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PRESS RELEASE

**INTERCOS GROUP ANNOUNCES ITS INTENTION TO FLOAT ON THE *MERCATO TELEMATICO AZIONARIO* ORGANIZED AND MANAGED BY BORSA ITALIANA S.P.A.**

**Agrate Brianza (MB)**, October 11 2021 – Intercos S.p.A., (the "**Company**" or "**Intercos**") announces its intention to proceed with the listing (the "**Listing**") of its ordinary shares on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**").

It is envisaged that the free float required for the purposes of the Listing will be achieved through a private placement (the "**Offering**") reserved for qualified investors in the European Economic Area and in the United Kingdom and foreign institutional investors outside of the United States of America pursuant to Regulation S of the United States Securities Act of 1933, as subsequently amended (the "**Securities Act**"), and, in the United States of America, limited to Qualified Institutional Buyers ("**QIBs**") pursuant to Rule 144A of the Securities Act, with the exclusion of those countries where the Offering is not permitted without specific authorization of the relevant authorities, in accordance with applicable laws or by way of exception to such provisions.

It is envisaged that the Offering will comprise: (i) newly issued ordinary shares of the Company (the "**New Shares**") for a total foreseeable amount of up to Euro 60 million resulting from a share capital increase, with the exclusion of pre-emptive rights (the "**Capital Increase**") and (ii) the sale of ordinary shares of the Company (the "**Existing Shares**" and together with the New Shares, the "**Shares**") by certain existing shareholders of the Company (the "**Selling Shareholders**"), with a resulting minimum free float above Borsa Italiana requirements.

It is expected that the vast majority of Existing Shares will be offered for sale by CP7 Beauty LuxCo S.à r.l., an entity controlled by L Catterton and The Innovation Trust, an entity controlled by Ontario Teachers' Pension Plan Board. It is also expected that Dario Ferrari will retain control of the Company following the Offering, including through the adoption of an increased voting rights mechanism.

The final structure of the Offering together with the other relevant terms will be determined in proximity to its launch.

Each of the Company, the Selling Shareholders, and the key executives and directors of the Company are expected to agree to customary lock-up arrangements with respect to their respective holdings in the Company for a specific period of time following the Offering, in line with market practice.

The net proceeds of the Capital Increase will be used by the Company to fund the development and growth of the Company's business and to support the implementation of its strategic goals.

In connection with the Listing, the Company will prepare a prospectus to be approved by CONSOB.

Subject to market conditions and to obtaining the required approvals and authorizations from CONSOB and Borsa Italiana, at the date of this press release the Offering is expected to be launched in October 2021.

In connection with the Offering **BNP Paribas, Morgan Stanley, UBS** and **Jefferies** have been appointed to act as joint global coordinators. BNP Paribas is also acting as Sponsor of the admission to listing of the Shares. **Rothschild & Co** is the Company's financial advisor, while **Cornelli Gabelli e Associati** is financial advisor to the controlling Shareholders.

**White & Case, Maisto e Associati, Studio Legale Giliberti Triscornia e Associati** act as legal advisor for the Company, while **Linklaters** acts as legal advisor for the joint global coordinators.

#### Media Relation

Image Building  
Via Privata Maria Teresa, 11  
20123 – Milano  
Tel. +39 02 89011300  
[intercos@imagebuilding.it](mailto:intercos@imagebuilding.it)

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#### Intercos Group

Intercos is one of the main global business to business operators in the creation, production and marketing of cosmetic products (make-up) and for skin treatment (skincare) as well as for hair and body treatment (hair & body). Intercos products target key national and international brands and emerging brands, as well as retailers active in the cosmetics market in particular and the beauty market more generally. Founded in 1972 by Dario Ferrari, Intercos - which counts among its major customers the main players of the cosmetic industry - can count on a staff of about 5,200 employees, 11 research centres, 15 production plants and 15 sales offices located in three continents. For almost 50 years, Intercos has been interpreting beauty, creating cosmetic products and positioning itself as a trend setter capable of predicting, anticipating and influencing new trends in the world of cosmetics, thus satisfying the requests of all types of customers with products for all price bands.

#### Global market, which is sizeable and resilient, with long-term growth trends that are underpinned by clear trends to outsourcing

The beauty market is one of the most attractive segments in the global Fast-Moving Consumer Goods (FMCG) space. This market was estimated to be worth €417 billion in 2020 and is expected to grow at a compounded annual growth rate ("CAGR") of approximately 7% from 2021 to 2024<sup>1</sup>. The robust growth of the beauty market is expected to be predominantly driven by increasing per capita consumption globally, higher category penetration in emerging markets, "premiumization" and innovation in developed markets for new/innovative brands, as well as by the continued entry of new brands in a low-barriers-to-entry-market at distribution (via e-commerce), advertising (via social media) and innovation/production (via outsourcing). The global business-to-business beauty ("B2B") market is estimated to outpace the business-to-consumer ("B2C") beauty sub-markets. In particular, outsourcing will benefit from clear, favourable trends, as a result of (i) the proliferation and growth of Retailers and Emerging Brands, which generally do not carry out research and development activities and do not have manufacturing capabilities; (ii) growing customer demand for product innovation that is leading to shorter product life cycles and time to market and (iii) the increasing complexity of production processes requiring different technologies, which are difficult to replicate even for Multinationals clients. Global beauty players are becoming increasingly reliant on B2B beauty companies like Intercos, as they continue to rationalize their factories and manufacturing capabilities to drive more efficient use of capital.

#### One of the most complete and differentiated product offerings in make-up, skincare and hair & body across price bands globally

The Company's research and manufacturing footprint (15 commercial offices, 11 R&D centres, and 15 manufacturing sites) enables Intercos to be a global leader by revenue in the outsourced colour cosmetics market, with 10% market share<sup>2</sup> and to play an important role in the outsourced skincare market (the leading Western company in outsourced

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<sup>1</sup> Source: third-party analysis of publicly available information.

<sup>2</sup> Source: third-party analysis of publicly available information.

skincare for the year ended December 31, 2020 in terms of revenue<sup>3</sup>). Furthermore, for the year ended December 31, 2020, over 81% of its consolidated revenue was generated by products with proprietary formulas. Intercos offers one of the most complete range of products across each product category within each of the make-up, skincare and hair & body market segments. In addition, Intercos addresses a variety of customer types (both in terms of price positioning and in terms of product specifications) with a global presence.

#### **Recognized global innovator and trend setter**

For almost 50 years, Intercos has been interpreting beauty, creating cosmetic products and positioning itself as a trend setter capable of predicting, anticipating and influencing new trends in the world of cosmetics, thus satisfying the requests of all types of customers with products for all ranges of price. Intercos innovation process is its hallmark, allowing the Company to bring to market approximately 1,133 new proprietary formulas in 2020. Intercos has a strong track record in anticipating future market trends through scouting activities in the world of art, fashion, new trends and market intelligence activities. Intercos' also invests heavily in innovation to develop new raw materials, formulas, complex technologies and tailored products and services in its 11 research & development centres located all over the world.

#### **Diversified portfolio of customers, including leading Multinationals, Emerging Brands and Retailers/E-tailers.**

Intercos has a diversified portfolio of customers, with over 680 clients worldwide, split among Multinationals, Emerging Brands and Retailers and which includes 24 of the 30 main players in the cosmetics industry relating to the colour cosmetics, skincare and hair & body care market segments.

#### **Global Footprint**

Intercos has 15 production sites (seven in Europe, five in Asia, two in North America and one in South America) that allow the Company to efficiently organize production, to meet client needs in a timely manner and maximize speed to market as a result of the proximity of its manufacturing facilities to our main markets, which is key to Intercos' success. The Company's regional commercial offices and R&D centres are in strategic locations (such as Italy, China, South Korea, the US, Brazil and Switzerland). This enables Intercos to remain close to its clients and gain local insights to ensure the Company can anticipate, adapt to and influence the changing preferences of beauty consumers. A local presence also allows Intercos to better address the client's local pricing needs as well as to promptly respond to demand peaks by leveraging technologies across sites. This feature has been more appreciated recently by customers, as there has been a greater push to locate production facilities close to their markets following the disruptions to supply chains caused by the Covid-19 pandemic and related restrictive measures adopted by national governments.

#### **Diversified and resilient business model driving strong financial performance**

Intercos' business model adapts to its geographical scope, product variety, distribution channels and client categories, creating earnings resilience and driving financial performance. Its broad coverage also ensures that the Company is ideally positioned and nimble enough to capture future growth no matter where it originates. The Company has consistently delivered solid profitability, especially in the rapidly growing Prestige segment, as well as through operating costs optimization.

During 2020, although the effects and consequences related to the spread of Covid-19 negatively impacted the entire beauty industry, Intercos' business model demonstrated a strong resilience. This is the result of the Company's diversification in terms of product, customer and commercial areas and continuous investments in innovation

#### **Highly experienced management team with deep industry experience and a strong track record**

The Company is led by a team of highly committed and experienced executives from respected global businesses with sound industry credentials. The management team has a proven track record of generating results through developing powerful consumer insights, designing best-in-class products and building scalable global operations, all while preserving the same visionary spirit that drove the business from the start. The Company has a clearly defined strategy to continue growing through both organic and inorganic initiatives, through market share gains, continued geographic expansion, by consolidating its geographic market position and by increasing our production capacity.

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<sup>3</sup> Source: third-party analysis of publicly available information.

## **DISCLAIMER**

This document is an announcement and not a prospectus for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”), and as such does not constitute an offer to sell or the solicitation of an offer to purchase securities of Intercos S.p.A. (the “**Company**”). A prospectus prepared pursuant to the Prospectus Regulation, Commission Delegated Regulation (EU) 2019/980, the Commission Delegated Regulation (EU) 2019/979 (the “**Delegated Regulations**”), Legislative Decree n. 58/1998 of 24 February 1998, as subsequently amended (the “**Consolidated Financial Law**”) and Regulation adopted by CONSOB with Resolution no. 11971 of 14 May 1999, as subsequently amended (the “**Issuers’ Regulation**”), is expected to be approved by Consob and be made available in accordance with the requirements of the Prospectus Regulation, the Delegated Regulations, the Consolidated Financial Law and the Issuers’ Regulation. Any offer of securities to the public that may be deemed to be made pursuant to this communication in any EU Member State is addressed solely to qualified investors (within the meaning of Article 2(1)(e) of the Prospectus Regulation) in that Member State.

This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any shares or any other securities, nor shall it (or any part of it) or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefor. The Offering and the distribution of this announcement and other information in connection with the Offering in certain jurisdictions may be restricted by law and persons into whose possession this announcement or any document or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of any such jurisdiction.

The communication is directed only at persons (A) in member states of the European Economic Area (“EEA”) who are “qualified investors” (“**Qualified Investors**”) within the meaning of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, as amended and supplemented (the “**Prospectus Regulation**”) or (B) in the United Kingdom who (i) are “qualified investors” within the meaning of Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”) (the “UK Prospectus Regulation”); and (ii)(z) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) (ii)(y) falling within Article 49(2)(a) to (d) of the Order (and only where the conditions contained in those Articles have been, or will at the relevant time be, satisfied) (all such persons referred to in (B) being “Relevant Persons”). The Information must not be acted on or relied on (i) in the United Kingdom, by persons who are not Relevant Persons, and (ii) in any member state of the European Economic Area, by persons who are not Qualified Investors. Any investment or investment activity to which the Information relates is available only to or will be engaged in only with, (i) Relevant Persons in the United Kingdom, and (ii) Qualified Investors in any member state of the European Economic Area. Any investment activity to which this communication relates will only be available to and will only be engaged in with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Neither this announcement, nor any copy of it may be taken, transmitted or distributed, directly or indirectly, into Australia, Canada, Japan, or to any persons in any of those jurisdictions or any other jurisdictions where to do so would constitute a violation of the laws of such jurisdiction. The securities referred to herein have not been and will not be qualified under the applicable securities laws of Australia, Canada, Japan and, subject to certain exceptions, may not be offered or sold within Australia, Canada, Japan or to any resident or citizen of Australia, Canada, Japan.

This announcement does not constitute an offer for sale of, or a solicitation of an offer to purchase or subscribe for, any securities in the United States. No securities of the Company have been registered under the U.S. Securities Act of 1933, as amended, and the Company does not intend to register any of the securities in the United States or to conduct a public offering of the securities in the United States. There will be no public offering of the securities in the United States or elsewhere.

This announcement does not constitute a recommendation concerning the Offering or the shares of the Company. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. Information in this announcement or any of the documents relating to the Offering cannot be relied upon as a guide to future performance. Potential investors should consult, to the extent they deem necessary, a professional investment, business, tax, and/or legal advisor as to the suitability of the Offering for the person concerned.

Any purchase of shares of the Company in the proposed Offering should be made solely on the basis of the information contained in the offering documents and the prospectus to be approved by Consob for the purposes of the admission to trading on the MTA. The approval of the prospectus by Consob shall not constitute an evaluation of the economic and financial soundness of the transaction and the quality or solvency of the Company. No reliance may or should be placed by any person for any purpose whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The information in this announcement is subject to change.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly with the total figure given.

None of the banks acting as joint global coordinators in the context of the potential initial public offering (the “**Managers**”) or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. Nothing contained herein is, or shall be relied upon as, a promise or representation by the Managers or any of their respective directors, officers, employees, advisers or agents in this respect, whether as to the past or future.

None of the Managers or any of their respective directors, officers, employees, advisers or agents assumes any responsibility for its accuracy, completeness or verification and accordingly the Managers and each of their respective directors, officers, employees, advisers or agents disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this announcement or any such statement. The Managers are each acting exclusively for the

Company and the Selling Shareholders in the transaction referred to in this announcement and for no-one else in connection with any transaction mentioned in this announcement and will not regard any other person (whether or not a recipient of this announcement) as a client in relation to any such transaction and will not be responsible to any other person for providing the protections afforded to their respective clients, or for advising any such person on the contents of this announcement or in connection with any transaction referred to in this announcement. Jefferies GmbH is registered in Germany and authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht and has its registered office address at Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Germany.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that such Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II to such target market (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline, and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.