Responses to written questions

Combined Ordinary and Extraordinary General Meeting of April 23, 2021

Shareholders are reminded that upon receiving the meeting preparatory documents and until the second business day preceding the date of the Annual General Meeting, **i.e. April 21, 2021**, in accordance with the provisions of Articles L. 225-108 and R. 225-84 of the French Commercial Code, they were able to submit written questions to the attention of the Chairman of the Board of Directors of the Company.

The Chairman-CEO, acting on the authority of the Board of Directors, responded to the written questions submitted within the stipulated deadlines to the Company for this Annual General Meeting.

Also, in addition to those questions submitted in writing according to the legal procedures referred to above, other questions were also sent to the Company and answered at this Meeting. The responses to these latter questions are not reproduced below.

Question 1

In response to uncertainties arising in early 2020 concerning the health crisis, it was proposed by the Board to not distribute a dividend for fiscal 2019. If a dividend is proposed this year, a rapid calculation that the Board has certainly made shows that over the 2019-2020 period, the payout ratio for the distribution of earnings would be only 35%. Once the health situation returns to more normal conditions, can shareholders expect to receive an exceptional dividend to make up for this difference?

Response

Indeed, no dividend was distributed in 2020. This measure was adopted for reasons of prudence in response to the seriousness of the health crisis in order to preserve the Company's equity and cash.

For that reason, the cash position increased significantly at the end of 2020, as you was in the slides previously presented by Philippe Santi. We have in consequence decided to propose a very significant payout ratio for the distribution in May 2021 from the earnings of 2020.

If I refer to the historical data, in 2019 our payout ratio in relation to 2018 net income was 65% and today we have proposed to distribute 90% of net income for fiscal 2020, in May of this year.

To respond more precisely to your question, it could be considered that the 90% payout ratio of May 2021 includes 65% of recurring dividends, on top of which we added an exceptional dividend of 25% to reach this 90% figure, which means that the amount proposed for distribution is €28.5 million. An exceptional dividend is thus indeed included, to a certain extent, in the dividend for this year since the payout ratio has increased from 65% to 90%.

Question 2

Did our Group acquire a stake (even small) in the company Tapestry (which owns the Coach brand)?

Response

No, Interparfums did not acquire a stake in the Tapestry group.

For information, the Tapestry Group has been a publicly traded company for a long time. Its name was Coach before and changed when it acquired the Kate Spade and Stuart Weitzman brands. The Tapestry group thus has three brands.

The Tapestry group has a market capitalization in the range of US$14-US$15 billion and has at times been as high as US$30-US$35 billion.

In other words, based on a figure of US$15 billion, the acquisition of a 1% stake by Interparfums would represent €150 million, or virtually the amount of a second headquarters complex comparable to rue Solférino, which would make no sense for Interparfums.

In addition, 100% of the Tapestry group's shares are held by public investors (free float), which means owning an equity stake of 0.1%, 1% or even 4% would make no difference to our Company.

Question 3

Why didn't the Company use its significant cash resources to acquire the new headquarters building?

Response

The purchase price for the new headquarters building was €125 million plus an additional €10 million for the installation of partitions, furniture, IT and electricity cabling. For the total amount of this project of €135 million, we will use €15 million from our current cash balances supplemented by a loan for €120 million.

Overall, in terms of cash, we will have an outflow instead of €100 million over the next 10 years which means that there was no interest in using cash.

The Company's cash generates a return of slightly less than 1%. The interest rate for all loans combined represents approximately 1.5%. This gives an annual difference of 0.5% which allows us to preserve significant cash resources of approximately €200 million to finance a new acquisition.

And while there has never been a major acquisition of this scale in the past, one never knows. The day we no longer have this cash reserve may be precisely when we need it! The impact of the monthly loan payments for the headquarters of €1 million will be virtually neutral for the Company, and in 10 years, we will say what a good idea it was not have used our cash.

Question 4

Will it be possible to organize the next General Meetings of our Company at the new headquarters?

Response

This will not be possible because there would not be enough space despite the large size of the headquarters. At the new headquarters, we will be 200 people and all the offices will be occupied. There will also be a small auditorium with capacity for approximately 80 people. For meetings that are smaller in scale than the General Meeting, we will of course use this auditorium. However, at the General Meetings, you are on average 500 to 550 people and in principle, this number is not expected to decrease in the years ahead so that we will in all probability remain at the Pavillon Gabriel.

We could imagine creating a committee of 8 to 10 shareholders that could come once a year, not to visit the premises, but speak about the situation of the Company.

In either case, it will not be possible to organize an in-person General Meeting at the new headquarters building.

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