

LALIQUE
GROUP



Annual Report 2022

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements Lalique Group

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Management Comment

In 2022 Lalique Group operating revenue of EUR 170.0 million in 2022, an increase of 20% compared to the previous year. EBIT rose to EUR 13.2 million, or EUR 11.5 million excluding extraordinary income recorded in the first half of 2022, and the EBIT margin was 7.7% or 6.8%, respectively. The Board of Directors will propose an increased dividend of CHF 0.50 per share to the 2023 Annual General Meeting. Lalique Group expects to achieve further sales growth in the low 10% range for 2023, while profitability is likely to be slightly lower than in 2022 due to higher costs, especially for energy.

In line with the preliminary announcement on 14 March 2023, Lalique Group reported a strong, broad-based increase in sales for the 2022 financial year, as expected. This result reflects contributions from all of its business segments, which generated double-digit growth rates. Like in the prior year, the perfume business was a particularly strong driver of growth. Overall, Lalique Group's operating revenue increased by 20% compared to 2021 to reach EUR 170.0 million. As previously announced, this includes extraordinary income of EUR 1.7 million recorded in the first half of 2022 in connection with the resolution of a legal matter.

Developments on the cost side reflect higher business volumes, the expansion of the business and intensified marketing and sales activities compared to the reduced cost base in the prior year as a result of lockdown-related closures. The Group also increased its production capacity in 2022 with a view to driving future growth. This included investing in a more powerful and efficient melting furnace and increasing resources in the area of cold glass production at the Lalique manufacture as well as in a new mash tun at the whisky distillery. Personnel costs totalled EUR 42.0 million, an increase of 22% compared to the prior year. Other operating expenses totalled EUR 27.8 million, corresponding to an increase of 28%. At EUR 15.7 million, depreciation and amortisation were 10% higher than in the prior year.

Earnings before interest and taxes (EBIT) rose to EUR 13.2 million in 2022, compared to EUR 9.6 million in the prior year. The EBIT margin improved to 7.7%, compared to 6.8% in 2021. Excluding the above-mentioned extraordinary income of EUR 1.7 million, Lalique Group grew its EBIT by 19% to EUR 11.5 million in the year under review, with an EBIT margin of 6.8%. Net Group profit rose to EUR 9.6 million in the year under review, compared to EUR 6.8 million in the prior year.

Lalique Group continues to have a solid liquidity and capital position with an equity ratio of 50.0% at the end of 2022 (2021: 50.9%).

SEGMENT RESULTS

The Lalique segment recorded sales of EUR 95.7 million in 2022, an increase of 12% compared to the strong prior year. The segment's two main pillars, the perfume business and the crystal business, increased their sales by a further 13% and 11%, respectively, and they delivered geographically broad-based growth. The gastronomy and hospitality business also experienced a good level of demand. The two hotels/restaurants—Villa René Lalique and Château Hochberg—as well as the Hotel & Restaurant Château Lafaurie-Peyraguey Lalique, which was acquired in July 2021, contributed to this growth. Personnel costs rose by 20% compared to 2021, and other operating expenses grew by 32%. These costs increased as business activities intensified again compared to the pandemic phase. The rise in costs also reflects the above-mentioned investments in production capacity in the crystal manufacturing business and costs related to the operations of the Hôtel & Restaurant Château Lafaurie-Peyraguey Lalique, which were recognised on a full-year basis for the first time. EBIT was EUR 4.3 million (EUR 2.6 million excluding the above-mentioned extraordinary income), compared to EUR 5.8 million in the prior year.

Ultrasun generated sales of EUR 14.8 million in 2022. This corresponds to an increase of 13% compared to the prior year, during which the demand for sunscreen products was impacted by restrictions on holidays and travel due to the pandemic. Although Ultrasun returned to a growth path, the segment's sales nevertheless remained below the pre-pandemic level (2019: EUR 21.8 million). The brand experienced a further strong increase in online sales. The gross margin increased compared to the previous year, which was impacted by clearance sales and the removal of older products that could no longer be sold. Costs rose by 9% overall, and profitability at EBIT level was EUR 0.5 million (2021: EUR -1.1 million).

The Jaguar Fragrances segment was able to maintain the previous year's strong growth and generated sales of EUR 26.4 million (+28%). This was driven by broad demand in Europe and pleasing results in India. EBIT rose to EUR 4.3 million (2021: EUR 3.5 million).

The Glenturret segment achieved a 54% increase in sales to EUR 7.6 million in 2022, reflecting renewed growth in the sale of whisky, although the launch of a new whisky range in the second half of the year took place later than originally planned. The distillery's visitor centre and shop, which were renovated in the Lalique style in the previous year, and The Glenturret Lalique Restaurant, which opened in July 2021, also contributed to the increase in sales. The expansion of the offering led to higher costs, as expected. EBIT in the year under review was EUR -0.9 million (2021: EUR -1.8 million).

Among the other brands, Bentley Fragrances saw another significant increase in sales, which rose by 59% on the back of its strong international brand presence. Parfums Samourai generated further growth in the Japanese market, with sales rising by 14%, and Parfums Grès, with key markets in Latin America, reported a 4% increase in sales. Both brands thus came close to pre-pandemic levels. Brioni Parfums generated a substantial increase in sales in 2022, partly driven by the launch of the third Brioni fragrance. The perfume filling and logistics business Lalique Beauty Services grew its sales by 19% compared to the prior year. The segment's EBIT was EUR 5.4 million (2021: EUR 3.2 million).

DIVIDEND PROPOSAL

In view of the good financial result for the 2022 financial year, the Board of Directors will propose the distribution of dividend of CHF 0.50 per share to the Annual General Meeting of 31 May 2023 (2021 financial year: CHF 0.40 per share). It is planned that half of the distribution will take the form of an ordinary dividend, with the other half being paid out of capital contribution reserves (free of Swiss withholding tax).

OUTLOOK

The uncertainty surrounding the global economic environment and the geopolitical situation has continued in 2023 and it is likely to persist for the foreseeable future. Lalique Group will continue to systematically execute its diversification strategy as the breadth of its business has proven to be a strength in a global economic environment characterized by challenges and uncertainties.

Lalique Group will continue to move ahead with selected product launches and projects in the current year. In the perfume business, this includes the launch of new Lalique, Jaguar, Bentley and Brioni fragrances. Lalique and The Glenturret will also present a further collaboration with the artist James Turrell.

Preparations are underway this year for the planned launch in spring 2024 of the first fragrance under the perfume licence agreement with the global fashion brand Superdry. In addition, the Group wants to seize further opportunities to promote the Lalique brand through the world of experiences offered by its gastronomy and hospitality business. As announced in July 2022, Lalique Group will run "Villa Florhof", a Zurich hotel steeped in tradition, in the future. It is planned that the hotel will reopen in autumn 2024. Preparations are also being carried out this year for the relaunch of the Fabric Frontline silk label, which is scheduled for 2024. The acquisition of Fabric Frontline was announced in September 2022. Further, Lalique's new flagship store at St. Peterstrasse 16 in Zurich will open its doors shortly, marking the completion of the move from the existing location in Talstrasse.

Excluding unforeseeable events, Lalique Group expects to generate sales growth in the low 10% range for the full year 2023, while profitability is likely to be slightly lower than in 2022 due to higher costs, especially for energy.

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. 770 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.	2022	2021
Revenue from contracts with customers	4	167 530	138 645
Other operating income	5	2 471	3 306
Revenue and other operating income		170 001	141 951
Material costs, licences and third-party services	6	-71 287	-61 789
Gross result		98 714	80 162
Salaries and wages	7	-42 034	-34 554
Other operating expenses	8	-27 819	-21 763
EBITDA		28 861	23 845
Depreciation and amortization/impairment	16/17	-15 707	-14 226
EBIT		13 154	9 619
Financial income	9	100	44
Financial expenses	9	-1 891	-1 517
Net foreign exchange differences	9	-210	396
Group profit before taxes		11 153	8 542
Income taxes	10	-1 511	-1 722
NET GROUP PROFIT		9 642	6 820
of which attributable to:			
Non-controlling interests	27	-12	-1 367
Owners of the parent company		9 654	8 187
Earnings per share basic/diluted (in EUR)	11	1.35	1.14

Consolidated Statement of Comprehensive Income

IN EUR THOUSANDS	REF.	2022	2021
NET GROUP PROFIT		9 642	6 820
Foreign currency translation		442	6 874
Items that may be reclassified subsequently to the income statement, net of tax		442	6 874
Remeasurements of pension plans	19	2 511	345
Deferred tax on remeasurement of pension plans		-506	-67
Items that will not be reclassified subsequently to the income statement, net of tax		2 005	278
Other comprehensive income, net of tax		2 447	7 152
TOTAL COMPREHENSIVE INCOME		12 089	13 972
of which attributable to:			
Non-controlling interests		-1 643	146
Owners of the parent company		13 732	13 826

Consolidated Balance Sheet

ASSETS

IN EUR THOUSANDS	REF.	31.12.22	31.12.21
Cash and cash equivalents	12	40 147	48 256
Trade accounts receivable	13	20 088	17 489
Inventories	14	86 505	80 031
Other receivables	15	7 068	7 363
Total current assets		153 808	153 139
Intangible assets	16	98 680	88 121
Property, plant and equipment	17	94 851	80 293
Financial assets	18	1 730	1 050
Other non-current assets	18	5 502	5 481
Deferred tax assets	25	3 223	3 906
Total non-current assets		203 986	178 851
TOTAL ASSETS		357 794	331 990

LIABILITIES AND EQUITY

IN EUR THOUSANDS	REF.	31.12.22	31.12.21
Bank overdrafts	12	29 487	26 852
Trade accounts payable		22 996	18 921
Current provisions	22	327	820
Income tax liabilities		2 454	1 269
Other current liabilities	20	30 664	39 478
Total current liabilities		85 928	87 340
Other non-current liabilities	21	12 272	1 219
Non-current provisions	22	1 096	1 437
Non-current financial liabilities	23	47 286	35 864
Defined benefit obligation	19	3 173	5 432
Deferred tax liabilities	25	11 350	12 236
Total non-current liabilities		75 177	56 188
Total liabilities		161 105	143 528
Share capital	26	1 204	1 204
Capital reserves	26	83 984	85 378
Retained earnings	26	93 569	82 305
Total equity attributable to owners of the parent company		178 757	168 887
Non-controlling interests	27	17 932	19 575
Total equity		196 689	188 462
TOTAL LIABILITIES AND EQUITY		357 794	331 990

Consolidated Cash Flow Statement

IN EUR THOUSANDS	REF.	2022	2021
Group profit before taxes		11 153	8 542
Depreciation and amortization/impairment	16/17	17 675	15 745
Early termination of lease contracts		-	12
Change in defined benefit obligation		-381	-127
Change in provisions		-860	-811
Financial income	9	-100	-44
Financial expenses	9	1 891	1 517
Net foreign exchange differences	9	210	-396
Other non-cash items		-162	38
Cash flow from operations before change in net current assets		29 426	24 476
Decrease (+)/increase (-) in trade accounts receivable		-1 997	-1 692
Decrease (+)/increase (-) in inventories		-5 000	1 451
Decrease (+)/increase (-) in other receivables		-886	2 753
Increase (+)/decrease (-) in trade accounts payable		3 813	614
Increase (+)/decrease (-) in other non-financial current liabilities		2 477	-846
Interest paid		-1 054	-1 430
Tax paid		-1 422	-1 149
Interest received		29	3
Cash flow from operating activities		25 386	24 180
Investments in subsidiaries net of cash acquired ¹		-	-4 118
Investments in property, plant and equipment	17	-15 168	-6 643
Sale of property, plant and equipment	17	3	8
Investments in intangible assets	16	-884	-478
Net cash flow financial assets		-640	-402
Cash flow from investing activities		-16 689	-11 633
Capital contribution from NCI shareholders		-	34
Reduction in short term NCI shareholder loans	23	-544	-
Receipt of/increase in short term NCI shareholder loans	23	322	198
Receipt of/increase in NCI shareholder loans	23	3 429	786
Purchase of treasury shares		-1 074	-357
Net cash flow from bank overdrafts	23	1 345	-18 632
Repayment of principal amount of lease liabilities	23	-7 213	-7 073
Repayments/outflows other current financial liabilities	23	-18 789	-3 194
Proceeds/inflows other current financial liabilities	23	826	1 391
Repayments/outflows other non-current liabilities	23	-	-6 991
Proceeds/inflows other non-current liabilities	23	6 133	1 222
Dividend payment		-2 788	-
Cash flow from financing activities		-18 353	-32 616
Exchange differences on cash and cash equivalents		1 547	1 628
Decrease/increase in cash and cash equivalents		-8 109	-18 441
Balance of cash and cash equivalents as at 01.01.	12	48 256	66 697
Balance of cash and cash equivalents as at 31.12.	12	40 147	48 256

¹ Net cash flow for share acquisition Château Lafaurie Peyraguey Hotel & Restaurant SAS in 2021

Consolidated Statement of Changes in Equity

IN EUR THOUSANDS	SHARE CAPITAL	CAPITAL RESERVES	TREASURY SHARES	ACCUMU- LATED FOREIGN CURRENCY TRANS- LATION	RETAINED EARNINGS	TOTAL EQUITY OWNER OF PARENT	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
BALANCE AS AT 01.01.2021	1 204	85 378	-551	-1 407	71 992	156 616	18 195	174 813
Net Group 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
Total comprehensive income	-	-	-	5 361	8 465	13 826	146	13 972
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
BALANCE AS AT 31.12.2021	1 204	85 378	-908	3 954	79 257	168 885	19 575	188 462
BALANCE AS AT 01.01.2022	1 204	85 378	- 908	3 954	79 257	168 885	19 575	188 462
Net Group profit	-	-	-	-	9 654	9 654	-12	9 642
Foreign currency translation	-	-	-	2 078	-	2 078	-1 636	442
Remeasurement IAS 19 (incl. tax)	-	-	-	-	2 000	2 000	5	2 005
Other comprehensive income	-	-	-	2 078	2 000	4 078	-1 631	2 447
Total comprehensive income	-	-	-	2 078	11 654	13 732	-1 643	12 089
Dividend payout	-	-1 394	-	-	-1 394	-2 788	-	-2 788
Purchase of treasury shares	-	-	-1 074	-	-	-1 074	-	-1 074
BALANCE AS AT 31.12.2022	1 204	83 984	-1 982	6 032	89 518	178 755	17 932	196 689

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 2022 were approved by the Board of Directors on 18 April 2023 and recommended for approval by the General Meeting of Shareholders on 31 May 2023.

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. 770 staff (full time equivalents) 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 2022 financial statements:

STANDARD/ INTERPRETATION	DESIGNATION	EFFECTIVE DATE
IAS 37	Onerous Contracts— Costs of Fulfilling a Contract— Amendments	1 January 2022
IFRS 3	Reference to the Conceptual Framework— Amendments	1 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use— Amendments	1 January 2022
IFRS 1	First-time Adoption of International Financial Reporting Standards (Subsidiary as a first-time adopter)	1 January 2022
IFRS 9	Financial Instruments (Fees in the “10 per cent” test for derecognition of financial liabilities)	1 January 2022
IAS 41	Agriculture (Taxation in fair value measurements)	1 January 2022
IFRS 16	Removal of the illustrative example of reimbursement of leasehold improvements by the lessor (Illustrative Example 13 accompanying IFRS 16)	1 January 2022

Onerous Contracts— Costs of Fulfilling a Contract— Amendments to IAS 37

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the consolidated financial statements of the Group as no onerous contracts exist.

Reference to the Conceptual Framework— Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period.

These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use—Amendments to IAS 16 PPE

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Group applies the amendments retrospectively only to items of PPE made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 1 First-time Adoption of International Financial Reporting Standards—Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the consolidated financial statements of the Group as it is not a first time adopter.

IFRS 9 Financial Instruments—Fees in the "10 per cent" test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 *Financial Instruments: Recognition and Measurement*.

In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application).

These amendments had no impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

IAS 41 Agriculture—Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

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 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 2024	2024 business year
	(Amended by Non-current Liabilities with Covenants)	1 January 2024	2024 business year
IAS 8	Operating Segments (Definition of Accounting Estimates—Amendments to IAS 8)	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
IFRS 16	Amended by Lease Liability in a Sale and Leaseback	1 January 2024	2024 business year

Consolidation principles and consolidated companies

The Consolidated Financial Statements comprise the financial statements of Laliq Group SA and its subsidiaries as at 31 December of each financial year. The accounts of the subsidiaries are prepared using the Group's 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 Laliq 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 Laliq 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:

	2022	2021
CHF		
Year-end rate (balance sheet)	1.0156	0.9649
Average rate for the year (income statement)	0.9952	0.9250
USD		
Year-end rate (balance sheet)	0.9393	0.8830
Average rate for the year (income statement)	0.9501	0.8454
GBP		
Year-end rate (balance sheet)	1.1314	1.1911
Average rate for the year (income statement)	1.1738	1.1629
HKD		
Year-end rate (balance sheet)	0.1205	0.1132
Average rate for the year (income statement)	0.1213	0.1088
SGD		
Year-end rate (balance sheet)	0.6973	0.6528
Average rate for the year (income statement)	0.6888	0.6197
CNY		
Year-end rate (balance sheet)	0.1348	0.1386
Average rate for the year (income statement)	0.1413	0.1310
JPY		
Year-end rate (balance sheet)	0.0070	0.0077
Average rate for the year (income statement)	0.0073	0.0077
AED		
Year-end rate (balance sheet)	0.2557	0.2404
Average rate for the year (income statement)	0.2586	0.2301

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 and goodwill) 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 and goodwill impairment tests.

The Group's CGUs all have significant headroom with the exception of "Lalique", to which intangible brand asset of EUR 39 526 thousand is allocated as at 31 December 2022.

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. 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 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 has 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 either cash and cash equivalents or trade receivables with no financing component. The Group’s trade receivables 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 installments.

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 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	2022 TOTAL	MATURING IN LESS THAN 1 YEAR	MATURING IN > 1 YEAR, < 5 YEARS	MATURING IN MORE THAN 5 YEARS	2021 TOTAL
Assets								
Cash and cash equivalents	40 147	-	-	40 147	48 256	-	-	48 256
Trade accounts receivable	20 088	-	-	20 088	17 489	-	-	17 489
Other financial receivables	4 164	-	-	4 164	4 674	-	-	4 674
Financial assets	-	1 416	314	1 730	-	706	344	1 050
Total	64 399	1 416	314	66 129	70 419	706	344	71 469
Liabilities								
Bank overdrafts ¹	29 487	-	-	29 487	26 852	-	-	26 852
Trade accounts payable	22 996	-	-	22 996	18 921	-	-	18 921
Short-term liabilities NCI shareholders ²	-	-	-	-	207	-	-	207
Short-term leasing liabilities	6 484	-	-	6 484	5 518	-	-	5 518
Other current liabilities	24 762	-	-	24 762	35 444	-	-	35 444
Loans from NCI shareholders ²	-	-	8 647	8 647	-	-	4 822	4 822
Long-term leasing liabilities	-	14 163	6 499	20 662	-	10 496	2 977	13 473
Other non-current financial liabilities	-	16 304	3 514	19 818	-	18 682	283	18 965
Total	83 729	30 467	18 660	132 856	86 942	29 178	8 082	124 202

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

² Liabilities and loans from NCI shareholders at Glenturret SA and Lalique Tamer Beauty Holding Ltd amounting to EUR 8 647 thousand (2021: EUR 5 029 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 2022 largely involved the Group's trade accounts payable and receivable, which are partly based

on transactions in foreign currencies and to a lesser extent on cash and cash equivalents and bank liabilities. The Group monitors its transaction-related foreign-currency risks.

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

IN EUR THOUSANDS	EUR	CHF	USD	GBP	OTHER	2022 TOTAL	EUR	CHF	USD	GBP	OTHER	2021 TOTAL
Assets												
Cash and cash equivalents	17 102	8 029	8 224	4 758	2 034	40 147	16 834	11 136	12 524	6 399	1 363	48 256
Trade accounts receivable	12 381	562	4 108	2 244	793	20 088	8 971	1 579	5 250	1 575	114	17 489
Other financial receivables	1 442	458	83	524	1 657	4 164	1 743	807	31	292	1 801	4 674
Financial assets	648	20	341	473	248	1 730	542	18	322	-	168	1 050
Total	31 573	9 069	12 756	7 999	4 732	66 129	28 090	13 540	18 127	8 266	3 446	71 469
Liabilities												
Bank overdrafts	11 104	2 571	6 664	9 148	-	29 487	12 082	2 486	9 250	3 034	-	26 852
Trade accounts payable	15 289	1 819	1 703	1 964	2 221	22 996	10 933	2 678	705	2 726	1 879	18 921
Short-term liabilities												
NCI shareholders	-	-	-	-	-	-	207	-	-	-	-	207
Short-term leasing liabilities	2 139	598	344	708	2 223	6 012	1 358	754	477	847	1 862	5 298
Other current liabilities	16 394	3 094	1 025	3 144	995	24 652	21 452	8 584	899	2 129	909	33 973
Loans from NCI shareholders	-	8 647	-	-	-	8 647	-	4 822	-	-	-	4 822
Long-term leasing liabilities	11 129	1 480	1 191	3 180	1 935	18 915	6 865	274	2 230	2 600	1 074	13 043
Other non-current financial liabilities	18 971	-	-	50	703	19 724	17 109	-	-	123	767	17 999
Total	75 026	18 209	10 927	18 194	8 077	130 433	70 006	19 598	13 561	11 459	6 491	121 115

As at 31 December 2022, the Group had no currency hedges (forward transactions) to safeguard future cash flows. The same applied as at 31 December 2021.

A change in the CHF/EUR exchange rate of +/- 5% in 2022 would have had an impact on the Group's profit before tax of EUR +/- 457 thousand (2021: EUR +/- 304 thousand) while a change in the USD/EUR exchange rate of +/- 5% in 2022 would have had an impact of EUR +/- 91 thousand (2021: EUR +/- 212 thousand), and a change in the GBP/EUR exchange rate of +/- 5% in 2022 would have affected figures by EUR +/- 510 thousand (2021: EUR +/- 160 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 2022, 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 2022 had been 1% point higher or lower, the Group's financial result or equity would have been EUR 160 thousand (2021: EUR 219 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	31.12.22	31.12.21
Share capital	1 204	1 204
Capital reserves	83 984	85 378
Retained earnings/other reserves	93 569	82 305
Total equity before non-controlling interests	178 757	168 887
TOTAL CAPITAL	357 794	331 990
Equity ratio	49.96%	50.87%

Further details on equity movements can be found in 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 2022, 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 identical 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 and has several brands in its portfolio. Reported financial information is therefore allocated and managed on the basis of these brands and cash-generating units. “Lalique”, “Ultrasun”, “Jaguar” and “Glenturret” are the largest brands in terms of revenue, profit and/or total assets. Consequently, 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, Brioni and Superdry) 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). Despite their names, these distribution and production companies 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	2022	2021
Decorative pieces	50%	48%
Perfume	26%	28%
Interior design	10%	11%
Jewellery	3%	3%
Art	3%	3%
Other diversification (incl. hotel-restaurants)	8%	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, Brioni and Superdry brands, as well as Lalique Tamer Beauty, Lalique Beauty Distribution, Lalique Beauty Services and 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 2022 financial year

The table below contains information on the revenues and results as well as on the assets and liabilities of the Group's business segments:

IN EUR THOUSANDS	LALIQUE	ULTRASUN	JAGUAR	GLEN-TURRET	OTHER BRANDS ¹	HOLDING AND ELIM. ²	GROUP
Revenue and other operating income							
Revenue from contracts with external customers	89 474	14 793	24 883	7 346	30 924	110	167 530
Revenue from transactions with other segments	3 188	-81	1 503	221	6 129	-10 960	-
Other operating income ³	2 343	39	7	11	50	21	2 471
Other operating income with other segments	671	81	-	-	1 236	-1 988	-
Total revenue and other operating income	95 676	14 832	26 393	7 578	38 339	-12 817	170 001
EBIT	4 294	476	4 286	-887	5 390	-405	13 154
Financial result							-2 001
Group profit before taxes							11 153
Income tax expenses							-1 511
NET GROUP PROFIT							9 642
Assets and liabilities							
Segment assets	201 033	21 950	22 016	60 247	66 974	-14 426	357 794
Segment liabilities	155 569	6 883	8 853	27 825	48 955	-86 980	161 105
Other segment information							
Investments							
Property, plant and equipment ⁴	21 913	1 275	60	5 147	2 046	241	30 682
Intangible assets ⁵	135	204	6	262	13 269	-	13 876
Depreciation and amortization							
Property, plant and equipment	10 605	314	232	728	1 847	33	13 759
Intangible assets	1 103	180	102	167	392	4	1 948
¹ Revenue and other operating income other brands							
ParfumParfums Samourai					4 953		
Parfums Grès					4 740		
Bentley Fragrances					11 078		
Brioni					2 713		
Lalique Tamer Beauty					7 168		
Lalique Beauty Distribution					1 457		
Lalique Beauty Services					11 042		
Parfums Alain Delon					38		
Elimination intercompany other brands					-4 850		
Total revenue and other operating income other brands					38 339		
² The "Holding and 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.							
³ In 2022, other operating income derived to a large extent from a won legal case at Lalique SA amounting to EUR 1 720 thousand, insurance claims of EUR 2 thousand (2021: EUR 923 thousand), operating grants from governments of EUR 126 thousand (2021: EUR 1 408 thousand) and profitable fixed asset transactions of EUR 218 thousand (2021: EUR 91 thousand).							
⁴ The property, plant and equipment investments of other brands include investments in the perfume production facility in Ury of EUR 1 976 thousand as well as IFRS 16 adjustments of Lalique Brand regarding the new office in Paris amounting to EUR 7 264 thousand.							
⁵ Additions to intangible assets of other brands include the new licence agreement with Superdry amounting to EUR 11 134 thousand as well as the extended licence agreement with Bentley amounting to EUR 1 734 thousand.							

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 ¹	HOLDING AND ELIM. ²	GROUP
Revenue and other operating income							
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 ³	2 898	19	1	140	123	125	3 306
Other operating income with other segments	525	-	-	-	1 039	-1 564	-
Total revenue and other operating income	85 229	13 181	20 673	4 929	25 823	-7 884	141 951
EBIT	5 788	-1 057	3 525	-1 783	3 238	-92	9 619
Financial result							-1 077
Group profit before taxes							8 542
Income tax expenses							-1 722
NET GROUP PROFIT							6 820
Assets and liabilities							
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
Other segment information							
Investments							
Property, plant and equipment ⁴	14 008	158	15	2 034	1 981	764	18 960
Intangible assets ⁵	453	195	105	33	329	1	1 116
Depreciation and amortization							
Property, plant and equipment	9 705	261	231	574	1 826	63	12 660
Intangible assets	719	197	86	167	390	7	1 566
¹ 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		
² The "Holding and 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.							
³ 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).							
⁴ The Property, plant and equipment investments of other brands include investments in the perfume production facility in Ury of EUR 1 826 thousand. The investments of the Brand Lalique include the assets of acquired subsidiaries of EUR 5 991 thousand.							
⁵ Intangible assets of Brand Lalique include intangible assets of acquired subsidiaries of EUR 308 thousand.							

Geographical regions

The geographical breakdown of segment revenue is based on customer locations.

IN EUR THOUSANDS	2022	2021
Revenue from contracts with customers		
UK	35 292	24 280
France	20 723	16 833
UAE	17 717	10 523
USA	13 917	15 606
Germany	11 774	8 561
Japan	7 743	6 526
Czech Republic	5 818	3 722
Hong Kong	5 606	6 954
Poland	5 224	5 598
China	5 172	4 925
Switzerland	4 413	8 497
Other countries	34 131	26 620
Group	167 530	138 645

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	31.12.22	31.12.21
Non-current operating assets		
France	102 135	93 758
Switzerland	46 377	32 668
UK	40 327	37 627
USA	2 553	4 099
China	2 748	796
Germany	2 425	2 744
Hong Kong	1 916	1 987
Japan	435	808
Singapore	75	458
UAE	42	-
Group	199 033	174 945

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

IN EUR THOUSANDS	2022	2021
Revenue from sale of goods and services	165 764	136 960
Licence income/royalties	1 766	1 685
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	167 530	138 645

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	2022	2021
Other operating income	2 471	3 306
TOTAL OTHER OPERATING INCOME	2 471	3 306

Other operating income comprises non-recurring income and the result from the disposal of assets. In 2022, other operating income was largely driven by the proceeds from a legal case won by Lalique SA in the amount of EUR 1 720 thousand, insurance claims of EUR 2 thousand (2021: EUR 923 thousand), operating

grants from governments of EUR 126 thousand (2021: EUR 1 408 thousand) and profitable disposal of property, plant and equipment of EUR 218 thousand (2021: EUR 91 thousand). Recharges, e.g. for accounting services, refunds for private expenses or other charges, totalled EUR 5 thousand (2021: EUR 433 thousand).

6. MATERIAL COSTS, LICENCES AND THIRD-PARTY SERVICES

IN EUR THOUSANDS	2022	2021
Cost of components and finished goods	49 919	44 205
Other directly attributable production costs	12 487	10 361
Licence expenses	3 398	2 680
Commission expenses	2 086	1 422
Other procurement costs	3 397	3 121
TOTAL MATERIAL COSTS, LICENCES AND THIRD PARTY SERVICES	71 287	61 789

Other directly attributable 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, Lalique Barberini Fragrances (Brioni brand licensee) and Superdry Fragrances. 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	2022	2021
Wages and salaries (incl. bonuses)	28 472	22 507
Social insurance and employee pension/welfare expenses	12 687	10 735
Other personnel costs	875	1 312
TOTAL PERSONNEL COSTS	42 034	34 554
Average number of FTE	766	702

In 2022, total personnel costs were reduced by government grants for furloughing in the amount of EUR 68 thousand (2021: EUR 1 206 thousand).

8. OTHER OPERATING EXPENSES

IN EUR THOUSANDS	2022	2021
Advertising and promotional expenses	9 261	6 164
Administrative expenses	6 492	5 955
Rental expenses	3 924	2 736
Property insurance, levies and charges	818	993
Vehicles	244	153
Miscellaneous operating expenses	7 080	5 762
TOTAL OTHER OPERATING EXPENSES	27 819	21 763

The item “Miscellaneous operating expenses” includes travel expenses (2022: EUR 2 941 thousand; 2021: EUR 2 061 thousand), expenses for creations that are not capitalizable (2022: EUR 51 thousand; 2021: EUR 55 thousand) and various other costs.

Rental expenses include 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 2022, the Group recognized a net relief of lease obligations of EUR 117 thousand (2021: EUR 350 thousand) presented as a rental expense reduction.

9. FINANCIAL INCOME AND EXPENSES

IN EUR THOUSANDS	2022	2021
Financial income		
Interest on loans and advance financing	19	-
Other financial income	81	44
Total financial income	100	44
Financial expenses		
Interest on short- and long-term financial liabilities ¹	951	699
Other financial expenses	940	818
Total financial expenses	1 891	1 517
Income from exchange rate fluctuations	8 275	8 872
Expenses from exchange rate fluctuations	8 485	8 476
Net foreign exchange differences	-210	396
FINANCIAL RESULT	-2 001	-1 077

¹ Thereof interest expense on lease liabilities amount to EUR 495 thousand in 2022 (2021: EUR 272 thousand).

10. INCOME TAXES

The main components of income tax expenses are as follows:

IN EUR THOUSANDS	2022	2021
Current year income taxes	1 905	1 374
Income taxes from previous years	233	-35
Current income taxes	2 138	1 339
Deferred tax income/expenses resulting from change in temporary differences	1 064	2 111
Deferred tax income/expenses resulting from change in tax rates	-8	192
Deferred tax expenses/income resulting from usage or capitalization respectively of deferred taxes on accumulated losses	-1 683	-1 920
Deferred tax expenses	-627	383
TOTAL TAX EXPENSES	1 511	1 722

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

IN EUR THOUSANDS	2022	2021
Group profit before taxes	11 153	8 542
Expected tax rate	19.7%	19.7%
Expected tax expenses	2 197	1 683
Income not subject to income tax	-54	-935
Effect from application of participation relief	-	-162
Income taxes from previous years	233	-35
Effect from unaccounted tax loss and new temporary differences in the current reporting year	2 077	1 847
Effect from utilisation of unaccounted tax losses and temporary differences from previous years	-673	-229
Ex post accounting of previous unaccounted tax losses and temporary differences	-1 600	-1 558
Ex post unaccounting of previous accounted tax losses and temporary differences	279	355
Effect of change in tax rate	-8	192
Effect of revenues taxed at different rates	-1 467	390
Non-deductible expenses	504	213
Other effects	23	-39
TOTAL INCOME TAX	1 511	1 722

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

11. EARNINGS PER SHARE AND DIVIDENDS

		2022	2021
Average number of shares in circulation	Number	7 167 286	7 183 575
Net Group profit in favour of shareholders of Lalique Group SA	EUR thousands	9 654	8 187
EARNINGS PER SHARE	EUR	1.35	1.14

For the 2021 financial year, a dividend of CHF 0.40 per share was distributed. With respect to the 2022 financial year, the Board of Directors will propose a dividend of CHF 0.50 per share at the Annual General Meeting on 31 May 2023. It is planned that half of the dividend (CHF 0.25) will be paid out of the capital contribution reserve (without deduction of withholding tax) with the other half being paid from voluntary retained earnings (CHF 0.16 after the deduction of 35% withholding tax).

DETAILS ON THE CONSOLIDATED BALANCE SHEET**12. CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS**

IN EUR THOUSANDS	31.12.22	31.12.21
Cash	190	133
Bank	39 957	48 123
TOTAL CASH AND CASH EQUIVALENTS	40 147	48 256

Interest earned on assets denominated in CHF, EUR, GBP and USD was 0.00% (2021: 0.00%).

IN EUR THOUSANDS	31.12.22	31.12.21
Bank overdraft	29 487	26 852
BANK OVERDRAFT	29 487	26 852

Interest charged on liabilities in USD and GBP was between 1.0% and 6.0% (2021: between 0.65% and 1.20%) and on liabilities in EUR was between 0.25% and 3.26% (2021: between 0.29% and 2.55%). Interest charged on liabilities in CHF was between 1.0% and 2.0% (2021: 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 90 DAYS
2022						
Of which EUR	12 420	9 227	3 193	2 132	114	947
Of which CHF accounts shown in EUR	594	543	51	33	-	18
Of which USD accounts shown in EUR	5 378	2 094	3 284	1 224	337	1 723
Of which other currencies shown in EUR	3 258	391	2 867	1 989	457	421
Allowance for doubtful debts	-1 562	-8	-1 554	-51	-36	-1 467
Total	20 088	12 247	7 841	5 327	872	1 642
2021						
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
Total	17 489	9 018	8 471	5 080	928	2 463

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. Trade receivables are generally written off if they are more than one year past due 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 are included 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. Provision rates are based on the number of days the receivable is overdue. 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 90 DAYS
2022						
Expected credit loss rate	1.1%	0.1%	2.6%	1.0%	4.0%	7.0%
Estimated total gross carrying amount at default	20 307	12 255	8 052	5 378	908	1 765
Expected credit loss	-219	-8	-211	-51	-36	-123
2021						
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

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

IN EUR THOUSANDS	31.12.22	31.12.21
OPENING BALANCE	1 786	1 066
Formation (+)	368	694
Usage (-)	-110	-78
Reversed (-)	-584	-
Currency effect	102	104
CLOSING BALANCE	1 562	1 786

14. INVENTORIES

IN EUR THOUSANDS	31.12.22	31.12.21
Components and raw materials	29 126	23 908
Finished goods	55 538	54 907
Advance payments	1 841	1 216
TOTAL INVENTORIES	86 505	80 031

Scrapping and impairments on inventories recognized as expenditure amounted to EUR 1 058 thousand in 2022 (2021: EUR 581 thousand). Furthermore, reversal of write-down amounted to EUR 623 thousand in 2022 (2021: EUR 0).

15. OTHER RECEIVABLES

IN EUR THOUSANDS	31.12.22	31.12.21
VAT and other tax receivables	2 904	2 689
Goods-receipt/invoice-receipt (GR/IR)	299	471
Accrued income and prepaid expenses	2 307	2 748
Short-term rental deposits	988	1 115
Other receivables	570	340
TOTAL OTHER RECEIVABLES	7 068	7 363

16. INTANGIBLE ASSETS

IN EUR THOUSANDS	GOODWILL	BRANDS	LICENCE RIGHTS	CREATIONS	SOFTWARE	TOTAL INTANGIBLE ASSETS
Acquisition costs 01.01.2021	10 936	71 444	8 472	5 426	5 991	102 269
Additions ¹	-	-	-	701	107	808
Additions from acquisitions of Château Lafaurie-Peyraguey	-	-	85	665	-	750
Reclassification/transfers ²	-	-	-	371	2 330	2 701
Disposals	-	-	-8	-93	-100	-201
Exchange differences	852	1 935	364	288	106	3 545
Acquisition costs 31.12.2021	11 788	73 379	8 913	7 358	8 434	109 872
Additions ¹	-	-	12 868	975	33	13 876
Reclassification/transfers	-	-	-20	21	-1	-
Disposals	-	-	-1 299	-	-9	-1 308
Exchange differences	-591	779	670	294	65	1 217
Acquisition costs 31.12.2022	11 197	74 158	21 132	8 648	8 522	123 657
Amortization, cumulative 01.01.2021	-	-4 320	-4 172	-3 710	-5 249	-17 451
Additions ³	-	-	-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
Amortization, cumulative 31.12.2021	-	-4 320	-5 993	-5 431	-6 007	-21 751
Additions ³	-	-	-1 973	-945	-694	-3 612
Reclassification/transfers	-	-	13	-21	8	-
Disposals	-	-	1 299	-	3	1 302
Impairment	-	-	-300	-	-	-300
Exchange differences	-	-	-319	-235	-62	-616
Amortization, cumulative 31.12.2022	-	-4 320	-7 273	-6 632	-6 752	-24 977
NET INTANGIBLE ASSETS 31.12.2022	11 197	69 838	13 859	2 016	1 770	98 680
Net intangible assets 31.12.2021	11 788	69 059	2 920	1 927	2 427	88 121

¹ The additions of EUR 13 876 thousand (2021: EUR 808 thousand) resulted in a cash outflow of EUR 884 thousand (2021: EUR 478 thousand).

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

³ The amortization of licence rights is recorded in licence expenses.

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.

Goodwill

The discounted cash flow method was used to test the goodwill values for impairment as at 31 December 2022. The cash-generating unit “Glenturret”, to which goodwill of GBP 9 601 thousand is allocated, comprises the material part of the Group’s goodwill. The goodwill value in use exceeds its carrying value, and its value in local currency has not changed from the previous year.

Further details on Glenturret brand impairment test assumptions, which were also applied in its goodwill impairment test, can be found in the “Brands” chapter.

Brands

The multiperiod-excess-earnings method was used to test the various brand values for impairment as at 31 December

2022. 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 2022 were as follows: Lalique EUR 39 526 thousand (2021: EUR 39 169 thousand), Parfums Grès CHF 6 574 thousand (2021: CHF 6 574 thousand), Parfums Samourai CHF 1 800 thousand (2021: CHF 1 800 thousand), Ultrasun CHF 11 000 thousand (2021: CHF 11 000 thousand) and Glenturret GBP 9 400 thousand (2021: 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 regarding future market developments.

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

IN %	2021	2022	2023	2027
Lalique	19.0	15.6	13.2	18.1
Ultrasun	-4.5	6.5	11.3	18.7
Parfums Grès	16.2	15.8	14.8	19.1
Parfums Samourai	38.0	29.2	31.8	33.7
Glenturret	-21.1 ¹	7.7	23.1	32.9

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

The following average growth in sales and after-tax discount rates were considered for the brands:

IN %	AVERAGE GROWTH IN SALES		AFTER-TAX DISCOUNT RATE	
	2022	2021	2022	2021
Lalique ¹	8.4	6.7	14.1	10.7
Ultrasun ¹	14.6	19.6	13.0	10.8
Parfums Grès ¹	5.7	3.5	13.7	10.7
Parfums Samourai ¹	1.9	2.9	10.9	9.3
Glenturret ²	27.6	28.8	10.0	9.4

¹ Calculated over the planning horizon of five years.

² Calculated over the planning horizon of nine years.

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

The residual value incorporates a growth rate of 3.6% for Lalique, 3.0% for Ultrasun, 0.5% for Parfums Samourai, 3.1% for Parfums Grès and 2.0% for Glenturret, respectively.

Lalique brand

At 31 December 2022, the carrying amount of the Lalique brand is EUR 39 526 thousand (2021: EUR 39 169 thousand), of which Lalique SA holds EUR 32 376 thousand (2021: EUR 32 376 thousand) and Lalique Parfums SA EUR 7 150 thousand (2021: EUR 6 793 thousand), or CHF 7 040 thousand in local currency:

IN EUR THOUSANDS	LALIQUE BRAND
Carrying value 01.01.2021	38 868
Exchange differences	301
Carrying value 31.12.2021	39 169
Exchange differences	357
Carrying value 31.12.2022	39 526

Furthermore, it has been assumed in the multiperiod-excess-earnings calculation that the EBITDA margin of the Lalique brand will increase from 15.6% in 2022 to 18.1% in 2027 (2021: 19.0%). Sales increased in 2022 by 12.3% compared to 2021 and by 45.2% compared to 2020.

The impairment test of the Lalique brand estimates an average growth in sales of 8.4% over the period of five years (2021: 6.7%). 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 14.1% (2021: 10.7%).

Sensitivity

The Group created various scenarios, with more ambitious and more conservative five-year business plans. For Lalique, the brand would be impaired in the event of a decrease in sales of more than 0.5% in each year of the five year planning horizon, or a decrease in EBITDA of more than 0.8% per year, or an increase in discount rates of more than 1.5%.

At Ultrasun, Parfums Grès, Parfums Samourai and Glenturret, the values in use significantly 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 2022 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 Bentley Fragrances licence rights is four years and for the Brioni brand seven years, after a five-year contract extension was concluded in 2022 for both brands. The licence agreement for Jaguar Fragrances ended by 31 December 2022 but was renewed in 2023 for another two years, with plans for a further extension.

For Superdry Fragrances, a new contract was signed in 2022. Under the terms of the licence agreement, which will initially run through 2032, the Group will exclusively create and distribute perfumes for the brand Superdry.

In 2022, there were impairment losses of EUR 300 thousand (2021: EUR 0 thousand) recognized on licence rights at Lalique SA.

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 2022, no impairment losses were recognized on creations (2021: EUR 0 thousand).

Software

The item "Software" consists of purchased IT software usage licences and the costs customizing the software. In 2022, impairment losses of EUR 0 thousand (2021: EUR 37 thousand) were recognized on software.

17. PROPERTY, PLANT AND EQUIPMENT

IN EUR THOUSANDS	LAND, BUILDINGS	EQUIPMENT, FURNISHINGS	MACHINERY + EQUIPMENT, IT, HARDWARE, TOOLS	VEHICLES	PLANT UNDER CONSTRUC- TION	TOTAL PROPERTY, PLANT AND EQUIPMENT
Acquisition costs 01.01.2021	105 542	38 607	22 591	1 006	5 437	173 183
Additions ¹	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 ²	-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
Acquisition costs 31.12.2021	116 452	45 191	23 919	1 382	4 332	191 276
Additions ¹	19 127	3 993	2 425	108	5 029	30 682
Reclassification/transfers	18	-23	-	-	5	-
Disposals	-3 782	-1 374	-276	-63	-813	-6 308
Exchange differences	864	-196	249	33	47	997
Acquisition costs 31.12.2022	132 679	47 591	26 317	1 460	8 600	216 647
Depreciation, cumulative 01.01.2021	-56 894	-20 698	-18 207	-713	-	-96 512
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
Depreciation, cumulative 31.12.2021	-65 571	-24 630	-20 007	-775	-	-110 983
Additions	-9 526	-2 813	-1 159	-261	-	-13 759
Reclassification/transfers	-16	16	-	-	-	-
Disposals	2 639	1 446	282	56	-	4 423
Impairment	-	-4	-	-	-	-4
Exchange differences	-1 098	30	-390	-15	-	-1 473
Depreciation, cumulative 31.12.2022	-73 572	-25 955	-21 274	-995	-	-121 796
NET PROPERTY, PLANT AND EQUIPMENT 31.12.2022	59 107	21 636	5 043	465	8 600	94 851
Thereof carrying amount of RoU assets³	25 624	186	351	193	-	26 354
Net property, plant and equipment 31.12.2021	50 881	20 561	3 912	607	4 332	80 293

¹ The additions of EUR 30 682 thousand (2021: EUR 12 969 thousand) resulted in a cash outflow of EUR -15 168 thousand (2021: EUR -6 643 thousand).

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

³ 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 as collateral for a bank loan (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 2022, the Group acquired additional items in the amount of EUR 13 thousand (2021: EUR 0 thousand).

In 2022, financial assets contain long-term rental deposits of EUR 1 237 thousand (2021: EUR 1 049 thousand), net investment in subleases of EUR 442 thousand (2021: EUR 0 thousand) and other non-current financial assets of EUR 51 thousand (2021: EUR 1 thousand).

19. PENSION SCHEMES

IN EUR THOUSANDS	31.12.22	31.12.21
Defined benefit pension plans	3 014	5 228
Other long-term post-employment benefits	159	204
TOTAL DEFINED BENEFIT OBLIGATION	3 173	5 432

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 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 2022, 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. One such 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 is compliant with 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	
	31.12.22	31.12.21	31.12.22	31.12.21
Present value of defined benefit pension obligation	-13 174	-14 129	-159	-204
Fair value of the plan assets	10 160	8 901	-	-
(SHORTFALL)/SURPLUS	-3 014	-5 228	-159	-204

Breakdown of annual expenditure on pension benefits recognized in wages and salaries:

IN EUR THOUSANDS	DEFINED BENEFIT PENSION PLANS		OTHER LONG-TERM POST-EMPLOYMENT BENEFITS	
	2022	2021	2022	2021
Current service cost	-746	-774	-18	-27
Net interest cost of pension plans	-9	-4	-	-
TOTAL EMPLOYEE BENEFIT EXPENSES RECOGNIZED IN THE INCOME STATEMENT	-755	-778	-18	-27

Breakdown of remeasurement of pension plans recognized directly:

IN EUR THOUSANDS	DEFINED BENEFIT PENSION PLANS		OTHER LONG-TERM POST-EMPLOYMENT BENEFITS	
	2022	2021	2022	2021
Actuarial gain/(loss) from the pension obligation	2 968	41	-	-
Change in the plan assets (not incl. interest)	-457	304	-	-
TOTAL REMEASUREMENTS RECOGNIZED IN OTHER COMPREHENSIVE INCOME	2 511	345	-	-
Actuarial gain/(loss) from the pension obligation	-	-	20	104
TOTAL REMEASUREMENTS RECOGNIZED IN THE INCOME STATEMENT	-	-	20	104

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	
	2022	2021	2022	2021
Present value of defined benefit pension obligations on 1 January	-14 129	-12 942	-204	-279
Interest expenses	-40	-15	-	-
Current service cost	-746	-774	-18	-27
Employee contributions	-503	-418	-2	-2
Actuarial gains and losses arising from changes in financial assumptions	2 385	-534	38	70
Actuarial gains and losses arising from changes in demographic assumptions	583	575	-18	34
Benefits paid	-150	493	44	-
Administration costs	8	4	-	-
Currency effect	-581	-518	-	-
PRESENT VALUE OF DEFINED BENEFIT PENSION OBLIGATIONS ON 31 DECEMBER	-13 174	-14 129	-159	-204

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	
	2022	2021	2022	2021
Fair value of the plan assets on 1 January	8 900	7 792	-	-
Interest income from the plan assets	31	11	-	-
Change in the plan assets (not incl. interest)	-457	304	-	-
Employer contributions	484	407	-	-
Employee contributions	484	407	-	-
Benefits paid	235	-413	-	-
Currency effect	483	393	-	-
FAIR VALUE OF THE PLAN ASSETS ON 31 DECEMBER	10 160	8 901	-	-

Sensitivity of key actuarial assumptions for the Swiss plan
Actuarial assumptions are made in respect of the discount rate, future salary trends and life expectancy, and can be summarized as follows:

	2022	2021
Bases used for calculation of Swiss plan		
Discount rate	2.25%	0.32%
Expected rate of salary increase	1.00%	1.00%
Life expectancies	BVG2020 GT	BVG2020 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 420 thousand (-3.9%)/increase of EUR 449 thousand (+4.1%) in defined benefit pension obligations.
- A 0.25% increase/decrease in the expected rate of salary increase would result in an increase of EUR 59 thousand (+0.5%)/decrease of EUR 57 thousand (-0.5%) in defined benefit pension obligations.
- An increase/decrease in life expectancies of one year would result in an increase of EUR 218 thousand (+2.0%)/decrease of EUR 222 thousand (-2.0%) in defined benefit pension obligations.

The average duration of the defined benefit pension obligation was 15.80 years at the end of the reporting period (2021: 18.90 years).

Forecasted contributions

The forecasted contributions of the company for the 2023 financial year amount to EUR 499 thousand.

Key actuarial assumptions for the French plan

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

	2022	2021
Bases used for calculation of French plans		
Discount rate	0.40%	0.80%
Expected rate of salary increase	1.75%/9.09%	1.50%/4.26%
Life expectancies	TGH 05/TGF 05	TGH 05/TGF 05

20. OTHER CURRENT LIABILITIES

IN EUR THOUSANDS	31.12.22	31.12.21
Current financial liabilities	7 378	5 786
Current Covid-19 credits	-	15 426
Accrued salary expenses	3 933	4 189
Accruals for social institutions	1 075	695
Short-term lease liabilities	6 012	5 298
Current minimal fees for licence rights	889	1 484
Government grants	312	324
Goods-receipt/invoice-receipt (GR/IR)	3 308	937
Other current liabilities	7 757	5 339
TOTAL OTHER CURRENT LIABILITIES	30 664	39 478

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

Governments issued guarantees to banks for Covid-19 loans on the 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 loans at below the market rate, which were fully repaid at the beginning of 2022. The amount of EUR 312 thousand (2021: EUR 324 thousand) represents government grants to Villa René Lalique SAS provided by the region of Alsace.

21. OTHER NON-CURRENT LIABILITIES

IN EUR THOUSANDS	31.12.22	31.12.21
Non-current minimal fees for licence rights	12 222	1 177
Other current liabilities	50	42
TOTAL OTHER CURRENT LIABILITIES	12 272	1 219

As at 31 December 2022, other non-current liabilities comprised minimal fees for licence rights owed in respect of Jaguar Fragrances, Bentley Fragrances, Superdry Fragrances and Lalique Barberini Fragrances (Brioni brand licensee).

22. PROVISIONS

IN EUR THOUSANDS	OTHER CURRENT PROVISIONS	OTHER LONG-TERM PROVISIONS	TOTAL PROVISIONS
As at 01.01.2021	2 526	517	3 043
Formation	799	1 097	1 896
Usage	-2 526	-178	-2 704
Release	-	- 3	-3
Currency effect	21	4	25
As at 31.12.2021	820	1 437	2 257
Formation	67	27	94
Usage	-550	-348	-898
Release	-33	-23	-56
Currency effect	23	3	26
As at 31.12.2022	327	1 096	1 423

In 2022, a litigation provision of EUR 306 thousand current and EUR 348 thousand long-term were used at Lalique SA. In addition, a litigation provision of EUR 244 thousand was used at Ultrasun SA.

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	31.12.22	31.12.21
Loans from NCI shareholders	8 647	4 822
Long-term leasing liabilities	18 915	13 043
Other non-current financial liabilities	19 724	17 999
TOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES	47 286	35 864

“Other non-current financial liabilities” mainly comprise 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	31.12.2021	CASH FLOWS	CURRENCY EXCHANGE MOVEMENTS	NEW LEASES	OTHER	31.12.2022
Bank overdrafts	26 852	1 345	1 290	-	-	29 487
Short-term leasing liabilities	5 298	-7 213	62	-	7 865	6 012
Short-term liabilities NCI shareholders	207	- 222	15	-	-	-
Other current financial liabilities	21 005	-17 963	40	-	4 296	7 378
Long-term leasing liabilities	13 043	-	52	15 020	-9 200	18 915
Non-current liabilities NCI shareholders	4 822	3 429	324	-	72	8 647
Other non-current financial liabilities	17 999	6 133	- 67	-	-4 342	19 723
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	89 226	-14 491	1 716	15 020	-1 309	90 162

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

The "Other" column includes the effect of reclassifying 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 in the cash flow statement).

24. LEASE

The Group entered into lease contracts as a lessee for various rental properties (e.g. retail stores, offices), production machinery, vehicles and other equipment used in its operations. Leases of rental properties and production machinery generally have lease terms of between 1 year or less and 20 years, while motor vehicles and other equipment generally have lease terms of between 1 and 6 years. The Group's obligations under its leases are secured by the

lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are discussed in more detail 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	2022	2021
Liabilities from leases as of 1 January	18 341	17 187
New leases	15 020	8 321
New leases from acquisition	-	1 844
Disposals of lease liabilities	-1 335	-2 652
Lease payments	-7 708	-7 345
Interest accruals	495	272
Exchange differences	114	714
LIABILITIES FROM LEASES AS OF 31 DECEMBER	24 927	18 341

IN EUR THOUSANDS	LAND, BUILDINGS	EQUIPMENT, FURNISHINGS	MACHINERY + EQUIPMENT, IT, HARD- WARE, TOOLS	VEHICLES	TOTAL PROPERTY, PLANT AND EQUIPMENT
Right-of-use assets 01.01.2021	19 997	465	865	192	21 519
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	-5 962	-172	-386	-144	-6 664
Disposals of right-of-use assets	-1 953	-	-	-16	-1 969
Exchange differences	617	-1	-	9	625
RIGHT-OF-USE ASSETS 31.12.2021	20 339	296	479	243	21 357
Right-of-use assets 01.01.2022	20 339	296	479	243	21 357
Additions to right-of-use assets	14 911	-	-	108	15 019
Reductions from sublease	-535	-	-	-	-535
Depreciation charge for right-of-use assets	-7 289	-106	-128	-153	-7 676
Reduction from sublease	54	-	-	-	54
Disposals of right-of-use assets	-1 985	-	-	-7	-1 992
Exchange differences	129	-4	-	2	127
RIGHT-OF-USE ASSETS 31.12.2022	25 624	186	351	193	26 354

Lease in the income statement

IN EUR THOUSANDS	2022	2021
Income from sublease	42	-
Short-term lease expense ¹	-717	-202
Low-value lease expense ²	-124	-155
Variable lease payment expenses ³	-439	-371
Other operating expenses	-1 238	-728
Depreciation charge for RoU	-7 622	-6 664
Depreciation and impairment losses on RoU	-7 622	-6 664
Interest income from sublease	9	-
Interest expense on lease liabilities	-495	-272
Financial result leasing	-486	-272
LEASES IN THE INCOME STATEMENT	-9 346	-7 664
Total cash outflows for leases of	-7 708	-7 345

¹ Expenses relating to leases with a lease term of less than a year.

² This expense does not include the expense relating to short-term leases of low-value assets.

³ This expense is not included in the measurement of lease liabilities.

25. DEFERRED TAXES

Deferred taxes balances as at 31 December:

IN EUR THOUSANDS	31.12.22	31.12.21
Deferred tax assets net	-3 223	-3 906
Deferred tax liabilities net	11 350	12 236
NET DEFERRED TAX LIABILITIES	8 127	8 330

Reconciliation of net deferred tax liabilities:

IN EUR THOUSANDS	2022	2021
Net deferred tax liabilities		
Opening balance 1.1	8 330	7 657
Formation (+)/release (-) recognized in income statement	-627	383
Formation (+)/release (-) recognized in other comprehensive income	506	67
Currency translation differences	-82	223
CLOSING BALANCE 31.12.	8 127	8 330

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

IN EUR THOUSANDS	31.12.22	31.12.21
Trade accounts receivable	238	205
Inventory	4 082	4 336
Financial assets	1 995	820
Fixed assets	7 148	2 943
Intangible assets	18 725	16 569
Other non-current assets	652	652
Other short-term liabilities	55	35
Long-term financial liabilities	68	-
Deferred tax liabilities gross	32 963	25 560
Offsetting of assets and liabilities	-21 613	-13 324
Deferred tax liabilities net	11 350	12 236
Trade accounts receivable	-52	-59
Inventory	-691	-650
Other Receivables	-233	-
Fixed assets	- 4	-4
Intangible assets	-5 114	-4 980
Other non-current assets	-117	-53
Trade accounts payable	-6	-
Other short-term liabilities	-1 052	-959
Other long-term liabilities	-2 308	-
Long-term provisions	-	-6
Long-term financial liabilities	-3 691	-99
Pension liabilities	-716	-1 157
Deferred tax assets on losses carry forward	-10 852	-9 263
Deferred tax assets gross	-24 836	-17 230
Offsetting of assets and liabilities	21 613	13 324
Deferred tax assets net	-3 223	-3 906

The Group has not capitalized deferred taxes for losses carried forward in the amount of EUR 96 286 thousand (2021: EUR 97 180 thousand). These income tax deductible losses carried forward expire as follows:

IN EUR THOUSANDS	31.12.22	31.12.21
Expire next year	1 179	1 176
Expire in 2-4 years	2 344	2 941
Expire in 5-7 years	52 044	48 375
Expire after 7 years	7 349	9 528
No expiry	33 360	35 160
TOTAL UNRECOGNIZED LOSSES CARRY-FORWARD	96 286	97 180

Temporary differences for which no deferred tax asset is recognized amount to EUR 15 023 thousand (2021: EUR 23 096 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 2022, no net deferred tax assets from entities that suffered a loss in either the current or prior period were recognized (2021: EUR 0 thousand).

There are temporary differences of EUR 784 thousand associated with investments in the Group's subsidiaries, for which no deferred tax liability has been recognized in 2022 (2021: EUR 673 thousand).

26. EQUITY

Share capital

As at 31 December 2022, the share capital amounts to EUR 1 204 thousand (CHF 1 440 thousand) (2021: EUR 1 204 thousand (CHF 1 440 thousand)), consisting of 7 200 000 registered shares (2021: 7 200 000) with a nominal value of EUR 0.19 (CHF 0.20) each (2021: EUR 0.19 (CHF 0.20)).

In addition, there is conditional share capital of EUR 51 thousand (CHF 50 thousand) (2021: EUR 48 thousand (CHF 50 thousand)) for a potential employee incentive plan.

ORDINARY SHARES ISSUED AND FULLY PAID	THOUSANDS	EUR THOUSANDS
At 1 January 2021	7 200	1 204
issued in 2021	-	-
At 31 December 2021 and 1 January 2022	7 200	1 204
issued in 2022	-	-
At 31 December 2022	7 200	1 204

TREASURY SHARES	THOUSANDS	EUR THOUSANDS
At 1 January 2021	15	551
purchase of treasury shares	10	357
At 31 December 2021 and 1 January 2022	25	908
purchase of treasury shares	35	1 074
At 31 December 2022	60	1 982

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 2022 and in the prior year, there was no capital contribution from shareholders and therefore none was allocated to capital reserves or share capital. The decrease is based on the dividend payout of CHF 0.20 per dividend-bearing share.

Retained earnings and other reserves

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

27. CONSOLIDATED GROUP AND CHANGES

The scope of consolidation of Lalique Group as at 31 December 2022 changed compared with 31 December 2021 due to:

- The establishment of Villa Florhof AG with a share capital of CHF 1 000 thousand
- The renaming of the former Art & Fragrances SA to Superdry Fragrances SA

Lalique Group comprised the following companies at 31 December 2022:

COMPANY, HEADQUARTERS, COUNTRY	CURRENCY (THOUSANDS)	SHARE CAPITAL		PARTICIPATING INTEREST	
		2022	2021	2022	2021
Lalique Group SA, Zurich, Switzerland	CHF	1 440	1 440	Holding	Holding
Lalique Beauty SA, Zurich, Switzerland	CHF	1 000	1 000	100%	100%
LLQ Management SA, Zurich, Switzerland	CHF	500	500	100%	100%
Lalique Parfums SA, Zurich, Switzerland	CHF	1 000	1 000	100%	100%
Parfums Grès SA, Zurich, Switzerland	CHF	250	250	100%	100%
Parfums Samouraï SA, Zurich, Switzerland	CHF	250	250	100%	100%
Parfums Alain Delon SA, Zurich, Switzerland ¹	CHF	100	100	100%	100%
Jaguar Fragrances AG, Zurich, Switzerland	CHF	250	250	100%	100%
Bentley Fragrances AG, Zurich, Switzerland	CHF	250	250	100%	100%
Lalique Barberini Fragrances SA, Zurich, Switzerland	CHF	100	100	100%	100%
Lalique Beauty Distribution SASU, Ury, France	EUR	252	252	100%	100%
Ultrasun AG, Zurich, Switzerland	CHF	250	250	100%	100%
Ultrasun (UK) Limited, Reigate, UK	GBP	10	10	100%	100%
Lalique Beauty Services SASU, Ury, France	EUR	500	500	100%	100%
Lalique Tamer Beauty Holding Ltd, Abu Dhabi, UAE	AED	294	294	50%	50%
Lalique Tamer Beauty Trading LLC, Dubai, UAE	AED	300	300	50%	50%
Superdry Fragrances Ltd, Zurich, Switzerland (formerly Art & Fragrance SA)	CHF	100	100	100%	100%
SCI du Mont à Grillon, Ury, France	EUR	1	1	100%	100%
Lalique Maison SA, Zurich, Switzerland ¹	CHF	100	100	100%	100%
Lalique Art SA, Zurich, Switzerland ¹	CHF	100	100	100%	100%
Villa Florhof AG, Zürich, Switzerland	CHF	1 000	-	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	38 839	12 780	95%	95%
Lalique Beijing Trading Company Limited, Beijing, China	CNY	5 146	5 146	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	4 635	95%	95%
Glenturret Holding SA, Zurich, Switzerland	CHF	4 800	4 800	50%	50%
Glenturret Limited, Edinburgh, Scotland	GBP	-	-	50%	50%

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

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

IN % OR EUR THOUSANDS	LALIQUE SA ¹ 2022	LALIQUE TAMER BEAUTY HOLDING LTD ² 2022	GLENTURRET HOLDING SA ³ 2022	LALIQUE SA ¹ 2021	LALIQUE TAMER BEAUTY HOLDING LTD ² 2021	GLENTURRET HOLDING SA ³ 2021
Structural type of subsidiary	Consolidated subgroup	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	Abu Dhabi, UAE	Edinburgh, Scotland
Proportion of ownership interests and voting rights held by non-controlling interests	5%	50%	50%	5%	50%	50%
Net Group profit attributable to non-controlling interests	-125	487	-374	-94	68	-1 341
Comprehensive income attributable to non-controlling interests	-100	488	-2 031	-48	72	122
Accumulated balances of non-controlling interest	1 126	595	16 211	1 226	107	18 242
Summarized statement of financial position						
Current assets	54 743	3 799	19 346	52 461	974	17 697
Non-current assets	106 818	44	40 901	98 481	82	37 582
Current liabilities	43 400	2 626	4 440	47 151	360	3 272
Non-current liabilities	87 010	26	23 384	71 539	482	15 524
Equity	31 151	1 191	32 423	32 252	214	36 483
Summarized statement of profit or loss						
Revenue and other operating income	72 326	7 168	7 578	62 717	957	4 929
Net profit or loss	-1 131	974	-748	-287	137	-2 682
Total comprehensive income	-4 691	975	-2 501	-4 121	144	-1 303

¹ The Group holds a 95% interest in Lalique SA. Lalique SA holds a 95% interest in Lalique Japan (2021: 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.

² 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.

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

The amounts presented in the summarized 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	2022	2021
Total emoluments and salaries (incl. bonuses and interest) paid to members of the Board of Directors and Executive Board	3 640	2 708
Total pension fund contributions paid to members of the Board of Directors and Executive Board	518	407

The compensation elements indicated relate to the last financial year.

Affiliates and shareholders

IN EUR THOUSANDS	31.12.22	31.12.21	TYPE OF TRANSACTION
Liabilities:			
Affiliates under common control	15		- Château Lafaurie-Peyraguey, wine and hospitality services
	1		- Château Faugères, purchase of wine
	18	-6	Denz Weine, purchase of wine
	8	1	Vignobles Silvio Denz, purchase of wine
Principal shareholder	40		- Silvio Denz, expenses
NCI shareholders	8 647	5 029	Loan from NCI shareholders
Members of the Board of Directors of Lalique Group SA	5		- Mont-Blanc resourcing, consulting and expenses
Receivables:			
Affiliates under common control	28		- Château Lafaurie-Peyraguey, purchase of Lalique products
	-	32	Château Peby Faugères, purchase of Lalique products
	28	-1	Château Faugères, purchase of Lalique products
	36		- SCI Monceau, expenses
	12	16	Vignobles Silvio Denz, purchase of Lalique products
Members of the Board of Directors of Lalique Group SA	14		- Maison Noir SA, margin fees
Proceeds from:			
Affiliates under common control	34		- Château Faugères, sale of Lalique products
	38		- Château Lafaurie-Peyraguey, sale of Lalique products
	-	52	Château Peby Faugères, sale of Lalique products
	15	14	Vignobles Silvio Denz, sale of Lalique products
	2	1	Denz Weine, products and services
	27		- SCI Monceau, expenses
	-	11	Art & Terroir SA, reimbursements
Principal shareholder	20	109	Reimbursement of private expenses
	-	4	Proceeds from sale of Lalique products
Members of the Board of Directors of Lalique Group SA	14		- Maison Noir SA, margin fees

IN EUR THOUSANDS	2022	2021	TYPE OF TRANSACTION
Expenditure of:			
Affiliates under common control	47	36	Château Lafaurie-Peyraguey, purchase of wine and hospitality services
	92	8	Vignobles Silvio Denz, purchase of wine
	113	34	Denz Weine, purchase of wine
	193	-	SCI Monceau, rent
	70	-	Wermuth Auktionen, purchase of wine
Principal shareholder	115	57	Silvio Denz, expenses
NCI shareholders	72	49	Interests on loan
Members of the Board of Directors of Lalique Group SA	96	54	Mont-Blanc resourcing, consulting and expenses
	466	433	Ermitage Estate Limited, rent
	-	2	Claudio Denz, reimbursements
Acquisition from:			
Affiliates under common control	-	4 396	Château Lafaurie-Peyraguey, acquisition of Château Lafaurie-Peyraguey Hotel & Restaurant SAS

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

The remuneration for members of the Board of Directors is listed in the Group's Remuneration Report.

29. CONTINGENT LIABILITIES

As at 31 December 2022, there were no unrecognized contingent liabilities (2021: EUR 0 thousand).

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, as collateral for a bank loan of EUR 10 million. This bank loan replaced a former credit line in 2019. The pledged value corresponds to the property assets valued at 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 2022 up to the date on which the financial statements were issued. There were no subsequent events that require disclosure.



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Report of the Statutory Auditor

To the General Meeting of
LALIQUE GROUP SA, ZURICH

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of LALIQUE GROUP SA (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement 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 49) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of 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 (ISA) and Swiss Standards on Auditing (SA-CH). 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, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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



LALIQUE GROUP SA
Report of the statutory auditor
for the year ended
31 December 2022

Recoverability of intangible assets with indefinite useful life

Key audit matter

Intangible assets (including goodwill) amounted to EUR 98.7 Mio as of 31 December 2022 (2021: EUR 88.1 Mio) and represent 27.6% of total assets. Thereof, EUR 11.2 Mio (11.3%) represent Goodwill (2021: EUR 11.8 Mio) and EUR 69.8 Mio (70.0%) represent intangible assets (2021: EUR 69.1 Mio) with an indefinite life. Other intangible assets amounting to EUR 17.7 Mio (18.7%) have definite lives (2021: EUR 7.3 Mio) and are amortised over their useful life. Goodwill and intangible assets with an indefinite life are tested for impairment on an annual basis under IAS 36 "Impairment of assets". 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. As this was not the case for 2022 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, the forecast of future revenues, the definition of growth rates as well as the determination of an appropriate discount rate. Due to the magnitude of the balance as per 31 December 2022, 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 management and assessed them for irregularities and appropriateness.
- We tested the design and implementation of internal controls applied to ensure proper valuation of intangible assets.
- With the assistance of internal valuation specialists, we critically challenged the relevant 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 management's analysis.
- We assessed the accuracy of prior period management estimates of future cash flows by comparing these to actual results achieved during the current year.
- We assessed the appropriateness of management's disclosures in Note 16 of the consolidated financial statements in accordance with IAS 36 requirements.

Our audit procedure did not lead to any reservation concerning the valuation of goodwill and intangible assets with indefinite useful life.



LALIQUE GROUP SA
Report of the statutory auditor
for the year ended
31 December 2022

Other Information

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

Our opinion on the consolidated financial statements does not cover the other information 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 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.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which 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, ISA and SA-CH 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 on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.



LALIQUE GROUP SA
Report of the statutory auditor
for the year ended
31 December 2022

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the 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, 18. April 2023
CKR/SSU/jba

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 2 June 2022, shareholders confirmed the members of the Remuneration Committee. The elected members for a period of one year are Silvio Denz, Roland Weber and Jan Kollros.

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. Five existing members of the Board of Directors were re-elected for another term at the General Meeting of Shareholders on 2 June 2022 and two new members were elected to replace two directors who resigned from their position. 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 2022.

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 2022

The directors are entitled to a fixed compensation of CHF 25 000 per year for their service on the Board of Directors. In 2021 the Directors voluntarily waived 20% of their remuneration in the context of the Covid-19 situation. Silvio Denz (Executive Chairman of the Board of Directors) and Roger von der Weid (Delegate of the Board of Directors & CEO) each received additional fixed remuneration for their operational responsibilities.

Total actual remuneration for members of the Board of Directors for the 2022 and 2021 financial years was as follows:

IN CHF THOUSANDS		GROSS COM- PENSATION	POST EMPLOYMENT BENEFITS	OTHER SOCIAL COSTS	TOTAL COM- PENSATION
2022					
Denz, Silvio	Executive Chairman of the Board of Directors	301	-	15	316
Weber, Roland	Vice-chairman of the Board of Directors	25	-	0	25
von der Weid, Roger	Delegate of the Board of Directors & CEO	561	44	36	641
Denz, Claudio	Member of the Board of Directors	25	-	2	27
Kollros, Jan	Member of the Board of Directors	25	-	-	25
Roesti, Marc*	Member of the Board of Directors	10	-	0	10
Malhan, Sanjeev*	Member of the Board of Directors	10	-	-	10
Agrawal, Yugnesh Kumar**	Member of the Board of Directors	15	-	-	15
Vidal, Philippe**	Member of the Board of Directors	15	-	-	15
Total Board of Directors		987	44	53	1 083
2021					
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	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
Malhan, Sanjeev	Member of the Board of Directors (as of 20.5.20)	20	-	-	20
Total Board of Directors		1 059	69	64	1 192

* until 02.06.2021

** as of 02.06.2022

Except for Roger von der Weid whose total compensation includes a variable component for his operational responsibilities (CHF 50 thousand in 2022, CHF 0 thousand in 2021), none of the members of the Board of Directors was paid a variable compensation for their service. No remuneration was paid to former members of the Board of Directors.

Compensation awarded to the Executive Board

Composition of remuneration 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 2022

Total actual remuneration for members of the Executive Board for the financial years 2022 and 2021 was as follows:

IN CHF THOUSANDS	GROSS COMPENSATION	POST EMPLOY- MENT BENEFITS	OTHER SOCIAL COSTS	TOTAL COMPENSATION
2022				
Members of the Executive Board ¹	2 670	477	398	3 545
Total Executive Board	2 670	477	398	3 545
2021				
Members of the Executive Board ¹	1 869	371	213	2 453
Total Executive Board	1 869	371	213	2 453

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

The total compensation includes a variable component of CHF 212 thousand in 2022 (CHF 0 thousand in 2021).

The Group CEO, Roger von der Weid, received the highest total compensation in 2022 (see table "Actual compensation of the Board of Directors for 2022").

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

Shares held by members of management bodies

As at 31 December 2022, the members of the Board of Directors and the Executive Board held the following number of shares:

NAME	FUNCTION	31.12.22	31.12.21
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	10 000
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	-	-
Rubinstein, Alexis	Group CFO	120	120
Müller, Michael	Chief Corporate Officer	120	120
Rios Lopes, David	COO, Perfumes	600	600
Hegglin, Pascal	CFO, Lalique Beauty (since 01.07.2022)	100	-
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	-	-
Härtlein, Marcel	Head of Digital	-	-
Mandry, Denis	General Manager of Factory, Crystal (until 10.6.22)	-	-
Larminaux, Marc	Head of Design, Crystal	-	-
de Jaham, Jean Baptiste	Head of Sales, Crystal	-	-
Fabien, Benedicte	Head of Marketing, Crystal (until 30.11.2022)	-	-
Total		4 432 770	4 432 670
Total Lalique Group shares		7 200 000	7 200 000

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

Loans and credit

Lalique Group may grant loans or credit to members of the Board of Directors or Executive Board in exceptional cases. The total sum of such loans and credits may not exceed CHF 1 million per member. No such loans or credits existed in the 2022 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 on the Audit of the Remuneration Report according to Art. 14-16 VegüV

REPORT OF THE STATUTORY AUDITOR

To the General Meeting of
LALIQUE GROUP SA, ZURICH

Opinion

We have audited the Remuneration Report of Lalique Group SA (the Company) for the year ended December 31, 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables on pages 57 and 58 of the Remuneration Report.

In our opinion, the information on remuneration, loans and advances in the Remuneration Report complies with Swiss law and Art. 14-16 VegüV.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Remuneration Report" section of our report. We are independent of the Company 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.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the tables on page 57 and 58 in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



Lalique Group SA, Zurich
 Report of the statutory auditor in relation to the
 remuneration report in accordance with the Ordinance
 against Excessive Remuneration in Listed Companies
 Limited by Shares (Ordinance)

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.

Board of Directors' Responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of a Remuneration Report 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 a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is 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 SA-CH 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 this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Remuneration Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Lalique Group SA, Zurich
Report of the statutory auditor in relation to the
remuneration report in accordance with the Ordinance
against Excessive Remuneration in Listed Companies
Limited by Shares (Ordinance)

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Deloitte AG

Chris Krämer
Licensed audit expert
Auditor in Charge

Sarah Sutter
Licensed audit expert

Zurich, 18 April 2023

Lalique Group SA Financial Statements

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Income Statement

IN CHF THOUSANDS	2022	2021
Other income	31	-
Personnel expenses	-482	-362
Other operating expenses	-901	-620
Depreciation on property, plant and equipment	-21	-21
Earnings before interest and taxes	-1 373	-1 003
Total financial income	13 863	11 511
Total financial expenses	-4 390	-4 335
Extraordinary expenses	-4 894	-2 073
Profit for the year before taxes	3 206	4 100
PROFIT FOR THE YEAR	3 206	4 100

Balance Sheet

IN CHF THOUSANDS	31.12.22	31.12.21
Current assets		
Other short-term receivables from third party	17	168
Other short-term receivables from related party	10 364	8 328
Total current assets	10 381	8 496
Non-current assets		
Investments	127 600	126 600
Loans to group companies	53 228	63 455
Total non-current assets	180 828	190 055
TOTAL ASSETS	191 209	198 551
Current liabilities		
Interest-bearing short-term bank liabilities	22 883	27 124
Trade account payables	276	191
Other current liabilities due to third party	211	98
Total current liabilities	23 370	27 413
Non-current liabilities		
Non-current liabilities due to group companies	-	2 559
Total non-current liabilities	-	2 559
Total liabilities	23 370	29 972
Equity		
Share capital	1 440	1 440
Legal capital reserves	106 198	107 632
Capital contribution reserves	86 376	87 810
Other legal capital reserves	19 822	19 822
Legal retained earnings	1 255	1 255
Voluntary retained earnings	61 024	59 251
Earnings brought forward	57 818	55 151
Profit for the year	3 206	4 100
Treasury shares	-2 078	-999
Total equity	167 839	168 579
TOTAL LIABILITIES AND EQUITY	191 209	198 551

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

Total financial income

Total financial income includes dividend income of CHF 10 million (2021: CHF 8 million) from the current financial year result of the subsidiary Lalique Beauty SA.

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 2022. In 2022, the Group recognized a total impairment charge on loans to group companies of CHF 4 894 thousand (2021: CHF 2 073 thousand).

Full-time positions

The number of full-time positions, on annual average, did not exceed ten in 2022 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 2022:

SIGNIFICANT SHAREHOLDERS	NUMBER OF SHARES 31 DECEMBER 2022		NUMBER OF SHARES 31 DECEMBER 2021	
		%		%
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%
Total Lalique Group shares	7200 000	100.00%	7200 000	100.00%

IN CHF THOUSANDS	31.12.22	31.12.21
Contingent liabilities		
As at 31 December 2022, there were unrecognized contingent liabilities (joint guarantees) of EUR 6.049 million (31.12.2021: EUR 7.410 million) arising from short- and long-term loans and guaranteed rental income in connection with Lalique SA and Villa René Lalique SAS.	5 956	7 670
Guarantees		
Joint and several liability for VAT debt resulting from the consolidated accounting of VAT (group taxation)	912	667
Directly held investments		
Lalique Beauty SA (former Art & Fragrance SA), Zurich		
Holding of participating interests		
Share capital in CHF thousands	1 000	1 000
Ownership and voting right	100%	100%
Lalique SA, Paris		
Production and sale/distribution of crystal, jewellery, perfume and cosmetic products		
Share capital in EUR thousands	34 400	34 400
Ownership and voting right	95%	95%
Lalique Suisse SA, Zurich		
Wholesale and retail trade in consumer products and luxury items, in particular of the Lalique brand		
Share capital in CHF thousands	100	100
Ownership and voting right	100%	100%
Lalique Maison SA, Zurich		
Creation and sale/distribution of furniture and interior-design accessories		
Share capital in CHF thousands ¹	100	100
Ownership and voting right	100%	100%
Lalique Art SA, Zurich		
Creation, development and trading of works art and decorative elements		
Share capital in CHF thousands ¹	100	100
Ownership and voting right	100%	100%
SCI du Mont à Grillon, Ury		
Management and rental of real estate		
Share capital in EUR thousands	1	1
Ownership and voting right	100%	100%
Glenturret Holding SA, Zurich		
Production and sale/distribution of fine spirits		
Share capital in CHF thousands	4 800	4 800
Ownership and voting right	50%	50%
Villa Florhof SA, Zurich		
Operating the hotel and restaurant business of Villa Florhof		
Share capital in CHF thousands	1 000	-
Ownership and voting right	100%	0%

¹ Of which paid in: CHF 50,000 each

TREASURY SHARES

	NUMBER OF TRANSACTIONS	ANNUAL LOW SHARE PRICE IN CHF	ANNUAL HIGH SHARE PRICE IN CHF	AVERAGE PRICE PER SHARE IN CHF	NUMBER OF TREASURY SHARES
Treasury shares					
Balance as of 01.01.2021					15 000
Purchases	56	33.80	40.04	38.90	10 207
Balance as of 31.12.2021					25 207
Purchases	107	26.60	39.60	31.07	34 722
Balance as of 31.12.2022					59 929

As of balance sheet date, the acquisition cost of the treasury shares amounted to CHF 2 078 thousand (31.12.2021: CHF 999). 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

As at 31 December 2022, the members of the Board of Directors and the Executive Board held the following number of shares:

NAME	FUNCTION	31.12.22	31.12.21
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	10 000
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	-	-
Rubinstein, Alexis	Group CFO	120	120
Müller, Michael	Chief Corporate Officer	120	120
Rios Lopes, David	COO, Perfumes	600	600
Hegglin, Pascal	CFO, Lalique Beauty (since 01.07.2022)	100	-
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	-	-
Härtlein, Marcel	Head of Digital	-	-
Mandry, Denis	General Manager of Factory, Crystal (until 10.6.22)	-	-
Larminaux, Marc	Head of Design, Crystal	-	-
de Jaham, Jean Baptiste	Head of Sales, Crystal	-	-
Fabien, Benedicte	Head of Marketing, Crystal (until 30.11.2022)	-	-
Total		4 432 770	4 432 670
Total Lalique Group shares		7 200 000	7 200 000

Proposal for the allocation of retained earnings as at 31 December 2022

The Board of Directors proposes that the Annual General Meeting of Shareholders (AGM) on 31 May 2023 approves the following appropriation of available earnings:

IN CHF THOUSANDS	31.12.22	31.12.21
Carried forward from previous year	57 818	55 151
Profit for the year	3 206	4 100
Total earnings available for appropriation	61 024	59 251
Proposed distribution of earnings (2022: CHF 0.25 per dividend-bearing share) (2021: CHF 0.20 per dividend-bearing share)	-1 800	-1 440
of which dividends on own shares	15	6
BALANCE TO BE CARRIED FORWARD	59 224	57 818

IN CHF THOUSANDS	31.12.22	31.12.21
Capital contribution reserves from previous years	86 376	87 810
Capital increase	-	-
Capital contribution reserves before proposed distribution	86 376	87 810
Proposed distribution of earnings (2022: CHF 0.25 per dividend-bearing share) (2021: CHF 0.20 per dividend-bearing share)	-1 800	-1 440
of which dividends on own shares	15	6
BALANCE TO BE CARRIED FORWARD	84 591	86 376

The Board of Directors proposes that the AGM on 31 May 2023 shall issue a dividend of 0.50 CHF per share this year. The dividend is planned to be paid out of the capital contribution reserve CHF 0.25 (without deduction of withholding tax) and CHF 0.25 from voluntary retained earnings (without deduction of withholding tax, CHF 0.16 after taxes). Provided that the proposed dividend distribution out of the capital contribution reserve is

approved, the payment of CHF 0.50 per share will be made on 7 June 2023 to holders of shares on the record date 6 June 2023. The shares will be traded ex-dividend as of 5 June 2023 and, accordingly, the last day on which the shares may be traded with entitlement to receive the dividend will be 22 May 2023. The total dividend payment will amount to CHF 3 600 thousand (incl. dividends on own shares). All shares are entitled to dividends.



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Report of the Statutory Auditor

To the General Meeting of
LALIQUE GROUP SA, ZURICH

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LALIQUE GROUP SA (the Company), which comprise the statement of financial position as at 31 December 2022 and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 65 to 70) 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 Standards on Auditing (SA-CH). 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 Company in accordance with the provisions of Swiss law, and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



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 2022, investments amounted to CHF 127.6 million (2021: CHF 126.6 Mio.) and loans to group companies amounted to CHF 53.2 million (2021: CHF 63.5 Mio.), together representing 95% of Lalique Group SA's total assets.

The valuation of investments and loans to group companies depends, among other things, on the financial stability and healthiness of the investee and thus is linked to future performance.

Consequently, there is a risk that investments and loans are not appropriately valued as their carrying value could exceed 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 for impairment by comparing the recoverable amount, which is calculated based on a discounted cash flow method (DCF), with the carrying amount. Should the carrying amount exceed the recoverable amount, an impairment is required. In 2022 an impairment of CHF 4.9 million (2021: 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 Note "Extraordinary expenses" in the financial statements.

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

To audit management's valuation of investments as well as loans to group companies we performed the following procedures:

- We obtained a comprehensive understanding of the impairment indicator assessment and the valuation analysis performed by management and assessed it for irregularities and appropriateness.
- We tested the design and implementation of the internal control applied to ensure correct valuation of investments and loans to shareholdings.
- We critically challenged the DCF valuation for investments and loans to shareholdings. Thereby we challenged the relevant 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
Report of the statutory auditor
for the year ended
31 December 2022

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, and stand-alone financial statements and our auditor's reports thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Board of Directors' Responsibilities 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 Company'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 Company 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 SA-CH 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 on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.



LALIQUE GROUP SA
Report of the statutory auditor
for the year ended
31 December 2022

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we 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, 18 April 2023
CKR/SSU/jba

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.