Christian Dior

Parent company financial statements as of December 31, 2021

Parent company financial statements: Christian Dior

This document is a free translation into English of the original French “Comptes annuels – 31 décembre 2021”, hereafter referred to as the “Parent company financial statements”. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

1. Income statement

Income/(Expenses) *(EUR millions)*	Notes	2021	2020[a]
Financial income from subsidiaries and investments		1,458.1	957.8
Investment portfolio: Impairment and provisions		0.2	0.2
Gains and losses on disposal		-	-
Other		(0.4)	(0.4)
Income from managing subsidiaries and investments	4.1	**1,457.8**	**957.6**
Cost of net financial debt	4.2	(0.9)	(3.1)
Other financial income and expenses		-	-
NET FINANCIAL INCOME/(EXPENSE)	4	**1,457.0**	**954.5**
Personnel costs	5	(0.7)	(4.4)
Other net management charges	6	(5.4)	(6.1)
OPERATING PROFIT/(LOSS)		**(6.1)**	**(10.5)**
RECURRING PROFIT BEFORE TAX		**1,450.8**	**944.0**
NET EXCEPTIONAL INCOME/(EXPENSE)		**-**	**-**
Income tax income/(expense)	7	(18.0)	(9.8)
NET PROFIT		**1,432.8**	**934.3**

(a) After taking into account the merger by absorption of Financière Jean Goujon by Christian Dior as of September 30, 2020, with retroactive effect as of January 1, 2020.

2. Balance sheet

ASSETS

(EUR millions)	Notes			2021	2020[(a)]
		Gross	**Depreciation, amortization and impairment**	**Net**	**Net**
Intangible assets		0.0	0.0	0.0	0.0
Property, plant and equipment		0.3	0.3	-	-
Intangible assets and property, plant and equipment		**0.3**	**0.3**	**0.0**	**0.0**
Equity investments	8	3,711.1	47.5	3,663.6	3,544.6
Other non-current financial assets		0.0	-	0.0	0.0
Non-current financial assets		**3,711.1**	**47.5**	**3,663.6**	**3,544.6**
NON-CURRENT ASSETS		**3,711.4**	**47.8**	**3,663.6**	**3,544.6**
Receivables	9	0.0	-	0.0	8.4
Short-term investments	10	16.7	-	16.7	16.7
Cash and cash equivalents		100.9	-	100.9	394.4
CURRENT ASSETS		**117.6**	**-**	**117.6**	**419.5**
Prepayments and accrued income		0.0	-	0.0	0.1
TOTAL ASSETS		**3,829.0**	**47.8**	**3,781.2**	**3,964.2**

LIABILITIES AND EQUITY

(EUR millions)	Notes	2021	2020[(a)]
		Before appropriation	**Before appropriation**
Share capital (of which, fully paid up: 361.0)	11.1	361.0	361.0
Share premium account		194.2	194.2
Reserves and revaluation adjustments		36.4	36.4
Retained earnings[(b)]		2,288.2	2,436.4
Net profit for the fiscal year		**1,432.8**	**934.3**
Interim dividend		(541.5)	(361.0)
EQUITY	11	**3,771.1**	**3,601.2**
PROVISIONS FOR CONTINGENCIES AND LOSSES	12	**-**	**10.4**
Bonds	13	-	351.4
Other debt	14	10.1	1.2
OTHER LIABILITIES		**10.1**	**352.5**
Accruals and deferred income		-	-
TOTAL LIABILITIES AND EQUITY		**3,781.2**	**3,964.2**

(a) After taking into account the merger by absorption of Financière Jean Goujon by Christian Dior as of September 30, 2020, with retroactive effect as of January 1, 2020.
(b) Dividends attributable to treasury shares were reclassified under "Retained earnings" as of December 31, 2020 and December 31, 2021.

3. Cash flow statement

(EUR millions)		2021	2020 [a]
I. OPERATING ACTIVITIES			
Net profit		1,433	934
Net depreciation, amortization, impairment and provisions		(11)	4
Dividends in kind received		-	-
Net gain/(loss) on disposals		-	-
Cash from operations before changes in working capital		**1,422**	**938**
Change in current assets		8	(8)
Change in current liabilities		9	(7)
Change in working capital		**17**	**(16)**
Net cash from operating activities	**I**	**1,440**	**923**
II. INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment and intangible assets		0	-
Acquisitions of equity investments		(119)	(63)
Acquisitions of other long-term investments		-	-
Net change in other non-current financial assets		-	-
Net cash from/(used in) investing activities	**II**	**(119)**	**(63)**
III. FINANCING ACTIVITIES			
Capital increase		-	-
Proceeds from new loans and borrowings		-	-
Repayments of loans and borrowings		(351)	(0)
Change in current accounts		-	-
Net cash from/(used in) financing activities	**III**	**(351)**	**(0)**
IV. DIVIDENDS PAID DURING THE FISCAL YEAR	IV	(1,263)	(830)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**I + II + III + IV**	**(294)**	**30**
Cash and cash equivalents at beginning of fiscal year		**411**	**381**
Cash and cash equivalents at end of fiscal year		**118**	**411**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(294)**	**30**

(a) After taking into account the merger by absorption of Financière Jean Goujon by Christian Dior as of September 30, 2020, with retroactive effect as of January 1, 2020.

The cash flow statement breaks down the changes in cash from one fiscal year to the next (after deducting bank overdrafts) as well as cash equivalents comprised of short-term investments, net of any impairment.

4. Notes to the parent company financial statements

Amounts are expressed in millions of euros unless otherwise indicated.

Note 1. Business activity and key events during the fiscal year

Christian Dior SE is a listed holding company that directly owns a 41.29% equity stake in LVMH Moët Hennessy Louis Vuitton SE, a listed company.

Note 2. Accounting policies and methods

2.1 General framework and changes in accounting policies

The parent company financial statements have been prepared in accordance with Regulation 2014-03 dated June 5, 2014 of the Autorité des Normes Comptables, France's accounting standards authority, in accordance with the same accounting principles and methods as those used for the previous fiscal year.

General accounting conventions have been applied observing the principle of prudence in conformity with the basic assumptions of going concern, consistency of accounting methods, and accrual basis, and in conformity with the general rules for the preparation and presentation of parent company financial statements; it should be noted that the presentation of the income statement was modified in 2019.

The presentation of the income statement includes three main components of profit or loss: "Net financial income/(expense)", "Operating profit/(loss)" and "Net exceptional income/(expense)". The total of "Net financial income/(expense)" and "Operating profit/(loss)" corresponds to "Recurring profit before tax".

"Net financial income/(expense)" includes net income from managing subsidiaries and investments; the cost of net financial debt relating, in essence, to the holding of these investments; and other items resulting from the management of subsidiaries or of financial debt. Net income from managing subsidiaries and investments includes all portfolio management items: dividends, changes in impairment of securities, changes in provisions for contingencies and losses related to the portfolio, and gains or losses arising on the disposal of securities.

"Operating profit/(loss)" includes costs related to the management of the Company and to the Group's management and coordination costs, personnel costs or other administrative costs.

"Net financial income/(expense)" and "Operating profit/(loss)" include items relating to the financial management of the Company or administrative operations, irrespective of their amounts or their occurrence. "Net exceptional income/(expense)" thus comprises only those transactions that, due to their nature, may not be included in "Net financial income/(expense)" or "Operating profit/(loss)".

The accounting items recorded have been evaluated using the historical cost method.

2.2 Intangible assets

Software is amortized using the straight-line method over one year.

2.3 Property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

- furniture: 10 years.

2.4 Non-current financial assets

Equity investments and other long-term investments are stated at acquisition cost (excluding incidental costs) or at contribution value. If their value in use as of the fiscal year-end is lower than the carrying amount, a provision is recorded in the amount of the difference.

For investments in listed companies, the value in use is generally estimated on the basis of market capitalization, the share of the company's net asset value and/or discounted forecast cash flows.

The value in use of unlisted investments is generally estimated on the basis of the share of the net asset value of the companies concerned, market comparables and/or discounted forecast cash flows.

Christian Dior shares purchased for retirement are recorded under "Non-current financial assets" and are not impaired.

Gains or losses on sales of equity investments are calculated according to the weighted average cost method and disclosed under "Income from managing subsidiaries and investments" in "Net financial income/(expense)".

In accordance with Regulation 2015-06 dated November 23, 2015 of the Autorité des Normes Comptables (France's accounting standards authority), merger losses allocated to non-current financial assets are recognized under a specific line item within the asset category concerned: "Merger losses on financial assets". Technical losses, in the amount of the equity investment previously held by the absorbing entity, correspond to unrealized gains on assets, whether recognized or not in the accounts of the absorbed entity, after deducting, unless otherwise required under accounting rules, liabilities not recognized in the accounts of the absorbed entity.

At the end of each fiscal year, the net carrying amount of each asset transferred, plus the associated technical loss, is assessed. Where applicable, if this value is lower than the real value of these assets, impairment is recorded.

Technical losses are reduced proportionately upon the sale or disposal of the assets concerned.

2.5 Receivables and payables

Receivables and payables are recorded at their face value. Impairment is recorded if their net realizable value, based on the probability of their collection, is lower than their carrying amount.

2.6 Short-term investments

Short-term investments are valued at their acquisition cost. Impairment is recorded if their acquisition cost is higher than their market value determined as follows:

- listed securities: average listed share price during the last month of the fiscal year;
- other securities: estimated realizable value or liquidation value.

In the event of partial investment sales, any gains or losses are calculated based on the FIFO method.

2.7 Equity

In accordance with the recommendations of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes), interim dividends are recorded as a deduction from equity.

2.8 Provisions for contingencies and losses

The Company establishes a provision for definite and likely contingencies and losses at the end of each fiscal year, observing the principle of prudence.

2.9 Net financial income/(expense)

Due to its type of activity, the Company records sales of investments according to the following principles:

- gains or losses on sales of equity investments are calculated according to the weighted average cost method;
- gains or losses on sales of short-term investments are calculated using the FIFO method.

Note 3. Subsequent events

As of January 27, 2022, the date on which the financial statements were approved for publication, no subsequent events had occurred that would call into question the assumptions used in preparing the financial statements for the fiscal year ended December 31, 2021.

Note 4. Net financial income/(expense)

4.1 Income from managing subsidiaries and investments

The income from managing subsidiaries and investments breaks down as follows:

(EUR millions)	**2021**	**2020**
Dividends received	1,458.1	957.8
Financial income from subsidiaries and investments	**1,458.1**	**957.8**
Changes in impairment	0.2	0.2
Changes in provisions for contingencies and losses	-	-
Impairment and provisions related to subsidiaries and investments	**0.2**	**0.2**
Other	(0.4)	(0.4)
Income from managing subsidiaries and investments	**1,457.8**	**957.6**

See also Note 12 concerning the change in impairment and provisions.

4.2 Cost of net financial debt

The cost of net financial debt breaks down as follows:

(EUR millions)	**2021**	**2020**
Interest and premiums on borrowings	(0.9)	(3.1)
Other financial income/(expenses)	0.0	0.0
Proceeds/(cost) of non-Group net financial debt	**(0.9)**	**(3.1)**
Proceeds/(cost) of intra-Group net financial debt	**-**	**-**
Proceeds/(cost) of net financial debt	**(0.9)**	**(3.1)**

Note 5. Personnel costs

In 2021, personnel costs included gross compensation and employer social security contributions.

During the 2021 fiscal year, gross compensation of 200 thousand euros was paid to a company officer; in addition, in January 2022, 140 thousand euros was paid in compensation for serving as a Director in fiscal year 2021.

Note 6. Other net management charges

Other management charges mainly consist of expenses under the assistance agreement entered into with Agache SE.

Note 7. Income taxes

7.1 Breakdown of corporate income tax

Corporate income tax breaks down as follows, according to the presentation adopted for profit before tax:

(EUR millions)	**Pre-tax**	**Tax (expense)/ income**	**Post-tax**
Recurring profit	1,450.8	(18.0)	1,432.8
Net exceptional income/(expense)	-	-	-
	1,450.8	**(18.0)**	**1,432.8**

7.2 Tax position

Since January 1, 2018, Christian Dior SE has been a member of the tax consolidation group of which Agache SE is the consolidating parent company.

Christian Dior calculates and recognizes its tax expense as if it were individually subject to tax, and remits this amount to the consolidating parent company.

Note 8. Equity investments

(EUR millions)	Dec. 31, 2021	Dec. 31, 2020
Gross amount of equity investments	3,711.1	3,592.2
Impairment	(47.5)	(47.7)
Carrying amount of equity investments	**3,663.6**	**3,544.6**

The change in the carrying amount of equity investments was mainly due to the acquisition of LVMH Moët Hennessy Louis Vuitton SE shares (under the terms described in Note 2.4).

The investment portfolio is presented in the "Subsidiaries and equity investments" table.

The methods used to calculate the impairment of equity investments are described in Note 2.4.

The change in impairment of the investment portfolio is broken down in Note 12.

Note 9. Receivables

Receivables break down as follows:

(EUR millions)	December 31, 2021			Dec. 31, 2020
	Gross	Impairment	Net	Net
Receivables from related companies				
Tax consolidation current account	-	-	-	8.4
Other receivables	0.0	-	0.0	-
Total	**0.0**	**-**	**0.0**	**8.4**

All these receivables mature within one year.

Note 10. Short-term investments

10.1 Treasury shares

As of December 31, 2021, the value of the treasury shares held was allocated as follows:

(EUR millions)	As of December 31, 2021			
	Number of shares	Gross carrying amount	Impairment	Net carrying amount
Shares intended to be granted to employees and allocated to specific plans	-	-	-	-
Shares available to be granted to employees	96,936	16.7	-	16.7
Short-term investments	**96,936**	**16.7**	**-**	**16.7**

There were no portfolio movements during the fiscal year.

10.2 Stock option and similar plans

10.2.1 Share purchase option plans

At the Company's Shareholders' Meeting of June 30, 2020, the shareholders renewed the authorization given to the Board of Directors, for a period of twenty-six months expiring on August 29, 2022, to grant share subscription or purchase options to Group company employees or senior executives, on one or more occasions, in an amount not to exceed 1% of the Company's share capital as of the date of the authorization.

Each share purchase option plan has a term of ten years. Provided the conditions set by the plan are met, options may be exercised after a four-year period from the plan's commencement date.

No Christian Dior share purchase or subscription option plans were in effect during the fiscal year.

For all plans, one option entitles the holder to one share.

10.2.2 Bonus share and performance share plans

At the Shareholders' Meeting of June 30, 2020, the shareholders renewed the authorization given to the Board of Directors, for a period of twenty-six months expiring on August 29, 2022, to grant existing or newly issued shares as bonus shares to Group company employees and/or senior executives, on one or more occasions, in an amount not to exceed 1% of the Company's share capital on the date of this authorization.

For plans put in place after November 30, 2015, bonus shares awarded to all recipients vest – provided certain conditions are met and irrespective of their residence for tax purposes – after a three-year vesting period, without any subsequent holding period.

The plans combine awards of bonus shares and of performance shares in proportions determined in accordance with the recipient's level in the hierarchy and status.

No Christian Dior bonus share or performance share plans were in effect during the fiscal year.

Vesting of such shares does not lead to any dilution for shareholders, since they are allocations of existing shares.

10.2.3 Performance conditions

Most of the share purchase option plans and bonus share plans are subject to performance conditions that determine vesting.

For performance shares, vesting is subject to conditions related to the Christian Dior group's financial performance, in addition to the continued service condition under which recipients must still be with the Group; performance shares only vest if Christian Dior's consolidated financial statements show a positive change compared to a reference fiscal year with respect to one or more of the following indicators: the Group's profit from recurring operations, net cash from operating activities and operating investments, and current operating margin. The performance condition is assessed on a like-for-like basis to exclude the impact of acquisitions made during the two calendar years following the reference fiscal year and to neutralize the impact of disposals that took place during this same period. Only significant transactions (for more than 150 million euros) are restated in the accounts.

For the plans set up since November 30, 2015, performance shares only vest if Christian Dior's consolidated financial statements for calendar years Y+1 and Y+2 after the year the plan was set up show a positive change compared to calendar year Y with respect to one or more of the indicators mentioned above.

Note 11. Equity

11.1 Share capital

As of December 31, 2021, the share capital consisted of 180,507,516 fully paid-up shares, each with a par value of 2 euros per share, including 130,045,992 shares with double voting rights.

11.2 Change in equity

(EUR millions)	
Equity as of December 31, 2020 (prior to appropriation of net profit)	**3,601.2**
Net profit for the fiscal year ended December 31, 2021	1,432.8
Dividends paid for the fiscal year ended December 31, 2020	(722.0)
Impact of treasury shares	0.6
Interim dividends for the fiscal year ended December 31, 2021	(541.5)
Equity as of December 31, 2021 (prior to appropriation of net profit)	**3,771.1**

The appropriation of net profit for fiscal year 2020 was approved at the Combined Shareholders' Meeting of April 15, 2021.

Note 12. Changes in impairment and provisions

Changes in asset impairment and provisions for contingencies and losses during the fiscal year break down as follows:

(EUR millions)	Amount as of January 1, 2021	Provisions during the fiscal year	Reversals during the fiscal year	Amount as of December 31, 2021
Equity investments	47.7	-	0.2	47.5
Asset impairment	**47.7**	**-**	**0.2**	**47.5**
Provisions for losses	10.4	-	10.4	-
Provisions for contingencies and losses	**10.4**	**-**	**10.4**	**-**
Total	**58.1**	**-**	**10.6**	**47.5**

Note 13. Gross borrowings

Gross borrowings break down as follows:

(EUR millions)	Dec. 31, 2021	Dec. 31, 2020
Bonds	-	351.4
Gross borrowings	**-**	**351.4**

The bond that had been set to mature on June 24, 2021 was redeemed early on March 24, 2021.

Note 14. Other debt

(EUR millions)	Total	Amount			*Of which: Accrued expenses*	*Of which: Related companies*
		Less than 1 year	From 1 to 5 years	More than 5 years		
Trade accounts payable	0.8	0.8	-	-	*0.6*	*0.4*
Tax and social security liabilities	0.1	0.1	-	-	*0.1*	-
Other debt	9.2	9.2	-	-	-	*8.8*
Of which: Tax consolidation current account	8.8	8.8	-	-	-	*8.8*
Other debt	**10.1**	**10.1**	**-**	**-**	***0.7***	***9.2***

Note 15. Other information

15.1 Related-party transactions

No new related-party agreements, within the meaning of Article R. 123-198 of the French Commercial Code, were entered into during the fiscal year in significant amounts and under conditions other than normal market conditions.

15.2 Identity of the consolidating parent companies

Company name	Registered office	SIREN
Financière Agache	11 rue François 1er 75008 Paris (France)	775 625 767
Agache	41 avenue Montaigne 75008 Paris (France)	314 685 454

5. Subsidiaries and equity investments

(EUR millions)	Percentage of share capital held	Carrying amount of shares held		Dividends received in 2021	Loans and advances provided	Deposits and sureties granted
		Gross	Net			
A. Information on subsidiaries and equity investments						
1. Subsidiaries						
– French subsidiaries		2.8	2.8	-	-	-
– Foreign subsidiaries		56.0	8.5	-	-	-
2. Equity investments						
– LVMH Moët Hennessy Louis Vuitton SE		3,548.6	3,548.6	1,458.1	-	-
B. General information on other subsidiaries and equity investments						
– None		-	-	-	-	-
Total		**3,607.4**	**3,559.9**	**1,458.1**	**-**	**-**

6. Company results over the last five fiscal years

(EUR millions, except earnings per share, expressed in euros)	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021
1. Share capital					
Share capital	361.0	361.0	361.0	361.0	361.0
Number of ordinary shares outstanding	180,507,516	180,507,516	180,507,516	180,507,516	180,507,516
Maximum number of future shares to be created:					
– through exercise of equity warrants	-	-	-	-	-
– through exercise of share subscription options	-	-	-	-	-
2. Operations and profit for the fiscal year					
Revenue before taxes	-	-	-	-	-
Profit before taxes, depreciation, amortization, impairment and movements in provisions	6,201.6	1,007.2	1,207.8	947.9	1,440.3
Income tax (income)/expense	27.6	(0.1)	5.0	9.8	18.0
Profit after taxes, depreciation, amortization, impairment and movements in provisions	6,163.7	1,031.0	1,215.5	934.3	1,432.8
Profit distributed as dividends[a]	902.5	1,083.0	6,498.3	1,083.0	1,805.1
3. Earnings per share *(EUR)*					
Earnings per share after taxes but before depreciation, amortization, impairment and movements in provisions	34.20	5.58	6.66	5.20	7.88
Earnings per share after taxes, depreciation, amortization, impairment and movements in provisions	34.15	5.71	6.73	5.18	7.94
Gross dividend distributed per share[b]	5.00	6.00	34.00[d]	6.00	10.00
4. Employees					
Average number of employees	-	-	-	-	-
Total payroll[c]	9.6	15.6	1.3	0.2	7.2
Amounts paid in respect of employee benefits	0.0	1.7	2.1	0.1	3.7

(a) Amount of the distribution resulting from the resolution of the Shareholders' Meeting, before the impact of Christian Dior treasury shares held as of the distribution date. For the fiscal year ended December 31, 2021, amount proposed by the Board of Directors at its meeting of January 27, 2022 for approval at the Shareholders' Meeting of April 21, 2022.
(b) Excluding the impact of tax regulations applicable to recipients.
(c) Including provisions, on plans deemed exercisable relating to share purchase options and awards of bonus shares and performance shares, recognized under "Personnel costs".
(d) Of which 4.80 euros per share as an ordinary component and 29.20 euros per share as an exceptional component.

7. Statutory Auditors' report on the parent company financial statements

To the Shareholders' Meeting of Christian Dior,

I. Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying parent company financial statements of Christian Dior SE for the fiscal year ended December 31, 2021.

In our opinion, the parent company financial statements give a true and fair view of the Company's assets, liabilities and financial position as of December 31, 2021 and of the results of its operations for the fiscal year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Performance Audit Committee.

II. Basis for our opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the parent company financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided by the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for Statutory Auditors, for the period from January 1, 2021 to the date of our report. We did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) 537/2014.

III. Justification of assessments – Key audit matters

The global crisis arising from the Covid-19 pandemic imposed particular conditions on the preparation and audit of the financial statements for this fiscal year. The crisis and the exceptional measures taken in response to the public health emergency had wide-ranging consequences on companies, especially on their business activity and financing, and heightened uncertainty regarding their outlook for the future. Some of these measures, such as travel restrictions and remote working, also had an impact on the internal organization of companies and on the conditions under which audits were run.

Within this complex, changing context, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we are required to inform you of the key audit matters relating to risks of material misstatement which, in our professional judgment, were of most significance in our audit of the parent company financial statements for the fiscal year, as well as how we addressed those risks.

We determined that there were no key audit matters to disclose in our report.

IV. Specific verifications

We also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information provided in the Management Report and in the other documents given to shareholders related to the financial position and the parent company financial statements

We have no matters to report as to the fair presentation and the consistency with the parent company financial statements of the information provided in the Management Report of the Board of Directors and in the other documents given to shareholders related to the financial position and the parent company financial statements.

We attest to the fair presentation and the consistency with the parent company financial statements of the information on payment terms set out in Article D. 441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information provided in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code relating to compensation and benefits paid or awarded to company officers and any other commitments made in their favor, we have verified its consistency with the financial statements or the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled companies included in the scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a public purchase or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code, we verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the Management Report.

V. Other verifications or information required by laws and regulations

Presentation format for the parent company financial statements to be included in the Annual Financial Report

In accordance with the professional standards governing the procedures to be carried out by the Statutory Auditor on parent company and consolidated financial statements presented in the European Single Electronic Format, we also checked compliance with this format as defined by Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 in the presentation of the parent company financial statements to be included in the Annual Financial Report mentioned in Article L. 451-1-2 I of the French Monetary and Financial Code *(Code monétaire et financier)*, prepared under your Chief Financial Officer's responsibility under delegation from the Chief Executive Officer.

On the basis of our work, we concluded that the presentation of the parent company financial statements to be included in the Annual Financial Report complies, in all material respects, with the European Single Electronic Format.

It is not our responsibility to check that the parent company financial statements actually included by your Company in the Annual Financial Report filed with the AMF correspond to those on which we performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Christian Dior by the shareholders at your Shareholders' Meetings held on May 15, 2003 (for Mazars) and May 14, 2009 (for Ernst & Young et Autres).

As of December 31, 2021, Mazars was in the nineteenth consecutive year of its engagement and Ernst & Young et autres was in its thirteenth year.

Ernst & Young Audit previously served as Statutory Auditor from 1997 to 2008.

VI. Responsibilities of management and those charged with governance for the parent company financial statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Company's ability to continue as a going concern; for disclosing, as applicable, matters related to going concern; and for using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Performance Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, internal audit, regarding accounting and financial reporting procedures.

The parent company financial statements have been approved by the Board of Directors.

VII. Statutory Auditors' responsibilities for the audit of the parent company financial statements

Objectives and audit approach

Our role is to issue a report on the parent company financial statements. Our objective is to obtain reasonable assurance as to whether the parent company financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability or the quality of management of your Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the parent company financial statements, whether due to fraud or error; designs and performs audit procedures responsive to those risks; and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overriding internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- assesses the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the parent company financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the parent company financial statements or, if such disclosures are not provided or inadequate, to issue a qualified or adverse audit opinion;
- assesses the overall presentation of the parent company financial statements and whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Performance Audit Committee

We submit a report to the Performance Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Performance Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the parent company financial statements for the fiscal year and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Performance Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set out in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(Code de déontologie)* for Statutory Auditors. We discuss any risks that may reasonably be thought to bear on our independence, and the related safeguards, with the Performance Audit Committee.

Paris-La Défense, February 25, 2022

The Statutory Auditors

French original signed by

Mazars		Ernst & Young et Autres
Loïc Wallaert	Guillaume Machin	Gilles Cohen

This is a free translation into English of a report issued in French. It is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

8. Statutory Auditors' special report on related-party agreements

To the Shareholders' Meeting of Christian Dior,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on related-party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

In accordance with Article R. 225-31 of the French Commercial Code, we are also required to inform you of the continuation of the implementation, during the fiscal year under review, of any agreements previously approved at a Shareholders' Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

I. Agreements submitted for approval at the Shareholders' Meeting

We hereby inform you that we were not informed of any agreements authorized and entered into during the fiscal year under review to be submitted for approval at the Shareholders' Meeting, pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

II. Agreements previously approved at a Shareholders' Meeting

1. Remaining in effect during the fiscal year under review

In accordance with Article R. 225-30 of the French Commercial Code, we have been notified that the implementation of the following agreements, which were approved at a Shareholders' Meeting in a prior fiscal year, remained in effect during the fiscal year under review.

With LVMH SE, a subsidiary of your Company

Persons concerned

Bernard Arnault, Nicolas Bazire and Delphine Arnault, Directors of your Company.

Nature and purpose

The service agreement of June 7, 2002, amended on May 16, 2014 and relating to legal services, particularly for corporate law issues and the management of securities services, entered into between your Company and LVMH SE, remained in effect in 2021.

Annual remuneration is 72,000 euros including taxes. Under this agreement, your Company incurred an expense of 60,000 euros excluding taxes for fiscal year 2021.

With Agache SE

Persons concerned

Bernard Arnault, Nicolas Bazire and Delphine Arnault, Directors of your Company.

Nature and purpose

Assistance agreement

The assistance agreement of November 27, 1995, amended on March 27, 2003 and again on June 30, 2020, entered into between your Company and Agache SE, remained in effect in 2021. Remuneration totaled 2,408,000 euros excluding taxes for fiscal year 2021.

During the fiscal year ended December 31, 2021, your Company paid 2,910,589 euros (including taxes) to Agache SE in respect of this agreement.

2. Not in effect during the fiscal year under review

We have also been notified of the ongoing implementation of the following agreement, which was approved at a Shareholders' Meeting in a prior fiscal year, which did not come into in effect during the fiscal year under review.

With Sidney Toledano, Chief Executive Officer and a Director of your Company

Nature and purpose

Non-compete clause

This non-compete clause, made in the interest of your Group, provides for the payment, for a period of 12 months, of compensation equal to his monthly average gross salary received over the 12 months preceding the effective termination of his employment contract.

Your Company did not incur any expenses in respect of this commitment for fiscal year 2021.

Courbevoie and Paris-La Défense, February 25, 2022

The Statutory Auditors

French original signed by

Mazars		Ernst & Young et Autres
Loïc Wallaert	Guillaume Machin	Gilles Cohen

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Christian Dior

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