



FINANCIERE AGACHE

Parent company financial statements  
as of December 31, 2022



# Parent company financial statements: Financière Agache

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This document is a free translation into English of the original French “Comptes annuels de la société Christian Dior”, 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	12/31/2022	12/31/2021
Financial income from subsidiaries and investments		2,426.0	1,672.8
Investment portfolio: Impairment and provisions		26.2	0.6
Gains and losses on disposal		183.5	9.0
Other		(7.0)	(0.5)
<b>Income from managing subsidiaries and investments</b>	4.1	<b>2,628.8</b>	<b>1,682.0</b>
Income from managing investments	4.2	(113.6)	(3.3)
Income from/(cost of) net financial debt	4.3	(15.4)	(9.5)
Foreign exchange gains and losses	4.4	2.9	(0.4)
Other financial income and expenses		-	-
<b>NET FINANCIAL INCOME/(EXPENSE)</b>	4	<b>2,502.7</b>	<b>1,668.8</b>
Services provided and other income	5	0.1	0.3
Personnel costs	6	(0.3)	(0.1)
Other net management charges	7	(3.2)	(4.0)
<b>OPERATING PROFIT/(LOSS)</b>		<b>(3.5)</b>	<b>(3.9)</b>
<b>RECURRING PROFIT BEFORE TAX</b>		<b>2,499.3</b>	<b>1,664.9</b>
<b>NET EXCEPTIONAL INCOME/(EXPENSE)</b>		<b>0.0</b>	<b>(0.0)</b>
Income tax income/(expense)	8	(44.4)	(44.3)
<b>NET PROFIT</b>		<b>2,454.9</b>	<b>1,620.6</b>

## 2. Balance sheet

### Assets

(EUR millions)	Notes	12/31/2022		12/31/2021
		Gross	Depreciation, amortization and impairment	Net
Intangible assets		0.2	0.2	-
Property, plant and equipment		0.7	0.3	0.4
<b>Intangible assets and property, plant and equipment</b>	<b>9</b>	<b>0.8</b>	<b>0.5</b>	<b>0.4</b>
Equity investments	10	24,338.7	101.9	24,236.8
Receivables from equity investments	11	305.9	-	305.9
Other non-current financial assets	12	405.0		405.0
<b>Non-current financial assets</b>		<b>25,049.6</b>	<b>101.9</b>	<b>24,947.7</b>
<b>NON-CURRENT ASSETS</b>		<b>25,050.4</b>	<b>102.4</b>	<b>24,948.1</b>
Receivables	13	3.3	-	3.3
Short-term investments	18.5	1,838.6	363.2	1,475.4
Cash and cash equivalents		45.1	-	45.1
<b>CURRENT ASSETS</b>		<b>1,887.0</b>	<b>363.2</b>	<b>1,523.8</b>
Prepayments and accrued income		4.0	-	4.0
<b>TOTAL ASSETS</b>		<b>26,941.4</b>	<b>465.6</b>	<b>26,475.8</b>

### Liabilities and equity

(EUR millions)	Notes	12/31/2022	12/31/2021
		Before appropriation	Before appropriation
Share capital (fully paid up)		53.7	51.7
Share premium account		6,882.8	1,123.8
Reserves and revaluation adjustments		433.3	601.2
Retained earnings		15,693.3	14,654.5
Net profit for the fiscal year		2,454.9	1,620.6
Interim dividend		(403.0)	(200.2)
<b>EQUITY</b>	<b>14</b>	<b>25,115.0</b>	<b>17,851.5</b>
<b>PROVISIONS FOR CONTINGENCIES AND LOSSES</b>	<b>15</b>	<b>8.5</b>	<b>18.1</b>
Borrowings	16	1,347.5	2,853.7
Other debt	17	4.3	30.6
<b>OTHER LIABILITIES</b>		<b>1,351.9</b>	<b>2,884.3</b>
Accruals and deferred income		0.5	1.7
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>26,475.8</b>	<b>20,755.6</b>

### 3. Cash flow statement

(EUR millions)		12/31/2022	12/31/2021
<b>I. OPERATING ACTIVITIES</b>			
Net profit		2,454.9	1,620.6
Net depreciation, amortization, impairment and provisions		(14.3)	0.0
Net short-term provisions		220.3	46.8
Net gain/(loss) on disposals		(183.5)	(9.0)
<b>Cash from operations before changes in working capital</b>		<b>2,477.3</b>	<b>1,658.4</b>
Change in current assets		5.0	26.7
Change in short-term investments		(446.7)	(584.1)
Change in current liabilities		(28.1)	30.0
<b>Change in working capital</b>		<b>(469.7)</b>	<b>(527.4)</b>
<b>Net cash from operating activities</b>	<b>I</b>	<b>2,007.6</b>	<b>1,131.0</b>
<b>II. INVESTING ACTIVITIES</b>			
Proceeds from sale of fixed assets		70.6	89.0
Purchase of property, plant and equipment		-	-
Acquisitions of equity investments		(658.3)	(706.8)
Change in other non-current financial assets		1,523.4	(1,497.0)
<b>Net cash from/(used in) investing activities</b>	<b>II</b>	<b>935.7</b>	<b>(2,114.8)</b>
<b>III. FINANCING ACTIVITIES</b>			
Contribution to equity (dividends paid)		0.8	0.1
Capital increase		-	682.7
Change in borrowings		(1,711.1)	493.0
Change in receivables from the Group		-	0.6
Change in payables to the Group		(482.2)	92.5
<b>Net cash from/(used in) financing activities</b>	<b>III</b>	<b>(2,192.6)</b>	<b>1,268.8</b>
<b>IV. DIVIDENDS PAID DURING THE FISCAL YEAR</b>	<b>IV</b>	<b>(893.3)</b>	<b>(200.2)</b>
<b>V. CASH INFLOW</b>	<b>V</b>	<b>2.9</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>I + II + III + IV + V</b>	<b>(139.8)</b>	<b>84.9</b>
<b>Cash and cash equivalents at beginning of fiscal year</b>		<b>184.8</b>	<b>99.9</b>
<b>Cash and cash equivalents at end of fiscal year</b>		<b>45.0</b>	<b>184.8</b>

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

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*Amounts are expressed in millions of euros unless otherwise indicated.*

*The Company's financial statements include the effects of the mergers by absorption of Le Peigné on November 30, 2021 and Europatweb on November 25, 2022.*

*As table totals are based on unrounded figures, there may be discrepancies between these totals and the sum of their rounded component figures.*

## Note 1. Business activity and key events during the period

Financière Agache SA, a subsidiary of Agache SCA, directly controls Christian Dior SE and indirectly (via Christian Dior SE) controls LVMH Moët Hennessy Louis Vuitton SE. The Company also holds a diversified portfolio of financial investments.

In the first half of 2022, Financière Agache SA received a contribution of 9,255,405 LVMH Moët Hennessy Louis Vuitton shares held by Agache SE. In consideration for that contribution, the Company issued 129,787 new shares.

On September 23, 2022, Financière Agache SA carried out an exceptional distribution of the Company's 3,619 treasury shares, with the corresponding sum of 167.9 million euros deducted from "Other reserves".

On November 25, 2022, Financière Agache SA absorbed its sister company Europatweb SA. The net assets transferred by Europatweb SA came to 108.0 million euros, the consideration for which was recorded under "Retained earnings".

Financial income from subsidiaries and other investments totaled 2,426.0 million euros in fiscal year 2022, compared with 1,672.8 million euros in fiscal year 2021.

Net financial income totaled 2,502.7 million euros as of December 31, 2022, compared with 1,668.8 million euros as of December 31, 2021.

Net profit was 2,454.9 million euros as of December 31, 2022, compared with 1,620.6 million euros as of December 31, 2021.

## 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 (amended by Regulation 2016-07 dated November 4, 2016) and Regulation 2015-05 dated July 2, 2015 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 mainly related to managing investments and foreign exchange gains and losses. 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 services provided and other income, personnel costs and other net management charges.

"Net exceptional income/(expense)" 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 Property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives provided below.

The estimated useful lives are as follows:

- Buildings: 20 to 50 years;
- General installations, fixtures and fittings: 4 to 10 years.



## 2.3 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, impairment 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 adjusted 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 adjusted net asset value of the companies concerned, market comparables and/or discounted forecast cash flows.

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)".

Loans, deposits and other long-term receivables are measured at their face value. Where applicable, these items are reviewed for impairment and provisions are recognized to write them down to their net realizable value at the fiscal year-end.

## 2.4 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.

## 2.5 Short-term investments

Short-term investments are recorded at acquisition cost. Impairment is recorded within "Net financial income/(expense)" if their acquisition cost is higher than their market value determined as follows:

- listed securities: average share price during the last month of the fiscal year, translated, where applicable, at fiscal year-end exchange rates;
- other securities: estimated realizable value or liquidation value, translated, where applicable, at fiscal year-end exchange rates.

This calculation is performed on a line-by-line basis, without offsetting any unrecognized capital gains and losses.

Gains or losses on sales of short-term investments are recognized in "Net financial income/(expense)" and calculated using the FIFO method.

## 2.6 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.

## 2.7 Provisions for contingencies and losses

When closing out its interim and annual financial statements, the Company establishes a provision for definite and likely contingencies and losses, observing the principle of prudence.

## 2.8 Income from equity investments

Amounts distributed by subsidiaries and other investments are recognized as of the date that they accrue to the shareholders or partners.

## 2.9 Foreign currency transactions

During the period, foreign currency transactions are translated into euros using the exchange rates prevailing on the transaction dates.

### a) Isolated open positions

Payables, receivables, and cash and cash equivalents in foreign currencies are revalued on the balance sheet at fiscal year-end exchange rates.

Equity investments, other long-term investments and short-term investments in foreign currencies are recorded in the balance sheet at the price at which they were acquired or, where applicable, at the date at which an overall foreign exchange position was closed out.

The difference resulting from the revaluation of payables and receivables at the fiscal year-end is recorded under "Translation adjustment". Provisions are recorded for unrealized foreign exchange losses.

The difference resulting from the revaluation of cash and cash equivalents at the fiscal year-end is recorded under "Net financial income/(expense)".

### b) Overall foreign exchange positions

Payables, receivables, short-term investments, and cash and cash equivalents in foreign currencies are revalued on the balance sheet at fiscal year-end exchange rates.

Equity investments and other long-term investments in foreign currencies are recorded in the balance sheet at the price at which they were acquired.

Gains or losses on transactions regarded as elements of the same overall foreign exchange position by currency (realized or resulting from the revaluation of positions at the period-end) are recorded in the income statement as a net amount.

## 2.10 Net financial income/(expense)

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

- gains or losses on sales of equity investments (*titres de participation*) are calculated according to the weighted average cost method;
- gains or losses on sales of short-term investments (*valeurs mobilières de placement*) are calculated using the FIFO method.

## 2.11 Gains and losses on options and forward contracts

### a) On hedges

Gains and losses are recorded in the income statement and matched against the income and expenses arising from the hedged item.

### b) On other transactions

A provision for contingencies is recorded if the market value of the instrument results in the calculation of an unrealized loss for the Company compared to the initial value of the instrument. Unrealized gains are not recognized.

## Note 3. Subsequent events

As of 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, 2022.

## 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)	12/31/2022	12/31/2021
Dividends received from French companies	2,426.0	1,266.5
Merger gains <sup>(a)</sup>	-	406.3
<b>Financial income from subsidiaries and investments</b>	<b>2,426.0</b>	<b>1,672.8</b>
Changes in impairment	25.9	0.0
Changes in provisions for contingencies and losses	0.3	0.6
<b>Impairment and provisions related to subsidiaries and investments</b>	<b>26.2</b>	<b>0.6</b>
Gains and losses on disposal	183.5	9.0
<b>Other</b>	<b>(7.0)</b>	<b>(0.5)</b>
<b>Income from managing subsidiaries and investments</b>	<b>2,628.8</b>	<b>1,682.0</b>

(a) In 2021, the Company absorbed Le Peigné SA.

See also Note 15 concerning the change in impairment and provisions.

## 4.2 Income from managing investments

Income from managing investments breaks down as follows:

(EUR millions)	12/31/2022	12/31/2021
Income	58.6	19.3
Changes in impairment	(241.5)	(29.9)
Gains and losses on disposal	73.4	31.2
Other income/(expenses)	(4.1)	(23.8)
<b>Income from managing investments</b>	<b>(113.6)</b>	<b>(3.3)</b>

See also Note 15 concerning the change in impairment and provisions.

## 4.3 Cost of net financial debt

The cost of net financial debt, including the impact of interest rate hedging instruments, breaks down as follows:

(EUR millions)	12/31/2022	12/31/2021
Interest on borrowings	(29.3)	(15.5)
Financial income and revenue	2.1	4.0
<b>Proceeds/(cost) of non-Group net financial debt</b>	<b>(27.2)</b>	<b>(11.5)</b>
Intra-Group interest expense	(4.5)	(1.7)
Intra-Group interest income	16.2	3.7
<b>Proceeds/(cost) of intra-Group net financial debt</b>	<b>11.8</b>	<b>2.0</b>
<b>Proceeds/(cost) of net financial debt</b>	<b>(15.4)</b>	<b>(9.5)</b>

## 4.4 Foreign exchange gains and losses

Foreign exchange gains and losses comprise the following items:

(EUR millions)	12/31/2022	12/31/2021
Foreign exchange gains	4.1	2.9
Foreign exchange losses	-	-
Changes in provisions for unrealized foreign exchange losses	(0.4)	(0.7)
Other	(0.8)	(2.6)
<b>Foreign exchange gains and losses</b>	<b>2.9</b>	<b>(0.4)</b>

In the second half of 2022, the Company unwound all its foreign exchange hedging positions in US dollars.

See also Note 15 concerning changes in provisions.

## Note 5. Services provided and other income

Other income consists of rental income.

## Note 6. Personnel costs

Personnel costs included gross compensation and employer social security contributions. The average workforce over the period consisted of one management-level employee.

## Note 7. Other net management charges

Other net management charges are mainly comprised of support services and fees.

## Note 8. Income taxes

### 8.1 Breakdown of corporate income tax

Corporate income tax breaks down as follows:

(EUR millions)	Pre-tax	Tax (expense)/ income	Post-tax
Recurring profit	2,499.3	(44.4)	2,454.9
Net exceptional income/(expense)	0.0	-	0.0
	<b>2,499.3</b>	<b>(44.4)</b>	<b>2,454.9</b>

### 8.2 Tax position

Since 2004, Financière Agache SA has been a member of the tax consolidation group of which Agache SCA is the consolidating parent company.

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

## Note 9. Intangible assets and property, plant and equipment

(EUR millions)	12/31/2022
<b>Carrying amount of fixed assets as of December 31, 2021</b>	<b>0.4</b>
Increases <sup>(a)</sup>	0.2
Disposals and retirements	(0.0)
Net change in depreciation/amortization <sup>(a)</sup>	(0.2)
<b>Carrying amount of fixed assets as of December 31, 2022</b>	<b>0.4</b>

(a) Changes in these items mainly arose from the merger by absorption of Europatweb SA.

## Note 10. Equity investments

(EUR millions)	12/31/2022	12/31/2021
Gross amount of equity investments	24,338.7	17,599.0
Impairment expense	(101.9)	(85.9)
<b>Carrying amount of equity investments</b>	<b>24,236.8</b>	<b>17,513.1</b>

A breakdown of the investment portfolio is presented in the "Subsidiaries and equity investments" table (see Note 18.4).

The change in the gross amount of equity investments mainly resulted from the contribution of LVMH shares for 5,761.1 million euros (see Note 1).

The methods used to calculate the impairment of equity investments are described in Note 2.3.

The change in impairment of the investment portfolio is broken down in Note 15.

## Note 11. Receivables from equity investments

(EUR millions)	December 31, 2022			Gross amounts by maturity		Of which: Related companies
	Gross	Impairment	Net	Up to 1 year	More than 1 year	
	305.9	-	305.9	0.9	305.0	305.9
<b>Total</b>	<b>305.9</b>	<b>-</b>	<b>305.9</b>	<b>0.9</b>	<b>305.0</b>	<b>305.9</b>

These receivables comprise advances granted to Group companies under bilateral medium-term agreements.

## Note 12. Other non-current financial assets

(EUR millions)	12/31/2022	12/31/2021
Other long-term investments	405.0	347.0
Other non-current financial assets	0.0	0.5
Impairment expense	-	-
<b>Carrying amount of other non-current financial assets</b>	<b>405.0</b>	<b>347.5</b>

The methods used to calculate the impairment of other non-current financial assets are described in Note 2.3.

The change in impairment of the investment portfolio is broken down in Note 15.

The decrease in “Other non-current financial assets” resulted from the distribution of the Company’s 3,619 treasury shares to its sole shareholder (see Note 1).

## Note 13. Receivables

Receivables break down as follows:

(EUR millions)	12/31/2022			12/31/2021
	Gross	Impairment	Net	Net
Receivables from related companies	0.9	-	0.9	-
Of which: Other current accounts	0.9	-	0.9	-
Other receivables	2.4	-	2.4	9.4
<b>Total</b>	<b>3.3</b>	<b>-</b>	<b>3.3</b>	<b>9.4</b>

All these receivables mature within one year.

## Note 14. Equity

### 14.1 Share capital

On March 16, 2022, the Company increased its share capital by 2,076,592 euros by issuing 129,787 new shares and recognized a contribution premium of 5,759,042,804.30 euros in consideration for the contribution by Agache SE of 9,255,405 LVMH Moët Hennessy Louis Vuitton shares.

As of December 31, 2022, the share capital consisted of 3,358,449 fully paid-up shares, each with a par value of 16 euros per share, including 3,053,162 shares with double voting rights.

### 14.2 Change in equity

(EUR millions)

<b>Equity as of 12/31/2021 (prior to appropriation of net profit)</b>	<b>17,851.5</b>
Capital increase	2.1
Capital reduction	-
Contribution premium	5,759.0
Net profit for the fiscal year ended 12/31/2022	2,454.9
Impact of treasury shares	0.8
Exceptional distribution of treasury shares	(167.9)
Final cash dividend paid in respect of the fiscal year ended 12/31/2021	(490.3)
Net assets transferred by Europatweb	108.0
Interim cash dividend in respect of the fiscal year ended 12/31/2022	(403.0)
<b>Equity as of 12/31/2022 (prior to appropriation of net profit)</b>	<b>25,115.0</b>

The appropriation of net profit for fiscal year 2021 was approved at the Ordinary Shareholders' Meeting of April 27, 2022.

## Note 15. 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)	12/31/2021	Increases	Decreases	12/31/2022
Equity investments	85.9	46.6 <sup>(a)</sup>	30.6	101.9
Short-term investments	46.6	321.3 <sup>(b)</sup>	4.8	363.2
<b>Asset impairment</b>	<b>132.5</b>	<b>368.0</b>	<b>35.4</b>	<b>465.1</b>
Subsidiaries	0.3	0.0	0.3	0.0
Provisions for foreign exchange losses	-	1.2	0.0	1.2
Other provisions for contingencies	17.7	4.7	15.1	7.3
<b>Provisions for contingencies and losses</b>	<b>18.1</b>	<b>5.8</b>	<b>15.4</b>	<b>8.5</b>
<b>Total</b>	<b>150.6</b>	<b>373.8</b>	<b>50.9</b>	<b>473.6</b>

(a) This amount includes 40.7 million euros arising from the merger by absorption of Europatweb SA (see Note 1).

(b) This amount includes 75.1 million euros arising from the merger by absorption of Europatweb SA (see Note 1).

Changes in impairment of equity investments and provisions for contingencies related to subsidiaries mainly reflect changes in the net assets of the subsidiaries concerned.

## Note 16. Gross borrowings

### 16.1 Gross borrowings

Gross borrowings break down as follows:

(EUR millions)	12/31/2022	12/31/2021
Bonds	60.0	180.6
Bank loans and borrowings	363.0	1,213.9
Miscellaneous loans and borrowings	924.5	1,459.2
<b>Gross borrowings</b>	<b>1,347.5</b>	<b>2,853.7</b>

In May 2022, Financière Agache SA completed the early redemption of the 120 million euro bond maturing in August 2022.

In 2022, Financière Agache SA completed the early redemption of the 800 million euro bullet term facility maturing in May 2024.

Miscellaneous loans and borrowings include short-term negotiable debt securities outstanding (NEU CP and other euro-

denominated commercial paper) in the amount of 924.5 million euros. The 482.3 million euro Europatweb SA loan was canceled as part of the merger by absorption of Europatweb by the Company.

As is normal practice for credit facilities, Financière Agache SA has signed commitments to maintain a minimum level of ownership interest and voting rights for some of its subsidiaries.

### 16.2 Bonds

(EUR millions)	Nominal interest rate	Issue price (as % of the par value)	Maturity	Par value as of December 31, 2022	Accrued interest	Total
EUR 60,000,000 – 2021	0.861%	100.000%	2028	60	0.0	60.0
<b>Total</b>				<b>60</b>	<b>0.0</b>	<b>60.0</b>

### 16.3 Breakdown of gross borrowings by payment date

The breakdown of gross borrowings by type and payment date, and the related accrued expenses, are shown in the table below:

(EUR millions)	Total	Amount			Of which: Accrued expenses
		Less than 1 year	From 1 to 5 years	More than 5 years	
Bonds	60.0	0.0	-	60.0	0.0
Bank loans and borrowings	363.0	13.3	349.7	-	0.5
Miscellaneous loans and borrowings	924.5	924.5	0.0	-	-
<b>Gross borrowings</b>	<b>1,347.5</b>	<b>937.8</b>	<b>349.7</b>	<b>60.0</b>	<b>0.5</b>

### 16.4 Guarantees and collateral

As of December 31, 2022, financial debt was not subject to any guarantees or collateral.

## Note 17. Other debt and other liabilities

(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	3.4	3.4	-	-	1.1	3.0
Tax and social security liabilities	0.1	0.1	-	-	0.0	-
Other debt	0.9	0.9	-	-	-	0.2
Deferred income	0.2	0.2	-	-	-	0.2
Foreign currency translation gains	0.3	0.3	-	-	-	-
<b>Other debt and other liabilities</b>	<b>4.8</b>	<b>4.8</b>	<b>-</b>	<b>-</b>	<b>1.1</b>	<b>3.5</b>

## Note 18. Other information

### 18.1 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 material amounts or under conditions other than normal market conditions.

### 18.2 Financial commitments

#### Investment commitments granted

As of December 31, 2022, Financière Agache SA had 510.9 million euros in investment commitments in funds.

#### Commitments relating to forward financial instruments

##### Foreign exchange hedging

As part of its financing and foreign exchange hedging policy, Financière Agache SA may use forward sales of foreign currencies against the euro. As of December 31, 2022, open hedging transactions were as follows:

Type of hedge (EUR millions)	Type of item hedged	Currency	Nominal amount <sup>(a)</sup>	Market value <sup>(b)</sup>
Forward exchange contract	Investments	GBP	44.0	(0.7)
Forward exchange contract	Investments	HKD	26.7	0.0

(a) Sale/(Purchase).

(b) Gain/(Loss).

##### Commitments received

Financière Agache SA has access to confirmed credit lines entered into with banks, of which the undrawn amount available totaled 3,097.3 million euros as of December 31, 2022.



## 18.3 Identity of the consolidating parent company

Company name	SIREN	Registered office
Agache	314 685 454	41 avenue Montaigne 75008 Paris (France)

## 18.4 Subsidiaries and equity investments

(EUR millions unless otherwise indicated)

	Carrying amount of shares held		Loans and advances provided by the Company and not yet repaid	Amount of deposits and sureties granted by the Company	Dividends received by the Company during the fiscal year
	Gross	Net			
Information on subsidiaries and equity investments					
1. Subsidiaries (more than 50% held)					
– French subsidiaries	16,747.1	16,650.0	206.6	-	2,079.5
– Foreign subsidiaries	71.1	35.8	-	-	-
2. Equity investments (between 10% and 50% held)					
– French equity investments	180.4	180.4	-	-	-
– Foreign equity investments	117.1	117.1	-	-	-
Total	17,115.8	16,983.4	206.6	-	2,079.5

Since it is less than 10%, the 5.7% stake directly held in LVMH, with a carrying amount of 7,425.3 million euros, is not included in this table.

## 18.5 Securities

(EUR millions)

	Carrying amount as of 12/31/2022
Shares	969.4
Bonds	0.5
Investment funds	505.4
<b>Short-term investments</b>	<b>1,475.4</b>

## 5. Company results and other significant components over the last five fiscal years

<i>(EUR millions, except earnings per share, expressed in euros)</i>	2018	2019	2020	2021	2022
<b>1. Share capital</b>					
Share capital	50.8	50.8	50.8	51.7	53.7
Number of ordinary shares outstanding	3,173,352	3,173,352	3,173,352	3,228,662	3,358,449
Maximum number of future shares to be created through exercise of share subscription options	-	-	-	-	-
<b>2. Operations and profit for the fiscal year</b>					
Revenue before taxes	-	-	-	-	-
Profit before taxes, depreciation, amortization, impairment and movements in provisions	139.3	666.6	11,508.9	1,711.8	2,705.2
Income taxes	8.4	25.4	20.7	44.3	44.4
Profit after taxes, depreciation, amortization, impairment and movements in provisions	150.1	662.7	11,476.8	1,620.6	2,454.9
Profit distributed as dividends <sup>(a)</sup>	222.1	166.6	63.5	690.5	940.4
<b>3. Earnings per share (EUR)</b>					
Earnings per share before taxes and before depreciation, amortization, impairment and movements in provisions	43.9	210.1	3,626.7	530.2	805.5
Earnings per share after taxes, depreciation, amortization, impairment and movements in provisions	47.3	208.8	3,616.6	501.9	731.0
Gross dividend distributed per share <sup>(b)</sup>	70.0	52.5	20.0	208.0	280.0
<b>4. Employees</b>					
Average number of employees	0	0	0	1	1
Total payroll	0.0	0.0	0.0	0.0	0.1
Amounts paid in respect of employee benefits	0.0	0.0	0.0	0.0	0.0

(a) Amount of the distribution resulting from the resolution of the Shareholders' Meeting, before the impact of Financière Agache treasury shares held as of the distribution date. For fiscal year 2022, amount proposed at the Shareholders' Meeting of April 27, 2023.

(b) Excluding the impact of tax regulations applicable to recipients.

## 6. Statutory Auditors' report on the parent company financial statements

To the Shareholders' Meeting of Financière Agache SA

### I. Opinion

In compliance with the engagement entrusted to us by the Shareholders' Meeting, we have audited the accompanying parent company financial statements of Financière Agache SA for the fiscal year ended December 31, 2022.

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, 2022 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 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, 2022 to the date of our report. We did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014.

### III. Justification of assessments

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we 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.

## Other information

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

## Appointment of the Statutory Auditors.

We were appointed as Statutory Auditors of Financière Agache SA by the shareholders at your Shareholders' Meetings held on June 27, 1997 (for Mazars) and April 27, 2022 (for Deloitte & Associés)

As of December 31, 2022, Mazars was in the twenty-sixth consecutive year of its engagement (including twenty-four years since the Company's securities were admitted to trading on a regulated market) and Deloitte & Associés was in its first year.

## V. 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 any 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 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.

## VI. 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:

The Statutory Auditor also:

- 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 Audit Committee

We submit a report to the 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 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 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 Audit Committee,

Courbevoie and Paris-La Défense, April 12, 2023

The Statutory Auditors

French original signed by

Mazars

Isabelle Sapet  
Partner

Guillaume Machin  
Partner

Deloitte & Associés

Guillaume Troussicot  
Partner

This is a free translation into English of the Statutory Auditors' report on the parent company financial statements of the Company, issued in French. It is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information required under European regulations and French law, such as information about the appointment of the Statutory Auditors and the verification of information concerning the Group presented in the Management Report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

## 7. Statutory Auditors' special report on related-party agreements

To the Shareholders' Meeting of Financière Agache SA,

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 already approved at a Shareholders' Meeting

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 Agache SCA

##### *Persons concerned*

Nicolas Bazire and Florian Ollivier, Directors, and Agache SCA, shareholder and Director.

##### *Nature and purpose*

##### **Assistance agreement**

Your Company does not have any employees of its own. The assistance agreement entered into with Agache SCA provides for the sharing of skills as well as certain costs, thus reducing expenses.

*Conditions*

Your Company entered into an assistance agreement with Agache SCA on November 27, 1995. This agreement, amended on October 23, 2009, sets out the billing terms applicable. In respect of fiscal year 2022, on January 23, 2023 your Board of Directors decided to set the annual amount for support services provided by Agache to Financière Agache under this agreement at 900,000 euros excluding VAT, given the growth in Financière Agache's assets and transactions carried out,

Under this agreement, your Company paid Agache SCA a total of 1,080,000 euros including VAT (900,000 euros excluding VAT) in respect of fiscal year 2022.

Courbevoie and Paris-La Défense, April 12, 2023

The Statutory Auditors

French original signed by

Mazars

Isabelle Sapet  
Partner

Guillaume Machin  
Partner

Deloitte & Associés

Guillaume Troussicot  
Partner

This is a free translation into English of a report issued in French and 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 auditing standards applicable in France.









FINANCIERE AGACHE

11, rue François 1<sup>er</sup> - Paris 8<sup>e</sup>