RICHEMONT

Compagnie Financière Richemont SA
Virtual Annual General Meeting
8 September 2021

Address by Johann Rupert, Chairman of the Board

Ladies and Gentlemen, Dear Shareholders,

Before proceeding to the agenda of our 33rd annual general meeting, I would like to say how much I was looking forward to welcoming you in person in 2021. Unfortunately, with the current restrictions on people's movement and ability to gather, like many other companies, we are holding this annual general meeting again without the presence of shareholders.

The year under review was truly a stress test for our business model. As previously reported, Richemont experienced a negative cash flow of over € 400 million in April 2020. Management immediately implemented strict cost control measures. In addition, your Board of Directors proposed a cut in the dividend for the year whilst issuing a novel three-year Warrant Programme. Our hope was that scientists would find a vaccine during the period. As many countries are now experiencing "post-vaccination" growth, the value of the Warrants has more than compensated for the cut in the dividend.

I would also like to thank all my colleagues at Richemont, both on my behalf and on behalf of the Directors of Compagnie Financière Richemont SA, for the solid performance they have delivered with remarkable agility, courage, solidarity and discipline in exceptional circumstances.

Thanks to their dedication, our Maisons and businesses further progressed on their journey towards 'Luxury New Retail', and delivered a good set of results. Last financial year saw a sharp decline in the first half of the year as the health crisis spread across the globe, but sales recovered throughout the year and exceeded € 13.1 billion, led by our Jewellery Maisons, primarily Cartier and Van Cleef and Arpels, online retail and Asia Pacific. Operating margin improved to 11.2% and profit for the year increased by 38% to close to € 1.3 billion, impacted positively by net finance income. Our net cash position rose significantly to € 3.43 billion, even after a € 253 million

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investment in convertible notes issued by Farfetch. In the start of our current financial year, the business continued to perform strongly, with sales up by 129% at constant exchange rates and 121% at actual exchange rates for the three-month period ended 30 June 2021. Sales exceeded pre-Covid levels, driven by a robust performance by the Jewellery Maisons and Specialist Watchmakers, with the Americas generating the strongest regional performance.

Shareholders will recall our stated ambition to turn as many as possible of our fixed costs into variable costs. Like our competitors, we are exposed to retail leases. Those amount to a yearly commitment of close to € 1 billion. In addition, smaller Maisons find it difficult to absorb central costs to compete with very big brands. To make matters worse, big competitors would use their leverage with retail landlords to squeeze out their smaller competitors.

We therefore deliberately invested in Online Channels as another route to market. The Covid pandemic accelerated online shopping globally. It also changed the lessor/lessee power dynamic. So, after years of absorbing heavy investments, we are now finally seeing other parties willing and eager to share the evolving platforms. We should be able to share more news on this matter later in the year.

Whilst we remain alert to the potential impact of the ongoing nature of the pandemic and entirely mobilised to safeguard the health and safety of our colleagues, clients and partners, this performance indicates that we are seeing the benefits of our transformation. The Jewellery Maisons' continued strength underlines the enduring appeal of Cartier, Van Cleef & Arpels and Buccellati, while our Specialist Watchmakers division has regained a healthy state. With the re-platforming of NET-A-PORTER now complete, we have improved the customer journey and further evolved the Online Distributors' business model. There is renewed creative energy in our Fashion & Accessories Maisons, that recently welcomed Delvaux, the renowned Belgian luxury leather goods Maison.

Before turning to the evolution of our governance, allow me to pay tribute to Alber Elbaz, who very tragically passed away last April, shortly after the successful launch of AZ Factory, his inclusive dream of 'smart fashion that cares'. Our dear friend and colleague will be forever remembered for his incredible sensitivity, wit and talent.

At this shareholders' meeting, you are asked to approve a number of changes to the Board of Directors to streamline our corporate governance structure and strengthen the Board's competence as we embark on the next stage of our development. Indeed, our corporate governance structures have continued to evolve to meet the changing demands of our operating environment most efficiently, in line with best practice. The Maisons have been given increased entrepreneurial freedom to focus on their leadership responsibilities and durably create value, whereas the Board and the Senior Executive Committee will focus on strategic guidance, capital allocation and the provision of central and regional services. Reflecting this ambition, Cyrille Vigneron, President & Chief Executive of Cartier and Nicolas Bos, President & Chief Executive of Van Cleef & Arpels have stepped down from the Board of Directors and from the Senior Executive Committee. They will continue to report to me. Only Jérôme Lambert, Chief Executive Officer, and Burkhart Grund, Chief Finance Officer, have sought re-election to the Board of Directors and remain, with me, on the Senior Executive Committee; the other senior executives, Philippe Fortunato, CEO of Fashion & Accessories Maisons, Emmanuel Perrin, Head of Specialist Watchmakers Distribution, and Frank Vivier, Chief Transformation Officer, have stepped down from that committee. I am truly grateful for their collective engagement and valued contributions to the Senior Executive Committee. Two long-standing Non-executive Directors, Alan Quasha and Gary Saage, have also announced their retirement from the Board of Directors and I wish to thank them for the considerable contributions they have made to the Group over many years.

I am delighted that Jasmine Whitbread and Patrick Thomas have been nominated for election to the Board of Directors as Non-executive Directors. Jasmine's deep understanding of ESG issues and Patrick's unrivalled industry expertise will further reinforce the breadth and depth of the skillset on the Board.

Lastly, Jan Rupert and Ruggero Magnoni, Non-executive Directors, have indicated that they will not seek re-election at the 2022 AGM, enabling an orderly handover with their successors on their respective Board Committees. Without further changes, the Board will then consist of 16 members, allowing for sufficient representation and diversity of skills in the five Board Committees while avoiding directors sitting on too many committees.

Richemont has a long-standing commitment to doing business responsibly and, last year, made significant progress across its main focus areas in alignment with the UN's Sustainable Development Goals. Issues about global warming and sustainability have become urgent. If we do not want our generation to leave a dirty and hot planet to our grandchildren, we have to change our habits and show a far bigger appreciation for the ecology and for the planet - not only for human beings but for all of life on the planet, the fauna and the flora. Having been involved in world wildlife and ecology for nearly forty years, I am pleased to report that the following Science-Based Targets (SBT) to reduce greenhouse gas (GHG) emissions in line with the 2015 Paris Agreement and help prevent the worst impacts of climate change, have recently been validated by the Science-Based Target initiative:

- reduce absolute Scope 1 and 2 GHG emissions by 46% by 2030 from a 2019 base year
- source 100% of renewable electricity by 2025
- reduce Scope 3 GHG emissions from purchased goods, services and business travel by 55% per dollar value added by 2030 from a 2019 base year
- and ensure 20% of our key suppliers by emissions have SBTs by 2025.

Nearly 90% of all the plastic produced over the past six decades still exists. Less than 10% of the over 8 billion metric tons of plastic has been recycled. As part of our responsible commitment, we will also phase out use of Polyvinyl chloride (PVC), which is very hard to recycle. Some countries are already banning PVC from their landfills. We will therefore eliminate PVC from all products and packaging by December 2022. Already, all of our Maisons and businesses are working to replace PVC by alternative materials and/or solutions. We will continue to work collaboratively with industry organisations and our business partners to promote best practices across the full supply chain.

The past year has seen Richemont evolve its Human Resources Vision and Mission to offer colleagues greater levels of engagement and support across their entire employee journey. We also reaffirmed our shared values, which promote collegiality, freedom, solidarity and loyalty, to craft the future together.

In closing, though we continue to live in uncertain times geo-politically, I would like to reiterate my confidence in the Group's long-term prospects with strong Maisons, reinforced governance and capabilities, and heightened commitment to responsible business practices. In an environment that continues to be disrupted by the Covid-19 pandemic, I wish each of you well.