Interparfums

2019 Annual report

2019

2019 Annual report **Interparfums**

Message of the chief executives

Dear friends and shareholders,

Our performance in 2019 was excellent. With €484 million in sales and a record operating margin of 15.1%, our company's results met their targets for the year.

Our success however was not merely financial in nature. The year also achieved good commercial performances which included notably the company's most successful launch ever with more than €50 million in sales by the *Montblanc Explorer* line in its first year. This achievement was even more noteworthy in that it had only a limited impact on the sales of the *Montblanc Legend* line.

The portfolio's other strong brands, Coach, Jimmy Choo, Rochas, Boucheron and Van Cleef & Arpels also came in on target, delivering excellent results in a period without major launches. For Lanvin, in contrast, reflecting difficulties in maintaining the level of its sales, the period was more challenging.

Our growth strategy has thus been completely validated by these very good overall performances by a brand portfolio more homogeneous than ever.

However, at this point 2019 seems far in the past, and, for obvious reasons linked to the Covid-19 crisis, we considered it vital to adopt a certain number of important decisions.

We rapidly adapted our operating model by postponing a number of media plans scheduled for the spring and by moving forward two major launches to the first quarter of 2021. Production planning has also been revised. Particular attention is being paid to cash management and the dividend payment initially decided for 2019 was canceled. This exceptional measure in our history and break with our shareholder policy was in our opinion necessary as part of our efforts for dealing with this crisis. However, to thank our shareholders for their unwavering loyalty, as we have done annually for more than 20 years, the bonus share issue scheduled for the fall has been maintained.

Despite the unprecedented scope of this crisis, we have absolutely no doubt or concerns about our ability to surmount these challenges. Based on the flexibility of our business model, the quality of our brand portfolio and the commitment of our teams, we remain confident about the future of our business.

Philippe Benacin
Chairman-Chief Executive Officer Interparfums SA

Jean Madar
Chief Executive Officer Interparfums Inc.

Key figures

With sales of more than €140 million, Montblanc fragrances grew nearly 30% from the previous year. This remarkable performance was the result of an excellent start by the *Montblanc Explorer* line combined with a solid performance of the brand's founding line, *Montblanc Legend*.

Jimmy Choo fragrances crossed the €100 million milestone, boosted by flankers rolled out at the end of 2018 and early 2019, but also good initial results by the men's line *Jimmy Choo Urban Hero* launched in the fall.

After achieving strong growth for its first three years, Coach fragrances consolidated its market positions with sales of more than €86 million, confirming their potential.

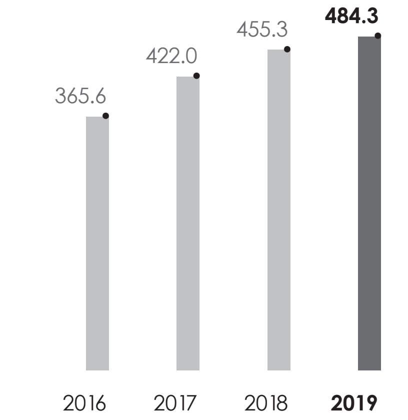
Despite the positive response to the *A girl in Capri* line rolled out in the spring, Lanvin fragrances registered lower sales in the year while remaining one of the portfolio's solid brands.

Rochas fragrances remained steady with sales of nearly €35 million, reflecting the absence of major launches in the period. The launches of the *Byzance* and *L'Homme Rochas* lines at the beginning of 2020 should boost growth in sales over the coming months.

Boucheron fragrances' sales were largely steady with solid performances by the *Quatre* line and its extraordinary Haute Parfumerie fragrance collection.

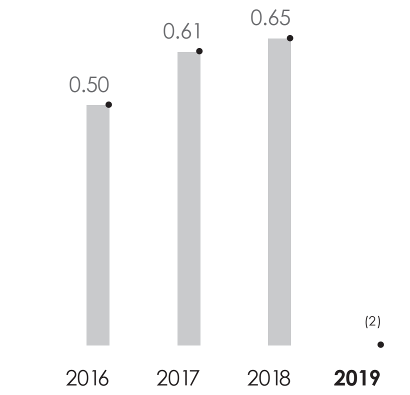
Sales

(in € millions)



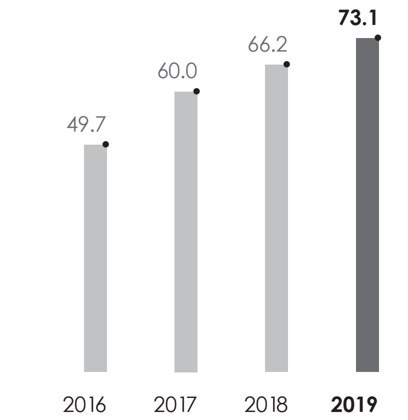
Ordinary dividend per share (1)

(in €)



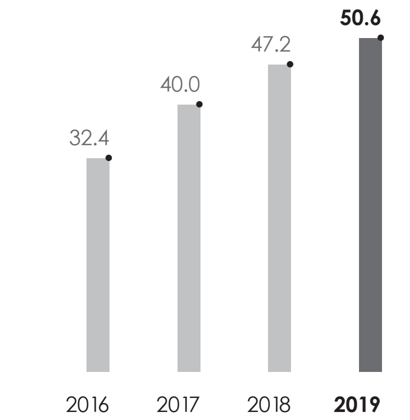
Operating profit

(in € millions)



Net income

(in € millions)



Consolidated data at December 31. (1) Restated for bonuses issues. (2) The Board of Directors has decided to ask the Annual General Meeting to not distribute a dividend for the fiscal period ended December 31, 2019.

Van Cleef & Arpels had sales of more than €15 million, up 13%, based on continuing gains by the *Collection Extraordinaire* line (+25% in 2019) and steady sales for the historic line, *First*.

Finally, Karl Lagerfeld fragrances' return to growth, initiated in 2017 with the *Les Parfums Matières* collection's launch, remains on track.

Driven by the portfolio's 3 top-selling brands, North America registered continuing gains (+8%), particularly in the United States within an overall market for perfumes and cosmetics that grew 2.6%[1].

In a turbulent economic environment, South America remained resilient with steady sales in the period;

Reflecting the good performances of Montblanc, Jimmy Choo and Coach fragrances, sales in the Middle East grew nearly 20% in the period.

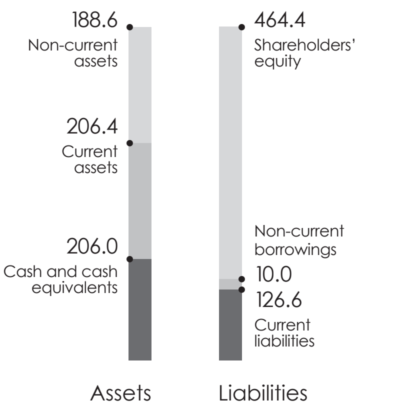
Benefiting from good performances by Montblanc and Jimmy Choo fragrances respectively, sales in Asia and Eastern Europe grew 6%;

On a like-for-like sales distribution basis[2], Western Europe achieved growth of nearly 4% linked to the success of the *Montblanc Explorer* line.

Within an overall market for cosmetics and perfumes which contracted 0.7%[3], sales in France grew 5%, here as well driven by the 4 of the *Montblanc Explorer* line.

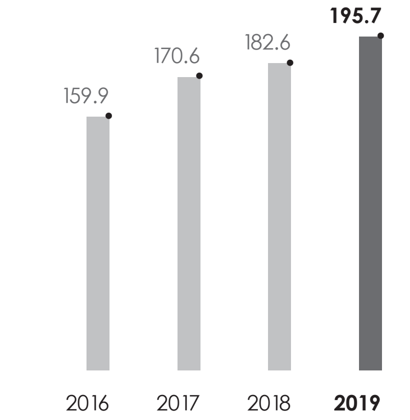
Balance sheet highlights

(in € millions)



Cash net of borrowings

(in € millions)



(€ thousands)	2015	2016	2017	2018	**2019**
Sales	327,411	365,649	422,047	455,342	**484,260**
International (%)	*91.0%*	*90.9%*	*91.1%*	*92.3%*	***92.4%***
Operating profit	45,825	49,663	60,025	66,188	**73,069**
% of sales	*14.0%*	*13.6%*	*14.2%*	*14.5%*	***15.1%***
Net income	29,152	32,438	39,956	47,150	**50,633**
% of sales	*8.9%*	*8.9%*	*9.5%*	*10.4%*	***10.5%***
Shareholders' equity (attributable to the parent)	387,051	403,558	421,803	444,598	**462,829**
Cash + other current financial assets	225,992	230,605	221,108	212,972	**205,669**
Total assets	568,181	574,804	577,588	596,869	**601,003**
Headcount	223	257	266	276	**300**

(1) Source: NPD US. (2) Excluding the change in the distribution structure in Italy. (3) Source: NPD France.

Annual highlights

February

Launch of the *Montblanc Explorer* line

Montblanc Explorer is an invitation to a fantastic journey, an irresistible call for adventure. This unconventional woody-aromatic-leather Eau de Parfum reveals an Italian Bergamot, contrasted by a rich Vetiver from Haiti and an exclusive Patchouli from Sulawesi.

Launch of the *Jimmy Choo Floral* line

Subtle yet luminous, sophisticated yet urban, a radiant expression of femininity and a symphony of floral, fruity and musky notes.

Launch of the *Mademoiselle Rochas Couture* line

Mademoiselle Rochas reinvents her original signature to become *Couture*: a refined, elegant Eau de Parfum.

April

Launch of the *Coach Floral Blush* line

An airy and colorful scent associating sparkling notes create a sensual, bold fragrance.

May

Launch of the Lanvin *A girl in Capri* line

A luminous and fruity cocktail combining notes of sparkling citrus and pink pepper capturing the sunshine and refreshing sea breeze of Capri.

Launch of the *Boucheron Quatre en Rouge* line

Quatre en Rouge, launch of a bold fragrance. With a permeating and reassuring trail hiding an irresistible power of attraction and seduction.

Dividend

A dividend of €0.71 per share was paid for fiscal 2018 in early May 2019, a 17% increase from 2017, in light of the bonus issue of June 2018.

June

Bonus share issue

The company proceeded with its 20th bonus share issue on the basis of one new share for every ten shares held.

New license agreement

In early June, the global life and style brand, Kate Spade New York and Interparfums SA announced the signature of an 10 1/2 year exclusive worldwide fragrance license agreement to create, produce and distribute perfumes for the brand beginning in fall 2020.

September

Launch of the *Jimmy Choo Urban Hero* line

Jimmy Choo Urban Hero is a woody aromatic Eau de Parfum inspired by the urban environment. It celebrates the intensity and contrasts of modern masculinity, working the codes of street art.

October

Interparfums is included in the Gaïa index

Interparfums was ranked 11th in the 2019 campaign of the Gaia Rating agency which assesses the Environmental Social and Governance (ESG) performances of the top 70 French SMEs and mid-tier firms in the category of companies "with revenue between €150 and €500 million".

Launch of the *Rochas Byzance* line

The rebirth of the *Byzance* line for a new era. A new feminine and sensual launch where the power of seduction and pleasure come together to create a modern-day fairytale.

Outlook

In line with expectations, the Group met its target in 2019 with organic growth in sales of €30 million. The Group achieved record performances both for sales and earnings with the operating and net margins attaining high levels. As a result of its very flexible business model and the considerable strength of its balance sheet, despite the current period of market uncertainties, it remains confident in its outlook for the years ahead.

In the context of a global health crisis of unprecedented proportions, even though we have started to see some signs of recovery from several countries in Asia, business in 2020 will nevertheless be significantly affected by the current situation. The gradual resumption of our operations will depend on the gradual reopening of the network of selective perfumeries, particularly in the United States and Europe. In 2020, in addition to adapting the launch plan timetable for new lines, the company is taking all possible measures to adjust its expenses to the current situation. The operating cost structure, of which variable costs account for two thirds, will make it possible to effectively adjust expenses to sales.

Uncertainties about the development and duration of the current pandemic prevent the Group from estimating with precision the impact of this crisis on its results.

Signature of the Kate Spade license agreement

Since its launch in 1993 with a collection of six essential handbags, Kate Spade New York has always stood for optimistic femininity. Today, the brand is a global life and style house with handbags, ready-to-wear, jewelry, footwear, gifts, home décor and more, guided by the vision of creative Director Nicola Glass. The Kate Spade fashion design house has worldwide revenue of US$1.4 billion.

In June 2019, Interparfums SA and Kate Spade entered into an exclusive global 10 ½ year fragrance license agreement as from January 2020.

Executive Committee members

(from left to right)

Pierre Desaulles
Managing Director of Interparfums Luxury Brands

Angèle Ory-Guénard
Executive Director – International Sales

Jérôme Thermoz
Vice President, French Distribution

Stanislas Archambault
Executive Director – Operational & Digital Marketing

Philippe Benacin
Chairman and Chief Executive Officer

Véronique Duretz
Vice President of Human Resources

Delphine Pommier
Executive Director – Marketing Development & Communication

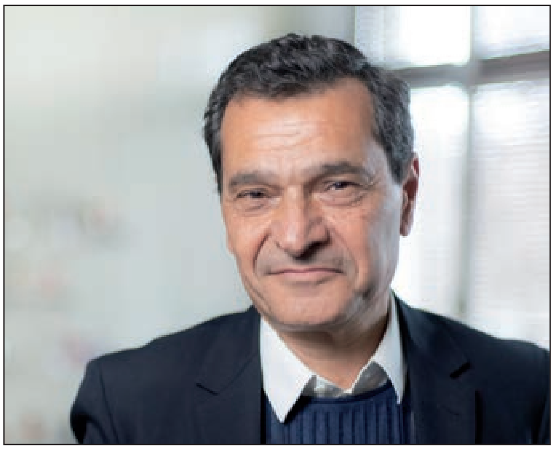
Frédéric Garcia-Pelayo
Executive Vice President, Chief International Officer

Axel Marot
Vice President, Supply Chain & Operations

Philippe Santi
Executive Vice President, Chief Financial and Legal Officer

Renaud Boisson
Managing Director of Interparfums Asia Pacific

Board of Directors



Philippe Benacin
Chairman-Chief Executive Officer

Jean Madar
Director

Maurice Alhadève
Independent Director

Patrick Choël
Director

Dominique Cyrot
Independent Director

Véronique Gabaï-Pinsky
Director

Frédéric Garcia-Pelayo
Director and Executive Vice President

Chantal Roos
Independent Director

Philippe Santi
Director and Executive Vice President

Marie-Ange Verdickt
Independent Director

Strategy

Our strategy

Creating and developing with a long-term vision fragrance lines for selective brands.

This strategy is based on a portfolio of high quality internationally renowned brands in the universe of leather goods, high fashion, jewelry and accessories endowed with a rich history.

Our know-how

Marketing expertise

- Concepts perfectly adapted to the image and positioning of each brand which "tell a story"
- A complete range of marketing tools adapted to each line
- Advertising tools targeted by line and country, from traditional media to social media

Manufacturing expertise

- A thoroughly managed 18-month production process from conception, the development of components to the production of finished goods
- A permanent requirement for products of the highest quality

Distribution expertise

- Highly responsive logistics
- A presence in nearly 120 countries through a network of efficient long-standing partners (subsidiaries, agents, distributors)
- Regular promotional plans and events at points of sale

An efficient organization

- Specialized and experienced teams
- Short processes and rapid decision-making cycles

Our values

A unique relationship with each brand

- A shared development strategy
- Ongoing shared communication initiatives
- Rapid validation processes by the different parties
- Dedicated marketing teams

Corporate citizenship

- A well-established corporate culture perpetuated from one year to the next
- A strong sense of social responsibility


JIMMY CHOO
COACH DREAMS
Van Cleef & Arpels

Market

US market

In 2018, the growth in the US market was particularly robust (+4.7%), driven notably by federal tax cuts which boosted the perfumes and cosmetics market. This growth continued in 2019 (+2.6%), particularly for the men's lines where Montblanc, the market's 9th top-selling brand, grew 32% in relation to the prior year. With retail sales of more than US$200 million, up 11%, Interparfums' market share in the US is now nearly 5%.

French market

After declining significantly over the last few years, the French beauty market (perfume, make-up and skincare products) stabilized in 2019 at €3 billion. The selective fragrance segment represents two thirds of this market. In this context, Interparfums' sales expanded 5%, driven mainly by the very strong growth of Montblanc fragrances (+51%). This brand, which benefited from the success of the *Montblanc Explorer* line launched at the beginning of the year, now ranks 14th among the market's top-selling men's fragrances.

Organization

Production & Logistics

The task of managing production, each year, for thousands of product references requires skill in orchestrating and ensuring a harmonious interaction between several activities: technical development, the supply chain, production planning at our subcontractors, logistics, and regulatory oversight for France and export markets. A department with 46 employees headed by Axel Marot performs these missions which includes a Quality team ensuring that procedures defined in the specifications are respected.

Marketing

A staff of 42 working under Delphine Pommier and Marie-Astrid Berruyer is responsible for the delicate mission of ensuring the product creation process starting with the initial idea and conception up to its staging at the point of sale. In close collaboration with the fashion houses, this work is based on achieving just the right balance between imagination, sensitivity and maintaining the coherence of each new product with its brand universe.

Operational and Digital Marketing

A team of six under the management of Stanislas Archambault is responsible for the Operational Marketing. This includes the brand staging and promotion at points of sale, consumer engagement, merchandising and training. The department also contributes to the acceleration of our Digital Transformation by harmonizing our influence campaigns, the improvement of our digital media campaign tools, the optimization of our natural and e-commerce search engine optimization strategy.

Export

A staff of 26 spearheaded by Frédéric Garcia-Pelayo and Angèle Ory-Guénard manages the development of our products throughout the world through distributors that are in turn responsible for retail distribution networks. A task that remains focused on respecting all the criteria imposed by the brands (the choice of the distribution networks, pricing policy, communications strategy, merchandising…) while taking into account the specific cultural codes of each country.

French Distribution

The distribution policy, commercial management, monitoring sales margins and advertising budgets for France are managed by a team of 41 headed by Jérôme Thermoz. Every launch is based on its own specific strategy both with respect to each brand and each retail channel. The primary goal: reach the consumer through strong campaigns and true drivers of differentiation starting with the product's added value.

Finance

A team of 45 managed by Philippe Santi is responsible for this area that covers internal control, financial, statutory and tax accounting management, consolidation, human resources, IT, financial communications, shareholder relations, as well as the management of brand licensing agreements and the protection of intellectual property assured by the legal department.

Rochas Fashion

With a team of seven headed by Victoria Rongier, the fashion division drives the strategic vision and ensures the coherence of the image with licensees, notably for Rochas womenswear and menswear ready-to-wear collections, jewelry and accessories.

Rochas Menswear Fashion

2018 marked a milestone year for the designer Federico Curradi with his appointment by Maison Rochas' menswear as creative Director. Fedderico Curradi's Fall/Winter 2020-2021 collection was presented in January 2020 in Paris at the Men's Fashion Week event.

Subsidiaries

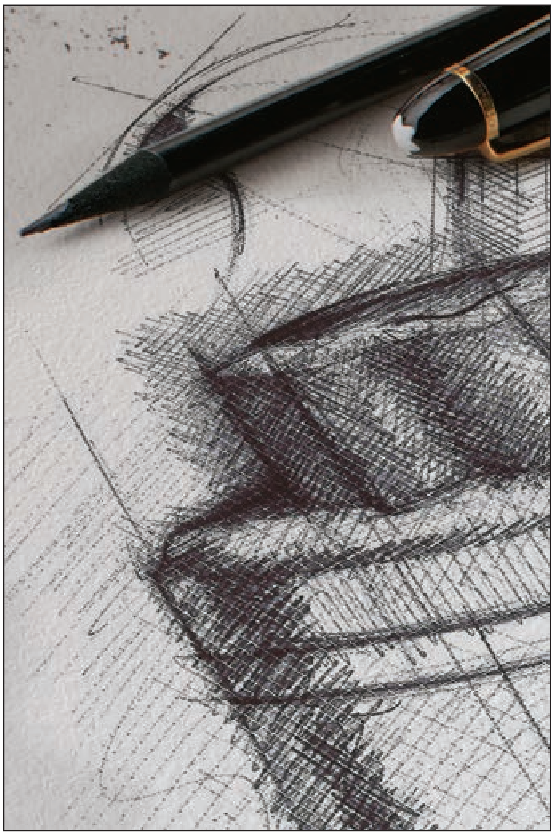
Interparfums has distribution subsidiaries in Europe (Interparfums Srl in Italy, Inter España Parfums et Cosmetiques Sl and Parfums Rochas Spain in Spain) working in collaboration with local partners. The German subsidiary Interparfums GMBH was wound up and derecognized in October 2019.

It also has a standalone distribution subsidiary in the United States (Interparfums Luxury Brands) managed by a team of 64 headed by Pierre Desaulles.

Finally, the development of operations in the Asian market is spearheaded by the Singapore subsidiary (Interparfums Asia Pacific) with a team of 18 headed by Renaud Boisson.


interparfums

The itinerary of a perfume: our know-how



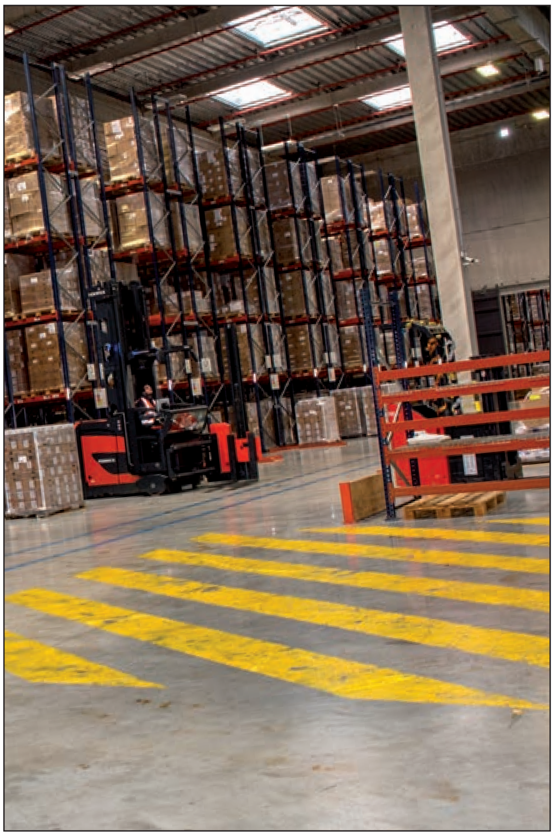
Imagining, creating

A perfume is born as an emanation of a brand's universe Starting with its codes, identity and even fantasy, it seeks to express both the positioning developed over time and also a precise moment of dialogue between the brand and its public. For each fragrance, Interparfums' marketing team builds on these core values to tell a unique story with a connection to the brands.

Through this alchemy, life takes form: from the technical brief defined by the marketing department, the perfumer will assemble the components that will give birth to a unique fragrance. Delicate associations, subtle blends, original combinations: designing a fragrance calls for a unique mix of boldness, reason, experience and imagination.

Manufacturing, packaging

Bottles, caps, pumps, glass makers, cardboard packaging materials for outside boxes and inner boxes, metallic components. These different components are manufactured by as many as 100 subcontractors. As for the fragrances, they are delivered in concentrated form. All these phases are spearheaded by the production teams who will bring to bear their high level of expertise for coordinating and ensuring compliance with the industrial planning process.
The entire process is carried out in accord with the principles of ethical and environmental responsibility.



Ensuring traceability, transport, distribution

As an interface with commercial teams, the logistics teams then intervene to ensure the traceability of products, their transport, the management of inventories in relation to orders and forecasts: a balancing act of the highest precision.

A specific regional or global distribution strategy is developed for each brand, integrating different cultural approaches according to countries. Interparfums furthermore has a network of loyal and well-established distributors. Partners ensuring the right segment for each fragrance while respecting the specific conditions of the selective distribution market.

The launch

After 18 months of development, the perfume reaches the end of its journey: its meeting with those who embrace its story and wear the fragrance.

Marketing and media campaigns, point-of-sale events… the launch process is designed for each country, well in advance to generate interest and momentum and to create the event.

Brand portfolio

Our missions

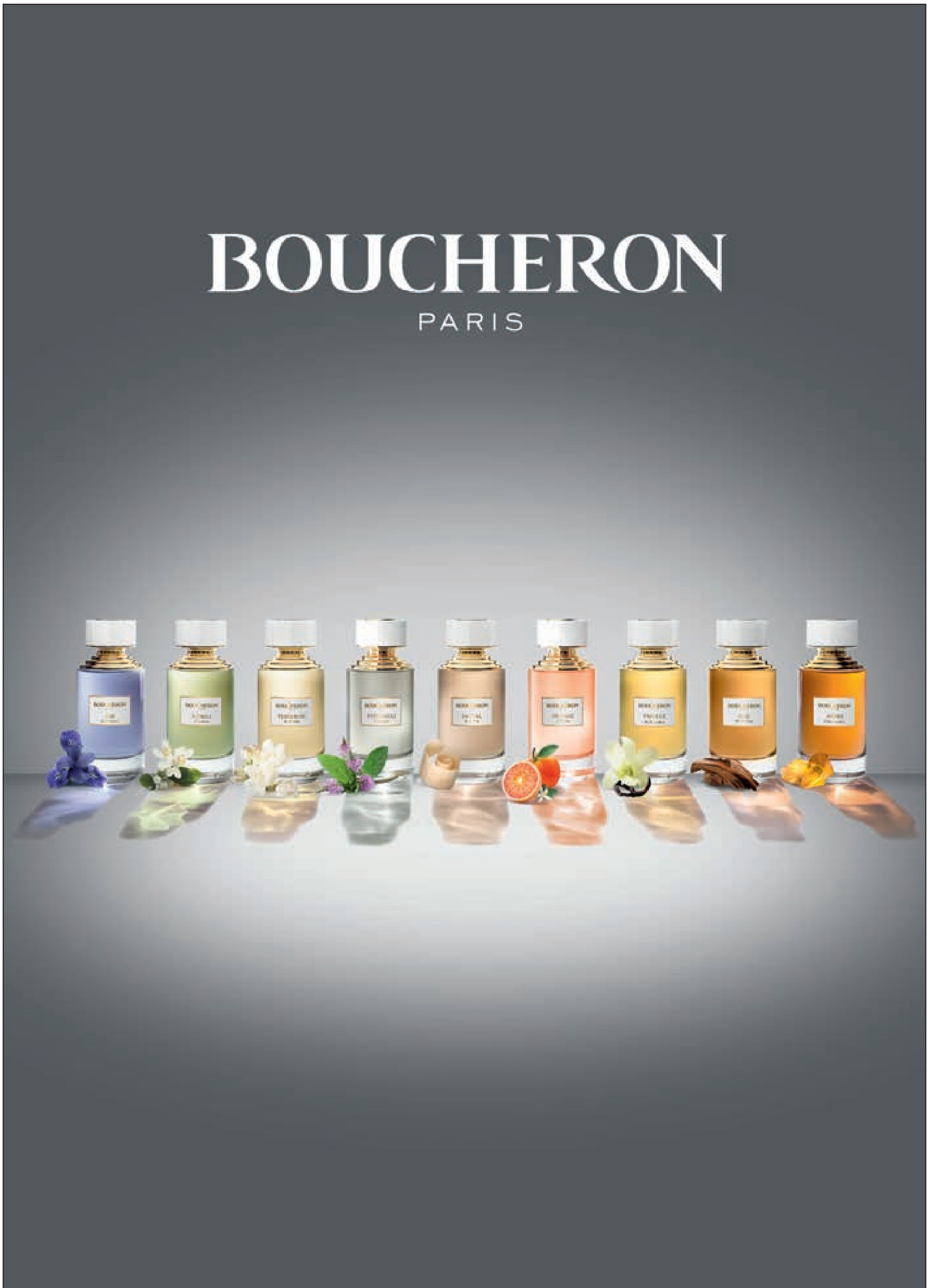
developing perfume and cosmetic lines through license agreements with leading luxury brands in close collaboration with their creative and marketing teams.

Our core values

meriting the respect of the prestigious brands that grant us their confidence, creativity in the service of their image, professionalism and high standards in product design and packaging, orchestrating their distribution and promotion.

Our guiding vision

a strategy based on long-term partnerships with all stakeholders for managing the process of creation and production and flexibility by outsourcing in France the packaging and logistics.


BOUCHERON
PARIS

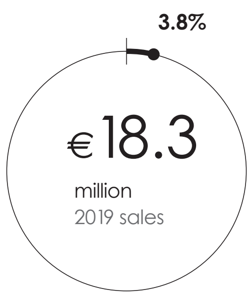
Boucheron

In late December 2010, Boucheron and Interparfums signed a 15-year exclusive worldwide license agreement to create, produce and distribute perfumes under the Boucheron brand that commenced on 1 January 2011.

Lines distributed

Boucheron Femme (1988)
Boucheron pour Homme (1989)
Jaïpur Homme (1998)
Jaïpur Bracelet (2012)
Boucheron Place Vendôme (2013)
Boucheron Quatre (2015)
Boucheron La Collection (2017)

Boucheron fragrances' sales remained largely steady at €18.3 million with solid performances by the *Quatre* line and its extraordinary Haute Parfumerie fragrance collection.



Coach

In April 2015, Interparfums signed an 11-year worldwide license agreement with Coach Inc., the leading New York design house of modern luxury and fashion accessories and lifestyle collections.

Lines distributed

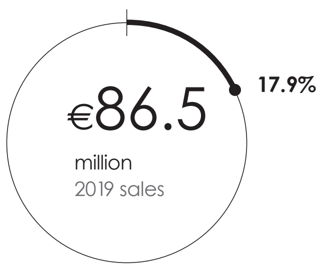
Coach Eau de Parfum (2016),
Coach Eau de Toilette (2017),
Coach for Man (2017),
Coach Floral (2018)
Coach Men Platinum (2018)
Coach Floral Blush (2019).

After achieving strong growth for its first three years, Coach fragrances consolidated its market positions with sales of more than €86 million, confirming their potential.

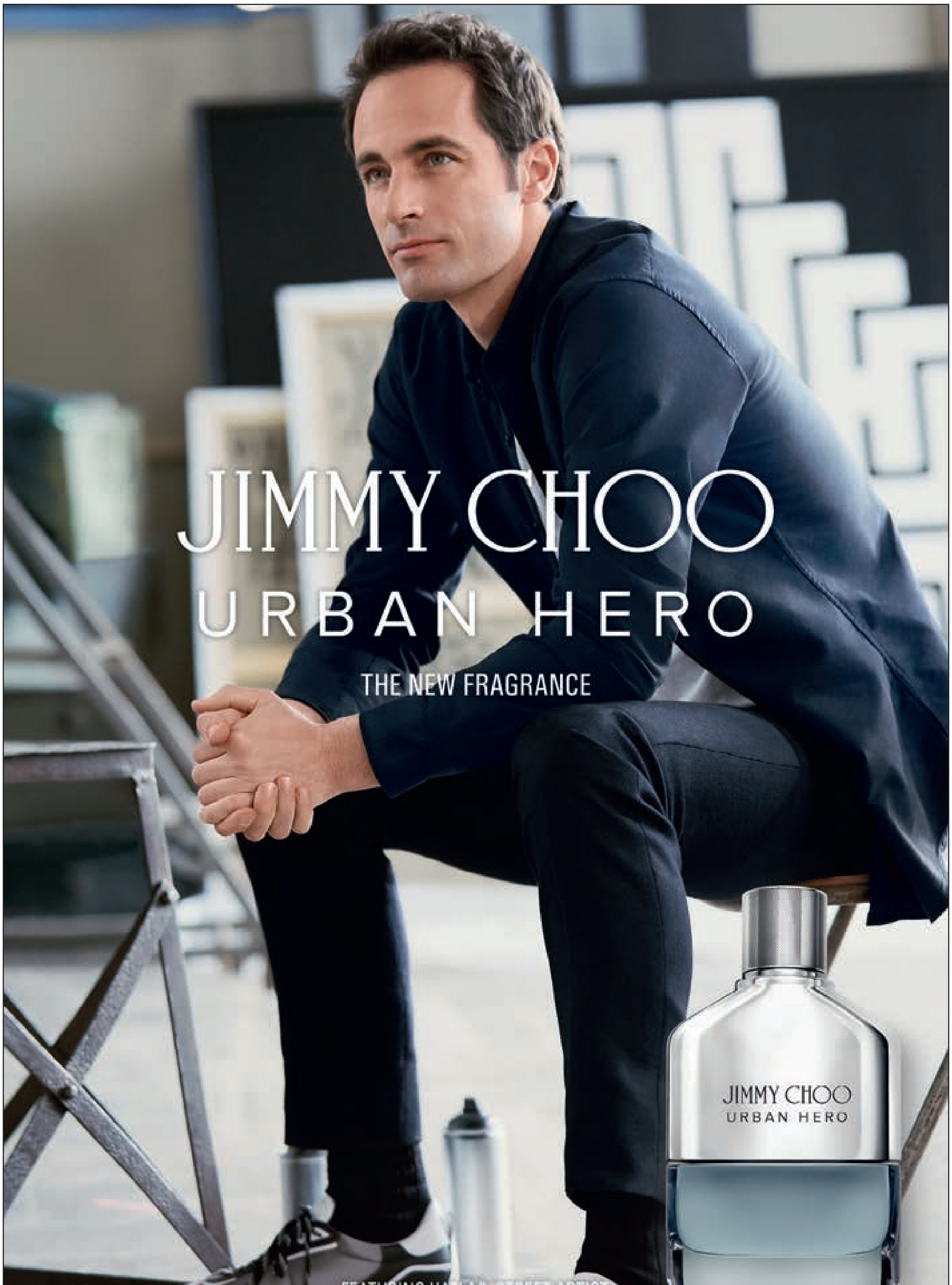
Main 2019 awards

Coach Men: FIFI Award for the best men's fragrance bottle in the selective distribution category (France)

Coach Men: FIFI Award for the best men's fragrance launch in the selective distribution category (France)




Live Your
DREAMS
COACH
NEW YORK
The New Fragrance
COACH DREAMS Live Yours


JIMMY CHOO
URBAN HERO
THE NEW FRAGRANCE
JIMMY CHOO
URBAN HERO
FEATURING L'ATLAS, STREET ARTIST

Jimmy Choo

In early October 2009, the Jimmy Choo and Interparfums groups signed a 12-year worldwide license agreement commencing on January 1, 2010 for the creation, development and distribution of fragrances under the Jimmy Choo brand.

In December 2017, this license agreement was extended to 2031.

Lines distributed

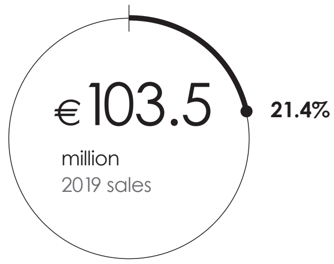
Jimmy Choo (2011)
Flash (2013),
Jimmy Choo Man (2014)
Jimmy Choo Illicit (2015)
Jimmy Choo Illicit Flower (2016)
Jimmy Choo L'Eau (2017)
Jimmy Choo Man Ice (2017)
Jimmy Choo Blue (2018)
Jimmy Choo Fever (2018)
Jimmy Choo Urban Hero (2019)

•

Jimmy Choo fragrances crossed the €100 million milestone, boosted by flankers rolled out at the end of 2018 and early 2019, but also good initial results by the men's line *Jimmy Choo Urban Hero* launched in the fall.

Main 2019 awards

Jimmy Choo Urban Hero: FIFI Award for the best men's fragrance launch in the selective distribution category (Russia)



Karl Lagerfeld

Karl Lagerfeld In October 2012, Karl Lagerfeld, the internationally renowned fashion house, and Interparfums signed a 20-year exclusive worldwide license agreement to create, produce and distribute perfumes under the Karl Lagerfeld brand.

Lines distributed

Karl Classic (1978)
Karl Lagerfeld Femme (2014)
Karl Lagerfeld Homme (2014)
Private Klub (2015)
Les Parfums Matières (2017)

•

Karl Lagerfeld fragrances' return to growth, initiated in 2017 (+11%) with the *Les Parfums Matières* collection's launch, remains on track.

Main 2019 awards

Karl Lagerfeld Bois de Yuzu: Duftstars Award (Germany)

Karl Lagerfeld Fleur de Pêcher: Duftstars 2019 of the Lifestyle category (Switzerland)


LES PARFUMS MATIÈRES
KARL LAGERFELD
FLEUR D'ORCHIDÉE
FLEUR DE MÛRIER
FLEUR DE PÊCHER
BOIS DE CÈDRE
BOIS DE YUZU
BOIS DE VÉTIVER
#KARLLAGERFELD


A girl in Capri
LANVIN
PARIS
A girl
in Capri
LANVIN

Lanvin

In July 2004 Interparfums entered into a 15-year exclusive worldwide license agreement with the company Lanvin to create, develop and distribute fragrances worldwide under the Lanvin name.

At the end of July 2007, Interparfums acquired the Lanvin brand names and international trademarks for class 3 fragrance and make-up products from the Jeanne Lanvin S.A. company. On the same date, the two companies mutually agreed to terminate the existing licensing contract signed in June 2004.

Lines distributed

Arpège (1927)
Lanvin L'Homme (1997)
Éclat d'Arpège (2002)
Rumeur 2 Rose (2008)
Jeanne Lanvin (2008)
Marry Me! (2010)
Éclat d'Arpège Pour Homme (2015)
Éclat de Fleurs (2015)
Modern Princess (2016)
Modern Princess Eau Sensuelle (2018)
Éclat de Nuit (2018)
A girl in Capri (2019)

•

The positive market response to *A girl in Capri* launched in March limited the impact of lower sales by Lanvin fragrances. With €52 million in sales, Lanvin remains one of the portfolio's solid brands.

Montblanc

In early January 2010, Montblanc and Interparfums signed a 10 ½ year license agreement to create, produce and distribute perfumes under the Montblanc brand with a commencement date of 1 July 2010.

In October 2015, the two companies decided to extend their partnership for an additional five years, i.e. until December 31, 2025.

Lines distributed

Présence (2001)
Présence d'une Femme (2002)
Individuel (2004)
Femme Individuelle (2004)
Starwalker (2005)
Montblanc Legend (2011)
Montblanc Legend Femme (2012)
Montblanc Emblem (2014)
Lady Emblem (2015)
Montblanc Legend Spirit (2016)
Montblanc Legend Night (2017)
Montblanc Explorer (2019)

•

With sales of more than €140 million, Montblanc fragrances grew nearly 30% from the previous year. This remarkable performance was the result of an excellent start by the *Montblanc Explorer* line combined with a solid performance of the brand's founding line, *Montblanc Legend*.

Main 2019 awards

Montblanc Explorer: Oscar CosmetiqMag men's fragrance of the year in the selective distribution category (France)

Montblanc Explorer: Best Day Fragrance Award of the Men's Health Magazine Beauty Awards (Spain)


MONT
BLANC
EXPLORER


PAUL SMITH
LONDON
PAUL SMITH
LONDON
Paul Smith

Paul Smith

In December 1998, Interparfums entered into an exclusive worldwide 12-year license agreement with Paul Smith to create and produce perfumes and cosmetics under the Paul Smith brand.

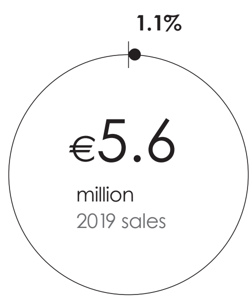
In July 2008, this agreement was extended for seven years until December 31, 2017 on the basis of comparable contractual terms and conditions.

In May 2017, this license agreement was again extended for an additional four years until December 31, 2021.

Lines distributed

Paul Smith (2000)
Paul Smith Extrême (2002)
Paul Smith Rose (2007)
Paul Smith Man 2 (2010)
Paul Smith Essential (2015)
Paul Smith Hello You (2018)

With a decline in sales of more than €5 million, Paul Smith fragrances maintains its presence in the United Kingdom.



Repetto

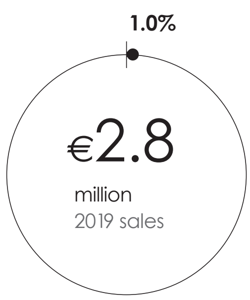
In 2011, Repetto, the French maker of dance-inspired footwear and fashion accessories, and Interparfums signed a 13-year worldwide license agreement starting on January 1, 2012 for the creation, development and distribution of fragrances under the Repetto brand.

Lines distributed

Repetto Eau de Toilette (2013)
Repetto Eau de Parfum (2014)
Repetto Eau Florale (2015)
Dance with Repetto (2018)
Dance with Repetto Florale (2019)

•

Repetto had sales of nearly €2.8 million, down from 2018. Following the Eau de Parfum *Dance with Repetto*, an Eau de Toilette was launched in 2019, *Dance with Repetto Floral*.




repetto
PARIS
SO'
repetto
PARIS


BYZANCE
ROCHAS
BYZANCE
ROCHAS
ROCHAS
PARIS

Rochas Fragrances

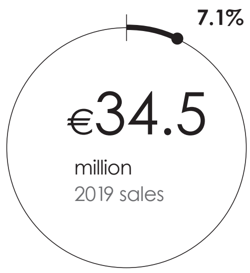
On March 19, 2015 Interparfums signed an agreement with Procter & Gamble Co to acquire the Rochas brand, mainly for class 3 (cosmetics) and 25 (fashion).

Lines distributed

Femme (1945)
Madame (1960)
Eau de Rochas (1970)
Rochas Man (1990)
Eau de Rochas Homme (1993)
Tocade (1994)
Eau de Parfum
Mademoiselle Rochas (2017)
Eau de Toilette
Mademoiselle Rochas (2018)
Moustache (2018)
Mademoiselle Rochas Couture (2018)
Byzance (2019).

•

Rochas fragrances remained steady with sales of nearly €35 million, reflecting the absence of major launches in the period. The launches of the *Byzance* and *L'Homme Rochas* lines at the beginning of 2020 should boost growth in sales over the coming months.



The Rochas Brand

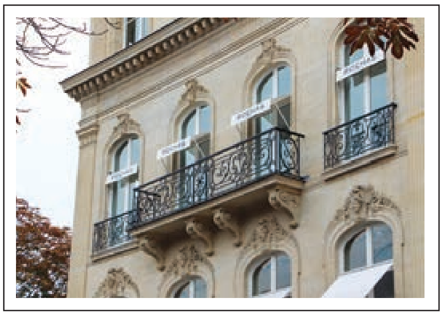
Artistic and poetic vision of femininity

Founded in 1925 by Marcel Rochas, Maison Rochas was built around a philosophy: audacity, youth, and Parisian elegance

Marcel Rochas is French and Parisian. The couturier does not merely feel the era in which he lives. He senses and sometimes even anticipates the era: he knows how to adapt his creations to the women for whom they are destined.

Marcel Rochas creations are accordingly designed for two wardrobes: models for the day, simple with clean lines and those for the evening, spectacular and decorative. This approach would become the model for the ideal collection for contemporary designers.

Rochas today



Women's Fashion: Elegance is a celebration

The new collection of Maison Rochas was presented at the Fall-Winter 2020-2021 Fashion Show held in Paris at the end of February 2020.

The House's Signatures Nature

Lace
The R
The knot
The pleats
The band

Men's Fashion: The Rochas Man is an artist

Maison Rochas appointed designer Federico Curradi as Creative Director of its menswear line in 2018.

He brings with him his sharp vision of the menswear wardrobe and a new attitude to the Rochas man. His fall-winter 2020-2021 menswear collection for the Maison Rochas was presented in January 2020 in Paris at the Men's Fashion Week event.

S.T. Dupont

In July 1997, Interparfums entered into an 11-year exclusive worldwide license agreement with S.T. Dupont to create and produce perfumes under the S.T. Dupont name and distribute them worldwide. Dupont. In April 2006, this agreement was extended for an additional three years, i.e. until June 30, 2011.

It was renewed in April 2011 and again in 2016 until December 31, 2019. An amendment was signed on January 1, 2020 for an additional year subject to tacit renewal thereafter.

Lines distributed

S.T. Dupont (1998)
S.T. Dupont Essence Pure (2002)
Passenger (2008)
Royal Amber (2016)
Be Exceptional (2017)

•

S.T. Dupont fragrances had €4.8 million in sales driven by the *Essence Pure* and *Classic* lines.


S.T. Dupont
PARIS
GOLDEN WOOD
GOLDEN WOOD
S.T. Dupont
PARIS


Van Cleef & Arpels
HAUTE PARFUMERIE
Van Cleef & Arpels
SANTAL BLANC
N°2694IFG
COLLECTION
EXTRAORDINAIRE
COLLECTION
EXTRAORDINAIRE
VC A

Van Cleef & Arpels

At the end of September 2006, Van Cleef & Arpels and Interparfums signed an exclusive worldwide license agreement to manufacture and distribute perfumes and ancillary products under the Van Cleef & Arpels brand name with a 12-year term that took effect on 1 January 2007.

In January 2019 this license agreement was renewed for 6 additional years up to December 31, 2024.

Lines distributed

First (1976)
Collection Extraordinaire (2009).

•

Van Cleef & Arpels had sales of more than €15 million, up 13%, based on continuing gains by the *Collection Extraordinaire* line (+25% in 2019) and steady sales for the historic line, *First*.

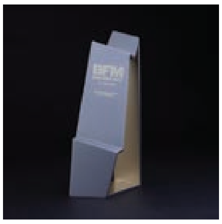
Main 2019 awards

Collection Extraordinaire Gardenia Pétale: Vogue China – Beauty Innovation Award (China)

Shareholder information

Transparency and fair presentation of information: a dual commitment to both transparency and fair presentation

Since it was listed on the Paris Stock Exchange in1995, Interparfums' financial communications strategy has been based on a dual commitment to both transparency and fair presentation. This approach is strengthened by a commitment to dialogue and proximity with a range of both targeted and diversified tools: the annual report included with the registration document, half-year report, letter to shareholders, press releases and financial notices. These publications are supplemented by interactive tools and a platform for online exchange (www.interparfums.fr) as well as individual and group meetings with shareholders, analysts, journalists, fund managers…



BFM Awards 2019

Philippe Benacin was a recipient of the BFM Awards 2019 for the "Export Sales performance" category. Exports account for more than 90% of the company's sales and reflect their successful work in promoting brands like Montblanc, Jimmy Choo, Coach, Lanvin or Rochas. In 2018, Interparfums packaged and distributed more than 25 million bottles throughout the world.

Upcoming publications

2020 second-quarter sales
July 22, 2020

2020 first-half sales and earnings
Mid-September 2020

2020 third-quarter sales
End of October 2020

2021 outlook
Mid-November 2020

2020 Letter to shareholders
Mid-November 2020

2020 sales
End of January 2021

2020 annual results
Mid-March 2021

Upcoming meetings

F2iC Annecy shareholders meeting
June 8, 2020

Investir Day in Paris
September 15, 2020

F2iC Lille shareholders meeting
September 22, 2020

F2iC Paris shareholders meeting
September 23, 2020

F2iC Strasbourg shareholders meeting
November 12, 2020

Actionaria fair, Paris
November 19 & 20, 2019

Institutions providing financial research on Interparfums

Bryan Garnier, Crédit Suisse, CIC Market Solutions, Exane BNP Paribas, Gilbert Dupont, ID Midcaps, Kepler Cheuvreux, Midcap Partners, Natixis Securities, Oddo BHF.

Shareholder base as of December 31, 2019

Interparfums Inc.: 72%
Free float: 28%

Interparfums has more than 11,300 individual shareholders and 380 institutional shareholders (with foreign investors representing one third).

Securities market information

Market: Euronext Paris
Market segment: Euronext compartment A
IPO date: November 1995
ISIN code: FR0004024222 ITP
Market maker: Oddo Securities
Eligible for Deferred Settlement Service (SRD)
Eligible for PEA PME savings vehicles

Dividends

The Board of Directors has decided to ask the Annual General Meeting to not distribute a dividend for the fiscal period ended December 31, 2019.

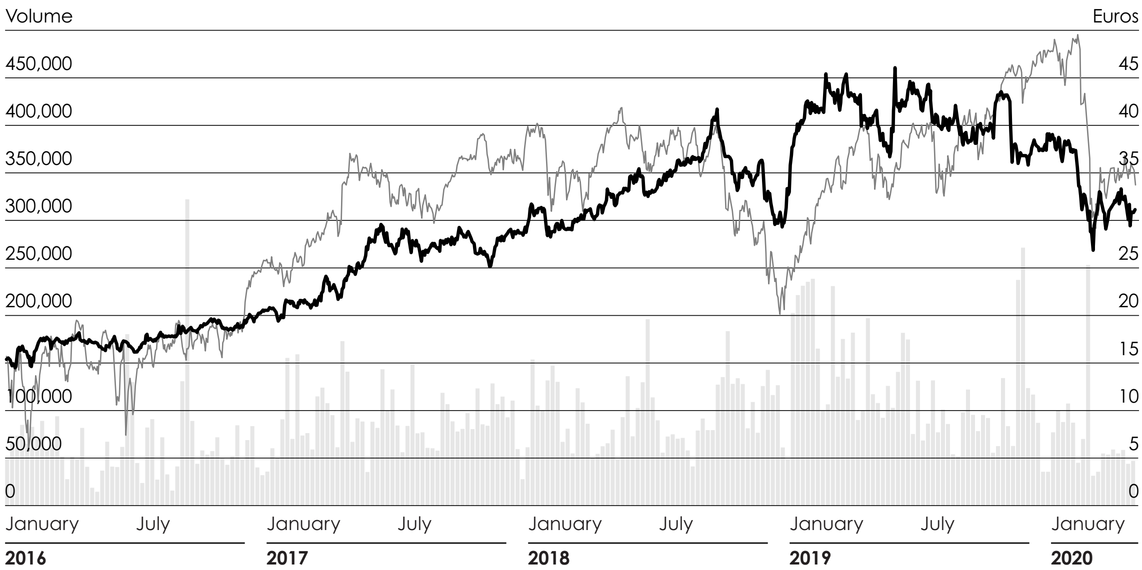
Otherwise, for the 21st consecutive year, a bonus share issue will be offered in 2020, scheduled for the second half of the year on the basis of 1 new share for 20 shares held.

Dividend for fiscal year: Paid in:	2016 2017	2017 2018	**2018** 2019
Dividend per share (€)	0.55	0.67	-
Dividend adjusted for bonus share issues (€)	0.50	0.61	-
Annual change for the adjusted dividend	11.11%	22.00%	-

Share price trends

	2017	2018	**2019**
Number of shares comprising the capital (m)	39.0	43.0	43.0
Closing price at December 31 (€)	34.55	33.75	37.00
Market capitalization (€ billion)	1,349	1,450	1,750

Trading activity: Interparfums vs. SBF 120 *(source: Boursier.com)*



Condensed financial statements

Consolidated income statement

(at December 31, in € thousands)	2018	**2019**
Sales	**455,342**	**484,260**
Cost of sales	(161,097)	(175,441)
Gross margin	**294,245**	**308,819**
% of sales	*64.6%*	*63.8%*
Selling expenses	(210,458)	(216,978)
Administrative expenses	(17,599)	(18,772)
Operating profit	**66,188**	**73,069**
% of sales	*14.5%*	*15.1%*
Financial income	2,440	2,090
Interest and similar expenses	(1,141)	(1,199)
Net finance costs	**1,299**	**891**
Other financial income	5,058	4,288
Other financial expense	(4,996)	(5,095)
Net financial income (expense)	**1,361**	**84**
Income before income tax	**67,549**	**73,153**
% of sales	*14.8%*	*15.1%*
Income tax	(19,888)	(22,057)
Effective tax rate	*29.4%*	*30.2%*
Net income	**47,661**	**51,096**
% of sales	*10.5%*	*10.6%*
Attributable to non-controlling shareholders	511	463
Net income	**47,150**	**50,633**
% of sales	*10.4%*	*10.5%*

Consolidated balance sheet

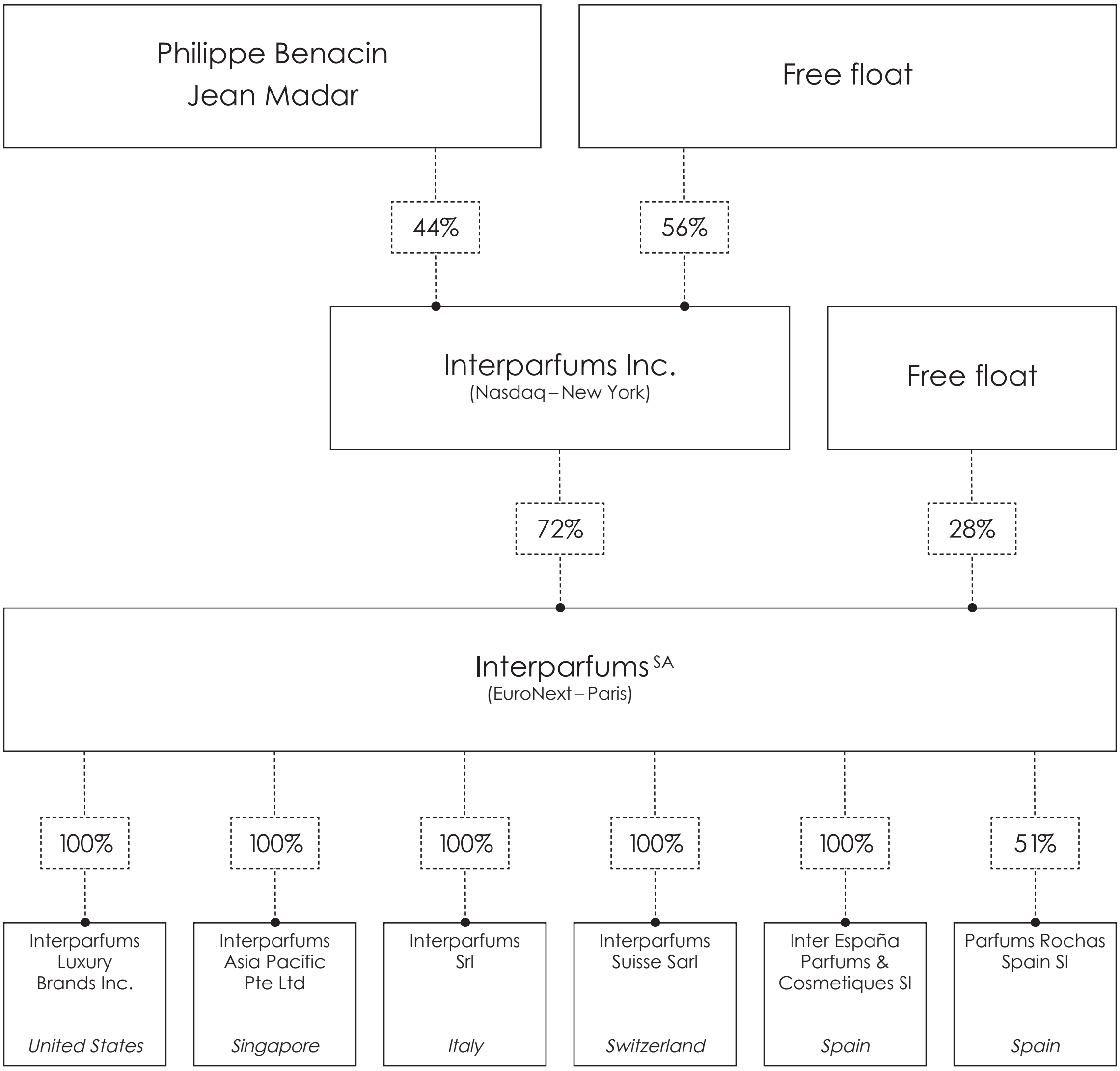
(at December 31, in € thousands)

ASSETS	2018	2019
Non-current assets		
Net trademarks and other intangible assets	155,813	154,979
Net property, plant, equipment	6,495	7,081
Right-of use assets	-	11,038
Long-term investments	10,674	2,862
Other non-current financial assets	3,566	3,066
Deferred tax assets	8,286	9,556
Total non-current assets	**184,834**	**188,582**
Current assets		
Inventory and work-in-progress	100,700	106,469
Trade receivables and related accounts	91,806	93,700
Other receivables	5,639	5,580
Corporate income tax	918	1,003
Current financial assets	59,276	54,045
Cash and cash equivalents	153,696	151,624
Total current assets	**412,035**	**412,421**
Total assets	**596,869**	**601,003**

SHAREHOLDERS' EQUITY & LIABILITIES	2018	2019
Shareholders' equity		
Share capital	128,897	141,787
Additional paid-in capital	-	-
Retained earnings	268,551	270,409
Net income for the year	47,150	50,633
Equity attributable to parent company shareholders	**444,598**	**462,829**
Non-controlling interests	1,642	1,609
Total shareholders' equity	**446,240**	**464,438**
Non-current borrowings & financial liabilites		
Provisions for non-current commitments	8,363	9,338
Non-current borrowings	10,144	-
Non-current lease liabilities	-	8,297
Deferred tax liabilities	2,632	2,604
Total Non-current borrowings & financial liabilites	**21,139**	**20,239**
Current liabilities		
Trade payables and related accounts	74,013	63,664
Current borrowings	20,223	10,018
Current lease liabilities	-	3,334
Provisions for contingencies and expenses	904	178
Income tax	3,325	4,569
Other liabilities	31,025	34,563
Total current liabilities	**129,490**	**116,326**
Total shareholders' equity and liabilities	**596 869**	**601 003**

Group organization

The procedures to wind up the German subsidiary Interparfums GmbH have been completed and the company's removal from the trade register is in progress. This subsidiary was deconsolidated in consequence on December 31, 2019.



Interparfums
2019 Universal Registration Document

2019

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This document is a free translation of selected sections of the original *"Document d'Enregistrement Universel"* or Universal Registration Document issued in French for the year ended December 31, 2019 filed with the AMF on April 29, 2020. As such, the English version has not been registered by this Authority. Because the English version of this document has not been audited by our Statutory Auditors, the English translations of their reports are not included herein. In the event of any ambiguity or conflict between corresponding statements or other items contained in these documents and the original French version, the relevant statement or item of the French version shall prevail and only the original version of the document in French is legally binding. As such, this translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and Interparfums SA expressly disclaims all liability for any inaccuracy herein.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary together with any amendments to the Universal Registration Document. It has been approved in its entirety by the AMF in accordance with Regulation (EU) 2017-1129.

1

Consolidated management report

Historical financial information

In accordance with article 19 of European Regulation (EU) 2017-1129, the following information shall be incorporated by reference in this Universal Registration Document:

– the consolidated financial statements for the period ended December 31, 2018 and the corresponding audit report included respectively in part 2 and part 9 of the registration document (No. D.19-0271) filed with the AMF on April 4, 2019 (https://www.interparfums-finance.fr/en/pdf/annual-reports/Interparfums-AR2018.pdf);
– the consolidated financial statements for the period ended December 31, 2017 and the corresponding audit report included respectively in part 2 and part 10 of the registration document (No. D.18-0182) filed with the AMF on April 4, 2019 (https://www.interparfums-finance.fr/en/pdf/annual-reports/Interparfums-AR2017.pdf).

Copies of this document are available free of charge from the Company's registered office and also in digital format from the websites of the AMF (www.amf-france.org) and the company (www.interparfums-finance.fr/en/annual-reports/).

1 • Business and strategy of the company

1.1 • Description of the business

The company's core business is developing perfume and cosmetic lines through license agreements with leading world-class luxury brands.

Interparfums directs and manages the entire fragrance product cycle from creation through distribution in France and international markets. As such, it coordinates the different phases of this lifecycle from marketing, olfaction, the bottle and packaging to the choice of promotional tools and communication media.

The company creates, manufactures and distributes prestige perfumes based on trademarks acquired on a proprietary basis or license agreements with leading brands in the high-end ready-to-wear, high fashion, jewelry and accessories sectors. This business model based on license agreements consist in obtaining rights granted by a brand name company to Interparfums to use its brand name in exchange for payment of annual royalties indexed to sales (see the list of licenses in note 6.2 and own brands in note 6.3 of the consolidated financial statements).

In this business model Interparfums outsources the entire production process to manufacturing partners ensuring optimal expertise in their respective areas. These include producers of juice, glass, caps and cardboard boxes and packaging companies.

The company distributes its products worldwide (see note 5.2 of the consolidated financial statements) through wholly-owned distribution subsidiaries or joint ventures, independent companies, subsidiaries of major luxury good corporations and duty free operators.

Product promotion and advertising are assured by Interparfums' marketing departments.

In addition, the company also owns the Rochas brand for fashions and accessories. It exploits this brand through license agreements concluded with partners for the creation, manufacture and distribution worldwide of womenswear, shoes and other goods, menswear, watches, jewelry and glasses under the brand. Revenue from licenses based on a percentage of sales registered by its partners is included in Group revenue.

1.2 • Strategy

By creating and developing over the long term fragrance lines for prestigious brands, the Group's strategy is to become a major player in the universe of worldwide Selective Perfumery market.

This strategy is based on a portfolio of luxury brands under exclusive license agreements and own brands in the universe of leather goods, high fashion, jewelry and accessories.

The choice of the brands is based on their notoriety, the global environment as well as their specific and identifiable codes, a rich history and international recognition.

Each brand is developed within a selective distribution network, by pursuing year after year medium and long-term growth driven by regular launches in order to build a varied product offering.

1.2.1 • Strategy and development

The ties developed between the company's historic managers and founders with the licensees based on direct personal relationships constitutes a cornerstone of the company's strategy.

Through this unique and privileged relationship with the brands, combined with a deep understanding of their universe the company stands apart in the industry as a partner.

This strategy intentionally based on a very personal approach creates opportunities for future developments by facilitating external exchanges of the managers.

1.2.2 • Marketing strategy

For each of the brands and lines, concepts are adapted to the image and positioning of each brand in order to "tell a story".

Equipped with a complete range of marketing tools adapted to each line, the company develops advertising tools tailored to each line and country supported by a mix of traditional media plans and social media campaigns.

1.2.3 • Industrial strategy

The product design cycle of between 12 and 18 months is assured by the company's marketing and development teams in partnership with the licensor.

The Group possesses expertise built up over more than thirty years combined with a strategy based on long-term collaboration with all its partners (glassmakers, boxes, fragrances, packaging…) and mastery of processes of creation, production, and logistics.

The relationships of trust, developed over several years with manufacturing partners combined with their high level of expertise make it possible to jointly develop innovative industrial processes and optimize performances.

The manufacturing strategy is also based on the recourse to multiple manufacturing partners to ensure the availability of several production sites for the same product. In this way, the risks of default by subcontractors and the optimization of production planning are very effectively managed.

1.2.4 • The distribution strategy

With a dedicated warehousing facility of more than 30,000 m² located in France, the company has a highly responsive logistics capability which ensures very short production lead times.

The Group positive as products are distributed in more than 100 countries and 20,000 points of sale through a network of long-standing partners (subsidiaries, agents, distributors) The company is supported by top quality partners distinguished by their strict compliance with its quality specifications.

Visits by teams of export managers to foreign distributors are organized on a regular basis and by a team of sales reps for France throughout the year, in order to present the new products, the marketing plans, promotional operations and point-of-sale advertising initiatives. This ensures that the company has a perfect understanding of its products and the complete agreement of its partners about the story and universe of the brands and products.

In addition, all partners throughout the world are invited two or three times the year to a seminar where the company presents the complete range of its brands and products. This important meeting with all distributors strengthens their ties with the Group and their engagement in contributing to its development.

1.2.5 • Organizational strategy

The company is committed to maintaining a family spirit and possible organization supported by functional reporting lines facilitating short process cycles and rapid decision-making.

Equipped with specialized and experienced teams, the company's objective is to maintain a high level of expertise in all areas (marketing, distribution, finance, legal affairs, information technology, etc.).

The Group employees are the most important contributor to creating value. For that reason, the company's strategy is based on developing their motivation and fulfillment at work ensuring the "Interparfums" spirit and ethical values.

Finally, management attaches great importance to ensuring that each employee fully understands and supports the Group's strategy.

1.3 • Annual highlights

February

Launch of the *Montblanc Explorer* line

Montblanc Explorer is an invitation to a fantastic journey, an irresistible call for adventure. This unconventional woody-aromatic-leather Eau de Parfum reveals an Italian Bergamot, contrasted by a rich Vetiver from Haiti and an exclusive Patchouli from Sulawesi.

Launch of the *Jimmy Choo Floral* line

Subtle yet luminous, sophisticated yet urban, a radiant expression of femininity and a symphony of floral, fruity and musky notes.

Launch of the *Mademoiselle Rochas Couture* line

Mademoiselle Rochas reinvents her original signature to become *Couture*: a refined, elegant Eau de Parfum.

April

Launch of the *Coach Floral Blush* line

An airy and colorful scent associating sparkling notes create a sensual, bold fragrance.

May

Launch of the Lanvin *A girl in Capri* line

A luminous and fruity cocktail combining notes of sparkling citrus and pink pepper capturing the sunshine and refreshing sea breeze of Capri.

Launch of the Boucheron *Quatre en Rouge* line

Quatre en Rouge, launch of a bold fragrance. With a permeating and reassuring trail hiding an irresistible power of attraction and seduction.

Dividend

A dividend of €0.71 per share was paid for fiscal 2018 in early May 2019, a 17% increase from 2017, in light of the bonus issue of June 2018.

June

Bonus share issue

The company proceeded with its 20th bonus share issue on the basis of one new share for every ten shares held.

New license agreement

In early June, the global life and style brand, Kate Spade New York and Interparfums SA announced the signature of a 10 ½ year exclusive worldwide fragrance license agreement to create, produce and distribute perfumes for the brand beginning in fall 2020.

September

Launch of the *Jimmy Choo Urban Hero* line

Jimmy Choo Urban Hero is a woody aromatic Eau de Parfum inspired by the urban environment. It celebrates the intensity and contrasts of modern masculinity, working the codes of street art.

October

Interparfums is included in the Gaïa index

Interparfums was ranked 11th in the 2019 campaign of the Gaia Rating agency which assesses the Environmental Social and Governance (ESG) performances of the top 70 French SMEs and mid-tier firms in the category of companies "with revenue between €150 and €500 million".

Launch of the *Rochas Byzance* line

The rebirth of the *Byzance* line for a new era. A new feminine and sensual launch where the power of seduction and pleasure come together to create a modern-day fairytale.

1.4 • Annual operating highlights and key figures

With sales of €484.3 million, up 6.4% at current exchange rates and 3.6% at constant exchange rates from 2018, Interparfums continued to grow in 2019. In line with guidance provided at the beginning of the year and reconfirmed in November, this performance in large part reflected the success of Montblanc fragrances in the period.

1.5 • Sales by brand

€m and as a % of sales	**2015**	**2016**	**2017**	**2018**	**2019**
Montblanc	88.1 *26.91%*	110.0 *30.09%*	112.2 *26.59%*	108.8 *23.90%*	140.7 *29.06%*
Jimmy Choo	83.4 *25.47%*	81.7 *22.35%*	96.2 *22.80%*	99.6 *21.88%*	103.5 *21.37%*
Boucheron (6 months of activity in 2016)	- -	20.9 *5.72%*	50.9 *12.06%*	84.4 *18.54%*	86.5 *17.86%*
Lanvin	64.1 *19.58%*	56.1 *15.34%*	57.5 *13.63%*	59.0 *12.96%*	52.1 *10.75%*
Rochas (7 months of activity in 2015)	12.1 *3.70%*	29.2 *7.99%*	38.5 *9.12%*	34.1 *7.49%*	34.5 *7.12%*
Boucheron	17.7 *5.41%*	16.0 *4.38%*	18.4 *4.36%*	19.4 *4.26%*	18.3 *3.78%*
Van Cleef & Arpels	17.5 *5.35%*	19.1 *5.22%*	17.2 *4.08%*	13.6 *2.99%*	15.3 *3.16%*
Karl Lagerfeld	10.4 *3.18%*	6.5 *1.78%*	8.8 *2.09%*	12.6 *2.77%*	14 *2.89%*
Paul Smith	9.5 *2.90%*	9.2 *2.52%*	6.7 *1.59%*	6.6 *1.45%*	5.6 *1.16%*
S.T. Dupont	10.3 *3.15%*	5.4 *1.48%*	4.8 *1.14%*	5.7 *1.25%*	4.8 *0.99%*
Repetto	8.0 *2.44%*	5.0 *1.37%*	3.8 *0.90%*	4.6 *1.01%*	2.8 *0.57%*
Other	5.3 *1.62%*	4.5 *1.23%*	4.6 *1.09%*	4.7 *1.03%*	4.3 *0.89%*
Fragrance sales	**326.4**	**363.6**	**419.6**	**453.1**	**482.4**
Rochas fashion license revenues	1.0	2.0	2.4	2.2	2.0
Total sales	**327.4**	**365.6**	**422.0**	**455.3**	**484.3**

With sales of more than €140 million, Montblanc fragrances grew nearly 30% from the previous year. This remarkable performance was the result of an excellent start by the *Montblanc Explorer* line combined with a solid performance of the brand's founding line, *Montblanc Legend*.

Jimmy Choo fragrances crossed the €100 million milestone, boosted by flankers rolled out at the end of 2018 and early 2019, but also good initial results by the men's line *Jimmy Choo Urban Hero* launched in the fall.

After achieving strong growth for its first three years, Coach fragrances consolidated its market positions with sales of more than €86 million, confirming their potential.

Despite the positive response to the *A girl in Capri* line rolled out in the spring, Lanvin fragrances registered lower sales in the year while remaining one of the portfolio's solid brands.

Rochas fragrances remained steady with sales of nearly €35 million, reflecting the absence of major launches in the period. The launches of the *Byzance* and *L'Homme Rochas* lines at the beginning of 2020 should boost growth in sales over the coming months.

Boucheron fragrances' sales were largely steady with solid performances by the *Quatre* line and its extraordinary Haute Parfumerie fragrance collection.

Van Cleef & Arpels had sales of more than €15 million, up 13%, based on continuing gains by the *Collection Extraordinaire* line (+25% in 2019) and steady sales for the historic line, *First*.

Finally, Karl Lagerfeld fragrances' return to growth, initiated in 2017 with the *Les Parfums Matières* collection's launch, remains on track.

1.6 • Sales by region

€m	**2018**	**2019**
North America	140.1	151.7
South America	35.2	35.0
Asia	64.1	67.9
Eastern Europe	40.0	42.6
Western Europe	91.5	91.6
France	35.0	36.9
Middle East	43.2	51.2
Africa	4.00	5.40
Perfume sales	**453.1**	**482.3**
Rochas fashion license revenues	2.2	2.0
Total	**455.3**	**484.3**

Driven by the portfolio's 3 top-selling brands, North America registered continuing gains (+8%), particularly in the United States within an overall market for perfumes and cosmetics that grew 2.6%[1].

In a turbulent economic environment, South America remained resilient with steady sales in the period.

Reflecting the good performances of Montblanc, Jimmy Choo and Coach fragrances, sales in the Middle East grew nearly 20% in the period.

Benefiting from good performances by Montblanc and Jimmy Choo fragrances respectively, sales in Asia and Eastern Europe grew 6%.

On a like-for-like sales distribution basis[2], Western Europe achieved growth of nearly 4% linked to the success of the *Montblanc Explorer* line.

Within an overall market for cosmetics and perfumes which contracted 0.7%[3], sales in France grew 5%, here as well driven by the success of the *Montblanc Explorer* line.

(1) Source: NPD US.
(2) Excluding the change in the distribution structure in Italy.
(3) Source: NPD France.

2 • Consolidated financial highlights

2.1 • Income statement highlights

€ thousands	**2016**	**2017**	**2018**	**2019**
Sales	365,649	422,047	455,342	484,260
International (%)	*90.9%*	*91.1%*	*92.3%*	*92.4%*
Operating profit	49,663	60,025	66,188	73,069
% of sales	*13.6%*	*14.2%*	*14.5%*	*15.1%*
Net income	32,438	39,956	47,150	50,633
% of sales	*8.9%*	*9.5%*	*10.4%*	*10.5%*

By maintaining tight controls over all expenses, operating profit exceeded the most recent guidance to reach €73.1 million, a 10.4% increase from the prior year. As a result, the operating margin rose above 15%.

Even though interest rates have continued to decline and hedging costs remain high, net income grew by more than €50 million or 7.4% compared to 2018, with the net margin reaching 10.5%.

2.2 • Balance sheet highlights

€m	**2018**	**2019**
Non-current assets	184.8	188.6
Inventories	100.7	106.5
Trade receivables	91.8	93.7
Current financial assets	59.3	54.0
Cash and cash equivalents	153.7	151.6
Group shareholders' equity	444.6	462.8
Borrowings and financial liabilities	30.5	10.0
Trade payables	74.0	63.7

While €30 million was paid in dividends and €20 million to reimburse the Rochas loan, effective ongoing cash flow management led to an increase in net cash for the year of more than €13 million. On that basis, net cash exceeded €195 million at December 31, 2019.

3 • Risk Factors

In accordance with article 16 of European regulation 2017-1129, the presentation of the company's risks are limited to those which are specific to the issuer or according to a limited number of categories depending on their nature.

The generic risks of the company are accordingly excluded from this classification.

In 2019, the company updated its risk map, classified according to their materiality and probability of occurrence. These risks are presented schematically below in order to provide a picture of the stakes, without constituting a substitute to the explanatory developments which follow.

The development of this map made it possible to classify the risks into four categories: business risks, manufacturing risks, financial risks and legal risks.

The Risk Factors presented below are not presented in their order of importance. In contrast, in each category the Risk Factors are presented according to a decreasing order of importance established by the Group on the date of this Universal Registration Document.

With respect to risks relating to the Covid-19 pandemic, to facilitate an understanding of their overall impact, instead of including them within the specific risk matrixes, the company has chosen to provide a summary which is reproduced in the insert below.

NB: This information is not part of the management report approved by the Board of Directors on March 2, 2020.

Risks linked to the Covid-19 pandemic

On 03/23/2020 the AMF, the French financial market authority issued guidance concerning "the filing of universal registration documents and rules governing permanent information in the current Covid-19 crisis" asking companies to provide information about its impacts.

The international community faces a health crisis of unprecedented proportions whose uncertain development and duration prevent the Group from evaluating with precision the impact of this crisis on its results. At this stage, the Group's utmost priority is ensuring the safety and health of its workers. Certain Interparfums teams whose activities are compatible with telework have been provided with all necessary tools, in this way protecting their health and maintaining their productivity. In addition, the company is preparing a business recovery plan including an administrative organization adapted to ensuring strict compliance with governmental measures in this area.

Even if the unfavorable impacts of this epidemic are on the filing date of the Universal Registration Document difficult to quantify, the Group has classified this risk as having a low level of occurrence though with a high potential financial impact.

Because production is largely concentrated in France and Europe, the impact of the coronavirus epidemic on the sourcing of finished products is expected to remain contained. In addition, while the activity of the production plants remains low or even non-existent, the high level of inventories should make it possible to meet customer demand.

Transport and delivery activities have also been very significantly impacted by governmental measures imposing restrictions on non-essential activities.

Finally, measures imposed by authorities to contain the virus' spread have led to the closure of virtually all points of sales in all countries where the Group operates, starting in China in January 2020, followed by the rest of Asia, Europe and the United States in March, with a significant and direct impact on sales. This situation may further evolve should the authorities decide to extend the measures adopted to combat Covid-19.

In this context, several advertising investment plans as well as the major launches that were planned have been moved forward to the beginning of 2021. Sourcing and packaging plans have been revised for the coming months, reduced for selected lines or secondary projects while strengthened for the catalog's flagship lines in line with the group's policy of maintaining high inventories.

This situation could also lead to payment delays and the risk of insolvency of certain customers though in large part covered by a significant and international credit insurance program.

During this unprecedented health crisis with its potential for having a negative impact on financing terms, the Group has a sizable cash position (more than 200 million on December 31, 2019). Despite this, to preserve its working capital, the company has reviewed and adjusted all expenditures, in particular operating expenses, and is exercising strictly controls over administrative costs. It also decided to cancel the dividend distribution that was to be paid for 2019.

Group management, assisted by the operating departments, are constantly monitoring the adverse effects of this crisis. A Business Continuity Plan has been developed, providing for particular measures to protect Group employees and subcontractors, the possibility of recourse to telework for all employees whose activities so permit, internal communications awareness-raising campaigns targeting Group employees, the continuity of relations with customers and, finally, adapting its production and launch plans to prepare for rapidly resuming activity under the best possible conditions as soon as circumstances permit.

Without apprehension about the sustainability of its business on the filing date of this Universal Registration Document and in light of the uncertain and extremely changing conditions of this health crisis, the Group is not able to provide a more precise assessment of Covid-19's impacts on its business, sales and earnings for 2020.

For an understanding of the full impact of the Covid-19 epidemic on the Group's business, operations or organization, this paragraph may be supplemented by reference to the paragraphs 7 "Dividends", 11 "Post-closing events and significant changes in the financial position", 12 "Outlook" of this section, as well as Part 5 "Quarterly financial information and recent disclosures" of this Universal Registration Document.

3.1 • Summary of the main risks identified

Level of risk ↑ / Probability of Occurrence →	Low	Media	High
High	- sensitivity of equity.	- loss of license agreements.	
Media	- protection of brands/ Intellectual property; - sourcing; - product quality and safety.	- change in exchange rates; - geographic and geopolitical breakdown.	
Low	- image and reputation.		

3.2 • Business risks

3.2.1 • Risks related to the loss of license agreements

Description of the risk

The licensing system used in the perfume and cosmetics industry consists of a brand name company for ready-to-wear, jewelry or accessories granting the licensee (Interparfums) a right to use the brand name in exchange for royalty payments indexed to sales. The associated risk pertains to the possibility for the non-renewal of agreements upon expiration.

Assessment and management of the risk

Several factors tend to mitigate or eliminate this risk:

– term of the licenses (10 years or more); the next renewal dates for the three main license are far off (2025, 2026, 2031);
– possibility of early renewal;
– diversified portfolio of licensed brands;
– factors specific to the company (sophisticated marketing, distribution network, corporate organization, etc.);
– limited number of potential licensees with a similar profile;
– ongoing efforts to add new licenses in order to limit the weight of existing brands in the portfolio.

Furthermore, the company is the owner of brand names and international trademarks for Lanvin for class 3 products (fragrances) and Rochas for class 3 (fragrances) and class 25 (fashion) which reduces the overall impact of the risk of the non-renewal of license agreements.

3.2.2 • Risk related to geopolitical developments, health situations and geographical mix

Description of the risk	Assessment and management of the risk
With sales in more than 100 countries, Interparfums regularly reassesses country risks. A significant percentage of the Group's sales are generated outside France, and notably 11% from the Middle East, 8% in South America, 6% in Russia, countries where the risks of geopolitical instability is monitored by the departments responsible for trade receivable collections. United Kingdom accounts for 6% of sales, with the impacts of the practice expected to be limited for the Group. In general, the company constantly monitors developments in all markets in which it operates.	Given the company's collections policies, receivables monitoring and the quality of our distributors' financial health, no country risk reserve allocations were made in the financial statements for the year ended December 31, 2019. Furthermore, in order to limit the risks of default, and in a context of increasing geopolitical instability, the company has taken out credit insurance policies with Euler Hermes and Coface for a portion of its export-related accounts receivable.

3.2.3 • Reputational risk

Description of the risk	Assessment and management of the risk
The reputation of a company is largely based on the image of its brands comprising the intellectual capital of the company and an expression of the quality and desirability of its products. This asset can constitute a weakness should the image and reputation be damaged, whether based on manifest facts or not, regardless of its nature or origin, internal or external (social media, press,) in good faith or bad faith. The risks associated represent a risk to the image of the company and its values, and by extension, possibly its sales, business activities and development.	The Company defends strong values and maintains close relations with the licensors, its external stakeholders (customers and suppliers) and employees. As a result of the quality of its products, the choice of suppliers and manufacturing operations, the choice of a selective distribution network as well as a collaborative approach to employee management, it limits in this way the risk of the disseminating negative information about the company. Furthermore, the adherence of its stakeholders and employees to charters for ethical practices and good conduct adopted by the Group are designed to significantly limit the negative impacts of these elements.

3.3 • Industrial risks

3.3.1 • Sourcing and production

Description of the risk	Assessment and management of the risk
Sourcing of raw materials for the plants is assured by Interparfums' Production department. Production risks result from the possibility that manufacturing partners might be unable to manufacture products on time for their distribution.	To reduce this risk, the company implements production plans early on in the process in partnership with manufacturers. These measures are supplemented by ensuring multiple supplies of molds for bottles and related items as well as a number of production sites. Planning for the launch of production lines is regularly updated and monitored with component suppliers combined with recourse to multiple suppliers selected by the company, limit the risk of supply chain disruptions.

3.3.2 • Risks associated with product quality and safety

Description of the risk	Assessment and management of the risk
The commitment to the safety of consumers using the company's products constitutes a fundamental prerequisite in the manufacturing process. A case of legal or regulatory noncompliance of products throughout the manufacturing process could result in the destruction or recall of the products under investigation.	The regulatory department within the Production and supply chain Division is responsible for controlling the formulations of our products. The quality department insurance performs ongoing controls of defects and cases of non-conformity appearing at subcontractors over the entire production process.

3.4 • Financial risks

3.4.1 • Valuation risks

Description of the risk	Assessment and management of the risk
A significant share of the company's assets consists of intangible assets representing upfront license fees or the purchase price of own brands whose value depends in large part on future operating performances. The valuation of intangible assets also implies recourse to objective judgments and complex estimates concerning items uncertain by nature.	Should a change occur in the underlying assumptions on which this valuation is based, a reduction in the value of shareholders' equity through profit or loss would be recorded. However, the three main brands of the portfolio representing 68% of total sales were not subject to the payment of upfront license fees. Only a decrease in revenue from the other brands and notably the own brands could lead the company to record an impairment. However, such probability is considered limited.

3.4.2 • Currency risks

Description of the risk	Assessment and management of the risk
Because a significant portion of Group sales is in foreign currencies, it incurs a risk from exchange rate fluctuations, primarily from the US dollar (46.6% of sales) and to a lesser extent the Pound sterling (5.6% of sales) and the Japanese yen (1.3% of sales).	The Group's exchange rate risk management policy seeks to cover trade receivables of the period in US dollars, pounds sterling and Japanese yens. To this purpose, the company has recourse to forward sale agreements according to procedures that prohibit any transactions of speculative nature.

3.5 • Legal risks

3.5.1 • Intellectual property

Description of the risk	Assessment and management of the risk
The brands of the company represent strategic intangible assets for the Group protected in the countries where the brands are sold. The commercialization of a product for which the brand is already used by other companies or the non-renewal of the protection of important brands of the portfolio could result in disputes followed by requests for the destruction of the corresponding inventory.	Prior art or novelty searches and monitoring of the registration and renewal over the lifespan of the brand constitute the main measures of the company to protect its intellectual property and are the subject of specific oversight by a dedicated department within the legal division. This department, equipped with highly efficient tools, manages and defends its intellectual property rights worldwide.

4 • Internal control and risk management procedures

The Company has implemented internal control and risk management procedures based on the provisions of article 404 of the Sarbanes Oxley Act that apply to the US parent as a company listed on the New York Stock Exchange. The principles determined therein are in part provided for under the AMF guidelines of 2007 and updated in July 2010 and completed by the guidelines for small and mid-caps of January 9, 2008.

Based on the COSO 2013 guidelines, the Company has defined and implemented a group of internal control and risk management systems that include rules of conduct and procedures adapted to the Company's organization to enable it to.

The purpose of risk management procedures is to therefore:

- safeguard the value, assets and reputation of the Company and its brand licenses;
- secure the decision-making process and other processes of the Company to achieve its objectives by analyzing potential threats and opportunities;
- deploy and motivate the Company's staff around a common vision of the main risks.

No system of internal control can provide an absolute guarantee of achieving these objectives. The probability of achieving such objectives is subject to limits inherent in any system of control, related notably to uncertainties concerning the external environment, the exercise of judgment or problems that may arise in response to human error or simple error, or the need to perform cost-benefit analysis before implementing any controls.

4.1 • The risk management system

The risk management system is based on processes including three steps:

- identifying risks;
- analyzing risk on an annual basis in order to examine the potential consequences;
- handling the risk with the objective of defining action plans most adapted to the Company, and by making decisions by evaluating the opportunities in relation to cost of measures for handling the risk.

Risk management responsibilities are exercised at every reporting level of the company. Furthermore, the limited number of levels in the decision-making process and the contribution of line management to strategic considerations facilitates the identification and handling of risks. An in-depth analysis of the separation of operational and control tasks was undertaken to effectively address the objectives of control.

The Board of Directors is informed of the features of this risk mapping as well as the remedial action plans.

4.2 • Internal control system

The company's internal control system is deployed by a team of managers and officers under the authority of Executive Management who in turn reports to the Board of Directors.

4.2.1 • Organization of the Company

The Company is organized around two divisions:

- the operational division comprised of the line management departments for Export Sales and French Sales, Marketing and Production and Development;
- the division for support functions which includes the Finance, Human Resources, Information Technology and Legal Affairs departments.

Furthermore, and in light of its size and operating structure, only the US subsidiary Interparfums Luxury Brands Inc. has been included in the scope of tests conducted on the effectiveness of the internal control system since 2011.

In addition, the Company consolidates six other foreign subsidiaries that apply the Group's internal procedures relating to the preparation and processing of accounting and financial information.

4.2.2 • Tools of the internal control system

These features are based on documentary tools and awareness raising initiatives for management bodies and staff about the internal control and risk management principles adopted within the company. Accordingly, the Company has implemented the following tools:

- Code of Good Conduct

This code describes the professional conduct to be adopted, notably in the areas of compliance with laws and regulations, preventing conflicts of interest and financial transparency in order to prevent situations of fraud.

- Information System Charter

This document defines the rights and obligations of employees, users of the information system, to ensure that the information technology resources are used in a secure environment complying with the procedures of internal control.

- Whistleblowing procedure

This procedure confirms that each employee that considers that he or she has legitimate doubts about company practices in areas relating to finance, accounting, banking and combating corruption is invited to contact an independent Director as specified therein, without being subject to any sanctions of any nature whatsoever.

- List of insiders

In application of article 18 of Regulation (EU) No. 596/2014 (the Market Abuse Regulation or MAR), employees having access to inside information and all Directors are registered on the company's list of insiders. These persons undertake to respect the limits imposed by article 8 of this regulation regarding the disclosure of inside information and the acquisition and/or sale of the company's securities, directly or indirectly. A list has also been drawn up of persons outside the company with access to inside information within the framework of their professional relations with the issuer.

4.2.3 • Key participants in internal control system

The internal control system is implemented at every level of the Company. This system is spearheaded by the following: the Board of Directors, the Executive Management, the Executive Committee, the Finance Department and, in particular, the Internal Control Department, which reports to the latter.

4.2.4 • Internal control procedures

Internal control procedures are designed to secure the different processes used to achieve the objectives set by the company.

These procedures are organized around the following key areas identified as areas of potential risk: Operating processes (sales/accounts receivable, purchasing/Accounts Payable and inventory management) and accounting and financial processes (cash management, budget management, producing financial and accounting information, information systems management).

The internal control guidelines relies significantly on the integrated SAP ERP. This enterprise tool makes it possible to automate a significant number of controls, thus strengthening their effectiveness.

In addition, the company has a specific internal control tool for the verification of all accounting transactions and identify possible errors, omissions or fraudulent transactions in a comprehensive manner.

4.2.5 • Process contributing to the preparation of accounting and financial information

4.2.5.1 • Production of accounting data

The implementation of internal control process for the production of accounting data is based on planned procedures for account closings, close collaboration between the different support function and operational departments, analysis of the relevance of reported information and a detailed review of the accounts by Executive Management for the purpose of their validation before the final closing.

Meetings are organized to coordinate activity with the different departments concerned in order to ensure the exhaustive nature of information provided to prepare the accounts.

4.2.5.2 • Account closings and the production of consolidated financial statements

Procedures for account closings are based on instructions and a timetable originating from the Finance Department which assigns precise tasks to each participant in this process.

The production of interim and annual financial consolidated financial statements are based on IFRS guidelines.

4.2.5.3 • Financial communications

The financial communications process is subject to a clearly defined reporting schedule for information destined for financial markets and market authorities. This schedule ensures that communications complies with the requirements of applicable laws and regulations relating to financial disclosures both concerning the nature of information to be disclosed, the required deadlines and compliance with the principle of equal access to information by all shareholders.

4.3 • Oversight of the internal control and risk management procedures

This oversight is exercised by means of a plan for assessing internal procedures.

This assessment process is performed annually. This involves identifying assets of key importance, analyzing potential risks, existing or emerging, by type of task assigned to each department concerned and meetings with the operating departments concerned.

Internal control procedures are carried out in accordance with the provisions of US law of the Sarbanes Oxley Act based on the COSO 2013 integrated framework.

If processes and the associated controls do not exist or are not sufficiently formalized, a remediation plan or corrective actions are implemented and monitored by the manager concerned.

At the end of this evaluation phase, the results are provided both to the Finance Department and Executive Management who in turn informs the Board of Directors thereon.

In 2019, 110 controls were carried out focusing on 39 risk areas. In 2018, the scope for this evaluation was the same as the prior year.

Evaluations carried out within the Company did not indicate any weaknesses of a significant nature that might call into question the relevance of internal controls.

4.4 • Relations with Statutory Auditors

The Statutory Auditors certify the fair presentation of the separate parent company and consolidated interim and annual financial statements. For that purpose, their work is organized according to the following steps:

- a prior review of procedures and internal control tests;
- a meeting prior to the approval of the accounts to define the program of reviews and the calendar and organization of their work;
- a limited review or audit of the financial statements prepared by the Finance Department;
- a meeting presenting a summary of their work to Executive Management.

5 • Risks relating to climate change – measures taken by the company to reduce these risks by implementing a low carbon strategy

In light of the nature of its business, Interparfums does not anticipate any regulatory risks or risks resulting from physical changes associated with climate change which could have a material financial impact for the Group.

Nevertheless, conscious of its impact with regards to greenhouse gas emissions, particularly with regards to our logistics system, the company is committed to limiting its carbon footprint.

To this purpose, it has adopted an action plan to optimize transportation flows by reducing the number of kilometers traveled and by optimizing truck loads. This information is presented in detail below in this Universal Registration Document.

6 • Corporate social responsibility

Interparfums Group applies a comprehensive approach in addressing the issues of corporate, environmental and social responsibility and transparency.

The Group has developed from one year to the next its corporate social responsibility (CSR) policy, implemented by its operational and support departments by involving all personnel, and has identified issues to be addressed in three key areas: its responsibilities toward operational stakeholders, staff and the company.

6.1 • Responsibilities to our operational stakeholders

For the conduct of its operations and the development of its activities, Interparfums places an emphasis on:

- maintaining relations of high level with its licensors based on synergies, mutual commitment and the sharing of common values;
- developing long-term partnerships with its suppliers and subcontractors by closely collaborating in exchanging information;
- developing lasting relations and trust with its distributor customers.

6.1.1 • Relations with licensors

Since signing its first license agreement in 1988, Interparfums has developed a large portfolio of luxury brands under license. Contacts with these companies are systematically initiated by the historic managers who have developed and maintain close relations with the licensors of these brands. These unique and privileged relations are built by developing an understanding of their universe and proposing products which fully respect the unique codes of each brand.

Through close collaboration between the marketing departments and the brands which has increased over the years, the products are developed according to the desires and collections of each brand in order to propose a fragrance both unique and at the same time embodying common values.

Smaller agile teams and regular and privileged contacts foster the development of a perfect knowledge of the universe, maintained over the years, in order to propose the brands high quality products that support their image.

6.1.2 • Long-term relationships with industrial partners

6.1.2.1 • Sharing information and relations of trust with industrial partners

The Group maintains long-term relationships of quality and trust with most of its suppliers, subcontractors and other vendors. These partners are indispensable for the Group to ensure its sourcing requirements for raw materials, packing and packaging activities and promotional items. Reflecting its requirements for quality and performance, the selection process and conduct of relations with partners is a critical issue for the Group.

In addition to collaboration relating to cost controls, quality, and innovation, the Group is committed to developing lasting and responsible partnerships in the areas of employment and the environment.

The company has implemented guidelines on purchasing and Good Manufacturing Practices (GMP) in addition to a supplier gateway. The company has not considered it useful to require its partners to adopt responsible purchasing charters, as most of its suppliers and most important subcontractors already possessing ethical charters and/or environmental and social charters and who already perform audits on a regular basis.

The supplier specifications and portal form the basis of the company's engagements for promoting close and constructive collaboration with its suppliers and partners.

To this purpose, the Group has deployed a web-based system for exchanging information reserved for suppliers. Through this system integrates the exchange of supply plans, issue orders and confirm their receipt. Most suppliers are equipped with this communication tool.

Accordingly, the framework that the company has established for its actions carried out jointly with suppliers and subcontractors includes commitments for optimizing performance and smooth and transparent communications by using this supplier portal. This portal makes it possible to identify the needs of the company and suppliers, and taking appropriate measures to address these needs. The company supports its suppliers in their efforts to improve services if their contributions do not effectively meet expectations.

It was in this context that the company adopted supplier performance indicators, and in particular OTIF (On Time In Full) supplier performance metrics based on information collected from the portal. These indicators will provide a source of information about the ability of suppliers to adapt to current needs and evolve to respond to the company's future needs.

Through the specifications and the portal, the company and its suppliers work together in achieving a common objective that consists in particular in:

- innovating by increasing quality, service and added value;
- increasing the solidity of products, reducing the defects and the needs for after-sales service;
- identifying and developing new techniques for creating new products or for improving existing products.

The company has also adopted eight business review program with the participation of its suppliers. The purpose of this review is to produce a report on activity of the prior year and determine actions and the needs of each of the parties for the following year.

Within this collaborative framework, action plans have been established for the purpose of preventing situations of economic dependence of the company's partners. This vigilance is exercised in particular in the case of partners exposed to this risk as a result of their size and infrastructure. The company has adopted a procedure for identifying companies who might in time develop a risk of economic dependence with potential for jeopardizing their relation.

The company's vigilance is also assured through transparent communications about items enabling its partners to prevent this risk of dependency based on medium and long-term visibility for its business forecasts, strategies for evolving and its needs in terms of innovation, allowing its suppliers to build their own strategy and develop their capacities for adaptation to meet the desired objectives.

In addition, for a number of years, the company has been focusing on ensuring the security of its sourcing for a certain number of critical components of our strategic lines. This has resulted in the duplication of our molds for bottles, caps and related items available from two different suppliers.

As applicable, the company may also consider disengaging in advance and in a gradual manner from the supplier concerned according to this situation of dependency. In general, as part of its policy of vigilance regarding the risk of economic dependency, the company invites its suppliers to regularly diversify their customer bases. Similarly, a supplier having developed an innovative technique giving it a monopoly may also expose the company to risk in terms of sourcing. This may result, by common agreement with its supplier, in identifying a second source of procurement.

6.1.2.2 • By applying standards for Good Manufacturing Practices (GMP) with packing service providers

The ISO 22716 international standard for Good Manufacturing Practices establishes guidelines standard for the manufacturing, packaging, testing, storage, and transportation of cosmetic products. It represents the practical application of quality assurance concepts based on a description of plant manufacturing practices.

This standard has imposed an obligation on all packing companies since July 2013 to comply with the Good Manufacturing Practices. The other subcontractors such as glassmakers and suppliers of raw materials are not concerned by this standard.

The Group has identified the following benefits from this standard:

- controlling potential risk factors affecting the quality of cosmetic products;
- reducing the risk of confusion, deterioration, contamination and error;
- greater vigilance by personnel in the performance of their activities;
- the guarantee of quality products.

In this regulatory environment, regular audit campaigns are carried out of all packaging plants by the quality department based on the ISO 22716 standard in place. The ultimate purpose of these audits is to ensure that packaging service providers maintain a good level of traceability for their activities. All plant activities were reviewed: receiving process for raw materials and packaging materials, manufacturing, packaging and quality controls. These reports demonstrated that the Group's subcontractors comply with ISO 22716 Good Manufacturing Practices and in particular traceability requirements for all perfume production operations.

The primary missions of the Quality department are to:

- consolidate the quality requirements and ensure their implementation by subcontractors and suppliers;
- strengthen and monitor quality for sourcing of production processes;
- monitor audits of Good Manufacturing Practices;
- implement quality indicators;
- monitor nonconformities and corrective measures taken by subcontractors and suppliers;
- monitor customer complaints.

6.1.2.3 • By consumer health and safety measures

As the Group assures the introduction of products on the market, it is responsible for assessing the safety of the cosmetic products it distributes. To this purpose, the Group conducts tests ensuring the innocuous nature for the skin and eyes. In compliance with Regulation (EC) No 1223-2009 on cosmetic products, no tests are conducted using animals. Tests for skin irritation are thus conducted on healthy voluntary adult subjects and ocular safety tests are performed through cell cultures.

It has also taken measures with respect to the European Community Regulation on chemicals and their safe use concerning the Registration, Evaluation, Authorization and Restriction of Chemical substances (EC Directive 1907-2006 of December 18, 2006) or REACH with all its suppliers. Accordingly, all technical and organizational measures pursuant to the adoption of REACH have been implemented by the Group. It is not itself subject to this registration requirement as a downstream user of such substances. However, it has nevertheless sought to maintain an active role by ensuring that the registration process proceeds effectively and that there exists a continuous supply for sourcing chemical substances contained in its products.

The Group took the initiative to contact its different subcontractors and suppliers to ensure they and those further down the supply chain effectively comply with registration, notification or authorization request procedures. Interparfums has thus asked all its suppliers to provide commitments that they will not supply articles containing substances listed in appendix XIV (Substances of Very High Concern). To date, no supplier has declared the presence in articles provided to Interparfums of substances subject to authorization.

6.1.3 • Building relations of confidence with customers and distributors

Every continent, every region of the world has its own olfactory tastes, identity and culture but also its own sensibility and attachment to a brand, and there is thus no single destination.

Interparfums has developed long-lasting relations with its distributors in each of the countries or regions where it operates. More than 60 employees deployed their expertise in France and in more than 100 countries in the service of the distribution of our fragrances.

Every two to three years, Interparfums organizes a seminar over several days for all its distributors from throughout the world. This seminar provides an opportunity to present all the company's brands and products, meet with all distributors and involve them in the Group's development while giving the distributors an opportunity to meet with staff with whom they work closely on a daily basis.

6.2 • Responsibilities toward staff

The Group's employees constitute its most important contributor to creating value. For that reason, their professional fulfillment and motivation are indispensable drivers for our development.

In this context, the principle employment-related challenges are:

- developing a team spirit;
- maintaining a high level of expertise;
- ensuring equal opportunity employment;
- gender equality;
- promoting dialogue between employees and management;
- good working conditions;
- maintaining a proper balance between professional and private life.

6.2.1 • Management and a sense of belonging

With a family-style management culture that is close to its employees, everyone is free to share their ideas in a manner that respects the company's values. Management attaches great importance to ensuring that each employee fully understands and supports the Group's strategy.

Through weekly memos and regular information meetings on business developments and trends, employees are kept up-to-date on expectations of management and the market. The organization's flexibility largely made up of small teams facilitates its continuous adaptation to all changes or evolving external conditions.

This sharing of the "Interparfums" spirit, also entails a commitment to and understanding of its ethical values by each employee, the fulfillment of employees at work and compliance with good working conditions.

This ethical commitment is formalized by a "Code of Good Conduct" to which each employee subscribes, and that is focused in particular on health, safety, discipline, risk management, preventing harassment, respecting individual freedoms, sensitive transactions, fraud and business confidentiality.

In 2017, the Group adopted a Charter relating to the right to disconnect from digital devices that was accepted by each employee.

6.2.2 • Equal opportunity and continually adapting skills

The Human Resources department pays particular attention to ensuring equal opportunity and non-discrimination for each recruitment. Only skills, experience, qualifications and the personality of the candidates are taken into account in the selection process for new employees. This diversity in terms of profiles, culture, age and gender constitutes a decisive strength of its teams, the company's most important asset.

In 2019 women accounted for 72% of Interparfums' workforce (with 58% of management positions occupied by women) compared to 57% in 2018.

To date, the company has no knowledge of the existence of a special administrative decision conferring the status of disabled person *(Reconnaissance de la Qualité de Travailleur Handicapé* or RQTH) among its staff. In 2019, the company entered into an agreement with *"Les papillons de jour"*, France's first communications agency adapted for disabled workers, in order to among other missions, conduct a number of awareness-raising initiatives addressing the issue of disability among its employees. In addition, the company has chosen to use the services of sheltered workshops for disabled workers *(Centres d'Aide par le Travail* – CAT) for gift set packaging. In 2019, work assigned to such facilities represented a budget of €899,217.

In addition, the Group has adopted action plans promoting the employment of seniors and equal opportunity between men and women.

The quality of work performed by the teams is reinforced throughout the career of employees in order to maintain their skills at a high level for all activities and functions. All Interparfums employees are offered individual employee development plans offering opportunities to all to expand their technical, managerial or personal skills. Subjects covered by training programs have concerned mainly language skills, business function-specific training, safety and personal development.

6.2.3 • Health, safety, dialogue between employees and management and working conditions

After implementing the Social and Economic Committee *(Comité Social et Économique* or CSE) in June 2019, a "Occupational Health & Safety" committee was set up along the lines of the previous body, the Health, Safety and Working Conditions Committee. The committee made up of two non-management employees normally meets once per quarter.

Seven occupational accidents were reported in 2019, resulting in short term sick leave. No occupation illness was reported. As Interparfums does not possess manufacturing sites, the risk of occupational accidents is minimized. Furthermore, the Group does not generate hazardous situations.

Working conditions are excellent with most employees working at the head office in Paris. These offices are calm and bright. The company pays particular attention to the issue of good posture in the workplace and the prevention of muscle-skeletal and related risks. Itinerant employees are provided with quality company cars and computer equipment specifically adapted to their needs. Interparfums has also implemented a number of measures designed to good working conditions for employees and service providers, and in particular those working on a regular basis at our logistics warehouse at our logistics warehouse: heating the warehouse at 11°C, individual dressing rooms and shower facilities, natural lighting, natural lighting, blank walls for persons working in standing positions, a dedicated and well-kept meal area…

After drawing up a workplace map no measure job-related duress, no positions were identified falling into this category.

Furthermore, for the prevention of psycho-social risks, a platform providing counseling and psychological support has been available to employees through a special toll-free number in partnership with a specialized organization (IAPR *Institut d'Acccompagnement Permanent Psychologique et de Ressources).*

For employees working in France and as required by law, elections to appoint members of employee representation bodies are held every four years. On that basis, the latest elections held in June 2019 led to the formation of a Social and Economic Committee comprised of five management employees. Destined to meet on a monthly basis, the Social and Economic Committee is informed and consulted on strategic and organizational issues having an impact on Group employees.

6.2.4 • Employment indicators

6.2.4.1 • Compensation and wage increases

Interparfums has a compensation policy, a system of job classifications and performance evaluations applied to all employees. These procedures guarantee the principle of fairness as well as equal treatment of men and women employees. All employees benefit from a combination of fixed and variable incentive compensation benefits linked to the Group's performance.

- Profit-sharing

As required by French law, a statutory employee profit-sharing agreement was implemented in 2001. In April 2015, this agreement was amended following the signature by employee representatives to provide by derogation more advantageous terms to employees, representing an important component of compensation and motivation for all staff and reviewed every year.

- Company savings plan and group pension plan

All the company's employees benefit from a company savings plan which proposes several types of funds corresponding to the specific projects of each. Since 2017, it has adapted its scheme by proposing an Interparfums stock ownership fund allowing employees to take advantage of the growth of the Interparfums share on the basis of favorable tax conditions. The amounts employees pay into this fund are supplemented by an important contribution by the company.

In addition, a group retirement savings plan *(Plan d'Épargne Retraite Collectif* or PERCOL) is available to employees as a vehicle for preparing for their retirement and to which the company contributes significantly. Employees also can transfer a portion of their unused annual vacation days to the group retirement savings plan.

- Supplemental defined contribution retirement plan (Article 83)

Management employees benefit from a supplemental defined-contribution retirement plan. Participation in this plan is mandatory. This individual plan is funded by monthly employee and company contributions, with the breakdown of these latter contributions freely determined. The company has decided to assist its employees in financing this supplemental retirement benefit, by assuming an important percentage of these contributions itself.

- Employee share ownership/Restricted stock awards

In addition, to promote employee stock ownership, in September 2016 and then in December 2018 the company implemented two performance share plans for all employees for nearly 1% of the share capital.

6.2.4.2 • Absenteeism

The absenteeism rate, a key indicator for measuring employee engagement and motivation, is very low: 2.27% in 2019 (3.56% in 2018). Adjusted to exclude maternity leave, the absenteeism rate is 1.04% (1.96% in 2018).
(French workforce reporting boundary only).

6.2.4.3 • Staff organization and management

The strength of the Group's organizational model is based on teams with a human scale and the homogeneous breakdown in terms of ages and levels of responsibility which allows the Group to benefit from a wide mix of backgrounds and an extremely flexible organization.

- Headcount by function/division

Number of employees at	12/31/2018	12/31/2019
Executive Management	2	4
Production & Logistics	43	48
Marketing	55	62
Export	71	77
France	44	41
Finance & Corporate Affairs	54	61
Rochas fashion	7	7
Total	**276**	**300**

- Headcount by geographic region

Number of employees at	12/31/2018	12/31/2019
France	206	218
North America	55	64
Asia	15	18
Total	**276**	**300**

- Headcount by age

Number of employees at	12/31/2018	12/31/2019
Less than 25 years	10	9
Between 25 and 35 years	93	111
Between 36 and 45 years	94	89
Between 46 and 55 years	51	62
Geater than 55 years	28	29
Total	**276**	**300**

The average age for the Group employees is 40.

- Change in headcount

The turnover rate for 2019 was 12% compared to 17% in 2018.

The average seniority of Group employees is 8.8 years.

6.3 • Respecting the environment and social responsibility

Even though the Group does not directly manage industrial sites, it is nevertheless involved in developing an environmentally responsible strategy in partnership with its subcontractors and suppliers, focusing notably on the following areas:

– the choice of techniques and materials;
– recycling and waste elimination measures;
– reducing CO_2 emissions from transport.

It also intervenes in the civil society in the following areas:

– developing the local economy;
– relations with schools and educational establishments;
– financing voluntary sector initiatives.

6.3.1 • Production and the environment

The Group's headquarters is in the center of Paris. All Group staff are employed in countries with favorable labor legislation (France, the United States and Singapore) which respect International Labor Organization (ILO) conventions.

The Group does not exercise and industrial activity and the entire production process is outsourced to manufacturing partners with optimal expertise and accountable leadership in their respective areas. These include producers of juice, glass, caps and cardboard boxes and packaging companies. The Group takes environmental issues into account at each of these phases, and in particular regarding the choice of materials used for components, waste management and reducing the carbon footprint.

The production facilities of subcontractors and suppliers of raw materials, packaging services as well as warehousing facilities for finished products are located primarily in the Haute Normandie region of France. The activity generated by Interparfums contributes to developing the local economy.

At every stage of the purchasing process, the company seeks to determine the precise needs and considers the requirement of limiting sources of unnecessary costs:

– reducing waste, in particular at the phases of production, consumption and the end of the product life;
– recycling subpar production, notably at the production phase;
– repairing to increase the lifespan of materials or products (in particular the palettes).

6.3.1.1 • The storage facility and the environmental footprint

The Group uses for its logistics needs an HQE (High Environmental Quality) certified warehouse. This certification concerns notably improved insulation, a lighting system with presence-detectors, Ecolabel finishing materials, centralized technical management for energy controls, rainwater recovery, high-performance waste separation collection installations, etc.

The company regularly monitors energy and water consumption indicators to assess possibilities for improving energy efficiencies in the area of lighting, heating and air-conditioning for the entire warehousing site, for example by adjusting ventilation flows and using a program that reduces heating and ventilation over weekends.

With this objective, measures are planned to automatically turn off lights in the warehouse when employees are taking outside breaks and maintain the warehouse temperature at 11°. These energy savings initiatives include measures providing for managing the hours for reloading the electric forklifts during non-peak hours during the night, requiring low consumption for a maximum of 280,000 kW instead of 600,000 kW during the day. Monthly reports on electricity consumption are prepared, allowing the company to analyze the causes for overconsumption, when applicable, in order to take corrective actions as applicable. The measurement of energy consumption highlighted stable levels for electricity and gas over the last four years, whereas water consumption has on average declined marginally. Finally, in the spirit of contributing to protecting the environment, the company has installed parking places at the logistic site for bicycles and electric recharging stations for cars.

By strategically located its warehouse at the crossroads for its subcontractors, the Group has reduced distances for shipments of finished products.

Measures undertaken in collaboration with the warehouse and trade goods shipping manager, within the framework of the improvement and optimization of shipments between production sites and the logistics platform have contributed to reducing the number of back-and-forth trips for trucks.

In the area of transport to distributors, the Group uses road transport for France and Europe and maritime transport for the Americas, Asia and the Middle East. Use of air transport is very limited and reserved only for urgent situations where no other solutions are available. Certain promotional materials manufactured in Asia are shipped directly to Asian an American distributors without being imported and stored in France.

In addition, in 2018 the group put into service a new warehouse located in Singapore to promote the use of short channels within the Asia Pacific region. This warehouse makes it possible to maintain a permanent inventory in this region and, in this way, encourages the use of maritime transport for goods shipped from France to Asia.

6.3.1.2 • Production and waste management

Measures to prevent environmental risks and pollution involve firstly the choice of techniques and materials.

To reduce the impacts of its activities, a water-soluble solution in part biodegradable that does not harm the environment is used in the coloring of some of its bottles. For the remainder of the product lines, the coating process provides for the gradual elimination of solvent-based coatings and the progressive adoption of hydro-coating for all the company's products, in compliance with the law of 2005 for reducing emissions of Volatile Organic Compounds (VOC) in the air. In addition, certain sub-contractors for glass making have electrostatic air filters to reduce dust and smoke emissions in addition to wastewater recycling.

The Group has in addition eliminated thermosetting plastics from its line of bath and body care products in favor of recyclable plastic.

To balance product quality and aesthetics with environmental considerations, the Group takes care to reduce packaging volumes and select the appropriate materials at each stage of production to ensure optimal conditions for their recycling or disposal.

The manufacture of bottles using recyclable glass provides for a system for recovering, grinding and recasting certain bottle components, which generates savings in volume of materials used of 20%. Indicators in place since 2013 for tracking wastage have improved the Group's ability to monitor wastage rates by glass bottle decorators. Its first objective is to apply a continuous improvement approach and reduce rates of wastage over the long term. The second objective is to succeed in reducing this wastage and reintroduce bottles back into the manufacturing cycle.

In addition, the company has adopted procedures for recovering waste from subcontractors originating from surplus production or components of discontinued products. The recovered waste is then sorted for the purpose of their elimination.

The Group has also rationalized the bulk and secondary packaging (product boxes and perfume sets) in order to optimize the palletizing process, reduce the purchase of cardboard packaging materials and reduce volumes transported by decreasing the amount of empty space. The company henceforth requires a minimum number of palettes per truck.

Finally, cardboard packaging materials for testers 100% recyclable.

6.3.2 • Relations with not-for-profits and educational establishments

6.3.2.1 • Donations and sponsorship initiatives

The Group contributes to volunteer-sector organizations intervening in the areas of solidarity, childhood, combating exclusion and promoting health, by providing financial assistance to support their projects and initiatives.

In 2019, Interparfums renewed its support for communities producing essential patchouli oil of Indonesia, used in the manufacture of its products. Through the Givaudan Foundation, Interparfums provided support to three schools for the management of their libraries established in 2018 on the island of Sulawesi. This initiative benefited nearly 800 students and 30 teachers. This initiative also provides for creating two additional libraries on the same island in 2020.

In 2019, funding of sponsorship initiatives amounted to €260,000.

6.3.2.2 • Educational establishments

Keen to share its experience and train future generations, the Group is a regular contributor, particularly in the fields of marketing and finance, at different leading schools (business schools, Sciences Po, École supérieure de parfumerie…).

Interparfums also regularly welcomes interns within the Group.

7 • Dividends

Since 1998, the company has adopted a policy of distributing dividends that today represents more than 65% of consolidated earnings to reward shareholders while at the same time associating them with the Group's expansion. In early May 2019, a dividend of €0.71 per share was paid or a total of €30.3 million.

Dividends

Dividend for fiscal year: Paid in:	**2015** 2016	**2016** 2017	**2017** 2018	**2018** 2019
Dividend per share	€0.50	€0.55	€0.67	€0.71
Dividend adjusted for bonus share issues	€0.34	€0.41	€0.55	€0.64
Annual change for the adjusted dividend	25%	21%	35%	17%

NB: This information is not part of the management report approved by the Board of Directors on March 2, 2020.

Due to the impact of the above pandemic on the Group's business and the absence of visibility regarding the resumption of activity, the Board of Directors decided not to distribute a dividend for the year ended December 31, 2019.

The future dividend policy will depend on a number of factors, and notably results achieved, the Group's financial position as well as market conditions.

8 • Purchases by the company of its own shares

In compliance with article 241-1 *et seq.* of the AMF General Regulation, this paragraph describes the share buyback program that will be submitted for authorization to the shareholders' Meeting of April 24, 2020.

8.1 • Purpose of the new share repurchase authorization

The shareholders meeting of April 24, 2020 is called to renew through its eleventh resolution the authorization granted to the Board of Directors to purchase and sell shares of the company for the following purposes:

– market making in the secondary market or ensuring the liquidity of the Interparfums share with an investment services provider through a liquidity agreement complying with the conduct of business rules of the French association of financial market professionals (AMAFI) recognized by the AMF;
– retaining shares purchased for subsequent use in exchange or as payment for acquisitions;
– ensuring sufficient shares are available to cover bonus share plans (or equivalent plans) to the benefit of employees and/or corporate officers of the Group as well as all share grants in connection with a company or group employee savings plan (or equivalent plan), employee profit-sharing schemes and/or all other forms of share grants to employees and/or corporate officers of the Group;
– ensuring that sufficient shares are available to cover requirements for securities granting entitlement to shares of the company in accordance with applicable regulations;
– canceling shares purchased, in accordance with the authorization by extraordinary resolution eleven of this shareholders' Meeting.

8.2 • Maximum percentage of capital – Maximum purchase price

Excerpt of the tenth resolution submitted for approval to the shareholders meeting of April 24, 2020:

The General Meeting, having reviewed the Board of Directors' report, grants an authorization for eighteen months in accordance with the provisions of articles L.225-209 *et seq.* of the French Commercial Code, to purchase, on one or more occasions at times of its choosing up to 5% shares of the company making up the share capital, where applicable adjusted to take into account increases or reductions in the share capital that may be carried out during the period the share buyback authorization is in force.

The maximum purchase price is €50 per share. In the case of equity transactions including notably stock splits or reverse stock splits or bonus share grants, the amount indicated above will be adjusted in the same proportions (with the multiplier being equal to the ratio between the number of shares making up the share capital before the transaction and the number of shares thereafter).

The maximum amount for the purchase of shares under this authorization is €118,155,475.

8.3 • Duration of the share buyback program

In compliance with the provisions of the tenth resolution to be submitted to the shareholders meeting of April 24, 2020, the authorization to implement this share buyback program is granted for 18 months from the date of this meeting or no later than October 24, 2021.

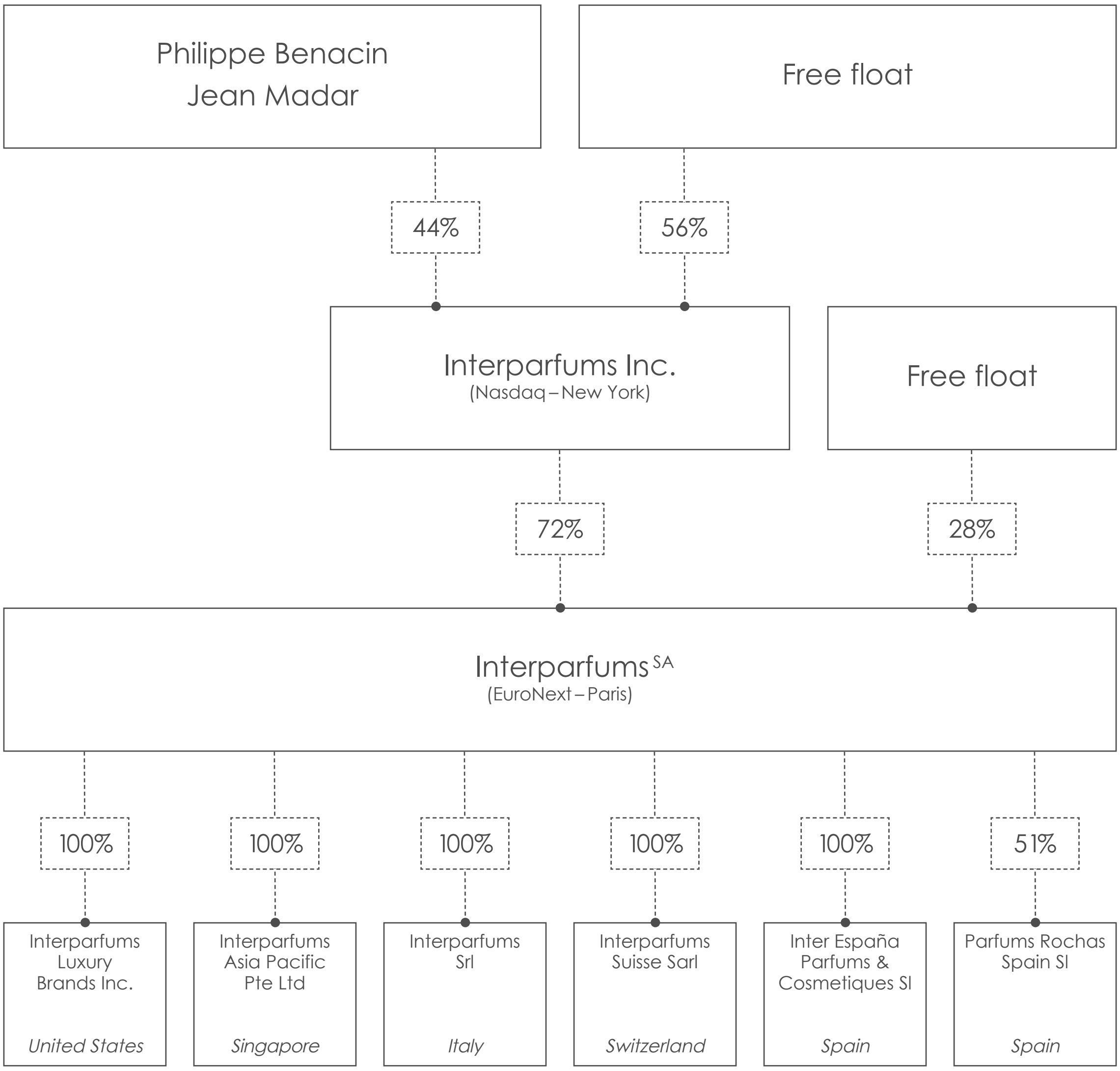
If one of the characteristics of the description of this program is modified during the period of its duration, the public shall be notified of this modification in accordance with the provisions set forth in article L.212-13 of the AMF General Regulation.

8.4 • Summary of the previous share buyback program

Transactions for 2019 under the share buyback program are described in note 3.9.3 "Treasury shares" to the consolidated financial statements.

9 • Group organization

The shareholder base of Interparfums Inc. at December 31, 2019 was as follows:



German subsidiary GMBH was deconsolidated on December 31, 2019, the winding up operations have been completed and the company's removal from the trade register is in progress.

Detailed information on the percentage of voting rights is provided in section 2.3 "Breakdown of share capital and voting rights" and chapter 4 " Shareholder information".

10 • Market share and competition

10.1 • Market share

In France, Interparfums attained roughly a 2% share of the selective distribution market of prestige perfumes. In certain countries such as the United States, the United Kingdom, Russia or China, the company estimates its market share of total French perfume imports at between 1% and 4%.

The worldwide fragrance market is estimated at approximately €25 million.

Source: Internal estimates.

10.2 • Competition

Interparfums operates in a sector dominated by ten major historic players in the perfume and cosmetics market that have fragrance divisions with billions of euros in sales. There exist around ten mid-size players like Interparfums also operating in this segment with sales ranging between €100 million and €1 billion.

The main groups operating in this sector are L'Oréal, Coty or Shiseido for licensed brands and LVMH, Estée Lauder, Chanel, Puig and Clarins for own brands.

While Interparfums has also developed a brand portfolio in the luxury universe, it has adopted a markedly different approach with a business model based on methodical long-term development focused on creation and building customer loyalty rather than volume and advertising.

11 • Post-closing events

None.

NB : Cette information ne fait pas partie du Rapport de gestion arrêté par le Conseil d'administration du 2 mars 2020.

Following the emergence of the Covid-19 epidemic, the Group included a paragraph on the impact of this health crisis in Chapter 3 "Risks factors" as well as Chapter 12 "Outlook" of Part 1 of the "consolidated report".

Financial and employee-related information published by the company since the closing date of the accounts by the Board of Directors and the filing date of this Universal Registration Document, describing the impacts of the epidemic on the company, are reproduced in full in Part 5 "Quarterly financial information and recent disclosures".

12 • 2020 outlook

NB: This information is not part of the management report approved by the Board of Directors on March 2, 2020.

In line with expectations, the Group target was met in 2019 with organic growth in sales of €30 million. The Group achieved record performances both for sales and earnings with the operating and net margins attaining high levels. As a result of its very flexible business model and the considerable strength of its balance sheet, despite the current period of market uncertainties, it remains confident in its outlook for the years ahead.

In the context of a global health crisis of unprecedented proportions, even though we have started to see some signs of recovery from several countries in Asia, business in 2020 will nevertheless be significantly affected by the current situation. The progressive resumption of our operations will depend on the gradual reopening of the network of selective perfumeries, particularly in the United States and Europe. In 2020, in addition to adapting the launch plan timetable for new lines, the company is taking all possible measures to adjust its expenses to the current situation. The operating cost structure, of which variable costs account for two thirds, will make it possible to effectively adjust expenses to sales.

Uncertainties about the development and duration of the current pandemic prevent the Group from evaluating with precision the impact of this crisis on its results.

For that reason, in its press release of March 2, 2020, the company withdrew its guidance for the year in progress that was issued with the publication of the 2019 results. (see Part 5 "Quarterly financial information recent disclosures").

2

Consolidated financial statements

Consolidated income statement

€ thousands *except per share data which is in units*	Notes	2018	2019
Sales	4.1	**455,342**	**484,260**
Cost of sales	4.2	(161,097)	(175,441)
Gross margin		**294,245**	**308,819**
% of sales		*64.6%*	*63.8%*
Selling expenses	4.3	(210,458)	(216,978)
Administrative expenses	4.4	(17,599)	(18,772)
Operating profit		**66,188**	**73,069**
% of sales		*14.5%*	*15.1%*
Financial income		2,440	2,090
Interest and similar expenses		(1,141)	(1,199)
Net finance costs		**1,299**	**891**
Other financial income		5,058	4,288
Other financial expense		(4,996)	(5,095)
Net financial income (expense)	4.5	**1,361**	**84**
Income before income tax		**67,549**	**73,153**
% of sales		*14.8%*	*15.1%*
Income tax	4.6	(19,888)	(22,057)
Effective tax rate		29.4%	30.2%
Net income		**47,661**	**51,096**
% of sales		*10.5%*	*10.6%*
Attributable to non-controlling shareholders		**511**	**463**
Net income		**47,150**	**50,633**
% of sales		*10.4%*	*10.5%*
Net earnings per share [1]	4.7	1.14	1.12
Diluted earnings per share [1]	4.7	1.14	1.12

(1) Restated for bonus share grants.

Consolidated statement of comprehensive income and expense

€ thousands	2018	2019
Consolidated net profit for the period	**47,661**	**51,096**
Available-for-sale assets	-	-
Currency hedges	184	(153)
Deferred tax arising from items able to be recycled	(63)	53
Items able to be recycled in profit or loss	**121**	**(100)**
Actuarial gains and losses	512	(33)
Deferred taxes on items unable to be recycled	(176)	11
Items unable to be recycled in profit or loss	**336**	**(22)**
Other comprehensive income total	**457**	**(122)**
Comprehensive income for the period	**48,118**	**50,974**
Attributable to non-controlling shareholders	511	463
Attributable to equity holders of the parent	**47,607**	**50,511**

Consolidated balance sheet

Assets

€ thousands	Notes	2018	2019
Non-current assets			
Net trademarks and other intangible assets	3.1	155,813	154,979
Net property, plant, equipment	3.2	6,495	7,081
Right-of use assets	3.3	-	11,038
Long-term investments	3.4	10,674	2,862
Other non-current financial assets	3.4	3,566	3,066
Deferred tax assets	3.12	8,286	9,556
Total non-current assets		**184,834**	**188,582**
Current assets			
Inventory and work-in-progress	3.5	100,700	106,469
Trade receivables and related accounts	3.6	91,806	93,700
Other receivables	3.7	5,639	5,580
Corporate income tax		918	1,003
Current financial assets	3.8	59,276	54,045
Cash and cash equivalents	3.8	153,696	151,624
Total current assets		**412,035**	**412,421**
Total assets		**596,869**	**601,003**

Shareholders' equity & Liabilities

€ thousands	Notes	2018	2019
Shareholders' equity			
Share capital		128,897	141,787
Additional paid-in capital		-	-
Retained earnings		268,551	270,409
Net income for the year		47,150	50,633
Equity attributable to parent company shareholders		**444,598**	**462,829**
Non-controlling interests		1,642	1,609
Total shareholders' equity	3.9	**446,240**	**464,438**
Non-current liabilities			
Provisions for non-current commitments	3.10	8,363	9,338
Non-current borrowings	3.11	10,144	-
Non-current lease liabilities	3.11	-	8,297
Deferred tax liabilities	3.12	2,632	2,604
Total non-current liabilities		**21,139**	**20,239**
Current liabilities			
Trade payables and related accounts	3.13	74,013	63,664
Current borrowings	3.11	20,223	10,018
Current lease liabilities	3.12	-	3,334
Provisions for contingencies and expenses	3.10	904	178
Income tax		3,325	4,569
Other liabilities	3.13	31,025	34,563
Total current liabilities		**129,490**	**116,326**
Total shareholders' equity and liabilities		**596,869**	**601,003**

Statement of changes in consolidated shareholders' equity

€ thousands	Number of shares	Share capital	Paid-in capital	Other compre-hensive income	Retained earnings and income	Total equity: Group share	Total equity: Non-controlling interests	Total equity: Total
As of December 31, 2017 (1)	**38,878,263**	**117,179**	**-**	**(1,454)**	**306,078**	**421,803**	**1,425**	**423,228**
Bonus share issues	3,905,966	11,718	-	-	(11,718)	-	-	-
2018 net income	-	-	-	-	47,150	47,150	511	47,661
Change in actuarial gains and losses on provisions for pension obligations	-	-	-	336	-	336	-	336
Remeasurement of financial instruments at fair value	-	-	-	121	-	121	-	121
2017 dividend paid in 2018	-	-	-	-	(26,060)	(26,060)	(294)	(26,354)
Treasury shares	(51,560)	-	-	-	(347)	(347)	-	(347)
Currency translation adjustments	-	-	-	-	1,595	1,595	-	1,595
As of December 31, 2018 (1)	**42,732,669**	**128,897**	**-**	**(997)**	**316,698**	**444,598**	**1,642**	**446,240**
Bonus share issues	4,296,562	12,890	-	-	(12,890)	-	-	-
2019 net income	-	-	-	-	50,633	50,633	463	51,096
Change in actuarial gains and losses on provisions for pension obligations	-	-	-	(22)	-	(22)	-	(22)
Remeasurement of financial instruments at fair value	-	-	-	(100)	-	(100)	-	(100)
2018 dividend paid in 2019	-	-	-	-	(30,325)	(30,325)	(294)	(30,619)
Changes in Group structure of consolidated operations	-	-	-	-	-	-	(202)	(202)
Treasury shares	26,218	-	-	-	(2,932)	(2,932)	-	(2,932)
Currency translation adjustments	-	-	-	-	977	977	-	977
As of December 31, 2019 (1)	**47,055,449**	**141,787**	**-**	**(1,119)**	**322,161**	**462,829**	**1,609**	**464,438**

(1) Excluding treasury shares.

Statement of cash flows

€ thousands	**2018**	**2019**
Cash flows from operating activities		
Net income	47,661	51,096
Depreciation, amortization and other	9,478	15,298
Net finance costs	(1,299)	(891)
Tax charge of the period	19,888	22,057
Operating cash flows	**75,728**	**87,560**
Interest expense payments	(1,447)	(1,300)
Tax payments	(18,981)	(20,095)
Cash flow after interest expense and tax	**55,300**	**66,165**
Change in inventory and work in progress	(11,408)	(8,757)
Change in trade receivables and related accounts	(15,969)	(2,003)
Change in other receivables	4,718	(197)
Change in trade payables and related accounts	8,704	(9,746)
Change in other current liabilities	8,394	4,001
Change in working capital needs	**(5,561)**	**(16,702)**
Net cash flows provided by (used in) operating activities	**49,739**	**49,463**
Cash flows from investing activities		
Net acquisitions of intangible assets	(1,085)	(2,001)
Net acquisitions of property, plants and equipment	(2,463)	(3,160)
Net acquisitions of marketable securities (>3 months)	(517)	4,784
Changes in investments and other non-current assets	(7,335)	8,312
Net cash flows provided by (used in) investing activities	**(11,400)**	**7,935**
Financing activities		
Issuance of borrowings and new financial debt	-	-
Debt repayments	(20,000)	(20,000)
Discharge of lease liabilities	-	(3,752)
Dividend payments to shareholders	(26,060)	(30,325)
Capital increases	-	-
Treasury shares	(1,408)	(5,393)
Net cash flows provided by (used in) financing activities	**(47,468)**	**(59,470)**
Change in net cash	**(9,129)**	**(2,072)**
Cash and cash equivalents, beginning of year	162,825	153,696
Cash and cash equivalents, end of year	**153,696**	**151,624**

The reconciliation of net cash breaks down as follows:

€ thousands	**2018**	**2019**
Cash and cash equivalents	153,696	151,624
Current financial assets	59,276	54,045
Net cash and current financial assets	**212,972**	**205,669**

Notes to the consolidated financial statements

Annual highlights

February

Launch of the *Montblanc Explorer* line

Montblanc Explorer is an invitation to a fantastic journey, an irresistible call for adventure. This unconventional woody-aromatic-leather Eau de Parfum reveals an Italian Bergamot, contrasted by a rich Vetiver from Haiti and an exclusive Patchouli from Sulawesi.

Launch of the *Jimmy Choo Floral* line

Subtle yet luminous, sophisticated yet urban, a radiant expression of femininity and a symphony of floral, fruity and musky notes.

Launch of the *Mademoiselle Rochas Couture* line

Mademoiselle Rochas reinvents her original signature to become *Couture*: a refined, elegant Eau de Parfum.

April

Launch of the *Coach Floral Blush* line

An airy and colorful scent associating sparkling notes create a sensual, bold fragrance.

May

Launch of the Lanvin *A girl in Capri* line

A luminous and fruity cocktail combining notes of sparkling citrus and pink pepper capturing the sunshine and refreshing sea breeze of Capri.

Launch of the *Boucheron Quatre en Rouge* line

Quatre en Rouge, launch of a bold fragrance. With a permeating and reassuring trail hiding an irresistible power of attraction and seduction.

Dividend

A dividend of €0.71 per share was paid for fiscal 2018 in early May 2019, a 17% increase from 2017, in light of the bonus issue of June 2018.

June

Bonus share issue

The company proceeded with its 20th bonus share issue on the basis of one new share for every ten shares held.

New license agreement

In early June, the global life and style brand, Kate Spade New York and Interparfums SA announced the signature of a 10 ½ year exclusive worldwide fragrance license agreement to create, produce and distribute perfumes for the brand beginning in fall 2020.

September

Launch of the *Jimmy Choo Urban Hero* line

Jimmy Choo Urban Hero is a woody aromatic Eau de Parfum inspired by the urban environment. It celebrates the intensity and contrasts of modern masculinity, working the codes of street art.

October

Interparfums is included in the Gaïa index

Interparfums was ranked 11th in the 2019 campaign of the Gaia Rating agency which assesses the Environmental Social and Governance (ESG) performances of the top 70 French SMEs and mid-tier firms in the category of companies "with revenue between €150 and €500 million".

Launch of the *Rochas Byzance* line

The rebirth of *Byzance* for a new era. A new feminine and sensual launch where the power of seduction and pleasure come together to create a modern-day fairytale.

1 • Accounting principles

1.1 • Compliance statement

In accordance with EC regulations 1606-2002 of July 19, 2002 on international accounting standards, the 2019 consolidated financial statements of Interparfums are established in compliance with IAS/IFRS (International Accounting Standards/International Financial Reporting Standards) applicable since 2005 as endorsed by the European Union.

Financial information presented herein is based on:

– IFRS standards and interpretations subject to mandatory application;
– Options retained and exemptions used by the Group for the preparation of IFRS consolidated financial statements.

The consolidated financial statements at December 31, 2019 were adopted by the Board of Directors on March 02, 2020. They will become definitive after having been approved by the ordinary general Meeting of April 24, 2020.

1.2 • Changes in accounting standards

Furthermore no standards, amendments or interpretations currently under review by IASB and IFRIC were applied in advance in the financial statements for the period ending December 31, 2019.

The following standards, amendments or interpretations that entered into effect on January 1, 2019 were applied by the company in preparing its consolidated financial statements for the six-month period ended December 31, 2019.

• IFRS 16 – Leases

The main lease agreements identified which are required to be recognized in the balance sheet under assets are the premises of the Paris headquarters, the New York and Singapore offices and the Rouen warehousing facility.

In application of IFRS 16, all lease agreements are now recognized on the balance sheet as a right to use an asset (right-of-use asset) and a liability corresponding to the present value of future payments.

With respect to these terms, the Company has applied the longest possible term, including options for renewal for the lessee, based on the intention for the continued use the premises.

• The gross value of right-of-use assets on that basis amounted to €14.6 million (see note 3.3)

For the application of this standard, Interparfums Group elected as transition option to adopt the modified retrospective transition approach. Comparative financial statements for prior years are not restated.

Under this transition method, the cumulative effect of initially applying the standard is recognized as an adjustment to opening equity while measuring the right-of-use asset at an amount equal to the lease liability, adjusted for any lease payments made at or before the commencement date and prepayments and benefits received from lessors.

The initial impacts of IFRS 16's first-time application on the balance sheet were as follows:

– recognition of right-of-use assets and lease liabilities;
– the reclassification of assets and liabilities recognized under existing finance leases at December 31, 2018 (vehicle leases);
– the reclassification of deferred lease payments as a deduction from right-of-use assets.

In addition, the following simplification measures were applied to the transition:

– leases of assets representing a low unit value or a short lease term (less than 12 months as from January 1, 2019) are not recognized in the balance sheet as an asset and liability and were instead recorded as expenses;
– the present values applied on the transition date are based on market rates, country by country and according to both the term of each of lease and also the payment schedule to which is added a spread for the purpose of taking into account the specific economic environments of each country, whereby the Group cannot apply the incremental borrowing rate in light of its limited debt.

The reconciliation between debt recorded under "lease liabilities" and items presented under off-balance sheet commitments at December 31, 2018 on that basis broke down as follows:

€ thousands

Off balance sheet commitments at December 31, 2018	**17,882**
Lease period adjustments	(98)
Contract expiring in the period	(6,144)
New contracts	4,129
Discounting of debt at present value	(589)
Off balance sheet commitments at December 31, 2019	**15,180**

• IFRIC 23 – Uncertainty over income tax treatments

In recent years, Interparfums SA has been subject to tax audits concerning notably, on two occasions, the activity of Interparfums Suisse, without however calling into question the legal basis for this company.

However, in 2018 tax authorities raised questions about the potential tax in France of all or part of the earnings generated by Interparfums Suisse. Because the territoriality of this company had never, at any time, been challenged, Interparfums SA did not consider recording a provision for tax contingencies in the financial statements for the period ended December 31, 2018 to be necessary.

In February 2020, the French tax authorities chose to continue their investigations by conducting a new audit focusing on the same subject and the same period.

Based on the conclusions of its attorneys and legal and tax advisors, considering it to be within its rights, the company did not modify its position and in consequence has still not recorded a provision for tax contingencies for this matter in its accounts for the period ended December 31, 2019.

The company has not identified any other uncertainties which could affect taxable income, tax bases or the tax rate.

Changes in accounting standards:

The following standards, amendments or interpretations that entered into force on January 1, 2019 have been studied and are without impact on the consolidated financial statements for the period ending 31 December 2019:

– amendments to IAS 19 "Plan amendment, curtailment or settlement";
– annual improvements (2015-2017 cycle).

1.3 • Basis of consolidation

Interparfums SA		**Controlling interest** *(%)*	**Ownership interest** *(%)*
Interparfums Suisse Sarl	Switzerland	100%	100%
Inter España Parfums et Cosmetiques Sl	Spain	100%	100%
Parfums Rochas Spain	Spain	51%	51%
Interparfums Srl	Italy	100%	100%
Interparfums Luxury Brands	United States	100%	100%
Interparfums Asia Pacific pte Ltd	Singapore	100%	100%

The procedures to wind up the German subsidiary Interparfums GMBH have been completed and the company's removal from the trade register is in progress. It was deconsolidated in consequence on December 31, 2019.

Subsidiaries' financial statements are prepared on the basis of the same accounting period as the parent company. The fiscal year covers the 12 month period ending on December 31.

All Group subsidiaries are fully consolidated.

1.4 • Translation method

The company's operating currency and currency for the presentation of financial statements is the euro.

Transactions in foreign currencies are translated at the exchange rate in effect on the date of the transaction. Payables and receivables in foreign currency are translated at the exchange rate in force on December 31, 2019. Translation losses and gains arising from the conversion of accounts denominated in foreign currencies on December 31, 2019 are recorded in the income statement. Hedged transactions are translated at the negotiated exchange rate.

The main exchange rates applied for the translation of subsidiaries' accounts in relation to the euro are as follows:

	Closing exchange rate		**Average exchange rate**	
Currency	**2018**	**2019**	**2018**	**2019**
US dollar (USD)	1.145	1.1234	1.1810	1.1195
Singapore dollar (SGD)	1.5591	1.5111	1.5926	1.5273
Swiss franc (CHF)	1.1269	1.0854	1.1550	1.1124

1.5 • Use of estimates

The preparation of consolidated financial statements requires the use of estimates and assumptions for the valuation of certain balance sheet and income statement balances. These concern primarily the valuation of intangible assets, amounts to be set aside for provisions for contingencies and expenses and provisions for inventory losses. Although these estimates are based on management's best knowledge of current events and situations, actual results may ultimately differ from these estimates.

1.6 • Sales

Revenue includes principally ex-warehouse sales to distributors and agents and direct sales to retailers for the portion realized by Group subsidiaries.

Revenue from perfume and cosmetics products is presented net of all forms of discounts and rebates.

Revenue is recognized on the basis of conditions of transfer to the buyer of the risks and rewards incident to ownership. Amounts invoiced at year-end when the actual transfer of title occurs in the following year are not recognized under revenue of the year in progress.

1.7 • Trademarks and other intangible assets

Trademarks and other intangible fixed assets, including trademarks under licensing contracts and acquired trademarks are recorded at cost. These legally protected trademarks are classified as indefinite life intangible assets and are not amortized.

Finite life intangible assets such as upfront license fees are amortized on a straight-line basis over the duration of the license.

Rights on molds for bottles and related items are classified as finite life intangible assets and amortized over a period of between three and five years.

Licenses and upfront license fees are remeasured whenever there is any indication of impairment. Their recoverable value is determined according to the discounted cash flow method defined as the present value of estimated future cash flows expected to arise from the continuing use of these assets calculated according to their estimated or actual length. Data used originates from the annual and multi-year budgets for duration of the license agreements drawn up by Management.

Own brands are also tested for impairment at least once a year by comparing their net carrying value with their recoverable value. The recoverable value represents the higher of fair value less costs to sell and its value in use on the basis of the present value of estimated future cash flows derived from five year budgets discounted to infinity.

A provision for impairment is recorded if this value is lower than the carrying value.

The discount rate before tax applied for remeasurement is the weighted average cost of capital (WACC) of 7.94% at December 31, 2019 compared to 6.21% at December 31, 2018. This ratio is determined on the basis of a negative long-term interest rate of 0.05% corresponding to the average rate for 10-year OAT French fungible treasury bonds of the last quarter, the rate expected by an investor in this sector and the specific risk premium for this sector. The perpetuity growth rate used is 1.40% at December 31, 2019 and 1.85% at December 31, 2018.

Costs generated on acquisition analyzed as directly attributable costs are included in the cost of the acquired assets.

Other intangible assets are amortized over their useful lives and subject to impairment testing when an indication of impairment exists.

All license agreements provide for international rights of use. Other intangible assets, in particular rights on molds for bottles are mainly used in France by our subcontractors.

1.8 • Property, plant and equipment

Tangible fixed assets are valued at cost (purchase price plus acquisition-related costs) and depreciated over their estimated useful lives on a straight-line basis (2 to 5 years). Tangible fixed assets include molds for caps.

The majority of tangible fixed assets are used in France.

1.9 • Inventory and work-in-progress

Inventories are valued at the lower of cost or probable resale value. A provision for impairment is recorded when their probable resale value is lower than the carrying value.

The cost of inventories of raw materials and supplies is valued on the basis of average weighted prices.

The cost of finished products includes the cost of materials used, production expenses and a share of indirect costs valued at a standard rate.

At the end of every year, these standard rates are compared with the effective rate obtained based on actual figures at year-end.

1.10 • Other non-current financial assets

Because they are destined to be held for more than one year, all Group marketable securities have been classified as "Available-for-sale financial assets" and presented in "Non-current financial assets".

Marketable securities on initial recognition are recorded at cost and subsequently remeasured at fair value corresponding to the market value at the end of each period.

Gains and losses on "available-for-sale financial assets" are recorded at year-end in equity. However, a significant or prolonged decline in fair value below the cost value of the securities would be recognized in profit or loss.

In addition, the line item "non-current financial assets" also includes a royalties advance on the Karl Lagerfeld license agreement that is charged against future royalties every year. This advance was remeasured at present value according to the amortized cost method over the license agreement's term and the corresponding offset is recognized by increasing the amortization of upfront license fees.

1.11 • Receivables

Accounts receivable are recorded at face value. A provision for impairment is recorded on a case-by-case basis when the probable recovery value is deemed to be less than the carrying value.

1.12 • Deferred tax

Timing differences between the tax base of consolidated assets and liabilities and tax on restatements on consolidation give rise to the recognition of deferred taxes under the liability method based on the known year-end tax conditions.

Potential tax savings resulting from loss carry forwards are recorded under deferred tax assets only when their use in the short term is deemed likely, and subject to depreciation when appropriate, are maintained in the balance sheet.

1.13 • Current financial assets

Current financial assets consist of investments in the form of certificates of deposits, term deposits, capital redemption contracts or any other vehicles having maturities of more than three months.

1.14 • Cash and cash equivalents

The item "Cash and cash equivalents" includes marketable securities and cash at bank and in hand that consist of highly liquid investments with maturities of less than three months readily convertible to a known cash amount and subject to an insignificant risk of changes in value.

1.15 • Treasury shares

Interparfums shares held by the Group are recorded as a deduction from equity at cost.

If sold, the proceeds are recorded directly under equity net of tax.

1.16 • Provisions for contingencies and expenses

• Retirement severance benefits

This reserve is maintained to honor employee pension benefit commitments and corresponds to the present value of the payments to which employees are entitled, under the collective bargaining agreement, once they retire.

For the measurement of retirement severance benefits, Interparfums has adopted the procedure for voluntary severance agreements introduced by Ordinance 2017-1387 published in the French Official Journal of September 23, 2017 and Decree 2017-1398 published in the French Official Journal of September 26, 2017. This procedure provides for the systematic signature of a severance agreement by the employer and the employee specifying the terms and conditions of the termination. Because the method in force prior to the end of the reporting period involved compulsory retirement, the impact of this change in the assumptions used for calculation was recognized under past service costs. The projected unit credit was applied. This method takes into account rights and wages projected to term, the probability of payment as well as the prorated amount of seniority so that commitments correspond to the value of service already rendered by employees.

Accordingly, the calculation of commitments for severance benefits involves estimating the probable present value of projected benefit obligations (PBO), i.e. the rights of employees at the time of departure taking into account the probability of departure and death of the employees before term as well as the impact of revaluations and discounts. This projected benefit obligation is then prorated to take into account the seniority of the employees of the company on the calculation date.

• Provisions for other contingencies and expenses

A provision is recognized when the company has a present obligation (legal or constructive) as a result of a past event when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and a reliable estimate can be made of the amount of the obligation.

1.17 • Financial instruments

Derivative financial and hedging instruments are used by the Group to reduce exposure to interest rate and foreign exchange risks. Such instruments are not used for speculative purposes.

• Currency hedges

The company has recourse to forward exchange contracts and cash flow hedges put into place at the time receivables or payables are recognized. These contracts have maturities of three to six months according to the maturities of the corresponding receivables and payables in foreign currencies (primarily the US dollar and Sterling pound). Currency gains and losses from these instruments are recognized in the income statement when the receivables are booked.

In addition, hedges have been put into place in 2018 and 2019 to cover budgeted sales in the first nine months of 2019 in US dollars. In accordance with IFRS 9 these hedges were accounted for as cash flow hedges. Hedge accounting is applicable if the hedge is formally defined and documented on inception of the hedging relationship and it is demonstrated that the hedging relationship will be highly effective over the life of the hedging instrument. At year-end, hedging instruments corresponding to these criteria are recognized in the balance sheet at fair value. The ineffective portion of changes in fair value of these hedging instruments is recorded in profit or loss and the effective portion in equity. In 2019, revenue was restated to eliminate the impact of these hedges.

- Interest rate hedges

A swap to hedge interest-rate risk in connection with the Rochas loan subject to interest based on 3-month Euribor was arranged in 2015. In compliance with IFRS 9, the difference in the market value of this instrument and the notional amount is recorded in the income statement.

1.18 • Borrowings

On initial recognition, borrowings are measured at fair value to which are added transaction costs directly attributable to the issuance of the liability.

At year-end, borrowings are recognized at amortized cost according to the effective interest rate method.

1.19 • Other liabilities

Other financial debt and operating liabilities are measured at fair value on initial recognition. These amounts generally correspond to the amounts of the invoices in the case of short-term payables.

1.20 • Performance share awards

IFRS 2 requires that a charge be recorded in the income statement with a corresponding increase to reserves representing the market value of restricted stock awards to employees, estimated on the grant date. This value also takes into account assumptions relating to the departure of beneficiaries and the rate of probability of achieving performance criteria to be eligible for the shares. Changes occurring after the grant date do not have an impact on this initial valuation. This expense is amortized and adjusted upon each exercise for changes in assumptions regarding the presence of the beneficiaries over the vesting period.

1.21 • Registration of trademarks

Under IAS 38, expenses incurred in connection with the registration of each trademark are not capitalized and are expensed under “research and consulting costs”.

1.22 • Earnings per share

Basic earnings per share are calculated using the weighted average number of shares outstanding during the year after subtracting treasury shares.

Fully-diluted earnings per share are calculated based on the average number of shares outstanding in the period, after subtracting only treasury shares destined to be held on a long-term basis and adjusted for the effects of all potential diluted ordinary shares resulting from the exercise of stock options in the period.

To ensure the comparability of information, basic and diluted earnings per share of the prior year are systematically recalculated to take into account bonus share grants in the year in progress.

2 • Principles of presentation

2.1 • Presentation of the income statement

The consolidated income statement of the company is presented by function. Under this format, expenses and income are broken down by function (cost of sales, selling expenses, administrative expenses) and not according to the nature of the origin of expenses and income.

2.2 • Presentation of the balance sheet

The consolidated balance sheet is presented according to a breakdown between assets and liabilities defined as current or non-current.

2.3 • Segment information

Segment information presented in this report is based on the segments used by management to monitor Group operations.

2.3.1 • Business lines

The company's main activity is "Perfumes". Because the financial performance indicators of each brand making up this business are similar, the Group's income statement and balance sheet in consequence represents the "Perfumes" business as a whole.

The company also manages a "Fashion" business of small size and representing the operations generated by the fashion component of the Rochas brand. However because the "Fashion" business accounts for less than 0.5% of revenue, it is not presented separately in the income statement.

Significant balance sheet items relating to the "fashion" business are presented in note 5.1.

2.3.2 • Geographical segments

The company has a significant international dimension and analyses sales by geographic segment.

All assets necessary for the company's activity are located in France.

3 • Notes to the balance sheet

3.1 • Trademarks and other intangible assets

3.1.1 • Nature of intangible assets

€ thousands	**2018**	**+**	**–**	**2019**
Gross value				
Indefinite useful life intangible assets				
Lanvin trademark	36,323	-	-	36,323
Rochas Fragrances trademark	86,739	-	-	86,739
Rochas Fashion trademark	19,086	-	-	19,086
Finite useful life intangible assets				
S.T. Dupont upfront license fee Dupont	1,219	-	-	1,219
Van Cleef & Arpels upfront license fee	18,250	-	-	18,250
Montblanc upfront license fee	1,000	-	-	1,000
Boucheron upfront license fee	15,000	-	-	15,000
Karl Lagerfeld upfront license fee	12,877	-	-	12,877
Other intangible assets				
Rights on molds for bottles and related items	11,895	1,750	(3)	13,642
Registration of trademarks	570	-	-	570
Software	3,368	251	(68)	3,551
Total gross amount	**206,327**	**2,001**	**(71)**	**208,257**
Amortization and impairment				
Indefinite useful life intangible assets				
S.T. Dupont upfront license fee Dupont	(1,219)	-	-	(1,219)
Van Cleef & Arpels upfront license fee	(18,250)	-	-	(18,250)
Montblanc upfront license fee	(748)	(67)	-	(815)
Boucheron upfront license fee	(8,000)	(1,000)	-	(9,000)
Karl Lagerfeld upfront license fee	(9,065)	(635)	-	(9,700)
Other intangible assets				
Rights on molds for bottles and related items	(9,937)	(879)	-	(10,816)
Registration of trademarks	(500)	-	-	(500)
Software	(2,795)	(236)	53	(2,978)
Total amortization and impairment	**(50,514)**	**(2,817)**	**53**	**(53,278)**
Net total	**155,813**	**(816)**	**(18)**	**154,979**

Own brands

- Lanvin trademark

As Interparfums acquired ownership for the Lanvin trademark and brand name for class 3 products (perfumes) in July 2007 no amortization was recognized in its balance sheet.

- Rochas trademark

As Interparfums acquired ownership for the Rochas trademark and brand name for products of class 3 (perfumes) and class 25 (fashion) in May 2015, no amortization was recognized in its balance sheet.

Licensed brands

- S.T. Dupont upfront license fee Dupont

The total upfront license fee of €1,219,000 has been fully amortized since June 30, 2011.

- Van Cleef & Arpels upfront license fee

An upfront license fee of €18 million paid on January 1, 2007 has been fully amortized since December 31, 2018.

An amendment agreement extending the partnership between Van Cleef & Arpels and Interparfums was signed in May 2018 for six additional years. This amendment does not provide for an additional upfront license fee.

- Montblanc upfront license fee

The upfront license fee of €1 million paid on June 30, 2010 is amortized over the 15.5 year term of the Montblanc license agreement.

- Boucheron upfront license fee

The upfront license fee of €15 million paid on December 17, 2010 is amortized over the 15 year term of the Boucheron license agreement.

- Karl Lagerfeld upfront license fee

The upfront license fee of €12,877,000 was recognized in 2012 and is amortized over the term of the Lagerfeld license agreement or 20 years starting from January 1, 2012.

The upfront license fee includes the difference between the nominal value and the present value of the advance on royalties for €3,287,000 (See note 3.3 Other non-financial assets).

A provision for the impairment of the upfront license fee of €5,113,000 was recorded on December 31, 2016.

- Rights on molds for bottles and related items

Rights on molds for bottles and related items are amortized over 5 years. Design costs are amortized over 3 years.

3.1.2 • Impairment tests

- Own brands

A valuation was performed of the Lanvin and Rochas brands on December 31, 2019 by discounting future cash flows to infinity. No provision was recorded.

- Upfront license fees

All upfront license fees were measured on December 31, 2019 using the discounted cash flow method over the term of the licenses.

No provision was recorded for impairment in 2019.

For all discounts, the weighted average cost of capital (WACC) of 7.94% is applied.

- Analysis of sensitivity

A one point increase in the discount rate before tax or the perpetuity growth rate would not result in an additional impairment charge on trademarks and other intangible assets.

3.2 • Property, plant and equipment

€ thousands	2018	+	–	2019
Fixtures, improvements, fittings	6,225	756	(2,304)	4,677
Office and computer equipment and furniture	2,375	368	(256)	2,487
Molds for bottles and caps	12,234	1,939		14,173
Other [1]	1,087		(538)	549
Total gross amount	**21,921**	**3,063**	**(3,098)**	**21,886**
Accumulated depreciation and impairment [1]	(15,426)	(2,220)	2,841	(14,805)
Net total	**6,495**	**843**	**(257)**	**7,081**

(1) Decreases include the reclassification of vehicle leases as "right-of-use assets" representing an opening gross amount of €538,000 and an amortization expense of €286,000.

3.3 • Right-of use assets

The main lease agreements identified which are required to be recognized in the balance sheet under assets in application of IFRS 16 are the premises of the Paris headquarters, the New York and Singapore offices and the Rouen warehousing facility.

"Right-of use assets" also includes components relating to vehicle leases previously presented as tangible assets under IAS 17.

At December 31, 2019, "right-of use assets" broke down as follows:

	2018	+	–	2019
Gross value				
Property leases	-	14,602	-	14,602
Vehicle leases (1)	-	635	(136)	499
Total gross amount	**-**	**15,237**	**(136)**	**15,101**
Amortization				
Property leases	-	3,755	-	3,755
Vehicle leases (1)	-	427	(119)	308
Total amortization	**-**	**4,182**	**(119)**	**4,063**
Net total	**-**	**11,055**	**(17)**	**11,038**

(1) Increases include the reclassification of vehicle leases from "tangible assets" to "right-of-use assets" representing an opening gross amount of €538,000 and an amortization expense of €286,000.

3.4 • Long-term investments and other non-current financial assets

3.4.1 • Long-term investments

Long-term investments consist primarily of deposit guarantees on property and since the end of March 2018, a loan granted to the Interparfums Inc. parent company in the amount of €8.1 million (US$10 million) under normal market conditions. This loan was repaid in May 2019 in monthly installments of US$1 million for 10 months for the principal plus the interest thereon.

3.4.2 • Other non-current financial assets

The signature of the Karl Lagerfeld license agreement resulted in an advance on royalty payments to be charged against future royalties of €9.6 million. This advance was discounted over the license agreement term and reduced accordingly to €3.1 million at December 30, 2019.

The corresponding offset is recognized by increasing the amortization of upfront license fees.

3.5 • Inventory and work-in-progress

€ thousands	2018	2019
Raw materials and components	40,647	43,924
Finished goods	63,342	66,174
Total gross amount	**103,989**	**110,098**
Allowances for raw materials	(842)	(1,342)
Impairment of finished goods	(2,447)	(2,287)
Accumulated provisions for impairment	**(3,289)**	**(3,629)**
Net total	**100,700**	**106,469**

3.6 • Trade receivables and related accounts

€ thousands	2018	2019
Total gross amount	**93,720**	**95,723**
Impairment	(1,914)	(2,023)
Net total	**91,806**	**93,700**

The aged trial balance for trade receivables breaks down as follows:

€ thousands	**2018**	**2019**
Not due	80,131	72,370
0-90 days	12,320	21,536
91-180 days	661	876
181-360 days	208	41
More than 360 days	400	900
Total gross amount	**93,720**	**95,723**

3.7 • Other receivables

€ thousands	**2018**	**2019**
Prepaid expenses	2,761	2,668
Interparfums Holding current accounts	419	-
Value-added tax	1,730	1,756
Hedging instruments	159	126
License royalties	393	592
Other	177	438
Total	**5,639**	**5,580**

3.8 • Current financial assets, cash and cash equivalents

€ thousands	**2018**	**2019**
Current financial assets	59,276	54,045
Cash and cash equivalents	153,696	151,624
Current financial assets, cash and cash equivalents	**212,972**	**205,669**

3.8.1 • Current financial assets

Current financial assets, represented by investments with maturities greater than three months, break down as follows:

€ thousands	**2018**	**2019**
Term deposit accounts	59,072	53,602
Other current financial assets	204	443
Current financial assets	**59,276**	**54,045**

3.8.2 • Cash and cash equivalents

Cash in banks and cash equivalents having maturities of less than three months break down as follows:

€ thousands	**2018**	**2019**
Interest-bearing accounts	-	-
Term deposit accounts	53,273	21,861
Capital redemption contracts	51,788	52,562
Current interest-bearing accounts	7,597	16,228
Bank balances	41,038	60,973
Cash and cash equivalents	**153,696**	**151,624**

3.9 • Shareholders' equity

3.9.1 • Share capital

As of December 31, 2019, Interparfums' capital consisted of 47,262,190 shares fully paid-up with a par value of €3, 72.68%-held by Interparfums Holding.

Capital increases in 2019 are the result of the bonus issue of June 14, 2019 in the amount of 4,296,562 shares on the basis of one new share for every ten shares held.

3.9.2 • Restricted stock awards

- Plan 2016

After a vesting period of three years, performance shares (*"actions gratuities"* or restricted stock units) of the 2016 plan were remitted to employees present on September 6, 2019, without application of a holding period and after duly noting the fulfillment of 100% of the conditions of performance at December 31, 2018; On this basis, the company remitted 172,851 shares acquired on the market for €3.6 million.

In accordance with IFRS 2, the Interparfums SA share price used to estimate the value in the consolidated financial statements of this plan is the average price for the last three trading sessions preceding the implementation of the plan or €23.98. The fair value applied on the award date is €22.46 after taking into account future dividends.

The total charge to be amortized over the duration of the plan (three years) was €2.9 million or €660,000 recognized for fiscal 2019.

- Plan 2018

The maximum number of shares to be awarded is 133,000 shares for senior executives and managers and 26,000 shares for all other employees under the plan issued on December 31, 2019.

Shares previously purchased by the company on the market are vested by their beneficiaries after a vesting period of three and a half years.

The vesting of these shares is contingent on a condition of presence and conditions of performance. The shares awarded without consideration and fully vested may be sold on the vesting date without the application of a holding period.

Actual transmission of the securities is contingent on the presence of the employee on June 30, 2022 regardless of the status of the beneficiary and/or criteria of performance relating to consolidated revenue for fiscal 2021 for 50% of the restricted stock units awarded, and consolidated operating profit for 50% of the remaining restricted stock units awarded to senior executive and manager beneficiaries.

To ensure the availability of shares for remittance to employees on maturity, the company purchased 131,614 shares on the market on December 31, 2019 for a total amount of €5.2 million. These shares are presented as a deduction from shareholders' equity.

At December 31, 2019, the estimated number of shares to be remitted was 142,571.

In accordance with IFRS 2, the Interparfums SA share price used to estimate the value in the consolidated financial statements is that of the last trading session preceding the implementation of the plan or €33.15. The fair value applied on the award date is €30.20 after taking into account future dividends. The total expense to be spread over the duration of the plan (3.5 years) amounted to €3.9 million.

At December 31, 2019, the cumulative expense since the beginning of the plan was €1,118,000.

3.9.3 • Treasury shares

Within the framework of the share repurchase program authorized by the General Meeting of April 26, 2019, 75,127 Interparfums shares with a nominal value of €3 per share were held by the company as of December 31, 2019 or 0.16% of the share capital.

Changes in the period break down as follows:

€ thousands	**Average exchange rate**	**Number of shares**	**Book Value**
At December 31, 2018	**33.75**	**82,959**	**2,800**
Acquisitions	42.36	342,600	14,514
Bonus share issue of June 14, 2019		6,161	-
Disposals	41.13	(356,593)	(14,667)
Impairment		-	133
At December 31, 2019	**37.00**	**75,127**	**2,780**

Management of the share buyback program is assured by an investment services provider within the framework of a liquidity agreement in compliance with the conduct of business rules of the French association of financial market professionals (AMAFI).

Purchases of shares under this program are subject to the following conditions:

– the maximum purchase price is €70 per share, excluding execution costs;
– the total number of shares acquired may not exceed 5% of the company's capital stock.

3.9.4 • Non-controlling interests

Non-controlling interests concern percentages not held in European subsidiaries (Interparfums Deutschland GmbH: 49%; Parfums Rochas Spain Sl: 49%). That break down as follows:

€ thousands	**2018**	**2019**
Reserves attributable to non-controlling interests	1,131	1,146
Earnings attributable to non-controlling interests	511	463
Non-controlling interests	**1,642**	**1,609**

Non-controlling shareholders have an irrevocable obligation and the ability to offset losses by an additional investment.

The procedures to wind up the German subsidiary Interparfums GMBH have been completed and the company's removal from the trade register is in progress. This subsidiary was deconsolidated in consequence on December 31, 2019.

3.9.5 • Information on equity

In compliance with the provisions of article L.225-123 of the French Commercial Code, the shareholders' Meeting of September 29, 1995 decided to create shares carrying a double voting right. These shares must be fully paid up and recorded in the company's share register in registered form for at least three years.

Since 1998, the company has adopted a policy of distributing dividends that today represent approximately 65% of consolidated earnings, destined to reward shareholders while at the same time associating them with the Group's expansion. In early May 2019, a dividend of €0.71 per share was paid or a total of €30.3 million.

Given its financial structure, the Group has the ability to secure financing for important projects from banks in the form of medium-term loans. At the end of May 2015, a 5 year €100 million loan was obtained to finance the acquisition of the Rochas brand. At December 31, 2019, the nominal amount still outstanding on this loan amounted to €30 million.

The level of consolidated shareholders' equity is regularly monitored to ensure the company continues to have sufficient financial flexibility to take advantage of all potential opportunities for external growth.

3.10 • Provisions for contingencies and expenses

€ thousands	2018	Allowances	Actuarial gains / losses	Provisions used the period	Reversal of unused provisions	2019
Provisions for retirement severance payments	8,363	729	34	(23)	-	9,103
Provision for expenses (1)	-	235	-	-	-	235
Total provisions for expenses >1 year	**8,363**	**964**	**34**	**-**	**-**	**9,338**
Provision for expenses (1)	554	-	-	(554)	-	-
Other provisions for contingencies <1 year	350	28	-	(100)	(100)	178
Total provisions for contingencies >1 year	**904**	**28**	**-**	**(654)**	**(100)**	**178**
Total provisions for contingencies and expenses	**9,267**	**992**	**34**	**(654)**	**(100)**	**9,516**

(1) The provision for expenses concerns the social contribution payable in connection with the restricted share unit plan of 2018.

3.10.1 • Provisions for retirement severance payments

For the measurement of retirement severance benefits, Interparfums has adopted the procedure for voluntary severance agreements introduced by Ordinance 2017-1387 published in the French Official Journal of September 23, 2017 and Decree 2017-1398 published in the French Official Journal of September 26, 2017.

For 2019, the following assumptions were applied: a negotiated termination at age 65, a rate of 50% for employer payroll contributions for all employees, a 3% average rate for annual salary increases, an employee turnover rate depending on the age of employees, the TH 00-02 mortality table for men and the TF 00-02 mortality table for women and a discount rate for the 10 year IBOXX corporate bond index of 0.70%.

On the basis of these assumptions, the annual expense of €729,000 recorded under current income breaks down as follows:

– service costs: €598,000;
– financial expense: €131,000.

Actuarial gains and losses in 2019 resulted in a loss of €34,000 recorded under reserves resulting primarily from changes in assumptions and experience adjustments.

A 0.5% increase in the discount rate would result in a €16,000 reduction in the present value of rights at December 31, 2019 versus a 0.5% decrease resulting in a €17,000 increase.

3.10.2 • Other provisions or disputes

The provision for expenses concerns the social contribution payable in connection with the restricted share unit plan.

In recent years, Interparfums SA has been subject to tax audits concerning notably, on two occasions, the activity of Interparfums Suisse, without however calling into question the legal basis for this company.

However, in 2018 tax authorities raised questions about the potential tax in France of all or part of the earnings generated by Interparfums Suisse. Because the territoriality of this company has never, at any time, been challenged, Interparfums SA did not consider recording a provision for tax contingencies in the financial statements for the period ended December 31, 2018 to be necessary.

In February 2020, the French tax authorities chose to continue their investigations by conducting a new audit focusing on the same subject and the same period.

Based on the conclusions of its attorneys and legal and tax advisors, considering it to be within its rights, the company did not modify its position and in consequence has still not recorded a provision for tax contingencies for this matter in the accounts for the period ended December 31, 2019.

Other provisions for contingencies relate to commercial and employment-related litigation.

3.11 • Borrowings, financial liabilities and lease liabilities

• Borrowings and financial liabilities

A loan with was obtained on May 29, 2015 with a face value of €100 million repayable over five years to finance the acquisition of the Rochas brand executed on that same date.

Its repayment is made in quarterly installments of €5 million each for the principal. This loan will be subject to interest equal to the 3-month Euribor plus the applicable margin.

This debt is recognized at fair value to which is allocated the €775,000 in transaction costs directly attributable to the acquisition, in compliance with IFRS 9.

• Lease liabilities

"Lease liabilities" includes liabilities representing the present value of future these payments recognized as assets in accordance with IFRS 16. The main lease contracts included under this heading are those relating to the premises of the Paris headquarters, the New York and Singapore offices and the warehousing facility in Rouen.

3.11.1 • Changes in finance costs

In accordance with IAS 7, cash flows relating to changes in borrowings and financial liabilities break down as follows:

€ thousands	2018	Cash flow	Non-cash items: Net acquisitions	Non-cash items: Changes in fair value	Non-cash items: Amortization	2019
Borrowings	30,000	(20,000)	-	-	-	10,000
Loan acquisition costs	(74)	-	-	-	65	(9)
Interest rate swap	181	-	-	(154)	-	27
Total borrowings and other financial debt	**30,107**	**(20,000)**	**-**	**(154)**	**65**	**10,018**
Lease liabilities	260	(3,751)	(58)	15,180	-	11,631
Total financial debt	**30,367**	**(20,000)**	**(58)**	**(154)**	**65**	**21,649**

3.11.2 • Breakdown of borrowings, financial liabilities and lease liabilities by maturity

€ thousands	Total	< 1 year	1 to 5 years	> 5 years
Borrowings and financial liabilities	10,018	10,018	-	-
Lease liabilities	11,631	3,334	8,297	-
Total at December 31, 2019	**21,649**	**13,352**	**8,297**	**-**

3.11.3 Additional disclosures

The Rochas loan contracted in May 2015 was covered by an interest rate swap covering 90% of the debt, guaranteeing a maximum rate of 2%.

At December 31, 2019, on the basis of a notional amount of €10 million, a gain of €154,000 in connection with this swap was recognized in the income statement whereby the Group did not apply hedge accounting in accordance with IFRS 9. The market value of the swap at December 31, 2019 represented a negative amount for the company of €27,000.

3.11.4 • Covenants

The Rochas loan obtained by the parent company is subject to the following covenant ratios:

- interest coverage ratio: consolidated EBITDA / consolidated net interest expense;
- leverage ratio: Consolidated net debt/consolidated EBITDA.

At December 31, 2019, all these covenants were met. The current level of these ratios is considerably below the contractual limits. As a result, the Group has considerable financial flexibility in respect to these commitments.

3.12 • Deferred tax

Deferred taxes arise mainly from timing differences between financial accounting and tax accounting. Deferred taxes from consolidation adjustments and deferred taxes based on loss carryforwards are recovered as follows:

€ thousands	**2018**	**Changes through reserves**	**Changes through income**	**2019**
Deferred tax assets				
Timing differences between financial and tax accounting	4,224	-	312	4,536
Provisions for retirement liabilities	179	11	(11)	179
Loss carryforwards	376	-	(88)	288
Swap instrument	-	-	-	-
IFRS 16 – right-of-use assets	-	80	(8)	72
Leases	1		1	2
Intra-group inventory margin	2,775	-	1,294	4,069
Advertising and promotional costs	844	-	(146)	698
Other	80	(80)		0
Total deferred tax assets before amortization	**8,479**	**11**	**1,354**	**9,844**
Depreciation of deferred tax assets	(192)		(96)	(288)
Net deferred tax assets	**8,287**	**11**	**1,258**	**9,556**
Deferred tax liabilities				
Acquisition costs	556	-	-	556
Bonus shares	-	(213)	213	-
Levies imposed by governments	210	-	13	223
Borrowing costs associated with the Rochas brand acquisition	27	-	(22)	5
Capitalization of costs associated with the Rochas brand acquisition	1,677	-	-	1,677
Gains (losses) on treasury shares	-	177	(177)	0
Impairment of treasury shares	101		(46)	55
Forward hedging instruments	50	(53)	14	11
Derivatives	11	-	66	77
Total deferred tax liabilities	**2,632**	**(89)**	**61**	**2,604**
Total net deferred tax	**5,654**	**100**	**1,197**	**6,952**

3.13 • Trade payables and other current liabilities

3.13.1 • Trade payables and related accounts

€ thousands	2018	2019
Trade payables for components	22,979	20,019
Other trade payables	51,034	43,645
Total	**74,013**	**63,664**

3.13.2 • Other liabilities

€ thousands	2018	2019
Accrued credit notes [1]	2,598	6,646
Tax and employee-related liabilities	17,951	15,144
Accrued royalties	9,638	9,322
Hedging instruments	42	12
Interparfums Holding current accounts	-	1,752
Other liabilities	796	1,687
Total	**31,025**	**34,563**

(1) "Accrued credit notes" includes a provision for returns from customers of the US subsidiary in the amount of €3,415,000 in 2019.

As required by IFRS 15, it is specified that the other liabilities include liabilities for a contract in for non-significant amounts (less than 2% of other liabilities).

3.14 • Financial instruments

Financial instruments according to IFRS 9 classifications for measurement break down as follows:

					12/31/2019		12/31/2018
€ thousands	Notes	At amortized cost	Fair value through profit or loss	Carrying value	Fair value	Carrying value	Fair value
Other non-current financial assets							
Long-term investments		2,862	-	2,862	2,862	10,674	10,674
Total non-current financial assets	3.4	3,066	-	3,066	3,066	3,566	3,566
Current financial assets							
Trade receivables and related accounts	3.6	93,700	-	93,700	93,700	91,806	91,806
Other receivables	3.7	5,454	-	5,580	5,580	5,639	5,639
Derivative instruments subject to hedge accounting (based documentation establishing the hedging relationship)		126					
Other current financial assets	3.8	54,045	-	54,045	54,045	59,276	59,276
Cash and cash equivalents	3.8	151,624	-	151,624	151,624	153,696	153,696
Non-current financial liabilities							
Non-current borrowings and financial liabilities	3.11	-	-	-	-	10,144	10,144
Current liabilities							
Trade payables and related accounts	3.13	63,664	-	63,664	63,664	74,013	74,013
Current borrowings and financial liabilities [1]	3.11	9,956	27	10,018	10,018	20,223	20,223
Other liabilities	3.13	34,551	-	34,563	34,563	31,025	31,025
Derivative instruments subject to hedge accounting (based on documentation establishing the hedging relationship)		12	-	-	-	-	-

(1) The fair value of borrowings and financial liabilities is measured as the total value of future cash flows discounted according to the prevailing interest rate on the market for comparable instruments.

No change in fair value has been recorded through equity.

In accordance with IFRS 13, current and non-current financial assets, cash and cash equivalents and borrowings and financial liabilities are measured using directly observable inputs other than quoted market prices or provided by financial institutions (level 2). The carrying value of other financial assets presented above represents a satisfactory approximation of their fair value.

3.15 • Risk management

The primary risks related to the Group's business and organization result from interest rate and foreign exchange rate exposures that are hedged using derivative financial instruments. The potential impacts of other risks on the company's financials are not material.

3.15.1 • Interest rate risks

The Group's interest rate exposure is related principally to debt. The objective of the Group's policy is to ensure a stable level of financial expense through the use of hedges in the form of interest rate swaps (fixed rate swaps). These financial instruments are not eligible for hedge accounting under IFRS 9. The Group nevertheless considers that these transactions are not speculative in nature and are necessary to effectively manage its interest rate exposure.

3.15.2 • Liquidity risks

The net position of financial assets and liabilities by maturity is as follows:

€ thousands	< 1 year	1 to 5 years	> 5 years	Total
Other non-current financial assets	500	2,000	566	3,066
Current financial assets	-	28,456	25,589	54,045
Cash and cash equivalents	151,624	-	-	151,624
Total financial assets	**152,124**	**30,456**	**26,155**	**208,735**
Borrowings and financial liabilities	(9,991)	-	-	(9,991)
Total financial liabilities	**(9,991)**	**-**	**-**	**(9,991)**
Net position before hedging	**142,133**	**30,456**	**26,155**	**198,744**
Hedging of assets and liabilities (swaps)	(27)	-	-	(27)
Net position after hedging	**142,106**	**30,456**	**26,155**	**198,717**

3.15.3 • Foreign exchange risks

Net positions of the Group in the main foreign currencies are as follows:

€ thousands	USD	GBP	JPY
Assets	25,450	5,919	1,228
Liabilities	(4,271)	(1,596)	(3)
Net position before hedging at the closing price	**21,179**	**4,323**	**1,225**
Net position hedged	(16,539)	(3,157)	(861)
Net position after hedging	**4,640**	**1,166**	**364**

Because a significant portion of Group sales is in foreign currencies, it incurs a risk from exchange rate fluctuations, primarily from the US dollar (46.6% of sales) and to a lesser extent the Pound sterling (5.6% of sales) and the Japanese yen (1.3% of sales).

• Foreign exchange risk management policy

The Group's exchange rate risk management policy seeks to cover budget exposures considered highly probable related to monetary flows resulting from US dollar sales, as well as trade receivables in the period in US dollars, Pound sterling and Japanese yens.

To this purpose, the Group has recourse to forward exchange sales, according to procedures that prohibit speculative trading:

– all forward currency hedging must be backed in terms of amount and maturity by an identified economic underlying asset;
– all budget exposures are identified.

At December 31, 2019, the Group had hedged 65% of its receivables in US dollars, 54% of its payables in Pound sterling and 70% for trade receivables booked in Japanese yen.

• Sensitivity to foreign exchange risk

A 10% fluctuation in the exchange rate of the US dollar and the Pound sterling in relation to the euro represents a pertinent risk factor that may reasonably occur within a given year. An immediate upswing in the exchange rate (US dollar and Pound sterling) of 10% would result in a maximum positive currency effect of €25.7 million on sales and €20.4 million on operating income. A 10% decrease of these same exchange rates would have an inverse negative effect.

3.15.4 • Counterparty risk

Financial instruments and cash deposits used by the Group to manage interest rate and foreign exchange risks are obtained from top-tier counterparties with benchmark ratings.

4 • Notes to the income statement

4.1 • Breakdown of consolidated sales by brand

€ thousands	2018	2019
Montblanc	108,773	140,729
Jimmy Choo	99,631	103,498
Coach	84,394	86,477
Lanvin	59,003	52,082
Rochas	34,095	34,546
Boucheron	19,430	18,295
Van Cleef & Arpels	13,610	15,339
Karl Lagerfeld	12,582	13,937
Paul Smith	6,587	5,557
S.T. Dupont	5,682	4,715
Repetto	4,631	2,781
Other	4,734	4,350
Perfume sales	**453,152**	**482,306**
Rochas fashion license revenues	2,190	1,954
Total revenue	**455,342**	**484,260**

4.2 • Cost of sales

€ thousands	2018	2019
Raw materials, trade goods and packaging	(163,204)	(171,182)
Changes in inventories	14,802	10,736
POS advertising	(2,521)	(3,493)
Staff costs	(5,174)	(6,109)
Allowances and reversals for depreciation/impairment (1)	(1,904)	(3,993)
Property leasel expenses (1)	(2,054)	(232)
Transportation costs	(722)	(844)
Other expenses related to the cost of sales	(320)	(324)
Total cost of sales	**(161,097)**	**(175,441)**

(1) Changes in these line items result from the application of IFRS 16 in 2019.

4.3 • Selling expenses

€ thousands	2018	2019
Advertising	(105,409)	(109,538)
Royalties	(33,259)	(36,254)
Staff costs	(30,893)	(30,986)
Service fees/subsidiaries	(8,243)	(6,712)
Subcontracting	(7,369)	(6,566)
Transportation costs	(5,063)	(5,854)
Travel and entertainment expenses	(5,046)	(7,577)
Allowances and reversals for depreciation/impairment (1)	(5,355)	(4,867)
Tax and related expenses	(3,535)	(3,793)
Commissions	(1,417)	(1,601)
Property lease expenses (1)	(1,943)	(560)
Other selling expenses	(2,926)	(2,670)
Total selling expenses	**(210,458)**	**(216,978)**

(1) Changes in these line items result from the application of IFRS 16 in 2019.

4.4 • Administrative expenses

€ thousands	2018	2019
Purchases and external costs	(5,580)	(6,440)
Staff costs	(9,044)	(9,411)
Property lease expenses [1]	(481)	(118)
Allowances and reversals for depreciation/impairment [1]	(979)	(1,466)
Travel expenses	(653)	(603)
Other administrative expenses	(862)	(734)
Total administrative expenses	**(17,599)**	**(18,772)**

(1) Changes in these line items result from the application of IFRS 16 in 2019.

4.5 • Net financial income (expense)

€ thousands	2018	2019
Financial income	2,440	2,090
Interest and similar expenses	(1,141)	(1,199)
Net finance costs	**1,299**	**891**
Currency losses	(4,996)	(5,095)
Currency gains	5,057	4,288
Net currency gains (losses)	**61**	**(807)**
Other financial income and expenses	1	-
Net financial income/(expense)	**1,361**	**84**

4.6 • Income taxes

4.6.1 • Analysis of income taxes

€ thousands	2018	2019
Current income tax – France	(15,620)	(17,817)
Current income tax – Foreign operations	(5,502)	(5,437)
Total current income tax	**(21,122)**	**(23,254)**
Non-current income tax	**217**	**-**
Deferred tax- France	917	1,541
Deferred tax- Foreign operations	100	(344)
Total deferred taxes	**1,017**	**1,197**
Total income taxes	**(19,888)**	**(22,057)**

4.6.2 • Reconciliation of the effective tax expense and theoretical tax expense

The difference between the effective tax recorded and the theoretical tax expense calculated by applying the tax rate of 34.43% applicable in France for fiscal 2018 and 2019 to pre-tax income reflects the following.

€ thousands	2018	2019
Tax base	**67,549**	**73,153**
Theoretical tax calculated at the parent company rate	(23,257)	(25,187)
Effect of tax rate differences	2,839	3,151
Recognition of tax income not previously classified as tax assets	242	-
Tax adjustments	(125)	-
Permanent non-deductible differences	413	(21)
Income tax	**(19,888)**	**(22,057)**

4.7 • Earnings per share

€ thousands except number of shares and earnings per share in euros	**2018**	**2019**
Consolidated net income	47,150	50,633
Average number of shares	41,395,363	45,073,082
Basic earnings per share (1)	**1.14**	**1.12**
Dilutive effect of stock options:		
Potential additional number of fully diluted shares	-	-
Potential fully diluted average number of shares outstanding	41,395,363	45,073,082
Diluted earnings per share (1)	**1.14**	**1.12**

(1) Adjusted for bonus shares granted in 2018 and 2019.

5 • Segment reporting

5.1 • Business lines

Because the company manages a single main business segment of "Perfumes" and the financial performance indicators of each brand making up this business are similar, the Group's income statement and balance sheet represent in consequence mainly the "Perfumes" business.

Because the "Fashion" business representing the revenue generated by the Rochas brand was not significant (less than 0.5% of Group sales), a separate presentation thereof has not been produced.
Assets and liabilities relating to the Rochas brand at December 31, 2019 were as follows:

€ thousands	**Perfumes**	**Fashion**	**Total**
Intangible assets – Rochas brand	86,739	19,086	105,825
Medium-term loan	8,211	1,807	10,018

The amount of the loan has been allocated by business in proportion to the breakdown of intangible assets.

Segment assets and liabilities consist of assets (liabilities) used primarily in France.

5.2 • Geographical segments

Sales by geographical sector break down as follows:

€ thousands	**2018**	**2019**
North America	140,122	151,715
South America	35,200	35,023
Asia	64,071	67,883
Eastern Europe	39,955	42,580
Western Europe	91,490	91,576
France	35,008	36,907
Middle East	43,197	51,172
Africa	4,109	5,450
Perfume sales	**453,152**	**482,306**
Rochas fashion license revenues	2,190	1,954
Total	**455,342**	**484,260**

6 • Other information

6.1 • Off-balance sheet commitments

The following presentation of off-balance sheet commitments is based on AMF recommendation No. 2010-14 of December 6, 2010.

6.1.1 • Off-balance sheet commitments in connection with the company's operating activities

€ thousands	Main characteristics	2018	2019
Guaranteed minima on trademark royalties	Guaranteed minima on royalties regardless of sales achieved for each of the trademarks in the period.	324,810	329,043
Headquarters rental payments (1)	Rental payments due over the remainder of the lease terms (3, 6 or 9 years).	15,869	-
Guaranteed minima for warehousing and logistics (1)	Contractual minima for remuneration of warehouses to be paid regardless of sales volume for the period.	2,013	-
Firm component orders	Inventories of components on stock with suppliers that the company undertakes to purchase as required for releases and which the company does not own.	6,528	5,042
Total commitments given in connection with operating activities		**349,220**	**334,085**

(1) Lease obligations are included in the balance sheet as of January 1, 2019, the date of the first-time application of FRS 16 – Leases.

6.1.2 • Off-balance sheet commitments in connection with the company's financing activities

Commitments with respect to forward currency sales at December 31, 2019 amounted to US$18,500, £2,700,000 and ¥105,000,000.

6.1.3 • Commitments given by maturity at December 31, 2019

€ thousands	Total	Up to 1 year	1 to 5 years	5 years or more
Guaranteed minima on trademark royalties	329,043	30,279	131,966	166,798
Firm component orders	5,042	5,042	-	-
Total commitments given	**334,085**	**35,321**	**131,966**	**166,798**

Maturities are defined on the basis of the contract terms (license agreements, logistic agreements, etc.).

6.1.4 • Commitments received

Commitments in connection with forward currency sales at December 31, 2019 amounted to €16,539,000 for hedges for US dollars, €3,157,000 for Pound sterling and €861,000 for Japanese yen representing total commitments of €20,557,000.

6.2 • License agreements

	Nature of license	License inception date	Duration	Expiration date
S.T. Dupont	Inception	July 1997	11 years	-
	Renewal	January 2006	5 years and 6 months	-
	Renewal	January 2011	6 years	-
	Renewal	January 2017	3 years	December 2019
	Renewal	January 2020	1 year	Renewable
Paul Smith	Inception	January 1999	12 years	-
	Renewal	July 2008	7 years	-
	Renewal	July 2017	4 years	December 2021
Van Cleef & Arpels	Inception	January 2007	12 years	-
	Renewal	January 2019	6 years	December 2024
Jimmy Choo	Inception	January 2010	12 years	-
	Renewal	January 2018	13 years	December 2031
Montblanc	Inception	July 2010	10 years and 6 months	-
	Renewal	January 2016	5 years	December 2025
Boucheron	Inception	January 2011	15 years	December 2025
Repetto	Inception	January 2012	13 years	December 2024
Karl Lagerfeld	Inception	November 2012	20 years	October 2032
Coach	Inception	June 2016	10 years	June 2026
Kate Spade	Inception	January 2020	10 years and 6 months	June 2030

In June 2019, Interparfums and Kate Spade entered into an exclusive global 10 ½ year fragrance license agreement as from January 2020.

Under this agreement, Interparfums will create, produce and distribute new perfumes and fragrance-related products. Interparfums will distribute these fragrances globally to department and specialty stores and duty free shops, as well as in Kate Spade retail stores beginning fall 2020.

6.3 • Own brands

• Lanvin

At the end of July 2007, Interparfums acquired the Lanvin brand names and international trademarks for fragrance and make-up products from the Jeanne Lanvin company.

Interparfums and Lanvin concluded a technical and creative assistance agreement in view of developing new perfumes effective until June 30, 2019 and based on net sales. The Jeanne Lanvin company holds a buy back option for the brands which will be exercisable on July 1, 2025.

• Rochas

At the end of May 2015, Interparfums acquired the Rochas brand (perfumes and fashion) from Procter & Gamble.

This transaction covered all Rochas brand names and registered trademarks *(Femme, Madame, Eau de Rochas…)* mainly for class 3 (fragrances) and class 25 (fashion).

6.4 • Employee-related data

The increase in the number of employees in the year is linked to the growth in business.

6.4.1 • Workforce by department

Number of employees at	12/31/2018	12/31/2019
Executive Management	2	4
Production & Operations	43	48
Marketing	55	62
Export	71	77
France	44	41
Finance & Corporate Affairs	54	61
Rochas fashion	7	7
Total	**276**	**300**

6.4.2 • Headcount by region

Number of employees at	12/31/2018	12/31/2019
France	206	218
North America	55	64
Asia	15	18
Total	**276**	**300**

6.4.3 • Staff costs

€ thousands	2018	2019
Wages	29,061	30,226
Social charges	10,577	10,759
Profit-sharing benefits	3,710	3,840
Performance share awards	911	1,778
Total staff costs	**44,259**	**46,603**

In addition, €644,000 in supplemental retirement benefits for Executive Management were paid in 2019.

6.5 • Information on related parties

No new agreements were entered into in the period, involving a significant amount or that were not in accordance with normal market conditions, between the parent company and its subsidiaries.

6.5.1 • Management Committee members

The members of the Management Committee exercise responsibilities in the areas of strategy, the management and oversight. They have employment contracts and receive compensation as follows:

€ thousands	2018	2019
Wages and social charges	6,679	7,314
Share based payment expenses	337	571

Total gross compensation for the three corporate officers breaks down as follows:

€ thousands	2018	2019
Gross wages	2,028	2,076
Benefits in-kind	19	19
Supplemental retirement contribution	44	45
	2,105	**2,140**

The executive officers Philippe Benacin and Jean Madar, co-founders of Interparfums ^{SA} are also executive officers and majority shareholders of the parent company Interparfums Inc.

6.5.2 • Board of Directors

The members of the Board of Directors exercise responsibilities in the areas of strategy, management consulting, acquisitions and oversight. Only outside Directors are paid Directors' fees that break down as follows:

€ thousands	2018	2019
Attendance fees received (1)	180	146

(1) Calculated on the basis of actual Board meeting attendance.

6.5.3 • Relations with the parent company

The accounts of Interparfums ^{SA} and its subsidiaries, through Interparfums Holding, are fully consolidated into the accounts of Interparfums Inc., whose registered office is located at 551 Fifth Avenue, New York, NY 10176, United-States. No material transaction exists between Interparfums ^{SA} and Interparfums Inc. or Interparfums Holding.

6.6 • Statutory Auditors' fees

Total auditors' fees expensed in the income statement relating to their engagement as Statutory Auditors break down as follows:

	Mazars				SFECO & Fiducia Audit			
€ thousands	2018	%	2019	%	2018	%	2019	%
Statutory auditing, certification of accounts, review of separate and consolidated accounts								
For the Issuer	310	67%	330	71%	100	100%	103	100%
For fully consolidated subsidiaries	145	31%	129	28%	-	-	-	
Services other than for the certification of accounts								
For the Issuer	8	2%	8	2%	-	-	-	-
For fully consolidated subsidiaries	25	-	28	-	-	-	-	-
Total	**463**	**100%**	**467**	**100%**	**100**	**100%**	**103**	**100%**

Services other than account certification relate to statements certificates issued at the request of the company for bank covenants and sales for our licensors and suppliers.

In accordance with applicable regulations, these assignments were approved by the Board of Directors acting in the capacity of Audit Committee.

6.7 • Post-closing events

None.

3

Corporate governance

This report is prepared in accordance with the provisions of article L.225-37 of the French Commercial Code and was approved by the Board of Directors on March 2020.

1 • Corporate governance (article L.225-37-4 of the French Commercial Code)

1.1 • Rules of governance

1.1.1 • Adoption of the Middlenext Code

Since 2010, the company has referred to the Middlenext Corporate Governance Code of December 2009 www.middlenext.com and revised in September 2016 (section Publications – Corporate governance). This code was revised in September 2016 and the company complies with its 19 recommendations. This decision was made by the Board of Directors in relation with the shareholder structure, of which 72.68% of the share capital at December 31, 2019 was held by the parent company, Interparfums Holding.

In accordance with the recommendations, Board members also taken cognizance of the "points to be watched" set forth therein in order to recall the main questions that must be raised to ensure effective governance.

1.1.2 • Charter of the Board of Directors

In compliance with Middlenext Code Recommendation No. 7, the Board of Directors established a Charter (Rules of Procedure) defining the operating rules of the Board and the terms of a code of conduct for Directors that supplement the provisions provided for by law and the company's bylaws.

The full text of this Charter is available at the company' website.

The Charter's main provisions are as follows:

- the composition, role, organization and operating procedures of the Board of Directors;
- the rules of conduct applicable to members of the Board of Directors;
- compensation of Directors;
- the obligations relating to possession of inside information in connection with the prevention of insider misconduct and trading;
- the rules governing trading in the company's shares in accordance with European market abuse regulations and the provisions of the French Monetary and Financial Code and the AMF General Regulation;
- the protection provided to Directors and officers: Directors and officers liability insurance (D&O insurance);
- the succession planning information for the manager and key persons.

This Board Charter is destined to regularly evolve to take into account the application of new regulations and recommendations in the area of corporate governance and respond to proposals by Directors in order to ensure the optimal effectiveness of the Board's work.

The Charter was last updated pursuant to the Board's decision, meeting on November 12, 2018.

1.2 • Organization of Executive Management and the Board of Directors

1.2.1 • Executive Management

1.2.1.1 • Procedures for exercising Executive Management – Limitations on the powers of the Chief Executive Officer

In order to effectively take into account the changing and highly competitive environment of the sector in which the company operates, the Board decided not to separate the functions of Chairman of the Board of Directors from that of Chief Executive Officer *(Directeur Général)*: Philippe Benacin is the Chairman-Chief Executive Officer *(Président-Directeur Général)* of Interparfums SA. Having an in-depth knowledge of the company that he cofounded with his partner, Jean Madar, CEO of the US company, Interparfums Inc., he has a very clear vision of the future prospects of the company. His active involvement in running company operations was a decisive factor in the Board's choice. This option has contributed to efficient corporate governance by promoting an alignment between the strategy and operating functions that is necessary for a responsive and efficient decision-making process.

The limitations of the Chief Executive Officer's powers are set forth in the Charter.

This Charter stipulates that the following transactions are subject to the Board's prior authorization:

- any financial commitment (immediate or deferred) for an amount exceeding €10 million per transaction and having a material impact on the company's scope of consolidation, including mainly the acquisition or disposal of assets or equity investments in companies;
- any decision, regardless of the amount involved, that could potentially materially affect the strategy of the company or materially modify the scope of its normal activity.

1.2.1.2 • Management Committee members

The purpose of the Management Committee, led by the Chairman and Chief Executive Officer, is to address operational issues related to the development of the company.

The composition of the Management Committee at December 31, 2019 was as follows:

Philippe Benacin, Chairman and Chief Executive Officer.

Stanislas Archambault, Executive Director – Operational & Digital Marketing.

Renaud Boisson, Managing Director of Interparfums Asia Pacific.

Stanislas Archambault, Managing Director – Interparfums Luxury Brands.

Frédéric Garcia-Pelayo, Executive Vice President, Chief International Officer.

Axel Marot, Vice President, supply chain & Operations.

Angèle Ory-Guénard, Executive Director – International Sales.

Delphine Pommier, Executive Director – Marketing Development & Communication.

Philippe Santi, Executive Vice President, Chief Financial and Legal Officer.

Jérôme Thermoz, Vice President, French Distribution.

Véronique Duretz, Vice President of Human Resources.

In 2019, the meetings of this committee addressed the following items of business: Brand strategy, acquisitions, Kate Spade license, performance share plan, 2019 and 2020 budgets, supply chain, renewal of the warehouse lease, 2019-2022 marketing plans, US market trends- the Group's largest market, outlook, competition, 2019 structure and organization, renewal of license agreements, launch of *Montblanc Explorer*, Jimmy Choo make-up project, 2020, 2021 and 2020 launches, H1 and FY 2019 results, export customers review, digital products and E-commerce, ramp-up of the SAP, study of environmental issues and sustainable developments in the beauty market, 2019 and 2020 sales budgets.

1.2.2 • Composition of the Board of Directors

On December 31, 2019, the Board of Directors had ten members, four of which are independent.

To date, the Board includes two members with the status of employee resulting from an employment contracts predating their appointment as Directors and Executive Vice President, notably Philippe Santi and Frédéric Garcia-Pelayo.

The Directors have diverse and complementary profiles reflecting their broad and diversified backgrounds. Accordingly, in addition to their expertise in finance, management and corporate strategy, their knowledge of the luxury and cosmetics sectors contributes to the quality and professionalism of the Board's discussions.

1.2.3 • The exercise of multiple offices and terms

By accepting the Charter, the Directors undertake to respect the rules governing holding multiple offices provided by articles L.225-21 and L.225-94 of the French Commercial Code.

At December 31, 2019, the number of offices held by each of the Directors was in compliance with the applicable laws.

The term of the office is set at 5 years. As an exception, and in order to permit the implementation and maintain the staggering of Directors' terms of office, the General Meeting may appoint one or more Directors for terms of three (3) years in accordance with Middlenext: Recommendation No. 9 that renewals of terms of office be staggered. In addition, the company considers that, in light of its size and the composition of its Board, a term of 5 years contributes to ensuring the experience of Directors in terms of knowledge of the company, its market and its activities in their decision-making, without diminishing the quality of oversight.

The company adheres to Middlenext Code Recommendation No. 8 by providing at shareholders' meetings information on the experience and skills of each Director at the time of their appointment or the renewal of their terms of office.

The appointment of each Director and the renewal of their terms of office are the subject of a distinct resolution.

1.2.4 • Members of the Board of Directors on December 31, 2019

Philippe Benacin
Chairman-Chief Executive Officer

Date of 1st appointment: January 3, 1989.
Date of last reappointment: April 27, 2018.

Professional address: 4, rond-point des Champs-Élysées 75008 Paris, France.

Philippe Benacin, 61, a graduate of the ESSEC Business School and co-founder of the Company with his partner Jean Madar, has served as Chairman-CEO of Interparfums SA since its creation in 1989.

Philippe Benacin steers the strategic course of the Paris-based Interparfums SA Group and the development of the brands of the portfolio: Lanvin, Rochas, Jimmy Choo, Montblanc, Repetto, Van Cleef & Arpels, Karl Lagerfeld, Paul Smith, S.T. Dupont, Boucheron, Coach et Kate Spade.

Current offices:

- President and Vice Chairman of the Board of Interparfums Inc. (United States);
- Chairman of the Board of Directors and Director of Interparfums Holding;
- Managing Partner and President of Interparfums Suisse;
- Director of Interparfums Asia Pacific Pte Ltd;
- Chairman of the Board of Directors of Parfums Rochas Spain Sl;
- Sole Director of Interparfums Luxury Brands Inc. (United States);

– Director of Inter España Parfums et Cosmetiques Sl (Spain);
– Director of Interparfums Srl (Italy);
– Vice Chair of the Supervisory Board and Chair of the Corporate Governance, Nominations and Remuneration Committee of Vivendi.

Offices having expired in the last five years: None.

Office expiring at the end of the AGM to be held in 2023 called for the purpose of approving the financial statements for the period ended

Jean Madar
Director

Date of 1st appointment: December 23, 1993.
Date of last reappointment: April 27, 2018.

Professional address: 4, rond-point des Champs-Élysées 75008 Paris, France.

Jean Madar, 59, a graduate of the ESSEC Business School, is the co-founder of the company with his partner Philippe Benacin. Jean Madar steers the strategic course for the New York-based Group Interparfums Inc. and the development of the brands of the portfolio: Anna Sui, Dunhill, Oscar de la Renta, Abercrombie & Fitch, Hollister, Agent Provocateur, Bebe, MCM, Guess and Graff.

Current offices:

– Chief Executive Officer and Director of Interparfums Holding;
– Chief Executive Officer and Vice President of Interparfums Holding.

Offices having expired in the last five years: None.

Office expiring at the end of the AGM to be held in 2023 called for the purpose of approving the financial statements for the period ended

Philippe Santi
Director and Executive Vice President

Date of 1st appointment: April 23, 2004.
Date of last reappointment: April 27, 2018.

Professional address: 4, rond-point des Champs-Élysées 75008 Paris, France.

Philippe Santi, 58, graduate of the Neoma Business School *(École Supérieur de Commerce of Reims)* with a degree as a public accountant, has served as the Chief Financial and Administrative Officer of Interparfums SA since 1995 and as Executive Vice President since 2004.

Current office:

– Director of Interparfums Inc.

Offices having expired in the last five years: None.

Office expiring at the end of the AGM to be held in 2023 called for the purpose of approving the financial statements for the period ended

Frédéric Garcia-Pelayo
Director and Executive Vice President

Date of 1st appointment: April 24, 2009.
Date of last reappointment: April 27, 2018.

Professional address: 4, rond-point des Champs-Élysées 75008 Paris, France.

Frédéric Garcia-Pelayo, 61, EPSCI international exchange program graduate of the ESSEC Business School, has been Vice President for Export Sales of Interparfums SA since 1994 and Executive Vice President since 2004.

Current offices:

– Director of Interparfums Srl (Italy);
– Director of Inter España Parfums et Cosmetiques Sl (Spain);
– Director and Vice President of Finance of TFWA.

Offices having expired in the last five years: None.

Office expiring at the end of the AGM to be held in 2023 called for the purpose of approving the financial statements for the period ended

Patrick Choël
Director

Date of 1st appointment: December 1, 2004.
Date of last reappointment: April 27, 2018.

Professional address: 4, rond-point des Champs-Élysées 75008 Paris, France.

Patrick Choël, 76, a graduate of Sciences Po Paris, was Chairman of the Fragrance and Cosmetics division of LVMH from 1995 to 2004.

Current offices:

– Director of Interparfums Inc.;
– Director of Parfums Christian Dior.

Offices having expired in the last five years:

– Director of Modelabs;
– Director of SGD;
– Director of ILEOS;
– Director of Guerlain (November 2019).

Office expiring at the end of the AGM to be held in 2021 called for the purpose of approving the financial statements for the period ended

Véronique Gabaï-Pinsky
Director

Date of 1st appointment: April 28, 2017.

Professional address: 4, rond-point des Champs-Élysées 75008 Paris, France.

Véronique Gabaï-Pinsky, 54, a business school graduate of ESSEC, until June 2018 was Chair of the US company, Vera Wang, operating in the luxury ready-to-wear sector.

Prior to joining Vera Wang, Ms. Gabaï-Pinsky spent 12 years at the Estee Lauder Companies, as the Global President for Aramis and Designers Fragrances.

In the earlier years of her career, Ms. Gabaï-Pinsky served as Vice President of Marketing and Communication for Guerlain, where she successfully led projects including the re-launch of iconic *Shalimar* and the introduction of *Aqua Allegoria.*

She started her career at L'Oréal, and was lastly Vice President of Marketing for Giorgio Armani, where she was instrumental in the overall development of its fragrance business by developing the highly successful *Acqua di Gio* for men.

Current offices:

– Director of Interparfums Inc.;
– Member of The Committee of 200 (Fashion Group International and Cosmetic Executive Women).

Offices having expired in the last five years:

– Chair of the Vera Wang Group.

Office expiring at the end of the AGM to be held in 2021 called for the purpose of approving the financial statements for the period ended

Maurice Alhadève
Independent Director

Date of 1st appointment: April 23, 2004.
Date of last reappointment: April 27, 2018.

Professional address: 4, rond-point des Champs-Élysées 75008 Paris, France.

Maurice Alhadève, 77, a graduate of Sciences Po Paris and Northwestern University (Chicago) was the Chief Executive Officer of the Luxury division of "Française de soins et Parfums" (Unilever Group), and then, a manager for several companies specialized in the creation of fragrance concentrates: International Flavors and Fragrance (IFF), Créations Aromatiques and Haarmann & Reimer. He was head of the ISIPCA, the school for the creation of fragrances, cosmetics and flavors, located in Versailles, France. He is today the cofounder and President of the École Supérieure du Parfum de Paris, providing specialized programs in the fields of creation and management for the perfume industry.

Current offices: None.

Offices having expired in the last five years: None.

Office expiring at the end of the AGM to be held in 2021 called for the purpose of approving the financial statements for the period ended

Chantal Roos
Independent Director

Date of 1st appointment: April 24, 2009.
Date of last reappointment: April 27, 2018.

Professional address: 4, rond-point des Champs-Élysées 75008 Paris, France.

Chantal Roos, 76, served as Vice-President for International Marketing than Deputy Chief Executive Officer within the Yves Saint Laurent Parfums Group, then Chair of Beauté Prestige Internationale.

She joined the Gucci group in 2000 as President of the Yves Saint Laurent Beauté division, becoming subsequently in 2007, Strategic Adviser to the Chairman and Chief Executive Officer. In 2008, she launched her own company specialized in the creation and development of fragrance and cosmetic brands.

Current offices:

– Managing Partner of CREA;
– Managing Partner of ROOS&ROOS.

Offices having expired in the last five years: None.

Office expiring at the end of the AGM to be held in 2023 called for the purpose of approving the financial statements for the period ended

Dominique Cyrot
Independent Director

Date of 1st appointment: April 27, 2012.
Date of last reappointment: April 22, 2016.

Professional address: 4, rond-point des Champs-Élysées 75008 Paris, France.

Dominique Cyrot, 68, has a master's degree in management from University Paris IX Dauphine. Her professional career included positions with the French insurer AGF from 1973 to 2011, which has become today ALLIANZ GI.

After heading the research department, then responsible for the insurance portfolio management for AGF, Dominique Cyrot was responsible for managing the UCTIS for the Group for French large caps then for all French and European Mid Caps.

Up until 2000, Dominique Cyrot was a Director of the investment funds Louxor (luxury), Agroplus (food industry), Galileo (high tech), and for Assystel and Geodis, two listed companies, as well as numerous SICAVs of the AGF Group and also external SICAVs.

Current offices:

– Director of FIME (SA) since April 16, 2015.

Offices having expired in the last five years:

– Director of SECHE Environnement (office expired in April 2015).

Office expiring at the end of the AGM to be held in 2020 called for the purpose of approving the financial statements for the period ended and submitted to the shareholders for renewal

Marie-Ange Verdickt
Independent Director

Date of 1st appointment: April 24, 2015.
Date of last reappointment: April 27, 2018.

Professional address: 4, rond-point des Champs-Élysées 75008 Paris, France.

Marie-Ange Verdickt, 57, has a business degree from École Supérieure de Commerce de Bordeaux – KEDGE (1984), and is a member of the French Society of Financial Analysts (SFAF). She began her career as an auditor with Deloitte, then management controller for the computer group, Wang.

In 1990 she joined Euronext as a financial analyst and was subsequently appointed as head of the office of financial analysis. From 1998 until 2012, she joined the asset management company, Financière de l'Échiquier, as a manager of equity funds specialized in French and European Mid-Caps. She also contributed to developing socially responsible investment practices. Since 2012, she has been an independent Director in different companies.

Current offices:

- Member of the supervisory Board of Wavestone (September 26, 2012);
- Member of the supervisory Board of CapHorn Invest (May 31, 2013);
- Director of ABC Arbitrage (April 2013);
- Director of Bonduelle (December 2019).

Offices having expired in the last five years:

- Member of the supervisory Board of Bonduelle (from December 3, 2015 to December 5, 2019).

Office expiring at the end of the AGM to be held in 2023 called for the purpose of approving the financial statements for the period ended

In compliance with the provisions of article 4.7 of the Board Charter, all Directors hold at least 300 shares of the company.

On December 31, 2019,the number of shares held by Directors broke down as follows:

Directors	**Number of Interparfums shares**
Philippe Santi	11,253
Frédéric Garcia-Pelayo	11,250
Philippe Benacin	5,837
Jean Madar	5,789
Dominique Cyrot	3,140
Marie-Ange Verdickt	2,928
Patrick Choël	2,124
Chantal Roos	726
Maurice Alhadève	441
Véronique Gabaï-Pinsky	363

1.2.5 • The diversity policy of the Board of Directors

Criteria applied	**Targets**	**Procedures implemented and results obtained in the period**
Gender equality	Balanced representation of men and women on the Board of Directors in compliance with article L.225-18-1 of the French Commercial Code.	Increase in the percentage of women on the Board: – 25% since the 2012 General Meeting; – 33% since the 2015 General Meeting. Since the General Meeting of April 28, 2017, 40% of the Board members were women.
Nationality, qualifications and background	Study of orientations to be set to ensure the best possible balance by seeking complementary profiles in terms of international background and diversity in terms of nationality, expertise and experience.	Foreign Directors: – 10% since the 2017 General Meeting. Experience: – Business sector knowledge: appointments of Maurice Alhadève and Patrick Choël in 2004; – Finance, strategy, economy: appointment of Dominique Cyrot in 2012 and Marie-Ange Verdickt in 2015; – Marketing/consumer behavior: appointment of Chantal Roos in 2009 and Véronique Gabaï-Pinsky in 2017. All Directors listed above possessed considerable international experience.
Independence of Directors	At least 2 independent Directors (see Middlenext Code Recommendation No. 3).	4 independent Directors (40%).
Age of Directors	Not more than one third of the Directors over than 80.	Objective met.

- Expertise

The Board of Directors attaches a particular attention to the selection of its members. In addition to their complementarity and respective technical expertise, Directors are also selected for their international experience and ability to address the strategic issues of the market in which the company operates.

- Director ethics

In accordance with Middlenext Code Recommendation No. 1, each Director is informed of the responsibilities arising from his/her appointment their appointment and encouraged to comply with the rules of ethics relating to the obligations of their office which are described in detail in the Charter: notably those provided for by law on holding several offices (the Middlenext Code recommends that when the Director holds a position as a "manager", he or she should not accept more than two other offices as Directors in listed companies), informing the Board in the event of a conflict of interest arising after their appointment, participate actively and diligently in all Board meetings and attend shareholders' meetings, ensuring that they have obtained all necessary information on the subjects to be addressed in meetings before rendering any decisions and observe strict professional secrecy.

- Independence of Directors

With respect to the criteria set forth in the Middlenext Code Recommendation No. 3, a Director is characterized as independent by the absence of any significant financial, contractual or family relationship likely to affect his/her independence of judgment. The Middlenext Code recommends that the Board has at least 2 independent members.

On this basis, the Board of Directors has four independent members, with respect to the following criteria:

- criteria of independence No. 1: they must not have been during the last five years an employee or executive officer of the company or a company in its Group;
- criteria of independence No. 2: they must not have or had any material business relationship with the company or its Group for the last two years (as a client, supplier, competitor, service provider, creditor, banker, etc.);
- criteria of independence No. 3: they must not be a reference shareholder of the company or hold a significant percentage of voting rights;
- criteria of independence No. 4: they must not have a close relationship or close family ties with a corporate officer or a reference shareholder;
- criteria of independence No. 5: they must not have been an auditor of the company within the previous three years.

	Criteria of independence					**Qualification of independence**
	No. 1	**No. 2**	**No. 3**	**No. 4**	**No. 5**	
Maurice Alhadève	X	X	X	X	X	Yes
Philippe Benacin		X		X	X	No
Patrick Choël		X	X	X	X	No
Dominique Cyrot	X	X	X	X	X	Yes
Frédéric Garcia-Pelayo		X	X	X	X	No
Jean Madar		X		X	X	No
Chantal Roos	X	X	X	X	X	Yes
Philippe Santi		X	X	X	X	No
Marie-Ange Verdickt	X	X	X	X	X	Yes
Véronique Gabaï-Pinsky		X	X	X	X	No

As at December 31, 2019, the independent Directors did not have any relations of any nature with the company that could compromise their independence.

1.3 • Preparation and organization of the work of the Board of Directors and Audit Committee

1.3.1 • Board meetings

The number of meetings held is in compliance with the provisions of Middlenext Code Recommendation No. 5. It meets as often as the interests of the company require and at least four times a year at the request of the Chairman and according to a calendar jointly established that may be modified at the request of Directors or when justified by unforeseen events.

The Chairman organizes the work of the Board and reports on this work to the General Meeting. The work of the Board is carried out in a collegial framework and in a manner that complies with the laws, regulations and recommendations. Accordingly, the Chairman of the Board of Directors ensures Directors are provided with information in advance and on a regular basis, that constitutes an essential condition for the performance of their duties.

In 2019, the Board of Directors met 6 times with an attendance rate of 88% for meetings lasting on average three hours and addressing the following items of business:

- review and approval of the separate parent company and consolidated financial statements for the fiscal year ended December 31, 2018 and the notice of the Annual General Meeting;
- implementing of the share buyback program;
- review and approval of the 2019 interim financial statements;
- review of the fiscal year 2019 budget and outlook and the forward-planning documents;
- capital increase through the capitalization of reserves and the grant of bonus shares to shareholders *(actions gratuites)*;
- compensation policy for executive officers;
- analysis of financial information disclosed by the company to shareholders and the market;
- analysis and definition of the major strategic, economic and financial priorities of the company;
- review and authorization of external growth projects;
- discussions on the company's policies on workplace and wage equality and CSR;
- review of the issue of succession planning for the manager.

In addition, in compliance with the Act No. 2019-486 of May 22, 2019 *(Loi Pacte)*, on March 2, 2020, the Board of Directors adopted a new procedure for the annual review of ordinary agreements providing for their evaluation comparable to the practice for reviewing regulated agreements.

Auditors attend Board of Directors' meetings held to consider the company's accounts or any other matters regarding which they may provide Board members an informed opinion. Each of the meetings of the Board called to adopt the annual and half year accounts was preceded by an Audit Committee meeting.

On the date of this Universal Registration Document, the Board of Directors met twice since the beginning of 2020 to consider, on the one hand, the compensation policy for corporate officers, on the other hand, the review and closing of the annual and consolidated financial statements for the year ended December 31, 2019 and the notice for the Annual General Meeting of 2020.

1.3.2 • Audit Committee meetings

The Board of Directors, taking into account the Middlenext Code Recommendation 6 and in light of the company's size and operating procedures, on June 11, 2018, created an independent Audit Committee.

Up until this date, the Board of Directors met in the capacity of Audit Committee, in accordance with article L.823-20 of the French Commercial Code which allows companies with a governance body to fulfill the functions of this committee on condition that its members are identified and its composition are rendered public, and does not form an independent Audit Committee.

The Audit Committee is tasked primarily with the following missions:

- monitoring matters relating to the preparation and control of accounting and financial information: it supervises procedures related to the preparation of financial information and, if need be, formulates recommendations in order to ensure its integrity. It reviews the draft versions of the interim and annual consolidated financial statements of the group, the annual financial statements of the company and the presentation of management describing the exposure to risks and significant off-balance sheet commitments as well as the accounting options adopted;
- monitoring the effectiveness of internal control and risk management systems as well as, as applicable, Internal Audit, regarding procedures for the preparation and processing of accounting and financial information, without however compromising its independence; After strengthening its missions for monitoring risks, it conducts a review once a year of all the main risks to which the group may be exposed;
- monitoring the statutory audit of the consolidated annual and interim financial statements of the Group, the annual financial statements of the company and ensuring the compliance by the Statutory Auditors of the conditions of independence under the conditions and according to the procedures provided for by regulation and, more generally, monitoring the conduct of their mission and taking into account, as applicable, the observations and conclusions of the French auditors supervisory body *(Haut Conseil du Commissariat aux Comptes)* pursuant to audits performed in accordance with regulations;

– issuing a recommendation for the appointment of Statutory Auditors submitted to the General Meeting. This recommendation sent to the Board is prepared according to regulations. It issues as well a recommendation to the Board when the reappointment of the auditor's term is considered under the conditions defined by regulation;

– it approves the provision of services other statutory audits in compliance with applicable regulations;

– implementing a procedure of prior approval for a specified period, for a restrictive list of services other than statutory audit, where each category is based on work of the same nature;

– it reports regularly to the Board of Directors of the committee's mission. It also reports on the results of the audit, on how this mission has ensured integrity of the financial information and the role played by the committee in this process. It informs the Board of any difficulties encountered.

The Audit Committee is comprised of or members:

Names	**Status**	**Independent Director**	**Expertise and background**
Marie-Ange Verdickt	Chair	yes	Finance and accounting
Dominique Cyrot	Member	yes	Finance and accounting
Maurice Alhadève	Member	yes	Knowledge of the business sector
Patrick Choël	Member	no	Knowledge of the business sector

The majority of the Audit Committee members are independent Directors, of which the Chair.

Members of the Audit Committee were appointed for terms corresponding to their terms as Director (see above paragraph 1.2.4.).

Their expertise and professional background enables the Committee to fulfill its mission based on the requisite experience.

The Audit Committee is equipped with a Charter, previously approved by the Board of Directors on June 11, 2018, taking into account the new missions incumbent upon it following the audit reform measures adopted on June 17, 2016, and describing its organization, operations, areas of competence and functions.

In the period ended December 31, 2019, the Audit Committee met four times with an attendance rate of 100%, and reviewed the following points relating to the audit of the consolidated annual and interim financial statements:

– the assessment of the accounting policies, the consistency of their application and compliance with IFRS;
– the implementation of audit programs and financial information defined in relation to the risks identified after evaluating the accounting and internal control systems and notably asset impairments (accounts receivable, inventory) and provisions (legal and tax risks) and impacts relating to foreign exchange;
– the validation of financial information;
– the review of Services other than Statutory Audit;
– prioritization of company risks;
– the computer security audit.

The Audit Committee transmitted to the Board of Directors the results of the audit, and provided explanations to the Board on how the statutory audit contributed to the integrity of financial reporting and defined the role it exercised in this process.

1.3.3 • Evaluation of the work of the Board of Directors and Audit Committee

In accordance with Middlenext Code Recommendation No. 11, each year Board members perform their self-evaluation on the practices of the Board, the Audit Committee and the preparation of their work through a questionnaire sent to each Director on notably:

– the missions assigned to the Board;
– the functioning and composition of the Board;
– the Board of Directors and the strategy;
– the missions and work of the Audit Committee;
– the meetings and quality of the discussions;
– Directors' access to information.

Based on the feedback received, the Board and the Audit Committee reviewed its membership and evaluated, in total independence and freedom of judgment, its organizational and operating effectiveness. These questionnaires highlighted an assessment of Board and Audit Committee practices that was favorable, and in accordance with the spirit of Middlenext recommendations and a satisfactory analysis of the environment in which the Directors exercise in practice their functions and responsibilities.

1.4 • Powers and missions of the Board of Directors

The Board of Directors determines strategic, economic, social and financial priorities of the company and ensures that they are implemented. Subject to the powers granted to shareholders' meetings and within the limits of the company's Charter, the Board considers any matter relating to the proper management of the company.

It issues decisions concerning the holding of multiple appointments or the separation of the appointments of Chief Executive Officer *(Directeur Général)* and Chairman of the Board, appoints corporate officers, imposes possible limits on the authorities of the Chief Executive Officer (see paragraph 1.2.1.1), adopts the report on Corporate Governance, performs controls and verifications it considers appropriate, in respect to management control and the fair presentation of accounts, reviews and approves the financial statements, and ensures the quality of financial information provided to shareholders and the market.

1.4.1 • Transmission of information to Directors

Directors are provided with all relevant documents and information to effectively perform their duties. Before each Board meeting, Directors receive:

– a meeting agenda established by the Chairman in coordination with Executive Management and, when applicable, Directors proposing items to be discussed;
– an information file concerning issues to be addressed under the agenda requiring particular analysis for the purpose of an informed discussion, during which Directors may ask relevant questions to ensure their adequate understanding of the matters addressed;
– and, when useful, press releases that have been published by the company as well as significant press articles and reports of financial analysts.

In compliance with Middlenext Code Recommendation No. 4, outside of Board meetings, and when justified by events of the Company, Directors are regularly provided with all important information about the company that could have an impact on its commitments and financial position, notably through a dedicated gateway. They may request any explanation or the issuance of additional information, and in general, formulate any requests for access to information they may consider useful.

The Directors who are members of the Audit Committee organize preparatory work for the Board meetings and may on occasion meet to address questions relating to their missions and operating procedures.

1.4.2 • Representations concerning Directors and Executive Management

1.4.2.1 • Absence of condemnations

To the best of the Company's knowledge and on the date this document was prepared, in the last five years none of the members of the Board of Directors and Executive Management of the company have been:

– convicted for fraud or subject to accusations or penalties or of any official public sanction for infractions rendered by statutory or regulatory authorities (including designated professional bodies);
– involved in a bankruptcy, receivership or liquidation receiving or been placed in official receivership, having served as a member of a Board of Directors, management or supervisory Board;
– has not been disqualified by a court of law from serving as a member of the Board of Directors, Executive Management or supervisory Board or from intervening in the management of the operations of an issuer.

1.4.2.2 • Absence of potential conflicts of interest

To the best of the Company's knowledge and on the date this document was prepared, no conflicts of interest have been identified between the duties towards the company and the personal interests and/or other duties of one of the members of the Board and the Executive Management.

In compliance with the Board Charter, it is noted that in exercising their office, each Director must make decisions in accordance with the corporate interest of the company.

Each Director is obligated to inform the Board of any situation involving a conflict of interest, even a potential conflict of interest, and must abstain from voting in the proceedings relating thereto, and if necessary, resign.

Directors are asked each year to update information about their functions, and executive, administrative and management offices currently held or that have been held in the last five years. In addition, they are requested to return a sworn statement attesting to the absence of any conflict of interest and convictions.

Insofar as the company is aware and on the date this document was prepared, no arrangements or agreements existed with the principal shareholders, customers or suppliers pursuant to which any members of the Board of Directors and the Executive Management have been appointed on the basis of their status as such.

Insofar as the company is aware and on the date this document was prepared, in the last five years none of the members of the Board of Directors and Executive Management have accepted any restrictions relating to the sale of their holdings in the company's share capital, with the exception of the requirement of holding 20% of the restricted stock units *(actions gratuites)* awarded to the Chairman-CEO and the Executive Vice Presidents until such time as they no longer exercised their functions.

1.4.2.3 • Absence of service contracts with members of the Board and corporate governance bodies

To the best of the Company's knowledge, none of the members of the Board and corporate governance bodies are bound by service agreements with the company or one of its subsidiaries providing for the grant of benefits under its terms.

1.4.2.4 • Absence of family ties between corporate officers

No family ties exist among members of corporate officers.

1.5 • Summary of delegations of authority and financial authorizations granted by the General Meeting to the Board of Directors (Art. L.225-37-4 of the French Commercial Code)

Summary of delegations of authority and financial authorizations in force

Nature of the delegations of authority and authorizations	Limits of the issue	Delegations of authority and authorizations used	Expiration date
Delegations of authority and authorizations granted by the 2019 AGM			
Delegation of authority to increase the capital by capitalizing reserves, earnings or premiums (12th resolution)	Within the limit of €50,000,000	Delegation of authority used by the Board of Directors' meetings of April 26, 2019, creating 4,296,562 new shares in the amount of €12,889,886	06/25/2021
Authorization to grant stock options to employees or selected corporate officers (13th resolution)	Within the limit of 1% of the share capital on the grant date	Unused	06/25/2022
Authorization to grant restricted shares of the Company without consideration (bonus shares) to employees and/or selected company officers (14th resolution)	Within the limit of 3% of the share capital on the grant date	Unused	06/25/2022
Delegation of authority to issue shares reserved for employees of the Group participating in a company savings plan (15th resolution)	Within the limit of 2% of the share capital on issue date (1)	Unused	06/25/2021
Delegations of authority and authorizations granted by the 2018 AGM			
Delegation of authority to issue shares or securities, maintaining shareholders' preferential subscription rights (20th resolution)	Within the limit of €30,000,000 (shares) €100,000,000 (debt securities)	Unused	06/26/2020
Delegation of authority to issue shares or securities, canceling shareholders' preferential subscription rights through a public offering (21st resolution)	Within the limit of €9,000,000 (1) (shares) €50,000,000 (debt securities)	Unused	06/26/2020
Delegation of authority to issue shares or securities giving access to the capital of the company, canceling shareholders' preferential subscription rights through an offering covered by article L.411-2of the French Monetary and Financial Code (22nd resolution)	Within the limit of €9,000,000 (1) (shares) €15,000,000 (debt securities)	Unused	06/26/2020
Increase in the *number of shares* to be issued in the case of excess demand and a capital increase with or without shareholders' preferential subscription rights (24th resolution)	Within the limit of 15% of the initial issue	Unused	06/26/2020
Authorization to issue shares or securities giving access to the capital as consideration in payment for in-kind contributions of equity securities (25th resolution)	Within the limit of 10% of the share capital on the date of the General Meeting (1)	Unused	06/26/2020
Delegation of authority to issue shares reserved for employees of the Group participating in a company savings plan (26th resolution)	Within the limit of 2% of the share capital on issue date (1)	Unused	06/26/2020

(1) Included within the total ceiling of 10% of the share capital on the issue date (26th resolution of the 2018 AGM).

1.6 • Participation in shareholders meetings

Under the terms of article 19 of the company's bylaws all shareholders have a right to participate in General Meetings, personally or through a proxy, regardless of the number of shares they hold. The right to attend the shareholders meetings is contingent on registration of the shares in the name of the shareholder or the registered intermediary acting on the shareholder' behalf, on the second business day prior to the meeting at midnight (CET).

2 • Compensation of Directors and officers

2.1 • Compensation policy for corporate officers (6th and 7th resolutions of the AGM of April 24, 2020)

In light of the recommendations of the Middlenext Code of corporate governance, the Board of Directors has established a compensation policy for each corporate officer of the company in the interest of the company, by contributing to its long-term development and in line with its commercial strategy as described in section 1 "consolidated management report", paragraph 1 "the company's business and strategy" of this Universal Registration Document.

No component of compensation of any nature may be set, allocated or paid by the company and no undertaking may be made by the company if not in compliance with the approved compensation policy or, in the absence thereof compensation or practices existing within the Company.

The Board sets, revises and implements the compensation policy for each corporate officer. When the Board of Directors rules on a component of compensation or a commitment for the benefit of its Chairman, and Chief Executive Officer *(Directeur Général)* or an Executive Vice President *(Directeur Général Délégué)*, the party thus concerned abstains from participating in the proceedings or voting on the components of compensation or commitment in question.

2.1.1 • Compensation policy of the Chairman-Chief Executive Officer or any other executive officer

The policy described above applies to the Chief Executive Officer as well as any other executive officer to whom compensation may be allocated on the basis of their office.

In this respect, it is specified, or information purposes, that the current executive vice presidents do not receive any compensation with respect to their offices. These officers are tied to the company through a permanent employment contracts whose characteristics are described in paragraph 2.1.3.

In addition, the terms of the offices of executive officers are presented in paragraph 1.2.4.

2.1.1.1 • Variable and fixed compensation

The compensation policy set by the Board is as follows:

The fixed, variable and special components of total compensation and benefits of any nature attributable to the Chairman-CEO on the basis of his office, as well as their respective importance are as follows:

- fixed compensation: This is determined each year in relation to changes in responsibilities or events affecting the company, the environment for the business and the market of reference, and must be proportionate to the situation of the company and will be paid through monthly payments;
- annual variable compensation: This is based on clearly defined, quantifiable and operational objectives and contingent on the achievement of financial objectives on the one hand, and qualitative objectives on the other. It may account for up to 60% of total compensation.

The Board of Directors on January 20, 2020 defined qualitative criteria and a new breakdown between quantitative and qualitative objectives, with the first accounting for 60% and the second 40% of the total.

For each of these quantitative and qualitative objectives, a minimum threshold of meeting 80% of the objectives set is required to justify payment of the variable compensation.

Went the rate of achievement reaches 125% of the objectives set, the amount of variable remuneration due will be then increased by 25%.

The criteria for setting annual compensation are as follows:

- financial and quantitative criteria: these financial criteria are based on a target for consolidated sales and consolidated operating profit, with each of the criteria given equal weight in determining variable compensation;
- non-financial criteria: the qualitative criteria have been established in a precisely defined manner linked to the growth strategy of the company and its subsidiaries.

The level of achievement expected for the quantitative financial criteria as well as the non-financial criteria were previously established by the Board of Directors though not rendered public for reasons of confidentiality and in light of the sensitivity of this information with respect to strategy and the competition.

2.1.1.2 • Other compensation

- Multi-year variable compensation and special compensation

There are no provisions for providing multi-year compensation or special compensation.

- Performance share awards – stock options

The shareholders' AGM of April 26, 2019 authorized the Board of Directors to award restricted stock units and/or stock options and/or stock purchase options of the company to members of personnel and/or selected corporate officers. In this framework, the Chair-CEO may be awarded in 2020 restricted stock units and/or stock options and/or stock purchase options subject to conditions of performance and holding periods linked to his term as officer of the company.

- Compensation awarded to Directors on the basis of their office

The Chairman-CEO and Executive Vice Presidents, in their capacity as Directors, have expressly waived their right to receive compensation to which they might be entitled as members of the Board.

- Benefits of any nature

The Chairman-CEO benefits from the use of a company car representing a benefit in kind.

No other benefits in kind are granted to him.

2.1.2 • Compensation policy for Board members

The 13th resolution of the ordinary Annual General Meeting of April 27, 2018 set as compensation for members of the Board and annual amount of €200,000 valid for the 2018 financial year until a new decision by the Annual General Meeting.

The criteria for distributing this fixed annual amount allocated by the Annual General Meeting to members of the Board was set by the Board and are as follows:

- meeting attendance;
- audit Committee membership.

The compensation policy for Board members is based on and allocation reserved exclusively to outside non-executive Directors serving on the Board of Directors. The other Directors expressly waived their entitlement to receive compensation.

No other form of compensation is paid to non-executive Directors.

2.1.3 • Information on offices and employment contracts and/or service agreements of corporate officers with the Company

The following table indicates the terms of offices of officers of the Company and, as applicable, employment contracts or service agreements entered into with the Company the notice periods and the conditions for revocation or termination applicable thereto;

<table>
<tr><th>Officers of the Company</th><th>Philippe Benacin</th><th>Frédéric Garcia-Pelayo</th><th>Philippe Santi</th></tr>
<tr><td>Office(s) exercise</td><td>Chairman – Chief Executive Officer</td><td>Executive Vice President</td><td>Executive Vice President</td></tr>
<tr><td>Term of office(s)</td><td colspan="3">At the end of the AGM held in 2023 called to approve the financial statements for the period ended</td></tr>
<tr><td>Employment contract entered into with the company (specify its term)</td><td>No</td><td>Yes – permanent employment contract for the position of "Chief International Officer"</td><td>Yes – permanent employment contract for the position of "Chief Financial and Legal Officer"</td></tr>
<tr><td>Service agreements entered into with the Company</td><td>No</td><td>No</td><td>No</td></tr>
<tr><td>Notice periods</td><td>N/A</td><td colspan="2">3 month notice period for salaried positions</td></tr>
<tr><td rowspan="2">Conditions for revocation or termination</td><td rowspan="2">Revocation of the office as provided by law and jurisprudence</td><td colspan="2">Revocation of the office as provided by law and jurisprudence</td></tr>
<tr><td colspan="2">Termination of the office as provided by law and jurisprudence</td></tr>
</table>

2.2 • Disclosures required by article L.225-37-3 of the French Commercial Code for each officer of the Company (8th resolution of the AGM of April 24, 2020)

It is specified that the total compensation of the Chairman-CEO is in compliance with the compensation policy relating thereto as approved by the 10th resolution of the Annual General Meeting of April 26, 2019. Readers are reminded the Company's two Executive Vice Presidents *(Directeurs Généraux Délégués)* receive compensation exclusively in relation to their employment contract.

2.2.1 • Summary of compensation, stock options and shares awarded to each executive officer

	Fiscal 2018	Fiscal 2019
Philippe Benacin – Chairman and Chief Executive Officer		
Compensation allocated for the year	€599,800	€589,800
Valuation of options granted in the period (Interparfums Inc. plan)	$366,500	$353,000
Measurement of multi-year compensation plans	N/A	N/A
Valuation of performance shares granted in the period	€119,360	-

	Fiscal 2018	Fiscal 2019
Philippe Santi – Director – Executive Vice President		
Compensation allocated for the year	€714,000	€710,000
Valuation of options granted in the period (Interparfums Inc. plan)	$189,760	$141,200
Measurement of multi-year compensation plans	N/A	N/A
Valuation of performance shares granted in the period	€119 360	-
Frédéric Garcia-Pelayo – Director – Executive Vice President		
Compensation allocated for the year	€721 800	€717 800
Valuation of options granted in the period (Interparfums Inc. plan)	$189,760	$141,200
Measurement of multi-year compensation plans	N/A	N/A
Valuation of performance shares granted in the period	€119,360	-

No other compensation or benefits of any nature was received by the Chairman-CEO and the Executive Vice Presidents in 2019 from controlled companies and the controlling company.

2.2.2 • Summary of compensation for each executive officer

	Fiscal 2018		Fiscal 2019	
	Compensation allocated for the year	Compensation paid in the year	Compensation allocated for the year	Compensation paid in the year
Philippe Benacin **Chairman and Chief Executive Officer**				
Fixed compensation	444,000	444,000	456,000	456,000
Variable compensation	145,000	147,000	123,000	146,000
Exceptional compensation	-	-	-	-
Compensation allocated on the basis of his office as Board member	-	-	-	-
Benefits in kind (vehicle)	10,800	10,800	10,800	10,800
Total	**599,800**	**601,800**	**589,800**	**612,800**

	Fiscal 2018		Fiscal 2019	
	Compensation allocated for the year	Compensation paid in the year	Compensation allocated for the year	Compensation paid in the year
Philippe Santi **Director – Executive Vice President**				
Fixed compensation	384,000	384,000	396,000	396,000
Variable compensation	330,000	318,000	314,000	331,500
Exceptional compensation	-	-	-	-
Compensation allocated on the basis of his office as Board member	-	-	-	-
Benefits in-kind	-	-	-	-
Total	**714,000**	**702,000**	**710,000**	**727,500**
Frédéric Garcia-Pelayo **Director – Executive Vice President**				
Fixed compensation	384,000	384,000	396,000	396,000
Variable compensation	330,000	318,000	314,000	331,500
Exceptional compensation	-	-	-	-
Compensation allocated on the basis of his office as Board member	-	-	-	-
Benefits in kind (vehicle)	7,800	7,800	7,800	7,800
Total	**721,800**	**709,800**	**717,800**	**735,300**

2.2.3 • Attendance' fees received by non-executive Directors

Non-executive officers	Compensation allocated and paid in 2018	Compensation allocated and paid in 2019
Maurice Alhadève	€34,000	€32,000
Patrick Choël	€30,000	€28,000
Dominique Cyrot	€30,000	€22,000
Chantal Roos	€28,000	€20,000
Marie-Ange Verdickt	€30,000	€28,000
Véronique Gabaï-Pinsky	€28,000	€16,000

This concerns solely compensation paid on the basis of their offices as Director.

The compensation of Mr. Madar is presented in paragraph 2.4.

2.2.4 • Summary of employment contracts, specific retirement benefits, severance benefits and non-compete clauses of executive officers

	Employment contract	Supplemental retirement plan	Compensation or benefits that may be due on termination or following a change of position	Compensation resulting from a non-compete clause
Philippe Benacin **Chairman and Chief Executive Officer**				
Date of last reappointment: 04/27/2018 End of term: AGM 2023	No	Yes	No	No
Philippe Santi **Director – Executive Vice President**				
Date of last reappointment: 04/27/2018 End of term: AGM 2023	Yes	Yes	No	No
Frédéric Garcia-Pelayo **Director – Executive Vice President**				
Date of last reappointment: 04/27/2018 End of term: AGM 2023	Yes	Yes	No	No

Senior executives benefit from a supplemental retirement plan in the form of a defined contribution annuity fund.

The benefits of this defined benefit plan were subsequently extended to management employees of the company. This contribution to a private defined contribution pension fund is paid in part by the beneficiaries and in part by the employer for an amount equal four times French Social Security ceiling. The annual contribution to this fund per executive officer beneficiary is €15,000. The supplemental retirement plan is part of the overall compensation policy adopted by the company for senior executives and managers.

No executives benefit from forms of remuneration, indemnities or benefits owed or which could be owed resulting from the assumption, termination or change of functions of corporate officer of the company or subsequent to these events.

2.2.5 • Pay ratios

These ratios are calculated in accordance with article L.225-37-3 paragraph 6 as recently modified by the PACTE Act for the Business Growth and Transformation Action Plan No. 2019-486 of May 22, 2019 *(plan d'action pour la croissance et la transformation des entreprises* or "PACTE") in the interest of ensuring conformity with new requirements for transparency about executive compensation.

The following summary presents, on the one hand, the ratio between the level of compensation of the Chief Executive Officer-CEO and the Executive Vice Presidents of the Company (fixed and variable compensation) and the average compensation of employees (excluding officers) and on the other hand, the ratio in relation to the median for employee compensation (excluding officers) of the company as well as the changes in these two ratios over the last five years.

		2015	2016	2017	2018	2019
Philippe Benacin **Chairman and Chief Executive Officer**						
Pay ratio	Average	6.93	6.82	6.44	7.15	6.95
	Median	9.17	8.77	8.39	9.57	9.57
Philippe Santi **Executive Vice President and CFO**						
Pay ratio	Average	7.97	8.05	8.75	8.50	8.40
	Median	10.55	10.35	11.41	11.36	11.57
Frédéric Garcia-Pelayo **Executive Vice President**						
Pay ratio	Average	7.97	8.05	8.75	8.50	8.40
	Median	10.55	10.35	11.41	11.36	11.57

2.3 • Fixed, variable and exceptional components of total compensation and benefits of any nature paid in the period ended or awarded for the period ended to the Chairman-CEO (9th resolution of the AGM of April 24, 2020)

At the Annual General Meeting of April 24, 2020, shareholders will be asked to approve the fixed, variable or exceptional components of total compensation and benefits of any nature paid or granted for the period ended to Mr. Philippe Benacin, Chairman-CEO.

After determining that 100% of the objectives set for Philippe Benacin for 2019, had been met, on January 20, 2020, the Board of Directors set the variable portion of annual compensation at a gross amount of €123,000.

Components of compensation paid or granted for fiscal 2019	Amounts or accounting valuations submitted to vote	Description
Fixed compensation	€456,000 Amount paid	
Annual variable compensation paid in fiscal 2019	€146,000	
Annual variable compensation allocated for fiscal 2019	€123,000 Amount to be paid after approval by the 2020 AGM	60% of the quantitative objectives (2019 consolidated revenue and operating profit) and 40% of the qualitative objectives (4 components relating to the growth strategy and management of the Rochas fashion business)
Bonus share issues	-	-
Benefits of any nature	€10,800 Accounting valuation	Use of a company car

2.4 • Compensation of Mr. Jean Madar, non-executive Director *(administrateur non mandataire sociaux)* for fiscal 2019 (article L.225-37-3 of the French Commercial Code)

For information, Mr. Jean Madar, co-founder of the company, receives no compensation of any nature from Interparfums SA.

Compensation is paid to Mr. Jean Madar by the parent company of the Group, Interparfums Inc. (United States) as the Chief Executive Officer of this company.

- Summary of compensation and options/shares granted to Mr. Jean Madar – Director

	Fiscal 2018	Fiscal 2019
Jean Madar – Director		
Compensation due for the year (Interparfums Inc.)	$630,000	$630,000
Valuation of options granted in the period (Interparfums Inc. plan)	$366,500	$353,000
Measurement of multi-year compensation plans	N/A	N/A
Valuation of performance shares granted in the period	€119,360	-

• Summary of compensation

	Fiscal 2018		Fiscal 2019	
	Compensation due for the year	Compensation paid in the year	Compensation due for the year	Compensation paid in the year
Jean Madar – Director				
Fixed compensation	$630,000	$630,000	$630,000	$630,000
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in-kind	-	-	-	-
Total	**$630,000**	**$630,000**	**$630,000**	**$630,000**

3 • Statutory Auditors' report on stock options and restricted stock unit awards

3.1 • Special report of the Board of Directors on stock options

In compliance with article L.225-184 of the French Commercial Code, this report is produced by the Board of Directors to inform the combined shareholders' Meeting of April 24, 2020 of transactions carried out in fiscal 2019 by virtue of the provisions under articles L.225-177 to L.225-186 of said code.

Rules for the grant of options to subscribe for shares to officers are based on the level of responsibilities and the company's performance. The quantity of options to subscribe for shares granted to officers may vary from one year to another according to the performance of the company over this period.

The Board of Directors has decided that these officers must retain 10% of the shares resulting from the exercise of stock options for the duration of their terms of office in accordance with the provision of article L.225-185 of the French Commercial Code.

• Options granted on inception by Interparfums SA under plans in force to each corporate officer in connection with operational responsibilities exercised in the company.

No stock option plan was in effect at Interparfums SA at December 31, 2019.

• Options granted on inception by Interparfums Inc. under plans in force to each corporate officer in connection with operational responsibilities exercised in the company.

	Plan 2014	Plan 2015-1	Plan 2015-2	Plan 2016	Plan 2017	Plan 2018-1	Plan 2018-2	Plan 2019
Grant date	12/31/2014	01/28/2015	12/31/2015	12/30/2016	12/29/2017	01/19/2018	12/31/2018	12/31/2019
Subscription price	$27.80	$25.82	$23.61	$32.83	$43.80	$46.90	$65.25	$73.09
Valuation of options granted (1)	$7.42	$6.77	$5.99	$7.43	$9.89	$10.79	$14.66	$14.12
Options granted at inception								
Philippe Benacin	19,000	-	19,000	19,000	25,000	-	25,000	25,000
Jean Madar	19,000	-	19,000	19,000	25,000	-	25,000	25,000
Philippe Santi	5,000	1,000	6,000	6,000	6,000	4,000	10,000	10,000
Frédéric Garcia-Pelayo	5,000	1,000	6,000	6,000	6,000	4,000	10,000	10,000
Options outstanding at December 31, 2019								
Philippe Benacin	19,000	-	19,000	19,000	25,000	-	25,000	25,000
Jean Madar	19,000	-	19,000	19,000	25,000	-	25,000	25,000
Philippe Santi	1,000	400	2,400	3,600	4,800	4,000	10,000	10,000
Frédéric Garcia-Pelayo	1,000	400	2,400	3,600	4,800	4,000	10,000	10,000

(1) Valuation applied in the consolidated financial statements of Interparfums Inc. according to the Black-Scholes model.

• Valuation of options granted

	In fiscal 2018			In fiscal 2019		
	Options granted	Black & Scholes valuation	Value of options	Options granted	Black & Scholes valuation	Value of options
Interparfums Inc.						
Philippe Benacin	25,000	$14.66	$366,500	25,000	$14.12	$353,000
Jean Madar	25,000	$14.66	$366,500	25,000	$14.12	$353,000
Philippe Santi	10,000	$14.66	$146,600	10,000	$14.12	$141,200
	4,000	$10.79	$43,160	-	-	-
Frédéric Garcia-Pelayo	10,000	$14.66	$146,600	10,000	$14.12	$141,200
	4,000	$10.79	$43,160	-	-	-
Total			**$1,112,520**			**$988,400**

In 2018 and 2019, no Interparfums SA options have been granted.

• Options exercised by each corporate officer of the company in 2019

	Number of options exercised	Subscription price	Expiration date
Interparfums Inc. options exercised in the period by officers			
Philippe Benacin			
Plan of December 31, 2013	19,000	$35.75	12/30/2019
Jean Madar			
Plan of December 31, 2013	19,000	$35.75	12/30/2019
Philippe Santi			
Plan of December 31, 2013	1,000	$35.75	12/30/2019
Plan of December 31, 2014	1,000	$27.80	12/30/2020
Plan of December 31, 2015	1,200	$23.61	12/30/2021
Plan of December 30, 2016	1,200	$32.83	12/29/2022
Plan of December 29, 2017	1,200	$43.80	12/28/2023
Frédéric Garcia-Pelayo			
Plan of December 31, 2013	1,000	$35.75	12/30/2019
Plan of December 31, 2014	1,000	$27.80	12/30/2020
Plan of December 31, 2015	1,200	$23.61	12/30/2021
Plan of December 30, 2016	1,200	$32.83	12/29/2022
Plan of December 29, 2017	1,200	$43.80	12/28/2023

• Stock options granted to the top 10 employed beneficiaries of the company who are not officers and options exercised by the 10 employees of the company having exercised the greatest number in 2019

No stock option plan was in effect at December 31, 2019.

3.2 • Special report of the Board of Directors on restricted stock awards

In compliance with article L.225-197-4 of the French Commercial Code, this report is produced by the Board of Directors to inform the combined shareholders' Meeting of April 24, 2020 of transactions carried out by virtue of the provisions under articles L.225-197-1 to L.225-197-3 of said code.

Over 2016, performance shares were awarded to all employees and executive officers of the French company having more than six months of seniority on the grant date.

Over 2018, performance shares were awarded to all employees and executive officers of the French company and its subsidiaries having more than six months of seniority on the grant date.

No performance share plans were issued for the periods 2017 and 2019.

• Performance shares awarded by Interparfums [SA] under plans in force to each corporate officer in connection with operational responsibilities exercised in the company.

	Plan 2016	Plan 2018
Grant date	09/06/2016	12/31/2018
Vesting date	09/06/2019	06/30/2022
Share price on the grant date	€23.98 (1)	€33.20 (1)
Number of shares awarded on inception		
Philippe Benacin	3,000	4,000
Jean Madar	3,000	4,000
Philippe Santi	7,000	4,000
Frédéric Garcia-Pelayo	7,000	4,000
Number of shares outstanding at December 31, 2019		
Philippe Benacin	-	4,400
Jean Madar	-	4,400
Philippe Santi	-	4,400
Frédéric Garcia-Pelayo	-	4,400

(1) The valuation of shares granted amounted to €22.46 for the 2016 plan and €29.84 for the 2018 plan in the consolidated financial statements.

• Performance shares awarded by Interparfums [SA] to employees who are not executive officers of the company

	Plan 2016	Plan 2018
Grant date	09/06/2016	12/31/2018
Vesting date	09/06/2019	06/30/2022
Share price on the grant date	€23.98 (1)	€33.20 (1)
Number of shares awarded on inception		
Senior executives and managers (other than executive officers)	113,000	117,000
Other employees	15,100	27,000
Of which awards to the ten employees having received the highest number	38,000	28,000

(1) The valuation of shares granted amounted to €22.46 for the 2016 plan and €29.84 for the 2018 plan in the consolidated financial statements.

• Change in the number of performance shares of the 2016 plan for 2019

	Plan 2016		
	Senior executives and managers (1)	**Other employees**	**Total**
Existing at January 1, 2019	119,790	14,157	133,947
Adjusted for the bonus share issue of one new share for every ten shares held on June 14, 2019.	11,990	1,421	13,411
Canceled in 2019	-	(1,127)	(1,127)
Remitted to employees on September 6, 2019	(131,780)	(14,451)	(146,231)
Existing at December 31, 2019	**-**	**-**	**-**

(1) Excluding officers.

• Change in the number of performance shares of the 2018 plan for 2019

	Plan 2018		
	Senior executives and managers (1)	Other employees	Total
Existing at January 1, 2019	117,000	27,000	144,000
Adjusted for the bonus share issue of one new share for every ten shares held on June 14, 2019.	11,500	2,660	14,160
Canceled in 2019	(9,150)	(1,060)	(10,210)
Existing at December 31, 2019	**119,350**	**28,600**	**147,950**

(1) Excluding officers.

• Grant terms and conditions

For the 2016 plan, shares previously purchased by the company on the market are vested by their beneficiaries after a vesting period of three years without a holding period.

The vesting of these shares was contingent on a condition of presence and conditions of performance.

On December 31, 2018, the company duly noted that these two conditions of performance had been fully met.

The actual conveyance of the securities, contingent on the employee's presence, occurred on September 6, 2019.

Shares previously purchased by the company on the market are vested by their beneficiaries after a vesting period of 3 ½ years.

The vesting of these shares is contingent on a condition of presence and conditions of performance.
The shares awarded without consideration and fully vested may be sold on the vesting date without the application of a holding period.

Actual transmission of the securities is contingent on the presence of the employee on June 30, 2022 regardless of the status of the beneficiary and/or criteria of performance relating to consolidated revenue for fiscal 2021 for 50% of the restricted stock units awarded, and consolidated operating profit for 50% of the remaining restricted stock units awarded to senior executive and manager beneficiaries.

4 • Information relating to items having a potential impact in the event of a public offering (article L.225-37-5 of the French Commercial Code)

To the best of the company's knowledge, the items listed below are not expected to have an impact in the event of a public offering.

In light of the significant ownership interest of the founders through the parent company Interparfums Holding, the company has not identified any other significant item that might be relevant in the event of a public offer other than the items described below.

4.1 • Structure of the share capital of the company at December 31, 2019

	Shares held	% of capital	Theoretical voting rights	% of theoretical votes
Interparfums Holding SA	34,199,036	72.4%	68,398,072	83.9%
Other shareholders	12,856,413	27.2%	13,135,578	16.1%
Treasury shares	206,741	0.4%	206,741	0.3%
Total	**47,262,190**	**100.0%**	**81,740,391**	**100.2%**

To the Company's knowledge, there are no other shareholders that possess directly, indirectly or together, 5% or more of the capital or voting rights.

No shareholders' agreements exist at the level of Interparfums Holding.

In accordance with the provisions of article L.225-123 of the French Commercial Code and article 11 of the company's bylaws, a double voting right is granted to all fully paid up shares registered in the name of the same shareholder for at least three years.

4.2 • Conditions for implementing a share buyback program

The conditions for implementing the share buyback program are described in chapter 8 of section 1 "Consolidated management report" of this Universal Registration Document).

The delegations of authority and financial authorizations held by the Board are listed in the table presented above in paragraph 1.5.

4

Quarterly financial information and recent disclosures

The Group has taken measures to adapt to the unprecedented environment linked to the Covid-19 epidemic. The company's is committed to providing its shareholders, investors and partners with information on a regular basis.

The full information provided through press releases relating to the management of the crisis and the most recent financial information available on the URD filing date are reproduced below.

Detailed information on risks, the dividend and the outlook are presented respectively in Chapters 3, 7 and 12 of Part 1 "consolidated management report" of this Universal Registration Document.

1 • 2020 Annual General Meeting withdrawal of 2020 guidance

Press release published by the company on April 2, 2020

In light of the circumstances, and notably the current health crisis, Interparfums' Board of Directors that met on April 1, 2020 decided to postpone the Annual General Meeting, initially scheduled to be held on Friday, April 24, 2020, to Wednesday, June 24, 2020.

In addition, due to the lack of visibility at the present time, the company has withdrawn its 2020 guidance that was issued at the end of 2019.

2 • Covid-19 crisis Interparfums adapts its operating model

Press release published by the company on April 17, 2020

Within the current global environment and, in light of the absence of visibility linked to the crisis, Interparfums has adopted a series of measures, with immediate effect, notably for the purpose of ensuring the continuity of its operations, preserving its cash and preparing for the recovery of its activity as soon as market conditions permit, while protecting the health of its employees.

- A new 2020-2021 strategic plan

Because of the closing of virtually all points of sale throughout the world, several advertising investment programs as well as the major launches that were planned have been postponed to the beginning of 2021.

- Optimization of production planning for 2020

Sourcing and packaging plans have been revised for the coming months, reduced for selected lines or secondary projects while strengthened for the catalog's flagship lines, in line with the group's policy of maintaining high inventories.

- Cash management

While the above measures have a favorable impact on the company's expenditures, the Cash and Credit Management teams, in relation with all commercial partners, are paying particular attention to the management of working capital, in light of the particularly tense international environment.

- Telework solutions adopted for selected staff

All necessary tools have been provided to certain Interparfums teams whose activities are compatible with telework, in this way protecting their health and maintaining their productivity.

Philippe Benacin, Chairman and CEO commented: *"The current health crisis has plunged the world into an economic crisis that was completely unanticipated and is without precedent. As in many sectors, the perfume market has registered a significant slowdown. The number of stores closed in France and in other countries today account for approximately 80% of our total distribution and at present, visibility is absent regarding the timeline for reopening. Despite this, our teams are working and organizing themselves to address this lack of visibility, without apprehension. We are already ready for a rapid rebound as soon as this becomes possible, no doubt in stages over time according to the rhythm of each country. Our solid financial situation and highly adaptable business model will allow us to get through this crisis by aiding our partners in the same manner."*

3 • 2020 first-quarter sales€103.5m (-18%)

Press release published by the company on April 23, 2020

• Sales

After a year which got off to a good start with solid sales driven by the particularly promising launches of the Coach Dreams line, sales for the first quarter were severely impacted by closures in March of most points of sale throughout the world.

Combined with the unfavorable comparison base resulting from major launches under the Montblanc and Jimmy Choo brands in the Q1 2019, consolidated sales for Q1 2020 ended at €103.5 million, down 18.2% at current exchange rates and 19.5% at constant exchange rates in relation to Q1 2019.

€m	**Q1 2019**	**Q1 2020**	**2020/2019**
Montblanc	40.7	27.9	-31%
Coach	18.8	26.4	+40%
Jimmy Choo	26.7	19.7	-26%
Lanvin	14.0	8.4	-40%
Rochas	8.0	7.8	-3%
Van Cleef & Arpels	4.1	3.5	-13%
Boucheron	6.3	3.3	-48%
Karl Lagerfeld	2.7	2.6	-1%
Other brands	4.8	3.6	ns
Fragrance sales	**126.1**	**103.2**	**-18%**
Rochas fashion royalties	0.5	0.3	ns
Total net sales	**126.6**	**103.5**	**-18%**

ns: not significant.

In terms of performances by region, confinement measures and store closings weighed on sales, particularly in the Middle East (-44%) and Asia (-29%), whereas in the United States and Western Europe where confinement measures were implemented later, sales remained relatively stable and resilient, benefiting from the launches of the Coach and Rochas brands at the start of the year.

• Cash position

The Company has significant cash resources to meet its present and future obligations, notably with respect to all its suppliers, with special attention given to those in a tenuous financial condition.

In addition, to preserve its working capital, the company has reviewed and adjusted all expenditures, and in particular operating expenses.

• The 2019 dividend and 2020 bonus issue

In the face of this unprecedented situation, the Board of Directors will propose to the General Meeting, now scheduled to be held on June 24, 2020, to cancel the previously planned 2019 dividend. Despite this, should the company's situation improve, the possibility of distributing an exceptional dividend in the second part of the year is not excluded.

However, the bonus share issue, which has been granted annually for more than 20 years, has been confirmed for 2020 and is scheduled for distribution in the second half of 2020 on the basis of 1 share for 20 shares held.

• Internal organization and preparations for the resumption of activity

Due to the closing of most points of sale throughout the world and the slowdown in the pace of production and transportation in France, the company's activity at present has declined considerably. Despite this, the company has taken a series of measures to adapt its organization to this context, notably with the purpose of:

- ensuring the continuity of its operations;
- adapting its production plans;
- reviewing the program of launch plans, by postponing the strategic launches of Kate Spade and Jimmy Choo to 2021;
- safeguarding the quality of its relations with its partners, and in particular its suppliers and customers;
- preparing for the resumption of its activities.

All these measures linked to the resumption of business will naturally be implemented by ensuring in priority the protection of the health of all the company's employees.

Philippe Benacin, Chairman and CEO commented: *"While we have seen a few encouraging signs of recovery in certain countries in Asia, activity in the second quarter will be considerably affected by the current situation. The progressive resumption of our operations will depend on the gradual reopening of the network of selective perfumeries, particularly in the United States and Europe. Our efforts are already focused and mobilized on preparing for 2021 which will fully benefit from the quality of our brands, the solidity of our flagship lines, the strength of our business model and the commitment of all our employees."*

Philippe Santi, Executive Vice President and CFO, added: *"All measures are being taken to adapt our expenses to the current situation. Our operating cost structure, of which variable costs accounts for two thirds, will enable us to protect our earnings."*

5

Shareholder information

1 • Statutory information

1.1 • The company

1.1.1 • General information

Company name: Interparfums.

Registered office: 4, rond-point des Champs-Élysées 75008 Paris.

Tel.: +33 (0)1 53 77 00 00.

Website: www.interparfums.fr and www.interparfums-finance.fr.

Date of incorporation: April 5, 1989.

Company term: the Company is incorporated for a period of ninety-nine years (99) effective from its date of entry in the Trade and Companies Register *(Registre du Commerce et des Sociétés)*, barring early liquidation or extension.

Legal form: a French corporation *(société anonyme)* with a Board of Directors.

Corporate Charter (article 2 of the bylaws): the company's business purpose in France and all other countries includes:

– as its principal activity, the purchase, sale, manufacture, import and export of all products related to perfumes and cosmetology;

– as a secondary activity, the purchase, sale, manufacture, import and export of all products relating to fashion:
  - the use of license agreements,
  - providing all services related to the above-mentioned activities,
  - the company's participation by all means, directly or indirectly, in all transactions that may relate to its business purpose through the creation of new companies, the contribution, subscription or purchase of company shares or rights, mergers or other, through the creation, acquisition, rental or lease management of all rights to conduct business or establishments, and through the acquisition, operation or disposal of all procedures and patents related to these activities,
  - and, generally, all commercial, industrial, financial, civil, securities and real estate transactions that relate directly or indirectly to the company's business purpose or to any similar and related activities.

Fiscal year: the fiscal year is a twelve-month running from January 1 to December 31.

Siret: No. 350 219 382 00032.

Trade register: No. (RCS) 1989 B 04913.

Place of registration: Registrar of the Commercial Court of Paris.

Activity code: 46.45 Z Wholesale perfume and beauty products.

LEI code: 969500SARWF33OPQED48.

1.1.2 • Legal form of the shares and identification of shareholders (article 9 of the bylaws)

At the option of their owners, shares in France are registered in a custody-only account *(compte nominatif pur)*, a personal securities account managed by a financial intermediary *(compte nominatif administré)* or in bearer form identified in the records of a financial intermediary.

The Company may request at any time, from the entity providing clearing services for its securities, in accordance with applicable laws and regulations, and in return for payment at its expense, disclosure of information regarding the identity of holders of securities issued by it, which give immediate or future rights to vote in shareholders meetings, their identity, their address as well as the number of shares held by each and, where appropriate, any restrictions attaching to such securities.

1.2 • Main legal provisions and bylaws

1.2.1 • Shareholders' meetings (article 19 of the bylaws)

Any shareholder may attend meetings in person or by proxy, regardless of the number of shares owned, subject to proof of identity, on condition that the shares are paid up in full and have been registered in the securities account in the name of the shareholder or the intermediary, in accordance with subsection 7, article L.228-1 of the French Commercial Code no later than the second business day preceding the date of the shareholders meeting at midnight Paris time, either in the registered securities account maintained by the company or the bearer share account maintained by the authorized intermediary.

All shareholders may be represented at meetings in accordance with the provisions provided for by law. A shareholder may be represented by another shareholder or by his or her spouse or civil law partner. The shareholder may be represented by any other individual or legal entity of his or her choice. The designation or revocation of a proxy holder may be notified by electronic means.

Meeting attendance procedures

In light of the Covid-19 epidemic and public health measures to combat its spread, and in compliance with the provisions of article 4 of Order No. 2020-321 of March 25, 2020 implementing measures by the French government adapting the rules for the organization of General Meetings, the Board of Directors decided to hold the General Meeting of June 24, 2020 in closed session in the absence of the physical presence of the shareholders and other persons entitled to attend. Shareholders will be duly informed of the procedures holding this meeting as well as the voting procedures through the meeting notice that will be published within the timeframe required by regulation.

1.2.2 • Special shareholder disclosure obligations (article 20 of the bylaws)

In accordance with the provisions of article L.233-7 of the French Commercial Code, all shareholders, natural persons or legal entities, acting alone or in concert, who cross thresholds in either direction in respect to the number of shares owned representing more than one twentieth, one tenth, three twentieths, one fifth, one quarter, three tenths, one third, one half, two thirds, eighteen twentieths or nineteen twentieths of the capital or voting rights of the Company, must inform the Company by registered mail with return receipt of the number of shares and voting rights they hold within four trading days thereafter before the close of trading. This notification must also be sent to the AMF no later than the fourth trading day before the close of trading following the day this threshold was crossed.

Under article L.233-7 subsection VII of the French Commercial Code, shareholders subject to the above disclosure obligations must also state their intentions with regard to share ownership for the next twelve months whenever the thresholds of one tenth or one fifth of the capital or voting rights have been crossed.

1.2.3 • Appropriation and distribution of earnings (article 24 of the bylaws)

If the financial statements approved by the shareholders' Meeting show a distributable profit as defined by law, the shareholders' Meeting decides whether to make appropriations to one or more retained earnings or reserve accounts under its control, to carry it forward or to distribute it. The shareholders' Meeting may grant shareholders the choice of receiving a dividend in cash or in shares for all or part of the dividend or interim dividends to be distributed, subject to the applicable legal provisions.

Following the approval of the financial statements by the General Meeting of the shareholders, any losses that may occur are carried forward to be offset against future earnings until these losses have been fully used.

1.2.4 • Documents on display

The bylaws, accounts, reports and other information destined for shareholders can be consulted at the company's headquarters by appointment.

1.2.5 • Legal jurisdiction

In the event of litigation, the courts having jurisdiction are those of the registered office in cases where the company is a defendant. They are designated according to the nature of the litigation, barring any contrary provisions of the new Civil Procedure Code.

2 • Capital stock

2.1 • Five-year history of capital stock transactions

Year	Transaction type	Number of shares	Shares created	Total shares	Share capital *in €*
2015	Exercise of 2009 stock options	35,325	35,325	29,188,793	87,566,379
	Exercise of 2010 stock options	63,670	63,670	29,252,463	87,757,389
	Bonus share issues	2,919,269	2,919,269	32,171,732	96,515,196
2016	Exercise of 2010 stock options	118,014	118,014	32,289,746	96,869,238
	Bonus share issues	3,219,038	3,219,038	35,508,784	106,526,352
2017	Bonus share issues	3,550,878	3,550,878	39,059,662	117,178,986
2018	Bonus share issues	3,905,966	3,905,966	42,965,628	128,896,884
2019	**Bonus share issues**	**4,296,562**	**4,296,562**	**47,262,190**	**141,786,570**

As of December 31, 2019, Interparfums' capital was composed of 47,262,190 shares with a par value of €3.

2.2 • Authorized capital

The shareholders' Meeting of April 26, 2019 also authorized the Board of Directors to increase the capital by an amount not exceeding €50 million through the capitalization of earnings, additional paid-in capital and reserves.

The Board of Directors made use of this authorization on April 26, 2019 resulting in the creation of 4,296,562 new shares in the amount of €12,889,686.

2.3 • Ownership of Interparfums capital stock and voting rights

2.3.1 • Situation at January 31, 2020

	Shares held	% of capital	Theoretical voting rights	% of theoretical votes	Voting rights exercisable at the AGM	% of voting rights at the AGM
Interparfums Holding SA	34,199,036	72.4%	68,398,072	83.9%	68,398,072	84.5%
French investors	2,864,700	6.1%	2,877,814	3.5%	2,877,814	3.6%
Foreign investors	6,292,027	13.3%	6,292,027	7.7%	6,292,027	7.8%
Individuals	3,283,676	6.9%	3,380,200	4.1%	3,380,200	4.2%
Employee shareholders	424,199	0.9%	424,199	0.5%	-	-
Treasury shares	198,552	0.4%	198,552	0.2%	-	-
Total	**47,262,190**	**100.0%**	**81,570,864**	**100.0%**	**80,948,113**	**100.0%**

Based on a survey of shareholder ownership, there were 11,672 shareholders at January 31, 2020. Excluding Interparfums Holding, the Interparfums' shareholder base breaks down as follows:

- 267 French institutional investors and mutual funds owning 6.1% of the capital stock compared with 218 in 2019 owning 8.0%;
- 113 foreign investors owning 13.3% of the capital stock (compared with 138 in 2019 owning 13.2%);
- 11,292 individual shareholders owning 8.2% of the capital stock (compared with 8,885 in 2019 owning 5.4%).

To the Company's knowledge, there are no other shareholders that possess directly, indirectly or together, 5% or more of the capital or voting rights.

Four independent Directors serve on the Board of Directors providing a mechanism for preventing an abusive exercise of control of the company.

2.3.2 • Changes in Interparfums SA's shareholder base

	2018	2019	2020
Interparfums Holding	72.4%	72.4%	72.4%
French investors	8.4%	8.0%	6.1%
Foreign investors	11.5%	13.2%	13.3%
Individuals	6.8%	5.4%	6.9%
Employee shareholders	0.4%	0.5%	0.9%
Treasury shares	0.5%	0.5%	0.4%
Total	**100.0%**	**100.0%**	**100.0%**

2.4 • Breakdown of Interparfums Holding's capital stock as of December 31, 2019

Interparfums Holding, whose sole equity holding is Interparfums, is itself wholly owned by Interparfums Inc., listed on NASDAQ in the United States with approximately 16,100 shareholders. As of December 31, 2019 it had the following ownership structure:

– Philippe Benacin and Jean Madar: 44.08%;
– free float: 55.53%.

2.5 • Dividend

Since 1998, the company has adopted a policy of distributing dividends that today represent approximately 65% of consolidated earnings, destined to reward shareholders while at the same time associating them with the Group's expansion. In early May 2019, a dividend of €0.71 per share was paid or a total of €30.3 million.

2.6 • Shareholders' agreements

No shareholders' agreements exist at the level of Interparfums Holding.

2.7 • Double voting right

In accordance with the provisions of article L.225-123 of the French Commercial Code, the extraordinary shareholders' Meeting of September 29, 1995 created shares with double voting rights. These shares must be fully paid up and recorded in the company's share register in registered form for at least three years.

2.8 • Special shareholder disclosure obligations

Thresholds are defined by article 20 of the bylaws whereby in accordance with the provisions of article L.233-7 of the French Commercial Code *(Code de commerce)* all shareholders, natural persons or legal entities, acting alone or in concert, who cross thresholds in either direction in respect to the number of shares owned representing more than one twentieth, one tenth, three twentieths, one fifth, one quarter, three tenths, one third, one half, two thirds, eighteen twentieths or nineteen twentieths of the capital or voting rights of the company, must inform the Company by registered mail with return receipt of the number of shares and voting rights they hold within four trading days thereafter before the close of trading. This notification must also be sent to the AMF no later than the fourth trading day before the close of trading following the day this threshold was crossed.

In 2019, no incidents of the crossing of such share ownership or voting right thresholds were reported to the company.

2.9 • Key stock market data

In number of shares and euros	**2015**	**2016**	**2017**	**2018**	**2019**
Shares outstanding as of December 31	32,171,732	35,508,784	39,059,662	42,965,628	47,262,190
Market capitalization as of December 31	€730 million	€973 million	€1,350 billion	€1,450 billion	€1,749 billion
High (1)	33.33	27.40	38.45	45.30	49.30
Low (1)	20.73	19.60	26.02	32.35	32.10
Average (1)	26.07	23.68	30.82	37.83	41.86
Year-end (1)	22.70	27.40	34.55	33.75	37.00
Average daily volume (1)(3)	14,840	11,124	15,442	17,689	24,880
Earnings per share (1)	0.95	0.98	1.07	1.15	1.12
Dividend per share (1)	0.50	0.55	0.50	0.71	0.70
Average number of shares outstanding (2)	30,649,926	33,192,284	37,280,813	40,610,168	44,643,426

(1) Historical data (not restated for bonus share issues undertaken each year).
(2) Excluding treasury shares.
(3) Euronext market data only.

2.10 • Share price and trading activity trends since 2017

In euros	High	Low	Trading volume (1) number of shares	Trading volume (1) € millions
2017				
January	28.10	26.02	257,345	7,031
February	28.90	27.90	307,340	8,742
March	32.07	27.85	359,815	10,575
April	31.80	29.00	398,268	12,037
May	36.44	32.12	288,907	9,778
June	38.45	36.75	383,506	13,503
July	35.05	32.00	326,826	10,918
August	33.60	31.01	285,563	9,313
September	33.98	32.30	334,465	11,191
October	35.20	32.00	341,067	11,459
November	34.15	30.30	384,835	12,416
December	35.05	33.60	269,753	9,284
2018				
January	38.15	34.30	413,910	15,222
February	37.45	34.05	358,703	12,606
March	37.40	34.95	341,331	12,288
April	38.25	36.20	256,708	9,452
May	40.05	37.95	338,849	13,324
June	41.70	35.50	488,462	18,474
July	38.50	35.85	299,053	11,096
August	39.95	38.15	255,025	10,001
September	44.40	39.40	342,834	14,293
October	45.30	36.15	608,095	24,408
November	39.50	36.75	396,435	15,136
December	39.60	32.35	411,317	14,365
2019				
January	43.95	32.10	829,491	30,595
February	46.20	44.00	556,248	19,531
March	49.30	45.00	638,723	30,126
April	49.30	43.45	574,776	26,259
May	45.20	41.20	455,726	19,680
June	45.80	40.00	589,854	24,784
July	44.05	41.05	469,880	20,106
August	43.20	39.05	329,228	13,194
September	41.80	37.55	425,731	16,696
October	41.95	37.75	407,627	16,121
November	43.15	35.85	679,570	26,566
December	38.10	35.50	388,040	14,228
2020				
January	38.70	36.25	412,097	16,013
February	38.00	30.95	491,484	22,266

Historical data (not restated for bonus share issues).
(1) Euronext market data only.

A capital increase through a bonus share issue on the basis of one new share for ten existing shares was carried out in June 2017. This resulted in the automatic division of the share price from this date by 1.10.

A capital increase through a bonus share issue on the basis of one new share for ten existing shares was carried out in June 2018. This resulted in the automatic division of the share price from this date by 1.10.

A capital increase through a bonus share issue on the basis of one new share for ten existing shares was carried out in June 2019. This resulted in the automatic division of the share price from this date by 1.10.

3 • Combined Ordinary and extraordinary general Meeting of April 24, 2020

3.1 • Board of Directors' report – Presentation of resolutions to the Annual General Meeting

1. Approval of the annual and consolidated financial statements for the period ended December 31, 2019 – Approval of non-deductible expenses (first and second resolutions)

We hereby request that you approve these annual financial statements for the period ended December 31, 2019 showing a profit of €45,237,016 and the consolidated financial statements for the period ended December 31, 2019 as presented, showing a profit (attributable to equity holders of the parent) of €50,633,000.

We also ask you to approve the total amount of disallowed deductions under article 39-4 of the French General Tax Code of €69,884 as well as the corresponding tax.

2. Approval of net income appropriation, setting the dividend (third resolution)

The appropriation of net income of our company as proposed is in compliance with the law and our bylaws.

We accordingly ask you to appropriate the profit of the period of €45,237,016 as follows:

Inception	
- Profit of the period	€45,237,016
Appropriation	
– Legal reserve	€1,288,969
– Retained earnings	€43,948,047

In accordance with the provisions of article 243 bis of the French General Tax Code, the dividends for the last three financial periods are disclosed below:

	Distributions eligible for the tax basis reduction		
For the fiscal year	**Dividends**	**Other distributions**	**Distributions not eligible for the tax basis reduction**
2016	€19,529,831 (1) or €0.55 per share	-	-
2017	€26,169,973 (1) or €0.67 per share	-	-
2018	€30,505,596 (1) or €0.71 per share	-	-

(1) Including the unpaid amount of dividends relating to treasury shares and allocated to retained earnings.

3. Approval of regulated agreements (fourth resolution)

As a preliminary point, we remind you that only new agreements concluded during the last period ended and the beginning of the current in progress are submitted to this Meeting.

We hereby ask you to duly note the absence of any new agreement covered by article L.225-38 of the French Commercial Code.

4. Directorships (fifth resolution)

We remind you that the term of office of Dominique Cyrot expires at the end of the next Annual General Meeting.

We propose that you renew her appointment for a term of five years expiring at the end of the Annual General Meeting that will be called in 2025 to approve the financial statements for fiscal year ended.

Independence and gender balance

We inform you that the Board of Directors, considers that Dominique Cyrot may be considered as an independent member with respect to the criteria of the Middlenext Code of corporate governance referred to by the Company for the purpose of corporate governance. With this respect, it is notably specified that she has no business relations with the Group.

Expertise, experience, skills and knowledge of the Group

The information concerning the expertise and experience of Dominique Cyrot, as a candidate, are provided in paragraph 3.1.2.4 of the Universal Registration Document.

Should you approve this proposal to renew her term of office:

– the Board will continue to include four independent members and as such continue to comply with the recommendations of the Middlenext Code with respect to the percentage of independent Directors;
– the percentage of women on the Board will be 40% and in consequence in compliance with the law;
– the percentage of international members of the Board would be 10%, with two nationalities represented.

5. Say on Pay (sixth to ninth resolutions)

In accordance with the provisions of L.225-37-2 of the French Commercial Code, it is proposed to the shareholders (sixth and seventh resolutions):

– by the 6th resolution, to approve the compensation policy for members of the Board of Directors;
– by the 7th resolution to approve the compensation policy for the Chairman-Chief Executive Officer or any other executive officer.

The compensation policy of members of the Board of Directors, the Chairman-CEO and/or any other executive officer, is presented in the report on corporate governance included in section 3.2.1 of the 2019 Universal Registration Document.

Approval of the disclosures referred to in I of article L.225-37-3 of the French Commercial Code *(Code de commerce)*

In accordance with the provisions of article L.225-100 II of the French Commercial Code, shareholders at the General Meeting are asked, by the vote of the 8th resolution, to approve the disclosures mentioned in I of article L.225-37-3 of the French Commercial Code, presented in the report on corporate governance included in section 3.2.2 of the 2019 Universal Registration Document

Approval of the fixed, variable or exceptional components of total compensation and benefits of any nature paid in the period ended or granted for the same period to Mr. Philippe Benacin, Chairman-Chief Executive Officer

By vote of the 9th resolution, in accordance with the provisions of article L.225-100 III of the French Commercial Code, the fixed, variable and exceptional components of compensation comprising the total compensation and benefits of any nature paid in the period ended or granted for the same period to Philippe Benacin, Chairman-CEO (ninth resolution) are subject to approval of the shareholders.

These components of compensation are presented in the report on corporate governance included in section 3.2.3 of the Universal Registration Document.

6. Proposal to renew the authorization concerning the implementation of the share repurchase program (tenth resolution) and the reduction of share capital by the cancellation of shares (eleventh resolution)

We propose that under the terms of the tenth resolution, you grant the Board of Directors for a period of eighteen months, all powers necessary to purchase, on one or more occasions, at times of its choosing up to 5% shares of the Company making up the share capital, where applicable adjusted to take into account increases or reductions in the share capital that may be carried out during the period the share buyback authorization is in force.

This authorization will cancel the authorization granted to the Board of Directors by the eleventh ordinary resolution of the General Meeting of April 26, 2019.

Under this program, shares may be purchased for the following purposes:

– market making in the secondary market or ensuring the liquidity of the Interparfums share with an investment services provider through a liquidity agreement complying with market practice allowed by regulations, it being specified that the number of shares taken into account to calculate the above-mentioned limit corresponds to the number of shares acquired, after deducting the number of shares resold;
– retaining shares purchased for subsequent use in exchange or as payment for acquisitions;
– ensuring sufficient shares are available for stock option and/or restricted share award (bonus share) plans (or equivalent plans) for the benefit of employees and/or corporate officers of the Group as well as all share grants in connection with a company or group employee savings plan (or equivalent plan), employee profit-sharing schemes and/or all other forms of share grants to employees and/or corporate officers of the Group;

- ensuring that sufficient shares are available to cover requirements for securities granting entitlement to shares of the company in accordance with applicable regulations;
- canceling shares, as applicable, acquired in accordance with the authorization granted or to be granted by the extraordinary general Meeting.

These shares may be purchased by any means, including through block purchases of shares, and at times deemed appropriate by the Board of Directors.

The company does not intend to make use of options or derivatives.

We propose that the maximum purchase price be set at €50 per share and in consequence the maximum amount of the program at €118,155,475.

In light of tis the objective to cancel shares, we ask you to authorize Board of Directors, for a period of 24 months, to cancel, at its sole discretion, through one or more installments, subject to a limit of 10% of the share capital calculated on the date of the cancellation decision, and deducting shares that may have been canceled during the 24 preceding months, shares the Company holds or may hold pursuant to share buybacks under this program to purchase, and to reduce the share capital by the corresponding amount in compliance with applicable laws and regulations.

The Board of Directors will possess in consequence all powers necessary in such matters.

7. Financial authorizations

The Board of Directors wishes to benefit from financial authorizations to carry out, if it considers useful, any issues that may be found necessary within the framework of the development of the company's activities, as well as from any authorizations necessary for the purpose of having an employee stock ownership incentive policy and promoting the company's development.

For that reason we request that you renew the delegation of financial authorities which are reaching their expiration date. Concerning the financial authorizations in force, a summary is provided of the delegations of authority and authorizations granted by the General Meeting to the Board of Directors and their use thereof in paragraph 1.5 of the 2019 Universal Registration Document.

In addition, in light of the financial authorizations that may eventually result in a capital increase for cash, you are requested to vote on the delegation of authority to increase the capital for the benefit of participants in an employee stock ownership plan, in accordance with applicable regulations.

7.1. Delegations of authority to issue ordinary shares and/or securities with or without shareholders' preferential subscription rights

The delegations of authority in this matter expire this year and have not been used.

We propose that you renew the delegations of authority to proceed with capital increases for cash consideration maintaining or canceling shareholders' preemptive subscription rights

The purpose of these delegations of authority is to grant the Board of Directors all necessary powers to carry out at times of its choosing, during a period of 26 months, the issuance of:

- ordinary shares;
- and/or ordinary shares granting entitlement to the allocation of other ordinary shares or debt securities;
- and/or securities giving access to ordinary shares to be issued.

7.1.1. Delegation of authority to be granted to the Board of Directors to issue ordinary shares giving access to, as applicable, ordinary shares or entitlement to the allotment of debt securities, and/or securities giving access to ordinary shares, maintaining shareholders' preferential subscription rights (twelfth resolution)

We propose that the total maximum nominal amount of ordinary shares able to be issued by virtue of this authority may not exceed €30,000,000. This amount may be increased, as necessary, by the nominal amount of the capital increase necessary to preserve, in accordance with the law, and, as applicable, contractual provisions providing for other methods for preserving rights, the rights of holders of rights or securities giving access to the company's capital.

We propose that the total maximum nominal amount of debt securities of the Company able to be issued by virtue of this authority may not exceed €100,000,000.

The amount of issues that may be carried out on the basis of this resolution shall be independent of all other limits set by other resolutions of this General Meeting.

With respect to this delegation, issues will be carried out by maintaining the shareholders' preferential subscription rights.

If applications for new shares on the basis of irrevocable entitlement subject to reduction *(à titre réductible)*, and as the case may be, for excess shares on a non-preferential basis *(à titre réductible)*, should fail to account for the entire issue, the Board of Directors may have recourse to the following options:

- limit the issue to the amount of applications received, as applicable, within the limits provided for by regulation;
- freely allocate all or part of the securities not taken up;
- offer all or part of the securities not taken up to the public.

This delegation of authority will supersede and cancel, for the unused portion, as applicable, any prior delegation of authority having the same purpose.

7.1.2. Delegations of authority providing for the cancellation of preferential subscription rights

7.1.2.1. Delegation of authority to be granted to the Board of Directors to issue ordinary shares giving access to, as applicable, ordinary shares or entitlement to the allotment of debt securities and/or securities giving access to ordinary shares, canceling shareholders' preferential subscription rights by a public offering (with the exception of offers covered by paragraph 1 of article L.411-2 of the French financial and monetary code) and/or consideration for security tendered in connection with a public exchange offer (thirteenth resolution)

Under this delegation of authority, issues will be carried out by a public offer, with the exception of offers covered by 1 of article L.411-2 of the French financial and monetary code.

The preferential subscription rights of shareholders to ordinary shares and/or securities giving access to the share capital will be canceled whereby the Board of Directors will however have the option of giving shareholders priority subscription rights.

The total nominal amount of ordinary shares that may be issued by virtue of this authorization may not exceed €9,000,000 representing approximately 6.3% of the share capital existing on the date of this meeting.

This amount may be increased, as necessary, by the nominal amount of the capital increase necessary to preserve, in accordance with the law, and, as applicable, contractual provisions providing for other methods for preserving rights, the rights of holders of rights or securities giving access to the company's capital.

This amount shall be included under the overall limit concerning the maximum nominal amount of ordinary shares that may be issued set at 10% of the share capital on the issue date.

The maximum total nominal amount of debt securities of the company that may be issued by virtue of this authority may not exceed €50 million.

This limit will be independent of all other limits set by other resolutions of this General Meeting.

The amount reverting or to revert to the company for each of the ordinary shares issued, after taking into account the issue price of share warrants, as applicable, will be determined in accordance with legal and regulatory provisions and shall at least equal the minimum required by the provisions of article R.225-119 of the French Commercial Code on the date the Board of Directors implements this delegation of authority (the weighted average price of the last three trading sessions preceding the offer, minus, as applicable, a maximum discount of 10%).

In the case of issuance of shares destined to be used in payment of securities tendered to the Company in connection with public exchange offers for securities, within the limits set forth above, the Board of Directors shall be vested with all necessary powers to draw up the list of securities to be tendered in the exchange, set the terms of the issue, the share exchange ratio, as well as, when applicable the balance to be paid in cash, and determine the procedures for the issue.

If applications for new shares should fail to account for the entire issue, the Board of Directors may have recourse to the following options:

- limit the amount of the issue to the amount of applications received, as applicable, within the limits provided for by regulation;
- freely allocate all or part of the securities not taken up.

This delegation of authority will supersede and cancel, for the unused portion, as applicable, any prior delegation of authority having the same purpose.

7.1.2.2. Delegation of authority to be granted to the Board of Directors to issue ordinary shares giving access to, as applicable, ordinary shares or entitlement to the allotment of debt securities, and/or securities giving access to ordinary shares, canceling the shareholders' preferential subscription rights (fourteenth resolution)

Under this delegation of authority, issues will be carried out by means of an offer covered by 1 of article L.411-2 of the French financial and monetary code.

The shareholders' preferential subscription right to ordinary shares and/or securities giving access to the share capital will be canceled.

The total nominal amount of ordinary shares that may be issued may not exceed €9,000,000 representing approximately 6.3% of the share capital existing on the date of this meeting, and shall be furthermore capped at 20% of the share capital per year.

This amount may be increased, as necessary, by the nominal amount of the capital increase necessary to preserve, in accordance with the law, and, as applicable, contractual provisions providing for other methods for preserving rights, the rights of holders of rights or securities giving access to the company's capital.

This amount shall be included under the overall limit concerning the maximum nominal amount of ordinary shares that may be issued set at 10% of the share capital on the issue date.

The total nominal amount of debt securities of the company that may be issued by virtue of this authority may not exceed €15,000,000.

This limit will be independent of all other limits set by other resolutions of this General Meeting.

The amount reverting or to revert to the company for each of the ordinary shares issued, after taking into account the issue price of share warrants, as applicable, will be determined in accordance with legal and regulatory provisions and shall at least equal the minimum required by the provisions of article R.225-119 of the French Commercial Code on the date the Board of Directors implements this delegation of authority (the weighted average price of the last three trading sessions preceding the offer, minus, as applicable, the maximum discount of 10%)

If applications for new shares should fail to account for the entire issue, the Board of Directors may have recourse to the following options:

– limit the amount of the issue to the amount of applications received, as applicable, within the limits provided for by regulation;
– freely allocate all or part of the securities not taken up.

This delegation of authority will supersede and cancel, for the unused portion, as applicable, any prior delegation of authority having the same purpose.

7.1.2.3. Authorization, in the case of an issue entailing the cancellation of the preferential subscription right, to set, within the limit of 10% of the share capital per year, the issue price according to the conditions set by the General Meeting (fifteenth resolution)

We propose, in accordance with the provisions of article L.225-136 1, subsection 2 of the French Commercial Code, that you authorize the Board of Directors who decides to proceed with an issue of ordinary shares or securities giving access to the share capital entailing the cancellation of preferential subscription rights by an offer to the public and by private placement (thirteenth and fourteenth resolutions) subject to the provisions of article L.225-136 1, subsection 1 of the French Commercial Code to derogate within the limit of 10% of the share capital per year from the conditions for setting the price provided for in the aforementioned resolutions and set the issue price for equity equivalent securities to be issued as follows:

The share price for equity equivalent securities to be issued immediately or in the future, may not be less, at the Board of Directors' choice, to one of the following amounts:

– either the weighted average price of the company's share on the day preceding the beginning of the offer, minus, as applicable, a discount of up to 20%;
– or the average trading price for five consecutive days selected from within a period of the thirty trading days preceding the beginning of the offer, minus a possible discount of up to 20%.

This derogating rule with respect to price may provide the Board with a certain degree of flexibility in setting the amount of the discount when setting the issue price according to the nature of the corporate action and the situation of the market, and the average reference price.

This authorization will supersedes and cancel any prior authorization having the same purpose.

7.1.3. Authorization to increase the amount of issues in the case of oversubscription (sixteenth resolution)

We propose, within the framework of the aforementioned delegations of authority for maintaining and canceling the preferential subscription rights (twelfth to fourteenth resolutions), to grant the Board of Directors the ability to increase, under the conditions provided for by articles L.225-135-1 and R.225-118 of the French Commercial Code, and within the limits set by the General Meeting, the number of shares provided for under the initial issue.

Accordingly, the number of securities may be increased within 30 days after the close of the subscription period within the limit of 15% of the initial issue and the same price as the initial issue, within the maximum limits set by the General Meeting.

This authorization will supersedes and cancel any prior authorization having the same purpose.

7.1.4. Delegation of authority to increase the share capital as consideration for in-kind contributions of securities (seventeenth resolution)

To facilitate the payment of acquisitions, we ask that you grant the Board of Directors a delegation of authority to increase the share capital by the issuance of ordinary shares or securities giving access to ordinary shares as consideration for contributions in kind granted to the company and consisting of equity securities or securities giving access to the capital.

This delegation would be granted for a period of 26 months.

The total nominal amount of ordinary shares that may be issued by virtue of this delegation of authority may not exceed 10% of the share capital, without taking into account the nominal amount of the capital increase required, in accordance with the law, and, as applicable, contractual provisions providing for other methods for preserving rights, to preserve the rights of holders of securities giving access to the Company's capital.

This amount shall be included under the overall limit concerning the maximum nominal amount of ordinary shares that may be issued set at 10% of the share capital on the issue date.

This delegation of authority will supersede and cancel, for the unused portion, as applicable, any prior delegation of authority having the same purpose.

8. Delegation of authority to increase the capital for the benefit of participants in a company savings plan (eighteenth resolution)

We submit this resolution to your vote in order to comply with article L.225-129-6 of the French Commercial Code, whose terms require the extraordinary general Meeting to also vote on a resolution proposing a capital increase under the conditions provided for in article L.3332-18 *et seq.* of the French Labor Code when it delegates its authority to proceed with capital increase by consideration in cash. As the General Meeting has been called to vote on delegations of authority which may result in capital increases in cash, it is also required to vote on a delegation for the benefit of participants in a company savings plan.

Under the terms of this delegation of authority, it is asked that you authorize the Board of Directors to increase the share capital, at once or in installments, by issuing ordinary shares or securities giving access to the company's capital in favor of participants in one or more company or group employee stock ownership plans established by the company and/or French or foreign companies affiliated with it, in accordance with the provisions of article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor Code.

In application of the provisions of article L.3332-21 of the French Labor Code, the Board of Directors may provide for grants without consideration to beneficiaries, of shares to be issued or already issued or other securities giving access to the Company's share capital to be issued or already issued, with respect to (i) contributions that may be paid in accordance with procedures for company or group stock ownership plans and/or (ii), as applicable, the share price discount.

As required by law, the General Meeting would cancel the shareholders' preferential subscription rights.

The maximum nominal amount of the capital increases that may be carried out under this delegation of authority shall be 2% of the share capital on the date the Board of Directors' decides to proceed with this capital increase

This amount shall be included under the overall limit concerning the maximum nominal amount of ordinary shares that may be issued set at 10% of the share capital on the issue date.

This amount may be increased, as necessary, by the nominal amount of the capital increase necessary, in accordance with the law, and, as the case may be, applicable contractual provisions providing for other methods for preserving rights, to preserve rights of holders of rights or securities giving access to the company's capital.

This delegation would be for a period of 26 months.

It is specified that in accordance with the provisions of article L.3332-19 of the French Labor Code, the price of the shares to be issued may not be more than 30% or 40% below, when the lock-up period provided for under the plan in accordance with articles L.3332-25 and L.3332-26 of the French Labor Code is greater than or equal to ten years, the average opening price for the twenty trading sessions preceding the date of the decision setting the opening date of the subscription nor greater than this average.

The Board of Directors will be vested with, within the limits set forth above, all powers necessary notably to set the terms and conditions of the issue or issues, record the completion of the resulting capital increases, amend the bylaws in consequence, charge at its sole discretion the costs of the capital increase to the corresponding share premium and appropriate therefrom all amounts required to ensure that the legal reserve represents one tenth of the new share capital after each increase, and in general, take all actions required.

This delegation of authority will supersede and cancel, for the unused portion, as applicable, any prior delegation of authority having the same purpose.

9. Aggregate limit of the ceilings of delegations of authority provided for by the thirteenth, fourteenth, seventeenth and eighteenth resolutions of this General Meeting (nineteenth resolution)

We propose to set at 10% of the amount of share capital on the issue date, the total number of ordinary shares that may be issued, immediately or in the future, provided for in the thirteenth, fourteenth, seventeenth and eighteenth resolutions of this Meeting, it being specified that this amount may be increased, as necessary, by the nominal amount of the capital increase necessary to preserve, in accordance with the law, and, as applicable, contractual provisions providing for other methods for preserving rights, the rights of holders of rights or securities giving access to the company's capital.

10. Modifications of the bylaws (twentieth to twenty-second resolutions)

We propose that you modify article 14 of the bylaws, in accordance with article L.225-37 of the French Commercial Code as amended by the French law 2019-744 of July 19, 2019 in order to provide for:

– on the one hand, in the 20th resolution, the possibility for members of the Board of Directors to make decisions relating to their own functions by means of a written consultation, which are listed exhaustively by regulation.

  This option may be implemented for the following decisions:

  - the co-optation of members,
  - authorizing security interest, endorsements and guarantees,
  - pursuant to a delegation of authority by the extraordinary general Meeting, legal and regulatory provisions,
  - calling the General Meeting of shareholders,
  - transferring the registered office to another department in France;

– and on the other hand, in the 21st resolution, provide for the option of participating in certain meetings of the Board of Directors by means of videoconferencing or telecommunications technologies and modifying the list of decisions that may be adopted by said Meeting in order to include only those subject to legal exclusions.

  This option may be implemented for the following decisions:

  - appointment of the Chairman and/or Chief Executive Officer.

We propose also, in the 22nd resolution, to modify article 16 of the bylaws concerning the procedures for exercising the Executive Management in order to limit the constraint linked to the length adopted by the Board with respect to these procedures.

11. Harmonization of the bylaws (twenty-third resolution)

We propose that you harmonize the bylaws with the applicable laws and regulations:

1) Concerning the identification of holders of bearer shares:

   We propose that you harmonize article 12 of the bylaws with the provisions of articles L.228-2 of the French Commercial Code as amended by the Law No. 2019-486 of May 22, 2019 concerning the identification of holders of bearer shares modifying the procedures for identifying bearer shareholders.

2) Concerning ordinary agreements:

   We propose that you harmonize article 18 of the bylaws concerning ordinary agreements entered into under normal conditions by replacing the reference to article L.225-38 of the French Commercial Code by a reference to article L.225-39 of said code.

3) Concerning the textual reference to the signature of electronic forms:

   We propose that you harmonize article 19 of the bylaws with the provisions of Ordinance No. 2016-131 of February 10, 2016 on the reform of contract law, the general regime and proof of obligations resulting in a re-codification of the provisions of the French Civil Code relating to the electronic signature, and replacing in consequence the reference to article 1316-4 Civil Code by a reference to article 1367 of the same code.

4) Concerning the invalidation of the proxy or vote expressed before the record date:

   We propose that you harmonize article 19 with the provisions of article L.225-85 of the French Commercial Code as amended by Decree No. 2014-1466 of December 8, 2014, amending the date and procedures for establishing the list of persons authorized to participate in meetings of shareholders and bondholders of commercial companies by replacing the reference in the case of the disposal of shares intervening before the record date by a reference to the transfer of title.

12. Textual references applicable in the case of a change in codification (twenty-fourth resolution)

We ask you to duly note that the textual references mentioned in all resolutions of this meeting make reference to the legal and regulatory provisions applicable on their date of establishment and that in the event of a modification of the notification thereof in connection with the authorization granted by Law No. 2019-486 of May 22, 2019 to the government, the textual references corresponding to this new qualification will replace the former.

3.2 • Draft resolutions and Board of Directors' report to the combined ordinary and extraordinary shareholders' Meeting of April 24, 2020

Ordinary resolutions

First resolution

Approval of the annual financial statements for the period ended December 31, 2019, approval of non-deductible expenses

The shareholders, after having considered the reports of the Board of Directors and the auditors for the period ended December 31, 2019, approve the financial statements as presented showing on this date net income of €45,237,016.

The shareholders furthermore approve the total amount of disallowed deductions under article 39-4 of the French General Tax Code of €69,884 as well as the corresponding tax.

Second resolution

Approval of the consolidated financial statements for the period ended December 31, 2019

The shareholders, after having considered the reports of the Board of Directors and the auditors on the consolidated financial statements for the period ended December 31, 2019, approve these financial statements as presented showing on this date a net profit (attributable to equity holders of the parent) of €50,633,000.

Third resolution

Approval of the net income appropriation, setting the dividend

The shareholders, on the Board of Directors' proposal decide to appropriate net income for the fiscal period ended December 31, 2019 as follows:

Inception	
- Profit of the period	€45,237,016
Appropriation	
– Legal reserve	€1,288,969
– Retained earnings	€43,948,047

In accordance with the provisions of article 243 bis of the French General Tax Code, shareholders shall duly note that dividends for the last three financial periods were as follows:

	Distributions eligible for the tax basis reduction		
For the fiscal year	**Dividends**	**Other distributions**	**Distributions not eligible for the tax basis reduction**
2016	€19,529,831 (1) or € 0.55 per share	-	-
2017	€26,169,973 (1) or € 0.67 per share	-	-
2018	€30,505,596 (1) or € 0.71 per share	-	-

(1) Including the unpaid amount of dividends relating to treasury shares and allocated to retained earnings.

Fourth resolution

Statutory Auditors' special report on regulated agreements and commitments – Recognition of the absence of new agreements

The shareholders, after considering the auditors' special report indicating the absence of any new agreements of the type mentioned in articles L.225-38 *et seq.* of the French Commercial Code, duly note their conclusions.

Fifth resolution

Reappointment of Dominique Cyrot as Director

The shareholders decide to renew Dominique Cyrot's appointment as Director for a term of five years expiring at the end of the Annual General Meeting that will be called in 2025 to approve the financial statements for fiscal year ended.

Sixth resolution

Approval of the compensation policy for members of the Board of Directors

The shareholders, ruling in accordance with article L.225-37-2 of the French Commercial Code, approve the compensation policy for members of the Board of Directors presented in the report on corporate governance included in paragraph 2.1.2 of the 2019 Universal Registration Document.

Seventh resolution

Approval of the compensation policy for the Chairman-Chief Executive Officer or any other executive officer

The shareholders, ruling in accordance with article L.225-37-2 of the French Commercial Code, approve the compensation policy for the Chairman-CEO and/or any other executive officer presented in the report on corporate governance included in paragraph 2.1.1 of the 2019 Universal Registration Document.

Eighth resolution

Persons referred to in I of article L.225-37-3 of the French Commercial Code *(code de commerce)*

The shareholders, ruling in accordance with article L.225-100 II of the French Commercial Code, approve the information covered by article L.225-37-3 of the French Commercial Code mentioned in the in the report on corporate governance included in paragraph 2.2 of the 2019 Universal Registration Document.

Ninth resolution

Approval of the fixed, variable or exceptional components of total compensation and benefits of any nature paid or granted for the period ended to Mr. Philippe Benacin, Chairman-Chief Executive Officer

The shareholders, ruling in accordance with article L.225-100 subsection III of the French Commercial Code, approve the fixed, variable or exceptional components making up the total compensation and benefits of any nature paid in the period in progress or granted for the period ended to Mr. Philippe Benacin, Chairman-Chief Executive Officer, as presented in the Report on Corporate Governance, section 2.3, of the Universal Registration Document.

Tenth Resolution

Authorization to be granted to the Board of Directors for dealing in its own shares within the framework of article L.225-209 of the French Commercial Code

The General Meeting, having reviewed the Board of Directors' report, grants an authorization for eighteen months in accordance with the provisions of articles L.225-209 *et seq.* of the French Commercial Code, to purchase, on one or more occasions at times of its choosing up to 5% shares of the Company making up the share capital, where applicable adjusted to take into account increases or reductions in the share capital that may be carried out during the period the share buyback authorization is in force.

This authorization cancels the authorization granted to the Board of Directors by the eleventh ordinary resolution of the General Meeting of April 26, 2019.

Under this program, shares may be purchased for the following purposes:

– market making in the secondary market or ensuring the liquidity of the Interparfums share with an investment services provider through a liquidity agreement complying with market practice allowed by regulations, it being specified that the number of shares taken into account to calculate the above-mentioned limit corresponds to the number of shares acquired, after deducting the number of shares resold;
– retaining shares purchased for subsequent use in exchange or as payment for acquisitions;
– ensuring sufficient shares are available for stock option and/or restricted share award (bonus share) plans (or equivalent plans) for the benefit of employees and/or corporate officers of the Group as well as all share grants in connection with a company or group employee savings plan (or equivalent plan), employee profit-sharing schemes and/or all other forms of share grants to employees and/or corporate officers of the Group;
– ensuring that sufficient shares are available to cover requirements for securities granting entitlement to shares of the company in accordance with applicable regulations;
– canceling shares, as applicable, acquired in accordance with the authorization granted or to be granted by the extraordinary general Meeting.

These shares may be purchased by any means, including through block purchases of shares, and at times deemed appropriate by the Board of Directors.

The company does not intend to make use of options or derivatives.

The maximum purchase price is €50 per share. In the case of equity transactions including notably stock splits or reverse stock splits or bonus share grants to shareholders, the amount indicated above will be adjusted in the same proportions (with the multiplier being equal to the ratio between the number of shares making up the share capital before the transaction and the number of shares thereafter).

The maximum amount for the purchase of shares under this authorization is €118,155,475.

The shareholders grant all powers to the Board of Directors to proceed with these transactions, set the terms and conditions and procedures, conclude all agreements and fulfill all formalities.

Extraordinary resolutions

Eleventh resolution

Authorization to be granted to the Board of Directors to cancel shares purchased in connection with article L.225-209 of the French Commercial Code

The shareholders, after considering the Board of Directors' report and the Auditors' report:

1) authorize the Board of Directors to cancel, at its sole discretion, through one or more installments, subject to a limit of 10% of the share capital calculated on the date of the cancellation decision, and deducting shares that may have been canceled during the 24 preceding months, shares the Company holds or may hold pursuant to share buybacks undertaken in accordance with article L.225-209 of the French Commercial Code, and reduce the share capital by the corresponding amount in compliance with applicable laws and regulations;
2) set the period of validity of this delegation of authority at twenty-four months from the date of this meeting;
3) grant the Board of Directors all powers to take measures required to complete such cancellations and the corresponding reductions in share capital, to amend the company's bylaws as a result and to carry out all formalities required.

Twelfth resolution

Delegation of authority to be granted to the Board of Directors to issue ordinary shares giving access to, as applicable, ordinary shares or entitlement to the allotment of debt securities (of the company or a group company), and/or securities giving access to ordinary shares (by the company or a group company), maintaining shareholders' preferential subscription rights

The shareholders, having considered the Board of Directors' report and the Auditors' special report, in accordance with the provisions of the French Commercial Code and particular, articles L.225-129-2, L.228-92 and L.225-132 *et seq.*:

1) grant the Board of Directors authority to proceed with the issue, for valuable consideration or free of consideration, through one or more installments, in amounts and at such times it chooses, in France and/or international markets, either in euros or in another currency, or in any other monetary unit established by reference to several currencies, of,

   - ordinary shares,
   - and/or ordinary shares granting entitlement to the allocation of other ordinary shares or debt securities,
   - and/or securities giving access to ordinary shares to be issued.

   In accordance with article L.228-93 of the French Commercial Code, securities to be issued may give access to ordinary shares to be issued by any company which directly or indirectly holds more than half of its capital or a company in which it directly or indirectly holds more than half of its capital;
2) set the duration for this authorization provided for under this resolution at twenty-six months from the date of this Meeting;
3) decide to set, as follows, the limits of the amounts for issues authorized if the Board of Directors makes use of this delegation of authority:

   The total nominal amount of ordinary shares that may be issued by virtue of this authority may not exceed €30 million.

   This limit may be increased, as necessary, by the nominal amount of the capital increase necessary to preserve, in accordance with the law, and, as applicable, contractual provisions providing for other methods for preserving rights, the rights of holders of rights or securities giving access to the company's capital.

   The total nominal amount of debt securities of the company that may be issued by virtue of this authority may not exceed €100 million.

   The limits set above are independent of all other limits set by other resolutions of this General Meeting;
4) if the Board of Directors makes use of this authority in the case of issues referred to above in point 1):

   a/ decide that the issue or issues of ordinary shares or securities giving access to the capital shall be reserved in priority for shareholders that may apply for shares on the basis of irrevocable entitlement *(à titre irréductible)*;

   b/ decide that if applications for new shares on the basis of irrevocable entitlement, and as the case may be, for excess shares on a non-preferential basis *(à titre réductible)*, should fail to account for the entire issue set forth in 1), the Board of Directors may have recourse to the following options:

   - limit the amount of the issue to the amount of applications received, as applicable, within the limits provided for by regulation,
   - freely allocate all or part of the securities not taken up,
   - offer all or part of the securities not taken up to the public;
5) decide that the issue of equity warrants of the Company may be carried out by a subscription offer but also by the award of bonus shares to owners of existing shares, it being specified that the Board of Directors shall be entitled to decide that the allotment rights forming fractional amounts shall not be negotiable and that the shares corresponding thereto will be sold;

6) decide that the Board of Directors will be vested with, within the limits set forth above, all powers necessary notably to set the terms and conditions of the issue or issues and set the issue price, as appropriate, record the completion of the resulting capital increases, amend the bylaws in consequence, charge at its sole discretion the costs of the capital increase to the corresponding share premium and appropriate therefrom all amounts required to ensure that the legal reserve represents one tenth of the new share capital after each increase, and in general, take all actions required;

7) duly note that this delegation of authority supersedes and cancels, for the unused portion, as applicable, any prior authorization having the same purpose.

Thirteenth resolution

Delegation of authority to be granted to the Board of Directors to issue ordinary shares giving access to, as applicable, ordinary shares or entitlement to the allotment of debt securities (of the company or a group company), and/or securities giving access to ordinary shares (by the company or a group company), canceling shareholders' preferential subscription rights by a public offering (with the exception of offers covered by 1 of article L.411-2 of the French financial and monetary code) and/or consideration for security tendered in connection with a public exchange offer

The shareholders, having considered the Board of Directors' report and the auditors' special report, in accordance with the provisions of the French Commercial Code and particular, articles L.225-129-2, L.225-136, L.225-148 and L.228-92:

1) grant the Board of Directors authority to proceed with the issue through one or more installments in amounts and at such times it chooses, in France and/or in other countries, through a public offering with the exception of offers covered by 1 of article L.411-2 of the French financial and monetary code, either in euros or in another currency, or in any other monetary unit established by reference to several currencies, of:

   - ordinary shares,
   - and/or ordinary shares granting entitlement to the allocation of other ordinary shares or debt securities,
   - and/or securities giving access to ordinary shares to be issued.

   The securities may be issued for payment of securities tendered to the Company in connection with public exchange offers for securities in accordance with the provisions of article L.225-148 of the French Commercial Code.

   In accordance with article L.228-93 of the French Commercial Code, securities to be issued may give access to ordinary shares to be issued by any company which directly or indirectly holds more than half of its capital or a company in which it directly or indirectly holds more than half of its capital;

2) set the duration for this authorization provided for under this resolution at twenty-six months from the date of this meeting;

3) the total nominal amount of ordinary shares that may be issued by virtue of this authority may not exceed €9 million.

   This limit may be increased, as necessary, by the nominal amount of the capital increase necessary to preserve, in accordance with the law, and, as applicable, contractual provisions providing for other methods for preserving rights, the rights of holders of rights or securities giving access to the company's capital.

   This amount is included within the maximum nominal amount of ordinary shares able to be issued set in the 19th resolution.

   The total nominal amount of debt securities of the company that may be issued by virtue of this delegation of authority may not exceed €50,000,000, it being specified that this limit is independent of all other limits set by other resolutions of this General Meeting;

4) decide to cancel shareholders' preemptive right to subscribe for ordinary shares and securities giving access to the capital of the company and/or debt securities covered by this resolution, while leaving the Board of Directors the possibility to grant shareholders a priority period, in accordance with the law;

5) decide that the amount reverting, or that should revert, to the Company for each of the ordinary shares issued under this delegation of authority, after taking into account, in the case of the issue of new equity warrants, the issue price of these warrants, shall be determined according to the provisions required provided for by law and regulations applicable on the date the Board of Directors implements this delegation of authority;

6) decide, in the case of issuance of shares destined to be used in payment of securities tendered to the Company in connection with public exchange offers for securities in accordance with the provisions of article L.225-148 of the French Commercial Code and within the limits set forth above, that the Board of Directors shall be vested with all necessary powers to draw up the list of securities to be tendered in the exchange, set the terms of the issue, the share exchange ratio, as well as, when applicable the balance to be paid in cash, and determine the procedures for the issue;

7) decide that if applications for new shares should fail to account for the entire issue set forth in 1), the Board of Directors may have recourse to the following options:

   - limit the amount of the issue to the amount of applications received, as applicable, within the limits provided for by regulation,
   - freely allocate all or part of the securities not taken up;

8) decide that the Board of Directors will be vested with, within the limits set forth above, all powers necessary notably to set the terms and conditions of the issue or issues, as appropriate, record the completion of the resulting capital increases, amend the bylaws in consequence, charge at its sole discretion the costs of the capital increase to the corresponding share premium and appropriate therefrom all amounts required to ensure that the legal reserve represents one tenth of the new share capital after each increase, and in general, take all actions required;

9) duly note that this delegation of authority supersedes and cancels, for the unused portion, as applicable, any prior delegation of authority having the same purpose.

Fourteenth resolution

Delegation of authority to be granted to the Board of Directors to issue ordinary shares giving access to, as applicable, ordinary shares or entitlement to the allotment of debt securities (of the company or a group company), and/or securities giving access to ordinary shares (by the company or a group company), canceling shareholders' preferential subscription rights by a public offering provided for by 1° of article L.411-2 of the French Monetary and Financial Code

The shareholders, having considered the Board of Directors' report and the Auditors' special report, in accordance with the provisions of the French Commercial Code and particular, articles L.225-129-2, L.225-136 and L.228-92:

1) grant the Board of Directors authority to proceed with the issue through one or more installments in amounts and at such times it chooses, in France and/or in other countries, through a public offering covered by article L.411-2 1 of the French Monetary and Financial Code, either in euros or in another currency, or in any other monetary unit established by reference to several currencies:
   - ordinary shares,
   - and/or ordinary shares granting entitlement to the allocation of other ordinary shares or debt securities,
   - and/or securities giving access to ordinary shares to be issued.

   In accordance with article L.228-93 of the French Commercial Code, securities to be issued may give access to the capital of any company which directly or indirectly holds more than half of its capital or a company in which it directly or indirectly holds more than half of its capital.

2) set the duration for this authorization provided for under this resolution at twenty-six months from the date of this meeting;

3) the total nominal amount of ordinary shares that may be issued under this resolution may not exceed €9 million, and shall be furthermore capped at 20% of the share capital per year.

   This limit may be increased, as necessary, by the nominal amount of the capital increase necessary to preserve, in accordance with the law, and, as applicable, contractual provisions providing for other methods for preserving rights, the rights of holders of rights or securities giving access to the company's capital.

   This amount is included within the maximum nominal amount of ordinary shares able to be issued set in the 19th resolution.

   The total nominal amount of debt securities of the company that may be issued by virtue of this authority may not exceed €15,000,000, it being specified that this ceiling is independent from other ceilings provided for by other resolutions of this Meeting;

4) decide to cancel shareholders' preemptive right to subscribe for ordinary shares and securities giving access to the capital of the company and/or debt securities covered by this resolution;

5) decide that the amount reverting, or that should revert, to the company for each of the ordinary shares issued under this delegation of authority, after taking into account, in the case of the issue of new equity warrants, the issue price of these warrants, shall be determined in accordance with law and regulations applicable on the date the Board of Directors implements this delegation of authority;

6) decide that if applications for new shares should fail to account for the entire issue set forth in 1), the Board of Directors may have recourse to the following options:
   - limit the amount of the issue to the amount of applications received, as applicable, within the limits provided for by regulation,
   - freely allocate all or part of the securities not taken up;

7) decide that the Board of Directors will be vested with, within the limits set forth above, all powers necessary notably to set the terms and conditions of the issue or issues, as appropriate, record the completion of the resulting capital increases, amend the bylaws in consequence, charge at its sole discretion the costs of the capital increase to the corresponding share premium and appropriate therefrom all amounts required to ensure that the legal reserve represents one tenth of the new share capital after each increase, and in general, take all actions required;

8) duly note that this delegation of authority supersedes and cancels, for the unused portion, as applicable, any prior delegation of authority having the same purpose.

Fifteenth resolution

Authorization in the case of an issue entailing the cancellation of the preferential subscription right, to set, within the limit of 10% of the share capital per year, the issue price according to the conditions set by the General Meeting

The shareholders, having considered the Board of Directors' report and the auditors' report in accordance with the provisions of article L.225-136-1, paragraph 2 of the French Commercial Code, authorize the Board deciding to issue ordinary shares or securities giving access to share capital, in accordance with the thirteenth and fourteenth resolutions, subject to the provisions of article L.225-136 1° subsection 1 of the French Commercial Code, to derogate within the limit of 10% of the share capital from the conditions for setting the price provided for in the aforementioned resolutions and set the issue price for equity equivalent securities to be issued as follows:

The share price for equity equivalent securities to be issued immediately or in the future, may not be less, at the Board of Directors' choice than:

– either the weighted average price of the company's share on the day preceding the beginning of the offer, minus, as applicable, a discount of up to 20%;
– or the average trading price for five consecutive days selected from within a period of the thirty trading days preceding the beginning of the offer, minus a possible discount of up to 20%.

Sixteenth resolution

Authorization to increase the amount of issues

The shareholders, after considering the Board of Directors' report, resolve that for each issue of ordinary shares or securities giving access to the capital decided in application of the twelfth to the fourteenth resolution, the number of shares able to be issued may be increased in accordance with the provisions of articles L.225-135-1 and R.225-118 of the French Commercial Code and within the limits set by the General Meeting.

Seventeenth resolution

Delegation of authority to the Board of Directors to proceed with a capital increase by issuing ordinary shares and/or securities giving access to the share capital within the limit of 10% of the capital as consideration for in-kind contributions of securities giving access to the capital

The shareholders, having considered the reports of the Board of Directors and the auditors, and in accordance with and articles L.225-147 and L.228-92 of the French Commercial Code:

1) authorize the Board of Directors, pursuant to the equity auditor's report, to issue ordinary shares or securities giving access to ordinary shares as consideration for contributions in kind granted to the company and consisting of equity securities or securities giving access to the capital when the provisions of article L.225-148 of the French Commercial Code are not applicable;

2) set the duration for this authorization provided for under this resolution at twenty-six months from the date of this meeting;

3) decide that the total nominal amount of ordinary shares that may be issued by virtue of this authorization may not exceed 10% of the share capital on the date of this meeting, without taking into account the nominal amount of the capital increase required to preserve, in accordance with the law, and, as applicable, contractual provisions providing for other methods for preserving rights, the rights of holders of rights or securities giving access to the Company's capital.

   This amount is included within the maximum nominal amount of ordinary shares able to be issued set in the 19th resolution;

4) all powers are granted to the Board of Directors for the purpose of approving the valuation of in-kind contributions, deciding on the capital increase resulting therefrom and recording its completion, charging as applicable to additional paid-in capital all expenses and duties incurred in connection with the capital increase, appropriating from these amounts the funds necessary so that the legal reserve equals one tenth the new capital after each issue, making the corresponding changes to the bylaws and in general doing all else that is required in such matters;

5) duly note that this delegation of authority supersedes and cancels, for the unused portion, as applicable, any prior delegation of authority having the same purpose;

Eighteenth resolution

Delegation of authority to the Board of Directors to proceed with a capital increase through the issuance of shares canceling shareholders' preferential subscription rights in favor of employees participating in a company savings plan pursuant to the provisions of articles L.3332-18 *et seq.* of the French Labor Code.

The shareholders, after considering the Board of Directors' report and the Auditors' special report, ruling in accordance with the provisions of articles L.225-129-6, L.225-138-1 and L.228-92 of the French Commercial Code and L.3332-18 *et seq.* of the French Labor Code:

1) delegate their authority to the Board of Directors, for the purpose, if it deems opportune, on the basis of its decision alone, of increasing the share capital, at once or in installments, by issuing ordinary shares or securities giving access to the Company's capital to be issued in favor of participants in one or more company or group employee stock ownership plans established by the company and/or French or foreign companies affiliated with it in accordance with the provisions of article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor Code;

2) cancel in favor of these persons the preferential subscription rights to shares that may be issued under this delegation of authority;

3) set the period of validity of this delegation of authority at twenty-six months from the date of this meeting;

4) limit the maximum nominal amount of the capital increase(s) that may be carried out under this authorization to 2% of the share capital on the date of the Board of Directors' decision to proceed with this capital increase, whereby this amount is included within the maximum nominal amount of ordinary shares able to be issued set in the 19th resolution. This amount may be increased, as necessary, by the nominal amount of the capital increase necessary to preserve, in accordance with the law, and, as applicable, contractual provisions providing for other methods for preserving rights, the rights of holders of rights or securities giving access to the company's capital;

5) decide that the price of the shares to be issued pursuant to subsection 1) of this authorization may not be more than 30% or 40% below, when the lock-up period provided for under the plan in accordance with articles L.3332-25 and L.3332-26 of the French Labor Code is greater than or equal to ten years, the average opening price for the twenty trading sessions preceding the date of the Board of Directors' decision setting the opening date of the subscription nor greater than this average;

6) decide, in application of the provisions of article L.3332-21 of the French Labor Code, that the Board of Directors may provide for grants without consideration to beneficiaries defined above in the first paragraph, of shares to be issued or already issued or other securities giving access to the Company's share capital to be issued or already issued, with respect to (i) contributions that may be paid in accordance with procedures for company or group stock ownership plans and/or (ii), as applicable, the discount and may decide in the case of the issuance of new shares and/or the contribution, to proceed with the capitalization of the reserves, earnings or additional paid-in capital for the payment of said shares;

7) duly note that this delegation of authority supersedes and cancels, for the unused portion, as applicable, any prior delegation of authority having the same purpose.

The Board of Directors may or may not implement this delegation of authority, take all necessary measures and proceed with all necessary formalities.

Nineteenth resolution

Aggregate limit of ceilings of delegations of authority provided for by the thirteenth, fourteenth, seventeenth and eighteenth resolutions of this General Meeting

The shareholders, after considering the Board of Directors' report, decide to set at:

– 10% of the amount of share capital on the issue date, the total number of shares that may be issued, immediately or in the future, provided for in the thirteenth, fourteenth, seventeenth and eighteenth resolution of this Meeting, it being specified that this amount may be increased, as necessary, by the nominal amount of the capital increase necessary to preserve, in accordance with the law, and, as applicable, contractual provisions providing for other methods for preserving rights, the rights of holders of rights or securities giving access to the company's capital.

Twentieth resolution

Modification of article 14 of the bylaws to provide for recourse to written consultation by the Directors

The shareholders, after considering the Board of Directors' report, decide in accordance with the option provided for by article L.225-37 of the French Commercial Code as amended by Law No. 2019-744 of July 19, 2019, to provide for the possibility of members of the Board of Directors to make decisions relating to its own functions restrictively limited by regulation by means of a written consultation, and modifying consequence article 14 of the bylaws as follows:

At the end of article 14 of the bylaws the following paragraph is inserted, with the remainder of the article unchanged:

"The Board of Directors may also make decisions by means of a written consultation of the Directors under the conditions provided for by law."

Twenty-first resolution

Modification of article 14 of the bylaws concerning the use of videoconferencing or telecommunications technology

The shareholders, after having reviewed the report of the Board of Directors, decide:

– to expressly provide, in addition to the possibility of participating in certain meetings of the Board by means of videoconferencing, the possibility to also attend through telecommunications technologies in accordance with provisions of article L.225-37 of the French Commercial Code;
– to modify the list of decisions that may not be adopted by the Board at meetings conducted by means of videoconferencing or telecommunications technologies in order to include only those subject to legal exclusions;

– to modify in consequence as follows the fourth subsection of article 14 of the bylaws, with the remainder of the article unchanged:

"The Board Charter may provide that Directors who attend the Board meeting through videoconferencing or telecommunications means in accordance with laws and regulations, are deemed present for determining the quorum and majority.

This provision is not applicable with respect to adopting decisions concerning the closing of the annual and consolidated accounts and the preparation of the management report for the Company and/or Group."

Twenty-second resolution

Modification of article 16 of the bylaws concerning the procedures for exercising Executive Management

The shareholders, after considering the Board of Directors' report, decide to cancel the restriction linked to the duration of the decision made by the Board concerning the procedures for exercising Executive Management functions and to cancel in consequence the last sentence of the third subsection of article 16 of the bylaws, with the remainder of the article unchanged.

Twenty-third resolution

Updating of the bylaws

The shareholders, after having considered the report of the Board of Directors, decide:

1) concerning the procedure for identifying owners of bearer shares:

   - to harmonize article 9 of the bylaws with the provisions of articles L.228-2 *et seq.* of the French Commercial Code as amended by Law No. 2019-486 of May 22 2019 concerning the growth and transformation of companies that modifies the procedure for identifying shareholders,
   - to modify in consequence as follows the fifth subsection of article 9 of the bylaws, with the remainder of the article unchanged:

   "The Company may request at any time, in accordance with applicable laws and regulations, the disclosure of information regarding the identity of holders of securities issued by it which give immediate or future rights to vote in shareholders meetings."

2) concerning the wording relating to ordinary conventions entered into under normal conditions:

   - to harmonize article 18 of the bylaws concerning ordinary agreements entered into under normal conditions by replacing the reference to article L.225-38 of the French Commercial Code by a reference to article L.225-39 of said code;
   - to modify in consequence as follows the fourth subsection of article 18 of the bylaws, with the remainder of the article unchanged:

   "In accordance with the provisions of article L.225-39 of the French Commercial Code, the above provisions are not applicable to agreements concerning current operations entered into under normal conditions nor to agreements entered into between two companies, one of which holds, directly or indirectly, all of the share capital of the other, if applicable, less the minimum number of shares required to satisfy the requirements of article 1832 of the French civil code, or articles L.225-1 and L.226-1 of the French Commercial Code."

3) concerning the textual reference to the signature of electronic forms:

   - to harmonize article 19 of the bylaws with the provisions of Ordinance No. 2016-131 of February 10, 2016 on the reform of contract law, the general regime and proof of obligations resulting in a re-codification of the provisions of the French Civil Code relating to the electronic signature;
   - to modify in consequence as follows the second sentence of the fourth subsection of the paragraph "Access to and Representation at General Meetings" of article 19 of the bylaws:

   "Electronic forms may be completed and signed directly in accordance with the first line of the second subsection of article 1367 of the French Civil Code (Code Civil), notably by means of an identifier and password."

4) concerning the invalidation or modification of the proxy or vote expressed before the record date:

   - to harmonize article 19 with the provisions of article L.225-85 of the French Commercial Code as amended by Decree No. 2014-1466 of December 8, 2014, amending the date and procedures for establishing the list of persons authorized to participate in meetings of shareholders and bondholders of commercial companies,
   - to modify in consequence as follows the third sentence of the fourth subsection of the paragraph "Access to and Representation at General Meetings" of article 19 of the bylaws, with the remainder of the article unchanged:
   "The proxy or voting forms completed electronically prior to the meeting, as well as the acknowledgment of receipt that will be given in reply, will be considered as irrevocable written proof and binding on all parties. Notwithstanding the foregoing, in the transfer of title of the shares occurring before the second business day preceding the shareholders' Meeting at midnight (Paris time), the company shall invalidate or modify accordingly, as the case may be, the vote by proxy or voting form before this date and time."

Twenty-fourth resolution

Textual references applicable in the case of a change in codification

The General Meeting duly notes that the textual references mentioned in all resolutions of this meeting make reference to the legal and regulatory provisions applicable on their date of establishment and that in the event of a modification of the codification thereof in connection with the authorization granted by the Law No. 2019-486 of May 22, 2019 to the government, the textual references corresponding to this new qualification will replace the former.

Twenty-fifth resolution

Powers for formalities

The General Meeting grants all powers to the holder of an original, a short-form certificate or a copy of these minutes to carry out all the publication, filing and other formalities that may be required by law.

6

Group organization

Interparfums and its subsidiaries

Commercial operations are conducted largely through Interparfums SA. To pursue its international development, Interparfums set up three new subsidiaries in 2007 in the key European markets on a wholly-owned basis or in partnership with its local distributors. Germany (51%), Italy (100%) and Spain (100%).

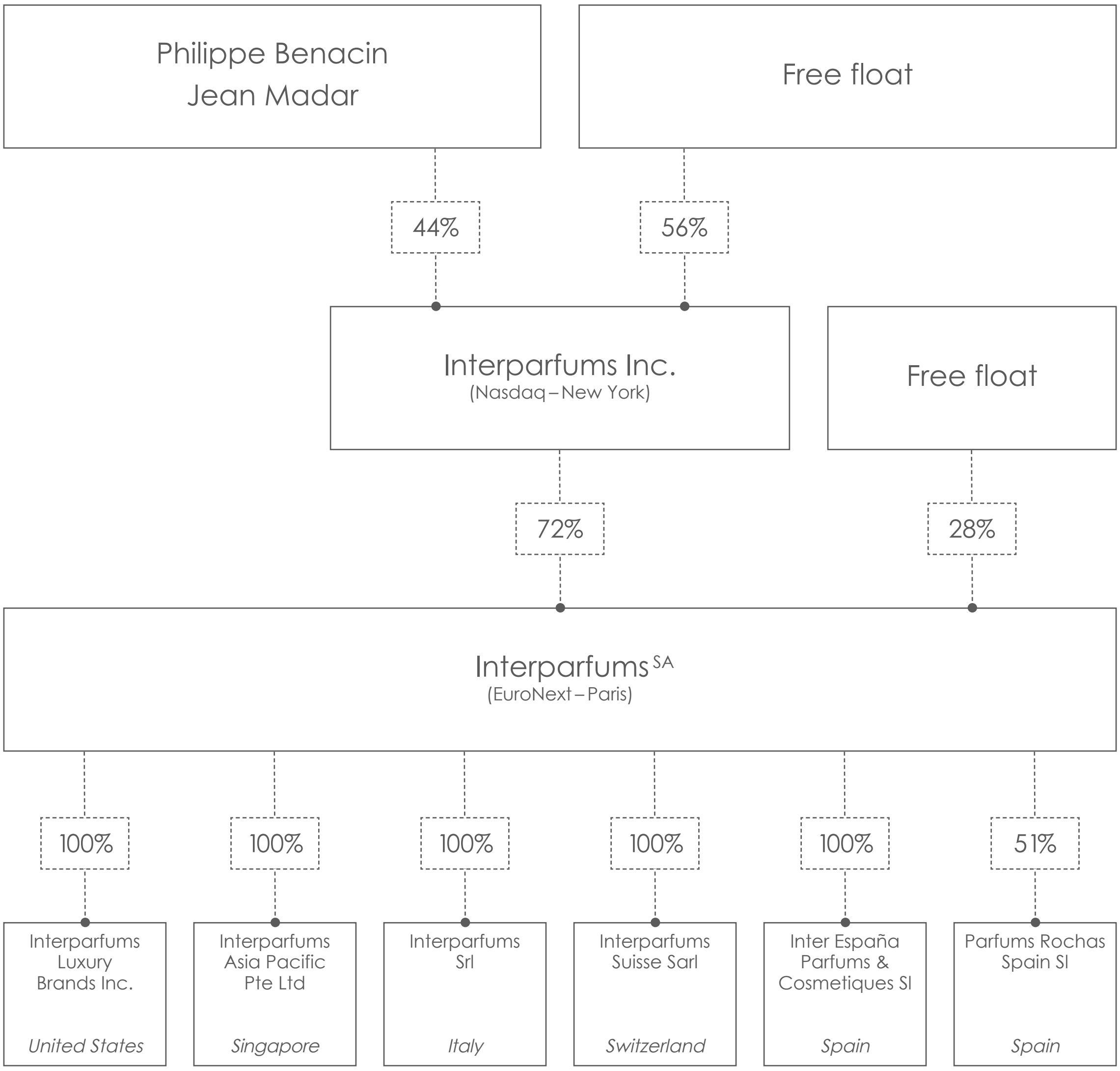
Interparfums also created a wholly-owned subsidiary in Switzerland, Interparfums Suisse Sarl. This subsidiary is the owner of the Lanvin brand name for class 3 products.

In 2010, Interparfums SA further strengthened its presence in markets and major regions by creating wholly-owned distribution subsidiaries in Singapore (Interparfums Asia Pacific) and the United States (Interparfums Luxury Brands) respectively.

Pursuant to the Rochas brand acquisition in 2015, Interparfums SA created a subsidiary for the distribution of fragrances under this new brand in Spain (Parfums Rochas Spain Sl). This entity is 51%-held.

In 2019, the German subsidiary GmbH was deconsolidated, the winding up operations have been completed and the company's removal from the trade register is in progress.

Detailed information on the percentage of voting rights is provided in section 2.3 "Breakdown of share capital and voting rights" and chapter 5 " Shareholder information".



7

History of the company

1982
Creation of Interparfums SA in France by Philippe Benacin and Jean Madar.

1985
Creation of Interparfums Inc. in the United States, parent company of Interparfums SA.

1988
Beginning of the selective perfume activity with the signature of a license agreement for the Régine's brand.
Initial public offering of Interparfums Inc. on NASDAQ in New York.

1993
Signature of a license agreement to create and produce perfumes under the Burberry name and distribute them worldwide.

1994
Listing of Interparfums SA on the over-the-counter market of the Paris Stock Exchange.

1995
Transfer of the company from the over-the-counter market to the Second Market of Paris Stock Exchange with a rights issue.

1997
Signature of a license agreement to create and produce perfumes under the S.T. Dupont name and distribute them worldwide.

1998
Signature of a license agreement to create and produce perfumes under the Paul Smith name and distribute them worldwide.

2004
Signature of a license agreement to create and produce perfumes under the Lanvin brand and distribute them worldwide.

2007
Signature of a license agreement to create and produce perfumes under the Van Cleef & Arpels brand and distribute them worldwide.
Acquisition of the Lanvin trademark and brand name for class 3 products (fragrances and make-up).

2009
Signature of a license agreement to create and produce perfumes under the Jimmy Choo brand and distribute them worldwide.

2010
Signature of a license agreement to create and produce perfumes under the Montblanc brand and distribute them worldwide.
Signature of a worldwide license agreement to create and manage new and existing fragrances under the Boucheron brand.

2011
Signature of a license agreement to create and produce perfumes under the Repetto brand and distribute them worldwide.

2012
Discontinuation of the Burberry license agreement before the expiry date.
Signature of a license agreement to create and produce perfumes under the Karl Lagerfeld brand and distribute them worldwide.

2015
Signature of a license agreement to create and produce perfumes under the Coach name and distribute them worldwide.
Acquisition of the Rochas trademark and brand name for class 3 (perfumes make-up) and class 25 (fashion) products.

2018
Extension of the Jimmy Choo license agreement.

2019
Signature of a license agreement to create and produce perfumes under the Kate Spade brand and distribute them worldwide.

8

Nominations and Corporate Awards

1997
"Prix Cristal" for the transparency in financial information
(French Institute of Statutory Auditors – *Compagnie Nationale des Commissaires aux Comptes)*

1999
"Grand Prize for Entrepreneurs" award for international growth
(Ernst & Young – *L'Entreprise*)

2005
"Grand Prize for Entrepreneurs – Région Île-de-France" award

2007
Investor Relations Prize for the Small and Mid Caps category
(Forum de la Communication Financière)

2010
Trophée Relations Investisseurs – Best Investor Relations Award for the Mid Cap category
(Forum des Relations Investisseurs et Communication Financière)

2011
Special Award for Inspiration of the Great Place to Work Institute
(Institut Great Place to Work® – *Le Figaro Économie)*

Mid Cap Corporate Governance Prize
(Agefi)

"Boldness and Creativity Prize" given at an award ceremony by French Prime Minister, François Fillon
(Fimalac – *Journal des Finances)*

2012
Trophée Relations Investisseurs – Best Investor Relations Award for the Mid Cap category
(Forum des Relations Investisseurs et Communication Financière)

2013
Trophée Relations Investisseurs – 3rd Prize for Best Investor Relations for the Mid Cap category
(Forum des Relations Investisseurs et Communication Financière)

2015
Trophée Relations Investisseurs – Best Investor Relations Award for the Mid Cap category
(Forum des Relations Investisseurs et Communication Financière)

2016
Trophée Relations Investisseurs – 3rd Prize for the "Best Investor Relations by a CEO"
(Forum des Relations Investisseurs et Communication Financière)

2017
Trophée Relations Investisseurs – 2nd Prize for Best Investor Relations for the Mid Cap category
(Forum des Relations Investisseurs et Communication Financière)

2018
Strategic Vision Prize – EY Annual Entrepreneurial Awards
(Île-de-France region)

2019
BFM Awards for export performance

9

Auditors and responsibility statements

1 • Auditors

The Statutory Auditors having issued reports on the parent company and consolidated financial statements are:

Mazars
61 rue Henri Regnault
92400 Courbevoie
represented by Guillaume Wadoux
appointed by the AGM of December 1, 2004
reappointed by the AGM of April 26, 2019
expiration date: 2025 AGM

SFECO & Fiducia Audit
50 rue de Picpus
75012 Paris
represented by Roger Berdugo
appointed by the AGM of May 19, 1995
reappointed by the AGM of April 26, 2019
expiration date: 2025 AGM

Auditors' fees are described in note 6.6 to the consolidated financial statements.

2 • Person responsible for the French version of the Universal Registration Document

"I declare, after having taken all reasonable measures in this regard that to the best of my knowledge the information in this Universal Registration Document is accurate and there are no omissions likely to alter its import.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and consolidated companies. The management report included in the Universal Registration Document, presents a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and consolidated companies as well as a description of the main risks and uncertainties.

Paris, April 29, 2020

Philippe Santi

Executive Vice President

3 • Executive officer responsible for financial information

Philippe Santi

Executive Vice President
psanti@interparfums.fr
00 (33)1 53 77 00 00

Requests for information

•

To receive information or be added to the company's financial communications mailing list contact the Investor Relations department (attention: Karine Marty):

Telephone: +33 800 47 47 47
Fax: +33 (0)1 40 74 08 42
From the website: www.interparfums.fr

This annual report is printed on 100% recyclable and biodegradable coated paper, manufactured from ECF (Elemental Chlorine Free) bleached pulp in a European factory certified ISO 9001 (for its quality management), ISO 14001 (for its environmental management), CoC PEFC (for the use of paper from sustainably managed forests) and is EMAS-accredited (for its environmental performance).

Design: Agence Marc Praquin. Translation: Thomas Judge.

Boucheron
Coach
Jimmy Choo
Karl Lagerfeld
Kate Spade
Lanvin
Montblanc
Paul Smith
Repetto
Rochas
S.T. Dupont
Van Cleef & Arpels

Interparfums
4 rond-point des Champs-Élysées
75008 Paris
Tel. +33 1 53 77 00 00
Interparfums.fr