LALIQUE
GROUP

Annual Report 2020

LONG VERSION

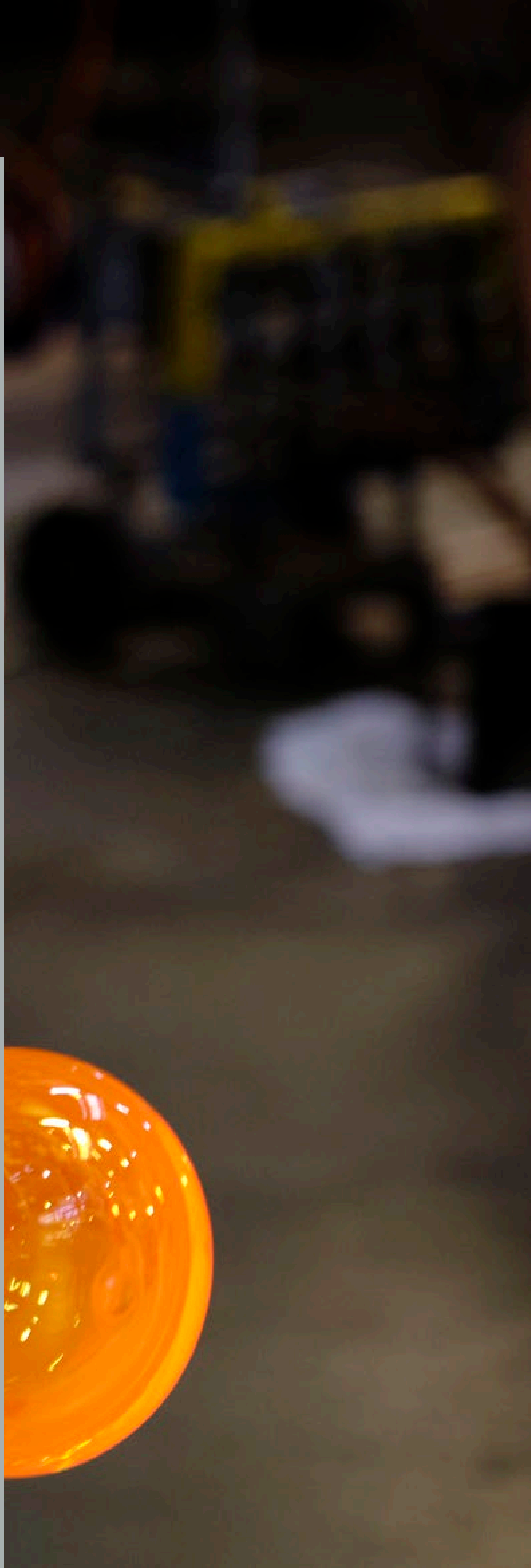
Cover
The first edition in The Trinity series, The Provenance is a limited release of only 320 Lalique crystal decanters. The single malt it contains is the 33 Years Old, celebrating the long, rich heritage and craft that defines both The Glenturret and Lalique and pays homage to barley.

Made by excellence

Excellence for us is both an aspiration and a promise.

It is founded on the creativity and experience of our staff and long-standing partnerships with renowned suppliers. We constantly reinvent it by developing unique products of unsurpassed quality. It is underpinned by a well-structured distribution strategy and expressed in the way we communicate.

We strive to achieve our goals with enthusiasm and commitment, driven by the ambition to be a reliable and efficient partner and an exemplary company in everything we do.



Cover
The first edition in The Trinity series, The Provenance is a limited release of only 320 Lalique crystal decanters. The single malt it contains is the 33 Years Old, celebrating the long, rich heritage and craft that defines both The Glenturret and Lalique and pays homage to barley.

Right
IT IS HOT WORK—The molten crystal is gathered with a blowpipe and worked to eliminate tiny bubbles and impurities. The technique in most widespread use is to blow the crystal and shape it with the help of metal tools such as tweezers, which enable the craftsman to squeeze, open and stretch the material.

Letter to shareholders

Dear Shareholders and Friends of Lalique Group

2020 was a financial year without precedent for Lalique Group, like for other firms: The corona pandemic created major challenges for our employees, clients and business partners and, in particular, for ourselves.

Covid-19 also forced us to accept the reality, go outside our comfort zone and make the best of the situation. We are impressed by the flexibility and motivation that our employees have shown when faced with difficult working conditions in a challenging market environment. Remote working and the use of digital tools allowed our teams to continue to deliver the same level of service to our clients and to cooperate with our business partners despite the lockdown, travel restrictions and the absence of personal contact.

However, the protective measures introduced around the globe to combat the pandemic—with the temporary closure of shops and other restrictions on business activities—had a significant impact on all our business segments over the course of the year. From our own Lalique boutiques and the perfume and Ultrasun wholesale business to our French gastronomy operations and the visitor centre at our Scottish whisky distillery—all areas were affected. We recorded a pleasing increase in online sales; in the perfume business, the online component of total sales doubled to around 8%, while online sales of Lalique crystal increased to 8% of retail sales.

Thanks to the measures taken immediately at the start of the lockdown, we were nevertheless able to significantly lower our operating costs and to thus limit the harm to our business caused by the pandemic, as well as maintaining our Group's solid capital and liquidity position.

Brief an die Aktionäre

Liebe Aktionärinnen und Aktionäre, liebe Freunde des Unternehmens

Das Jahr 2020 war auch für Lalique Group ein Geschäftsjahr wie kein anderes zuvor: Die Corona-Pandemie hat unsere Mitarbeitenden, unsere Kunden, Geschäftspartner und vor allem uns selbst vor grosse Herausforderungen gestellt.

Covid-19 hat uns aber auch gezwungen, die Realität zu akzeptieren, unsere Komfortzone zu verlassen und das Beste aus der Situation herauszuholen. Wir sind beeindruckt von der Flexibilität und der Motivation, die unsere Mitarbeitenden unter erschwerten Arbeitsbedingungen in einem schwierigen Marktumfeld gezeigt haben. Über Telearbeit und dem Einsatz von digitalen Arbeitsmitteln nahmen unsere Teams trotz Lockdowns, Geschäftsreiseeinschränkungen und fehlenden persönlichen Kontakten ihre Aufgaben für unsere Kunden und Geschäftspartner unvermindert wahr.

Die weltweit verhängten Schutzvorkehrungen zur Eindämmung der Pandemie mit den temporären Schliessungen von Shops und anderen Einschränkungen der Geschäftstätigkeiten wirkten sich im Jahresverlauf aber dennoch deutlich auf all unsere Geschäftssegmente aus. Von unseren eigenen Lalique Boutiquen über das Parfüm- und Ultrasun-Wholesalegeschäft bis zu unseren französischen Gastronomiebetrieben und dem Besucherzentrum unserer schottischen Whiskydestillerie wurden alle Bereiche in Mitleidenschaft gezogen. Eine erfreuliche Steigerung verzeichneten wir im Online-Handel: Im Parfümgeschäft verdoppelte sich der Online-Anteil am Gesamtumsatz auf rund 8%, bei Lalique Kristallwaren stieg der Online-Anteil auf 8% des Detailhandelsumsatzes.

Dank den zu Beginn des Lockdowns umgehend ergriffenen Massnahmen gelang es uns jedoch, die Betriebskosten signifikant zu reduzieren und somit den Schaden in Grenzen zu halten sowie die solide Kapital- und Liquiditätsposition unserer Gruppe zu erhalten.

ROGER VON DER WEID
Chief Executive Office

SILVIO DENZ
Executive Chairman of the Board of Directors

Financial results
Following a decline in sales of -30% in the first half of the year, Lalique Group closed the full year 2020 with operating revenue of EUR 110.7 million, down by 23% year on year. Due to the 19% reduction in personnel costs to EUR 28.7 million and the 24% decrease in other operating expenses to EUR 22.9 million, Lalique Group generated earnings before interest and taxes (EBIT) before exceptional items of EUR -5.9 million, compared to EUR 1.4 million in the prior year. Including exceptional items, a non-cash impairment charge of EUR 4.3 million on Lalique's brand value and a litigation provision of EUR 2.4 million related to long-running legal proceedings in France, EBIT totalled EUR -12.6 million. Net Group profit amounted to EUR -15.0 million, compared to EUR 1.1 million in the prior year, which included positive exceptional items of EUR 1.7 million.

Finanzielles Ergebnis
Nach einem Umsatzrückgang von -30% im ersten Halbjahr konnte Lalique Group das Gesamtjahr 2020 mit einem um 23% tieferen Betriebserlös von EUR 110.7 Mio. abschliessen. Aufgrund der um 19% auf EUR 28.7 Mio. reduzierten Personalkosten und des um 24% auf EUR 22.9 Mio. zurückgegangenen, übrigen betrieblichen Aufwands konnte ein Betriebsgewinn EBIT vor ausserordentlichen Faktoren von EUR -5.9 Mio. erzielt werden, gegenüber EUR 1.4 Mio. im Vorjahr. Unter Berücksichtigung der ausserordentlichen Faktoren, einer nicht liquiditätswirksamen Wertberichtigung auf dem Lalique-Markenwert von EUR 4.3 Mio. und einer Rückstellung von EUR 2.4 Mio. im Zusammenhang mit einem langjährigen Rechtsverfahren in Frankreich, betrug der EBIT EUR -12.6 Mio. Das Konzernergebnis betrug EUR -15.0 Mio. gegenüber EUR 1.1 Mio. im Vorjahr, wobei Letzteres positive ausserordentliche Faktoren in Höhe von EUR 1.7 Mio. beinhaltete.

Information on the results of the individual business segments can be found in the Segment Reporting section on page 22 of the Financial Report. In this context, we wish to inform you that Lalique Group has adjusted its segment structure for financial reporting purposes: The brand The Glenturret, which was previously reported under 'Other brands', is now managed in a dedicated segment due to the special business model that applies to the whisky business. The 'Parfums Grès' brand is now included in the segment 'Other brands', which will consist solely of beauty brands and beauty activities going forward.

Für die Ergebnisse der einzelnen Geschäftssegmente verweisen wir auf die Segmentsberichterstattung auf Seite 22 des Finanzberichts. An dieser Stelle möchten wir darauf hinweisen, dass Lalique Group für die Berichterstattung ihre Segmentsstruktur angepasst hat. So wird die Marke The Glenturret, die bis anhin unter «Andere Marken» ausgewiesen wurde, aufgrund des besonderen Geschäftsmodells für das Whiskygeschäft neu in einem eigenständigen Segment geführt, währenddem die Marke Parfums Grès neu im Segment «Andere Marken» geführt wird, welches nunmehr nur noch Beautymarken und –aktivitäten beinhaltet.

No dividend distribution

In view of the Covid-19 situation, the Board of Directors has decided to propose to the Annual General Meeting of 28 May 2021 that no dividend be distributed for the 2020 financial year.

In line with 2020, the members of the Board of Directors and the Executive Board have announced that they will contribute to the measures to preserve liquidity in the continued difficult economic environment by waiving their entire variable compensation and by taking a partial reduction in their fixed compensation for the current period.

Verzicht auf Dividende

Angesichts der Covid-19-Situation hat der Verwaltungsrat beschlossen, der Generalversammlung vom 28. Mai 2021 den Verzicht auf eine Dividende für das Geschäftsjahr 2020 zu beantragen.

Wie im Jahr 2020 haben die Mitglieder des Verwaltungsrates und der Geschäftsleitung ihrerseits erklärt, für die laufende Periode in Form von vollumfänglichen Bonusverzichten und einer partiellen Reduktion ihrer fixen Vergütung einen Beitrag zum Liquiditätserhalt im nach wie vor schwierigen wirtschaftlichen Umfeld zu leisten.

Outlook

There is continued uncertainty surrounding the further development of the corona pandemic and its impacts on the economic environment, even if the ongoing rollout of vaccination programmes in the course of 2021 should essentially lead to improvements in the situation.

In the first quarter of 2021, against the backdrop of the ongoing Covid-19 situation, we saw solid sales trends—with growth compared to the prior-year period. Excluding unforeseeable events or a renewed escalation of the pandemic, Lalique Group expects to generate double-digit sales growth in percentage terms for the full year 2021 compared to 2020, although revenue for 2021 is likely to be slightly below the pre-pandemic level recorded in 2019. There may be regional differences in terms of the pace and scale of the economic recovery, which we will consider when prioritising activities and projects.

Ausblick

Die Entwicklung der Corona-Pandemie und deren Auswirkungen auf das wirtschaftliche Umfeld bleiben mit Unwägbarkeiten verbunden, auch wenn insbesondere die fortschreitenden Impfprogramme im Jahresverlauf 2021 grundsätzlich zu Verbesserungen der Situation führen dürften.

Im ersten Quartal 2021 verzeichneten wir eine vor dem Hintergrund der andauernden Covid-19-Situation solide Umsatzentwicklung mit Wachstum gegenüber der Vorjahresperiode. Unvorhersehbare Ereignisse oder neuerliche Verschärfungen der Pandemie vorbehalten, erwartet Lalique Group für das Gesamtjahr 2021 ein Umsatzwachstum im zweistelligen Prozentbereich gegenüber 2020, wobei sich der Erlös 2021 voraussichtlich noch leicht unter dem Vor-Pandemie-Niveau des Jahres 2019 einpendeln dürfte. Dabei dürfte es zu regional unterschiedlichen Entwicklungen bezüglich Tempo und Ausmass der wirtschaftlichen Erholung geben, was wir in der Priorisierung von Aktivitäten und Projekten berücksichtigen werden.

In the current year, Lalique Group will continue to exercise strict cost management that is aligned with the development of sales. At the same time, the Group is moving ahead with selected product launches and projects. In March 2021, for example, the first fragrance created under the exclusive Brioni licence was successfully launched. The reopening of The Glenturret distillery to the public, together with its visitor centre, café and shop in a new Lalique design, is planned for end-April 2021, while the new Lalique fine-dining restaurant headed by Michelin-starred chef Mark Donald will open in late June 2021. In the case of Ultrasun, we are currently working on new product formulas that will drive increased demand in Asian markets, especially in China, from autumn 2021. Finally, we are planning to expand our online activities and distribution via online merchants for all segments.

We remain committed to our diversification strategy and to the Group's broad-based business in the luxury goods sector. From today's perspective, we anticipate that the corona pandemic and its impacts on the business will lead to a delay of two to three years in the achievement of our mid-term profitability targets.

The health and safety of our employees, clients and partners remain our first priority. We would like to take this opportunity to thank our dedicated teams for their outstanding commitment in this unusual environment. We also wish to express our gratitude for the support and trust shown by you—our valued shareholders, clients and partners—in this exceptional situation.

Lalique Group wird auch im laufenden Jahr ein striktes, an die Umsatzentwicklung angepasstes Kostenmanagement anwenden. Gleichzeitig treibt die Gruppe weiterhin ausgewählte Produkteinführungen und Projekte voran. So wurde im März 2021 das erste Parfüm unter der exklusiven Brioni-Lizenz erfolgreich lanciert. Die Wiedereröffnung der Destillerie von The Glenturret mit dem zugehörigen, im Lalique-Kleid renovierten Besucherzentrum, Café und Shop ist für Ende April 2021 vorgesehen, währenddem das neue Lalique Gourmet-Restaurant unter der Leitung von Sternekoch Mark Donald im Juni 2021 eröffnen wird. Bei Ultrasun arbeiten wir aktuell an neuen Produkteformeln, welche ab Herbst 2021 die Nachfrage in fernöstlichen Märkten und insbesondere in China erhöhen werden. Schliesslich planen wir für alle Segmente die Online-Aktivitäten sowie den Vertrieb mit Online-Händlern weiter auszubauen.

An der Diversifikationsstrategie und dem breiten Geschäftsfeld der Gruppe im Luxusgüterbereich halten wir weiterhin fest. Aus heutiger Sicht gehen wir davon aus, dass die Corona-Pandemie und ihre Auswirkungen auf das Geschäft zu zwei bis drei Jahren Verzögerung in Bezug auf die Erreichung unserer mittelfristigen Profitabilitätsziele führen wird.

Weiterhin höchste Priorität haben die Sicherheit und Gesundheit unserer Mitarbeitenden, Kunden und Partner. Wir möchten es an dieser Stelle nicht versäumen, unseren engagierten Teams für ihren beispiellosen Einsatz in diesem besonderen Umfeld zu danken. Auch Ihnen, geschätzte Aktionärinnen und Aktionäre, Kunden und Partner, sprechen wir unseren Dank aus, dass wir in dieser ausserordentlichen Situation auf Ihre Unterstützung und Ihr Vertrauen zählen dürfen.

Silvio Denz
Executive Chairman of the Board of Directors

Roger von der Weid
Chief Executive Officer

2020 at a glance
2020 auf einen Blick

KEY FIGURES 2020 (2019)
Kennzahlen 2020 (2019)

Revenue in EUR million
Betriebserlös in Millionen EUR

110.7
(143.5)

EBIT in EUR million
EBIT in Millionen EUR

–12.6
(1.4)

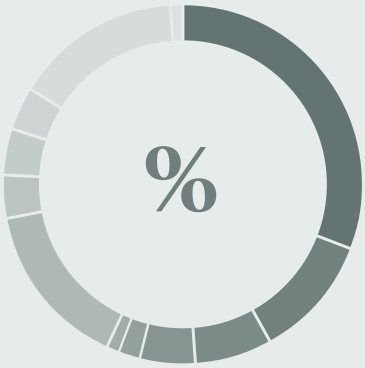
Net group profit in EUR million
Konzernergebnis in Millionen EUR

–15
(1.1)

Number of FTEs
Mitarbeitende (Vollzeitäquivalente)

678
(732)

OPERATING REVENUE BY BUSINESS IN %
Betriebserlös nach Geschäftsbereichen in %



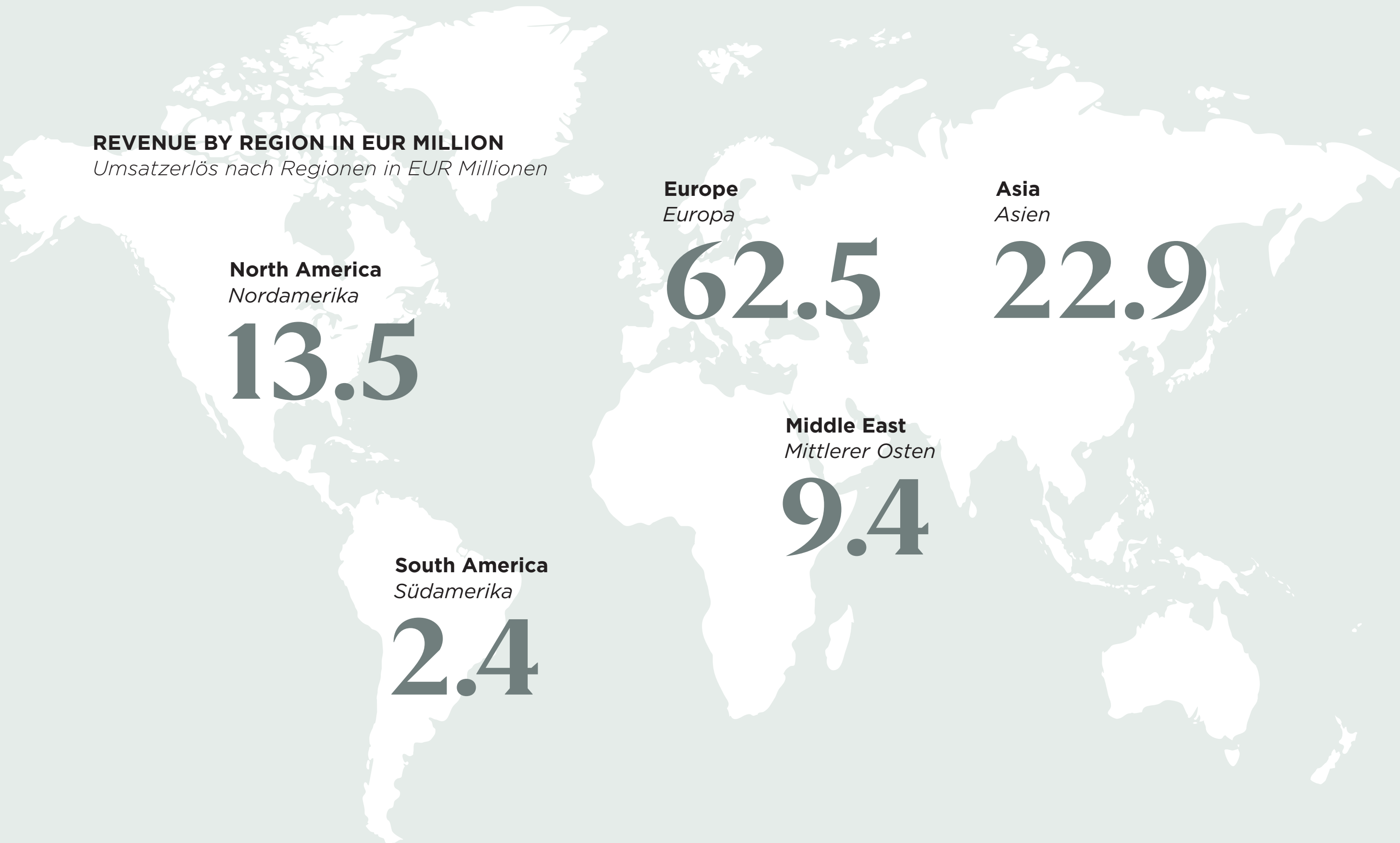
- **31** Lalique Decorative Items
- **11** Lalique Fragrances
- **7** Lalique Interior Design
- **5** Lalique Gastronomy/Hospitality
- **2** Lalique Jewellery
- **1** Lalique Art
- **15** Jaguar Fragrances
- **4** Parfums Samouraï
- **4** Parfums Grès
- **4** Bentley Fragrances
- **15** Ultrasun
- **1** The Glenturret

OPERATING SEGMENT IN EUR MILLION
Geschäftssegmente in EUR Millionen

- **64.5** Lalique
- **15.9** Jaguar Fragrances
- **14.8** Ultrasun
- **1.3** The Glenturret
- **14.2** Other Brands[1]
- **110.7** Total revenue

[1] New segment structure: The brand The Glenturret, which was previously reported under ‘Other brands’, is now managed in a dedicated segment. The ‘Parfums Grès’ segment was discontinued and the brand is now included in the segment ‘Other brands’. The following brands are now included in ‘Other brands’: Parfums Grès, Parfums Samouraï, Bentley Fragrances, Lalique Beauty Services, Lalique Beauty Distribution, Holding & Elimination.

REVENUE BY REGION IN EUR MILLION
Umsatzerlös nach Regionen in EUR Millionen



KEY FIGURES IN EUR MILLION
Kennzahlen in EUR Millionen

	2020	2019
Revenue *Betriebserlös*	**110.7**	143.5
EBIT	**–12.6**	1.4
Net group profit *Konzernergebnis Gruppe*	**–15**	1.1
Equity *Eigenkapital*	**174.8**	171.9
Net debt *Nettoverschuldung*	**44.9**	32.5
Equity ratio *Eigenkapitalquote*	**46.17%**	50.13%

SHARE STATISTICS
Aktienkennzahlen

Earnings per share *Ergebnis pro Aktie* **EUR**	**–1.76**	0.52
Equity per share *Eigenkapital pro Aktie* **EUR**	**24.28**	26.69
Share price high *Höchstkurs Aktie* **CHF**	**40.00**	54.78
Share price low *Tiefstkurs Aktie* **CHF**	**21.20**	36.00

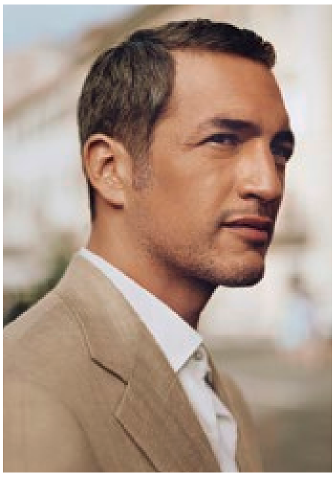
Points of sale Lalique
Verkaufspunkte Lalique

700

Points of sale Beauty Division
Verkaufspunkte Beauty Division

13 500

Tailoring a new scent



A SUPREME ALLIANCE: LALIQUE GROUP AND BRIONI PRESENT THEIR FIRST FRAGRANCE
The new Eau de Parfum from the renowned luxury brand Brioni is now available. The fragrance is light and sophisticated, just like a Brioni bespoke suit.

EINE EXQUISITE PARTNERSCHAFT: LALIQUE GROUP UND BRIONI PRÄSENTIEREN IHREN ERSTEN DUFT
Das neue Eau de Parfum des renommierten Luxus-Brands Brioni ist ab sofort in den Brioni Boutiquen und ausgewählten Verkaufsstellen erhältlich. Der Duft trägt sich leicht und bequem wie ein massgeschneiderter Anzug von Brioni.


Brioni


The
GLENTURRET
HIGHLAND SINGLE MALT
SCOTCH WHISKY
TRIPLE WOOD
The
GLENTURRET
HIGHLAND SINGLE MALT
SCOTCH WHISKY
AGED 10 YEARS
PEAT SMOKED
SCOTLAND'S OLDEST WORKING DISTILLERY
SINCE 1763
2020 MAIDEN RELEASE
70cl e PRODUCT OF SCOTLAND 50%vol
The
GLENTURRET
HIGHLAND SINGLE MALT
SCOTCH WHISKY
AGED 12 YEARS
SCOTLAND'S OLDEST WORKING DISTILLERY
SINCE 1763
2020 MAIDEN RELEASE
FRUIT CAKE dressed with WALNUTS.
Sweet APPLE and GINGER balance
with LEMON TEA. EUROPEAN OAK
politely drives the chosen strength.
70cl e PRODUCT OF SCOTLAND 46%vol

The GLENTURRET
HIGHLAND SINGLE MALT
SCOTCH WHISKY

Crafted by whisky maker Bob Dalgarno

NEW BOTTLE DESIGN

The new range of handcrafted Single Malt Whiskies from Scotland's Oldest Working Distillery The Glenturret has been on the market since autumn 2020 in a redesigned bottle created by Lalique. Six unique expressions—each with its own story to tell—bonded by their true scarcity and exceptional quality.

The visitor centre and the restaurant at the distillery in Crieff, Scotland, refurbished in Lalique style, are due to reopen in June 2021.

NEUES FLASCHEN-DESIGN

Die neue Linie der Single Malt Whiskys von The Glenturret—Schottlands ältester Destillerie, die noch in Betrieb ist—ist seit Herbst 2020 in einem neuen Lalique Flaschendesign erhältlich. Sechs einzigartige Whiskies—jeder mit seiner eigenen Geschichte und aussergewöhnlicher Qualität.

Im Juni 2021 werden auch das Besucherzentrum und das Restaurant der Distillerie in Crieff, Schottland, die im Lalique Stil umgebaut worden sind, eröffnet.

LALIQUE

René Lalique's villa celebrates its centenary

100 YEARS OF HISTORY
In 1920, glass artist and pioneer of Art Nouveau René Lalique settled in the little Alsatian village of Wingen-sur-Moder, where he built his family home. One year later, he founded his glassworks in this same village.

One hundred years on, the villa has become an artistic and gastronomic showcase for Lalique. The former residence houses a five-star hotel and a restaurant with two Michelin stars that is presided over by chefs Paul Stradner and Jean-Georges Klein.

100 JAHRE GESCHICHTE
Im Jahr 1920 beschliesst der Glaskünstler René Lalique, sich in Wingen-sur-Moder niederzulassen, einem kleinen Dorf im Elsass. Für seine Familie will er dort einen stattlichen Wohnsitz erstellen lassen, und bereits ein Jahr später wird auch seine Glasproduktionsstätte gebaut.

Hundert Jahre später ist die Villa René Lalique ein Ort, an dem die gepflegte Lebensart des Hauses Lalique in Kunst und Gastronomie zelebriert wird. Im ehemaligen Wohnhaus sind ein Fünf-Sterne-Hotel und ein Restaurant mit zwei Michelin-Sternen unter Führung von Paul Stradner und Jean-Georges Klein untergebracht.

Business Model and Strategy

As a successful niche player in the luxury goods sector, Lalique Group specialises in the creation, development, marketing and global distribution of branded products. Its business areas comprise perfumes, cosmetics, crystal, jewellery, high-end furniture and lifestyle accessories, art, gastronomy and hospitality, as well as single malt whisky.

GROUP HISTORY

Founded in 2000, the Company initially focused on perfumes and then expanded into cosmetics with the acquisition of the Ultrasun brand in 2007. In 2008, the Group acquired Lalique, which has a long tradition in the glass-making industry and is associated with high quality and craftsmanship, having developed specialised production processes over the last century. Today, Lalique Group leverages its diversified portfolio of brands, state-of-the-art production facilities and management expertise to pursue its growth strategy. Lalique Group holds 95% of the capital of Lalique SA, while the remaining shares are held by private investors.

In December 2019, Lalique Group entered into an exclusive licence agreement with the prestigious luxury fashion brand Brioni. Under the agreement, Lalique Group creates and distributes a range of exclusive perfumes for the house of Brioni—the youngest brand in the Group's portfolio—which is part of the Kering Group. The first Brioni Eau de Parfum was launched worldwide in the first quarter of 2021.

Together with Swiss entrepreneur Hansjörg Wyss, Lalique Group acquired The Glenturret in March 2019. The Glenturret is Scotland's oldest working distillery of single malt whisky.

BRAND PORTFOLIO

Lalique Group's portfolio includes the following brands (in chronological order):

- Parfums Samouraï (licence acquired in 2000; brand acquired in 2007)
- Parfums Grès (licence acquired in 2001; brand acquired in 2007)
- Jaguar Fragrances (licence acquired in 2002)
- Ultrasun (brand acquired in 2007)
- Lalique (brand acquired in 2008)
- Bentley Fragrances (licence acquired in 2011)
- The Glenturret (brand acquired in March 2019)
- Brioni (licence acquired in December 2019)

Lalique Group leverages its diversified portfolio of brands, state-of-the-art production facilities and management expertise to pursue its growth strategy.

GEOGRAPHIC PRESENCE

In addition to its group headquarters in Zurich, Switzerland, the Group has Lalique offices in Paris, as well as two industrial sites, a perfume filling and logistics centre in Ury, France and a glass manufacture in Wingen-sur-Moder, France. The Group also maintains representative offices in the United Kingdom, Germany, the United States, China, Japan and Singapore.

Business Model

The Group has the following strengths to support future growth and long-term shareholder value: a diversified product portfolio of well-positioned brands in the perfume, cosmetics, crystal and jewellery sectors, as well as in the fine spirits industry. The Company has established a strong competitive position as a niche player in industries led by multinational companies.

1. LALIQUE BRAND
Lalique's offering includes a broad range of lifestyle products, from art to decorative pieces, from architecture to interior design, and from jewellery to fragrances and hotel-restaurants.

Lalique also creates limited editions of artworks in collaboration with renowned artists and designers.

Since acquiring the Lalique brand in 2008, the Company has made significant investments with the aim of transforming it from a crystal manufacturer into a desirable lifestyle brand. Lalique distinguishes itself from its competitors through its diversified offering, expertise in product design and the ability to produce elaborate and sophisticated items. The Group's Interior Design Studio in Paris offers tailor-made crystal designs for architectural projects. Lalique also creates limited editions of artworks in collaboration with renowned artists and designers.

Co-branding
Lalique's marketing strategy also includes collaborations with other high-end brands that are leaders within their industry and share Lalique's brand values and which enable the brand to gain access to the partner brand's customer base. The programme includes partnerships with houses such as Steinway & Sons, Singapore Airlines, Peugeot, McLaren, The Macallan, Vodka Beluga and Patrón Tequila. The products are sold through Lalique's own distribution channels as well as those of the respective co-branding partners and the programme is being continuously expanded to bring in new partners.

1.1. CRYSTAL DECORATIVE ITEMS
The poetry of exceptional artistic flair and the pursuit of excellence are a daily presence in Lalique's workshops. Lalique can draw on its century-spanning know-how in traditional glassmaking. It conducts the complex manufacturing process, requiring up to 40 different steps, with the help of its team of expert artists and craftsmen. The factory workforce represents 25 professions, from precision mechanics to ceramics. Lalique was awarded the prestigious label of "Entreprise du Patrimoine Vivant" ("Living Heritage Company"), a mark of recognition conferred by the French government to reward French firms for the excellence of their traditional and industrial skills. A particular highlight is the casting of sculptures using the lost-wax process. Lalique's expert glassmakers are among the very few still to master this difficult, artistic technique.

SIX MAIN PILLARS OF THE PRODUCT RANGE

DECORATIVE ITEMS	**INTERIOR DESIGN**	**JEWELLERY**	**FRAGRANCES**	**ART**	**GASTRONOMY/ HOSPITALITY**

1.2 INTERIOR DESIGN

The Paris-based Lalique Interior Design Studio satisfies clients' demands by creating and developing tailor-made interiors and bespoke objects. It offers architects and designers an exclusive range of high-end interior designs using crystal, glass and the spatial dimension in creative combination. Lalique offers its clients the luxury of made-to-measure objects to satisfy even the most extravagant requests. The creative possibilities are endless. High-end furniture items and home accessories are created with the participation of internationally renowned designers and architects such as Green & Mingarelli Design and Pierre-Yves Rochon. The resulting products are manufactured in close cooperation with top producers. Examples of bespoke luxury architectural projects are the Mikimoto flagship store in Tokyo and the Four Seasons hotel Georges V in Paris.

1.3 JEWELLERY

Lalique combines its experience and specialization in crystalware with the sophisticated skills of its workshops. Its manufacturing processes enable product customization upon request. Lalique markets its jewellery products through renowned dealers, department stores and its own network of boutiques and stores. Lalique gives fresh impetus to its jewellery creations and brings iconic designs up to date.

After passing through the hands of the designer, model-maker and mould-caster, the jewellery is sculpted and polished: a collective work of artisans with a passion for their craft. Each piece captures the emotion of a style that is unmistakably Lalique. Lalique's Jewellery collections continue to innovate in the area of skills and techniques. When fashioning pieces from crystal, metal, gemstones, enamel and lacquer, our craftspeople and those from partner workshops uphold the highest standards of excellence.

Lalique art offers artists fresh inspiration and motifs, opening new horizons through the interplay of light transparency.

1.4 FRAGRANCES

Lalique has been manufacturing perfume bottles since the early 20th century and launched its first perfume in 1992. Many more perfume lines have been added since then, and Lalique Parfums has become a renowned fragrance brand, thanks also to its highly sought-after crystal editions. The portfolio includes perfumes, home fragrances, crystal limited editions and exclusive collections. Their bottles, whether made from glass or crystal, have fascinated collectors for generations. Lalique uses exceptional raw materials, providing its high-quality scents with a unique signature and unparalleled character.

1.5 ART

Lalique collaborates with leading figures in the contemporary art world, as well as art foundations and exceptional designers, joining forces to create unique and rare pieces. Lalique Art offers artists fresh inspiration and motifs, opening new horizons through the interplay of light transparency, colour and contours. The magical fusion of art and crystal creates a new dimension, a new form of expression of works of art. Lalique Art has collaborated with Damien Hirst, Anish Kapoor, Arik Levy, Yves Klein Archives, Rembrandt Bugatti, Zaha Hadid, Chinese artists Han Meilin and Lou Zhenggang and, most recently, Nic Fiddian-Green.

1.6 GASTRONOMY/HOSPITALITY

Lalique launched gastronomy and hospitality activities in September 2015. It runs the Villa René Lalique luxury hotel and associated restaurant led by chefs Paul Stradner and Jean-Georges Klein, which holds two Michelin stars. The Relais & Châteaux prized establishment is located in Wingen-sur-Moder, France, near the Lalique manufacture. The Group also owns and operates Château Hochberg, a four-star hotel with a brasserie-style restaurant close to the Lalique Museum, in Wingen-sur-Moder. In 2018, a sumptuous Lalique hotel and restaurant opened its doors at Château Lafaurie-Peyraguey in the Bordeaux region. The château is owned by Lalique Group's main shareholder Silvio Denz and operates under the Lalique brand on a licensing basis. Shortly after its opening, chef Jérôme Schilling was awarded a first star by the Guide Michelin 2019. The three hotels and restaurants are ideal showcases, providing an exclusive ambience in which to enjoy the Lalique lifestyle.

2. PERFUMES

The current Lalique Beauty brand portfolio includes a number of perfume brands, including Jaguar Fragrances, Bentley Fragrances, Parfums Grès, Parfums Samouraï and most recently, fragrances for Brioni. The first fragrance under the new licence was launched in the first quarter of 2021. The development lead-time for new products at Lalique Beauty generally takes four to six months for special editions and line extensions, and twelve to eighteen months for new product lines.

Lalique Beauty ensures quality control, lean structures and short decision-making processes along the fully integrated value chain. International distribution is organised via own sales operations in France and the Middle East region combined with a worldwide network of independent distribution partners and agents. In this way, the most effective partner for the commercialisation of each market and brand can be selected to ensure the greatest possible market penetration. Lalique Beauty Services is the Group's world production and logistics hub for perfumes—also for third-party customers. It is a full-service provider for perfume production: research, manufacture, maceration, filling, conditioning, warehousing and shipping. Lalique Beauty Services also provides related logistics services such as warehousing of components and end-products, and the dispatch of finished goods to worldwide destinations.

The entire Lalique Beauty Services facility is certified to ISO 22716 (Cosmetic Good Manufacturing Practices).

The first fragrance under the new Brioni licence was launched in the first quarter of 2021.

3. ULTRASUN

Ultrasun manufactures multifunctional suncare products combining UV protection with, for example, ingredients against ageing or unwanted pigmentation. Ultrasun is constantly launching innovative, advanced UV protection products, driven by in-house formula expertise, strong marketing and sales experience in cosmetics/dermatology and external Swiss manufacturing support. The brand commands a strong position in the market thanks to its unmatched formulations, which are free of many controversial ingredients.

Ultrasun commands a leadership position in the market thanks to its unmatched formulations.

After Western Europe, international expansion is focussed on countries with a high awareness of the need for daily UV protection (e.g. China/Hong Kong, etc.) and regions with year-round sunshine (e.g. Middle East).

4. SINGLE MALT WHISKY: THE GLENTURRET

Since March 2019, The Glenturret, Scotland's oldest working single malt whisky distillery, has belonged to the Group's portfolio. Operating since at least 1763—based on available historical records—The Glenturret uses a largely hand-crafted process to make single malt Scotch whisky in the super-premium segment. The distillery is located in Perthshire in the Highlands of Scotland, within easy reach of Edinburgh and Glasgow. In autumn 2020 the brand launched a new whisky range in a new bottle design.

Strategy

The long-term business strategy includes the following:

Control of value chain
The Group has two state-of-the-art production facilities for its crystal and perfume products. The Group controls the majority of the value chain, which creates a higher degree of independence from third parties and allows increased flexibility to meet market demands. The Company's lean organisation enables quick decision-making, efficient product development processes and, as a result, short time to market.

Lalique: pursuing diversification
The main objective remains to increase awareness of Lalique as a contemporary luxury and lifestyle brand by pursuing its strategy of diversification across six key areas of activity: decorative items, interior design, jewellery, fragrances, art, and gastronomy/hospitality.

Lalique Group has invested substantially in its eponymous brand, resulting in higher productivity at the Wingen-sur-Moder manufacture and, crucially, in the optimisation of the supply chain. In parallel, digital marketing and online distribution activities have been developed and will be further expanded for all segments. As part of a broad online strategy, however, diversification also encompasses the penetration of new sales channels with the aim of increasing brand awareness and fostering growth by linking the online and offline customer experience further.

Lalique Beauty: expanding the brand portfolio
Based on the success of longstanding licence partnerships with Jaguar Land Rover and Bentley Motors, and the more recent license deal with Brioni, Lalique Beauty keeps striving to further strengthen and enrich its brand portfolio through new licences or acquisitions of fragrance brands. The Group is in constant contact with brokers as well as potential candidates, and relevant opportunities are being evaluated.

The Glenturret distillery:
joint marketing activities with Lalique crystal
The Glenturret is the home of handcrafted whisky distilling and traditional whisky-making. Planned activities to develop The Glenturret brand by leveraging the Group's capabilities include the design of The Glenturret whisky bottles by Lalique and the creation of limited-edition whisky decanters in Lalique crystal, which were launched in autumn 2020, as well as further joint marketing activities. Furthermore, the successful visitor centre with its café-restaurant offers a wide range of opportunities to leverage the Lalique and Glenturret brands. The visitor centre and the restaurant have been renovated in the spirit of Lalique and will be reopened in June 2021. The Group has brought together an experienced team dedicated to this luxurious, dinner-only restaurant, and to creating one of the best gastronomical experiences in Scotland. The brand is preparing a host of culinary treats: There is a new all-day café in the pagoda-roofed old maltings, lunches, which are served in the Lalique Bar, and afternoon teas, created by the French pastry chef, and served fire-side in the new lounge.

In line with its diversification strategy, the Group sees significant potential in further developing The Glenturret in the high-end single malt whisky market.

Sustainability
Lalique Group takes aspects of sustainability into consideration in all of its decisions. The Group has a comprehensive approach to sustainability—based on the three areas of product management, our employees and the environment. It is the Group's declared objective to constantly expand its sustainability commitment along the entire value chain. Together with this annual report Lalique Group is presenting its first sustainability report (see page 54).

Our brands and activities

LALIQUE

Lalique Decorative Items

Brand acquired **2008**
Share of company revenue **31%**

LALIQUE

The 2020 Botanica collection took us into a world where floral romanticism contrasted with mineral strength. With this collection, Lalique captured the ornamental and symbolic power of peony, lily of the valley, orchid and cherry blossom.

The Gaïa collection
The new 2021 collection, Gaïa by Lalique, pays homage to Mother Earth, generous and nurturing. The collection resonates as an invitation to respect, appreciate and marvel at the many wonders provided by nature. Lalique has revisited its history, revising some of its iconic motifs, such as Merles et Raisins and Versailles, and drawn on its own DNA to offer a new perspective and reinvent itself.

Lalique—a truly timeless lifestyle brand
The Group has developed a dedicated process for producing elegantly decorated works in crystal that covers the entire chain from original idea to finished product. Over the years, Lalique has become a byword for expertise and craftsmanship and a synonym for excellence, masterfully using the contrast between brilliant and satin-finished crystal. Lalique collections are composed of timeless creations that have become classics and innovations that will undoubtedly follow suit.

Left
(upper left and lower right)
In 1928, René Lalique designed the Merles et Raisins decorative panels. Today, the Lalique Studio reinterprets this emblematic creation, in new expressions through vases and a bowl.

(upper right and lower left)
The Merlot collection is composed of a decanter and a universal glass—inspired by the Blackbirds and Grapes motif designed by René Lalique in 1928.

Right
Merles et Raisins vase; available in clear, black or amber crystal.

LALIQUE

Lalique Interior Design

Brand acquired **2008**
Share of company revenue **7%**

LALIQUE

The Paris-based Lalique Interior Design Studio (LIDS) offers architects and designers an exclusive range of high-end interior designs using crystal glass and space in creative combination. The most innovative creations are made to order for the interior design of private residences, restaurants, luxury hotels, yachts and many other settings.

A unique seaborne experience

In 2020, LIDS created bespoke interior panels for the Italian cruise ship company SILVERSEA. These creations convey the poetry of the Lalique world while meeting the technical and safety standards required for a cruise ship. The décor of the gourmet restaurant La Dame reveals the LIDS touch in the large interior panels with the Coutard and Masque de Femme motifs. The concept of the interior structure of crystal panels with a glass support allows the creation of large-format wall elements that offer scope for the narrative development of the overall theme: they bring light, evocative patterns and a personal touch to the interior design.

Extension of the Signature collection with Pierre-Yves Rochon

Pierre-Yves Rochon continues to add to his Signature collection for Lalique unveiled in 2017. The Perles chandelier comes in various sizes and finishes. The same design has inspired two new wall sconces and a luminaire. A beautiful fusion of rare savoir-faire in many forms, each piece is a jewel of interior design, combining aesthetics and functionality.

Left
Lalique created bespoke interior panels for the Italian cruise ship company SILVERSEA.

Right
The Perles chandelier—created by Lalique and Pierre-Yves Rochon—comes in various sizes and finishes.

LALIQUE

Lalique Jewellery

Brand acquired **2008**
Share of company revenue **2%**

LALIQUE

Each piece is unmistakably Lalique
The Lalique jewellery collections continue to showcase a perfect blend of iconic designs and fashionable pieces.

In 2020, Lalique jewellery opened a new floral chapter with the Pivoine collection. This ode to the peony, available in pearly white, pink, and red, offered a variety of options for wearing, all infused with a femininity that is as sophisticated as it is minimalist.

For its new jewellery collections in 2021, Lalique is delivering a masterful interpretation of the peacock and presenting its easy-to-wear flexible bracelets in gold-plated versions, illuminated with crystal.

Left and right
For its 2021 jewellery collection, Lalique is delivering a masterful interpretation of the peacock.


LALIQUE

LALIQUE

Lalique Perfumes

Brand acquired **2008**
Share of company revenue **11%**

LALIQUE

The latest addition to the Noir Premier Collection is Plume Blanche: a voluptuous, airy and powdery fragrance, with a soft and cosy feel. The perfumer worked in hues of white, layering silvery almond leaves, suave white heliotrope and silky jasmine on a bed of pure white cedarwood. Lalique has matched the delicate aura of the Eau de Parfum with a precious 2020 special-edition candle. Presented in a vessel decorated with an evocative peacock-feather pattern, printed in white on the golden façade, the pure white wax of the candle diffuses the scent of Plume Blanche.

Born of a ceaseless quest for excellence
Lalique has been manufacturing perfume bottles since the early 20th century and launched its first perfume, Lalique de Lalique, in 1992. Today, the offering includes top-of-the-range feminine and masculine fragrances, exclusive collections and crystal limited editions, a “bath & body” collection and home fragrances. All these scents are composed by the best perfumers using exceptional raw materials and presented in unique flacons inspired by the work of René Lalique and modernized by the Lalique Creative Studio.

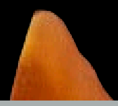
Left
Inspired by the peacock, the 2020 Special Edition Candle is presented in a jar embellished with a poetic peacock-feather pattern, printed in white on the golden façade.

Right
The Noir Premier Collection: A visionary spirit for contemporary classics.


ROSE ROYALE
NOIR PREMIER
LALIQUE
1935
PLUME
BLANCHE
1901
NOIR PREMIER
LALIQUE
TERRES AROMATIQUES
NOIR PREMIER
LALIQUE
1905

Lalique Art

Brand acquired **2008**
Share of company revenue **1%**



LALIQUE

New collaboration with Nic Fiddian-Green

In 2021, the equestrian statue Still Water, created by sculptor Nic Fiddian-Green, becomes part of the heritage of the company. The British artist, a master of the depiction of horse's heads, shares his love of nature with Lalique. In the digital age, abounding with new technologies, he also works like Lalique, using age-old techniques. At a time when everything is accelerating, Still Water offers a precious image of serenity. A luminous moment of tranquillity—a work of art that is almost alive.

Sirènes by Terry Rodgers

In 2017, Lalique Art introduced Sirènes by artist Terry Rodgers, a contemporary reinterpretation of the legendary Bacchantes vase, created by René Lalique in 1927.

In 2020, inspired by the strength of black crystal and by the radiance of amber crystal, the artist created the Sirènes vase in both colours.

Left
In the words of its creator, Still Water represents an intrusion into an intimate moment. Still Water by Nic Fiddian Green and Lalique. Height: 372 mm (with plinth). Sculpture available in amber, black and clear crystal.

Right
Sirènes by Terry Rodgers and Lalique. Numbered, signed and limited edition; 999 ex.; available in black and amber crystal.




LALIQUE

Lalique Crystal Factory

Number of employees **243** (FTE)
Crafted items produced every year **500 000**

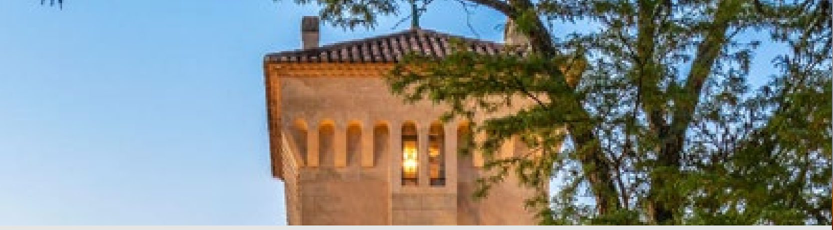
LALIQUE

Unique production process
Lalique's sole manufacturing site is located at Wingen-sur-Moder, Alsace, France. It was built by René Lalique and started glassmaking in 1922. Since 1945, the factory has manufactured exclusively crystal glass products. The Group has maintained the traditions and heritage of Lalique since its acquisition in 2008.

Significant investments
In the last ten years, the Group has invested approximately EUR 27 million in the factory. Investments have included the installation of a new electric furnace, refurbishment of the mould workshop with new equipment, including five-axis milling machines and lathes, as well as workshop modernization, safety and environmental protection.

Exceptional craftmanship
Lalique can draw on its century-spanning know-how in traditional glassmaking. It conducts the complex manufacturing process, requiring up to 40 different steps, with the help of its team of expert artists and craftsmen. Seven of the Group's artisans have been recognized by the Société Nationale de Meilleurs Ouvriers de France with the title "Meilleur Ouvrier de France" (Best Craftsman in France) for their glassmaking skills. Lalique also holds the seal of "Entreprise du Patrimoine Vivant" (living heritage company).

Left and right
In expert hands: Each part of the operation corresponds to a particular craft, a dozen of which are represented at the Lalique glassworks. Each pair of hands brings years of experience to bear.



LALIQUE

Lalique Gastronomy/ Hospitality

Established **2015**
Share of company revenue **5%**

LALIQUE

A passion for savoir-faire and savoir-vivre—the art of living

Since the opening of Villa René Lalique in 2015—a five-star hotel with six exclusive suites and a restaurant which holds two Michelin stars—Lalique has added two further establishments with equally sumptuous qualities:

- The four-star hotel Château Hochberg
- Château Lafaurie-Peyraguey, a member of the Relais & Châteaux collection and five-star hotel in the Bordeaux region, owned by Lalique Group's main shareholder Silvio Denz and operated under the Lalique brand on a licensing basis. Furthermore, it holds one Michelin star.

The latest addition to Lalique hospitality is The Glenturret Lalique restaurant, located at Scotland's oldest working distillery. The establishment, which is set to open in summer 2021, is the first of its kind. No other whisky distillery is home to a restaurant dedicated to fine dining. Acclaimed Scottish chef Mark Donald will preside as Head Chef of the restaurant, with a menu combining the finest French culinary traditions with contemporary Scottish innovations, focusing on local produce.

As part of a commitment to the art of living, our vision is to offer guests an emotionally engaging experience to be discovered and shared.

Left and right
The hotels and restaurants are ideal showcases to discover and enjoy the Lalique lifestyle.


RENÉ LALIQUE


JAGUAR
CLASSIC
ELECTRIC SKY

Jaguar Fragrances

Licence acquired **2002**
Share of company revenue **15%**

JAGUAR

Jaguar fragrances—in quest of new sensations
The brand is ushering in a new lifestyle-driven campaign for the entire Jaguar Classic collection, each fragrance in the line defining a specific territory for sophisticated urban animals: the vibrant soul for Jaguar Classic, the heroic icon for Classic Black, glorious triumph for Classic Gold, wild at heart for Classic Red and groundbreaker for Classic Chromite. The brand targets the cosmopolitan, well-educated man. Classic Electric Sky is the most recent fragrance in Jaguar's signature range. It is sleek, built for thrills and speaks to a different kind of urban animal: a fresh, magnetic scent for a man always in quest of new sensations.

Style, performance and modernity
The first Jaguar fragrance—Jaguar For Men—was launched in 2002 in an iconic green bottle. It targets the cosmopolitan, well-educated man. For Men has since become a timeless masterpiece. Jaguar Fragrances, proudly positioned as a prestige brand, symbolizes the Jaguar attributes of style, performance and modernity. The range of products is constantly being reviewed and modernized and today comprises around 25 fragrances.

Left
Jaguar Classic Electric Sky—the scent for a man always in quest of new sensations.

Right
The powerful masculine accords of Jaguar Stance make an exciting, modern statement.


STANCE
JAGUAR


MADAME
GRÈS
G
EAU DE PARFUM
PARIS

GRÈS
PARIS

Parfums Grès

Brand acquired **2007**
Share of company revenue **4%**

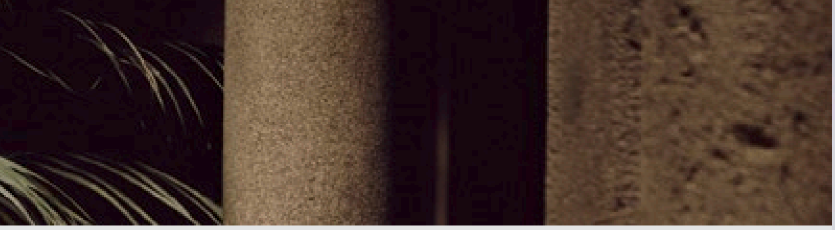
GRÈS
PARIS

The *Madame Grès* fragrance
The timeless fragrance *Madame Grès*, launched in 2013, pays tribute to its historical origins in the Maison de Couture. Both Ancient Greece and sculpture served as sources of inspiration for the haute couture creations of Madame Grès, who is regarded as a forerunner of today's minimalist movement. The floral oriental scent itself is a distinctive combination of refinement and elegance: delightful citrus, grapefruit and pineapple chords, a sublime floral bouquet with a hint of sandalwood. The product design and visual storytelling convey the sense of a bridge between timeless elegance and minimalist modernity.

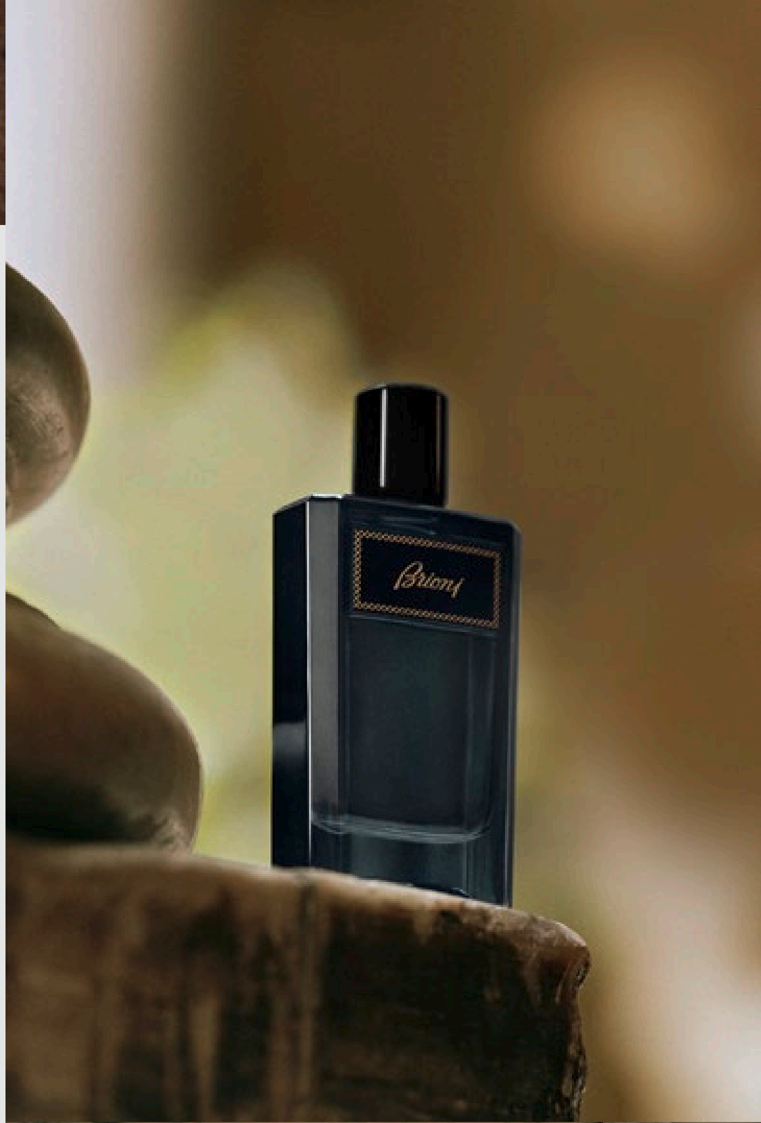
Iconic fragrances by Grès
The Group acquired Grès in 2002, targeting confident, chic women with a feel for vintage style. Founded by Madame Grès, a fashion designer who loved dressing women, especially actresses, and who long occupied centre stage in the world of haute couture, the Maison Parfums Grès designs its fragrances like exquisite and seductive costumes that women can wrap around themselves, holding their own in the game of life and leaving the scent of a divine comedy in their wake.

Left and right
The timeless Madame Grès fragrance and the lively and colourful Cabotine line.


Cabotine
ROSE
Cabotine
DE
GRÈS
Cabotine
DE
GRÈS
GRÈS
PARIS
PERFUMED BODY LOTION
LAIT PARFUMÉ POUR LE CORPS
℮ 200 ml 6.8 FL.OZ
Cabotine
DE
GRÈS
GRÈS
PARIS
PERFUMED SHOWER GEL
GEL DOUCHE PARFUMÉ
℮ 200 ml 6.8 FL.OZ



Brioni



Brioni Eau de Parfum

Licence acquired **2019**
Share of company revenue **0%**
First EDP was launched in the first quarter of 2021

Brioni

A fragrance like an immaculate suit
Brioni has entrusted Lalique Group with the creation of its fragrances and the first scent under this alliance was launched in the first quarter of 2021. Although the two companies operate in different sectors, their shared passion for excellence and prestige gave rise to a unique partnership. The Brioni Eau de Parfum is now available worldwide in Brioni boutiques and from selected points of sale.

Tailor your legend
Brioni's first signature fragrance is the scent of a modern legend: Brioni Eau de Parfum. It is the final, irresistible touch to the perfect outfit. A fragrance tailored so that each perfectly balanced ingredient projects the same sense of wellbeing, confidence, and deep emotional connection as a Brioni suit. As Norbert Stumpfl, Brioni's Executive Design Director, says: "Our new fragrance strikes a perfect balance between sophistication and charisma. A perfume that does not shout yet envelops the wearer in an irresistible presence, a comfortable caress and masculine charm."

Brioni Eau de Parfum is a scent that doesn't wear you. It becomes part of who you are. As unforgettable as your presence. As fascinating as your legend. #TailorYourLegend

Left and right
Brioni Eau de Parfum and campaign visual—a fragrance designed like a perfect suit.


Brioni


Brioni


samouraï
woman
Rose Musk
eau de parfum

SAMOURAÏ

Parfums Samouraï

Brand acquired **2007**
Share of company revenue **4%**

Samouraï

A proud tradition

The ethos of Parfums Samouraï draws on power and wisdom, energy and spirituality, and renders homage to a proud tradition. The first Samouraï for Men fragrance was launched in 1995 together with Alain Delon and became an international success. Since then, the Samouraï fragrances have been particularly popular in Japan and rank among the country's best-selling perfumes due to their focused product development, marketing and brand name.

Samouraï has added new masculine and feminine scents to its portfolio over the last few months. *Blue Label* is the symbol of a new era with a floral woody note for men, while *Rose Musk* is a compelling and graceful floral fragrance full of warmth for women.

Samouraï fragrances appeal to sensitive and confident men and women, thanks to their unique and distinctive storytelling. The name means "servant" or "companion" and evokes the role of the Samouraï as Japan's warrior caste in the preindustrial age. The brand manifests the passion of a man for action and adventure.

Left and right
Advertising visual: Samouraï Woman Rose Musk and Samouraï Man Blue Label.


SAMOURAI
SAMOURAÏ
BLUE LABEL
EAU DE TOILETTE


BENTLEY
FOR MEN
SILVERLAKE

BENTLEY

Bentley Fragrances

Licence acquired **2011**
Share of company revenue **4%**

BENTLEY

Women's fragrances—a premiere for Bentley
Bentley Fragrances has introduced three new scents in its exclusive line Bentley Beyond—The Collection. Following the first trio of scents, which matched peerless ingredients with far-flung destinations, the floral world opens a new, more feminine realm of colours and emotions to explore. Bentley Fragrances offers three unique perfumes, each interpreting the individual characteristics of unique flowers to express the character of the exceptional women who wear them.

Bentley—an English luxury brand
The first fragrance was released in 2013—Bentley For Men. The Group's aim is to establish Bentley as an English luxury brand—and this not only in the automobile segment. Today, the Bentley Fragrances portfolio contains some 30 perfumes.

The bottles are inspired by the generous curves and exceptional materials used by Bentley Motors, combining power and style down to the slightest detail.

Left and right
Bentley Fragrances has introduced three new female scents in its exclusive line Bentley Beyond—The Collection. And the latest addition to the For Men line is the fresh scent Silverlake.


BENTLEY
BEYOND
THE COLLECTION
RADIANT
OSMANTHUS

LALIQUE
BEAUTY

Lalique Beauty Services

Number of employees **90 (FTE)**
Perfume production capacity per year **12 000 000 units**
Facility acquisition **January 2013**

LALIQUE BEAUTY

Lalique Beauty Services, headquartered in Ury, France, is a full-service provider active in the fields of perfume preparation, filling and packaging. It also provides related logistics services such as warehousing of components and end products, and the dispatch of finished goods to worldwide destinations—including for third-party customers.

The entire Lalique Beauty Services facility is certified to ISO 22716 (Cosmetic Good Manufacturing Practices) and has a production capacity of 12 000 000 units per annum.

The agile and adaptive processes enable Lalique Beauty Services to be responsive to the customers' needs and deliver a highly personalised and customised service.

Production of hydroalcoholic gel
The shortage of hydroalcoholic gels in France at the beginning of the Covid-19 pandemic prompted Lalique Beauty Services to apply its expertise to the production of these important sanitary products. The company quickly mobilized teams to obtain the necessary raw materials for their manufacture and produced significant quantities for a number of clients in France.

Left and right
Lalique Beauty Services is a full-service provider active in the fields of perfume preparation, filling and packaging. Lalique Beauty Services controls the entire production chain.


ultrasun
Professional Protection
SPF
50
Sports
Transparent sun protection spray
Transparentes Sonnenschutz-Spray
30
Face
50+
Extreme
30
Family
High sun protection
sensitive skin + non-comedogenic
Sonnenschutz-Gel für die ganze Familie
sensible Haut + nicht-komedogen
water resistant


ultrasun
Professional Protection
SPF
30
Family

ultrasun
Professional Protection

Ultrasun

Brand acquired **2007**
Share of company revenue **15%**

ultrasun
Professional Protection

Innovation and professional endorsement
Ultrasun is an internationally recognized brand with over 25 years' experience in UV protection.

Ultrasun has pioneered an innovative and holistic approach to protecting the skin against the full solar spectrum and strongly advocates the daily application of sun protection. All formulas must comply with the brand's "clean formula" philosophy that prohibits the use of controversial ingredients in any product.

Leadership position
Ultrasun's key range for sensitive skin performs exceptionally well in dermatological studies. It prevents skin reactions to solar radiation and is therefore well suited for use by consumers and patients with sun allergies.

A combination of in-house expertise and external Swiss manufacturing support is enabling the brand to establish a strong position in the industry. The ongoing international expansion responds to new consumer demands as the basis for product innovation realized through key projects with a regional focus.

Ultrasun is developing its e-commerce and social media expertise with a focus on online shopping in key markets such as the UK and China and the associated need for content creation.

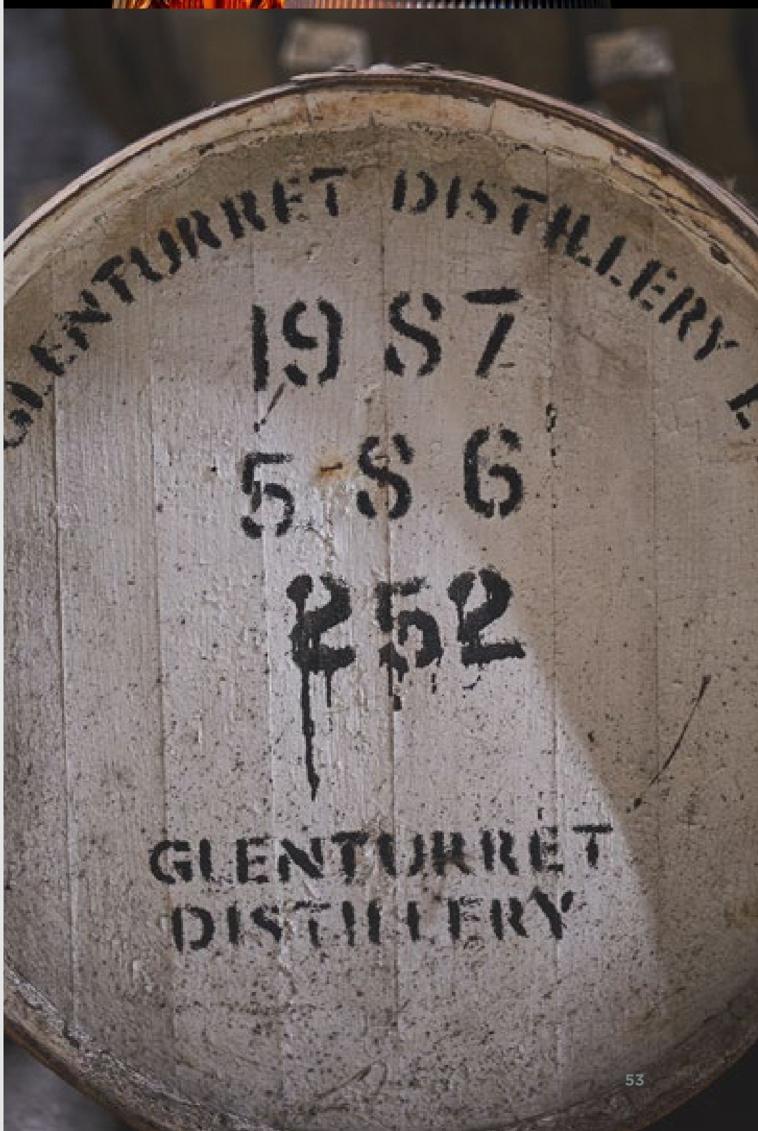
Left and right
A combination of in-house expertise and external Swiss manufacturing support is enabling the brand to establish a leadership position in the industry. The brand prohibits the use of controversial ingredients in any product.


ultrasun
Professional Protection
SPF
50+
Very high protection
Extreme
Very high
sun protection
sensitive skin • non-comedogenic
Sonnenschutz-Gel
für extreme Bedingungen
sensible Haut • nicht komedogen
ultrasun
Professional Protection
SPF
50
High protection
Sports
Transparent
sun protection spray
Transparentes
Sonnenschutz-Spray


THE·GLENTURRET·DISTILLERY·SINCE·1763

The
GLENTURRET
HIGHLAND SINGLE MALT
SCOTCH WHISKY

The Glenturret



Brand acquired (50% stake) **2019**
Share of company revenue **1%**

The GLENTURRET
HIGHLAND SINGLE MALT
SCOTCH WHISKY

Celebrating a new chapter
The Glenturret, Scotland's oldest working distillery, celebrated a new chapter in its 250-year history in September 2020 with the launch of its latest range, presenting a fresh visual identity. Crafted by whisky maker Bob Dalgarno, The Glenturret's new range comes in four core expressions: Triple Wood, 10 years old; Peat Smoked, 12 and 15 years old, as well as 25 and 30 years old; and an 'Extremely Scarce' release limited to 1000 bottles in total. The new range is presented in a distinctive bottle, new to the world of single malt; the rectangular profile, broad shoulders, crafted detail and reassuring weight epitomise The Glenturret's elegance and stature.

Glenturret: passion and expertise
The Glenturret is located in Perthshire in the Highlands of Scotland, within easy reach of Edinburgh and Glasgow, with Loch Turret as its water source. The distillery is also home to a first-class visitor centre with an integrated shop and café-restaurant, and is a well-known tourist destination. The visitor centre and the restaurant have been renovated in the spirit of Lalique, with a shop-in-shop due to open in the course of 2021.

The gold of Scotland
Lalique Group intends to harness synergies with its other businesses, such as the Lalique hotels and restaurants in France's Alsace and Bordeaux regions. This is an ideal way to combine the gold of Scotland and the crystal of Alsace.

Left and right
The Glenturret is a distillation of passion and expertise. Scotland's oldest working distillery crafts single malt Scotch whisky in the super premium segment.


The GLENTURRET
AGED 12 YEARS
The GLENTURRET
HIGHLAND SINGLE MALT
SCOTCH WHISKY
AGED 15 YEARS


GLENTURRET DISTILLERY
1987
586
252
GLENTURRET
DISTILLERY

Sustainability Report

Sustainability Report

Lalique Group takes responsibility for the environment and society at large, whether as a fair employer, as an actor in the luxury goods segment developing products without health risks for customers, or as a company helping to shape a sustainable future in a fast-moving world.

Sustainability is a key element of Lalique Group's corporate strategy. The company attaches importance to acting sustainably. The cornerstones of the sustainability strategy comprise:

- Product management and sourcing
- Employees
- Environment and resources

Lalique Group has strengthened the common understanding of sustainability priorities and initiated measures for increased environmental and social sustainability. The Group has set itself the goal of steadily developing its sustainability strategy along the entire value chain and is committed as a company to contributing to a sustainable future.

Lalique Group

1. About Lalique Group
Lalique Group is a niche player in the creation, development, marketing and global distribution of luxury goods. Its business areas comprise perfumes, cosmetics, crystal, jewellery, high-end furniture and home accessories, along with art, gastronomy, hospitality and single malt whisky. Founded in 2000, the company employs some 678 staff (FTE) in 9 countries and has its headquarters in Zurich. The Lalique brand, from which the Group derives its name, was created in Paris in 1888 by the master glassmaker and jewellery designer René Lalique. The registered shares of Lalique Group SA (LLQ) are listed on the SIX Swiss Exchange.

The following chart shows a simplified Group value chain—from the sourcing of raw materials to the end-consumer.

Consumer/Customer

Channels

Retail, Online, Wholesale, Own boutiques, Pharmacies and drugstores

Distribution

B2B and B2C

Production

Own manufacturing and production sites/suppliers and subcontractors

2. Sustainability strategy
As a responsible company, Lalique Group is committed to protecting its employees, customers, partners and the environment. The Group takes this responsibility seriously and faces up to the challenges in the realm of sustainability. To create the basis for its sustainability strategy, the Group identified the most relevant issues and defined the key areas of action.

In the sustainability strategy, the issues were divided into the following three fields:

3. Status quo
Lalique Group is doing everything it can to make an effective contribution to sustainability. Although the Group has made every effort for a number of years to operate sustainably and ecologically, up to now it has not issued a sustainability report, thus the reporting presented here is still in its early stages. The Group will continually set new goals that will be reflected in its future annual reporting.

Product management and sourcing

Lalique Group is committed to sustainable manufacture of environmentally friendly products that can be utilized and applied without risks to health. The focus is on products without potential health concerns.

Employees

Lalique Group strives to be an attractive employer for staff that is committed to social responsibility. To this end, the company focuses primarily on providing fair working conditions, occupational health and safety as well as the training and personal development of employees.

Environment and resources

Lalique Group takes account of its environmental impact and use of resources. The resources of primary concern are water, air and soil protection. The Group has also introduced radical recycling and waste disposal measures.

Product management and sourcing

TOPIC AREA I
- **Products without health concerns**
- **Sustainably and ecologically manufactured products**

Relevance and goals
Health and safety are top priorities at Lalique Group. The company makes every effort to ensure that its products do not cause skin irritations or allergies or pose other risks to health. The main focus is Ultrasun sun care products and perfumes, given that cosmetic and beauty products may provoke allergic reactions. Also, the chemical ingredients of such products may be harmful to the environment.

Lalique Group is pursuing the goal of developing its cosmetics range with products that offer added value, for example through certification. The company relies first and foremost on established industry standards that are in demand from customers and industry players. Lalique Group's cosmetic and beauty products have to meet minimum ecological and health standards and should enable a conscious consumer choice by both existing and prospective customers.

Measures
Product labels and memberships
Lalique Group is committed to supporting specific labels such as aha! Allergy Centre Switzerland, Natrue certification and membership of organizations like the International Fragrance Association (IFRA). That is why the company strives to continually improve and expand its range of label products wherever possible. The Group relies on fair and workable regulation that fosters the safe use and enjoyment of fragrances in accordance with IFRA guidelines. One of their stipulations is that no products or ingredients may be tested on animals and that no natural ingredients of animal origin used in the formulation of perfumes and sunscreens. Animal by-products customarily employed by the industry—of which beeswax is one example—are exempted from this rule for the time being.

For the production of its perfumes, Lalique Group works with renowned perfume houses, which strictly adhere to sustainability requirements. Wherever possible, the Group uses ingredients from environmentally and socially responsible sources through traceable supply chains.

Moreover, there are standards for cosmetic products which evaluate UV filters using neutral methods. The chemical company BASF has developed a new neutral method known as the EcoSun Pass which can be used in the sun protection field to test the environmental impact of UV filters in sunscreen products. The EcoSun Pass allows transparent evaluation of eight different parameters, from biodegradability and aquatic toxicity to potential endocrine disruption. The system thus takes into account not only environmental factors for individual UV filters, but also permits a comprehensive environmental assessment of the filter systems—another step for BASF towards a more sustainable future. Ultrasun's product line for sensitive skin types was the first brand worldwide to be awarded the EcoSun Pass label by the BASF corporation. The label stands for particularly eco-friendly sunscreen protection.

Ultrasun is also marketing a product line with mineral-only, chemical-free filters that is certified by Natrue. Compared with its competitors, Ultrasun is the sun care brand that has the most sunscreen products certified by aha! Switzerland (the label of the Swiss Allergy and Asthma Association) within its line-up. aha!-labelled products and services offer customers added value by increasing their safety and simplifying their everyday life.

EcoSun Pass is either a registered trademark or a trademark of BASF SE in the European Union and/or other countries.

The entire perfume filling and logistics operation of Lalique Beauty Services is ISO 22717 certified (Cosmetic Good Manufacturing Practices). This standard assesses the safety and quality standards of perfume products. It takes into account all the relevant factors along the whole supply chain, including the processing of products and the date when they are first packaged.

Lalique Beauty Services and the Lalique crystal manufacturing site are committed to upholding national and international safety standards (R.E.A.C.H. Regulation). Reach is a European Union regulation which was issued to improve the protection of human health and the environment from the potential impact of risks posed by chemicals.

Assessment and outlook
The Group aims to empower consumers to take informed, environmentally compatible decisions. Survey findings show that consumers are willing to pay a premium for eco-friendly products. Lalique Group has set itself the goal of producing sustainable products with sustainable packaging at competitive prices and keeping consumers informed about these innovative products. For its fragrances, the Group wants to focus even more on sustainably sourced ingredients in the future.

Against this background, the Group is well on course to operating on a sustainable basis, developing appropriate products and further broadening the sustainability of its operations.

Employees

TOPIC AREA II
- **Fair working conditions**
- **Occupational health and safety**
- **Employee training and development**

Relevance and goals
Lalique Group is conscious of its responsibility—both towards its own employees and wider society. The Group places exacting requirements on the manufacture of top-quality products, be they beauty products or luxury goods. As part of this process, employees who take responsibility and make corresponding decisions are the key to success. The Group focuses on the following issues:
- Acting responsibly as an employer and increasing its appeal by offering attractive working conditions and gender equality.
- Targeted personal development and continuing education as well as individual further training and internal succession planning. The retention of qualified personnel is relevant to the company's success as a manufacturer, particularly in regards to crystal glass products.
- Safeguarding employees' health, along with reduction of absences and downtime due to occupational accidents.
- Improving occupational safety and health protection: some employees at the production sites are performing physically demanding tasks.

Measures
Conditions of employment
The Group is committed to offering attractive conditions of employment, competitive pay and remuneration systems as well as welfare benefits, particularly at its two production sites in France (Lalique crystal in Wingen-sur-Moder and Lalique Beauty Services in Ury), as well as at its single malt whisky distillery in Scotland. The long-term retention of employees is important to Lalique Group. Staff turnover is monitored at all sites. If striking fluctuations are noted, structured interviews are conducted with departing employees and relevant measures considered. The various employee representative organizations are important stakeholders.

Occupational health and safety
Measures are focused on occupational safety and safeguarding health at all Group production sites. To ensure that employees remain healthy and motivated over the long term, Lalique Group promotes occupational safety measures and attaches great importance to prevention and early recognition.

All employees at the production sites—and particularly those newly recruited—are introduced to all relevant safety measures and regularly receive further on-the-job training in safety matters. During this further training, they are informed about the sorting and handling of waste products at all the production sites.

Employees at all production sites are provided with the necessary safety gear, work and safety clothing, ear protectors and ergonomic equipment. All employees and managerial staff in production and administration receive training and awareness-raising coaching in health protection, ergonomics, occupational safety and hygiene. Company units have their own occupational safety manuals which are regularly updated to reflect changes in occupational health and safety regulations.

To protect employees in the production units from muscle strain and back pain, further ergonomic workplaces and implements are being installed on a continuous basis to make physically demanding tasks easier and less onerous. Employees also receive awareness-raising training and instruction on an ongoing basis to prevent muscle strains and back problems before they occur. Trained personnel make up part of the medical service at the production sites and are on hand with the necessary specialist knowledge.

All investments in new working equipment by the production units are in compliance with the latest CE regulations.

Nurturing young talent and training opportunities
Structured group-wide staff performance reviews are held once a year. These are used to plan individual training programmes. This measure is designed by the Group to reduce the turnover of local specialist staff and boost employee motivation.

Highly specific know-how and skills are required for the manufacture of crystal objects. To this end, the Group began over a decade ago to develop a dedicated internal training course (known as "École Lalique") in collaboration with the French government agency "Pôle Emploi" and other public training and employment agencies located in the Alsace region. The aim of this training course is to teach and pass on the highly specialized know-how required for handcrafting crystalware. At any one time, École Lalique will have up to ten young school-leavers training in the art and craft of glassmaking. This specialist training is very successful and has already borne fruit: one of the trainees was awarded the title of "Meilleur Ouvrier de France"—Best Craftsman of France. Altogether seven Lalique Group artisans bear this title for their exceptional skills in glass manufacture. For some years, the relevance of training young people has been growing in importance because some of the highly specialized glass artisans at the crystal factory in Wingen-sur-Moder are nearing retirement age.

Covid-19 sanitary measures
The first priority when the pandemic broke out was to safeguard the health and safety of all employees. Lalique Group took all necessary precautions in line with WHO (World Health Organization) and local government guidelines to protect its stakeholders. These measures included restricting access to the Group's premises, promoting physical distancing, restricting travel, and promoting good personal hygiene practices. In the production facilities, the Group spared no effort to ensure that employees and visitors were safe and protected from the risk of infection.

Assessment and outlook
To facilitate continuous monitoring of target achievement, the implementation status is reviewed on an annual basis. Performance indicators and information about headcount, sickness levels and occupational absences are recorded. Company units also conduct employee surveys to assess expectations and identify potential improvements. The Group is currently working on applying and standardizing these performance indicators across all Group segments and divisions.

Occupational safety and measures to protect health are largely decentrally organized and accordingly no measurable targets have so far been defined on a group-wide basis. Target attainment can be monitored and checked indirectly by means of performance indicators in the individual company units. This includes the number of occupational accidents and absences due to accidents and sickness. These performance indicators are recorded, collated and evaluated in the systems of the individual corporate units.

The thrust of Lalique Group's approach is to achieve continuous improvement of employee health and safety. The Group is striving by means of systematic accident prevention to further reduce the number of occupational accidents and rate of absences.

Environment and resources

TOPIC AREA III
- **Consumption of energy and resources**
- **Emission of air and water pollutants**
- **Recycling and waste disposal**

Relevance and goals
Lalique Group considers global climate change to be one of the key indicators of resource overexploitation and depletion today. The Group has therefore adopted various measures to promote climate conscious operations and environmentally aware product manufacture. The Group has a direct influence on the emission of greenhouse gases primarily through the energy sources used in the manufacturing facilities. Lalique Group can limit the output of greenhouse gases through the reduction of its reliance on fossil energy sources, thereby increasing energy efficiency.

Fresh water is a valuable resource that is coming under pressure due to increasing demand. The manufacture of crystal glass requires large volumes of water. Lalique Group is promoting sustainable practices in water consumption to preserve the quality and availability of this vital resource in the long term. Regulations to protect drinking water and conserve resources are steadily increasing in all the countries where Lalique operates. There are also increasing requirements regarding water abstraction and pre-treatment of wastewater.

The three Lalique restaurant-hotels in France also pay attention to sparing and efficient use of raw materials and foodstuffs in order to maintain the smallest possible ecological footprint.

The Group annually monitors implementation status and target attainment in respect of energy, greenhouse gas emissions, water and waste disposal at regular intervals. This will contribute to further optimization of the Group's energy and water management and the reduction of process water output.

Measures
Energy consumption
The production sites do everything to detect further sources of cost savings in energy consumption. Energy consumption is calculated at all sites and any discrepancies are rapidly revealed. In addition, an energy audit is conducted every four years, pinpointing possible sources of cost saving.

The efficient use of waste and process heat in the production centres is playing an increasingly important role. Waste heat recovery systems are already in operation.

At the Lalique crystal manufacturing plant in Wingen-sur-Moder, air compressors are deployed to improve the energy balance. They permit energy recovery for pre-heating of process water. A lot of heat is generated during the manufacture of crystal glass, and major investments have been made to enable warming of process water and heating of office space by using waste heat from furnaces, which will be implemented from mid-2021.

During operational maintenance of machinery and systems, the Group attaches great importance to a systematic approach. At the perfume production site in Ury, production machinery has been replaced by more efficient systems, LED lighting installed, and the building insulation improved. Further measures include renewal and extension of the air conditioning and ventilation systems.

The Group has set itself the goal of monitoring energy consumption more systematically going forward.

Left
Villa René Lalique has beehives on its property where it produces its own honey.

Water consumption
For the Group, sustainable water management means analysing and optimizing operations to ensure efficient water consumption. Operational cooling processes and also the sanding process in crystal glass manufacture entail large-volume water consumption and contamination.

The Group has set itself the goal of recording water consumption more systematically in the future. This will facilitate the timely recognition of fluctuations in consumption and adoption of appropriate measures.

Wastewater
The crystal manufacturing site has its own wastewater treatment plant which processes industrial effluents. A new treatment plant is under construction and will become operational in the current year. The new plant will reduce pollutants in the effluent water by a further 30%.

The new acid-polishing workshop which is due to come on stream in summer 2021 will lower the levels of water and acid consumption. The state-of-the-art installations allow constant automated monitoring of these levels. Additional external checks are carried out. The company invested a total of EUR 3.4 million in the renewal of the wastewater treatment plant and acid-polishing workshop.

The Group is working steadily to further improve wastewater values and reduce the consumption of process water.

Air pollution levels
The exhaust air from the manufacturing site at Wingen-sur-Moder contains some pollutants which have to be cleaned up. With the aim of reducing pollutant levels and purging noxious substances and airborne particles from the air, the Group has installed washing towers. Such washing towers are the most effective way of achieving a substantial improvement in the quality of exhaust air and reliably complying with legal requirements.

There are two washing towers currently operating in Wingen-sur-Moder; by the end of 2021 there will be 20. The facilities are subject to regular inspections by public authorities.

Recycling and waste management
Every production site has different requirements for waste disposal. Waste is sorted according to type and waste fractions disposed of through separate channels.

Auxiliary and operating materials are systematically used in a sustainable way. Crystal glass is recycled locally at the manufacturing site. Glass is sorted according to colour, melted down in different kilns and recycled. Other waste materials produced during daily operations, such as cardboard, wooden pallets, metal and plastic waste are disposed of sustainably in accordance with legal requirements. The same applies to industrial waste.

Food waste and regional cuisine
The kitchen teams at the Group's own restaurants make every effort to avoid wasting food. Whenever possible, they use regional and seasonal produce. Food waste is reduced to an absolute minimum. The restaurants have their own kitchen gardens growing vegetables and herbs. Lalique hotels and restaurants and the Lalique Beauty Services production plant work with regional beekeepers who have placed beehives on the Lalique properties. The honey produced is enjoyed by hotel and restaurant guests and used for employee gifts.

The restaurant operations do their utmost to keep food waste to a minimum. By-products and leftovers are not thrown away, but, if possible, further processed. In addition, defective and surplus production of dishes is avoided as far as possible by monitoring appropriate performance indicators and by the training of employees.

Chef Jérôme Schilling (Hotel Restaurant Lalique at the Château Lafaurie-Peyraguey domain in the Bordeaux region) is an ambassador of the Less Saves The Planet movement, which was founded in 2020 in France and has already attracted much attention. This label helps caterers and hoteliers operate their kitchens in accordance with sustainable principles.

Assessment and outlook
The Group monitors the implementation status and target attainment in the areas of energy, greenhouse gas emissions, water and waste disposal on an annual basis. The aim is to optimize energy and waste management across the Group and further reduce the consumption of process water. The company considers itself to be heading in the right direction with the measures already adopted.

Right
The Lalique restaurants have their own kitchen gardens growing vegetables and herbs.

Outlook

Lalique Group's goal is to make sustainability issues an even stronger part of its corporate strategy. It plans to launch new innovative products, focused on achieving sustainability and doing justice to increasing demands for sustainable products and packaging. Further discussions and joint projects with suppliers and partners are planned as a basis for realizing eco-friendly innovations together.

The present sustainability report will be expanded each year and will in future contain selected key figures.

Corporate Governance

Corporate Governance

Principles

Lalique Group undertakes to comply with the principles of good corporate governance, which protects the interests of Company shareholders and other stakeholders while helping the Group achieve sustainable development. Lalique Group's corporate governance is based on its Articles of Incorporation. It follows the guiding principles of the Swiss Code of Best Practice for Corporate Governance. The information disclosed hereinafter meets the current requirements of the "Directive on Information Relating to Corporate Governance" (DCG) issued by SIX Swiss Exchange.

Group structure and shareholders

Group structure
Lalique Group SA, with its registered corporate headquarters at Grubenstrasse 18, 8045 Zurich, Switzerland, is the parent company of Lalique Group. It is a limited company (Aktiengesellschaft, societé anonyme), pursuant to art. 620 et seq. of the Swiss Code of Obligations. The shares of Lalique Group SA (ticker symbol: LLQ) were listed on the BX Bern eXchange from 19 September 2007 until 24 June 2018, and have been traded on the SIX Swiss Exchange since 25 June 2018 under Swiss Security Number 3381329, ISIN CH0033813293.

Lalique Group is a niche player in the creation, development, marketing and global distribution of luxury goods. Its business areas comprise perfumes, cosmetics, crystal, jewellery, high-end furniture and living accessories, along with art, gastronomy and hospitality as well as single malt whisky.

Founded in 2000, the Company initially focused on perfumes and then expanded into cosmetics with the acquisition of the Ultrasun brand in 2007. A major milestone was the acquisition of the house of Lalique in 2008, which has a long tradition in the glass-making industry and is associated with high quality and craftsmanship having developed specific production processes over the last century. Today, the Group leverages its diversified portfolio of brands, state-of-the-art production facilities and the experience of its management to pursue its growth strategy.

The Group had 678 employees as at 31.12.2020. In addition to its headquarters in Zurich, Switzerland, it has an office in Paris, as well as a perfume filling and logistics centre in Ury, France, a crystalware factory in Wingen-sur-Moder, France, and a whisky distillery in Perthshire, Scotland. The Group also maintains representational offices in the United Kingdom, Germany, the United States, China, Japan and Singapore.

The list of principal consolidated subsidiaries, their domiciles, share capital and the Group's shareholding is presented in the Notes to the Consolidated Financial Statements, note 27. With the exception of the parent company, the companies included in the scope of consolidation are unlisted.

Significant shareholders
As at 31 December 2020, a total of 952 shareholders (previous year: 874) were entered in the share register. To the knowledge of the company, the following were the only shareholders holding more than 3% of the share capital of Lalique Group SA as at 31 December 2020 (or as at the date of their last notification under article 20 of the Stock Exchange Act):

SHAREHOLDER	NUMBER OF SHARES	%
Silvio Denz	4 202 700	58.37
Dharampal Satyapal Limited	884 000	12.28
Hansjörg Wyss	453 918	6.30
MAG Seven Ltd on behalf of Ayman, Faisal, Mohammed and Maanoun Tamer	240 000	3.33

Notifications are published on the reporting platform of SIX Exchange Regulation AG's Disclosure Office and can be found under the following weblink:
https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html

Capital structure

Ordinary share capital
As at 31 December 2020, the share capital amounted to CHF 1 440 000 (31 December 2019: CHF 1 440 000) and consisted of 7 200 000 registered shares with a nominal value of CHF 0.20 each (31 December 2019: 7 200 000 registered shares with a nominal value of CHF 0.20 each). All of the issued shares are registered shares. There are no preference rights or similar rights attached to the shares. As at 31 December 2020 the company held 15 000 treasury shares (31 December 2019: 15 000). At this time there were no cross-shareholdings with other companies.

The market capitalization of the Company at 31 December 2020 was CHF 263 520 000.

Conditional and authorized share capital
Pursuant to article 3a of the Articles of Incorporation, the Company has a conditional share capital of CHF 50 000 corresponding to 250 000 shares with a nominal value of CHF 0.20 each. The conditional share capital is available for the exercise of options or subscription rights that the Company or Group entities would grant to employees, including members of the Board of Directors. The pre-emptive rights of the shareholders are excluded in relation to the maximum of 250 000 shares with a nominal value of CHF 0.20 each. The issuance of new shares may take place at a price below their market value. The Board of Directors shall determine the details of the terms of the relevant issue. After their acquisition, the new shares will be subject to the transfer restrictions set out in article 5 of the Articles of Incorporation.

As at 31 December 2020 the Company had no authorized share capital.

Changes in capital

In CHF	31.12.2018	31.12.2019	31.12.2020
Ordinary share capital	1 200 000	1 440 00	1 440 00
Conditional share capital	50 000	50 000	50 000
Treasury shares (number)	0	15 000	15 000

At the ordinary Annual General Meeting on 24 May 2019 shareholders approved the creation of authorized capital up to a maximum nominal amount of CHF 240 000 by issuance of a maximum of 1 200 000 registered shares. On 25 June 2019 the Group announced a rights issue from the authorized capital. Existing shareholders were granted subscription rights entitling them to purchase one new Lalique Group share at a subscription price of CHF 40 for every five shares held. On 10 July 2019 the ordinary share capital of Lalique Group SA was increased by CHF 240 000 through the issue of 1 200 000 new registered shares. The issuance of a total of 1 200 000 new shares with a nominal value of CHF 0.20 each increased the issued share capital of Lalique Group SA to CHF 1 440 000, divided into 7 200 000 shares. There were no changes in share capital in 2020.

Participation certificates and profit-sharing certificates
Lalique Group SA has not issued any non-voting equity securities, such as participation certificates (Partizipationsscheine, bons de participation) or profit-sharing certificates (Genussscheine, bons de jouissance).

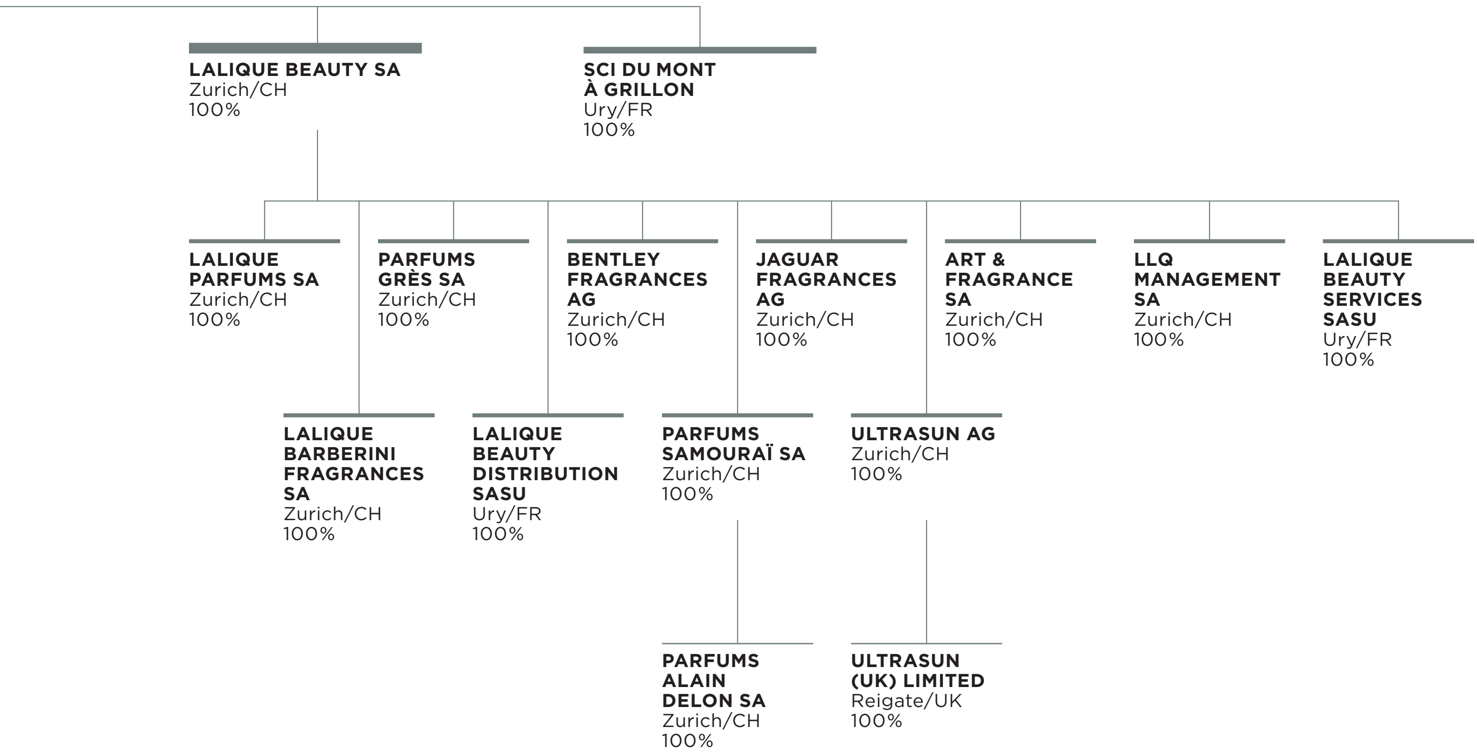
Dividend-right certificates
Other than the registered shares, there are no dividend right certificates.

Limitations on transferability and nominee registrations
The transferability of the shares of Lalique Group is not subject to any restrictions as a matter of principle. Owners of shares are entered in a share register. The company must be notified of any changes. The persons entered in the share register are deemed to be the shareholders in relation to the company. The entry in the share register requires evidence of the share acquisition. The company may cancel any relevant entry in the share register that was made on the basis of false information. Limitations on transferability and nominee registrations may be changed by a positive vote of the absolute majority of the share votes represented at a shareholders' meeting.

Convertible bonds and options
There are no bonds or warrants outstanding that are convertible into shares of Lalique Group SA.

LEGAL GROUP STRUCTURE

- **LALIQUE GROUP SA** Zurich/CH
  - **LALIQUE SUISSE SA** Zurich/CH 100%
  - **LALIQUE MAISON SA** Zurich/CH 100%
  - **LALIQUE ART SA** Zurich/CH 100%
  - **LALIQUE SA** Paris/FR 95%
    - **LALIQUE NORTH AMERICA, INC.** East Rutherford/US 100%
    - **LALIQUE GMBH** Frankfurt/DE 100%
    - **LALIQUE LIMITED** London/UK 100%
    - **VILLA RENÉ LALIQUE SAS** Wingen-sur-Moder/FR 100%
    - **LALIQUE ASIA LIMITED** Hong Kong/CN 100%
    - **CHATEAU HOCHBERG SAS** Wingen-sur-Moder/FR 100%
    - **LALIQUE CRYSTAL SINGAPORE PTE LTD.** Singapore 100%
    - **LALIQUE (CHINA) LIMITED** Hong Kong/CN 100%
      - **LALIQUE BEIJING TRADING COMPANY LIMITED** Beijing/CN 100%
      - **LALIQUE (SHANGHAI) LIMITED** Shanghai/CN 100%
    - **LALIQUE JAPAN CO., LTD.** Tokyo/JP 95%
  - **GLENTURRET HOLDING SA** Zurich/CH 50%
    - **GLENTURRET LIMITED** Edinburgh/UK 100%


LALIQUE BEAUTY SA
Zurich/CH
100%
SCI DU MONT À GRILLON
Ury/FR
100%
LALIQUE PARFUMS SA
Zurich/CH
100%
PARFUMS GRÈS SA
Zurich/CH
100%
BENTLEY FRAGRANCES AG
Zurich/CH
100%
JAGUAR FRAGRANCES AG
Zurich/CH
100%
ART & FRAGRANCE SA
Zurich/CH
100%
LLQ MANAGEMENT SA
Zurich/CH
100%
LALIQUE BEAUTY SERVICES SASU
Ury/FR
100%
LALIQUE BARBERINI FRAGRANCES SA
Zurich/CH
100%
LALIQUE BEAUTY DISTRIBUTION SASU
Ury/FR
100%
PARFUMS SAMOURAÏ SA
Zurich/CH
100%
ULTRASUN AG
Zurich/CH
100%
PARFUMS ALAIN DELON SA
Zurich/CH
100%
ULTRASUN (UK) LIMITED
Reigate/UK
100%

Board of Directors

Silvio Denz

Executive Chairman of the Board of Directors

Dual Swiss and Italian citizen currently residing in Switzerland.

Silvio Denz founded Lalique Group SA, formerly known as Art & Fragrance SA, in 2000. He is currently serving the Group as Executive Chairman of the Board of Directors. He is also Chairman of the Board of Directors and CEO of Lalique SA. Moreover, he is the major shareholder in the Company. Before Silvio Denz set up the business with the incorporation of Art & Fragrance SA, he owned and managed Alrodo AG, a perfume distribution company and family business, as Chief Executive Officer. Alrodo was subsequently sold to Marionnaud in 2000. Silvio Denz holds a commercial diploma.

Besides his commitment to the Group, he is also active in international art trading and the management of various vineyards. He currently holds further board memberships at Lalique Asia Limited in China, Glenturret Holding SA, Ciron SA, Art & Terroir SA in Switzerland and Chocoladenfabriken Lindt & Sprüngli AG, among others.

Roland Weber

Vice-Chairman of the Board of Directors

Swiss citizen residing in the United Arab Emirates since 2007.

Roland Weber joined Lalique Group SA, formerly known as Art & Fragrance SA in 2000. He has been a member and the Vice-Chairman of the Board of Directors since 2003. From 1994 to 2000, Roland Weber collaborated with Silvio Denz and served as Chief Executive Officer and delegate of the board of directors of Alrodo AG. Prior to that, he gained experience in sales and marketing, firstly as a manager for Jaguar Cars Switzerland at Emil Frey Group from 1985 to 1988 and secondly as Director of Perfumes for Yves Saint Laurent, Switzerland and Austria, from 1988 to 1993. Roland Weber holds a master's degree in business administration from the University of St. Gallen (HSG).

In 2002, he founded Retail Factory SA, Switzerland's largest agency for retail spaces, to which he still actively contributes. Besides his commitment to the Group, he has also made several smaller investments in various fields and been active in the real estate sector for more than 15 years.

Roger von der Weid

Delegate of the Board of Directors and CEO

Swiss citizen currently residing in Switzerland.

Roger von der Weid joined the Group as Chief Executive Officer and member of the Board of Directors in 2006. Prior to his commitment to the Group, he served as Managing Director at a Swiss trust company. Before this engagement, he practised as a lawyer for two major Swiss corporate law firms from 1998 to 2004. Roger von der Weid earned a master of laws degree from Duke University School of Law, North Carolina (USA) in 1998 and was admitted to the bar in 1996.
Furthermore, he became a federally certified tax expert in 2002 and graduated with an executive master in corporate finance from IFZ Financial Services Institute in 2006.

He is a member of the board of directors of Lalique SA in France, Lalique Asia Limited in China, Lalique North America in the USA, Lalique China in China, Lalique (UK) Limited in the UK as well as Lalique Beauty SA, Art & Terroir SA, Ultrasun AG, Glenturret Ltd and Ciron SA in Switzerland, among other Group companies.

Claudio Denz

Member of the Board and Head of Digital

Dual Swiss and Italian citizen currently residing in Switzerland.

Claudio Denz has served as a member of the Board of Directors since 2011. Besides this engagement, he is Head of Digital. Before he took on the above-mentioned responsibilities, he worked in the areas of marketing, branding and product management at Art & Fragrance SA, with various assignments at Lalique North America and Lalique London between 2005 and 2011. In 2008, Claudio Denz graduated from the Commercial Minerva School, Switzerland.

Claudio Denz holds several board memberships, including Ermitage Estate AG, Madox Group AG and Denz Weine AG, among other Group companies, all of which are based in Zurich, Switzerland.

Jan Kollros

Member of the Board of Directors

Swiss citizen currently residing in Switzerland.

Jan Kollros studied mechanical engineering and industrial management at ETH Zurich and has been a member of the Board of Directors since 2017. He gained professional experience in various international industrial groups. Since 2005 he has worked for adbodmer AG, a multi-family office in Horgen, near Zurich. From 2009 until 2019 he was a Managing Partner at adbodmer AG, with responsibility for the operational management of the company. In 2019, adbodmer was acquired by the Swiss-based Bellevue Group. Jan Kollros joined the Group Executive Board, heading the Bellevue Private Markets division. Furthermore, Jan Kollros currently holds board memberships at The Hess Group AG, Evatec AG and Bédat & Co SA, among others.

Marcel Roesti

Member of the Board of Directors

Swiss citizen currently residing in Switzerland.

Marcel Roesti has been a member of the Board of Directors since 2008. He previously served as VP Sales and Marketing and later as Chief Executive Officer for European fragrance operations at Takasago, a major international producer of flavours and fragrances; he also worked as Sales Manager at Essencia Essential Oils Ltd, the Swiss market leader in essential oils, for a total of 19 years. Marcel Roesti studied business administration in Cambridge and Sheffield and attended the Givaudan Perfumery School. The International Federation of Essential Oils Aromas and Trade honoured him with a Diploma in Perfumery. He currently acts as Chief Executive Officer and is the owner of Mont-Blanc Resourcing M. Roesti, a consulting company specializing in the creation and development of perfume and cosmetic products. Marcel Roesti also acts as a part-time consultant to the Group on fragrance development. In addition, he holds a board membership at Lalique SA in France.

Sanjeev Malhan

Member of the Board of Directors

Indian citizen currently residing in India.

Sanjeev Malhan is a chartered accountant and graduated with a Bachelor of Commerce from the University of Delhi. He has been a member of the Board of Directors since 2020. A seasoned executive, he has over 25 years' experience in finance and has worked at various Fortune 500 companies in the energy, engineering, electronics and consumer goods sectors.

Sanjeev Malhan has been Chief Financial Officer at DS Group for the Confectionery division since October 2018. DS Group was founded in 1929 as a small perfume business and is now a broadly diversified conglomerate with headquarters in Noida, India. Its portfolio spans the food and beverage, hospitality, packaging and agriculture sectors, among others. Sanjeev Malhan currently holds board memberships at DS Confectionery Products Ltd and DS Sons Pvt Ltd.

Board of Directors

Members of the Board of Directors
The duties and responsibilities of the Board of Directors of Lalique Group are defined by the Swiss Code of Obligations and the Company's Articles of Incorporation and Organizational Regulations. The Board of Directors consisted of seven directors as at 31 December 2020 after Sanjeev Malhan was elected as a new member by the General Meeting of Shareholders on 8 May 2020.

Four members of the Board of Directors are non-executive directors. They have not been a member of the executive board or any subsidiary of Lalique Group SA in 2020 or the 3 years before the year 2020. The following table summarizes the constitution of the Board of Directors as at 31 December 2020, as well as their position and year of appointment to the Board.

NAME	NATIONALITY	PLACE OF RESIDENCE	YEAR OF APPOINTMENT	YEAR OF BIRTH	POSITION
Denz, Silvio	Switzerland/Italy	Switzerland	2007	1956	Executive Chairman
Weber, Roland	Switzerland	United Arab Emirates	2003	1957	Vice-Chairman
von der Weid, Roger	Switzerland	Switzerland	2006	1970	Delegate and CEO
Denz, Claudio	Switzerland/Italy	Switzerland	2011	1988	Member and Head of Digital
Kollros, Jan	Switzerland	Switzerland	2017	1978	Member
Roesti, Marcel	Switzerland	Switzerland	2008	1946	Member
Malhan, Sanjeev	India	India	2020	1971	Member

Other activities and vested interests
With the exception of the positions listed above, none of the directors holds any material permanent management or consultancy function or engages in any activities of relevance to corporate governance in:
- governing or supervisory bodies of important organizations, institutions or foundations under private or public law;
- a permanent management or consultancy capacity for important interest groups;
- a public or political office.

Rules in the Articles of Incorporation on the number of permitted activities pursuant to art. 12 para. 1 item 1 of the Ordinance against Excessive Compensation in Listed Stock Companies (OaEC)
The members of the Board of Directors may only assume the following maximum number of mandates in management or administrative bodies of entities and organizations: up to five additional mandates in listed entities, up to ten mandates in non-listed entities, up to ten mandates in charity organizations, associations or foundations and other non-profit organizations. Exceeding these restrictions by one mandate in the short term is permitted. Several mandates in different entities under uniform control are considered as one mandate. There is no restriction on mandates in entities which are directly or indirectly controlled by Lalique Group as well as entities which are not obliged to obtain entry in the commercial register or a corresponding foreign register.

Elections and organization of the Board of Directors
The shareholders' meeting of the Company elects the members of the Board of Directors, the Executive Chairman of the Board of Directors, and the members of the Remuneration Committee. The Remuneration Committee may only consist of members of the Board of Directors. The Board of Directors may appoint a Vice-Chairman of the Board of Directors. The term of office of each member of the Board of Directors is one year.

The Executive Chairman presides over the Board of Directors. Furthermore, the Board of Directors appoints the members of the Executive Board.

The Board of Directors meets as often as business requires, but no less than four times a year. The Board of Directors convened five meetings between 1 January 2020 and 31 December 2020, two of which were telephone conferences. In addition, four resolutions were adopted by means of circular letter. The meetings lasted between one and five hours each. All members were in attendance at all meetings held during their term of office.

The Board of Directors takes the view that the current dual functions of three members of the Board of Directors, Silvio Denz as Chairman of the Board of Directors and CEO of Lalique SA, Roger von der Weid as CEO of Lalique Group and Claudio Denz as Head of Digital are to the benefit of Lalique Group, facilitating efficient leadership and an excellent flow of information between shareholders, the Board of Directors and the Executive Board.

Definition of areas of responsibility
The Board of Directors has the following non-transferable and inalienable duties and competencies as required by law: the Board of Directors is ultimately responsible for the management of the Company. Accordingly, pursuant to the legal concept of the Swiss Code of Obligations, the Board of Directors has both executive and supervisory functions.

The ultimate management responsibilities include (i) issuing the Organizational Regulations (règlement d'organisation, Organisationsreglement), (ii) appointment and removal of the persons entrusted with the management and the representation of the Company, (iii) issuing principles for accounting and financial reporting, (iv) decisions and motions put to the shareholders' meeting, (v) determination of the strategy, and (vi) establishment of the organization.

Supervising and monitoring the senior management includes
(a) establishing a suitable system of internal controls and receiving regular reports on the progress of business; and
(b) preparing the annual report and approving the annual financial statements and the half-year financial statements.

The Board of Directors is also responsible for preparing the shareholders' meeting and carrying out the shareholders' resolutions. Further, the Board of Directors must notify the court in case of capital loss and over-indebtedness.

Subject to the non-transferable and inalienable powers and duties mandatorily reserved to the Board of Directors pursuant to the Swiss Code of Obligations, as well as subject to the duties and competencies retained by the Board of Directors or delegated to one of the committees according to the Articles of Incorporation and the Organizational Regulations, the Board of Directors delegated the operational management activities to the members of the Executive Board.

The Board of Directors is quorate if the majority of the members are present and pass resolutions with the majority of votes cast. No such quorum is necessary for establishing resolutions in connection with share capital increases and amending the Articles of Incorporation in this context. In case of a tie, the Executive Chairman has the deciding vote

If no member of the Board of Directors requests a verbal debate, resolutions may also be passed by way of circular resolutions. Such resolutions have to be included in the minutes of the Board of Directors' meetings. The signatory powers of the members of the Board of Directors follow the entry in the commercial register. Currently, the members of the Board of Directors have joint signatory powers.

The Remuneration Committee consists of at least two members of the Board of Directors. The current members are Silvio Denz and Roland Weber. All members of the Remuneration Committee are individually elected by the shareholders' meeting for terms of one year. Re-election is permitted. The chairperson of the Remuneration Committee is appointed by the Board of Directors (article 26 section 3 of the Articles of Incorporation).

The Remuneration Committee assists the Board of Directors in remuneration-related matters. The scope of tasks of the Remuneration Committee is stated in the Compensation Report of Lalique Group.

The Remuneration Committee is entitled to conduct investigations in all matters within its competence. In particular, it has full access, to the extent required for the fulfilment of its duties, to the employees, books and records of the Group and its subsidiaries. It may also request the services of independent advisors and experts to the extent required for the accomplishment of its duties.

In 2020 the Board of Directors has decided to form a Strategy Committee to ensure a continuous monitoring of the Covid-19 crisis, in order to adapt the action plan to the necessary extent. Members of the Strategy Committee are Silvio Denz, Roland Weber, Marc Rösti and Roger von der Weid.

Meetings of Board Committees are usually held in connection with Board meetings, with additional meetings scheduled as required. The Board of Directors receives regular reports from its Committees and the Executive Chairman, as well as from the Executive Board through the CEO and to the extent necessary through other members of the Executive Board.

Information and control instruments vis-à-vis the Executive Board
During every meeting of the Board of Directors the CEO reports on the general course of business. Deviations from the expected course of business and significant occurrences are reported. The members of the Board of Directors receive monthly reports on the development of sales in the different business lines, quarterly consolidated profit and loss statements, and monthly treasury updates.

The Board of Directors is briefed directly by the CEO on the ongoing strategic and operational projects and the results achieved. Besides information relating to the annual budget, the Board of Directors is also given a projection of the expected annual results once or twice a year.

Furthermore, the Executive Chairman of the Board of Directors maintains close contact with the CEO and the members of the Executive Board. The course of business and all major issues of corporate relevance are discussed at regular meetings. The Executive Chairman of the Board of Directors is closely involved with the Company and focuses his attention primarily on strategic affairs and projects. Each member of the Board of Directors can request information on the course of the Company's business from persons entrusted with management of the Company. Any unexpected incidents must be reported to the members of the Board of Directors, either by the CEO or the Executive Chairman, without delay.

Executive Board

Members of the Executive Board
In accordance with Swiss Law, the Articles of Incorporation and the Organizational Regulations, and subject to those affairs that lie within the responsibility of the Board of Directors by law, the Articles of Incorporation and the Organizational Regulations, the Board of Directors has delegated operational management to the Executive Board.

OPERATIONAL STRUCTURE

BOARD OF DIRECTORS LALIQUE GROUP
Silvio Denz, Executive Chairman; Roland Weber, Vice-Chairman; Roger von der Weid, Delegate and CEO; Claudio Denz, Member; Jan Kollros, Member; Marcel Roesti, Member; Sanjeev Malhan, Member

AUDITORS
Deloitte AG

GROUP CEO
Roger von der Weid

GROUP CFO
Alexis Rubinstein

Besides the functions of Group CEO and Group CFO, the Executive Board of the Group is split into an Executive Board of the Beauty division and an Executive Board of the Lalique division. The Beauty division Executive Board and the Lalique division Executive Board together are defined as the Executive Board.

As at 31 December 2020, Roger von der Weid held the position of Group CEO and Alexis Rubinstein that of Group CFO. For the curriculum vitae of Roger von der Weid see "Members of the Board of Directors"; for Alexis Rubinstein see "Members of the Executive Board".

BEAUTY DIVISION

Executive Board

ROGER VON DER WEID
CEO

CLAUDIO DENZ
Head of Digital

MICHAEL MÜLLER
CFO

DAVID RIOS
COO Fragrance Division

BENEDIKT IRNIGER
General Manager Ultrasun

ROSEMARIE ABELS
Head of Procurement & Production

MARIE-LAURE JOLY
Head of Marketing

THOMAS LEUTENEGGER
Head of Sales & Export

The Beauty Division Executive Board comprises the following eight individuals:

NAME	NATIONALITY	PLACE OF RESIDENCE	YEAR OF APPOINTMENT	YEAR OF BIRTH	POSITION
von der Weid, Roger	Switzerland	Switzerland	2006	1970	CEO
Müller, Michael	Switzerland	Switzerland	2017	1978	CFO
Rios Lopez, David	Switzerland/ Ecuador	Switzerland	2015	1975	COO Fragrance Division
Abels, Rosemarie	Switzerland/ Germany	Switzerland	2010	1967	Head of Procurement & Production
Joly, Marie-Laure	France	Switzerland	2013	1969	Head of Marketing
Leutenegger, Thomas	Switzerland	Switzerland	2016	1968	Head of Sales & Export
Denz, Claudio	Switzerland/Italy	Switzerland	2011	1988	Head of Digital
Irniger, Benedikt	Switzerland	Switzerland	2013	1972	General Manager Ultrasun

For the curricula vitae of Roger von der Weid and Claudio Denz see “Board of Directors”.

Müller, Michael, CFO, is a dual Swiss and German citizen currently residing in Switzerland.
Michael Müller has served as CFO of Lalique Beauty since 2017. Before joining the Group, he worked as Head of Finance and Head of Controlling in various industries in Switzerland and Asia. Michael Müller has 17 years' experience in Finance & Consulting and holds a master's degree in business administration from the University of St. Gallen (HSG).

Rios Lopez, David, COO Fragrance Division, is a dual Swiss and Ecuadorian citizen currently residing in Switzerland.
In 2006, David Rios Lopez joined Lalique Group SA. Before his appointment as Chief Operating Officer of the Fragrance Division in 2015, he was an Area Sales Manager and subsequently took further responsibilities as Vice-President of Sales and Head of Sales and Export. Prior to joining the Group, he worked as Business Development Manager for Elizabeth Arden International in Geneva, Switzerland, for seven years. David Rios Lopez holds a postgraduate diploma in business administration from the Université d'Angers, France, and a bachelor of arts in business administration from the Catholic University of Santiago de Guayaquil, Ecuador.

Abels, Rosemarie, Head of Procurement and Production, is a dual German and Swiss citizen currently residing in Switzerland.
In 2010, Rosemarie Abels returned to Lalique Group SA as Head of Procurement and Production, after having worked at Intereurope GmbH and Scooter Fashion as Head of Purchasing for the previous three years. From 2001 to 2006, Rosemarie Abels had already been employed by the Group as Head of Procurement. Besides her current position as Head of Procurement and Production, Rosemarie Abels acts as Managing Director (directrice générale) for Lalique Beauty Services, Ury, France (since February 2014). Rosemarie Abels graduated in industrial management.

Joly, Marie-Laure, Head of Marketing, is a French citizen currently residing in Switzerland.
Marie-Laure Joly joined Lalique Group SA in 2013 as Head of Marketing in charge of the management and development of the Group's perfume brands. In 2016, the areas of trade and retail marketing were added to Marie-Laure Joly's areas of responsibility. Prior to her engagement for the Group, she worked in marketing for various international companies including Triumph, La Prairie, Rochas, Dior and Hermès. She has a total of 27 years' experience in the luxury goods industry. Marie-Laure Joly holds a master's degree in fashion and art marketing from IFM, Paris (1992), and a bachelor in international business.

Leutenegger, Thomas, Head of Sales & Export, is a Swiss citizen currently residing in Switzerland.
Thomas Leutenegger joined Lalique Group SA in 2016 in his current function as Head of Sales & Export. Prior to his engagement with the Group he worked as Regional Manager for Rado S.A. (Swatch Group) in Lengnau, Switzerland for eight years. Previously, he worked for Calida AG as Head of Wholesale until 2009, for Prionics AG, Schlieren, in the role of Area Director from 2004 to 2007 and in various national and international capacities within the Unilever Group from 1995 to 2003. Thomas Leutenegger holds a master's degree in business administration from the University of St. Gallen (HSG).

Irniger, Benedikt, General Manager Ultrasun, is a Swiss citizen currently residing in Switzerland.
Benedikt Irniger joined Ultrasun in March 2013 as General Manager, after having worked for seven years for Kraft Foods (today: Mondelez) and seven years for Johnson & Johnson in brand/product management, sales and trade marketing roles in the FMCG and OTC sector. Benedikt Irniger graduated in business administration from the University of St. Gallen (HSG).

LALIQUE DIVISION

Executive Board

SILVIO DENZ
Chairman of the Board of Directors & CEO

ROGER VON DER WEID
Managing Director

CLAUDIO DENZ
Head of Digital

ALEXIS RUBINSTEIN
CFO

ALEXIA ASHWORTH
Head of Marketing

MARC LARMINAUX
Artistic Director and
Head of Design Studio

JEAN-BAPTISTE DE JAHAM
Head of Sales

DENIS MANDRY
Head of Production

The Lalique Division Executive Board comprises the following eight individuals:

NAME	NATIONALITY	PLACE OF RESIDENCE	YEAR OF APPOINTMENT	YEAR OF BIRTH	POSITION
Denz, Silvio	Switzerland/Italy	Switzerland	2007	1956	Chairman and CEO
von der Weid, Roger	Switzerland	Switzerland	2006	1970	Managing Director
Rubinstein, Alexis	France	France	2014	1981	CFO
Mandry, Denis	France	France	2008	1963	Head of Production
Larminaux, Marc	France	France	2013	1976	Artistic Director and Head of Design Studio
De Jaham, Jean Baptiste	France	France	2016	1967	Head of Sales
Ashworth, Alexia	France	France	2005	1978	Head of Marketing
Denz, Claudio	Switzerland/Italy	Switzerland	2011	1988	Head of Digital

For the curricula vitae of Silvio Denz, Roger von der Weid and Claudio Denz see “Board of Directors”.

Rubinstein, Alexis, Group CFO served as Chief Financial Officer of the Lalique division from 2014, before being nominated Group CFO in 2017. Before his commitment to the Group, he worked as a financial auditor specializing in due diligence from 2003 to 2008. Afterwards, Alexis Rubinstein spent over six years as Auditing Director and was working on various consulting missions, particularly in external financial interim management and industrial controlling. He gained a master's degree in finance from IPAG Business School Paris in 2003.

Mandry, Denis, Head of Production, is a French citizen currently residing in France.
Denis Mandry has managed the Lalique crystal factory since February 2008. Prior to taking this position he was employed at the factory in various positions from April 1990, first as Head of Methods and subsequently as manager in charge of the industrialization of products. Prior to joining the Group, Denis Mandry worked as Quality Manager and Purchasing and Logistics Manager at Schneider Industrie Industrielle from 1987 to 1990. Denis Mandry holds an engineering degree from the National School of Engineers, Metz, France.

Larminaux, Marc, Artistic Director and Head of Design Studio, is a French citizen currently residing in France.
Marc Larminaux joined Lalique in 2002 as a Junior Designer, took further responsibilities over the years as a Senior Designer before being appointed Head of Design Studio in 2013 and Artistic Director in 2016. Marc Larminaux previously worked as a Graphic Designer in London for Keenan Design and as a Freelance Digital and Multimedia Designer for UNESCO. He holds a BTS in Ceramics and Glass Design from ENSAAMA (Olivier de Serres), Paris and a master's degree in industrial design from Central Saint Martins College, London.

De Jaham, Jean-Baptiste, Head of Sales, is a French citizen currently residing in France.
Jean-Baptiste De Jaham is Head of Sales, responsible for Lalique's international sales operations. Before joining Lalique in 2016, he worked at Yves Delorme's subsidiary in Charlottesville, USA, as Retail Sales Director (2006 to 2008) and later worked as International Sales Director in Paris (2013 to 2016). Prior to this, he worked as Sales Director and Area Manager for Hermès, Paris, France (1997 to 2006), and as Area Manager for LVMH Group, Paris, France (1991 to 1997). Jean-Baptiste De Jaham holds a degree in finance and marketing from ACI in Paris, France and from Esucomex Santiago, Chile.

Ashworth, Alexia, Head of Marketing, is a French citizen currently residing in France.
Alexia Ashworth is the international Head of Marketing for Lalique Decorative Objects, Interior Design and Jewellery. She joined Lalique in 2005 as Product Manager, took further responsibilities as Head of Operational Marketing before she was appointed international Head of Marketing in January 2014. She previously worked in marketing positions at Christian Dior Couture and Guerlain. Alexia Ashworth holds a master's degree in business law from the University of Paris II Assas Panthéon and graduated from Sciences Po, Paris.

Other activities and vested interests
With the exception of the positions listed above, none of the members of the Executive Board holds any material permanent management or consultancy function or engages in any activities of relevance to corporate governance in:
- governing or supervisory bodies of important organizations, institutions or foundations under private or public law;
- a permanent management or consultancy capacity for important interest groups;
- a public or political office.

Rules in the Articles of Incorporation on the number of permitted activities pursuant to art. 12 para. 1 item 1 of the Ordinance against Excessive Compensation in Listed Stock Companies (OaEC)

The members of the Executive Board may only assume the following maximum number of mandates in management or administrative bodies of entities and organizations subject to the approval of the Executive Chairman: up to two additional mandates in listed entities, up to two mandates in non-listed entities, up to two mandates upon instruction of the Company in entities which are not directly or indirectly controlled by Lalique Group SA, and up to ten mandates in charity organizations, associations or foundations and other non-profit organizations.

Several mandates in different entities under uniform control are considered as one mandate. There is no restriction for mandates in entities which are directly or indirectly controlled by the Company as well as entities which are not obliged to obtain entry in the commercial register or a corresponding foreign register.

Management Contracts
The company has not entered into any management contracts with third parties that fall within the scope of subsection 4.4 of the SIX Directive on Information relating to Corporate Governance.

Compensation, Shareholdings and Loans

In accordance with the Swiss Code of Obligations and the SIX Directive on Corporate Governance, the compensation and shareholdings of members of the Board of Directors, as well as the members of the Executive Board and any loans extended to them, are presented and discussed in the separate "Compensation Report", which is part of the consolidated financial statements of Lalique Group's annual report 2020.

Shareholders' Participation

Voting rights restrictions and representation
Holders of registered shares are registered on request in the Company's share register, subject to their signature of a written statement expressly confirming that they have acquired the shares in their own name and for their own account. All shareholders entered in the share register with voting rights are entitled to attend and vote at the General Meeting of Shareholders. Each registered share entitles the holder to one vote. No restrictions on voting rights exist. Shareholders may arrange to be represented at the General Meeting of Shareholders by a person authorized in writing, the management representative, the independent proxy or a portfolio representative by means of a written power of attorney. No legal quorum is stipulated.

Quorums required by the Articles of Incorporation
Unless otherwise stipulated by mandatory law or by provisions contained in the Articles of Incorporation, the General Meeting of Shareholders passes its resolutions and confirms elections by an absolute majority of the votes represented. Abstentions are disregarded for the purpose of assessing a majority.

Convocation of the general meeting of shareholders
Ordinary General Meetings are convened by the Board of Directors and must be held annually within six months of the close of the Company's fiscal year.

Extraordinary General Meetings shall take place as necessary, in particular in those cases stipulated by law. Those Meetings are called by the Board of Directors or, if necessary, by the auditors or a liquidator.

Invitations to the General Meeting of Shareholders are issued in writing at least 20 days in advance, together with an announcement in the Company's official publication medium, the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt, SHAB/Feuille Officielle Suisse du Commerce, FOSC).

For organizational reasons, only those shareholders entered in the share register on the day before invitations are sent may attend the General Meeting of Shareholders. Shareholders are entitled to receive dividends and to lay claim to the rights stipulated in the Swiss Code of Obligations.

Inclusion of items on the agenda
The invitation to the General Meeting contains the agenda items, petitions by the Board of Directors and petitions by shareholders who have convened the General Meeting or requested the inclusion of an item in the agenda.

Entries in the share register
Shareholders will be registered with a right to vote in the share register of Lalique Group SA until the record date set by the Board of Directors for each shareholders' meeting. The register date for the Ordinary General Meeting is specified in the invitation and is set approximately two weeks before the meeting. Only shareholders who hold shares registered in the share register with a right to vote at a certain date—or their representatives—are entitled to vote. Unless other cut-off dates are stipulated by the Board of Directors, no entries in the share register are permitted as from the date of dispatch of the invitations to the General Meeting until the day after the date of the meeting.

Changes of control and defence measures

Duty to make an offer
According to the Swiss Financial Market Infrastructure Act (FMIA), shareholders or a group of shareholders acting in concert who acquire more than 33.3% of the voting rights of a company domiciled in Switzerland and listed on an exchange in Switzerland are required to issue a public offer to acquire all listed equity securities of that company.

The Articles of Incorporation of Lalique Group SA do not allow for an opting-up or opting-out clause.

Clauses on changes of control
There are no change-of-control agreements with members of the Board of Directors or the Management Board or other executives.

Auditors

Duration of the mandate and term of office of the lead auditor
The General Meeting of Lalique Group SA appointed Deloitte AG (CHE-101.377.666) in Zurich as its statutory auditor for the first time in 2020 after the mandate had been with Ernst & Young previously. According to the Articles of Incorporation of the Company, the auditors must be reappointed or confirmed each year by the General Meeting. Christian Krämer, a Swiss certified accountant, is the lead auditor and held this position for the audit of the 2020 financial statements.

Auditing fees
The fees of Deloitte AG for professional services related to the audit of the Group's annual accounts for the year 2020 were CHF 309 000. This amount includes fees for the audit of Lalique Group SA and its subsidiaries, and of the consolidated financial statements.

Information instruments pertaining to the external audit
Supervision and control of auditors' performance is exercised by the whole Board of Directors. Before the interim audit, auditors prepare an audit plan. Based on an analysis of current business and audit risks, the main points to be audited are proposed in this plan. The scope of the audit is defined in an engagement letter.

The report on the final audit for the annual financial statement is dispatched to all members of the Board of Directors after the end of each reporting year. It is discussed with the auditors prior to approval of the annual report.

Auditors' direct access to the Board of Directors is guaranteed at all times. The auditor meets with the executive member of the Board of Directors and CEO during the year on an ad-hoc basis.

Information policy

Lalique Group undertakes to pursue an open, transparent and consistent information policy, publishing half-year and annual results in compliance with the requirements of the SIX Swiss Exchange. In addition to the detailed information published in conjunction with the General Meeting of Shareholders, the company also provides information on current events and developments through press releases, which are archived on the company website at www.lalique-group.com. As a company listed on SIX Swiss Exchange, Lalique Group complies with the rules governing ad-hoc publicity, i.e. it is obligated to disclose potentially price-sensitive events and developments. The CEO is responsible for communication with investors.

The official publication medium of Lalique Group is the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt, SHAB/ Feuille Officielle Suisse du Commerce, FOSC).

E-mails can be sent to investor-relations@lalique-group.com at any time.

Events calendar
- Annual General Meeting: 28 May 2021
- Publication of Half-Year Results 2021: 15 September 2021

LALIQUE
GROUP

Annual Report 2020

Consolidated Financial Statements

Consolidated Financial Statements Lalique Group

Management Comment

In 2020, the Covid-19 pandemic had a very adverse impact on Lalique Group's business across all segments and its main markets. After the first global lockdowns in spring 2020, sales trends improved temporarily. However, further lockdowns towards the end of the year led to another partial weakening of sales. After experiencing a 30% decrease in sales in the first half of 2020, Lalique Group closed the full year 2020 with operating revenue of EUR 110.7 million, corresponding to a reduction of 23%. In local currencies, the decline in sales was 24%.

The protective measures introduced to combat the pandemic and the subsequent temporary closure of shops in most international markets impacted primarily on the retail business during the year, while the wholesale business was less severely affected. The Group's gastronomy operations had to remain closed for more than four months in total. Lalique Group recorded an increase in online sales; in the perfume business, the online component of total sales doubled to around 8% overall, while online sales of Lalique crystal increased to 8% of retail sales.

On the cost side, Lalique Group took a series of measures immediately after the outbreak of the pandemic to maintain the company's capital and liquidity position and to achieve savings. The Group also introduced short-time working or equivalent support measures for the majority of employees at its head office in Zurich and in all its locations in France, as well as in its international sales network. This helped to partly offset the lower level of sales.

Personnel costs decreased by 19% to EUR 28.7 million in 2020. Other operating expenses fell by 24% to EUR 22.9 million compared to the previous year. They include a litigation provision of EUR 2.4 million related to long-running legal proceedings in France, where the Court of Cassation in Paris annulled a decision reached by the Court of Appeal in 2018 and has called for a reassessment of the legal situation. In 2019, other operating expenses had included EUR 1.2 million of one-off costs in connection with the acquisition of a 50% stake in the Scottish whisky distillery The Glenturret. Depreciation, amortisation and value adjustments increased by 36% to EUR 20.2 million compared to 2019 and include the non-cash impairment charge of EUR 4.3 million before tax on Lalique's brand value that was recognized in the first half of 2020.

Earnings before interest and taxes (EBIT) totalled EUR -12.6 million in 2020, compared to EUR 1.4 million in the previous year. Excluding the litigation provision and the brand impairment charge, EBIT for 2020 was EUR -5.9 million. This compares with EUR 2.6 million in the previous year, adjusted for the one-off costs in connection with the acquisition of a 50% stake in The Glenturret. Net Group profit was EUR -15.0 million in 2020, compared to EUR 1.1 million in the previous year, which included a positive effect of EUR 2.9 million that was attributable to the Swiss corporate tax reform.

Lalique Group continues to have a solid liquidity and capital position with an equity ratio of 46.2% at the end of 2020, compared to 50.1% at the end of 2019.

Segment results and adjusted segment structure
Lalique Group has adjusted the segment structure for its financial reporting as follows: The brand The Glenturret, which was previously reported under 'Other brands', is now managed in a dedicated segment. The 'Parfums Grès' brand is now included in the segment 'Other brands'.

The Lalique segment recorded sales of EUR 65.9 million in 2020, down 19% compared to the previous year. Sales decreased by 25% in the perfume business and by 15% in the crystal business; the segment's two main areas of business were thus able to offset part of the significant decline in sales in the first half of the year of 51% and 21%, respectively. The decline in sales at Lalique boutiques was partly offset by higher sales via Lalique's own online channels as well as with online merchants. The segment's costs before the brand impairment charge and the litigation provision decreased by 19%. EBIT totalled EUR -6.6 million before the two exceptional items, or EUR 13.3 million including these items (prior year: EUR 6.9 million).

Ultrasun achieved sales of EUR 14.8 million in 2020, representing a 32% decrease compared to the previous year. Over the year as a whole, the business was strongly impacted by the Covid-19 situation. In addition to the general lockdown measures that affected sales, this was also attributable to the fact that restrictions on holiday travel led to a significant fall in the purchase of sunscreen products in Ultrasun's main markets throughout the year. Costs were reduced by 15%. Profitability at EBIT level was EUR 0.9 million (prior year: EUR 4.1 million).

In the Jaguar Fragrances segment, sales declined by 32% to EUR 15.9 million. However, with EBIT of EUR 2.0 million (EBIT margin: 13%), the top-selling perfume brand in Lalique Group's portfolio remained very profitable (previous year: EUR 3.6 million).

The Glenturret segment recorded a 30% reduction in sales to EUR 1.3 million and an EBIT of EUR 2.5 million (previous year: EUR -1.8 million) due to the corona pandemic, after the launch of the new whisky range had to be delayed until the autumn of 2020 and the visitor centre had to close in March 2020 as a result of the lockdown and remained closed for the rest of the year.

Among the other brands, Bentley Fragrances saw sales decline by 5%, and Parfums Samouraï recorded a decrease of 21%. At Parfums Grès, sales were down by 23%. The perfume filling and logistics operation Lalique Beauty Services recorded a 14% reduction in sales during the reporting year, with lower capacity utilisation in the area of perfumes being partly offset by the production of hand sanitisers for third-party clients.

Outlook

There is continued uncertainty surrounding the further development of the corona pandemic and its impacts on the economic environment and on Lalique Group's business, even if the ongoing rollout of vaccination programmes in the course of 2021 should essentially lead to improvements in the situation. There are likely to be further regional differences in terms of the rate and scale of the economic recovery, which Lalique Group will consider when prioritising activities and projects.

In the first quarter of 2021, against the backdrop of the ongoing Covid-19 situation, Lalique Group saw solid sales trends with growth compared to the prior-year period. Excluding unforeseeable events or a renewed escalation of the pandemic, Lalique Group expects to generate double-digit sales growth in percentage terms for the full year 2021 compared to 2020, although revenue for 2021 is likely to be slightly be-low the pre-pandemic level recorded in 2019.

In the current year, Lalique Group will continue to exercise strict cost management that is aligned with the development of sales. At the same time, the Group is moving ahead with selected product launches and projects. In March 2021, for example, the first fragrance created under the exclusive Brioni licence was successfully launched. The reopening of The Glenturret distillery to the public, together with its visitor centre, café and shop in a new Lalique design, is planned for end-April 2021, while the new Lalique fine-dining restaurant headed by Michelin-starred chef Mark Donald will open in late June 2021. In the case of Ultrasun, we are currently working on new product formulas that will drive increased demand in Asian markets, especially in China, from autumn 2021. Finally, we are planning to expand our online activities and distribution via online merchants for all segments.

Lalique Group will continue to systematically pursue its diversification strategy to address a broad client base in the luxury good sector. From today's perspective, the Group anticipates that the Covid 19 situation will lead to a delay of around two to three years in the achievement of its mid-term profitability targets.

Lalique Group

Lalique Group is a niche player in the creation, development, marketing and global distribution of luxury goods. Its business areas comprise perfumes, cosmetics, crystal, jewellery, high-end furniture and lifestyle accessories, along with art, gastronomy and hospitality as well as single malt whisky. Founded in 2000, the company employs around 680 staff and has its headquarters in Zurich. The Lalique brand, from which the Group derives its name, was created in Paris in 1888 by the master glassmaker and jewellery designer René Lalique. The registered shares of Lalique Group SA (LLQ) are listed on the SIX Swiss Exchange.

Consolidated Income Statement

IN EUR THOUSANDS	REF.	2020	2019
Revenue from contracts with customers	4	109 154	141 795
Other operating income	5	1 573	1 679
Revenue and other operating income		**110 727**	**143 474**
Material costs, licences and third-party services	6	–51 600	–61 703
Gross result		**59 127**	**81 771**
Salaries and wages	7	–28 659	–35 521
Other operating expenses	8	–22 868	–30 034
EBITDA		**7 600**	**16 216**
Depreciation and amortization/impairment[1]	16/17	–20 167	–14 829
EBIT		**–12 567**	**1 387**
Financial income	9	68	61
Financial expenses	9	–1 258	–1 887
Net foreign exchange differences	9	–1 268	–105
Group loss before taxes		**–15 025**	**–544**
Income taxes	10	–1	1 637
NET GROUP LOSS/PROFIT		**–15 026**	**1 093**
of which attributable to:			
Non-controlling interests	27	–2 402	–2 351
Owners of the parent company		–12 624	3 444
Earnings per share basic/diluted (in EUR)	11	–1.76	0.52

[1] Including an impairment of EUR 4 320 thousand on Lalique Brand (Note 16) and the net result on early termination of lease contracts amounting to EUR –500 thousand in 2020.

Consolidated Statement of comprehensive Income

IN EUR THOUSANDS	REF.	2020	2019
NET GROUP LOSS/PROFIT		**–15 026**	**1 093**
Foreign currency translation		–2 419	3 717
Items that may be reclassified subsequently to the income statement, net of tax		**–2 419**	**3 717**
Remeasurements of pension plans	19	99	–571
Tax on remeasurements of pension plans		–23	104
Items that will not be reclassified subsequently to the income statement, net of tax		**76**	**–467**
Other comprehensive income, net of tax		**–2 343**	**3 250**
TOTAL COMPREHENSIVE INCOME		**–17 369**	**4 343**
of which attributable to:			
Non-controlling interests		–3 493	–1 754
Owners of the parent company		–13 876	6 097

Consolidated Balance Sheet

ASSETS

IN EUR THOUSANDS	REF.	31.12.20	31.12.19
Cash and cash equivalents	12	66 697	48 845
Trade accounts receivable	13	15 101	21 070
Inventories	14	77 987	82 790
Other receivables	15	7 957	9 679
Total current assets		**167 742**	**162 384**
Intangible assets	16	84 818	93 031
Property, plant and equipment	17	76 671	77 915
Financial assets	18	650	–
Other non-current assets	18	5 451	5 459
Deferred tax assets	25	3 867	4 025
Total non-current assets		**171 457**	**180 430**
TOTAL ASSETS		**339 199**	**342 814**

LIABILITIES AND EQUITY

IN EUR THOUSANDS	REF.	31.12.20	31.12.19
Bank overdrafts	2	44 271	41 623
Trade accounts payable		17 614	15 953
Current provisions	22	2 526	–
Income tax liabilities		927	1 737
Other current liabilities	20	20 197	31 667
Total current liabilities		**85 535**	**90 980**
Other non-current liabilities	21	2 460	4 149
Non-current provisions	22	517	159
Non-current financial liabilities	23	58 923	36 947
Defined benefit obligation	19	5 427	5 712
Deferred tax liabilities	25	11 524	12 687
Total non-current liabilities		**78 851**	**59 654**
Total liabilities		**164 386**	**150 634**
Share capital	26	1 204	1 204
Capital reserves	26	85 378	85 378
Retained earnings/other reserves	26	70 036	85 276
Total equity attributable to owners of the parent company		**156 618**	**171 858**
Non-controlling interests	27	18 195	20 322
Total equity		**174 813**	**192 180**
TOTAL LIABILITIES AND EQUITY		**339 199**	**342 814**

Consolidated Cash Flow Statement

IN EUR THOUSANDS	REF.	2020	2019
Group loss before taxes		–15 025	–544
Depreciation and amortization/impairment[1]	16/17	21 374	16 048
Early termination of lease contracts		500	72
Change in defined benefit obligation		–305	177
Change in provisions	22	2 885	–53
Financial income	9	–68	–61
Financial expenses	9	1 258	1 887
Net foreign exchange differences	9	1 268	105
Other non-cash income/expenditure		–39	15
Cash flow from operations before change in net current assets		**11 848**	**17 646**
Decrease (+)/increase (-) in trade accounts receivable		5 836	–2 813
Decrease (+)/increase (-) in inventories		4 034	–1 114
Decrease (+)/increase (-) in other receivables		1 131	–1 503
Increase (+)/decrease (-) in trade accounts payable		1 888	1 467
Increase (+)/decrease (-) in other non-financial current liabilities		–3 918	–1 133
Interest paid		–830	–1 236
Tax paid		–1 308	–1 870
Interest received		9	3
Cash flow from operating activities		**18 690**	**9 447**
Investments in subsidiaries net of cash acquired		–	–29 003
Investments in property, plant and equipment	17	–7 636	–7 764
Investments in other non-current assets	18	–	–108
Sale of property, plant and equipment	17	100	297
Investments in intangible assets	16	–929	–823
Net cash flow financial assets		–647	–
Cash flow from investing activities		**–9 112**	**–37 401**
Capital contribution from shareholders	26	–	42 212
Capital contribution from NCI shareholders	27	–	20 780
Reduction in shareholder loans		–9 345	–13 488
Receipt of/increase in shareholder loans		–	22 255
Receipt of/increase in NCI shareholder loans		2 775	835
Repayment of short-term loan of Glenturret Limited	27	–	–7 281
Purchase of treasury shares		–	–551
Net cash flow from bank overdrafts	23	2 609	–1 264
Repayment of principal amount of lease liabilities	23	–7 956	–8 759
Repayments/outflows other current financial liabilities	23	–2 296	–3 000
Proceeds/inflows other current financial liabilities	23	204	–
Repayments/outflows other non-current liabilities	23	–79	–1 465
Proceeds/inflows other non-current liabilities	23	23 913	12 716
Dividend payment	2	–	–2 657
Cash flow from financing activities		**9 825**	**60 333**
Exchange differences on cash and cash equivalents		–1 551	1 130
DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS		**17 852**	**33 509**
Balance of cash and cash equivalents as at 01.01.	12	48 845	15 336
Balance of cash and cash equivalents as at 31.12.	12	66 697	48 845

[1] Including an impairment of EUR 4 320 thousand on Lalique Brand in 2020 (Note 16)

Consolidated statement of changes in equity

IN EUR THOUSANDS	SHARE CAPITAL	CAPITAL RESERVES	TREASURY SHARES	ACCUMU-LATED FOREIGN CURRENCY TRANS-LATION	RETAINED EARNINGS	TOTAL EQUITY OWNER OF PARENT	NON-CON-TROLLING INTERESTS	TOTAL EQUITY
BALANCE AS AT 01.01.2019	**988**	**46 039**	**–**	**–3 217**	**82 947**	**126 757**	**1 296**	**128 053**
Net Group profit	–	–	–	–	3 444	3 444	–2 351	1 093
Foreign currency translation	–	–	–	3 135	–	3 135	582	3 717
Remeasurement IAS 19 (incl. tax)	–	–	–	–	–482	–482	15	–467
Other comprehensive income	–	–	–	3 135	–482	2 653	597	3 250
Total comprehensive income	**–**	**–**	**–**	**3 135**	**2 962**	**6 097**	**–1 754**	**4 343**
Dividend payout	–	–2 657	–	–	–	–2 657	–	–2 657
Capital contribution from shareholders	216	41 996	–	–	–	42 212	–	42 212
Contribution from NCI/ acquisition	–	–	–	–	–	–	20 780	20 780
Purchase of treasury shares	–	–	–551	–	–	–551	–	–551
BALANCE AS AT 31.12.2019	**1 204**	**85 378**	**–551**	**–82**	**85 909**	**171 858**	**20 322**	**192 180**
BALANCE AS AT 01.01.2020	**1 204**	**85 378**	**–551**	**–82**	**85 909**	**171 858**	**20 322**	**192 180**
Net Group profit	–	–	–	–	–12 624	–12 624	–2 402	–15 026
Foreign currency translation	–	–	–	–1 325	–	–1 325	–1 094	–2 419
Remeasurement IAS 19 (incl. tax)	–	–	–	–	73	73	3	76
Other comprehensive income	–	–	–	–1 325	73	–1 252	–1 091	–2 343
Total comprehensive income	**–**	**–**	**–**	**–1 325**	**–12 551**	**–13 876**	**–3 493**	**–17 369**
Acquisition of non-controlling interests	–	–	–	–	–1 366	–1 366	1 366	–
BALANCE AS AT 31.12.2020	**1 204**	**85 378**	**– 551**	**–1 407**	**71 994**	**156 618**	**18 195**	**174 813**

Further details on equity movements can be found in Note 26, Note 27, and regarding capital management in Note 2.

Notes to the consolidated financial statements

1. INFORMATION ON THE COMPANY

These Consolidated Financial Statements of Lalique Group SA and its subsidiaries (collectively, the Group or Lalique Group) for the year ended 31 December 2020 were approved by the Board of Directors on 19 April 2021 and recommended for approval by the General Meeting of Shareholders on 28 May 2021.

Lalique Group SA (the Company or the parent) was formed on 14 April 2000 in Switzerland. The parent is domiciled at Grubenstrasse 18, Zurich.

Lalique Group is a niche player in the luxury goods industry with an international presence and a global reach. It specializes in the creation, development, production, marketing and global distribution of perfumes, cosmetics, crystal glass, jewellery, high-end furniture and lifestyle accessories, as well as art and high-end single malt whisky. The Group has established itself as a brand builder developing tailored brand concepts focusing on specific target markets.

In addition to its headquarters in Zurich, Switzerland and Paris, France, the Group has a manufacturing site for perfumes in Ury, France, one for crystal in Wingen-sur-Moder, France and a whisky distillery in Crieff near Edinburgh, Scotland. The Group also maintains representative offices in the United Kingdom, Germany, the United States, China, Japan and Singapore.

2. ACCOUNTING POLICIES

The Consolidated Financial Statements of Lalique Group are prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the IASB.

The accounts are prepared on a historical cost basis.
The Consolidated Financial Statements of Lalique Group are presented in euros (EUR). Unless otherwise stated, all figures have been rounded to the nearest EUR thousand.

New accounting policies
The IASB has published the following new amendments to existing standards and interpretations that are effective for the 2020 financial statements:

STANDARD/ INTERPRETATION	DESIGNATION	EFFECTIVE DATE
IAS 1 and IAS 8	Definitaion of material	1 January 2020
IFRS 9, IAS 39 and IFRS 7	Financial Instruments (“IBOR”-Phase 1)	1 January 2020
IFRS 3	Business Combinations	1 January 2020
	Conceptual Framework for Financial Reporting	1 January 2020
IFRS 16	Leases (Covid-19 Related Rent Concessions)	1 June 2020

Impact of the Covid-19 pandemic and Amendments to IFRS 16 (Covid-19 Related Rent Concessions)
At the beginning of 2020 the novel coronavirus (Covid-19) was first discovered in China and started spreading internationally, triggering an economic downturn. Lalique Group's business was visibly affected across all the Group’s segments, particularly in the first half of 2020. In response to the pandemic, one of the Group’s top priorities consisted in cutting costs and preserving cash to compensate as far as possible for lost sales. In addition, the Group negotiated cost reductions and deferrals, e.g. for lease payments, which is reflected in the Group Consolidated Financial Statements. The Group benefited as well from governmental support schemes, such as furlough.

In line with IFRS, the Group reviews its intangible assets with indefinite useful lives (e.g. goodwill and brand values) at least annually for impairment or whenever events or changes in circumstance indicate that the asset’s balance sheet carrying amount may not be recoverable. Due to the Covid-19 pandemic impairment tests were performed in accordance with accounting principles (see Note 16).

The Group continuously monitors these developments and the possible implications for its intangible assets, as impairment charges could have a materially adverse impact on Lalique Group’s operating results and financial standing in the future.

In May 2020, the IAS Board issued an amendment to IFRS 16 providing lessees with an exemption from assessing whether a Covid-19-related relief of lease obligations is a lease modification, requiring lessees that apply the exemption to account for Covid-19-related rent concessions as if they were not lease modifications. Lalique Group adopted this amendment applying it for the full year in 2020. The exemption applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and subject to certain conditions. In 2020 the Group recognized a net relief of lease obligations of EUR 593 thousand presented as a lease reduction (expense reduction).

Amendments to IAS 1 and IAS 8 (Definition of Material)
Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of the Group, nor is there expected to be any future impact.

Amendments to IFRS 9, IAS 39 and IFRS 7 (Interest Rate Benchmark)
The amendments to IFRS 9 and IAS 39 (Financial Instruments: Recognition and Measurement) provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IFRS 3 (Definition of a Business)
The amendment to IFRS 3 (Business Combinations) clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Conceptual Framework for Financial Reporting (issued on 29 March 2018)
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Other changes in IFRS that became effective on 1 January 2020 had no impact on these Group Consolidated Financial Statements.

Standards published but not yet effective
The following new or revised IFRS interpretations have been published but will only enter into force at a later date and were not applied early in the present consolidated financial statements. A final analysis of their impact on the consolidated financial statements of the Group has not yet been made.

STANDARD/INTERPRETATION	DESIGNATION	EFFECTIVE DATE	PLANNED APPLICATION BY LALIQUE GROUP
IFRS9/IAS 39/IFRS 7/ IFRS 4/IFRS 16	Interest Rate Benchmark Reform “IBOR”—Phase 2	1 January 2021	2021 business year
IFRS 3	Business Combinations (Reference to the Conceptual Framework)	1 January 2022	2022 business year
IAS 16	Property, Plant and Equipment (Proceeds before Intended Use)	1 January 2022	2022 business year
IAS 37	Onerous Contracts (Costs of Fulfilling a Contract)	1 January 2022	2022 business year
IFRS 1	First-time Adoption of International Financial Reporting Standards (Subsidiary as a first-time adopter)	1 January 2022	2022 business year
IFRS 9	Financial Instruments (Fees in the ‘10 per cent’ test for derecognition of financial liabilities)	1 January 2022	2022 business year
IAS 41	Agriculture (Taxation in fair value measurements)	1 January 2022	2022 business year
IFRS 17	Insurance Contracts—including amendments to IFRS 16	1 January 2023	2023 business year
IAS 1	Presentation of Financial Statements (Amendments to Classification of Liabilities as Current or Non-current including Deferral of Effective Date	1 January 2023	2023 business year

Consolidation principles and consolidated companies
The Consolidated Financial Statements comprise the financial statements of Lalique Group SA and its subsidiaries as at 31 December of each financial year. The accounts of the subsidiaries are prepared using standard accounting policies and presented on the same balance sheet date as those of the parent company.

Subsidiaries are fully consolidated from the date of acquisition, i.e. from the date on which the Group effectively obtains control of the company concerned. Control is deemed to have been obtained when the following three principal criteria have been met: the Group has power over the company, the Group is exposed or has rights to variable returns from its involvement with the company, and the Group has the ability to affect those returns through its power over the company.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The entities are deconsolidated as soon as control ceases. All intra-Group balances, revenues and expenses, and unrealized gains and losses from intra-Group transactions are fully eliminated.

The Group accounts for common control business combinations by applying the pooling of interest method. The assets and liabilities of the acquired business are reflected at their carrying amounts recognized by the parent. No new goodwill is recognized as a result of such a business combination. Instead, the difference between the amount of consideration transferred and the net assets received is recognized in equity. In addition, the business combinations are accounted for prospectively from the date on which consolidation occurred, without a restatement of the prior period's information and the equity reserves of the transferred business are not carried over but adjusted against retained earnings.

Business combinations, other than businesses under common control, are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value on the acquisition date, including any non-controlling interests. For each business combination, the acquirer measures the non-controlling interest in the acquiree, either at fair value or at the proportionate share of the acquiree's identifiable net assets. Costs incurred in the course of a business combination are recognized as expenses.

A joint venture is an arrangement whereby the parties that have joint control have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its joint venture is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

Foreign-currency translation
The functional currency of the parent company Lalique Group SA is Swiss francs (CHF). Although the Consolidated Financial Statements are presented in euros (EUR), because the euro is the currency in which most revenue and costs of the Group occur, and the main part of the Group's assets and liabilities are in EUR. Each of Lalique Group's subsidiaries determines its own functional currency based on the primary economic environment in which it operates.

Transactions denominated in foreign currencies are translated at the exchange rate applicable at the time of the transaction. Monetary balance sheet items are translated at the year-end rate, with any currency gains/losses recognized directly in the income statement. Non-monetary balance sheet items are translated at the historical rate.

For the purpose of preparing the Consolidated Financial Statements, with regard to the annual accounts of all subsidiaries whose functional currency is not EUR, the assets and liabilities are translated at the year-end rate, whereas the income statement items are translated at the average rate for the year. Currency translation differences are recognized in other comprehensive income and accumulated in equity under “Capital reserves”; in the case of loss of control over a subsidiary, such differences are reclassified to the income statement.

The following EUR exchange rates were used:

	2020	2019
CHF		
Year-end rate (balance sheet)	0.9221	0.9196
Average rate for the year (income statement)	0.9345	0.8990
USD		
Year-end rate (balance sheet)	0.8141	0.8929
Average rate for the year (income statement)	0.8770	0.8932
GBP		
Year-end rate (balance sheet)	1.1054	1.1711
Average rate for the year (income statement)	1.1250	1.1405
HKD		
Year-end rate (balance sheet)	0.1050	0.1147
Average rate for the year (income statement)	0.1131	0.1140
SGD		
Year-end rate (balance sheet)	0.6146	0.6618
Average rate for the year (income statement)	0.6356	0.6547
CNY		
Year-end rate (balance sheet)	0.1247	0.1277
Average rate for the year (income statement)	0.1270	0.1294
JPY		
Year-end rate (balance sheet)	0.0079	0.0082
Average rate for the year (income statement)	0.0082	0.0082

Risks arising from currency fluctuations are explained in greater detail in the section entitled “Financial risk management”.

Significant judgements, estimates and assumptions

All estimates and assumptions are reviewed on an ongoing basis and are based on past experience and expectations concerning future events that appear reasonable given the circumstances. Naturally, the resulting estimates often depart from the subsequent actual circumstances. The key estimates and assumptions that may cause volatility with regard to the carrying amounts of assets and liabilities in the coming financial year are discussed below.

Impairments on intangible assets

Lalique Group reviews its intangible assets (e.g. brand values) annually for impairment in accordance with accounting principles, a process which requires that the underlying cash-generating units (CGUs) be assessed. Lalique Group has established itself as a brand builder with several brands in its portfolio. As such, the financial information reported is allocated and managed on the basis of these brands and CGUs. Estimated factors such as volumes, selling prices, sales growth, gross profit margins, operating costs, as well as investments, market conditions and other economic factors are based on assumptions that management regards as reasonable. A planning period of five years is normally used for brand impairment tests.

The Group's CGUs all have significant headroom with the exception of "Lalique", to which an intangible brand asset of EUR 38.868 million is allocated as at 31 December 2020. The assessment of the recoverable amount of the Lalique brand allocated to the Lalique CGU is most sensitive to the achievement of the estimated future cash flows. Whilst the Group is able to manage most of Lalique's costs, the revenue projections are inherently uncertain due to the increased economic uncertainty—especially, in the CGU's retail business—following the Covid-19 pandemic. Revenue of the Lalique CGU is most sensitive to the development of the Covid-19 pandemic and its latest geographical expansion in Asia. It is possible that an underperformance may occur in the planning period if the sales further slow down.

Further details on this subject can be found in Note 16.

Pension schemes

The expense from defined post-employment benefit plans is determined on the basis of actuarial calculations. The actuarial evaluation is carried out on the basis of assumptions regarding discount rates, future increases in wages and salaries, mortality and future pension increments. Due to the long-term nature of such plans, these estimates are subject to material uncertainties. Further details on this subject can be found in Note 19.

Provisions

Provisions are recognized whenever Lalique Group has a legal or constructive obligation arising from a past event, the future settlement of which will probably lead to an outflow of funds that can be reliably determined. Restructuring costs are charged to the operating result of the period in which management undertakes to carry out the restructuring, insofar as the costs can be estimated with sufficient reliability and the measures were specified and communicated satisfactorily. Further details on this subject can be found in Note 22.

Leases

The application of IFRS 16 requires the Group to make judgments that affect the valuation of the lease liabilities and the valuation of right-of-use assets (see Note 24). These include determining the contract term and the interest rate used for discounting of future cash flows. The Group has a number of contracts that include extension or termination options. The Group applies judgement in determining whether it is reasonably certain to exercise an extension option and not to exercise a termination option.

The Group cannot readily determine the interest rate implicit in the lease, therefore it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR, using the credit spread of Lalique Group SA received for commercial financing adjusted by the specific duration and country risk factor of each contract, observed on country bond valuations of the period when the lease contract commences or is modified.

Consolidation of Glenturret Holding SA and its subsidiaries

Lalique Group SA holds 50% of Glenturret Holding SA's voting rights since 2019. The remaining 50% is held by another investor. Nevertheless, the Group considers that it controls Glenturret Holding SA (and its 100% subsidiary Glenturret Ltd) because the Group has the right to nominate the Chairman of the Board and also the Executive Management, which is responsible for the management of Glenturret Ltd and as a result has the right to direct its relevant activities based on the agreement with the other investor.

Accounting and valuation principles

Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. On-invoice rebates are offset against the amounts payable by the customer. The Group has concluded that it acts as a principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

The Group provides a few retrospective off-invoice volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the Group applies the most-likely-amount method for contracts with a single-volume threshold and the expected-value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future rebates.

The Group also enters into trademark licence and royalty arrangements, in accordance with which a customer is required to pay a sales-based royalty of a certain percentage of its gross sales associated with the trademark. The Group determined that an output-based measure is an appropriate measure of progress and applies the right-to-invoice practical expedient because the royalties due for each period correlate directly with the value to the customer of the Group's performance for each period. The Group recognizes revenue from the sales-based royalty when the customer's subsequent sales occur.

Property, plant and equipment

Property, plant and equipment are stated at acquisition cost or manufacturing cost, net of accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of each asset. The individual categories of property, plant and equipment are depreciated as follows:

Land	No depreciation
Buildings	30–50 years
Equipment and furnishings	3–15 years
Machinery, equipment and hardware	3–5 years
Tools	3–20 years
Vehicles	3–5 years

An item of property, plant and equipment is derecognized either on disposal or when no future economic benefits are expected from the use or disposal of the asset. The resulting gain or loss from the disposal of the asset is determined as the difference between the net proceeds from the disposal and the carrying amount of the asset and is recognized in the income statement under other operating income in the period in which the asset was derecognized.

Residual values, useful lives and depreciation methods are reviewed at the end of each financial year and adjusted as appropriate.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

• *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases on low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease term includes the non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise its option. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the payment of penalties for terminating the lease if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments).

The Group's right-of-use assets and lease liabilities are included in property, plant and equipment and other current liabilities and non-current financial liabilities, respectively.

Intangible assets

• *Intangible assets with finite useful lives*
Individually acquired intangible assets are measured at their acquisition cost on initial recognition. Thereafter, they are amortized over their estimated useful lives. Lalique Group does not possess any internally generated intangible assets. The individual intangible asset categories are amortized as follows:

Creations	Using the straight-line method over three to five years
Software	Using the straight-line method over three to five years
Licence rights	Licence rights are amortized on a straight-line basis over the contractual term or the useful life. Amortization is recognized under licence expenses.

Residual values, useful lives and amortization methods are reviewed at year-end and adjusted as appropriate.

• *Intangible assets with an indefinite useful life*
Costs related to acquired brands are capitalized and not amortized (see Note 16). The indefinite useful lives of brands stem from the fact that brands continuously benefit from a high degree of international recognition in the relevant markets. As such, brand rights are not amortized, but tested for impairment annually or whenever there is an indication that the brand may be impaired. Their classification as "intangible assets with indefinite useful lives" is reviewed each year.

Collectibles

Occasionally the Group acquires collectibles—such as drawings, unique perfume flacons and other pieces of art—for administrative and aesthetic reasons. At initial recognition the Group measures a collectible at cost. Subsequently, the Group measures the collectible using the cost model. Because at initial recognition the residual value of a collectible is generally close to its purchase price, the depreciable amount for a collectible is generally negligible.

The collectibles do not generate cash inflows largely independent of those from other assets. Therefore, the Group tests these collectibles for impairment on the level of the cash-generating unit to which they relate, or as corporate assets.

The collectibles are presented in the balance sheet as other non-current assets.

Borrowing costs

Borrowing costs are recognized as expenses in the period in which they are incurred.

Impairment of non-financial assets

At each balance sheet date, the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset as the higher of its fair value less costs of disposal and its value in use. If the carrying amount of the asset exceeds its recoverable amount at year-end, the carrying amount is reduced to its recoverable amount. The impairment loss is recognized in the income statement.

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus—in the case of a financial asset not at fair value through profit or loss—transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Virtually all of the Group's financial assets are recognized at amortized cost. Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the income statement when the asset is derecognized, modified or impaired.

A financial asset is derecognized when the contractual rights to the cash flows from the asset have expired or when the Group has transferred these rights, including all risks and rewards of ownership.

Impairment of financial assets

Virtually all the Group's financial assets are trade receivables with no financing component and have maturities of less than 12 months at amortized cost and, as such, the Group applies a simplified approach for expected credit losses (ECL). Therefore, the Group does not track changes in credit risk, but instead, recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Inventories

Inventories are measured at the lower of cost and the net realizable value. The cost of purchased inventories is measured on the basis of the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. All costs incurred in bringing inventories to their present location and condition are recognized in the balance sheet as raw materials, components, advertising materials, finished goods and trading goods.

Cash and cash equivalents

Cash and cash equivalents include cash in bank accounts and in hand as well as short-term deposits with a maturity of less than three months, which are subject to an insignificant risk of changes in value. These are carried at their nominal value.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and lease liabilities.

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as financial expenses in the income statement.

A financial liability is derecognized when it is paid off, cancelled or has expired.

Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematiac basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

The Group accounts for the benefit of a government guarantee, resulting in a bank loan at a below-market interest rate, as a government grant. For finance provided at below-market rates, the fair value is determined by reference to the relative fair value of the debt when fair valued in the absence of the government's guarantee.

Provisions

Provisions are created when the Group has a present (legal or constructive) obligation arising from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably. If the effect of time value of money is material, provisions are discounted at a gross (i.e. pre-tax) interest rate that reflects, when appropriate, the risks specific to the liability. The provisions are measured on the basis of best estimates, taking into account the material risks and uncertainties.

Restructuring provisions

Restructuring provisions are recognized only when the Group has a constructive obligation, which is when there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline and the employees affected have been notified of the plan's main features.

Contingent liabilities

Contingent liabilities for which an outflow of resources is not regarded as probable are not recorded in the balance sheet. However, the contingent liabilities existing as at the balance sheet date are disclosed in the Note 29.

Pension plans

Besides statutory social insurance, the companies of Lalique Group maintain various employee benefit plans in accordance with the local regulations and customs in the respective countries. These are funded either by means of contributions to legally independent foundations and establishments or by recognition as provision for employee benefit plans in the accounts of the relevant companies.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation on the balance sheet date, less the fair value of the plan assets. The present value of the defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds which have terms to maturity approximating the average duration of the related pension liability.

Service costs, comprising current service costs, past service costs and gains and losses on curtailments and non-routine settlements of a plan, are recognized within salaries and wages in the income statement. Net interest is calculated by multiplying the net defined benefit pension obligation or asset by the discount rate and is also recognized within salaries and wages in the income statement. Remeasurements, comprising actuarial gains and losses arising from changes/adjustments to previous actuarial assumptions, the effect of the asset ceiling, with the exception of the amounts included in net interest on the net defined benefit obligation and the return on plan assets (excluding amounts included in net interest on the net defined benefit obligation), are recognized immediately in the balance sheet with the corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the income statement in subsequent periods.

Income taxes

Current income tax liabilities and any claims for reimbursement of tax paid for the current period and earlier periods are measured at the amounts at which a payment to or reimbursement from the tax authorities is expected. This amount is calculated on the basis of the tax rates and legislation that are enacted or substantively enacted at the balance sheet date.

Deferred taxes are calculated using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date. Deferred taxes are calculated at the respective local tax rates.

Any tax loss carry-forwards and tax credits are only recognized as deferred tax assets to the extent that it is probable that the future profit will be sufficient to utilize the tax loss carry-forwards and tax credits. Each year, the company assesses the unrecognized tax loss carry-forwards and the carrying amount of the deferred tax assets as at the balance sheet date.

Current and deferred taxes are credited or charged directly to equity or to comprehensive income if the taxes relate to items that were credited or charged directly to equity or to comprehensive income.

Financial risk management

As an internationally oriented company, Lalique Group is exposed to the following financial risks, which are assessed on an ongoing basis and hedged where necessary. In addition to credit and liquidity risk, the Group's assets and liabilities are also subject to risks from changes in foreign currency exchange rates and interest rates.

The policy of the Group is to avoid speculative deals involving financial instruments and to strive for maturity matching where possible.

• *Credit risk*

Credit risk applies primarily to receivables (customers) resulting from as yet unsettled transactions. Significant concentration risk does not exist due to the nature of Lalique Group's customer portfolio. For certain trade receivables customer credit risk is mitigated by means of a credit insurance policy or by the agreement of specific payment conditions. In addition, receivables are constantly monitored.

With regard to trade accounts receivable and the Group's other financial assets, including cash and cash equivalents and other receivables, the maximum credit risk corresponds to the carrying amounts reported in the balance sheet.

Trade accounts receivable are non-interest-bearing and generally with maturity between 0 and 90 days, and up to 150 days in special cases, depending on the customer.

• *Liquidity risk*

Liquidity is monitored and controlled at Group level on an ongoing basis. In addition, liquidity trends are anticipated in order to respond quickly in the case of a surplus or shortfall. The amounts disclosed in the table are the contractual undiscounted cash flows.

The table below summarises the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments:

IN EUR THOUSANDS	MATURING IN LESS THAN 1 YEAR	MATURING IN > 1 YEAR, < 5 YEARS	MATURING IN MORE THAN 5 YEARS	2020 TOTAL	MATURING IN LESS THAN 1 YEAR	MATURING IN > 1 YEAR, < 5 YEARS	MATURING IN MORE THAN 5 YEARS	2019 TOTAL
Assets								
Cash and cash equivalents	66 697	–	–	**66 697**	48 845	–	–	**48 845**
Trade accounts receivable	15 101	–	–	**15 101**	21 070	–	–	**21 070**
Other financial receivables	4 319	–	–	**4 319**	6 522	–	–	**6 522**
Financial assets	–	632	18	**650**	–	–	–	**–**
Total	**86 117**	**632**	**18**	**86 767**	**76 437**	**–**	**–**	**76 437**
Liabilities								
Bank overdrafts[1]	44 271	–	–	**44 271**	41 623	–	–	**41 623**
Trade accounts payable	17 614	–	–	**17 614**	15 953	–	–	**15 953**
Short-term liabilities main shareholder[2]	–	–	–	**–**	9 196	–	–	**9 196**
Short-term leasing liabilities	5 741	–	–	**5 741**	8 038	–	–	**8 038**
Other current liabilities	17 583	–	–	**17 583**	15 070	–	–	**15 070**
Loans from NCI shareholder	–	–	3 776	**3 776**	–	–	978	**978**
Long-term leasing liabilities	–	10 258	3 460	**13 718**	–	10 481	9 782	**20 263**
Other non-current financial liabilities	–	38 304	5 758	**44 062**	–	20 369	2 310	**22 679**
Total	**85 209**	**48 562**	**12 994**	**146 765**	**89 880**	**30 850**	**13 070**	**133 800**

[1] This is a bank overdraft on our current account. The Group's equity ratio ensures steady, albeit long-term, amortization of the bank liability and, for this reason, liquidity risk is not expected.

[2] A short-term loan from the main shareholders amounting to EUR 22.3 million (CHF 25.0 million) was granted to finance the acquisition of Glenturret in 2019. Of these shareholder loans EUR 13.5 million (CHF 15.0 million) were repaid by the end of 2019 and the remaining EUR 9.2 million (CHF 10.0 million) were repaid in 2020.

• *Currency risk*
Lalique Group operates around the world and is therefore exposed to currency risks in various currencies, especially with regard to the Swiss franc, the pound sterling and the US dollar. As in the previous year, the risk as at 31 December 2020 largely involved the Group's trade accounts payable and receivable, which are partly based on transactions in foreign currencies and to a lesser extent on cash and cash equivalents and bank liabilities. The Group monitors its transaction-related foreign-currency risks.

Financial assets and liabilities can be allocated on the basis of the following categories and currencies:

IN EUR THOUSANDS	EUR	CHF	USD	GBP	OTHER	2020 TOTAL	EUR	CHF	USD	GBP	OTHER	2019 TOTAL
Assets												
Cash and cash equivalents	19 387	30 626	10 034	4 810	1 840	**66 697**	5 972	36 979	2 705	1 974	1 215	**48 845**
Trade accounts receivable	7 611	1 448	5 066	634	342	**15 101**	9 924	2 384	7 158	1 261	343	**21 070**
Other financial receivables	1 207	1 030	400	193	1 489	**4 319**	2 018	542	489	563	2 910	**6 522**
Total	**28 205**	**33 104**	**15 500**	**5 637**	**3 671**	**86 117**	**17 914**	**39 905**	**10 352**	**3 798**	**4 468**	**76 437**
Liabilities												
Bank overdrafts	25 069	16	8 289	10 897	–	**44 271**	32 289	14	909	8 411	–	**41 623**
Trade accounts payable	8 575	1 895	987	1 609	2 496	**17 614**	8 618	3 942	452	1 409	1 532	**15 953**
Short-term liabilities main shareholder	–	–	–	–	–	**–**	–	9 196	–	–	–	**9 196**
Short-term leasing liabilities	1 978	681	302	713	1 470	**5 144**	2 594	688	847	781	2 742	**7 652**
Other current liabilities	8 575	4 991	530	416	541	**15 053**	9 911	3 850	473	138	447	**14 819**
Loans from NCI shareholder	–	3 776	–	–	–	**3 776**	–	978	–	–	–	**978**
Long-term leasing liabilities	4 231	2 060	1 810	3 165	777	**12 043**	3 425	2 366	3 294	3 221	1 965	**14 271**
Other non-current financial liabilities	31 965	10 141	–	180	818	**43 104**	20 601	–	–	259	838	**21 698**
Total	**82 445**	**23 560**	**11 918**	**16 980**	**6 102**	**141 005**	**77 438**	**21 034**	**5 975**	**14 219**	**7 524**	**126 190**

As at 31 December 2020, the Group had no currency hedges (forward transactions) to safeguard future cash flows.
The same applied as at 31 December 2019.

A change in the CHF/EUR exchange rate of +/- 5% in 2020 would have had an impact on the Group's profit before tax of EUR +/- 477 thousand (2019: EUR +/- 944 thousand) while a change in the USD/EUR exchange rate of +/- 5% in 2020 would have had an impact of EUR +/- 179 thousand (2019: EUR +/- 219 thousand), and a change in the GBP/EUR exchange rate of +/- 5% in 2020 would have affected figures by EUR +/- 567 thousand (2019: EUR +/- 521 thousand).

• *Interest-rate risk*
The risk of fluctuation of market interest rates as at the end of 2020, which Lalique Group is subject to, largely resulted from cash and cash equivalents and bank liabilities. Lalique Group is mainly exposed to interest-rate risks in Swiss francs and euros. Management of interest rates in connection with non-current liabilities is performed centrally; short-term interest-rate risk is not normally hedged.

Sensitivity analysis: Interest-rate risk is modelled via sensitivity analyses, which show the effect that changes in market interest rates would have on interest income and expense and on equity, provided that all other parameters remain constant. If the market interest rate on 31 December 2020 had been 1% point higher or lower, the Group's financial result or equity would have been EUR 148 thousand (2019: EUR 96 thousand) lower or higher.

• *Capital management*
The overriding aim of capital management in Lalique Group is to maintain an adequate equity base to retain investor, customer and market confidence and to support the future development of the core business. Dividend policy, return of capital and, if necessary, capital increases are used to maintain or adjust the equity structure.

IN EUR THOUSANDS	31.12.20	31.12.19
Share capital	1 204	1 204
Capital reserves	85 378	85 378
Retained earnings/other reserves	70 036	85 276
Total equity before non-controlling interests	**156 618**	**171 858**
TOTAL CAPITAL	**339 199**	**342 814**
Equity ratio	46.17%	50.13%

In 2020 the capital reserves remained unchanged (see also Note 26).

• *Fair values*
The fair value of a financial asset or liability is the value for which the relevant instrument could currently be sold or replaced. The following methods are used to calculate fair value:

- As at 31 December 2020, the fair values of cash and cash equivalents, short-term bank liabilities, trade accounts receivable and payable, current financial liabilities, other receivables and other current liabilities approximated their carrying values, because of their short-term nature.
- The fair values of non-current financial liabilities are determined on the basis of discounted cash flows. The valuation model considers the present value of expected payments.

The management assessed that the fair values of all financial assets and financial liabilities of the Group approximate their carrying amounts.

• *Fair value hierarchy*
Lalique Group uses the following hierarchy to determine and disclose the fair value of its financial instruments, depending on the valuation method:

- Level 1: Listed (unadjusted) prices on active markets for similar assets or liabilities.
- Level 2: Other methods using inputs which significantly affect the fair value and are based on data that can be observed directly or indirectly in the market.
- Level 3: Methods using inputs which significantly affect the fair value and are not based on observable market data.

All financial assets held in the Group measured at fair value were classified as Level 2.

3. SEGMENT REPORTING

Lalique Group has established itself as a brand builder company with several brands in its portfolio. As such, the financial information reported is allocated and managed on the basis of these brands and cash-generating units. “Lalique”, “Ultrasun”, “Jaguar” and “Glenturret” reflect the largest brands in terms of revenues, profit and/or total assets. Therefore, these four brands have been identified as reportable segments, which together account for more than 75% of Lalique’s revenue. In prior years, “Grès” was presented as a separate segment instead of “Glenturret”, which was part of the “Other brands”. Due to the development confirmed in 2020, “Glenturret” is to be reported as a separate segment as its assets account for at least 10% of the cumulative assets of all operating segments. “Grès” is to be included within “Other brands”.

The non-brand-related holdings and consolidation are presented in a separate reconciling item called “Holding and eliminations”. Other brands and business activities have been combined in the residual segment “Other brands” for segment reporting purposes. This residual segment includes Lalique Group’s smaller brands (such as Parfums Samouraï, Parfums Grès and Bentley Fragrances) as well as Lalique Group’s two perfume service companies (Lalique Beauty Distribution and Lalique Beauty Services), which, despite their names, provide services to all brands and segments.

Lalique Group is divided into the following reportable operating segments:

Segment 1 – Lalique
The Lalique segment comprises all business transactions conducted under the Lalique brand.
The Lalique segment develops, produces and sells a broad range of lifestyle products:

PROPORTION OF SALES BY THE PRODUCT RANGE	2020	2019
Decorative pieces	54%	49%
Perfume	22%	23%
Interior Design	11%	14%
Jewelery	4%	4%
Art	2%	3%
Other diversification (incl. hotel-restaurants)	7%	7%

Segment 2 – Ultrasun
The Ultrasun segment covers the Ultrasun brand.
The Ultrasun segment develops and manufactures with an external partner multifunctional suncare products and sells its products through various distribution channels.

Segment 3 – Jaguar
The Jaguar segment covers the Jaguar brand.
The Jaguar segment develops, produces and distributes perfumes under the acquired licence of Jaguar.

Segment 4 – Glenturret
The Glenturret segment covers the Glenturret brand.
The Glenturret segment develops, produces and distributes Scotch whisky from its own distillery.

Segment 5 – Other brands
The Other brands segment covers the Samouraï, Grès and Bentley brands, as well as Lalique Beauty Services, Lalique Beauty Distribution and the intercompany eliminations between these other brands.
All of them are involved in the development, production and/or distribution of perfumes.

Reconciling item – Holding and eliminations
The holding company generates revenue from management fees charged to the other segments. Intra-Group transactions are carried out on an arm’s-length basis.

Segment reporting for the 2020 financial year

The table below contains information on the revenues and results, and on the assets and liabilities of the Group's business segments.

IN EUR THOUSANDS	LALIQUE	ULTRASUN	JAGUAR	GLEN-TURRET	OTHER BRANDS[1]	HOLDING AND ELIM.[2]	GROUP
Revenue and other operating income							
Revenue from contracts with external customers	63 063	14 783	15 844	1 329	14 210	–75	109 154
Revenue from transactions with other segments	715	–	16	–	3 707	–4 438	–
Other operating income[4]	1 490	–	–	–	31	52	1 573
Other operating income with other segments	635	3	1	–	927	–1 566	–
Total revenue and other operating income	**65 903**	**14 786**	**15 861**	**1 329**	**18 875**	**–6 027**	**110 727**
EBIT	**–13 343**	**947**	**2 040**	**–2 523**	**1 497**	**–1 185**	**–12 567**
Financial result							–2 458
Group loss before taxes							–15 025
Income tax expenses							–1
NET GROUP LOSS							**–15 026**
Assets and liabilities							
Segment assets	184 565	26 427	20 719	59 218	49 692	–1 422	339 199
Segment liabilities	170 221	11 253	10 845	22 979	37 594	–88 506	164 386
Other segment information							
Investments							
Property, plant and equipment[3]	9 487	85	4	4 548	1 934	429	16 487
Intangible assets	32	128	52	366	307	70	955
Depreciation and amortization							
Property, plant and equipment	11 380	308	243	393	1 792	29	14 145
Intangible assets[5]	5 111	292	82	81	366	90	6 022

[1] Revenue and other operating income other brands

Parfums Samouraï	4 411
Parfums Grès	4 417
Bentley Fragrances	3 725
Lalique Beauty Distribution	1 123
Lalique Beauty Services	7 969
Parfums Alain Delon	163
Elimination intercompany other brands	–2 933
Total revenue and other operating income other brands	18 875

[2] The "Holding + elim." segment covers the holding and management companies, and eliminations. The segment's assets mainly include cash and cash equivalents, long-term receivables of the holding and management companies, and eliminations between the segments. Segment liabilites mainly comprise current liabilities, loans and eliminations.

[3] The Property, plant and equipment investments of other brands include investments in the perfume production facility in Ury of EUR 1 770 thousand.

[4] In 2020, other operating income derived to a large extent from operating grants from governments of EUR 618 thousand, profitable fixed asset transactions of EUR 213 thousand and short-term subleases of EUR 66 thousand.

[5] Including an impairment of EUR 4 320 thousand on Lalique Brand in 2020 (Note 16).

Segment reporting for the 2019 financial year

The table below contains information on the revenues and results, and on the assets and liabilities of the Group's business segments.

IN EUR THOUSANDS	LALIQUE	ULTRASUN	JAGUAR	GLEN-TURRET	OTHER BRANDS[1]	HOLDING AND ELIM.[2]	GROUP
Revenue and other operating income							
Revenue from contracts with external customers	78 868	21 709	23 306	1 896	16 294	–278	141 795
Revenue from transactions with other segments	513	–	25	5	5 224	–5 767	–
Other operating income[5]	911	61	11	–	515	181	1 679
Other operating income with other segments	790	1	1	–	1 077	–1 869	–
Total revenue and other operating income	**81 082**	**21 771**	**23 343**	**1 901**	**23 110**	**–7 733**	**143 474**
EBIT	**–6 898**	**4 087**	**3 650**	**–1 791**	**3 404**	**–1 065**	**1 387**
Financial result							–1 931
Group loss before taxes							–544
Income tax expenses							1 637
NET GROUP PROFIT							**1 093**
Assets and liabilities							
Segment assets	192 009	22 646	18 592	49 584	44 675	15 308	342 814
Segment liabilities	160 636	8 082	10 574	8 183	33 487	–70 328	150 634
Other segment information							
Investments							
Property, plant and equipment[3]	9 342	36	7	5 796	2 046	19	17 246
Intangible assets[4]	139	182	95	22 514	2 474	160	25 564
Depreciation and amortization							
Property, plant and equipment	11 512	305	252	212	1 632	28	13 941
Intangible assets	181	249	80	38	337	3	888

[1] Revenue and other operating income other brands

Parfums Samouraï	5 593
Parfums Grès	5 714
Bentley Fragrances	3 903
Lalique Beauty Distribution	1 419
Lalique Beauty Services	9 337
Parfums Alain Delon	55
Elimination intercompany other brands	–2 911
Total revenue and other operating income other brands	23 110

[2] The "Holding + elim." segment covers the holding and management companies, and eliminations. The segment's assets mainly include cash and cash equivalents, long-term receivables of the holding and management companies, and eliminations between the segments. Segment liabilites mainly comprise current liabilities, loans and eliminations.

[3] The Property, plant and equipment investments of other brands include investments in the perfume production facility in Ury of EUR 1 950 thousand and fixed assets of acquired subsidiaries of EUR 4 707 thousand.

[4] Intangible assets of other brands include intangible assets of acquired subsidiaries of EUR 22 231 thousand.

[5] In 2019, other operating income derived to a large extent from the conclusion of two court disputes. Lalique Beauty Services obtained compensation of EUR 523 thousand and Lalique SA EUR 280 thousand.

Geographical regions

Geographical information pertaining to segment revenue is broken down by customer location.

IN EUR THOUSANDS	2020	2019
Revenue from contracts with customers		
France	14 754	16 913
USA	13 024	19 740
Poland	11 582	4 818
UK	10 677	25 634
Hong Kong	8 579	11 950
Germany	7 424	8 533
Japan	6 603	7 005
UAE	4 452	8 090
China	4 430	4 025
Switzerland	3 517	4 257
Russia	3 402	1 657
Czech Republic	3 356	2 061
Italy	2 132	2 063
Israel	1 451	1 596
Singapore	1 161	2 785
Chile	1 146	643
Spain	804	2 070
Taiwan	744	840
Netherlands	543	678
Monaco	140	1 095
Other countries	9 233	15 342
Group	**109 154**	**141 795**

Geographical information pertaining to non-current operating assets presented below comprises property, plant and equipment, intangible assets and other non-current assets.

IN EUR THOUSANDS	31.12.20	31.12.19
Non-current assets (excl. deferred tax)		
France	89 307	95 209
Switzerland	34 551	36 946
UK	34 301	32 166
USA	3 198	5 275
Germany	2 735	309
Hong Kong	1 232	2 487
Japan	907	2 369
China	754	1 451
Singapore	605	193
Group	**167 590**	**176 405**

DETAILS ON THE CONSOLIDATED INCOME STATEMENT

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

IN EUR THOUSANDS	2020	2019
Revenue from sale of goods and services	107 843	140 624
Licence income/royalties	1 311	1 171
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	**109 154**	**141 795**

Information on the disaggregation of the Group's revenue from contracts with customers is disclosed in the segment reporting (Note 3).

5. OTHER OPERATING INCOME

IN EUR THOUSANDS	2020	2019
Other operating income	1 573	1 679
TOTAL OTHER OPERATING INCOME	**1 573**	**1 679**

Other operating income comprises non-recurring income and the result from the disposal of assets. In 2020, other operating income derived to a large extent from operating subsidies EUR 618 thousand, property sales of EUR 147 thousand and short-term subleases of EUR 66 thousand. Recharges to related parties, for example for accounting services, refunds for private expense or others, are included with an amount of EUR 52 thousand (2019: EUR 187 thousand). In 2019, Lalique Beauty Services obtained compensation of EUR 523 thousand and Lalique SA of EUR 280 thousand from the conclusion of two court disputes.

6. MATERIAL COSTS, LICENCES AND THIRD-PARTY SERVICES

IN EUR THOUSANDS	2020	2019
Cost of components and finished goods	36 743	43 685
Other directly attributable production costs	9 126	10 939
Licence expenses	2 157	2 659
Commission expenses	971	1 497
Other procurement costs	2 603	2 923
TOTAL MATERIAL COSTS, LICENCES AND THIRD PARTY SERVICES	**51 600**	**61 703**

Other directly apportionable production costs mainly comprise wages and salaries of the production staff at the factory in Wingen-sur-Moder. Licence expenses arise mainly in connection with Jaguar Fragrances, Bentley Fragrances and Lalique Barberini Fragrances (Brioni brand licensee). Commission expenses relate to the mediation of transactions. The item "Other procurement costs" includes costs that are incurred in connection with the receipt and shipment of goods to/from stock, customs and freight charges related to purchasing, and lithography and plating costs, net of any supplier discounts.

7. SALARIES AND WAGES

IN EUR THOUSANDS	2020	2019
Wages and salaries (incl. bonuses)	18 619	24 396
Social insurance and employee pension/welfare expenses	9 200	10 737
Other personnel costs	840	388
TOTAL PERSONNEL COSTS	**28 659**	**35 521**
Number of FTE as at 31 December	678	732

The total personnel costs were reduced by personnel cost-saving measures and government grants for furloughing in the amount of EUR 2 930 thousand in 2020.

8. OTHER OPERATING EXPENSES

IN EUR THOUSANDS	2020	2019
Administrative expenses	5 914	6 467
Advertising and promotional expenses	5 451	9 105
Rental expenses	3 310	4 872
Property insurance, levies and charges	754	1 000
Vehicles	129	202
Miscellaneous operating expenses	7 310	8 388
TOTAL OTHER OPERATING EXPENSES	**22 868**	**30 034**

The item “Miscellaneous operating expenses” includes travel expenses (2020: EUR 1 350 thousand; 2019: EUR 3 788 thousand), expenses for creations (2020: EUR 18 thousand; 2019: EUR 168 thousand) and various other costs, including the cost for formation of a EUR 2 400 thousand provision for litigation at Lalique SA in 2020 (Note 22).

The amount of rental expenses includes variable lease payments, payments for short-term leases, leases of low value items as well as other rental expenses for non-lease components (e.g. heating costs). In 2020 the Group recognized a net relief of lease obligations of EUR 593 thousand presented as a rental expense reduction.

9. FINANCIAL INCOME AND EXPENSES

IN EUR THOUSANDS	2020	2019
Financial income		
Interest on loans and advance financing	6	–
Other financial income	62	61
Total financial income	**68**	**61**
Financial expenses		
Interest on short- and long-term financial liabilities[1]	793	1 067
Other financial expenses	465	820
Total financial expenses	**1 258**	**1 887**
Income from exchange rate fluctuations	4 689	5 845
Expenses from exchange rate fluctuations	5 957	5 950
Net foreign exchange differences	**–1 268**	**–105**
FINANCIAL RESULT	**–2 458**	**–1 931**

[1] Thereof interest expense on lease liabilities amount to EUR 406 thousand in 2020 (2019: EUR 579 thousand).

10. INCOME TAXES

The main components of income tax expenses are as follows:

IN EUR THOUSANDS	2020	2019
Current year income taxes	897	1 554
Income taxes from previous years	–57	9
Current income taxes	**840**	**1 563**
Deferred tax income/expenses resulting from change in temporary differences	–498	–5 013
Deferred tax income/expenses resulting from change in tax rates	281	2 081
Deferred tax expenses/income resulting from usage or capitalization respectively of deferred taxes on accumulated losses	–622	–268
Deferred tax expenses	**–839**	**–3 200**
TOTAL TAX EXPENSES	**1**	**–1 637**

The Group has assessed the impact of the Swiss Tax Reform that became effective as at 1 January 2020. The enactment required the abolishment of the holding company and mixed company tax regimes with tax rates for several Swiss entities of the Group therefore increasing. The enactment required a revaluation of the deferred tax positions to the newly enacted tax rates causing additional deferred tax expenses of EUR 2 081 thousand in 2019. On the other side, the enactment allowed for a partial step-up of tax values leading to deferred tax income of EUR 4 964 thousand in 2019.

The following breakdown shows a reconciliation of expected taxes to the actual income tax expenses:

IN EUR THOUSANDS	2020	2019
Group profit before taxes	–15 025	–544
Expected tax rate	21.0%	21.0%
Expected tax expenses	**–3 155**	**–114**
Income not subject to income tax	–361	–
Income taxes from previous years	–57	9
Effect from unaccounted tax loss and new temporary differences in the current reporting year	3 551	2 426
Effect from utilisation of unaccounted tax losses and temporary differences from previous years	–31	–18
Ex post accounting of previous unaccounted tax losses and temporary differences	536	–
Effect of change in tax rate	281	2 081
Effect of revenues taxed at different rates	–1 783	–1 350
Non-deductible expenses	838	212
Partial step-up of tax values due to Swiss tax reform	234	–4 964
Other effects	–52	81
TOTAL INCOME TAX	**1**	**–1 637**

The expected tax rate represents the domestic ordinary income tax rate at the parent's location (Zurich, Switzerland).

11. EARNINGS PER SHARE AND DIVIDENDS

		2020	2019
Average number of shares in circulation	Number	7 185 000	6 572 827
Net Group profit in favour of shareholders of Lalique Group SA	EUR thousands	–12 624	3 444
EARNINGS PER SHARE	**EUR**	**–1.76**	**0.52**

In July 2019, Lalique Group SA issued 1,200,000 new shares in connection with the rights issue (Note 26). Since the new shares were offered at a price below market value, for the purpose of earnings per share calculation, the number of shares outstanding before the rights issue was adjusted to reflect the bonus element inherent in it. The calculation of earnings per share, including comparative amounts for 2019, was adjusted accordingly.

For the 2019 financial year no dividend was paid out. With respect to the 2020 financial year, the Board of Directors proposes to waive a distribution.

DETAILS ON THE CONSOLIDATED BALANCE SHEET

12. CASH AND CASH EQUIVALENTS

IN EUR THOUSANDS	31.12.20	31.12.19
Cash	110	142
Bank	66 587	48 703
TOTAL CASH AND CASH EQUIVALENTS	**66 697**	**48 845**

Interest earned on assets denominated in CHF, EUR, GBP and USD was 0.00% (2019: 0.00%). Interest charged on liabilities in USD and GBP was 0.65% (2019: 0.65%) and on liabilities in EUR was between 0.50% and 2.75% (2019: between 0.29% and 1.62%). Interest charged on liabilities in CHF were between a below-market rate of 0.00%, due to the free-of-charge government guarantee of the Swiss government to the banks, and 0.65% (2019: 0.65%).

13. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are non-interest-bearing and generally fall due between 0 and 90 days, and up to 150 days in special cases, depending on the customer.

IN EUR THOUSANDS	TOTAL OUT-STANDING ITEMS	NOT DUE	DUE	OF WHICH OVERDUE WITHIN 60 DAYS	OF WHICH OVERDUE 61–90 DAYS	OF WHICH OVERDUE MORE THAN 91 DAYS
2020						
Of which EUR	7 747	6 568	1 179	174	269	736
Of which CHF accounts shown in EUR	1 448	1 349	99	54	–	45
Of which USD accounts shown in EUR	5 848	3 483	2 365	642	150	1 573
Of which other currencies shown in EUR	1 124	297	827	704	28	95
Allowance for doubtful debts	–1 066	–12	–1 054	–16	–18	–1 020
Total	**15 101**	**11 685**	**3 416**	**1 558**	**429**	**1 429**
2019						
Of which EUR	10 315	8 352	1 963	1 016	157	790
Of which CHF accounts shown in EUR	3 037	2 845	192	118	3	71
Of which USD accounts shown in EUR	7 564	5 005	2 559	1 156	424	979
Of which other currencies shown in EUR	796	64	732	566	84	82
Allowance for doubtful debts	–642	–16	–626	–29	–27	–570
Total	**21 070**	**16 250**	**4 820**	**2 827**	**641**	**1 352**

An impairment analysis is performed at each reporting date. If there is an indication that the Group will not be able to collect all amounts due in relation to a single position according to the original terms of the receivables, an allowance for impairment is recognized on the identified receivables. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The letters of credit and other forms of credit insurance are considered an integral part of trade receivables and considered in the calculation of impairment.

In addition, the Group uses a provision matrix to measure expected credit losses on open receivables that are not individually impaired. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at year-end about past events, current conditions and forecasts of future economic conditions.

IN EUR THOUSANDS	TOTAL OUTSTANDING ITEMS	NOT DUE	DUE	OF WHICH OVERDUE WITHIN 60 DAYS	OF WHICH OVERDUE 61–90 DAYS	OF WHICH OVERDUE MORE THAN 91 DAYS
2020						
Expected credit loss rate	1.0%	0.1%	4.0%	1.0%	4.0%	7.0%
Estimated total gross carrying amount at default	15 255	11 697	3 558	1 574	447	1 537
Expected credit loss	–154	–12	–142	–16	–18	–108
2019						
Expected credit loss rate	0.8%	0.1%	3.2%	1.0%	4.0%	7.0%
Estimated total gross carrying amount at default	21 244	16 266	4 978	2 856	668	1 454
Expected credit loss	–174	–16	–158	–29	–27	–102

The movements in the allowance for expected credit losses of trade receivables and contract assets during the year developed as follows.

IN EUR THOUSANDS	31.12.20	31.12.19
OPENING BALANCE	**642**	**561**
Formation (+)	513	112
Usage (-)	–	–40
Reversed (-)	–22	–4
Currency effect	–67	13
CLOSING BALANCE	**1 066**	**642**

14. INVENTORIES

IN EUR THOUSANDS	31.12.20	31.12.19
Components and raw materials	22 869	23 685
Finished goods	53 713	58 239
Advance payments	1 405	866
TOTAL INVENTORIES	**77 987**	**82 790**

Impairments on inventories recognized as expenditure amounted to EUR 2 281 thousand in 2020 (2019: EUR 1 058 thousand).

15. OTHER RECEIVABLES

IN EUR THOUSANDS	31.12.20	31.12.19
VAT and other tax receivables	3 638	3 157
Accrued income and prepaid expenses	2 722	3 183
Short-term rental deposits	1 348	2 859
Prepaid taxes	–	35
Other receivables	249	445
TOTAL OTHER RECEIVABLES	**7 957**	**9 679**

16. INTANGIBLE ASSETS

IN EUR THOUSANDS	GOODWILL	BRANDS	LICENCE RIGHTS	CREATIONS	SOFTWARE	TOTAL INTANGIBLE ASSETS
Acquisition costs 01.01.2019	**335**	**60 142**	**6 048**	**3 842**	**5 464**	**75 831**
Additions[1]	–	–	2 151	675	468	3 294
Additions from acquisitions of Glenturret	11 233	10 998	–	–	39	22 270
Disposals	–	–	–	–	–51	–51
Exchange differences	368	1 208	240	150	43	2 009
Acquisition costs 31.12.2019	**11 936**	**72 348**	**8 439**	**4 667**	**5 963**	**103 353**
Additions[1]	–	–	–	849	106	955
Reclassification/transfers	–	–	12	–14	2	–
Disposals	–	–	–	–75	–7	–82
Exchange differences	–1 000	–904	21	– 1	–73	–1 957
Acquisition costs 31.12.2020	**10 936**	**71 444**	**8 472**	**5 426**	**5 991**	**102 269**
Amortization, cumulative 01.01.2019	**–**	**25**	**–1 174**	**–2 415**	**–4 435**	**–7 999**
Additions[2]	–	–	–1 172	–548	–438	–2 158
Disposals	–	–	–	–	51	51
Exchange differences	–	–25	–67	–97	–27	–216
Amortization, cumulative 31.12.2019	**–**	**–**	**–2 413**	**–3 060**	**–4 849**	**–10 322**
Additions[2]	–	–	–1 667	–647	–464	–2 778
Reclassification/transfers	–	–	–11	11	–	–
Disposals	–	–	–	34	7	41
Impairment	–	–4 320	–97	–33	–	–4 450
Exchange differences	–	–	16	– 15	57	58
Amortization, cumulative 31.12.2020	**–**	**–4 320**	**–4 172**	**–3 710**	**–5 249**	**–17 451**
NET INTANGIBLE ASSETS 31.12.2020	**10 936**	**67 124**	**4 300**	**1 716**	**742**	**84 818**
Net intangible assets 31.12.2019	11 936	72 348	6 026	1 607	1 114	93 031

[1] The additions of EUR 955 thousand (2019: EUR 3 294 thousand) resulted in a cash outflow of EUR 929 thousand (2019: EUR 823 thousand).
[2] The amortization of licence rights is recorded in licence expenses.

Brands
The multiperiod-excess-earnings method was used to test the various brand values for impairment as at 31 December 2020. At Ultrasun, Parfums Grès, Parfums Samouraï and Glenturret the values in use exceed their carrying values. Values in use of these brands as at 31 December 2020: Parfums Grès CHF 6.574 million (2019: CHF 6.574 million), Parfums Samouraï CHF 1.800 million (2019: CHF 1.800 million), Ultrasun CHF 11.000 million (2019: CHF 11.000 million) and Glenturret GBP 9.400 million (2019: GBP 9.400 million). These calculations were based on a planning horizon of five or nine years and a residual value. The assumptions listed below were determined by management based on its expectations for future market development.

The following EBITDA margin development occurred and is expected for the brands:

IN %	2019	2020	2021	2025
Lalique	5.9	4.8	11.8	21.2
Ultrasun	21.3	10.5	17.1	20.5
Parfums Grès	17.0	10.9	15.1	21.7
Parfums Samouraï	31.9	34.6	31.7	31.4
Glenturret[1]	–81.1	–154.4	15.5	30.0

[1] Taking the PPA reverse on acquired stock through COGS into consideration

The residual value incorporates a growth rate of 1.5% for Lalique, 1.7% for Ultrasun, 0.1% for Parfums Samouraï, 1.3% for Parfums Grès and 1.7% for Glenturret respectively.

Estimating future cash flows is particularly challenging because of the increased economic uncertainty following the Covid-19 pandemic. Due to the increased uncertainty, the Group has decided to be more conservative in its forward projections for all brands. Given the significant higher degree of uncertainty in the retail and luxury business, the Group came to the conclusion that the carrying amount of the Lalique brand may not be recoverable as at 31 December 2020. The Group has recognized an impairment charge of EUR 4.320 million on the Lalique brand in 2020, reducing the carrying amount to EUR 38.868 million, of which Lalique SA holds EUR 32.376 million and Lalique Parfums SA EUR 6.492 million respectively CHF 7.040 million in local currency:

IN EUR THOUSANDS	LALIQUE BRAND
Carrying value 01.01.2019	**42 952**
Exchange differences	218
Carrying value 31.12.2019	**43 170**
Impairment	–4 320
Exchange differences	18
Carrying value 31.12.2020	**38 868**

Furthermore, it has been assumed in the multiperiod-excess-earnings calculation that the EBITDA margin of the Lalique brand will rise from 4.8% in 2020 to 21.2% in 2025 (2019: 5.9%). The sales declined by 30.9% in the first semester of 2020 compared with the comparative period of 2019, whereas a less pronounced sales decline by 18.7% was achieved in the full financial year.

The impairment test of the Lalique brand estimates an average growth in sales of 10.3% over the period of five years, as a profound sales recovery is expected for 2021. The discount rates have also been reviewed to reflect the current economic situation. The after-tax discount rate used within the impairment test of Lalique brand is unchanged at 11.5%.

	AVERAGE GROWTH IN SALES		AFTER-TAX DISCOUNT RATE	
IN %	2020	2019	2020	2019
Lalique[1]	10.3	4.8	11.5	11.5
Ultrasun[1]	14.2	8.2	11.5	11.5
Parfums Grès[1]	9.3	2.4	11.0	11.0
Parfums Samouraï[1]	8.3	3.0	9.7	9.7
Glenturret[2]	280.7	102.9	8.9	8.8

[1] Calculated over the planning horizon of five years.
[2] Calculated over the planning horizon of nine years

For Glenturret, a planning horizon of nine years was considered in the impairment test, as the business plan is currently based on the existing stock model and not on new increased production since the acquisition in 2019. The youngest whisky sold in Glenturret's product range is ten years old, therefore nine years is the minimum period to see the potential of the current stock and the potential of the increased capacity. Due to the business model customary in the industry, the revenues can be reasonably predicted over the planning horizon of nine years.

Sensitivity
The Group made different scenarios with more ambitious and more conservative five years business plan.

For Lalique, based on the more conservative business plan, the brand would be further impaired by EUR 1.200 million in the event of a decrease in sales of 0.3% until 2025, or a decrease in EBITDA of 0.6% until 2025, or an increase in WACC of 0.8%.

At Ultrasun, Parfums Grès, Parfums Samouraï and Glenturret the values in use exceed their carrying values. The Group believes that no reasonably possible changes in the key assumptions disclosed above would cause the recoverable amounts to fall below the carrying values.

Licence rights
Amortization charges in 2020 are unchanged in relation to licence agreements and rights for Jaguar Fragrances and Bentley Fragrances and applied for the first time for the Brioni brand. The amortization charges are amortized over the contractual term or the useful life of the licence and recognized under licence expenses. The residual amortization period for the Jaguar Fragrances licence rights is two years, for Bentley Fragrances one year and for the Brioni brand four years.

Creations
The item "Creations" comprises expenses incurred through the commissioning of external designers to create flacons and packaging, and the associated development costs. Internally incurred development costs are not capitalized. The residual amortization period is between zero and three years. In 2020, impairment losses of EUR 33 thousand (2019: EUR 0 thousand) were recognized.

Software
The item "Software" consists of purchased IT software usage licences and the costs of specific customization of the software.

With the exception of depreciation on new licence rights, which is recognized under licence expenses, all amortization of intangible assets appears under "Depreciation and amortization" in the income statement. In 2020, as in the previous year, there were no impairment losses recognized.

There are no restrictions on the use of intangible assets. There are no commitments to make further payments or to take on additional intangible assets. No intangible assets serve as collateral for obligations.

17. PROPERTY, PLANT AND EQUIPMENT

IN EUR THOUSANDS	LAND, BUILDINGS	EQUIPMENT, FURNISHINGS	MACHINERY + EQUIPMENT, IT, HARDWARE, TOOLS	VEHICLES	PLANT UNDER CONSTRUC-TION	TOTAL PROPERTY, PLANT AND EQUIPMENT
Acquisition costs 01.01.2019	**106 575**	**30 383**	**18 034**	**899**	**2 166**	**158 057**
Additions	4 026	4 474	1 432	140	2 506	12 578
Additions from acquisitions under common control	2 925	153	1 587	3	–	4 668
Reclassification/transfers	–671	136	671	–	–136	–
Disposals	–67	–232	–163	–76	–1 657	–2 195
Exchange differences	1 501	199	258	18	4	1 980
Acquisition costs 31.12.2019	**114 289**	**35 113**	**21 819**	**984**	**2 883**	**175 088**
Additions[1]	8 615	4 108	1 085	53	2 626	16 487
Reclassification/transfers	–36	64	–	–	–28	–
Disposals	–14 347	–416	–93	–26	–	–14 882
Exchange differences	–2 979	–262	–220	–5	–44	–3 510
Acquisition costs 31.12.2020	**105 542**	**38 607**	**22 591**	**1 006**	**5 437**	**173 183**
Depreciation, cumulative 01.01.2019	**–51 781**	**–15 655**	**–14 249**	**–462**	**–**	**–82 147**
Additions	–9 504	–2 625	–1 667	– 166	–	–13 962
Reclassification/transfers	470	–	–470	–	–	–
Disposals	36	36	2	69	–	143
Exchange differences	– 830	– 156	–210	–11	–	–1 207
Depreciation, cumulative 31.12.2019	**–61 609**	**–18 400**	**–16 594**	**–570**	**–**	**–97 173**
Additions	–9 422	–2 838	–1 713	–171	–	–14 144
Reclassification/transfers	14	–14	–	–	–	–
Disposals	12 015	378	6	24	–	12 423
Impairment	–	–	–2	–	–	–2
Exchange differences	2 108	176	96	4	–	2 384
Depreciation, cumulative 31.12.2020	**–56 894**	**–20 698**	**–18 207**	**–713**	**–**	**–96 512**
NET PROPERTY, PLANT AND EQUIPMENT 31.12.2020	**48 648**	**17 909**	**4 384**	**293**	**5 437**	**76 671**
Thereof carrying amount of RoU assets[2]	**19 997**	**465**	**13**	**192**	**–**	**20 667**
Net property, plant and equipment 31.12.2019	52 680	16 713	5 225	414	2 883	77 915

[1] The additions of EUR 16487 thousand (2019: EUR 12 578 thousand) resulted in a cash outflow of EUR 7636 thousand (2019: EUR 7 764 thousand).
[2] Refer to Note 24 for further information on RoU assets

No items of plant and equipment serve as collateral for obligations. Certain property is pledged for a bank credit (Note 30).

18. OTHER NON-CURRENT ASSETS

Other non-current assets comprise a collection of perfume flacons, drawings, and other collectables. The pieces were produced by the Company's founder René Lalique or artists collaborating with the Group. In 2020, the Group acquired additional items in the amount of EUR 0 thousand (2019: EUR 260 thousand) with a cash outflow of EUR 0 thousand (2019: EUR 108 thousand).

Financial assets contain exclusively long-term rental deposits.

19. PENSION SCHEMES

IN EUR THOUSANDS	31.12.20	31.12.19
Defined benefit pension plans	5 148	5 521
Other long-term post-employment benefits	279	191
TOTAL DEFINED BENEFIT OBLIGATION	**5 427**	**5 712**

Defined benefit pension plans

There is a defined benefit pension plan in Switzerland. The plan is designed to ensure that current and future contributions are sufficient to cover future obligations. As defined in the fund regulations, the employer and the employees make matching annual contributions. Contributions are based on an age-related sliding scale which defines the relevant percentage of an employee's insured salary. In accordance with Swiss law, the pension fund guarantees its insured members vested benefits, which are confirmed each year. Upon retirement, insured members are entitled to draw their benefits as a single lump-sum payment, an annuity, or a combination of both. For the purpose of providing an occupational pension scheme, Lalique Group has joined a collective foundation in which the assets are invested on a joint basis with other scheme participants (with the same investment profile). As at 31 December 2020, 100% of the plan assets were invested in a collective insurance policy held with Futura Pension Foundation. Direct pension entitlements vis-à-vis the insurance company constitute 100% of the investment. The pension plan meets legal provisions stipulating the minimum benefits payable. There were no significant changes, curtailments or settlements related to the plan during the reporting period.

Other long-term post-employment benefits

In France, there are plans that fall into this category. These can be described as follows: one plan exists which, in accordance with the statutory requirements governing privately held companies, builds up capital which is then used to pay appropriate compensation to employees when they leave the company. The benefit payable is based on years of service, the reference salary, the collective wage agreement and the circumstances which led to the employee's resignation. Payment of pensions conforms to the national collective agreement for handmade glass manufacture.

Another plan or regulation exists which, under certain conditions, entitles specific pension recipients to claim a supplementary annuity corresponding to 55% of the beneficiary's last annual net salary (average salary over the last three years).

A breakdown of the Group's defined benefit obligation recognized in the consolidated balance sheet as at 31 December is as follows:

	DEFINED BENEFIT PENSION PLANS		OTHER LONG-TERM POST-EMPLOYMENT BENEFITS	
IN EUR THOUSANDS	31.12.20	31.12.19	31.12.20	31.12.19
Present value of defined benefit pension obligation	–12 942	–13 955	–279	–191
Fair value of the plan assets	7 794	8 434	–	–
(SHORTFALL)/SURPLUS	**–5 148**	**–5 521**	**–279**	**–191**

Annual expenditure on pension benefits recognized in wages and salaries breaks down as follows:

IN EUR THOUSANDS	DEFINED BENEFIT PENSION PLANS		OTHER LONG-TERM POST-EMPLOYMENT BENEFITS	
	2020	2019	2020	2019
Current service cost	–302	–811	–18	–19
Net interest cost of pension plans	–5	–20	–	–
TOTAL EMPLOYEE BENEFIT EXPENSES RECOGNIZED IN THE INCOME STATEMENT	**–307**	**–831**	**–18**	**–19**

Remeasurement of pension plans recognized directly in other comprehensive income breaks down as follows:

IN EUR THOUSANDS	DEFINED BENEFIT PENSION PLANS		OTHER LONG-TERM POST-EMPLOYMENT BENEFITS	
	2020	2019	2020	2019
Actuarial gain/(loss) from the pension obligation	–11	–468	–96	37
Change in the plan assets (not incl. interest)	206	–140	–	–
TOTAL REMEASUREMENTS RECOGNIZED IN OTHER COMPREHENSIVE INCOME	**195**	**–608**	**–96**	**37**

The changes in the present value of the Group's pension obligations are as follows:

IN EUR THOUSANDS	DEFINED BENEFIT PENSION PLANS		OTHER LONG-TERM POST-EMPLOYMENT BENEFITS	
	2020	2019	2020	2019
Present value of defined benefit pension obligations on 1 January	–13 550	–11 937	–191	–206
Interest expenses	–18	–91	–	–
Current service cost	–302	–811	–18	–19
Employee contributions	–450	–489	–3	– 3
Actuarial gains and losses arising from changes in financial assumptions	–390	–930	–79	6
Actuarial gains and losses arising from changes in demographic assumptions	379	462	–17	31
Benefits paid	1 851	234	29	–
Past service costs/cost reductions	–	–	–	–
Administration costs	–4	–8	–	–
Currency effect	–458	–385	–	–
PRESENT VALUE OF DEFINED BENEFIT PENSION OBLIGATIONS ON 31 DECEMBER	**–12 942**	**–13 955**	**–279**	**–191**

Only the Swiss defined benefit pension plan contains plan assets. Changes in the fair value of the plan assets were as follows:

IN EUR THOUSANDS	DEFINED BENEFIT PENSION PLANS 2020	2019	OTHER LONG-TERM POST-EMPLOYMENT BENEFITS 2020	2019
Fair value of the plan assets on 1 January	8 438	7 290	–	–
Interest income from the plan assets	13	71	–	–
Change in the plan assets (not incl. interest)	206	–137	–	–
Employer contributions	433	456	–	–
Employee contributions	433	456	–	–
Benefits paid	–1 763	28	–	–
Currency effect	34	270	–	–
FAIR VALUE OF THE PLAN ASSETS ON 31 DECEMBER	**7 794**	**8 434**	**–**	**–**

Sensitivity of key actuarial assumptions

Actuarial assumptions are made in respect of the discount rate, future salary trends and life expectancy, and these can be summarized as follows.

	2020	2019
Bases used for calculation of Swiss plan		
Discount rate	0.14%	0.32%
Expected rate of salary increase	1.00%	1.00%
Life expectancies	BVG2015 GT	BVG2015 GT

The implications for the defined benefit obligation (DBO) are as follows:

- A 0.25% increase/decrease in the discount rate would result in a decrease of EUR 530 thousand (-5.0%)/increase of EUR 573 thousand (+5.4%) in defined benefit pension obligations.
- A 0.25% increase/decrease in the expected rate of salary increase would result in an increase of EUR 87 thousand (+0.8%)/decrease of EUR 85 thousand (-0.8%) in defined benefit pension obligations.
- An increase/decrease in life expectancies of one year would result in an increase of EUR 64 thousand (+0.6%)/decrease of EUR 51 thousand (-0.5%) in defined benefit pension obligations.

The average duration of a defined benefit pension obligation was 20.45 years at the end of the reporting period (2019: 19.7 years).

Forecasted contributions

The forecasted contributions of the company for the 2020 financial year amount to EUR 432 thousand.

	2020	2019
Bases used for calculation of French plans		
Discount rate	0.50%	0.90%
Expected rate of salary increase	1.14%/3.39%	1%/3.94%
Life expectancies	TGH 05/TGF 05	TGH 05/TGF 05

20. OTHER CURRENT LIABILITIES

IN EUR THOUSANDS	31.12.20	31.12.19
Current financial liabilites	3 268	3 296
Accrued salary expenses	2 902	2 898
Accruals for social institutions	835	1 111
Short-term leasing liabilites	5 144	7 652
Current minimal fees for licence rights	1 688	1 320
Short-term liabilities main shareholder	–	9 196
Government grants	447	–
Other current liabilities	5 913	6 194
TOTAL OTHER CURRENT LIABILITIES	**20 197**	**31 667**

Current minimal fees for licence rights are owed in respect of Jaguar Fragrances, Bentley Fragrances and Lalique Barberini Fragrances (Brioni brand licensee).

The governments issued gurantees to the banks for Covid-19 credits on condition that the company receiving the guarantee complied with certain restrictions (e.g. no dividend distribution). Due to the government guarantee, the Group's entities received certain Covid-19 credits below the market rate. The benefit of the government's guarantee for the below-market rate loans amounted to EUR 447 thousand by 31 December 2020 and is presented as government grants.

Loans from the main shareholder bear an interest rate of 0.75%.

21. OTHER NON-CURRENT LIABILITIES

IN EUR THOUSANDS	31.12.20	31.12.19
Non-current minimal fees for licence rights	2 460	4 149
TOTAL OTHER CURRENT LIABILITIES	**2 460**	**4 149**

As at 31 December 2020, other non-current liabilities comprised minimal fees for licence rights owed in respect of Jaguar Fragrances, Bentley Fragrances and Lalique Barberini Fragrances (Brioni brand licensee).

22. PROVISIONS

IN EUR THOUSANDS	OTHER PROVISIONS	TOTAL PROVISIONS
As at 01.01.2019	**208**	**208**
Formation	142	142
Usage	–58	–58
Release	–137	–137
Currency effect	4	4
As at 31.12.2019	**159**	**159**
Formation	2 948	2 948
Usage	–63	–63
Currency effect	–1	–1
As at 31.12.2020	**3 043**	**3 043**
Of which current	2 526	2 526
Of which non-current	517	517

The formation in 2020 includes a new other current provision for litigation at Lalique SA. These legal proceedings have been ongoing for several years. In 2020, the Paris Court of Cassation annulled a decision of the Court of Appeal from 2018, which led to a reassessment of the legal situation and the formation of a provision in the amount of EUR 2 400 thousand.

23. NON-CURRENT FINANCIAL LIABILITES

IN EUR THOUSANDS	31.12.20	31.12.19
Loans from the NCI shareholder	3 776	978
Long-term leasing liabilites	12 043	14 271
Non-current Covid-19 credits	20 752	–
Other non-current financial liabilities	22 352	21 698
TOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES	**58 923**	**36 947**

The “Other non-current financial liabilities” mainly contains loans associated with contractual agreements between subsidiaries and local financing institutions.

The loans from an NCI shareholder bear an interest rate of 0.75%.

Changes in financial liabilities from financing cash flows

IN EUR THOUSANDS	31.12.19	CASH FLOWS	CURRENCY EXCHANGE MOVEMENTS	NEW LEASES	OTHER	31.12.20
Bank overdrafts	**41 623**	2 609	39	–	–	**44 271**
Short-term leasing liabilities	**7 652**	–7 956	–182	20	5 610	**5 144**
Short-term liabilities main shareholder	**9 196**	–9 345	149	–	–	**–**
Other current financial liabilities	**3 296**	–2 092	–	–	2 064	**3 268**
Long-term leasing liabilities	**14 271**	–	–439	6 176	–7 965	**12 043**
Non-current liabilities NCI shareholder	**978**	2 775	– 6	–	29	**3 776**
Other non-current financial liabilities	**21 697**	23 834	–180	–	–2 248	**43 103**
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	**98 713**	**9 825**	**–619**	**6 196**	**–2 510**	**111 605**

IN EUR THOUSANDS	01.01.19	CASH FLOWS	CURRENCY EXCHANGE MOVEMENTS	NEW LEASES	ACQUIRED THROUGH BUSINESS COMBI-NATIONS	OTHER	31.12.19
Bank overdrafts	**41 785**	–1 264	1 102	–	–	–	**41 623**
Short-term leasing liabilities	**8 759**	–8 759	–	–	–	7 652	**7 652**
Short-term liabilities main shareholder	**–**	8 767	429	–	–	–	**9 196**
Short-term loan of Glenturret Limited	**–**	–7 281	–	–	7 281	–	**–**
Other current financial liabilities	**3 156**	–3 000	–1	–	–	3 141	**3 296**
Long-term leasing liabilities	**18 254**	–	429	3 247	–	–7 659	**14 271**
Non-current liabilities NCI shareholder	**–**	835	86	–	–	57	**978**
Other non-current financial liabilities	**12 596**	11 251	34	–	–	–2 184	**21 697**
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	**84 550**	**549**	**2 079**	**3 247**	**7 281**	**1 007**	**98 713**

The “Other” column includes the effect of reclassifying of the non-current portion of interest-bearing loans and borrowings and leasing liabilities as “current” due to the passage of time as well as interest accrued and paid (classified as cash flow from operating activities on the cash flow statement).

24. LEASE

The Group has lease contracts for various items of rental properties (retail stores, offices etc.), production machinery, vehicles and other equipment used in its operations. Leases of rental properties and production machinery generally have lease terms between less than 1 and 20 years, while motor vehicles and other equipment generally have lease terms between 1 and 6 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases with a duration of 12 months or less and leases with low value (e.g. office equipment). The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Reconcilliation of lease liabilities and reconcilliation of right-of-use assets (RoU)

IN EUR THOUSANDS	2020	2019
Liabilities from leases as of 1 January 2020	**21 923**	**27 013**
New leases	6 196	3 247
Disposals of lease liabilities	–2 355	–7
Lease payments	–8 362	–9 338
Interest accruals	406	579
Exchange differences	–621	429
LIABILITIES FROM LEASES AS OF 31 DECEMBER 2020	**17 187**	**21 923**

IN EUR THOUSANDS	LAND, BUILDINGS	EQUIPMENT, FURNISHINGS	MACHINERY + EQUIPMENT, IT, HARD-WARE, TOOLS	VEHICLES	TOTAL PROPERTY, PLANT AND EQUIPMENT
Right–of–use assets 01.01.2019	**27 091**	**615**	**1 094**	**290**	**29 090**
Additions to right–of–use assets	2 903	250	–	94	3 247
Depreciation charge for right–of–use assets	–7 225	–196	–557	–111	–8 089
Disposals of right–of–use assets	–	–	–	–7	–7
Exchange differences	553	1	–	2	556
RIGHT–OF–USE ASSETS 31.12.2019	**23 322**	**670**	**537**	**268**	**24 797**
Right-of-use assets 01.01.2020	**23 322**	**670**	**537**	**268**	**24 797**
Additions to right-of-use assets	6 137	6	–	53	6 196
Depreciation charge for right-of-use assets	–7 107	–167	–524	–124	–7 922
Disposals of right-of-use assets	–1 832	–34	–	– 4	–1 870
Exchange differences	–523	–10	–	–1	–534
RIGHT-OF-USE ASSETS 31.12.2020	**19 997**	**465**	**13**	**192**	**20 667**

Lease in the income statement

LEASES IN THE INCOME STATEMENT IN EUR THOUSANDS	2020	2019
Short-term lease expense[1]	–253	–1 058
Low-value lease expense[2]	–25	–19
Variable lease payment expenses[3]	–483	–805
Other operating expenses	**–761**	**–1 882**
Depreciation charge for RoU	–7 922	–8 089
Impairment losses on RoU	–	–
Depreciation and impairment losses on RoU	**–7 922**	**–8 089**
Interest expense on lease liabilities	–406	–579
Financial expenses	**–406**	**–579**
LEASES IN THE INCOME STATEMENT	**–9 089**	**–10 550**
Total cash outflows for leases of	**–8 362**	**–9 338**

[1] Expenses relating to leases with a lease term of less than a year
[2] This expense does not include the expense relating to short-term leases of low-value assets
[3] This expense is not included in the measurement of lease liabilities

25. DEFERRED TAXES

Deferred taxes balances as at 31 December are as follows:

IN EUR THOUSANDS	31.12.20	31.12.19
Deferred tax assets	–3 867	–4 025
Deferred tax liabilities	11 524	12 687
NET DEFERRED TAX LIABILITIES	**7 657**	**8 662**

Reconciliation of net deferred tax liabilities is as follows:

IN EUR THOUSANDS	2020	2019
Net deferred tax liabilities		
Opening balance 1.1	8 662	9 085
Formation (+)/release (-) recognized in income statement	–839	–3 200
Formation (+)/release (-) recognized in other comprehensive income	23	–104
Acquisitions/divestments	–	2 744
Currency translation differences	–189	137
CLOSING BALANCE 31.12.	**7 657**	**8 662**

The deferred income tax is determined based on the local income tax rate. Deferred tax balance sheet positions relate to the following:

IN EUR THOUSANDS	31.12.20	31.12.19
Trade accounts receivable	198	338
Inventory	3 414	4 082
Financial assets	401	–
Fixed assets	3 218	1 979
Intangible assets	15 626	15 682
Other non-current assets	652	–
Long-term financial liabilities	387	–
Deferred tax liabilities gross	**23 896**	**22 081**
Offsetting of assets and liabilities	–12 372	–9 394
Deferred tax liabilities net	**11 524**	**12 687**
Trade accounts receivable	–28	–
Inventory	–844	–1 142
Fixed assets	–4	–88
Intangible assets	–4 975	–2 914
Other short-term liabilities	–1 092	–1 506
Other long-term liabilities	–438	–
Long-term provisions	–15	–
Long-term financial liabilities	–527	–
Pension liabilities	–1 137	–1 191
Deferred tax assets on losses carry forward	–7 179	–6 578
Deferred tax assets gross	**–16 239**	**–13 419**
Offsetting of assets and liabilities	12 372	9 394
Deferred tax assets net	**–3 867**	**–4 025**

The Group has not capitalized deferred taxes for losses carried forward in the amount of EUR 43 457 thousand (2019: EUR 39 656 thousand). These income tax deductible losses carried forward expire as follows:

IN EUR THOUSANDS	31.12.20	31.12.19
Expire next year	2 243	120
Expire in 2–4 years	3 307	4 756
Expire in 5–7 years	2 998	2 042
Expire after 7 years	6 030	13 310
No expiry	28 879	19 428
TOTAL UNRECOGNIZED LOSSES CARRY-FORWARD	**43 457**	**39 656**

Temporary differences for which no deferred tax asset is recognized amount to EUR 22 637 thousand (2019: EUR 17 754 thousand). This is due to the fact that deferred tax assets are only recognized to the extent of recognized deferred tax liabilities. Additional deferred tax assets are recognized if it is probable that sufficient taxable profit will be available against which those deductible temporary differences or unused tax losses can be utilized.

The net deferred tax assets from entities that suffered a loss in either the current or preceding period amount to EUR 110 thousand (2019: EUR 675 thousand). The recognition is supported by the past result development and a promising business plan for the entities concerned.

There are temporary differences of EUR 501 thousand associated with investments in the Group's subsidiaries, for which no deferred tax liability has been recognized in 2020 (2019: EUR 0 thousand).

26. EQUITY

Share capital

IAs at 31 December 2020 the share capital amounts to EUR 1 204 thousand (CHF 1 440 thousand) (2019: EUR 1 204 thousand (CHF 1 440 thousand)), consisting of 7,200,000 registered shares (2019: 7,200,000) with a nominal value of EUR 0.17 (CHF 0.20) each (2019: EUR 0.17 (CHF 0.20)).

In addition, there is conditional share capital of EUR 46 thousand (CHF 50 thousand) (2019: EUR 46 thousand (CHF 50 thousand)) for a potential employee incentive plan.

ORDINARY SHARES ISSUED AND FULLY PAID	THOUSANDS	EUR THOUSANDS
At 1 January 2019	**6 000**	**988**
issued in July 2019	1 200	216
At 31 December 2019 and 1 January 2020	**7 200**	**1 204**
issued in 2020	–	–
At 31 December 2020	**7 200**	**1 204**

TREASURY SHARES	THOUSANDS	EUR THOUSANDS
At 1 January 2019	**–**	**–**
purchase of treasury shares	15	551
At 31 December 2019 and 1 January 2020	**15**	**551**
purchase of treasury shares	–	–
At 31 December 2020	**15**	**551**

All registered shares issued are fully paid up and bear equal rights in all regards.

Capital reserves

The capital reserves relate to capital increases in 2007, 2017, 2018 and 2019.

In 2020, there was no capital contribution from shareholders (2019: EUR 41 212 thousand, thereof EUR 18 754 thousand were converted shareholder loans), and therefore, none was allocated to capital reserves (2019: EUR 41 996 thousand) or share capital (2019: EUR 216 thousand).

Retained earnings and other reserves

These reserves include retained earnings and currency translation differences. There are non-distributable reserves in various Group companies.

27. CONSOLIDATED GROUP AND CHANGES

The scope of consolidation of Lalique Group as at 31 December 2020 changed compared with 31 December 2019 through

- the acquisition of the Maison Noir AG, which was renamed to Art & Fragrance SA, as a subsidiary of Lalique Group SA; Art & Fragrance SA is an acquired inactive shell, which is to be filled by a new licensing business in the future and used to protect the Group's former corporate name

Lalique Group comprised the following companies at 31 December 2020:

COMPANY, HEADQUARTERS, COUNTRY	CURRENCY (THOUSANDS)	SHARE CAPITAL 2020	SHARE CAPITAL 2019	PARTICIPATING INTEREST 2020	PARTICIPATING INTEREST 2019
Lalique Group SA, Zurich, Switzerland	CHF	1 440	1 440	Holding	Holding
Lalique Beauty SA, Zurich, Switzerland	CHF	1 000	1 000	100%	100%
LLQ Management SA, Zurich, Switzerland	CHF	500	500	100%	100%
Lalique Parfums SA, Zurich, Switzerland	CHF	1 000	1 000	100%	100%
Parfums Grès SA, Zurich, Switzerland	CHF	250	250	100%	100%
Parfums Samouraï SA, Zurich, Switzerland	CHF	250	250	100%	100%
Parfums Alain Delon SA, Zurich, Switzerland[1]	CHF	100	100	100%	100%
Jaguar Fragrances AG, Zurich, Switzerland	CHF	250	250	100%	100%
Bentley Fragrances AG, Zurich, Switzerland	CHF	250	250	100%	100%
Lalique Barberini Fragrances SA, Zurich, Switzerland	CHF	100	100	100%	100%
Lalique Beauty Distribution SASU, Ury, France	EUR	252	252	100%	100%
Ultrasun AG, Zurich, Switzerland	CHF	250	250	100%	100%
Ultrasun (UK) Limited, Reigate, UK	GBP	10	10	100%	100%
Lalique Beauty Services SASU, Ury, France	EUR	500	500	100%	100%
Art & Fragrance SA, Zurich, Switzerland	CHF	100	–	100%	0%
SCI du Mont à Grillon, Ury, France	EUR	1	1	100%	100%
Lalique Maison SA, Zurich, Switzerland[1]	CHF	100	100	100%	100%
Lalique Art SA, Zurich, Switzerland[1]	CHF	100	100	100%	100%
Lalique Suisse SA, Zurich, Switzerland	CHF	100	100	100%	100%
Lalique SA, Paris, France	EUR	34 400	34 400	95%	95%
Lalique North America, Inc., East Rutherford, NJ, USA	USD	2 300	2 300	95%	95%
Lalique Limited, London, UK	GBP	2 050	2 050	95%	95%
Lalique Asia Limited, Hong Kong, China	HKD	29 000	29 000	95%	95%
Lalique (China) Limited, Hong Kong, China	HKD	16 000	16 000	95%	95%
Lalique (Shanghai) Limited, Shanghai, China	CNY	12 780	12 780	95%	95%
Lalique Beijing Trading Company Limited, Beijing, China	CNY	4 310	4 119	95%	95%
Lalique Crystal Singapore PTE Ltd, Singapore	SGD	300	300	95%	95%
Lalique GmbH, Frankfurt, Germany	EUR	870	870	95%	95%
Villa René Lalique SAS, Wingen-sur-Moder, France	EUR	1 814	1 814	95%	95%
Château Hochberg SAS, Wingen-sur-Moder, France	EUR	10	10	95%	95%
Lalique Japan Co. Ltd, Tokyo, Japan	JPY	160 000	160 000	90%	57%
Glenturret Holding SA, Zurich, Switzerland	CHF	4 800	4 800	50%	50%
Glenturret Limited, Edinburgh, Scotland	GBP	–	–	50%	50%

[1] of which paid-in share capital: CHF 50 000 each

Information on subsidiaries which have non-controlling interests that are material to Lalique Group is provided below:

IN % OR EUR THOUSANDS	LALIQUE SA[1] 2020	GLENTURRET HOLDING SA[2] 2020	LALIQUE SA[1] 2019	Glenturret Holding AG 2019
Structural type of subsidiary	consolidated subgroup	consolidated subgroup	consolidated subgroup	consolidated subgroup
Principal place of business of the subsidiary	Paris, France	Edinburgh, Scotland	Paris, France	Edinburgh, Scotland
Proportion of ownership interests and voting rights held by non-controlling interests	5%	50%	5%	50%
Net Group profit attributable to non-controlling interests	–933	–1 469	–1 656	–695
Accumulated balances of non-controlling interest	76	18 119	– 378	20 700
Summarized statement of financial position				
Current assets	52 817	27 467	51 874	20 505
Non-current assets	93 423	31 751	101 802	29 079
Current liabilities	37 780	12 176	37 502	3 223
Non-current liabilities	100 400	10 804	91 654	4 959
Equity	8 060	36 238	24 520	41 402
Summarized statement of profit or loss				
Revenue and other operating income	53 692	1 329	64 604	1 901
Net profit or loss	–16 091	–2 938	–8 804	–1 390
Total comprehensive income	–16 312	–5 221	–10 934	–801

[1] The Group holds a 95% interest in Lalique SA. Lalique SA holds a 95% interest in Lalique Japan (2019: 60%) and a 100% interest in a number of other subsidiaries, resulting in 90% and 95% interests held by the Group, respectively. The amounts presented in column "Lalique SA" are for the entire subgroup, rather than the individual entity within the subgroup.
[2] The Group holds 50% interest in Glenturret Holding SA. Glenturret Holding SA holds 100% interest in Glenturet Ltd. The amounts presented within column "Glenturret Holding SA" are for the entire subgroup, rather than the indivual entity within the subgroup.

The amounts presented as summarized in the financial information above are before inter-company elimination with other entities of Lalique Group (transactions and balances within the consolidated subgroup Lalique SA have been eliminated).

28. TRANSACTIONS WITH RELATED PARTIES

Members of the Board of Directors, members of the Executive Board

IN EUR THOUSANDS	2020	2019
Total emoluments and salaries (incl. bonuses and interest) paid to members of the Board of Directors and Executive Board	2 663	3 248
Total pension fund contributions paid to members of the Board of Directors and Executive Board	254	307

The compensation elements indicated relate to the last financial year.

Affiliates and shareholders

IN EUR THOUSANDS	31.12.20	31.12.19	TYPE OF TRANSACTION
Liabilities:			
Affiliates under common control	6	60	Château Lafaurie–Peyraguey, wine and hospitality services
	7	–	Château Faugères, purchase of racking for warehouse
	1	30	Denz Weine, purchase of wine
	11	17	Vignobles Silvio Denz, purchase of wine
Principal shareholder	–	9 196	Loan Silvio Denz
	10	4	Expenses Silvio Denz
Members of the Board of Directors of Lalique Group SA	19	9	Mont–Blanc resourcing, consulting
	12	–	Sanjeev Malhan, remuneration board mandate
	18	–	Adbodmer AG, remuneration board mandate
Receivables:			
Affiliates under common control	6	108	Château Lafaurie–Peyraguey, purchase of Lalique products
	6	–	Château Lafaurie–Peyraguey, reimbursements
	2	–	Vignobles Silvio Denz, purchase of Lalique products
	–	18	Denz Weine, services
	–	5	Wermuth Auktionen, services
Principal shareholder	–	16	Silvio Denz, purchase of Lalique products

IN EUR THOUSANDS	2020	2019	TYPE OF TRANSACTION
Proceeds from:			
Affiliates under common control	5	182	Château Lafaurie-Peyraguey, sale of Lalique products
	7	–	Château Lafaurie-Peyraguey, reimbursements
	2	–	Vignobles Silvio Denz, sale of Lalique products
	–	18	Denz Weine, products and services
	11	11	Art & Terroir SA, reimbursements
	–	5	Wermuth Auktionen, services
	–	1	Ciron SA
	38	103	Reimbursement private expenses
Principal shareholder	2	33	Proceeds from sale of Lalique products
Expenditure of:			
Affiliates under common control	61	193	Château Lafaurie-Peyraguey, purchase of wine and hospitality services
	3	–	Château Rocheyron, purchase of wine
	7	–	Château Faugères, purchase of racking for warehouse
	–	107	Art & Terroir SA, transaction costs and reimbursements
	50	91	Vignobles Silvio Denz, purchase of wine
	26	48	Denz Weine, purchase of wine
	99	8	Wermuth Autionen, purchase of wine
	–	5	Clos d’Agon, purchase of wine
	–	1	Noir Gastronomie AG, services
Principal shareholder	–	82	Interest on loan
	75	118	Expenses Silvio Denz
Members of the Board of Directors of Lalique Group SA	78	109	Mont-Blanc resourcing, consulting
	399	434	Ermitage Estate Limited, rent
	–	90	Adbodmer SA, transaction fees Project Clyde
	18	–	Adbodmer AG, remuneration board mandate
	12	–	Sanjeev Malhan, remuneration board mandate
	93	–	Claudio Denz, purchase Maison Noir SA (renamed to Art & Fragrance SA) and reimbursements

Transactions with related parties are settled on an arm’s-length basis.

29. CONTINGENT LIABILITIES

As at 31 December 2020, there were no unrecognized contingent liabilities (2019: EUR 0).

30. ASSETS PLEDGED OR ASSIGNED TO SECURE OWN COMMITMENTS

Villa René Lalique SAS has pledged the property of Villa René Lalique in Wingen-sur-Moder, France for a bank credit of EUR 10.0 million. This bank credit has replaced a former credit line in 2019. The pledged value amounts to the property assets valued EUR 9.2 million. There are no other assets pledged or assigned to secure the Groups' own commitments.

31. SUBSEQUENT EVENTS

Lalique Group has evaluated events from 31 December 2020 up to the date the financial statements were issued. There were no subsequent events that require disclosure.

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Statutory Auditor’s Report

To the General Meeting of
LALIQUE GROUP SA, ZURICH

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Lalique Group SA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 5 to 50) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Recoverability of intangible assets with indefinite useful life

Key audit matter	How the scope of our audit responded to the key audit matter
Intangible assets (including goodwill) amounted to EUR 84.8 Mio as of 31 December 2020 and represent 25% of total assets. Thereof, EUR 10.9 Mio (13%) represent Goodwill and EUR 67.1 Mio (79%) represent intangible assets with an indefinite life. Other intangible assets amounting to EUR 6.8 Mio (8%) have definite lives and are amortised over the useful life. Recoverability of goodwill, as well as intangible assets with an indefinite life, is tested for impairment on an annual basis under IAS 36 Impairment of assets (IAS 36). Thereby, the recoverable amount determined by management is compared with the carrying amount to assess the need for an impairment. Should the carrying amount exceed the recoverable amount, an impairment is required. In 2020 an impairment of EUR 4.32 Mio has been recorded on the brand “Lalique”. In the absence of plans to dispose of an intangible asset, management has determined the recoverable amount of intangible assets and goodwill using a discounted cash flow method (DCF). The application of the DFC method requires a number of management estimates. Significant management estimates comprise, among other things, the forecast of future revenues, growth rates as well as the determination of an appropriate discount rate. Due to the magnitude of the balance as per 31 December 2020, as well as the susceptibility of management estimates to bias and estimation uncertainty, we consider the recoverability of Goodwill and intangible assets with an indefinite life as a key audit matter. In this regard, please also refer to the accounting and valuation principles (Note 2) and Note 16 (Intangible assets) in the consolidated financial statements.	To audit management’s assessment of the recoverability of goodwill and intangible assets with an indefinite life, we have involved valuation specialists and performed the following procedures: • We obtained a comprehensive understanding of the impairment tests performed by the client and assessed them for irregularities and appropriateness. • We tested the design and implementation of the internal control that is applied to ensure proper valuation of intangible assets. • With the assistance of valuation specialists, we critically challenged base assumptions and estimates such as discount and growth rates, by performing independent recalculations and reviewing the report of the management experts. • Based on publicly available information, as well as on information obtained from management, we have developed our own expectation on the impairment test key input factors, which we have compared to the client’s analysis. • We assessed the accuracy of prior period management estimates of future cash flows by comparing these to actual results achieved during the current year. • We assessed the appropriateness of management’s disclosures in Note 16 of the consolidated financial statements in accordance with IAS 36 requirements. Our audit procedure did not lead to any reservation concerning the valuation of intangible assets with indefinite useful life and goodwill.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by another auditor whose report, dated 16 April 2020, expressed an unqualified opinion on those consolidated financial statements.

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Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the remuneration report and our auditor's reports thereon.

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Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing 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 consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

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Lalique Group SA
Statutory Auditor's Report
for the year ended
31 December 2020

Report on Other Legal and Regulatory Requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

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Chris Krämer Licensed Audit Expert Auditor in Charge	Sarah Sutter Licensed Audit Expert

Zurich, 19 April 2020

Lalique Group Remuneration Report

Compensation governance

Compensation principles
Lalique Group strives to attract and retain qualified and motivated managers and skilled personnel. This aspiration is underpinned by a fair remuneration system. In the interests of the sustainable development of the company this system takes short-, medium- and long-term targets into account.

The present Remuneration Report offers an overview of the remuneration policy for the Board of Directors and the Executive Board, and of the equity participation of the members of those bodies in the company. This information complies with Articles 663bbis and 663c of the Swiss Code of Obligations, the Ordinance against Excessive Compensation in Listed Corporations (VegüV/ORAb) and the company's Articles of Incorporation. The currently applicable articles were approved at the General Meeting of Shareholders on 24 May 2019.

Remuneration rates for the members of the Board of Directors and the Executive Board were put to shareholders for approval for the first time at the General Meeting of Shareholders on 26 June 2015. Neither amendments to the contracts of the Executive Board members nor any new agreements with members of the Board of Directors relating to the new legal and statutory requirements were necessary.

This report is based on the guiding principles given in the Swiss Code of Best Practice for Corporate Governance (2016). The information on compensation paid to the Board of Directors and the Executive Board is also in accordance with IFRS Accounting Standards, Swiss law, the Ordinance Against Excessive Compensation in Public Corporations (OAEC), the SIX Directive Corporate Governance (DCG), and the Company's Articles of Incorporation.

Remuneration Committee
The Remuneration Committee consists of at least two members of the Board of Directors. All members of the Remuneration Committee are individually elected by the shareholders' meeting for a term of one year. Re-election is permitted. The chairperson of the Remuneration Committee is appointed by the Board of Directors.

At the General Meeting of Shareholders of 8 May 2020, shareholders confirmed the members of the Remuneration Committee. The elected members for a period of one year are Silvio Denz and Roland Weber.

The Remuneration Committee is responsible for regularly checking and evaluating the company's remuneration system. In addition, the Remuneration Committee assists the Board of Directors in remuneration-related matters, namely by:

- verifying compliance with the principles of remuneration in accordance with the law, the Articles of Incorporation and the Organizational Regulations as well as the resolutions of the shareholders' meeting regarding remuneration
- proposals to the Board of Directors for the establishment of principles, assessment criteria and qualitative and quantitative objectives for remuneration within the framework of the requirements set out by law and in the Articles of Incorporation
- calculation and proposals to the Board of Directors on the achievement of qualitative and quantitative targets for the assessment of variable remuneration
- proposals to the Board of Directors for the amounts of fixed and variable remuneration for the members of the Board of Directors as well as the fixed and variable remuneration for the members of the Executive Board
- proposal to the Board of Directors regarding the remuneration report
- taking all further actions assigned to it by law, the Articles of Incorporation and the Organizational Regulations

The Remuneration Committee is entitled to conduct investigations in all matters within its competence. In particular, it has full access, to the extent required for the fulfilment of its duties, to the employees, books and records of the Group and its subsidiaries. It may also request the services of independent advisors and experts to the extent required for the accomplishment of its duties.

General duties and powers of the Annual General Meeting
The Annual General Meeting of the Company votes each year separately on the proposals by the Board of Directors regarding the maximum aggregate amount of the compensation of the Board of Directors and the Executive Board for the term of office until the next annual shareholders' meeting.

Compensation awarded to the Board of Directors

Composition of directors' remuneration
The Board of Directors consisted of six members until 8 May 2020 and of seven members after 8 May 2020. All existing members of the Board of Directors were re-elected for another term at the General Meeting of Shareholders on 8 May 2020. Sanjeev Malhan was elected as a new member of the Board of Directors representing DS Group, which had acquired a 12.3% interest in Lalique Group in June 2019. Further information on the Board of Directors, its powers, the delegation of its duties and responsibilities, its spheres of influence, and its composition can be found in the Corporate Governance Report 2020.

The members of the Board of Directors receive a fixed remuneration for their work as members of the Board of Directors. The Remuneration Committee can provide for them to receive an optional variable rate of remuneration. Where a variable remuneration rate is implemented, it is based on qualitative and quantitative targets. The variable remuneration rate may not exceed 200% of the fixed compensation.

Bonuses can be paid to members of committees or those who assume particular roles or tasks.

With regard to activities in companies directly or indirectly controlled by Lalique Group and activities performed in the exercise of the role of member of the Board of Directors, the company concerned may remunerate directors as long as this remuneration is covered by the amount approved by the General Meeting of Shareholders.

The fixed remuneration can be paid in part in shares, and the variable remuneration in part or in full in shares.

Members of the Board of Directors are entitled to compensation for personal expenditure and expenses. The reimbursement of expenditure and repayment of expenses is not considered as remuneration. In addition, where the law permits, the company can compensate directors for financial disadvantages relating to legal proceedings, court cases or settlement deals, and advance corresponding amounts and contract insurance coverage. Any such indemnification, advances and insurances are not considered as compensation.

Approval of directors' remuneration
The General Meeting of Shareholders approves the maximum amount of fixed remuneration for the Board of Directors for the period up to the next General Meeting of Shareholders.

The General Meeting of Shareholders approves the total amount of variable remuneration of the Board of Directors for the previous financial year.

Actual compensation of the Board of Directors for 2020
The directors were entitled to a fixed compensation of CHF 25 000 for their service on the Board of Directors but voluntarily waived 20% of this amount in the context of the Covid-19 situation. Silvio Denz (Executive Chairman of the Board of Directors), Roger von der Weid (Delegate of the Board of Directors & CEO), as well as Claudio Denz (Member of the Board of Directors & Head of Digital) each received additional fixed remuneration for their operational responsibilities.

Total actual remuneration for members of the Board of Directors for the 2020 and 2019 financial years was as follows:

IN CHF THOUSANDS		GROSS COMPENSATION	POST EMPLOYMENT BENEFITS	OTHER SOCIAL COSTS	TOTAL COMPENSATION
2020					
Denz, Silvio	Executive Chairman of the Board of Directors	263	21	17	301
Weber, Roland	Vice-Chairman of the Board of Directors	20	–	1	21
von der Weid, Roger	Delegate of the Board of Directors & CEO	481	40	31	552
Denz, Claudio	Member of the Board of Directors & HD	206	9	14	229
Kollros, Jan	Member of the Board of Directors	20	–	–	20
Roesti, Marc	Member of the Board of Directors	20	–	–	20
Malhan, Sanjeev	Member of the Board of Directors (as of 8.5.20)	13	–	–	13
Total Board of Directors		**1 023**	**70**	**63**	**1 156**
2019					
Denz, Silvio	Executive Chairman of the Board of Directors	301	24	19	344
Weber, Roland	Vice-Chairman of the Board of Directors	25	–	2	27
von der Weid, Roger	Delegate of the Board of Directors & CEO	624	43	39	706
Denz, Claudio	Member of the Board of Directors & HD	246	10	16	272
Kollros, Jan	Member of the Board of Directors	25	–	–	25
Roesti, Marc	Member of the Board of Directors	25	–	–	25
Total Board of Directors		**1 246**	**77**	**76**	**1 399**

Except for Roger von der Weid and Claudio Denz whose total compensation includes a variable component for their operational responsibilities (Roger von der Weid CHF Thousands 35; Claudio Denz CHF Thousands 7), none of the members of the Board of Directors was paid a variable compensation for their service. No remuneration was paid to former members of the Board of Directors.

Compensation awarded to the Executive Board

Composition of remuneration of the Executive Board
The members of the Executive Board receive a fixed annual remuneration sum and a variable remuneration for their work. The variable remuneration rate is based on qualitative and quantitative targets. Evaluating the extent to which these targets are achieved is the responsibility of the Board of Directors. The variable remuneration rate may not exceed 100% of the fixed compensation.

Bonuses can be paid to members of committees or those who assume particular roles or tasks.

With regard to activities in companies directly or indirectly controlled by Lalique Group and activities performed in the exercise of the role of member of the Executive Board, the company concerned may remunerate Executive Board members as long as this remuneration is covered by the amount approved by the General Meeting of Shareholders.

The variable remuneration can be paid in part or in full in shares.

Members of the Executive Board are entitled to compensation for personal expenditure and expenses. The reimbursement of expenditure and the repayment of expenses is not considered as remuneration. In addition, where the law permits, the company can compensate Executive Board members for financial disadvantages relating to legal proceedings, court cases or settlement deals, and advance sums accordingly and contract insurance coverage. Any such indemnifications, advances and insurances are not considered as compensation.

Approval of remuneration for the Executive Board
The General Meeting of Shareholders approves the maximum amount of fixed remuneration of the Executive Board for the period up to the next General Meeting of Shareholders.

The General Meeting of Shareholders approves the total amount of the variable remuneration for the Executive Board for the previous financial year.

Where new Executive Board members are appointed subsequent to approval being given by the General Meeting of Shareholders, the supplementary pro rata sum per new member is 150% of the highest fixed remuneration paid to an Executive Board member in the financial year preceding the last General Meeting of Shareholders. Approval by the shareholders for the supplementary remuneration is not required.

Actual compensation of the Executive Board for 2020
The members of the Executive Board voluntarily waived a part of their fixed remuneration since the outbreak of the Covid-19 crisis in spring 2020, as well as 50% of their variable compensation due for the financial year 2019. Total actual remuneration for members of the Executive Board for the financial years 2020 and 2019 was as follows:

IN CHF THOUSANDS	GROSS COMPENSATION	POST EMPLOYMENT BENEFITS	OTHER SOCIAL COSTS	TOTAL COMPENSATION
2020				
Members of the Executive Board[1]	1 827	202	349	2 378
Total Executive Board	**1 827**	**202**	**349**	**2 378**
2019				
Members of the Executive Board[1]	2 367	266	439	3 072
Total Executive Board	**2 367**	**266**	**439**	**3 072**

[1] Amounts do not include remuneration to members of the Executive Board who are also serving as members of the Board of Directors.

The total compensation includes a variable component of CHF 179 Thousand in 2020 (CHF 391 Thousand in 2019).

The Group CEO, Roger von der Weid, received the highest total compensation in 2020 (see table “Actual compensation of the Board of Directors for 2020”).

No remuneration was paid to former members of the Executive Board.

Shares held by members of management bodies

As at 31 December 2020, the members of the Board of Directors and the Executive Board held the following number of shares:

NAME	FUNCTION	31.12.20	31.12.19
Denz, Silvio	Chairman of the Board of Directors	4 202 700	4 197 000
Weber, Roland	Vice-Chairman of the Board of Directors	8 000	8 000
von der Weid, Roger	Delegate of the Board of Directors & CEO	3 600	3 600
Denz, Claudio	Member of the Board of Directors & Head Digital	214 560	214 560
Kollros, Jan	Member of the Board of Directors	–	–
Roesti, Marc	Member of the Board of Directors	2 100	2 100
Rubinstein, Alexis	Group CFO	120	120
Müller, Michael	CFO, Lalique Beauty	120	120
Rios Lopes, David	COO, Perfumes	600	600
Abels, Rosemarie	Head Procurement & Production, Perfumes	120	120
Joly, Marie-Laure	Head of Marketing, Perfumes	700	300
Leutenegger, Thomas	Head of Sales, Perfumes	150	150
Irniger, Benedikt	Head of Ultrasun	–	–
Mandry, Denis	Factory Director, Crystal	–	–
Larminaux, Marc	Head of Design, Crystal	–	–
de Jaham, Jean Baptiste	Head of Sales, Crystal	–	–
Ashworth, Alexia	Head of Marketing, Crystal	–	–
Total		**4 432 770**	**4 426 670**
Total Lalique Group shares		7 200 000	7 200 000

The shares listed above, held by members of the Board of Directors and Executive Board, are not subject to any vesting periods. The option of purchasing blocked shares in the company at market value (including a discount which recognizes the lock-up period and its duration) may be accorded to members of either body. Otherwise, the members of the Board of Directors and Executive Board are not granted any special rights concerning the purchase of shares.

Loans and credit

Lalique Group may grant loans or credit to members of the Board of Directors or Executive Board in exceptional cases. The total sum of such loans and credits may not exceed CHF 1 million per member. No such loans or credits existed in the 2020 financial year, either towards present (or former) members of the Board of Directors or of the Executive Board, or towards persons closely connected with these members.

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Report of the statutory auditor

To the General Meeting of
LALIQUE GROUP SA, ZURICH

We have audited the remuneration report dated 19 April 2021 of Lalique Group SA for the year ended 31 December 2020. Our audit is limited to the information provided in the tables on page 59 to 61 in accordance with the articles 14 to 16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance) and to the information regarding compensation for former members of governing and executive bodies or parties related to them and regarding loans and advances on page 62.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Lalique Group SA
Report of the statutory auditor in relation to the remuneration report as of 31 December 2020

Opinion

In our opinion, the remuneration report for the year ended 31 December 2020 of Lalique Group SA complies with Swiss law and articles 14 – 16 of the Ordinance.

Deloitte AG

Chris Krämer Licensed audit expert Auditor in Charge	Sarah Sutter Licensed audit expert

Zurich, 19 April 2021

Lalique Group SA, Zurich, Financial Statements

Income statement

IN CHF THOUSANDS	2020	2019
Income from participating interests	–	6 800
Personnel expenses	–295	–458
Other operating expenses	–684	–782
Depreciation on property, plant and equipment	–20	–17
Earnings before interest and taxes	**–999**	**5 543**
Total financial income	4 148	4 204
Total financial expenses	–1 838	–4 045
Extraordinary expenses	–54 809	–854
Extraordinary income	41	–
Loss/profit for the year before taxes	**–53 457**	**4 848**
Direct taxes	–23	–
LOSS/PROFIT FOR THE YEAR	**–53 480**	**4 848**

Balance Sheet

IN CHF THOUSANDS	31.12.20	31.12.19
Current assets		
Cash and cash equivalents	7 927	27 477
Other short-term receivables from third party	238	24
Other short-term receivables from related party	288	216
Total current assets	**8 453**	**27 717**
Non-current assets		
Investments	126 600	126 700
Loans to group companies	65 835	113 013
Total non-current assets	**192 435**	**239 713**
TOTAL ASSETS	**200 888**	**267 430**
Current liabilities		
Interest-bearing short-term bank liabilities	35 064	38 207
Trade account payables	278	181
Other current liabilities due to third party	197	225
Total current liabilities	**35 539**	**38 613**
Non-current liabilities		
Non-current liabilities due to group companies	484	472
Interest-bearing shareholder loans	–	10 000
Total non-current liabilities	**484**	**10 472**
Total liabilities	**36 023**	**49 085**
Equity		
Share capital	1 440	1 440
Legal capital reserves	107 632	108 475
Capital contribution reserves	87 810	88 652
Other legal capital reserves	19 822	19 822
Legal retained earnings	1 255	1 255
Voluntary retained earnings	55 151	107 788
Earnings brought forward	108 631	102 940
Loss/Profit for the year	–53 480	4 848
Treasury shares	–613	–613
Total equity	**164 865**	**218 345**
TOTAL LIABILITIES AND EQUITY	**200 888**	**267 430**

Notes to the financial statements

Applied valuation principles in the financial statements
These financial statements have been prepared in accordance with the regulations of Swiss financial reporting law.

Treasury shares
Treasury shares are valued at acquisition cost at the date of recognition and recorded as a negative value of the equity. In case of sales, a gain or loss will be recorded in financial income or expenses.

Interest-bearing long-term loans
Interest-bearing long-term loans are valued at nominal value.

Waiver of disclosing additional information for interest-bearing liabilities and cash flow statement
Lalique Group SA prepares its consolidated financial statements in accordance with IFRS and therefore is exempted from the presentation of cash flow statements, management report and additional disclosures.

Information about balance sheet and income statement items

Extraordinary expenses
The extraordinary expenses are mainly related to impairments on intercompany loans. Lalique Group SA came to the conclusion that the carrying amount of the intercompany loans may not be recoverable as at 31 December 2020.
In 2020, the Group recognized a total impairment charge on loans to group companies of EUR 54 809 thousand (2019: CHF 426 thousand).

Full-time positions
The number of full-time positions, on annual average, did not exceed ten in 2020 nor in the previous year.

Significant shareholders
To the knowledge of the company, the following were the only shareholders holding more than 3% of the share capital of Lalique Group SA as at 31 December 2020:

SIGNIFICANT SHAREHOLDERS	NUMBER OF SHARES 31 DECEMBER 2020	%	NUMBER OF SHARES 31 DECEMBER 2019	%
Silvio Denz	4 202 700	58.37%	4 197 000	58.29%
Dharampal Satyapal Limited	884 000	12.28%	884 000	12.28%
Hansjörg Wyss	453 918	6.30%	453 918	6.30%
MAG Seven Ltd on behalf of Ayman, Faisal, Mohammed and Maanoun Tamer	240 000	3.33%	240 000	3.33%

IN CHF THOUSANDS	31.12.20	31.12.19
Contingent liabilities		
As at 31 December 2020, there were unrecognized contingent liabilities (joint guarantees) of EUR 8,157 million (31.12.2019: EUR 9,198 million) arising from short- and long-term loans and guaranteed rental income in connection with Lalique SA and Villa René Lalique SAS.	8 846	10 002
Guarantees		
Joint and several liability for VAT debt resulting from the consolidated accounting of VAT (group taxation)	918	920
Directly held investments		
Lalique Beauty SA (former Art & Fragrance SA), Zurich		
Holding of participating interests		
Share capital in CHF thousands	1 000	1 000
Ownership and voting right	100%	100%
Lalique SA, Paris		
Production and sale/distribution of crystal, jewellery, perfume and cosmetic products		
Share capital in EUR thousands	34 400	34 400
Ownership and voting right	95%	95%
Lalique Suisse SA, Zurich		
Wholesale and retail trade in consumer products and luxury items, in particular of the Lalique brand		
Share capital in CHF thousands	100	100
Ownership and voting right	100%	100%
Lalique Maison SA, Zurich		
Creation and sale/distribution of furniture and interior-design accessories		
Share capital in CHF thousands[1]	100	100
Ownership and voting right	100%	100%
Lalique Art SA, Zurich		
Creation, development and trading of works art and decorative elements		
Share capital in CHF thousands[1]	100	100
Ownership and voting right	100%	100%
SCI du Mont à Grillon, Ury		
Management and rental of real estate		
Share capital in EUR thousands	1	1
Ownership and voting right	100%	100%
Glenturret Holding SA, Zurich		
Production and sale/distribution of fine spirits		
Share capital in CHF thousands	4 800	4 800
Ownership and voting right	50%	50%

[1] Of which paid in: CHF 50,000 each

Treasury shares

	NUMBER OF TRANSACTIONS	ANNUAL LOW SHARE PRICE IN CHF	ANNUAL HIGH SHARE PRICE IN CHF	AVERAGE PRICE PER SHARE IN CHF	NUMBER OF TREASURY SHARES
Treasury shares					
Balance as of 1.1.2019					**–**
Purchases	48	36.40	51.50	40.88	15 000
Balance as of 31.12.2019					**15 000**
Purchases	1	37.00	37.00	37.00	1
Sales	1	25.80	25.80	25.80	–1
Balance as of 31.12.2020					**15 000**

As of balance sheet date, the acquisition cost of the treasury shares amounted to CHF 613 thousand (31.12.2019: CHF 613).
All shares traded were placed at the current share price on the SIX Swiss Exchange.

Shares held by members of Board of Directors and Executive Board

NAME	FUNCTION	31.12.20	31.12.19
Denz, Silvio	Executive Chairman of the Board of Directors	4 202 700	4 197 000
Weber, Roland	Vice-chairman of the Board of Directors	8 000	8 000
von der Weid, Roger	Delegate of the Board of Directors & CEO	3 600	3 600
Denz, Claudio	Member of the Board of Directors & HD	214 560	214 560
Kollros, Jan	Member of the Board of Directors	–	–
Roesti, Marc	Member of the Board of Directors	2 100	2 100
Rubinstein, Alexis	Group CFO	120	120
Müller, Michael	CFO, Lalique Beauty	120	120
Rios Lopes, David	COO, Perfumes	600	600
Abels, Rosemarie	Head Procurement & Production, Perfumes	120	120
Joly, Marie-Laure	Head of Marketing, Perfumes	700	300
Leutenegger, Thomas	Head of Sales, Perfumes	150	150
Irniger, Benedikt	Head of Ultrasun	–	–
Mandry, Denis	General Manager of Factory, Crystal	–	–
Larminaux, Marc	Head of Design, Crystal	–	–
de Jaham, Jean Baptiste	Head of Sales, Crystal	–	–
Ashworth, Alexia	Head of Marketing, Crystal	–	–
Total		**4 432 770**	**4 426 670**
Total Lalique Group shares		7 200 000	7 200 000

Proposal for the allocation of retained earnings as at 31 December 2020

The Board of Directors proposes that the Annual General Meeting of Shareholders (AGM) on 28 May 2021 approves the following appropriation of available earnings:

IN CHF THOUSANDS	31.12.20	31.12.19
Incremental external transaction costs from previous year[1]	843	600
Carried forward from previous year	**108 631**	**102 940**
Profit/loss for the year	–53 480	4 848
Total earnings available for appropriation	**55 151**	**107 788**
BALANCE TO BE CARRIED FORWARD	**55 151**	**107 788**

[1] CHF 0.8 million extraordinary expenses of 2019 were reconsidered as incremental external transaction costs directly attributable to the capital increase of 2019 and consequently presented as a deduction from capital contribution reserves.

The Board of Directors proposes that the AGM on 28 May 2021 shall not issue a dividend this year.

IN CHF THOUSANDS	31.12.20	31.12.19
Incremental external transaction costs from previous year[1]	–843	–600
Capital contribution reserves from previous years	**87 810**	**40 893**
Capital increase	–	47 760
Capital contribution reserves before proposed distribution	**87 810**	**88 653**
Proposed distribution of capital contribution reserves (2020: CHF 0.00 per dividend-bearing share; 2019: CHF 0.00 per dividend-bearing share)	–	–
BALANCE TO BE CARRIED FORWARD	**87 810**	**88 653**

[1] CHF 0.8 million extraordinary expenses of 2019 were reconsidered as incremental external transaction costs directly attributable to the capital increase of 2019 and consequently presented as a deduction from capital contribution reserves.

Deloitte.

Statutory Auditor's Report

To the General Meeting of
LALIQUE GROUP SA, ZURICH

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Lalique Group SA, which comprise the balance sheet as at as at 31 December 2020 and the income statement and notes for the year then ended (pages 67 to 72).

In our opinion the accompanying financial statements as at 31 December 2020 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion
We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter

Deloitte.

Valuation of investments and loans to group companies

Key audit matter	How the scope of our audit responded to the key audit matter
Lalique Group SA as the parent company of Lalique Group holds the shares of its subsidiaries and grants loans to selected subsidiaries. As per 31 December 2020, investments amounted to CHF 126.6 million and loans to group companies amounted to CHF 65.8 million, together representing 96% of Lalique's total assets. The valuation of investments and loans to group companies depends among other thigs on the financial stability and healthiness of the investee and thus is linked to the future performance. Consequently, there is a risk that investments and loans are not appropriately valued as the carrying value exceeds the recoverable amounts. The year-end balances of the investments and the loans to group companies are tested for impairment indication on an annual basis. On an annual basis management assesses the need of impairment, by comparing the recoverable amount, which is calculated based on a discounted cash flow method (DCF), with the carrying amount. Should the carrying amount exceed the recoverable amount, an impairment is required. In 2020 an impairment of CHF 54.8 million has been recorded on Lalique's loans granted to group companies. Due to the magnitude of the balance, as well as the susceptibility of management estimates to bias and estimation uncertainty, we consider the valuation of investments and loans to group companies as a key audit matter. In this regard, please also refer to the Note extraordinary expenses.	To audit management's valuation of investments we performed the following procedures: • We obtained a comprehensive understanding of the valuation analysis performed by the client and assessed it for irregularities and appropriateness. • We tested the design and implementation of the internal control applied to ensure correct valuation of investments and loans to group companies. • We critically challenged the DCF valuation for investments and loans to group companies. Thereby we challenged the base assumptions and estimates such as discount rates by performing independent recalculations and reviewing management's analysis. Our audit procedures did not lead to any reservation concerning the valuation of investments and loans to group companies.

Other Matter

The financial statements of the company for the year ended 31 December 2019 were audited by another auditor whose report, dated 16 April 2020, expressed an unqualified opinion on those financial statements.

Deloitte.

Lalique Group SA
Statutory Auditor's Report
for the year ended
31 December 2020

Responsibility of the Board of Directors for the Financial Statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing 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.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte AG

Chris Krämer Licensed Audit Expert Auditor in Charge	Sarah Sutter Licensed Audit Expert

Zürich, 19 April 2021

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