



LALIQUE  
GROUP

# Annual Report 2021

CONSOLIDATED FINANCIAL STATEMENTS

# Consolidated Financial Statements Lalique Group

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## Management Comment

**In 2021 Lalique Group generated operating revenue of EUR 142.0 million, an increase of 28% compared to 2020 and virtually in line with the pre-pandemic level. As a result of higher business volumes, EBIT rose to EUR 9.6 million, with the EBIT margin reaching 6.8%, and net Group profit totalled EUR 6.8 million. The Board of Directors will propose a dividend of CHF 0.40 per share to the 2022 Annual General Meeting. Lalique Group expects to achieve high single-digit sales growth in percentage terms for 2022.**

Lalique Group's sales in 2021 were virtually in line with the pre-pandemic level recorded in 2019. The Lalique segment displayed especially strong growth momentum, generating higher sales than in the period before the pandemic. This included a very pleasing performance by Lalique Parfums in particular, as well as most of the Group's other perfume brands. The whisky business The Glenturret also reported a significant increase in sales, while sales of Ultrasun sunscreen products remained below the prior year. Overall, the Group's operating revenue grew by 28% year on year to EUR 142.0 million (2020: EUR 110.7 million; 2019: EUR 143.5 million).

Continued disciplined cost management, as well as higher business volumes, were reflected on the cost side. Personnel costs totalled EUR 34.6 million in 2021, an increase of 21% compared to the prior year. Other operating expenses of EUR 21.8 million increased by 6%, excluding the litigation provision of EUR 2.4 million recorded in the prior year in connection with legal proceedings in France. Depreciation, amortisation and value adjustments of EUR 14.2 million were 10% lower than in the prior year, excluding the non-cash impairment charge of EUR 4.3 million before tax on Lalique's brand value recorded in 2020.

Earnings before interest and taxes (EBIT) were EUR 9.6 million in 2021, compared to EUR -5.9 million in the prior year, excluding the litigation provision recorded during that period and the brand impairment charge. The EBIT margin was 6.8% in 2021, far exceeding the pre-pandemic level (2019: 1.0%, or 1.8% excluding one-off costs incurred in connection with the acquisition of The Glenturret). Net Group profit was EUR 6.8 million (2020: EUR 15.0 million, including the two exceptional items).

Lalique Group continues to have a solid liquidity and capital position with an equity ratio of 50.9% at the end of 2021 (2020: 46.2%).

### SEGMENT RESULTS

The Lalique segment recorded sales of EUR 85.2 million in 2021, an increase of 29% compared to 2020 and 5% higher than the pre-pandemic level. The perfume business generated a significant increase in sales, which rose 70%, supported in part by the realignment of distribution activities in the Middle East. The crystal business, which continued to experience a decline in sales at Lalique boutiques in a small number of markets in 2021 due to the pandemic, recorded growth of 14% but remained marginally below the level reported in 2019. The gastronomy and hospitality business also returned to a growth path in 2021, even if it was unable to reach the pre-pandemic level due to closures related to lockdown measures in the first half of the year. The increase in sales in the gastronomy business was also driven by the Hotel & Restaurant Lalique—Château Lafaurie-Peyraguey, which was acquired in July 2021 and was awarded a second Michelin start in March 2022. As business activities intensified again, this led to a 13% increase in the segment's personnel costs compared to 2020. Overall, segment costs remained largely stable compared to the prior year (excluding the litigation provision recorded during that period and the brand impairment charge) and were significantly lower than in 2019. EBIT was EUR 5.8 million, compared to EUR -6.6 million in the prior year (excluding the two exceptional items).

Ultrasun generated sales of EUR 13.2 million in 2021, down 11% compared to the prior year. This decline was partly attributable to the ongoing restrictions on holidays and travel due to the pandemic and partly due to lower demand in Middle Eastern markets. The gross margin also decreased significantly—

primarily due to higher production costs and the removal of older products that could no longer be sold. In the area of online sales, Ultrasun was able to strengthen distribution across all markets in the reporting year. With slightly lower personnel costs and largely stable total costs, profitability at EBIT level was EUR -1.1 million (2020: EUR 0.9 million).

The Jaguar Fragrances segment achieved a 30% increase in sales to EUR 20.7 million. This was driven primarily by European markets and the Middle East. While the segment's overall sales were below the pre-pandemic level (2019: EUR 23.3 million), profitability at EBIT level of EUR 3.5 million was virtually in line with the pre-pandemic level (2020: EUR 2.0 million; 2019: EUR 3.6 million).

The Glenturret segment achieved a substantial increase in sales, which grew by 271% to EUR 4.9 million in 2021, reflecting significantly higher sales of whisky. The distillery's visitor centre and shop, which have been renovated in the Lalique style and opened again for guided tours at the end of April 2021 following long periods of closure due to the pandemic, also made a good contribution to the result. In 2021, income from the tourist business was, however, still impacted by lower levels of international travel due to the pandemic. The opening in July 2021 of the new The Glenturret Lalique Restaurant, which has met with a very positive response and received its first Michelin star only seven months after opening, led to an increase in operating costs. EBIT was EUR -1.8 million (2020: EUR -2.5 million).

Among the other brands, Bentley Fragrances saw sales increase by 87%. This strong performance, which also significantly exceeded the pre-pandemic level, was driven by the successful expansion of the brand presence in international markets. In contrast, sales generated by Parfums Samouraï were slightly below the prior year (-1.5%) because of continued market restrictions due to Covid-19 protective measures in Japan. Parfums Grès reported slight growth in sales of 3% year on year but remained below the pre-pandemic level as markets such as Latin America—which are of key importance for the brand—continued to be strongly impacted by the pandemic. The first two Brioni fragrances, which were presented in spring and autumn 2021, met with a positive response from the market, and the launch of a third fragrance is currently underway. The perfume filling and logistics business Lalique Beauty Services delivered an 18% increase in sales compared to the prior year. As a result of the overall rise in sales, the segment reported an increase in EBIT to EUR 3.2 million (2020: EUR 1.5 million).

## OUTLOOK

The global economic environment continues to be impacted by uncertainty in 2022—primarily due to geopolitical tensions following the Russian invasion of Ukraine and the related economic sanctions. Lalique Group will continue to systematically pursue its diversification strategy and is convinced that the breadth of its business represents a strength in economically challenging conditions.

Lalique Group will move ahead with selected product launches and projects in the current year to further strengthen its portfolio. They include the new perfume licencing agreement with the global fashion brand Superdry that was announced on 12 April 2022, with the launch of the first fragrances planned for spring 2024. The Group also wants to continue seizing opportunities to promote the Lalique brand through the world of experiences offered by its gastronomy and hospitality business, which was expanded last year to include the Hotel & Restaurant Lalique—Château Lafaurie-Peyraguey and The Glenturret Lalique Restaurant and now comprises four gastronomic establishments.

Excluding unforeseeable events, Lalique Group expects to generate high single-digit sales growth in percentage terms for the full year 2022. In terms of its medium-term targets, the Group expects the achievement of the targets set in 2019 (mid single-digit sales growth in percentage terms in local currencies and a gradual increase in the EBIT margin from 9% to 11%) to be delayed by around two years due to the Covid-19 situation.

## 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 approx. 700 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 (LLQ) are listed on the SIX Swiss Exchange.

## Consolidated Income Statement

IN EUR THOUSANDS	REF.	2021	2020
Revenue from contracts with customers	4	138 645	109 154
Other operating income	5	3 306	1 573
<b>Revenue and other operating income</b>		<b>141 951</b>	<b>110 727</b>
Material costs, licences and third-party services	6	-61 789	-51 600
<b>Gross result</b>		<b>80 162</b>	<b>59 127</b>
Salaries and wages	7	-34 554	-28 659
Other operating expenses	8	-21 763	-22 868
<b>EBITDA</b>		<b>23 845</b>	<b>7 600</b>
Depreciation and amortization/impairment <sup>1</sup>	16/17	-14 226	-20 167
<b>EBIT</b>		<b>9 619</b>	<b>-12 567</b>
Financial income	9	44	68
Financial expenses	9	-1 517	-1 258
Net foreign exchange differences	9	396	-1 268
<b>Group profit before taxes</b>		<b>8 542</b>	<b>-15 025</b>
Income taxes	10	-1 722	-1
<b>NET GROUP PROFIT/LOSS</b>		<b>6 820</b>	<b>-15 026</b>
of which attributable to:			
Non-controlling interests	27	-1 367	-2 402
Owners of the parent company		8 187	-12 624
Earnings per share basic/diluted (in EUR)	11	1.14	-1.76

<sup>1</sup> Including an impairment of EUR 4 320 thousand on Lalique Brand in 2020 (Note 16)

## Consolidated Statement of comprehensive Income

IN EUR THOUSANDS	REF.	2021	2020
<b>NET GROUP PROFIT/LOSS</b>		<b>6 820</b>	<b>-15 026</b>
Foreign currency translation		6 874	-2 419
<b>Items that may be reclassified subsequently to the income statement, net of tax</b>		<b>6 874</b>	<b>-2 419</b>
Remeasurements of pension plans	19	345	99
Tax on remeasurements of pension plans		-67	-23
<b>Items that will not be reclassified subsequently to the income statement, net of tax</b>		<b>278</b>	<b>76</b>
<b>Other comprehensive income, net of tax</b>		<b>7 152</b>	<b>-2 343</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>13 972</b>	<b>-17 369</b>
of which attributable to:			
Non-controlling interests		146	-3 493
Owners of the parent company		13 826	-13 876

## Consolidated Balance Sheet

### ASSETS

IN EUR THOUSANDS	REF.	31.12.21	31.12.20
Cash and cash equivalents	12	48 256	66 697
Trade accounts receivable	13	17 489	15 101
Inventories	14	80 031	77 987
Other receivables	15	7 363	7 957
<b>Total current assets</b>		<b>153 139</b>	<b>167 742</b>
Intangible assets	16	88 121	84 818
Property, plant and equipment	17	80 293	76 671
Financial assets	18	1 050	650
Other non-current assets	18	5 481	5 451
Deferred tax assets	25	3 906	3 867
<b>Total non-current assets</b>		<b>178 851</b>	<b>171 457</b>
<b>TOTAL ASSETS</b>		<b>331 990</b>	<b>339 199</b>

### LIABILITIES AND EQUITY

IN EUR THOUSANDS	REF.	31.12.21	31.12.20
Bank overdrafts	12	26 852	44 271
Trade accounts payable		18 921	17 614
Current provisions	22	820	2 526
Income tax liabilities		1 269	927
Other current liabilities	20	39 478	20 197
<b>Total current liabilities</b>		<b>87 340</b>	<b>85 535</b>
Other non-current liabilities	21	1 219	2 460
Non-current provisions	22	1 437	517
Non-current financial liabilities	23	35 864	58 923
Defined benefit obligation	19	5 432	5 427
Deferred tax liabilities	25	12 236	11 524
<b>Total non-current liabilities</b>		<b>56 188</b>	<b>78 851</b>
<b>Total liabilities</b>		<b>143 528</b>	<b>164 386</b>
Share capital	26	1 204	1 204
Capital reserves	26	85 378	85 378
Retained earnings	26	82 305	70 036
<b>Total equity attributable to owners of the parent company</b>		<b>168 887</b>	<b>156 618</b>
Non-controlling interests	27	19 575	18 195
<b>Total equity</b>		<b>188 462</b>	<b>174 813</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>331 990</b>	<b>339 199</b>

## Consolidated Cash Flow Statement

IN EUR THOUSANDS	REF.	2021	2020
Group profit/loss before taxes		8 542	-15 025
Depreciation and amortization/impairment <sup>1</sup>	16/17	15 745	21 374
Early termination of lease contracts		12	500
Change in defined benefit obligation		-127	-305
Change in provisions	22	-811	2 885
Financial income	9	-44	-68
Financial expenses	9	1 517	1 258
Net foreign exchange differences	9	-396	1 268
Other non-cash items		38	-39
<b>Cash flow from operations before change in net current assets</b>		<b>24 476</b>	<b>11 848</b>
Decrease (+)/increase (-) in trade accounts receivable		-1 692	5 836
Decrease (+)/increase (-) in inventories		1 451	4 034
Decrease (+)/increase (-) in other receivables		2 753	1 131
Increase (+)/decrease (-) in trade accounts payable		614	1 888
Increase (+)/decrease (-) in other non- financial current liabilities		-846	-3 918
Interest paid		-1 430	-830
Tax paid		-1 149	-1 308
Interest received		3	9
<b>Cash flow from operating activities</b>		<b>24 180</b>	<b>18 690</b>
Investments in subsidiaries net of cash acquired	27	-4 118	-
Investments in property, plant and equipment	17	-6 643	-7 636
Sale of property, plant and equipment	17	8	100
Investments in intangible assets	16	-478	-929
Net cash flow financial assets		-402	-647
<b>Cash flow from investing activities</b>		<b>-11 633</b>	<b>-9 112</b>
Capital contribution from NCI shareholders	27	34	-
Reduction in shareholder loans		-	-9 345
Receipt of/increase in shareholder loans		198	-
Receipt of/increase in NCI shareholder loans		786	2 775
Purchase of treasury shares		-357	-
Net cash flow from bank overdrafts	23	-18 632	2 609
Repayment of principal amount of lease liabilities	23	-7 073	-7 956
Repayments/outflows other current financial liabilities	23	-3 194	-2 296
Proceeds/inflows other current financial liabilities	23	1 391	204
Repayments/outflows other non-current liabilities	23	-6 991	-79
Proceeds/inflows other non-current liabilities	23	1 222	23 913
<b>Cash flow from financing activities</b>		<b>-32 616</b>	<b>9 825</b>
Exchange differences on cash and cash equivalents		1 628	-1 551
<b>Decrease/increase in cash and cash equivalents</b>		<b>-18 441</b>	<b>17 852</b>
Balance of cash and cash equivalents as at 01.01.	12	66 697	48 845
Balance of cash and cash equivalents as at 31.12.	12	48 256	66 697

<sup>1</sup> 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
<b>BALANCE AS AT 01.01.2020</b>	<b>1 204</b>	<b>85 378</b>	<b>- 551</b>	<b>- 82</b>	<b>85 909</b>	<b>171 858</b>	<b>20 322</b>	<b>192 180</b>
Net Group loss/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
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1 325</b>	<b>-12 551</b>	<b>-13 876</b>	<b>-3 493</b>	<b>-17 369</b>
Acquisition of non-controlling interests	-	-	-	-	-1 366	-1 366	1 366	-
<b>BALANCE AS AT 31.12.2020</b>	<b>1 204</b>	<b>85 378</b>	<b>-551</b>	<b>-1 407</b>	<b>71 992</b>	<b>156 616</b>	<b>18 195</b>	<b>174 813</b>
<b>BALANCE AS AT 01.01.2021</b>	<b>1 204</b>	<b>85 378</b>	<b>-551</b>	<b>-1 407</b>	<b>71 992</b>	<b>156 616</b>	<b>18 195</b>	<b>174 813</b>
Net Group loss/profit	-	-	-	-	8 187	8 187	-1 367	6 820
Foreign currency translation	-	-	-	5 361	-	5 361	1 513	6 874
Remeasurement IAS 19 (incl. tax)	-	-	-	-	278	278	0	278
Other comprehensive income	-	-	-	5 361	278	5 639	1 513	7 152
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 361</b>	<b>8 465</b>	<b>13 826</b>	<b>146</b>	<b>13 972</b>
Capital contribution from NCI shareholders	-	-	-	-	-	-	34	34
Effect of capital contribution in subsidiaries with NCI	-	-	-	-	-1 200	-1 200	1 200	-
Purchase of treasury shares	-	-	- 357	-	-	-357	-	-357
<b>BALANCE AS AT 31.12.2021</b>	<b>1 204</b>	<b>85 378</b>	<b>-908</b>	<b>3 954</b>	<b>79 257</b>	<b>168 885</b>	<b>19 575</b>	<b>188 462</b>

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 2021 were approved by the Board of Directors on 19 April 2022 and recommended for approval by the General Meeting of Shareholders on 2 June 2022.

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 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 approx. 750 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 (LLQ) are listed on the SIX Swiss Exchange.

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, Singapore and Dubai.

## 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 International Accounting Standards Board (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.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

### New accounting policies

The IASB has published the following new amendments to existing standards and interpretations that are effective for the 2021 financial statements:

STANDARD/ INTERPRETATION	DESIGNATION	EFFECTIVE DATE
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform—Phase 2	1 January 2021
IFRS 16	Leases (Covid-19 Related Rent Concessions beyond 30 June 2021)	1 January 2021

### Impact of the Covid-19 pandemic and Amendments to IFRS 16 (Covid-19 Related Rent Concessions beyond 30 June 2021)

Lalique Group's business was visibly affected by the novel coronavirus (Covid-19) pandemic across all the Group's segments, particularly in the first half of 2020. In response to the pandemic, a core priority consisted in cutting costs and preserving cash to compensate as far as possible for lost sales, which is reflected in the Group's Consolidated Financial Statements. In addition, the Group benefited in 2020 as well as in the first half of 2021 from governmental support schemes, such as furloughing. Business in most segments recovered well in 2021 and sales increased almost to pre-Covid-19 levels.

In May 2020, the IASB issued Covid-related Lease Concessions (Amendment to IFRS 16). The pronouncement amended IFRS 16 Leases to provide lessees with relief from assessing whether a lease concession related to the pandemic is a lease modification. Upon publication, this practical expedient was limited to lease concessions where a reduction in lease payments only affected payments originally due on or before 30 June 2021.

As lessors continue to grant Covid-related lease concessions to lessees and the impact of the pandemic is ongoing and significant, the IASB has decided to consider whether to extend the period over which the practical expedient can be applied. In 2021 the Group recognized a net relief of lease obligations of EUR 350 thousand (2020 EUR 593 thousand) presented as a lease reduction (expense reduction).

#### **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform—Phase 2**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

#### **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
IFRS 3	Business Combinations (Reference to the Conceptual Framework—Amendment to IFRS 3)	1 January 2022	2022 business year
IAS 16	Property, Plant and Equipment (Proceeds before Intended Use—Amendment to IAS 16)	1 January 2022	2022 business year
IAS 37	Onerous Contracts (Costs of Fulfilling a Contract—Amendments to IAS 37)	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
IAS 8	Operating Segments (Definition of Accounting Estimates—Amendments to IAS)	1 January 2023	2023 business year
IAS 12	Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction—Amendments to IAS 1 and IFRS Practice Statement 2)	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. 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. Business combinations under common control are accounted for using the pooling of interests method, in which a receiving company measures assets and liabilities received using the book values (carrying amounts) of those assets and liabilities determined by applying IFRS accounting standards. Costs incurred in the course of a business combination under common control are recognized as expenses.

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.

### **Foreign-currency translation**

The functional currency of the parent company Lalique Group SA is Swiss francs (CHF). 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 "Retained earnings/other 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:

	2021	2020
<b>CHF</b>		
Year-end rate (balance sheet)	0.9649	0.9221
Average rate for the year (income statement)	0.9250	0.9345
<b>USD</b>		
Year-end rate (balance sheet)	0.8830	0.8141
Average rate for the year (income statement)	0.8454	0.8770
<b>GBP</b>		
Year-end rate (balance sheet)	1.1911	1.1054
Average rate for the year (income statement)	1.1629	1.1250
<b>HKD</b>		
Year-end rate (balance sheet)	0.1132	0.1050
Average rate for the year (income statement)	0.1088	0.1131
<b>SGD</b>		
Year-end rate (balance sheet)	0.6528	0.6146
Average rate for the year (income statement)	0.6197	0.6356
<b>CNY</b>		
Year-end rate (balance sheet)	0.1386	0.1247
Average rate for the year (income statement)	0.1310	0.1270
<b>JPY</b>		
Year-end rate (balance sheet)	0.0077	0.0079
Average rate for the year (income statement)	0.0077	0.0082
<b>AED</b>		
Year-end rate (balance sheet)	0.2404	NA
Average rate for the year (income statement)	0.2301	NA

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 39 169 thousand is allocated as at 31 December 2021.

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. The remaining 50% is held by another investor. Nevertheless, the Group considers that it controls Glenturret Holding SA (and its 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.

#### Consolidation of Tamer Beauty Holding Limited

Lalique Beauty SA holds 50% of Lalique Tamer Beauty Holding Limited. The remaining 50% is held by a business partner of the Group. Nevertheless, the Group considers that it controls the newly founded Lalique Tamer Beauty Holding Limited (and its subsidiary, Lalique Tamer Beauty Trading LLC) 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 Lalique Tamer Beauty Trading LLC 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.

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 recognizes 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 recognizes 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 recognized 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. Laliq 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.

Goodwill arises in a business combination and is the excess of the consideration transferred to acquire a business over the underlying fair value of the net identified assets acquired. Goodwill represents the future economic benefits arising from a business combination that are not individually identified and recognized separately. Such goodwill is tested annually for impairment or whenever there are impairment indicators, and is carried at cost less accumulated impairment losses.

#### 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, 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 systematic 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, rental deposits 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	2021 TOTAL	MATURING IN LESS THAN 1 YEAR	MATURING IN > 1 YEAR, < 5 YEARS	MATURING IN MORE THAN 5 YEARS	2020 TOTAL
<b>Assets</b>								
Cash and cash equivalents	48 256	-	-	<b>48 256</b>	66 697	-	-	<b>66 697</b>
Trade accounts receivable	17 489	-	-	<b>17 489</b>	15 101	-	-	<b>15 101</b>
Other financial receivables	4 674	-	-	<b>4 674</b>	4 319	-	-	<b>4 319</b>
Financial assets	-	706	344	<b>1 050</b>	-	632	18	<b>650</b>
<b>Total</b>	<b>70 419</b>	<b>706</b>	<b>344</b>	<b>71 469</b>	<b>86 117</b>	<b>632</b>	<b>18</b>	<b>86 767</b>
<b>Liabilities</b>								
Bank overdrafts <sup>1</sup>	26 852	-	-	<b>26 852</b>	44 271	-	-	<b>44 271</b>
Trade accounts payable	18 921	-	-	<b>18 921</b>	17 614	-	-	<b>17 614</b>
Short-term liabilities NCI shareholders <sup>2</sup>	207	-	-	<b>207</b>	-	-	-	<b>-</b>
Short-term leasing liabilities	5 518	-	-	<b>5 518</b>	5 741	-	-	<b>5 741</b>
Other current liabilities	35 444	-	-	<b>35 444</b>	17 583	-	-	<b>17 583</b>
Loans from NCI shareholders <sup>2</sup>	-	-	4 822	<b>4 822</b>	-	-	3 776	<b>3 776</b>
Long-term leasing liabilities	-	10 496	2 977	<b>13 473</b>	-	10 258	3 460	<b>13 718</b>
Other non-current financial liabilities	-	18 682	283	<b>18 965</b>	-	38 304	5 758	<b>44 062</b>
<b>Total</b>	<b>86 942</b>	<b>29 178</b>	<b>8 082</b>	<b>124 202</b>	<b>85 209</b>	<b>48 562</b>	<b>12 994</b>	<b>146 765</b>

<sup>1</sup> 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.

<sup>2</sup> Liabilities and loans from NCI shareholders at Glenturret SA and Lalique Tamer Beauty Holding Ltd amounting to EUR 5 029 thousand (2020: EUR 3 776 thousand)

- 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 2021 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	2021					2020	2020					
	EUR	CHF	USD	GBP	OTHER		TOTAL	EUR	CHF	USD	GBP	OTHER
<b>Assets</b>												
Cash and cash equivalents	16 834	11 136	12 524	6 399	1 363	<b>48 256</b>	19 387	30 626	10 034	4 810	1 840	<b>66 697</b>
Trade accounts receivable	8 971	1 579	5 250	1 575	114	<b>17 489</b>	7 611	1 448	5 066	634	342	<b>15 101</b>
Other financial receivables	1 743	807	31	292	1 801	<b>4 674</b>	1 207	1 030	400	193	1 489	<b>4 319</b>
Financial Assets	542	18	322	-	168	<b>1 050</b>	544	18	1	-	88	<b>651</b>
<b>Total</b>	<b>28 090</b>	<b>13 540</b>	<b>18 127</b>	<b>8 266</b>	<b>3 446</b>	<b>71 469</b>	<b>28 749</b>	<b>33 122</b>	<b>15 501</b>	<b>5 637</b>	<b>3 759</b>	<b>86 768</b>
<b>Liabilities</b>												
Bank overdrafts	12 082	2 486	9 250	3 034	-	<b>26 852</b>	25 069	16	8 289	10 897	-	<b>44 271</b>
Trade accounts payable	10 933	2 678	705	2 726	1 879	<b>18 921</b>	10 627	1 895	987	1 609	2 496	<b>17 614</b>
Short-term liabilities												
NCI shareholders	207	-	-	-	-	<b>207</b>	-	-	-	-	-	<b>-</b>
Short-term leasing liabilities	1 358	754	477	847	1 862	<b>5 298</b>	1 978	681	302	713	1 470	<b>5 144</b>
Other current liabilities	21 452	8 584	899	2 129	909	<b>33 973</b>	8 575	4 991	530	416	541	<b>15 053</b>
Loans from NCI shareholders	-	4 822	-	-	-	<b>4 822</b>	-	3 776	-	-	-	<b>3 776</b>
Long-term leasing liabilities	6 865	274	2 230	2 600	1 074	<b>13 043</b>	4 231	2 060	1 810	3 165	777	<b>12 043</b>
Other non-current financial liabilities	17 109	-	-	123	767	<b>17 999</b>	31 965	10 141	-	180	818	<b>43 104</b>
<b>Total</b>	<b>70 006</b>	<b>19 598</b>	<b>13 561</b>	<b>11 459</b>	<b>6 491</b>	<b>121 115</b>	<b>82 445</b>	<b>23 560</b>	<b>11 918</b>	<b>16 980</b>	<b>6 102</b>	<b>141 005</b>

As at 31 December 2021, the Group had no currency hedges (forward transactions) to safeguard future cash flows. The same applied as at 31 December 2020.

A change in the CHF/EUR exchange rate of +/- 5% in 2021 would have had an impact on the Group's profit before tax of EUR +/- 304 thousand (2020: EUR +/- 477 thousand) while a change in the USD/EUR exchange rate of +/- 5% in 2021 would have had an impact of EUR +/- 212 thousand (2020: EUR +/- 179 thousand), and a change in the GBP/EUR exchange rate of +/- 5% in 2021 would have affected figures by EUR +/- 160 thousand (2020: EUR +/- 567 thousand). The profit or loss impact has a corresponding impact in equity.

- Interest-rate risk

The risk of fluctuation of market interest rates as at the end of 2021, 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 normally not 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 2021 had been 1% point higher or lower, the Group's financial result or equity would have been EUR 219 thousand (2020: EUR 148 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	31.12.21	31.12.20
Share capital	1 204	1 204
Capital reserves	85 378	85 378
Retained earnings / other reserves	82 305	70 036
<b>Total equity before non-controlling interests</b>	<b>168 887</b>	<b>156 618</b>
<b>TOTAL CAPITAL</b>	<b>331 990</b>	<b>339 199</b>
Equity ratio	50.87%	46.17%

In 2021 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 2021, 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.

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, Bentley Fragrances and Brioni) as well as Lalique Group’s two perfume distribution companies (Lalique Beauty Distribution and Lalique Tamer Beauty) and a perfume production company (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	2021	2020
Decorative pieces	48%	54%
Perfume	28%	22%
Interior design	11%	11%
Jewellery	3%	4%
Art	3%	2%
Other diversification (incl. hotel-restaurants)	7%	7%

#### Segment 2—Ultrasun

The Ultrasun segment covers the Ultrasun brand.

The segment develops and manufactures multifunctional skincare products with an external partner. The products are sold through various distribution channels.

#### Segment 3—Jaguar

The Jaguar segment covers the Jaguar brand.

The segment develops, produces and distributes perfumes under the licence acquired from Jaguar.

#### Segment 4—Glenturret

The Glenturret segment covers the Glenturret brand.

The segment develops, produces and distributes Scotch whisky from its own distillery.

#### Segment 5—Other brands

The ‘Other brands’ segment covers the Samouraï, Grès, Bentley and Brioni brands, as well as Lalique Tamer Beauty, Lalique Beauty Distribution, Lalique Beauty Services and the intercompany eliminations between these other brands. All 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 2021 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 <sup>1</sup>	HOLDING AND ELIM. <sup>2</sup>	GROUP
<b>Revenue and other operating income</b>							
Revenue from contracts with external customers	81 172	13 162	20 639	4 730	19 077	- 135	138 645
Revenue from transactions with other segments	634	-	33	59	5 584	-6 310	-
Other operating income <sup>3</sup>	2 898	19	1	140	123	125	3 306
Other operating income with other segments	525	-	-	-	1 039	-1 564	-
<b>Total revenue and other operating income</b>	<b>85 229</b>	<b>13 181</b>	<b>20 673</b>	<b>4 929</b>	<b>25 823</b>	<b>-7 884</b>	<b>141 951</b>
<b>EBIT</b>	<b>5 788</b>	<b>-1 057</b>	<b>3 525</b>	<b>-1 783</b>	<b>3 238</b>	<b>-92</b>	<b>9 619</b>
Financial result							-1 077
Group profit before taxes							8 542
Income tax expenses							-1 722
<b>NET GROUP PROFIT</b>							<b>6 820</b>
<b>Assets and liabilities</b>							
Segment assets	187 650	25 925	18 679	55 279	53 382	-8 925	331 990
Segment liabilities	144 729	10 680	5 043	18 796	38 750	-74 470	143 528
<b>Other segment information</b>							
<b>Investments</b>							
Property, plant and equipment <sup>4</sup>	14 008	158	15	2 034	1 981	764	18 960
Intangible assets <sup>5</sup>	453	195	105	33	329	1	1 116
<b>Depreciation and amortization</b>							
Property, plant and equipment	9 705	261	231	574	1 826	63	12 660
Intangible assets	719	197	86	167	390	7	1 566
<sup>1</sup> Revenue and other operating income other brands							
Parfums Samourai					4 345		
Parfums Grès					4 555		
Bentley Fragrances					6 951		
Brioni					1 394		
Lalique Tamer Beauty					957		
Lalique Beauty Distribution					1 385		
Lalique Beauty Services					9 363		
Parfums Alain Delon					-		
Elimination intercompany other brands					-3 127		
Total revenue and other operating income other brands					25 823		
<sup>2</sup> The "Holding + elim." reconciling item covers the holding and management companies, and eliminations. The reconciling item's assets mainly include cash and cash equivalents, long-term receivables of the holding and management companies, and eliminations between the segments. Liabilities mainly comprise current liabilities, loans and eliminations.							
<sup>3</sup> In 2021, other operating income derived to a large extent from insurance claims of EUR 923 thousand, operating grants from governments of EUR 1 408 thousand (2020: EUR 618 thousand), profitable fixed asset transactions of EUR 91 thousand (2020: EUR 213 thousand) and short-term subleases of EUR 79 thousand (2020: EUR 66 thousand).							
<sup>4</sup> The Property, plant and equipment investments of other brands include investments in the perfume production facility in Ury of EUR 1826 thousand. The investments of the Brand Lalique include the assets of acquired subsidiaries of EUR 5991 thousand.							
<sup>5</sup> Intangible assets of Brand Lalique include intangible assets of acquired subsidiaries of EUR 308 thousand.							

**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 <sup>1</sup>	HOLDING AND ELIM. <sup>2</sup>	GROUP
<b>Revenue and other operating income</b>							
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 <sup>4</sup>	1 490	-	-	-	31	52	1 573
Other operating income with other segments	635	3	1	-	927	-1 566	-
<b>Total revenue and other operating income</b>	<b>65 903</b>	<b>14 786</b>	<b>15 861</b>	<b>1 329</b>	<b>18 875</b>	<b>-6 027</b>	<b>110 727</b>
<b>EBIT</b>	<b>-13 343</b>	<b>947</b>	<b>2 040</b>	<b>-2 523</b>	<b>1 497</b>	<b>-1 185</b>	<b>-12 567</b>
Financial result							-2 458
Group loss before taxes							-15 025
Income tax expenses							- 1
<b>NET GROUP LOSS</b>							<b>-15 026</b>
<b>Assets and liabilities</b>							
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
<b>Other segment information</b>							
<b>Investments</b>							
Property, plant and equipment <sup>3</sup>	9 487	85	4	4 548	1 934	429	16 487
Intangible assets <sup>5</sup>	32	128	52	366	307	70	955
<b>Depreciation and amortization</b>							
Property, plant and equipment	11 380	308	243	393	1 792	29	14 145
Intangible assets	5 111	292	82	81	366	90	6 022
<sup>1</sup> Revenue and other operating income other brands							
Parfums Samourai					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		
<sup>2</sup> 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 liabilities mainly comprise current liabilities, loans and eliminations.							
<sup>3</sup> The Property, plant and equipment investments of other brands include investments in the perfume production facility in Ury of EUR 1 770 thousand.							
<sup>4</sup> 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.							
<sup>5</sup> Including an impairment of EUR 4 320 thousand on Lalique Brand in 2020 (Note 16).							



**Geographical regions**

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

IN EUR THOUSANDS	2021	2020
<b>Revenue from contracts with customers</b>		
UK	24 280	10 677
France	16 833	14 754
USA	15 606	13 024
UAE	10 523	4 452
Germany	8 561	7 424
Switzerland	8 497	3 517
Hong Kong	6 954	8 579
Japan	6 526	6 603
Poland	5 598	11 582
China	4 924	4 430
Czech Republic	3 722	3 356
Russia	2 924	3 402
Israel	2 610	1 451
Singapore	2 482	1 161
Italy	1 394	2 132
Chile	1 295	1 146
Spain	1 260	804
Taiwan	841	744
Netherlands	530	543
Monaco	206	140
Other countries	13 079	9 233
<b>Group</b>	<b>138 645</b>	<b>109 154</b>

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	31.12.21	31.12.20
<b>Non-current assets (excl. deferred tax)</b>		
France	93 758	89 307
UK	37 627	34 301
Switzerland	32 668	34 551
USA	4 099	3 198
Germany	2 744	2 735
Hong Kong	1 987	1 232
Japan	808	907
China	796	754
Singapore	458	605
<b>Group</b>	<b>174 945</b>	<b>167 590</b>

**DETAILS ON THE CONSOLIDATED INCOME STATEMENT****4. REVENUE FROM CONTRACTS WITH CUSTOMERS**

IN EUR THOUSANDS	2021	2020
Revenue from sale of goods and services	136 960	107 843
Licence income/royalties	1 685	1 311
<b>TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<b>138 645</b>	<b>109 154</b>

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	2021	2020
Other operating income	3 306	1 573
<b>TOTAL OTHER OPERATING INCOME</b>	<b>3 306</b>	<b>1 573</b>

Other operating income comprises non-recurring income and the result from the disposal of assets. In 2021, other operating income derived to a large extent from insurance claims of EUR 923 thousand (2020: EUR 0 thousand), operating subsidies of EUR 1 408 thousand (2020: EUR 618 thousand), property sales of EUR 91 thousand (2020: EUR 147 thousand) and short-term subleases of EUR 79 thousand (2020: EUR 66 thousand). Recharges, for example for accounting services, refunds for private expense or others, are included with an amount of EUR 433 thousand (2020: EUR 52 thousand).

**6. MATERIAL COSTS, LICENCES AND THIRD-PARTY SERVICES**

IN EUR THOUSANDS	2021	2020
Cost of components and finished goods	44 205	36 743
Other directly attributable production costs	10 361	9 126
Licence expenses	2 680	2 157
Commission expenses	1 422	971
Other procurement costs	3 121	2 603
<b>TOTAL MATERIAL COSTS, LICENCES AND THIRD PARTY SERVICES</b>	<b>61 789</b>	<b>51 600</b>

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 discount that are not directly attributable to the components or goods.

**7. SALARIES AND WAGES**

IN EUR THOUSANDS	2021	2020
Wages and salaries (incl. bonuses)	22 507	18 619
Social insurance and employee pension/welfare expenses	10 735	9 200
Other personnel costs	1 312	840
<b>TOTAL PERSONNEL COSTS</b>	<b>34 554</b>	<b>28 659</b>
Number of FTE as at 31 December	702	678

In 2021, the total personnel costs were reduced by personnel cost-saving measures and government grants for furloughing in the amount of EUR 1 206 thousand (2020: EUR 2 930 thousand).

**8. OTHER OPERATING EXPENSES**

IN EUR THOUSANDS	2021	2020
Advertising and promotional expenses	6 164	5 451
Administrative expenses	5 955	5 914
Rental expenses	2 736	3 310
Property insurance, levies and charges	993	754
Vehicles	153	129
Miscellaneous operating expenses	5 762	7 310
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>21 763</b>	<b>22 868</b>

The item "Miscellaneous operating expenses" includes travel expenses (2021: EUR 2 061 thousand; 2020: EUR 1 350 thousand), expenses for creations that are not capitalizable (2021: EUR 55 thousand; 2020: EUR 18 thousand) and various other costs. In 2021, the expenses include the cost for formation of a EUR 255 thousand provision for litigation at Lalique SA and EUR 493 thousand at Ultrasun AG (2020: EUR 2 400 thousand at Lalique SA) (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 2021, the Group recognized a net relief of lease obligations of EUR 350 thousand (2020: EUR 593 thousand) presented as a rental expense reduction.

**9. FINANCIAL INCOME AND EXPENSES**

IN EUR THOUSANDS	2021	2020
<b>Financial income</b>		
Interest on loans and advance financing	-	6
Other financial income	44	62
<b>Total financial income</b>	<b>44</b>	<b>68</b>
<b>Financial expenses</b>		
Interest on short- and long-term financial liabilities <sup>1</sup>	699	793
Other financial expenses	818	465
<b>Total financial expenses</b>	<b>1 517</b>	<b>1 258</b>
Income from exchange rate fluctuations	8 872	4 689
Expenses from exchange rate fluctuations	8 476	5 957
<b>Net foreign exchange differences</b>	<b>396</b>	<b>-1 268</b>
<b>FINANCIAL RESULT</b>	<b>-1 077</b>	<b>-2 458</b>

<sup>1</sup> Thereof interest expense on lease liabilities amount to EUR 272 thousand in 2021 (2020: EUR 406 thousand).

**10. INCOME TAXES**

The main components of income tax expenses are as follows:

IN EUR THOUSANDS	2021	2020
Current year income taxes	1 374	897
Income taxes from previous years	-35	-57
<b>Current income taxes</b>	<b>1 339</b>	<b>840</b>
Deferred tax income/expenses resulting from change in temporary differences	2 111	-498
Deferred tax income/expenses resulting from change in tax rates	192	281
Deferred tax expenses/income resulting from usage or capitalization respectively of deferred taxes on accumulated losses	-1 920	-622
<b>Deferred tax expenses</b>	<b>383</b>	<b>-839</b>
<b>TOTAL TAX EXPENSES</b>	<b>1 722</b>	<b>1</b>

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

IN EUR THOUSANDS	2021	2020
Group profit before taxes	8 542	-15 025
Expected tax rate	19.7%	21.0%
<b>Expected tax expenses</b>	<b>1 683</b>	<b>-3 155</b>
Income not subject to income tax	-935	-361
Effect from application of participation relief	-162	-
Income taxes from previous years	-35	-57
Effect from unaccounted tax loss and new temporary differences in the current reporting year	1 847	3 551
Effect from utilisation of unaccounted tax losses and temporary differences from previous years	-229	-31
Ex post accounting of previous unaccounted tax losses and temporary differences	-1 558	536
Ex post unaccounting of previous accounted tax losses and temporary differences	355	-
Effect of change in tax rate	192	281
Effect of revenues taxed at different rates	390	-1 783
Non-deductible expenses	213	838
Partial step-up of tax values due to Swiss tax reform	-	234
Other effects	-39	-52
<b>TOTAL INCOME TAX</b>	<b>1 722</b>	<b>1</b>

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

## 11. EARNINGS PER SHARE AND DIVIDENDS

In accordance with the motion of the Board of Directors and the resolution passed at the Annual General Meeting held on 28 May 2021 in Zurich, no dividends were paid out.

		2021	2020
Average number of shares in circulation	Number	7 183 575	7 185 000
Net Group profit in favour of shareholders of Lalique Group SA	EUR thousands	8 187	-12 624
<b>EARNINGS PER SHARE</b>	<b>EUR</b>	<b>1.14</b>	<b>-1.76</b>

For the 2020 financial year, no dividend was paid out. With respect to the 2021 financial year, the Board of Directors will propose a dividend of CHF 0.40 per share at the Annual General Meeting on 2 June 2022. The dividend is planned to be paid out of the capital contribution reserve in the amount of CHF 0.20 (without deduction of withholding tax) and CHF 0.20 from voluntary retained earnings (without deduction of withholding tax, CHF 0.13 excluding tax).

## DETAILS ON THE CONSOLIDATED BALANCE SHEET

### 12. CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS

IN EUR THOUSANDS	31.12.21	31.12.20
Cash	133	110
Bank	48 123	66 587
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>48 256</b>	<b>66 697</b>

Interest earned on assets denominated in CHF, EUR, GBP and USD was 0.00% (2020: 0.00%).

IN EUR THOUSANDS	31.12.21	31.12.20
Bank overdraft	26 852	44 271
<b>BANK OVERDRAFT</b>	<b>26 852</b>	<b>44 271</b>

Interest charged on liabilities in USD and GBP were between 0.65% and 1.20% (2020: 0.65%) and on liabilities in EUR was between 0.29% and 2.55% (2020: between 0.50% and 2.75%). Interest charged on liabilities in CHF was between a below-market rate of 0.00%, due to the free-of-charge guarantee made by the Swiss government to the banks, and 0.65% (2020: 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
<b>2021</b>						
Of which EUR	9 368	3 780	5 588	3 328	563	1 697
Of which CHF accounts shown in EUR	1 479	1 306	173	90	82	1
Of which USD accounts shown in EUR	6 537	3 288	3 249	811	238	2 200
Of which other currencies shown in EUR	1 891	666	1 225	902	84	239
Allowance for doubtful debts	-1 786	-22	-1 764	-51	-39	-1 674
<b>Total</b>	<b>17 489</b>	<b>9 018</b>	<b>8 471</b>	<b>5 080</b>	<b>928</b>	<b>2 463</b>
<b>2020</b>						
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
<b>Total</b>	<b>15 101</b>	<b>11 685</b>	<b>3 416</b>	<b>1 558</b>	<b>429</b>	<b>1 429</b>

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 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
<b>2021</b>						
Expected credit loss rate	1.6%	0.1%	3.2%	1.0%	4.0%	7.0%
Estimated total gross carrying amount at default	17 777	9 030	8 747	5 131	967	2 649
Expected credit loss	-288	-12	-276	-51	-39	-186
<b>2020</b>						
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

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

IN EUR THOUSANDS	31.12.21	31.12.20
<b>OPENING BALANCE</b>	<b>1 066</b>	<b>642</b>
Formation (+)	694	513
Usage (-)	-78	-
Reversed (-)	-	-22
Currency effect	104	-67
<b>CLOSING BALANCE</b>	<b>1 786</b>	<b>1 066</b>

#### 14. INVENTORIES

IN EUR THOUSANDS	31.12.21	31.12.20
Components and raw materials	23 908	22 869
Finished goods	54 907	53 713
Advance payments	1 216	1 405
<b>TOTAL INVENTORIES</b>	<b>80 031</b>	<b>77 987</b>

Scrapping and impairments on inventories recognized as expenditure amounted to EUR 2 126 thousand in 2021 (2020: EUR 2 281 thousand).

#### 15. OTHER RECEIVABLES

IN EUR THOUSANDS	31.12.21	31.12.20
VAT and other tax receivables	2 689	3 638
Accrued income and prepaid expenses	3 219	2 722
Short-term rental deposits	1 115	1 348
Other receivables	340	249
<b>TOTAL OTHER RECEIVABLES</b>	<b>7 363</b>	<b>7 957</b>

**16. INTANGIBLE ASSETS**

IN EUR THOUSANDS	GOODWILL	BRANDS	LICENCE RIGHTS	CREATIONS	SOFTWARE	TOTAL INTANGIBLE ASSETS
<b>Acquisition costs 01.01.2020</b>	<b>11 936</b>	<b>72 348</b>	<b>8 439</b>	<b>4 667</b>	<b>5 963</b>	<b>103 353</b>
Additions <sup>1</sup>	-	-	-	849	106	955
Reclassification/transfers	-	-	12	-14	2	-
Disposals	-	-	-	-75	-7	-82
Exchange differences	-1 000	-904	21	-1	-73	-1 957
<b>Acquisition costs 31.12.2020</b>	<b>10 936</b>	<b>71 444</b>	<b>8 472</b>	<b>5 426</b>	<b>5 991</b>	<b>102 269</b>
Additions <sup>1</sup>	-	-	-	701	107	808
Additions from acquisition of Château Lafaurie-Peyraguey	-	-	85	665	-	750
Reclassification/transfers <sup>2</sup>	-	-	-	371	2 330	2 701
Disposals	-	-	-8	-93	-100	-201
Exchange differences	852	1 935	364	288	106	3 545
<b>Acquisition costs 31.12.2021</b>	<b>11 788</b>	<b>73 379</b>	<b>8 913</b>	<b>7 358</b>	<b>8 434</b>	<b>109 872</b>
<b>Amortization, cumulative 01.01.2020</b>	<b>-</b>	<b>-</b>	<b>-2 413</b>	<b>-3 060</b>	<b>-4 849</b>	<b>-10 322</b>
Additions <sup>3</sup>	-	-	-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
<b>Amortization, cumulative 31.12.2020</b>	<b>-</b>	<b>-4 320</b>	<b>-4 172</b>	<b>-3 710</b>	<b>-5 249</b>	<b>-17 451</b>
Additions <sup>3</sup>	-	-	-1 538	-839	-669	-3 046
Reclassification/transfers	-	-	-	-371	-27	-398
Disposals	-	-	6	93	58	157
Impairment	-	-	-	-	-37	-37
Additions from acquisition of Château Lafaurie-Peyraguey	-	-	-37	-405	-	-442
Exchange differences	-	-	-252	-199	-83	-534
<b>Amortization, cumulative 31.12.2021</b>	<b>-</b>	<b>-4 320</b>	<b>-5 993</b>	<b>-5 431</b>	<b>-6 007</b>	<b>-21 751</b>
<b>NET INTANGIBLE ASSETS 31.12.2021</b>	<b>11 788</b>	<b>69 059</b>	<b>2 920</b>	<b>1 927</b>	<b>2 427</b>	<b>88 121</b>
Net intangible assets 31.12.2020	10 936	67 124	4 300	1 716	742	84 818

<sup>1</sup> The additions of EUR 808 thousand (2020: EUR 955 thousand) resulted in a cash outflow of EUR 478 thousand (2020: EUR 929 thousand).

<sup>2</sup> The developed software was implemented and the capitalized costs of EUR 2 303 thousand transferred from plant under construction to immaterial assets.

<sup>3</sup> 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 2021. At Lalique, Ultrasun, Parfums Grès, Parfums Samourai and Glenturret the values in use exceed their carrying values. Carrying values of these brands as at 31 December 2021: Lalique EUR 39 169 thousand (2020: EUR 38 868 thousand), Parfums Grès CHF 6 574 thousand (2020: CHF 6 574 thousand), Parfums Samourai CHF 1 800 thousand (2020: CHF 1 800 thousand), Ultrasun CHF 11 000 thousand (2020: CHF 11 000 thousand) and Glenturret GBP 9 400 thousand (2020: GBP 9 400 thousand). 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 %	2020	2021	2022	2026
Lalique	4.8	19.0	14.6	17.1
Ultrasun	10.5	-4.5	14.8	20.0
Parfums Grès	10.9	16.2	11.6	17.2
Parfums Samourai	34.6	38.0	33.0	33.4
Glenturret <sup>1</sup>	-154.4	-21.1	16.9	30.6

<sup>1</sup> Taking the PPA reverse on acquired stock through COGS into consideration.

The residual value incorporates a growth rate of 1.4% for Lalique, 1.5% for Ultrasun, 0.1% for Parfums Samourai, 1.7% for Parfums Grès and 1.4% for Glenturret respectively.

Estimating future cash flows is particularly challenging because of the increased economic uncertainty following the Covid-19 pandemic. Due to this increased uncertainty, the Group has decided to be more conservative in its forward projections for all brands. As a consequence, the Group has recognized an impairment charge of EUR 4 320 thousand on the Lalique brand in 2020. At 31 December 2021, the carrying amount of Lalique brand is EUR 39 169 thousand, of which Lalique SA holds EUR 32 376 thousand and Lalique Parfums SA EUR 6 793 thousand, or CHF 7 040 thousand in local currency:

IN EUR THOUSANDS	LALIQUE BRAND
<b>Carrying value 01.01.2020</b>	<b>43 170</b>
Impairment	-4 320
Exchange differences	18
<b>Carrying value 31.12.2020</b>	<b>38 868</b>
Exchange differences	301
<b>Carrying value 31.12.2021</b>	<b>39 169</b>

Furthermore, it has been assumed in the multiperiod-excess-earnings calculation that the EBITDA margin of the Lalique brand will decrease from 19.0% in 2021 to 17.1% in 2026 (2020: 4.8%). Sales increased by 29.3% compared to 2020 and by 5.1% compared to 2019.

The impairment test of the Lalique brand estimates an average growth in sales of 6.7% over the period of five years (2020: 10.3%). The discount rates have also been reviewed to reflect the current economic situation. The after-tax discount rate used within the Lalique brand impairment test is 10.7% (2020: 11.5%).

IN %	AVERAGE GROWTH IN SALES		AFTER-TAX DISCOUNT RATE	
	2021	2020	2021	2020
Lalique <sup>1</sup>	6.7	10.3	10.7	11.5
Ultrasun <sup>1</sup>	19.6	14.2	10.8	11.5
Parfums Grès <sup>1</sup>	3.5	9.3	10.7	11.0
Parfums Samourai <sup>1</sup>	2.9	8.3	9.3	9.7
Glenturret <sup>2</sup>	28.8	280.7	9.4	8.9

<sup>1</sup> Calculated over the planning horizon of five years.

<sup>2</sup> 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 created various scenarios, with more ambitious and more conservative five-year business plans. For Lalique, the brand would be impaired by EUR 1 200 thousand in the event of a decrease in sales of 0.8% until 2027, or a decrease in EBITDA of 1.4% until 2027, or an increase in WACC of 2.7%.

At Ultrasun, Parfums Grès, Parfums Samourai 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 2021 are unchanged in relation to licence agreements and rights for Jaguar Fragrances, Bentley Fragrances and 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 one year and for the Brioni brand three years. For Bentley Fragrances a new contract will be signed in 2022.

### 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 2021, no impairment losses were recognized on creations (2020: EUR 33 thousand).

### 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 2021, there were impairment losses of EUR 37 thousand (2020: EUR 0) recognized on software.

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
<b>Acquisition costs 01.01.2020</b>	<b>114 289</b>	<b>35 113</b>	<b>21 819</b>	<b>984</b>	<b>2 883</b>	<b>175 088</b>
Additions <sup>1</sup>	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
<b>Acquisition costs 31.12.2020</b>	<b>105 542</b>	<b>38 607</b>	<b>22 591</b>	<b>1 006</b>	<b>5 437</b>	<b>173 183</b>
Additions <sup>1</sup>	7 373	2 931	721	508	1 436	12 969
Additions from acquisition of Château Lafaurie-Peyraguey	4 562	3 071	-	-	-	7 633
Reclassification/transfers <sup>2</sup>	-377	108	136	-	-2 568	-2 701
Disposals	-4 188	-65	-141	-176	- 21	-4 591
Exchange differences	3 540	539	612	44	48	4 783
<b>Acquisition costs 31.12.2021</b>	<b>116 452</b>	<b>45 191</b>	<b>23 919</b>	<b>1 382</b>	<b>4 332</b>	<b>191 276</b>
<b>Depreciation, cumulative 01.01.2020</b>	<b>-61 609</b>	<b>-18 400</b>	<b>-16 594</b>	<b>-570</b>	<b>-</b>	<b>-97 173</b>
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
<b>Depreciation, cumulative 31.12.2020</b>	<b>-56 894</b>	<b>-20 698</b>	<b>-18 207</b>	<b>-713</b>	<b>-</b>	<b>-96 512</b>
Additions	-7 974	-2 965	-1 519	-202	-	-12 660
Additions from acquisition of Château Lafaurie-Peyraguey	-928	-714	-	-	-	-1 642
Reclassification/transfers	378	20	-	-	-	398
Disposals	2 231	90	141	162	-	2 624
Impairment	-	-	-2	-	-	-2
Exchange differences	-2 384	-363	-420	-22	-	-3 189
<b>Depreciation, cumulative 31.12.2021</b>	<b>-65 571</b>	<b>-24 630</b>	<b>-20 007</b>	<b>-775</b>	<b>-</b>	<b>-110 983</b>
<b>NET PROPERTY, PLANT AND EQUIPMENT 31.12.2021</b>	<b>50 881</b>	<b>20 561</b>	<b>3 912</b>	<b>607</b>	<b>4 332</b>	<b>80 293</b>
<b>Thereof carrying amount of RoU assets<sup>3</sup></b>	<b>20 339</b>	<b>296</b>	<b>479</b>	<b>243</b>	<b>-</b>	<b>21 357</b>
Net property, plant and equipment 31.12.2020	48 648	17 909	4 384	293	5 437	76 671

<sup>1</sup> The additions of EUR 12 969 thousand (2020: EUR 16 487) resulted in a cash outflow of EUR 6 643 thousand (2020: EUR 7 636 thousand).

<sup>2</sup> The developed software was implemented and the capitalized costs of EUR 2 303 transferred from plant under construction to immaterial assets.

<sup>3</sup> 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 AND FINANCIAL 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 2021, as in prior year, the Group did not acquire or sell any items.

Financial assets contain exclusively long-term rental deposits.

## 19. PENSION SCHEMES

IN EUR THOUSANDS	31.12.21	31.12.20
Defined benefit pension plans	5 228	5 148
Other long-term post-employment benefits	204	279
<b>TOTAL DEFINED BENEFIT OBLIGATION</b>	<b>5 432</b>	<b>5 427</b>

### 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 2021, 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 50% 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:

IN EUR THOUSANDS	DEFINED BENEFIT PENSION PLANS		OTHER LONG-TERM POST-EMPLOYMENT BENEFITS	
	31.12.21	31.12.20	31.12.21	31.12.20
Present value of defined benefit pension obligation	-14 129	-12 942	-204	-279
Fair value of the plan assets	8 901	7 794	-	-
<b>(SHORTFALL)/SURPLUS</b>	<b>-5 228</b>	<b>-5 148</b>	<b>-204</b>	<b>-279</b>

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	
	2021	2020	2021	2020
Current service cost	-774	-302	-27	-18
Net interest cost of pension plans	-4	-5	-	-
<b>TOTAL EMPLOYEE BENEFIT EXPENSES RECOGNIZED IN THE INCOME STATEMENT</b>	<b>-778</b>	<b>-307</b>	<b>-27</b>	<b>-18</b>

Remeasurement of pension plans recognized directly breaks down as follows:

IN EUR THOUSANDS	DEFINED BENEFIT PENSION PLANS		OTHER LONG-TERM POST-EMPLOYMENT BENEFITS	
	2021	2020	2021	2020
Actuarial gain/(loss) from the pension obligation	41	-11	-	-96
Change in the plan assets (not incl. interest)	304	206	-	-
<b>TOTAL REMEASUREMENTS RECOGNIZED IN OTHER COMPREHENSIVE INCOME</b>	<b>345</b>	<b>195</b>	<b>-</b>	<b>-96</b>
Actuarial gain/(loss) from the pension obligation	-	-	104	-
<b>TOTAL REMEASUREMENTS RECOGNIZED IN THE INCOME STATEMENT</b>	<b>-</b>	<b>-</b>	<b>104</b>	<b>-</b>

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	
	2021	2020	2021	2020
Present value of defined benefit pension obligations on 1 January	-12 942	-13 550	-279	-191
Interest expenses	-15	-18	-	-
Current service cost	-774	-302	-27	-18
Employee contributions	-418	-450	-2	-3
Actuarial gains and losses arising from changes in financial assumptions	-534	-390	70	-79
Actuarial gains and losses arising from changes in demographic assumptions	575	379	34	-17
Benefits paid	493	1 851	-	29
Past service costs/cost reductions	-	-	-	-
Administration costs	4	-4	-	-
Currency effect	-518	-458	-	-
<b>PRESENT VALUE OF DEFINED BENEFIT PENSION OBLIGATIONS ON 31 DECEMBER</b>	<b>-14 129</b>	<b>-12 942</b>	<b>-204</b>	<b>-279</b>

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		OTHER LONG-TERM POST-EMPLOYMENT BENEFITS	
	2021	2020	2021	2020
Fair value of the plan assets on 1 January	7 792	8 461	-	-
Interest income from the plan assets	11	13	-	-
Change in the plan assets (not incl. interest)	304	206	-	-
Employer contributions	407	433	-	-
Employee contributions	407	433	-	-
Benefits paid	-413	-1 763	-	-
Currency effect	393	11	-	-
<b>FAIR VALUE OF THE PLAN ASSETS ON 31 DECEMBER</b>	<b>8 901</b>	<b>7 794</b>	<b>-</b>	<b>-</b>

#### Sensitivity of key actuarial assumptions Swiss plan

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

	2021	2020
<b>Bases used for calculation of Swiss plan</b>		
Discount rate	0.32%	0.14%
Expected rate of salary increase	1.00%	1.00%
Life expectancies	BVG2020 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 540 thousand (-4.6%)/increase of EUR 584 thousand (+5.0%) in defined benefit pension obligations.
- A 0.25% increase/decrease in the expected rate of salary increase would result in an increase of EUR 80 thousand (+0.7%)/decrease of EUR 78 thousand (-0.7%) in defined benefit pension obligations.
- An increase/decrease in life expectancies of one year would result in an increase of EUR 329 thousand (+2.8%)/decrease of EUR 327 thousand (-2.8%) in defined benefit pension obligations.

The average duration of a defined benefit pension obligation was 18.90 years at the end of the reporting period (2020: 20.45 years).

#### Forecasted contributions

The forecasted contributions of the company for the 2022 financial year amount to EUR 428 thousand.

#### Key actuarial assumptions French plan

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

	2021	2020
<b>Bases used for calculation of French plans</b>		
Discount rate	0.80%	0.50%
Expected rate of salary increase	1.50%/4.26%	1.14%/3.39%
Life expectancies	TGH 05/TGF 05	TGH 05/TGF 05

**20. OTHER CURRENT LIABILITIES**

IN EUR THOUSANDS	31.12.21	31.12.20
Current financial liabilities	5 786	3 268
Current Covid-19 credits	15 426	-
Accrued salary expenses	4 189	2 902
Accruals for social institutions	695	835
Short-term leasing liabilities	5 298	5 144
Current minimal fees for licence rights	1 484	1 688
Government grants	324	447
Other current liabilities	6 276	5 913
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>39 478</b>	<b>20 197</b>

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

Governments issued guarantees 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 of EUR 447 thousand were presented as government grants in the prior year but were repaid at the beginning of 2022 and therefore stood at EUR 0 thousand by 31 December 2021. The amount of EUR 324 thousand published in 2021 represents government grants to Villa René Lalique SAS provided by the region of Elsass.

**21. OTHER NON-CURRENT LIABILITIES**

IN EUR THOUSANDS	31.12.21	31.12.20
Non-current minimal fees for licence rights	1 177	2 460
Other current liabilities	42	-
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>1 219</b>	<b>2 460</b>

As at 31 December 2021, 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 CURRENT PROVISIONS	OTHER LONG-TERM PROVISIONS	TOTAL PROVISIONS
<b>As at 01.01.2020</b>	-	<b>159</b>	<b>159</b>
Formation	2 526	422	2 948
Usage	-	-63	-63
Release	-	-	-
Currency effect	-	-1	- 1
<b>As at 31.12.2020</b>	<b>2 526</b>	<b>517</b>	<b>3 043</b>
Formation	799	1 097	1 896
Usage	-2 526	-178	-2 704
Release	-	-3	-3
Currency effect	21	4	25
<b>As at 31.12.2021</b>	<b>820</b>	<b>1 437</b>	<b>2 257</b>

In 2021, EUR 1 590 thousand provision for litigation were created. These provisions are expected to be used within three 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 at Lalique SA. This provision was used in 2021.

**23. NON-CURRENT FINANCIAL LIABILITIES**

IN EUR THOUSANDS	31.12.21	31.12.20
Loans from NCI shareholders	4 822	3 776
Long-term leasing liabilities	13 043	12 043
Non-current Covid-19 credits	-	20 752
Other non-current financial liabilities	17 999	22 352
<b>TOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES</b>	<b>35 864</b>	<b>58 923</b>

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

The loans from NCI shareholders bear a maximum interest rate of 2.5%.



**Changes in financial liabilities from financing cash flows**

IN EUR THOUSANDS	31.12.2020	CASH FLOWS	CURRENCY EXCHANGE MOVEMENTS	NEW LEASES	ACQUIRED THROUGH BUSINESS COMBINATIONS	OTHER	31.12.2021
Bank overdrafts	<b>44 271</b>	-18 632	1 213	-	-	-	<b>26 852</b>
Short-term leasing liabilities	<b>5 144</b>	-7 073	244	-	242	6 741	<b>5 298</b>
Short-term liabilities NCI shareholder	-	198	9	-	-	-	<b>207</b>
Other current financial liabilities	<b>3 268</b>	-1 803	219	-	1 661	17 660	<b>21 005</b>
Long-term leasing liabilities	<b>12 043</b>	-	470	8 321	1 602	-9 393	<b>13 043</b>
Non-current liabilities NCI shareholder	<b>3 776</b>	786	211	-	-	49	<b>4 822</b>
Other non-current financial liabilities	<b>43 103</b>	-5 769	21	-	-	-19 356	<b>17 999</b>
<b>TOTAL LIABILITIES FROM FINANCING ACTIVITIES"</b>	<b>111 605</b>	<b>-32 293</b>	<b>2 387</b>	<b>8 321</b>	<b>3 505</b>	<b>-4 299</b>	<b>89 226</b>

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

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 entered into lease contracts as a lessee 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.

### Reconciliation of lease liabilities and reconciliation of right-of-use assets (RoU)

IN EUR THOUSANDS	2021	2020
<b>Liabilities from leases as of 1 January</b>	<b>17 187</b>	<b>21 923</b>
New leases	8 321	6 196
New leases from acquisition	1 844	-
Disposals of lease liabilities	-2 652	-2 355
Lease payments	-7 345	-8 362
Interest accruals	272	406
Exchange differences	714	-621
<b>LIABILITIES FROM LEASES AS OF 31 DECEMBER</b>	<b>18 341</b>	<b>17 187</b>

IN EUR THOUSANDS	LAND, BUILDINGS	EQUIPMENT, FURNISHINGS	MACHINERY + EQUIPMENT, IT, HARD- WARE, TOOLS	VEHICLES	TOTAL PROPERTY, PLANT AND EQUIPMENT
<b>Right-of-use assets 01.01.2020</b>	<b>23 322</b>	<b>670</b>	<b>537</b>	<b>268</b>	<b>24 797</b>
Additions to right-of-use assets	6 137	6	852	53	7 048
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
<b>RIGHT-OF-USE ASSETS 31.12.2020</b>	<b>19 997</b>	<b>465</b>	<b>865</b>	<b>192</b>	<b>21 519</b>
<b>Right-of-use assets 01.01.2021</b>	<b>19 997</b>	<b>465</b>	<b>865</b>	<b>192</b>	<b>21 519</b>
Additions to right-of-use assets	5 812	4	-	202	6 018
Additions to right-of-use assets from acquisition	1 828	-	-	-	1 828
Depreciation charge for right-of-use assets	-5 963	-172	-386	-144	-6 665
Disposals of right-of-use assets	-1 953	-	-	-16	-1 969
Exchange differences	618	-1	-	9	626
<b>RIGHT-OF-USE ASSETS 31.12.2021</b>	<b>20 339</b>	<b>296</b>	<b>479</b>	<b>243</b>	<b>21 357</b>

**Lease in the income statement**

LEASES IN THE INCOME STATEMENT IN EUR THOUSANDS	2021	2020
Short-term lease expense <sup>1</sup>	-202	-253
Low-value lease expense <sup>2</sup>	-155	-25
Variable lease payment expenses <sup>3</sup>	-371	-483
<b>Other operating expenses</b>	<b>-728</b>	<b>-761</b>
Depreciation charge for RoU	-6 664	-7 922
<b>Depreciation and impairment losses on RoU</b>	<b>-6 664</b>	<b>-7 922</b>
Interest expense on lease liabilities	-272	-406
<b>Financial expenses</b>	<b>-272</b>	<b>-406</b>
<b>LEASES IN THE INCOME STATEMENT</b>	<b>-7 664</b>	<b>-9 089</b>
<b>Total cash outflows for leases of</b>	<b>-7 345</b>	<b>-8 362</b>

<sup>1</sup> Expenses relating to leases with a lease term of less than a year

<sup>2</sup> This expense does not include the expense relating to short-term leases of low-value assets

<sup>3</sup> 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	31.12.21	31.12.20
Deferred tax assets net	-3 906	-3 867
Deferred tax liabilities net	12 236	11 524
<b>NET DEFERRED TAX LIABILITIES</b>	<b>8 330</b>	<b>7 657</b>

Reconciliation of net deferred tax liabilities is as follows:

IN EUR THOUSANDS	2021	2020
<b>Net deferred tax liabilities</b>		
Opening balance 1.1	7 657	8 662
Formation (+)/release (-) recognized in income statement	383	-839
Formation (+)/release (-) recognized in other comprehensive income	67	23
Currency translation differences	223	-189
<b>CLOSING BALANCE 31.12.</b>	<b>8 330</b>	<b>7 657</b>

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	31.12.21	31.12.20
Trade accounts receivable	205	198
Inventory	4 336	3 414
Financial assets	820	401
Fixed assets	2 943	3 218
Intangible assets	16 569	15 626
Other non-current assets	652	652
Other short-term Liabilities	35	-
Long-term financial liabilities	-	387
<b>Deferred tax liabilities gross</b>	<b>25 560</b>	<b>23 896</b>
Offsetting of assets and liabilities	-13 324	-12 372
<b>Deferred tax liabilities net</b>	<b>12 236</b>	<b>11 524</b>
Trade accounts receivable	-59	-28
Inventory	-650	-844
Fixed assets	-4	-4
Intangible assets	-4 980	-4 975
Other non-current Assets	-53	-
Other short-term liabilities	-959	-1 092
Other long-term liabilities	-	-438
Long-term provisions	-6	-15
Long-term financial liabilities	-99	-527
Pension liabilities	-1 157	-1 137
Deferred tax assets on losses carry forward	-9 263	-7 179
<b>Deferred tax assets gross</b>	<b>-17 230</b>	<b>-16 239</b>
Offsetting of assets and liabilities	13 324	12 372
<b>Deferred tax assets net</b>	<b>-3 906</b>	<b>-3 867</b>

The Group has not capitalized deferred taxes for losses carried forward in the amount of EUR 97 180 thousand (2020: EUR 43 457 thousand). These income tax deductible losses carried forward expire as follows:

IN EUR THOUSANDS	31.12.21	31.12.20
Expire next year	1 176	2 243
Expire in 2-4 years	2 941	3 307
Expire in 5-7 years <sup>1</sup>	48 375	2 998
Expire after 7 years	9 528	6 030
No expiry	35 160	28 879
<b>TOTAL UNRECOGNIZED LOSSES CARRY-FORWARD</b>	<b>97 180</b>	<b>43 457</b>

<sup>1</sup> In 2021 the impairments on Group loans at Lalique Group SA were considered as unrecognized losses carry-forward.

Temporary differences for which no deferred tax asset is recognized amount to EUR 23 096 thousand (2020: EUR 22 637 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.

In 2021, no net deferred tax assets from entities that suffered a loss in either the current or preceding period were recognized (2020: EUR 110 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 673 thousand associated with investments in the Group's subsidiaries, for which no deferred tax liability has been recognized in 2021 (2020: EUR 501 thousand).

## 26. EQUITY

### Share capital

As at 31 December 2021 the share capital amounts to EUR 1 204 thousand (CHF 1 440 thousand) (2020: EUR 1 204 thousand (CHF 1 440 thousand)), consisting of 7,200,000 registered shares (2020: 7,200,000) with a nominal value of EUR 0.19 (CHF 0.20) each (2020: EUR 0.17 (CHF 0.20)).

In addition, there is conditional share capital of EUR 48 thousand (CHF 50 thousand) (2020: EUR 46 thousand (CHF 50 thousand)) for a potential employee incentive plan.

ORDINARY SHARES ISSUED AND FULLY PAID	THOUSANDS	EUR THOUSANDS
<b>At 1 January 2020</b>	<b>7 200</b>	<b>1 204</b>
issued in 2020	-	-
<b>At 31 December 2020 and 1 January 2021</b>	<b>7 200</b>	<b>1 204</b>
issued in 2021	-	-
<b>At 31 December 2021</b>	<b>7 200</b>	<b>1 204</b>

  

TREASURY SHARES	THOUSANDS	EUR THOUSANDS
<b>At 1 January 2020</b>	<b>15</b>	<b>551</b>
purchase of treasury shares	-	-
<b>At 31 December 2020 and 1 January 2021</b>	<b>15</b>	<b>551</b>
purchase of treasury shares	10	357
<b>At 31 December 2021</b>	<b>25</b>	<b>908</b>

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 2021 and in the prior year, there was no capital contribution from shareholders and therefore none was allocated to capital reserves or share capital.

### 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 Laliq Group as at 31 December 2021 changed compared with 31 December 2020 through

- the foundation of Laliq Tamer Beauty Holding Limited and Laliq Tamer Beauty Trading LLC
- the acquisition of the Château Lafaurie Peyraguey Hotel&Restaurant SAS

### Business combinations

VALUE RECOGNIZED ON ACQUISITION	IN EUR THOUSANDS
Cash and cash equivalents	278
Inventories	1 615
Other current assets	310
Equipment, furnishings	3 071
Therof leasing equipment, furnishings	54
Depreciation cumulative	-714
Therof leasing depreciation cumulative	-23
Land, buildings	4 562
Therof leasing land, buildings	2 396
Depreciation cumulative	-928
Therof leasing depreciation cumulative	-599
Other fixed and intangible assets	310
<b>Total assets</b>	<b>8 504</b>
Other current liabilities	-603
Long-term loan	-3 505
Therof long-term leasing liabilities	-1 844
<b>Total liabilities</b>	<b>-4 108</b>
<b>TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE</b>	<b>4 396</b>
<b>PURCHASE CONSIDERATION TRANSFERRED</b>	<b>4 396</b>
<b>Cash flow on acquisition</b>	
Net cash acquired with the subsidiary	278
Cash paid for share acquisition	-4 396
<b>NET CASH FLOW FOR SHARE ACQUISITION</b>	<b>-4 118</b>

Laliq SA acquired 100% of the share capital as well as the voting rights of Château Lafaurie Peyraguey Hotel&Restaurant as of 1 July 2021 from a company controlled by the majority shareholder of Laliq Group. Therefore this transaction qualifies as a transaction with related parties (see also Note 28). The cash consideration for the acquisition of 100% shares was EUR 4.4 million and the net assets acquired were EUR 4.4 million. The book values as stated above are based on IFRS accounting standards. The pooling of interest (POI) method was applied, i.e. the difference between the acquisition price and the net assets acquired would be written off against equity. The POI method has been applied as the acquisition was a common control transaction. As the transaction did not lead to a difference, no transaction in equity was necessary.

Transaction costs attributable to the business combination of EUR 29 thousand have been expensed and included in "Other operating expenses".

The business of Château Lafaurie-Peyraguey Hotel&Restaurant SAS was allocated to the “Lalique” segment. The business of Château Lafaurie-Peyraguey Hotel&Restaurant SAS has added a loss of EUR 346 thousand and has recorded a loss of EUR 329 thousand since the acquisition date.

Lalique Group comprised the following companies at 31 December 2021:

COMPANY, HEADQUARTERS, COUNTRY	CURRENCY (THOUSANDS)	SHARE CAPITAL		PARTICIPATING INTEREST	
		2021	2020	2021	2020
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 Samourai SA, Zurich, Switzerland	CHF	250	250	100%	100%
Parfums Alain Delon SA, Zurich, Switzerland <sup>1</sup>	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%
Lalique Tamer Beauty Holding Ltd, Abu Dhabi, UAE	AED	294	-	50%	0%
Lalique Tamer Beauty Trading LLC, Dubai, UAE	AED	300	-	50%	0%
Art & Fragrance SA, Zurich, Switzerland	CHF	100	100	100%	100%
SCI du Mont à Grillon, Ury, France	EUR	1	1	100%	100%
Lalique Maison SA, Zurich, Switzerland <sup>1</sup>	CHF	100	100	100%	100%
Lalique Art SA, Zurich, Switzerland <sup>1</sup>	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	5 146	4 310	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%	90%
Château Lafaurie Peyraguey Hotel & Restaurant SAS, Bommès, France	EUR	4 635	-	95%	0%
Glenturret Holding SA, Zurich, Switzerland	CHF	4 800	4 800	50%	50%
Glenturret Limited, Edinburgh, Scotland	GBP	-	-	50%	50%

<sup>1</sup> 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 <sup>1</sup> 2021	LALIQUE TAMER BEAUTY HOLDING LTD <sup>2</sup> 2021	GLENTURRET HOLDING SA <sup>3</sup> 2021	LALIQUE SA <sup>1</sup> 2020	GLENTURRET HOLDING AG 2020
Structural type of subsidiary	consolidated subgroup	consolidated subgroup	consolidated subgroup	consolidated subgroup	consolidated subgroup
Principal place of business of the subsidiary	Paris, France	Abu Dhabi, UAE	Edinburgh, Scotland	Paris, France	Edinburgh, Scotland
Proportion of ownership interests and voting rights held by non-controlling interests	5%	50%	50%	5%	50%
Net Group profit attributable to non-controlling interests	-94	68	-1 341	-933	-1 469
Accumulated balances of non-controlling interest	1 226	107	18 242	76	18 119
<b>Summarized statement of financial position</b>					
Current assets	52 461	974	17 697	52 817	27 467
Non-current assets	98 481	82	37 582	93 423	31 751
Current liabilities	47 151	360	3 272	37 780	12 176
Non-current liabilities	71 539	482	15 524	100 400	10 804
Equity	32 252	214	36 483	8 060	36 238
<b>Summarized statement of profit or loss</b>					
Revenue and other operating income	62 717	957	4 929	53 692	1 329
Net profit or loss	-287	137	-2 682	-16 091	-2 938
Total comprehensive income	-4 121	144	-1 303	-16 312	-5 221

<sup>1</sup> The Group holds a 95% interest in Lalique SA. Lalique SA holds a 95% interest in Lalique Japan (2020: 95%) 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.

<sup>2</sup> The Group holds 50% interest in Lalique Tamer Beauty Holding Ltd. Lalique Tamer Beauty Holding Ltd holds 100% interest in Lalique Tamer Beauty Trading LLC. The amounts presented within column "Lalique Tamer Beauty Holding Ltd" are for the entire subgroup, rather than the individual entity within the subgroup.

<sup>3</sup> The Group holds 50% interest in Glenturret Holding SA. Glenturret Holding SA holds 100% interest in Glenturret Ltd. The amounts presented within column "Glenturret Holding SA" are for the entire subgroup, rather than the individual entity within the subgroup.

The amounts presented as summarized in the financial information above are before intercompany 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	2021	2020
Total emoluments and salaries (incl. bonuses and interest) paid to members of the Board of Directors and Executive Board	2 708	2 663
Total pension fund contributions paid to members of the Board of Directors and Executive Board	407	254

The compensation elements indicated relate to the last financial year.

**Affiliates and shareholders**

IN EUR THOUSANDS	31.12.21	31.12.20	TYPE OF TRANSACTION
<b>Liabilities:</b>			
Affiliates under common control	-	6	Château Lafaurie-Peyraguey, wine and hospitality services
	-	7	Château Faugères, purchase of racking for warehouse
	-6	1	Denz Weine, purchase of wine
	1	11	Vignobles Silvio Denz, purchase of wine
Principal shareholder	-	10	Expenses Silvio Denz
NCI shareholders	5 029	4 822	Loan form NCI shareholders
Members of the Board of Directors of Lalique Group SA	-	19	Mont-Blanc resourcing, consulting and expenses
	-	12	Sanjeev Malhan, remuneration board mandate
	-	18	Adbodmer AG, remuneration board mandate
<b>Receivables:</b>			
Affiliates under common control	-	6	Château Lafaurie-Peyraguey, purchase of Lalique products
	-	6	Château Lafaurie-Peyraguey, reimbursements
	32	-	Château Peby Faugères, purchase of Lalique products
	-1	-	Château Faugères, purchase of wine
	16	2	Vignobles Silvio Denz, purchase of Lalique products
<b>Proceeds from:</b>			
Affiliates under common control	-	5	Château Lafaurie-Peyraguey, sale of Lalique products
	-	7	Château Lafaurie-Peyraguey, reimbursements
	52	-	Château Peby Faugères, sale of Lalique products
	14	2	Vignobles Silvio Denz, sale of Lalique products
	1	-	Denz Weine, products and services
	11	11	Art & Terroir SA, reimbursements
Principal shareholder	109	38	Reimbursement private expenses
	4	2	Proceeds from sale of Lalique products

IN EUR THOUSANDS	2021	2020	TYPE OF TRANSACTION
<b>Expenditure of:</b>			
Affiliates under common control	36	61	Château Lafaurie-Peyraguey, purchase of wine and hospitality services
	-	3	Château Rocheyron, purchase of wine
	-	7	Château Faugères, purchase of racking for warehouse
	8	50	Vignobles Silvio Denz, purchase of wine
	34	26	Denz Weine, purchase of wine
	-	99	Wermuth Auktionen, purchase of wine
Principal shareholder	57	75	Silvio Denz, expenses
NCI shareholders	49	28	Interests on loan
Members of the Board of Directors of Lalique Group SA	54	78	Mont-Blanc resourcing, consulting and expenses
	433	399	Ermitage Estate Limited, rent
	18	18	Adbodmer AG, remuneration board mandate
	18	12	Sanjeev Malhan, remuneration board mandate
	2	93	Claudio Denz, purchase Maison Noir SA (renamed to Art & Fragrances SA) and reimbursements
<b>Acquisition from:</b>			
Affiliates under common control	4 396	-	Château Lafaurie-Peyraguey, acquisition of Château Lafaurie-Peyrague Hotel & Restaurant SAS

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

## 29. CONTINGENT LIABILITIES

As at 31 December 2021, there were no unrecognized contingent liabilities (2020: 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 million. This bank credit has replaced a former credit line in 2019. The pledged value amounts to the property assets valued EUR 10 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 2021 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, ZÜRICH**

### **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 2021 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 2021, 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.

#### ***Report on 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.



Lalique Group SA  
Statutory Auditor's Report  
for the year ended  
31 December 2021

## Recoverability of intangible assets with indefinite useful life

### Key audit matter

Intangible assets (including goodwill) amounted to EUR 88.1 Mio. as of 31 December 2021 (prior year EUR 84.8 Mio. and represent 26.5% of total assets. Thereof, EUR 11.8 Mio. (prior year EUR 10.9 Mio.) represent Goodwill and EUR 69.1 Mio. (prior year EUR 67.1 Mio.) represent intangible assets with an indefinite life. Other intangible assets amounting to EUR 7.2 Mio. (prior year EUR 6.8 Mio.) have definite lives and are amortised over their useful lives.

Recoverability of goodwill and of 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 impairment. Should the carrying amount exceed the recoverable amount, an impairment would be required. In 2021 no impairment was recorded.

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 DCF 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 2021, 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.

### How the scope of our audit responded to the key audit matter

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 gained an understanding of the controls in place 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 expectations for the key input factors of the impairment tests, 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 procedures did not lead to any reservation concerning the valuation of intangible assets with indefinite useful life and goodwill.



Lalique Group SA  
Statutory Auditor's Report  
for the year ended  
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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.

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.



Lalique Group SA  
Statutory Auditor's Report  
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**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.

**Deloitte AG**

Chris Krämer  
Licensed Audit Expert  
Auditor in Charge

Sarah Sutter  
Licensed Audit Expert

Zurich, 19 April 2022  
CKR/SSU/vpf

# Lalique Group Remuneration Report

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## Compensation governance

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, as well as 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 28 May 2021, 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 consists of seven members. All existing members of the Board of Directors were re-elected for another term at the General Meeting of Shareholders on 28 May 2021. 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 2021.

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 his 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 2021

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 2021 and 2020 financial years was as follows:

IN CHF THOUSANDS		GROSS COM- PENSATION	POST EMPLOY- MENT BENEFITS	OTHER SOCIAL COSTS	TOTAL COM- PENSATION
<b>2021</b>					
Denz, Silvio	Executive Chairman of the Board of Directors	283	17	17	317
Weber, Roland	Vice-Chairman of the Board of Directors	20	-	1	21
von der Weid, Roger	Delegate of the Board of Directors & CEO	482	43	31	556
Denz, Claudio	Member of the Board of Directors & HD	214	9	14	238
Kollros, Jan	Member of the Board of Directors	20	-	-	20
Roesti, Marc	Member of the Board of Directors	20	-	0	20
Sanjeev, Malhan	Member of the Board of Directors (as of 8.5.20)	20	-	-	20
<b>Total Board of Directors</b>		<b>1 059</b>	<b>69</b>	<b>64</b>	<b>1 192</b>
<b>2020</b>					
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
<b>Total Board of Directors</b>		<b>1 023</b>	<b>70</b>	<b>63</b>	<b>1 156</b>

There were no variable components paid to any members of the Board of Directors in 2021 (2020: (Roger von der Weid CHF Thousands 35, Claudio Denz CHF Thousands 7). No remuneration was paid to former members of the Board of Directors.

## Compensation awarded to the Executive Board

### Composition of remuneration for 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 2021

The members of the Executive Board voluntarily waived a part of their fixed remuneration and the full bonus in the context of the Covid-19 crisis.

Total actual remuneration for members of the Executive Board for the financial years 2021 and 2020 was as follows:

IN CHF THOUSANDS	GROSS COMPENSATION	POST EMPLOY- MENT BENEFITS	OTHER SOCIAL COSTS	TOTAL COMPENSATION
<b>2021</b>				
Members of the Executive Board <sup>1</sup>	1 869	374	210	2 453
<b>Total Executive Board</b>	<b>1 869</b>	<b>374</b>	<b>210</b>	<b>2 453</b>
<b>2020</b>				
Members of the Executive Board <sup>1</sup>	1 827	202	349	2 378
<b>Total Executive Board</b>	<b>1 827</b>	<b>202</b>	<b>349</b>	<b>2 378</b>

<sup>1</sup> Amounts do not include remuneration to members of the Executive Board who are also serving as members of the Board of Directors.

There were no variable components paid to any of members of the Executive Board in 2021 (CHF 179 Thousand in 2020). The Group CEO, Roger von der Weid, received the highest total compensation in 2021 (see table "Actual compensation of the Board of Directors for 2021").

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

## Shares held by members of management bodies

As at 31 December 2021, the members of the Board of Directors and the Executive Board held the following number of shares:

NAME	FUNCTION	31.12.21	31.12.20
Denz, Silvio	Executive Chairman of the Board of Directors	4 202 700	4 202 700
Weber, Roland	Vice-chairman of the Board of Directors	10 000	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	700
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 (until 31.7.2021)	-	-
Fabien, Benedicte	Head of Marketing, Crystal (as of 8.11.2021)	-	-
<b>Total</b>		<b>4 434 770</b>	<b>4 432 770</b>
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 2021 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 11 April 2022 of Lalique Group SA for the year ended 31 December 2021. Our audit is limited to the information provided in the tables on page 59 and 60 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.



Lalique Group SA  
Report of the statutory auditor in relation to the  
remuneration report as of 31 December 2021

**Opinion**

In our opinion, the remuneration report for the year ended 31. December 2021 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 2022





# Lalique Group SA Financial Statements

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## Income statement

IN CHF THOUSANDS	2021	2020
Personnel expenses	-362	-295
Other operating expenses	-620	-684
Depreciation on property, plant and equipment	-21	-20
<b>Earnings before interest and taxes</b>	<b>-1 003</b>	<b>-999</b>
Total financial income	11 511	4 148
Total financial expenses	-4 335	-1 838
Extraordinary expenses	-2 073	-54 809
Extraordinary income	-	41
<b>Profit/loss for the year before taxes</b>	<b>4 100</b>	<b>-53 457</b>
Direct taxes	-	-23
<b>PROFIT/LOSS FOR THE YEAR</b>	<b>4 100</b>	<b>-53 480</b>

## Balance Sheet

IN CHF THOUSANDS	31.12.21	31.12.20
<b>Current assets</b>		
Cash and cash equivalents	-	7 927
Other short-term receivables from third party	168	238
Other short-term receivables from related party	8 328	288
<b>Total current assets</b>	<b>8 496</b>	<b>8 453</b>
<b>Non-current assets</b>		
Investments	126 600	126 600
Loans to group companies	63 455	65 835
<b>Total non-current assets</b>	<b>190 055</b>	<b>192 435</b>
<b>TOTAL ASSETS</b>	<b>198 551</b>	<b>200 888</b>
<b>Current liabilities</b>		
Interest-bearing short-term bank liabilities	27 124	35 064
Trade account payables	191	278
<b>Other current liabilities due to third party</b>	<b>98</b>	<b>197</b>
Total current liabilities	27 413	35 539
<b>Non-current liabilities</b>		
Non-current liabilities due to group companies	2 559	484
<b>Total non-current liabilities</b>	<b>2 559</b>	<b>484</b>
<b>Total liabilities</b>	<b>29 972</b>	<b>36 023</b>
<b>Equity</b>		
Share capital	1 440	1 440
Legal capital reserves	107 632	107 632
Capital contribution reserves	87 810	87 810
Other legal capital reserves	19 822	19 822
Legal retained earnings	1 255	1 255
Voluntary retained earnings	59 251	55 151
Earnings brought forward	55 151	108 631
Profit/loss for the year	4 100	-53 480
Treasury shares	-999	-613
<b>Total equity</b>	<b>168 579</b>	<b>164 865</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>198 551</b>	<b>200 888</b>

## Notes to the financial statements

### Applied valuation principles in the financial statements

These financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957–963b Swiss Code of Obligations (CO) (effective 1 January 2013).

### 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 2021. In 2021, the Group recognized a total impairment charge on loans to group companies of CHF 2 073 thousand (2020: CHF 54 809 thousand).

#### Full-time positions

The number of full-time positions, on annual average, did not exceed ten in 2021 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 2021:

SIGNIFICANT SHAREHOLDERS	NUMBER OF SHARES 31 DECEMBER 2021		NUMBER OF SHARES 31 DECEMBER 2020	
		%		%
Silvio Denz	4202 700	58.37%	4202 700	58.37%
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%
<b>Total Lalique Group shares</b>	<b>7200 000</b>	<b>100.00%</b>	<b>7200 000</b>	<b>100.00%</b>

IN CHF THOUSANDS	31.12.21	31.12.20
<b>Contingent liabilities</b>		
As at 31 December 2021, there were unrecognized contingent liabilities (joint guarantees) of EUR 7,401 million (31.12.2020: EUR 8,157 million) arising from short- and long-term loans and guaranteed rental income in connection with Lalique SA and Villa René Lalique SAS.	7 670	8 846
<b>Guarantees</b>		
Joint and several liability for VAT debt resulting from the consolidated accounting of VAT (group taxation)	667	918
<b>Directly held investments</b>		
<b>Lalique Beauty SA (former Art &amp; Fragrance SA), Zurich</b>		
Holding of participating interests		
Share capital in CHF thousands	1 000	1 000
Ownership and voting right	100%	100%
<b>Lalique SA, Paris</b>		
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%
<b>Lalique Suisse SA, Zurich</b>		
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%
<b>Lalique Maison SA, Zurich</b>		
Creation and sale/distribution of furniture and interior-design accessories		
Share capital in CHF thousands <sup>1</sup>	100	100
Ownership and voting right	100%	100%
<b>Lalique Art SA, Zurich</b>		
Creation, development and trading of works art and decorative elements		
Share capital in CHF thousands <sup>1</sup>	100	100
Ownership and voting right	100%	100%
<b>SCI du Mont à Grillon, Ury</b>		
Management and rental of real estate		
Share capital in EUR thousands	1	1
Ownership and voting right	100%	100%
<b>Glenturret Holding SA, Zurich</b>		
Production and sale/distribution of fine spirits		
Share capital in CHF thousands	4 800	4 800
Ownership and voting right	50%	50%

<sup>1</sup> 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
<b>Treasury shares</b>					
<b>Balance as of 1.1.2020</b>					<b>15 000</b>
Purchases	1	37.00	37.00	37.00	1
Sales	1	25.80	25.80	25.80	-1
<b>Balance as of 31.12.2020</b>					<b>15 000</b>
Purchases	56	33.80	40.04	38.90	10 207
<b>Balance as of 31.12.2021</b>					<b>25 207</b>

As of balance sheet date, the acquisition cost of the treasury shares amounted to CHF 999 thousand (31.12.2020: 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	31.12.21	31.12.20
Denz, Silvio	Executive Chairman of the Board of Directors	4 202 700	4 202 700
Weber, Roland	Vice-chairman of the Board of Directors	10 000	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	700
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 (until 31.7.2021)	-	-
Fabien, Benedicte	Head of Marketing, Crystal (as of 8.11.2021)	-	-
<b>Total</b>		<b>4 434 770</b>	<b>4 432 770</b>
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 2 June 2022 approves the following appropriation of available earnings:

IN CHF THOUSANDS	31.12.21	31.12.20
Incremental external transaction costs from previous year <sup>1</sup>	-	843
<b>Carried forward from previous year</b>	<b>55 151</b>	<b>108 631</b>
Profit/loss for the year	4 100	-53 480
<b>Total earnings available for appropriation</b>	<b>59 251</b>	<b>55 151</b>
Proposed distribution of earnings (2021: CHF 0.20 per dividend-bearing share; 2020: CHF 0.00 per dividend-bearing share)	-1 440	-
<b>BALANCE TO BE CARRIED FORWARD</b>	<b>57 811</b>	<b>55 151</b>

<sup>1</sup> 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 2 June 2022 shall issue a dividend of 0.40 CHF per share this year. The dividend is planned to be paid out of the capital contribution reserve CHF 0.20 (without deduction of withholding tax) and CHF 0.20 from voluntary retained earnings (without deduction of withholding tax, CHF 0.13 excluding taxes). Provided that the proposed dividend distribution out of the capital contribution reserve is approved, the payment of CHF 0.40 per share will be made on 9 June 2022 to holders of shares on the record date 08 June 2022. The shares will be traded ex-dividend as of 07 June 2022 and, accordingly, the last day on which the shares may be traded with entitlement to receive the dividend will be 24 May 2022. The total dividend payment will amount to CHF 2 880 thousand. All shares are entitled to dividends.

IN CHF THOUSANDS	31.12.21	31.12.20
Incremental external transaction costs from previous year <sup>1</sup>	-	- 843
<b>Capital contribution reserves from previous years</b>	<b>87 810</b>	<b>87 810</b>
Capital increase	-	-
<b>Capital contribution reserves before proposed distribution</b>	<b>87 810</b>	<b>87 810</b>
Proposed distribution of capital contribution reserves (2021: CHF 0.20 per dividend-bearing share; 2020: CHF 0.00 per dividend-bearing share)	-1 440	-
<b>BALANCE TO BE CARRIED FORWARD</b>	<b>86 370</b>	<b>87 810</b>

<sup>1</sup> 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.





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## Statutory Auditor's Report

To the General Meeting of  
**LALIQUE GROUP SA, ZÜRICH**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Laliq Group SA, which comprise the balance sheet as at 31 December 2021 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 2021 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.

#### ***Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority***

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 matters.



Lalique Group SA  
Statutory Auditor's Report  
for the year ended  
31 December 2021

## Valuation of investments and loans to shareholdings

### 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 2021, investments amounted to CHF 126.6 Mio. (prior year CHF 126.6 Mio.) and loans to group companies amounted to CHF 63.5 Mio. (prior year CHF 65.8 Mio.), together representing 96% of Lalique's total assets.

The valuation of investments and loans to shareholdings depends, among other things, on the financial stability and health of the investee and thus is linked to future performance. Consequently, there is a risk that investments and loans are not appropriately valued if their carrying value exceeds the recoverable amounts.

The year-end balances of the investments and the loans to shareholdings are tested for impairment indicators on an annual basis. If such indicators are identified, 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 value. Should the carrying amount exceed the recoverable amount, an impairment is required. In 2021 an impairment of CHF 2.1 Mio. 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 shareholdings as a key audit matter.

In this regard, please also refer to the Note "Extraordinary expenses".

### How the scope of our audit responded to the key audit matter

To audit management's valuation of investments we performed the following procedures:

- We obtained a comprehensive understanding of the impairment indicator assessment and the impairment tests performed by the client, verified their mathematical accuracy, and assessed them for irregularities and appropriateness.
- We gained an understanding of the controls in place to ensure correct valuation of investments and loans to shareholdings.
- We critically challenged the DCF valuation for investments and loans to shareholdings. 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 shareholdings.



Lalique Group SA  
Statutory Auditor's Report  
for the year ended  
31 December 2021

### ***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

Zurich, 19 April 2022  
CKR/SSU/vpf

# Publication Details

PUBLISHER AND EDITOR  
Lalique Group SA, Zurich

DESIGN  
Studio Blyss — Brand Identity, Zurich

REFERENCE SOURCE AND CONTACT  
The Annual Report can be ordered from:  
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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on current assumptions and projections made by management. Such statements are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and performance of Lalique Group to differ from those expressed in, implied or projected by the forward-looking information and statements. The information published in this report is provided by Lalique Group SA and corresponds to the status as of the date of publication of this report.