shall become a party to the Shareholders Agreement upon completion of the Acquisition, taking the place of and assuming the rights and obligations of LOGI in the Shareholders Agreement)</i>
<b>Parties</b>	(i) our Company (ii) Remaining Shareholders
<b>Put Option</b>	Our Company shall grant a Put Option to each Remaining Shareholder, including the Connected Shareholders, to require our Company to acquire the Optioned Interests owned by such Remaining Shareholder at the Put Option exercise price, in accordance with the terms of the Shareholders Agreement and subject to compliance with all applicable laws.

<b>Consideration for the Put Option/Put Option exercise price</b>	No premium shall be payable for the Put Option. The exercise price of the Put Option shall be calculated in accordance with the terms of the Shareholders Agreement based on 65% of a multiple of the consolidated EBITDA of Grown Alchemist and its subsidiaries multiplied by the portion of the Target's total equity interests represented by the relevant Optioned Interests.  The Put Option exercise price will be determined after arm's length negotiations among the parties with reference to, among other factors, the reputation, market position and financial performance of Grown Alchemist and the current and anticipated future contribution of the Remaining Shareholders to Grown Alchemist and our Group.
<b>Put Option exercise period</b>	The Put Option may be exercised within 90 days after the end of each financial year of the Target following a vesting date or accelerating event, being (i) expiry of a four-year lock-up period commencing from 24 September 2021; (ii) the shareholder ceasing to be an employee or under a service agreement with the Target or its affiliates for specified reasons; or (iii) control in the Target changes.
<b>Call Option</b>	Each Remaining Shareholder, including the Connected Shareholders, shall grant a Call Option to our Company, pursuant to which our Company may require such Remaining Shareholder to sell to our Company all of the Optioned Interests owned by such Remaining Shareholder at the Call Option exercise price, in accordance with the terms of the Shareholders Agreement and subject to compliance with all applicable laws.
<b>Consideration for the Call Option/Call Option exercise price</b>	No premium shall be payable for the Call Option. The exercise price of the Call Option shall be calculated in accordance with the terms of the Shareholders Agreement based on 65% of a multiple of the consolidated EBITDA of the Target and its subsidiaries multiplied by the portion of the Target's total equity interests represented by the relevant Optioned Interests.
<b>Call Option exercise period</b>	The Call Option may be exercised within 180 days following a vesting date or accelerating event, being (i) after six years from 24 September 2021; (ii) the shareholder ceasing to be an employee or under a service agreement with the Target or its affiliates for specified reasons; or (iii) control in the Target changes.

## **INFORMATION ABOUT THE PARTIES**

### **Grown Alchemist**

Grown Alchemist, including its subsidiaries, is an Australian based skincare brand that creates a range of skincare and beauty products based on clean and scientifically innovative formulas. It is a successful premium beauty brand in the consumer skincare space with various distribution channels and whose philosophy and brand reputation are in line with that of our Company and our brands.

Aside from the Target, the remaining beneficial owners of Grown Alchemist are its founders, Mr. Keston Muijs and Mr. Jeremy Muijs, who hold indirectly the remaining 35% equity interest in Grown Alchemist, and who will remain shareholders of Grown Alchemist after completion of the Acquisition.

The Target is an investment holding company that does not have any operations other than holding interests in Grown Alchemist. As at the date of this announcement, aside from LOGI and LOG, the other beneficial owners of the Target (being the Remaining Shareholders) are the Connected Shareholders and five individuals. The Connected Shareholders collectively hold 41.7% economic interest in and 9.8% voting rights of the Target, and are connected persons of our Company. The remaining five shareholders of the Target are all independent third parties of our Company.

The financial information of Grown Alchemist on a consolidated basis for the years ended 30 June 2021 and 2020 are set out below:

	<b>For the 2021 financial year</b> AU\$ (unaudited)	<b>For the 2020 financial year</b> AU\$ (unaudited)
Total assets	45,102,557	41,462,722
Revenue	20,199,975	13,230,486
Net profit before tax	3,434,009	569,633
Net profit after tax	3,212,594	569,633

## **Our Group**

Our 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, our Group has more than 3,000 retail outlets, including approximately 1,500 owned stores, and is present in 90 countries. Through its seven brands – L’Occitane en Provence, Melvita, Erborian, L’Occitane au Brésil, LimeLife by Alcone, ELEMIS and Sol de Janeiro – our Group offers new and extraordinary beauty experiences, using high quality products that respect nature, the environment and the people who surround it.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE OPTIONS**

The Acquisition is in line with and complementary to our strategy of building a leading portfolio of premium beauty brands. Grown Alchemist is a strategic fit for our Group in terms of brand recognition and identity, product quality, management capability, as well as growth, profitability and cash generation prospects. It is also synergistic with the Group in its support of sustainable sourcing, respecting natural biodiversity and reducing waste. With Grown Alchemist’s appeal to health-conscious, influential Millennial and Gen Z customers, the Group will be able to further broaden its international consumer profile and market reach. Through the Acquisition, our Company will be able to acquire majority control of Grown Alchemist and Grown Alchemist will become our subsidiary whose financial accounts will be consolidated into that of our Group. Our Board believes that combining the Grown Alchemist brand into our existing portfolio of premium beauty brands will continue to be accretive to our growth and profit going forward and underpin the Group’s strategy to become a global and multi-brand group.

The Options will further align the interests of the Remaining Shareholders with those of our Group, and as an incentive to these shareholders to grow the financial and operational performance of Grown Alchemist together with our Group. If the Options are fully exercised, the Target will become a wholly-owned subsidiary of our Group.

The consideration for the Options was determined after arm’s length negotiations among the parties with reference to, among other factors, the reputation, market position and financial performance of Grown Alchemist, the current and anticipated future contribution of the Remaining Shareholders to Grown Alchemist and our Group.

## **CONFIRMATION OF THE DIRECTORS**

The directors, including the independent non-executive directors, of our Company, have confirmed that the terms of the Acquisition Agreement, the Shareholders Agreement, the Acquisition and the Options are fair and reasonable, and the Acquisition and the Options are on normal commercial terms (or better for our Company) and in the ordinary and usual course of business and in the best interest of our Company and its shareholders as a whole.

Aside from Mr. Reinold Geiger, Chairman of our Board and who has a controlling interest in LOG, Mr. André Hoffmann and Mr. Séan Harrington, executive directors of our Company, who control economic and voting interests in the Target, and Mr. Karl Guénard, executive director of our Company and who also sits on the boards of directors of LOGI and LOG, none of our Company’s other directors has any material interest in the Acquisition and the Options. Mr. Geiger, Mr. Hoffmann, Mr. Harrington and Mr. Guénard have abstained from voting on the board resolutions approving the Acquisition Agreement, the Shareholders Agreement and the transactions contemplated thereunder. Aside from Mr. Geiger, Mr. Hoffmann, Mr.

Harrington and Mr. Guénard, none of the other directors of our Company are required to abstain, or have abstained, from voting on the board resolutions approving the Acquisition Agreement, the Shareholders Agreement and the transactions contemplated thereunder.

## **IMPLICATIONS UNDER THE LISTING RULES**

LOGI is majority-owned by LOG, a substantial shareholder of the Company, and accordingly, the Acquisition constitutes a connected transaction. As the highest relevant applicable percentage ratio, calculated in accordance with Rule 14.07 of the Listing Rules, is between 0.1% and 5%, the Acquisition is subject to reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

As all the applicable percentage ratios (calculated in accordance with the Listing Rules) for each of the Put Option and the Call Option, assuming exercise of each in full and calculated in aggregate with the Acquisition, are less than 5%, neither the Put Option nor the Call Option constitutes a notifiable transaction under Chapter 14 of the Listing Rules.

As each of the Put Option and the Call Option with respect to the Connected Shareholders is treated as a connected transaction pursuant to Rule 14A.24(2)(a) of the Listing Rules, the Put Option and Call Option with respect to the Connected Shareholders would be subject to reporting and announcement requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

**Given that signing and closing of the transaction documents and underlying transactions have not yet taken place, the transactions contemplated in this announcement may not proceed. Accordingly, shareholders and potential investors are advised to exercise caution when dealing in the Company's shares.**

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Acquisition”	the acquisition of 49.24% of the equity interests (representing 76.18% of the voting rights) of the Target by our Company from LOGI
“Acquisition Agreement”	agreement to be entered into, among others, by our Company and LOGI in respect of the Acquisition
“Board”	the board of directors of the Company
“Call Option”	the option to be granted by each Remaining Shareholder to our Company, pursuant to which our Company may require such Remaining Shareholder to sell to our Company all of the Optioned Interests owned by such Remaining Shareholder in accordance with the terms and conditions of the Shareholders Agreement
“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 Shareholders”	Mr. André Hoffmann and Mr. Séan Harrington, executive directors of our Company and their wholly-owned entities through which they hold interests in the Target
“Group”	the Company and its subsidiaries
“Grown Alchemist”	Group Fourteen Holdings Pty. Ltd., a company incorporated in Australia with limited liability, and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“LOG”	L’Occitane Group S.A., the controlling shareholder of the Company, and a company that is controlled by Mr. Reinold Geiger, the Chairman of our Board
“LOGI”	LOG Investment S.à.r.l., a company majority-controlled by LOG
“Optioned Interest”	the equity interests in the Target held by the Remaining Shareholders, cumulatively representing 50.76% of the Target’s total equity interests upon completion of the Acquisition
“Options”	the Put Option and the Call Option
“Put Option”	the option to be granted to the Remaining Shareholders to our Company to require our Company to acquire the Optioned Interests owned by such Remaining Shareholder in accordance with the terms and conditions of the Shareholders Agreement
“Remaining Shareholders”	the remaining shareholders of the Target after the Acquisition, being the two Connected Shareholders and five individual independent third parties of our Company
“Shareholders Agreement”	the agreement between the Company and the Remaining Shareholders, as shareholders of the Target after the Acquisition
“Target”	14 Groupe S.A., a company incorporated in Luxembourg with limited liability

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

Luxembourg, 24 March 2022

*As at the date of this announcement, the executive directors of the Company are Mr. Reinold Geiger (Chairman), Mr. André Hoffmann (Vice-Chairman and Chief Executive Officer), Mr. Yves Blouin (Group Managing Director), Mr. Thomas Levilion (Group Deputy General Manager, Finance and Administration), Mr. Karl Guénard (Company Secretary) and Mr. Séan Harrington (Chief Executive Officer of ELEMIS) and the independent non-executive directors of the Company are Mrs. Valérie Bernis, Mr. Charles Mark Broadley, Ms. Betty Liu and Mr. Jackson Chik Sum Ng.*