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Interparfums

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Interparfums

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

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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 the original French version of this Universal Registration Document:

— The consolidated financial statements for the period ended December 31, 2020 and the corresponding audit report included respectively in part 3 and part 10 of the Universal Registration Document (No. D.21-0164) filed with the AMF on March 22, 2021) (https://www.interparfums-finance.fr/pdf/rapports-annuels/Interparfums-RA2020.pdf).
— The consolidated financial statements for the period ended December 31, 2019 and the corresponding audit report included respectively in part 2 and part 10 of the Universal Registration Document (No. D.20-0402) filed with the AMF on April 29, 2020) (https://www.interparfums-finance.fr/pdf/rapports-annuels/Interparfums-RA2019.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, along with an abridged English version at the latter's site (https://www.interparfums-finance.fr/en/annual-reports//).

1 — The company's business and strategy

1.1 — The business

The company's core business is the development of prestigious fragrance lines.

Interparfums directs and manages the entire fragrance product cycle from creation to its 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 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 consists 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 of Part 3 of this Universal Registration Document).

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 in Part 3 of this Universal Registration Document) 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 constitute a cornerstone of the company's strategy.

Through the unique and privileged relationships developed over the years 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 allows managers to regularly take advantage of new opportunities.

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 36,000 m² located in France, the company has a highly responsive logistics capability which ensures very short production lead times.

The Group's products are distributed in more than 100 countries and 20,000 points of sale for the main brands through a network of long-standing partners (subsidiaries, agents, distributors). The company is supported by top quality partners distinguished by their strict compliance with the quality specifications for each of the brands. 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 projects for the upcoming years. 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.

1.2.6 — The Corporate Social Responsibility (CSR) strategy

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.

Social and societal values have been an important component of Interparfums' development for a number of years, exemplified notably by an attractive policy of employee benefits and solid relations with its partners.

At the environmental level, the company does not have its own manufacturing base, having chosen until now to support its industrial partners by placing an emphasis on quality, the use of good manufacturing practices and innovation. The construction of a HQE *(Haute Qualité Environnementale)* high quality environmental certified warehouse in 2011 and sourcing in Europe more than 80% of its needs highlight the efforts undertaken in recent years.

Today, reflecting the stakes in terms of protecting the planet, Interparfums now intends to also exercise an increasingly active role in contributing to the environment.

To support this approach, at the beginning of the year and at the initiative of Executive Management, it created an Executive CSR Committee, consisting of members of the Operations & Supply Chain, Human Resources, Legal Affairs and Communications teams, tasked with formalizing the company's CRS strategy focusing on the following priorities:

— reinforce its status as a responsible employer, by notably creating a "Responsible Employer Charter" and strengthening the employee training plan;
— reduce its environmental footprint, notably by adopting environmentally optimized design specifications to reduce packaging and the introduction of recycled and recyclable materials for each product developed;
— strengthen its sustainable development approach by formalizing a code of business conduct and ethics that is enforceable against operational stakeholders.

1.3 — Annual highlights

January

— Launch of the *I Want Choo* line of Jimmy Choo

I Want Choo, the brand's 4th fragrance line, is a powerful oriental floral Eau de Parfum finished with a seductive twist.

— Launch of the *Kate Spade New York* line

For Interparfums' first initiative, the radiating joy, confidence and optimism of the *Kate Spade New York* woman reflects the cheerful and sparkling spirit of the much-loved American fashion brand.

February

— Launch of *Orchid Leather* of the Van Cleef & Arpels *Extraordinary Collection*

Named in honor of the precious orchid that produces the vanilla pod, *Orchid Leather* takes us on an imaginary journey. This new fragrance is the latest addition to the *Collection Extraordinaire* range launched several years ago.

March

— Launch of the *Rochas Girl* line

Girl is the fragrance for a new generation which is attentive to its own well-being. *Girl* is a low-environmental impact line with a vegan formula that contains 90% natural-origin ingredients and manufactured in France using recycled glass and plastics.

April

— Acquisition of the future headquarters office complex

In mid-April, Interparfums completed the acquisition of its future headquarters at 10 rue de Solférino in the 7th arrondissement of Paris.

— Launch of the *Montblanc Explorer Ultra Blue* line

The *Montblanc Explorer Ultra Blue* line conveys an irrepressible spirit of adventure and exploration that awakens a desire to discover nature's palette of blues: sky, lakes and mountain glaciers. This new line thus expands the brand's top-selling line, *Montblanc Explorer*, launched in early 2019.

— *Cuir de Venise*, a new fragrance added to the Boucheron collection

Boucheron unveils its latest creation: *Cuir de Venise*, a warm and enveloping woody fragrance celebrating the leather craftsmanship of Venetian masters.

— Karl Lagerfeld: a new *Places by Karl* duo

With *Tokyo – Shibuya* (a woman's eau de parfum) and *Hamburg – Alster* (a men's eau de parfum) the odyssey continues with two new destinations, a futuristic metropolis and the cradle of childhood where it all began.

May

— Dividend

To partially compensate the absence of a dividend in 2020 (for FY 2019), the company decided to make a considerable effort in 2021 (for FY 2020) by offering a dividend of €0.55 per share representing nearly 95% of the prior's year's earnings.

June

— End of eligibility for inclusion in equity savings accounts for Small and Mid Caps (PEA-PME)

Reflecting the increase in Interparfums' market capitalization, it is no longer eligible for this tax-advantaged equity savings regime.

— Launch of the *Coach Dreams Sunset* line

Following the launch of *Coach Dreams* line in early 2020, *Coach Dreams Sunset* evokes the warmth of memories in the making and the magic of possibilities on the horizon.

— Bonus share issue

The company proceeded with its 22nd bonus share issue on the basis of one new share for every ten shares held.

September

— Launch of the *Les Fleurs de Lanvin* collection

A tale of the senses composed of three different bouquets… Lanvin writes its own story by creating this contemporary saga awaking the senses and unleashing emotions. Creating an attachment, a source of delight.

October

— Launch of the *Moncler pour Femme* and *Moncler pour Homme* lines

Two perfumes that signal a veritable expedition for the senses.

Moncler pour Femme: The composition opens with the crisp, bright sensation of the Powdery Snow accord – reminiscent of the evanescent beauty of freshly fallen snow.

Moncler pour Homme: Capturing the vibrant natural beauty of an alpine forest, this enveloping fragrance contains an unprecedented saturation of woody notes.

1.4 — Annual operating highlights and key figures

Interparfums ended the year with record sales of €560.8m in 2021, up 52.7% from one year earlier and, even more noteworthy, up 15.8% from 2019, despite the significant pressure on the supply chain in H_2 2021.

This excellent performance reflects sustained demand for both the portfolio's major lines and new products, and in particular the *Jimmy Choo I Want Choo*, *Montblanc Explorer Ultra Blue* and *Coach Dreams Sunset* lines.

1.5 — Sales by brand

€m and as a % of sales	2017	2018	2019	2020	2021
Montblanc	112.2 *26.59%*	108.8 *23.90%*	140.7 *29.05%*	100.0 *27.21%*	142.3 *25.38%*
Jimmy Choo	96.2 *22.80%*	99.6 *21.88%*	103.5 *21.37%*	73.8 *20.09%*	131.0 *23.35%*
Coach	50.9 *12.06%*	84.4 *18.54%*	86.5 *17.86%*	81.1 *22.07%*	115.6 *20.62%*
Lanvin	57.5 *13.63%*	59.0 *12.96%*	52.1 *10.76%*	32.9 *8.97%*	52.4 *9.34%*
Rochas	38.5 *9.12%*	34.1 *7.49%*	34.5 *7.12%*	29.7 *8.08%*	35.3 *6.30%*
Van Cleef & Arpels	17.2 *4.08%*	13.6 *2.99%*	15.3 *3.16%*	10.4 *2.83%*	18.3 *3.27%*
Karl Lagerfeld	8.8 *2.09%*	12.6 *2.77%*	14.0 *2.89%*	11.4 *3.11%*	16.9 *3.02%*
Boucheron	18.4 *4.36%*	19.4 *4.26%*	18.3 *3.78%*	12.0 *3.27%*	15.4 *2.75%*
Kate Spade (4 months of activity in 2020)	- -	- -	- -	2.7 *0.73%*	13.6 *2.43%*
Moncler (3 months of activity in 2021)	- -	- -	- -	- -	4.9 *0.87%*
Main brands	**399.7**	**431.5**	**464.9**	**354.0**	**545.7**
Other brands	22.3	23.8	19.5	13.4	15.1
Total revenue	**422.0**	**455.3**	**484.4**	**367.4**	**560.8**

Bolstered by the launch of the *Monblanc Explorer Ultra Blue* line last spring, Montblanc fragrances have returned to the level of 2019 sales, a year of strong growth bolstered by the launch of the *Montblanc Explorer* line.

With record sales of €131 million in 2021, Jimmy Choo fragrances were up 27% in relation to 2019 highlighting a return to normal levels by the established lines and the *I Want Choo* line's resounding success, especially in the United States, launched earlier this year.

Coach fragrances also achieved a record performance with sales of nearly €115 million in 2021, up 34% from 2019, based not only on the strength of the first *Coach* line but also the introduction of several flankers developed around the second *Coach Dreams* line in 2020 and 2021.

Sales by Lanvin fragrances are back up to the levels of previous years on the strength of the rebound of the brand's major line, *Éclat d'Arpège*, in Asia and Eastern Europe.

With sales of €35 million, Rochas fragrances benefited from the introduction of a low environmental impact line, *Rochas Girl*, in selected countries.

1.6 — Sales by region

€m	**2020**	**2021**
Africa	4.3	4.9
Asia	52.0	78.1
Eastern Europe	25.6	47.8
France	31.8	35.7
Middle East	34.2	36.4
North America	126.0	224.8
South America	25.7	42.2
Western Europe	67.7	90.9
Sales	**367.3**	**560.8**

Performances by region were mixed:

North America displayed remarkable growth of more than 48% over 2019. In the United States, in a very buoyant perfumes and cosmetics market, up 43%[1] from 2019, Interparfums achieved an exceptional sales growth of 58% in local currency driven by the strength of the portfolio's main lines as well as the success of the *I Want Choo* line which significantly exceeded expectations.

Bolstered by the performances of Coach fragrances and Van Cleef & Arpels' *Collection Extraordinaire*, Asia showed strong momentum in several countries, particularly in China where fragrance sales increased threefold compared to 2019.

In South America, successful inroads by Coach fragrances and gains by Montblanc and Jimmy Choo fragrances fuelled growth of 20% compared to 2019.

With Lanvin fragrance sales again back up to significant levels and the continued development of flagship brands, Eastern Europe grew 12% in relation to 2019.

Western Europe and France have gradually returned to coherent levels though continued to be impacted by a number of lockdowns during the year in addition to an unfavorable comparison base effect from the launch of the men's line, *Montblanc Explorer* in early 2019.

In the Middle East, all the portfolio's brands continue to be affected by points of sale still closed in certain countries, reduced tourist traffic in the region and a change of partner in the United Arab Emirates.

(1) Source: NPD.

2 — Consolidated financial highlights

2.1 — Income statement highlights

€m	2018	2019	2020	2021
Sales	455.3	484.3	367.4	560.8
International (%)	*92.3%*	*92.4%*	*91.3%*	*93.6%*
Operating profit	66.2	73.1	46.9	98.9
% of sales	*14.5%*	*15.1%*	*12.8%*	*17.6%*
Net income	47.2	50.6	30.7	71.1
% of sales	*10.4%*	*10.5%*	*8.4%*	*12.7%*

Effectively contained production costs and the US subsidiary's increased contribution lifted the gross margin to a historically high level in 2021 of more than 65%.

By maintaining operating expenses at a prudent level in H1 and tight controls over fixed costs throughout the year, annual earnings registered very strong growth. Operating profit and net income for FY 2021 rose in response by 35% and 40% respectively from 2019, resulting in exceptionally high top and bottom line margins of 17.6% and 12.7%.

2.2 — Balance sheet highlights

€m	2020	2021
Non-current assets	201.6	320.8
Inventories	92.5	102.1
Trade receivables	86.0	125.4
Cash and Other current financial assets	228.2	257.7
Shareholders' equity (attributable to the parent)	492.5	541.4
Borrowings and financial liabilities	11.0	109.8
Trade payables	51.3	92.1

While the company's balance sheet profile was significantly altered by the acquisition of its future headquarters and the loan obtained for that purpose, its financial structure remains extremely solid with €148 million in cash net of borrowings and financial liabilities. Shareholders' equity amounted to €541 million and represented 66% of total assets.

3 — Risk Factors

In accordance with article 16 of European regulation 2017/1129, the presentation of the company's risk is 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.

The company presents a map of risks, 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. Although the company has not identified any specific employment-related, environmental and social responsibility risks, the description of risks provided below includes information of non-financial risks where necessary.

The development of this map made it possible, after taking into account the measures adopted by the Group for their management, to classify the risks into four categories: business risks, manufacturing risks, financial risks and legal and IT 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 as well as the risks related to the war in Ukraine, 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.

Risks linked to the Covid-19 pandemic

Over the last two years, the international community has faced a health crisis of unprecedented proportions whose uncertain development and duration hinder the Group's ability to develop a long-term vision regarding the impact of this crisis. Despite this, it was successful in 2020 in both preserving at the same time all jobs and also its results and margins, by intervening early on to reduce its costs and ensuring a good recovery in business at year-end.

In 2021, characterized by more favorable market conditions, and notably points of sales that remained open in a number of countries, the company was able to resume normal operations and even grow in response to a rise in consumer spending in the sector. As a result, the group has reclassified the risk of occurrence from medium (2020) to low (2021) and the financial impact from high (2020) to low (2021).

Despite this, 2021 was impacted by an unprecedented situation with respect to the production of its fragrances, involving namely both the production capacity of its plants and a shortage of raw materials. Specifically, the strong market recovery in 2021 triggered an exceptional surge in industrial activity in turn resulting in a considerable increase in product manufacturing time. In addition, shortages and supply chain difficulties for certain raw materials further added to these product manufacturing delays. The combined impact of these two developments led to lower inventories of finished goods throughout the year and, in some cases, resulting in partial deliveries to our customers.

From a financial point of view, for both 2020 and 2021, even if the current situation may have led to a very limited number of payment delays or default, there were no significant incidents of uncollectible accounts receivable.

Risks related to the war in Ukraine

As a result of the war between Russia and Ukraine, which began at the end of February 2022, the Group has defined a risk for exposure of its financial position and balance sheet to these two countries.

In 2021, Interparfums' sales in Russia amounted to €29.8 million (5.3%), in Ukraine €1.6 million (0.3%) and in Belarus €1.8 million (0.3%).

At December 31, 2021, the Group's total outstanding balance of accounts receivable in these markets amounted to €13.5 million with €10 million covered by credit insurance.

In the beginning of March, the Company suspended all shipments to Russia.

Subject to further developments, the company has not, as of the date of publication, identified any further impact on its financial position.

With the exception of the financial items described above, because of the recent nature of these developments, we are not yet able to qualify the potential level of our exposure to this risk.

All of the Group's employees and its management would like to assure its customers, partners and all the Ukrainian people of their full support during this difficult period.

3.1 — Summary of the main risks identified

Risk level \ Probability of occurrence	Low	Median	High
High	• Sensitivity of equity	• Loss of licenses	
Median	• Protection of brands/IP • Procurement • Product quality and safety • IT - cyber security	• Exchange rate risks • Geographic and geopolitical mix	
Low	• Image and reputational risk • Climate change • Covid-19 pandemic		

3.2 — Business risks

3.2.1 — Risks related to the loss of license agreements

Description of the risk	Assessment and management 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.	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 6.5% from the Middle East, 7.5% in South America, 5% in Russia, countries where the risks of geopolitical instability is monitored by the departments responsible for trade receivable collections. In 2021, Interparfums' sales in Russia amounted to €29.8 million (5.3%), in Ukraine €1.6 million (0.3%) and in Belarus €1.8 million (0.3%). At December 31, 2021, the Group's total outstanding balance of accounts receivable in these markets amounted to €13.5 million with €10 million covered by credit insurance. 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, 2021. 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. The company indicates that in the beginning of March, it suspended all shipments to Russia.

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. The company specifies that none of these production areas, mainly located in France and Europe, are subject to identified environmental risks.	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 — Financial risks related to climate change

Description of the risk	Assessment and management of the risk
In light of the nature of its business, Interparfums does not anticipate any risks resulting from physical changes associated with climate change which could have a material financial impact for the Group. However, regulations in this area are evolving at both the national and European levels.	Conscious of its impact with regards to greenhouse gas emissions, particularly with regards to its logistics system, the company is committed to limiting its carbon footprint. To this purpose, the group decided to formalize a low-carbon approach integrating the action plan already in place to optimize transportation flows by reducing the number of kilometers traveled and by optimizing truck loads. This information, including the measurement of greenhouse gas emissions, is provided below in Part 2 of this Universal Registration Document.

3.3.3 — 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 in turn 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 69% 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 (51.7% of sales) and to a lesser extent the Pound sterling (5.2% of sales) and the Japanese yen (1.1% 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 and IT 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.

3.5.2 — Computer risks – Cybersecurity

Description of the risk	Assessment and management of the risk
In an environment of digital transformation and constantly evolving technologies, the Group's activities are dependent on increasingly automated digital processes. As a result, a dysfunction or shutdown of systems or loss of data could have a significant impact on the Group's business.	The IT Department has established strict security rules for infrastructures, applications and access rights. In addition, the Group adopted an IT Charter that 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. It has also installed equipment and tools to protect and update security against the risk of intrusions, cyberattacks and system obsolescence and regularly performs penetration testing.

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 in New York on NASDAQ. 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 into two divisions:

- the operational division comprised of the departments for Export Sales and French Sales, Marketing and Production and Development;
- and the division for support functions which includes the Finance, Human Resources, Information Technology and Legal Affairs and Corporate Communications 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 — Preparing 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 2021, 113 controls were carried out focusing on 39 risk areas. In 2020, 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 — Corporate social responsibility

Information on corporate responsibility presenting Group's commitments and employee-related, social and environmental areas is provided in Part 2 of this Universal Registration Document.

6 — Dividends

Since 1998, Interparfums has been distinguished by a dividend policy designed to reward shareholders while at the same time associating them with the Group's expansion.

To partially compensate the absence of a dividend in 2020 (for FY 2019), the company decided to make a considerable effort in 2021 (for FY 2020) by offering a dividend of €0.55 per share representing nearly 95% of the prior's year's earnings.

In 2022, the Board of Directors will propose to the General Meeting the distribution of a dividend of €0.94 per share for the financial year ended December 31, 2021.

Dividends for FY: Paid in:	**2017** 2018	**2018** 2019	**2019** 2020	**2020** 2021
Dividend per share	€0.67	€0.71	-	€0.55
Dividend adjusted for bonus share issues	€0.46	€0.53	-	€0.50
Annual change for the adjusted dividend	35%	17%	-	n/a

7 — 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 29, 2022.

7.1 — Purpose of the new share repurchase authorization

The shareholders meeting of April 29, 2022 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 twelve of this shareholders' Meeting.

7.2 — Maximum percentage of capital – Maximum purchase price

Excerpt of the tenth resolution submitted for approval to the General Meeting of April 29, 2022:

The shareholders, after considering the Board of Directors' report, grant the latter an authorization for eighteen months in accordance with the provisions of articles L.22-10-62 *et seq.* and L.225-210 *et seq.* of the French Commercial Code, to purchase, on one or more occasions at times of its choosing up to 2.5% the number of 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 €125 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 €178,710,153.13.

7.3 — Duration of the share buyback program

In compliance with the provisions of the tenth resolution to be submitted to the shareholders meeting of April 29, 2022, the authorization to implement this share buyback program is granted for 18 months from the date of this meeting or no later than October 29, 2023.

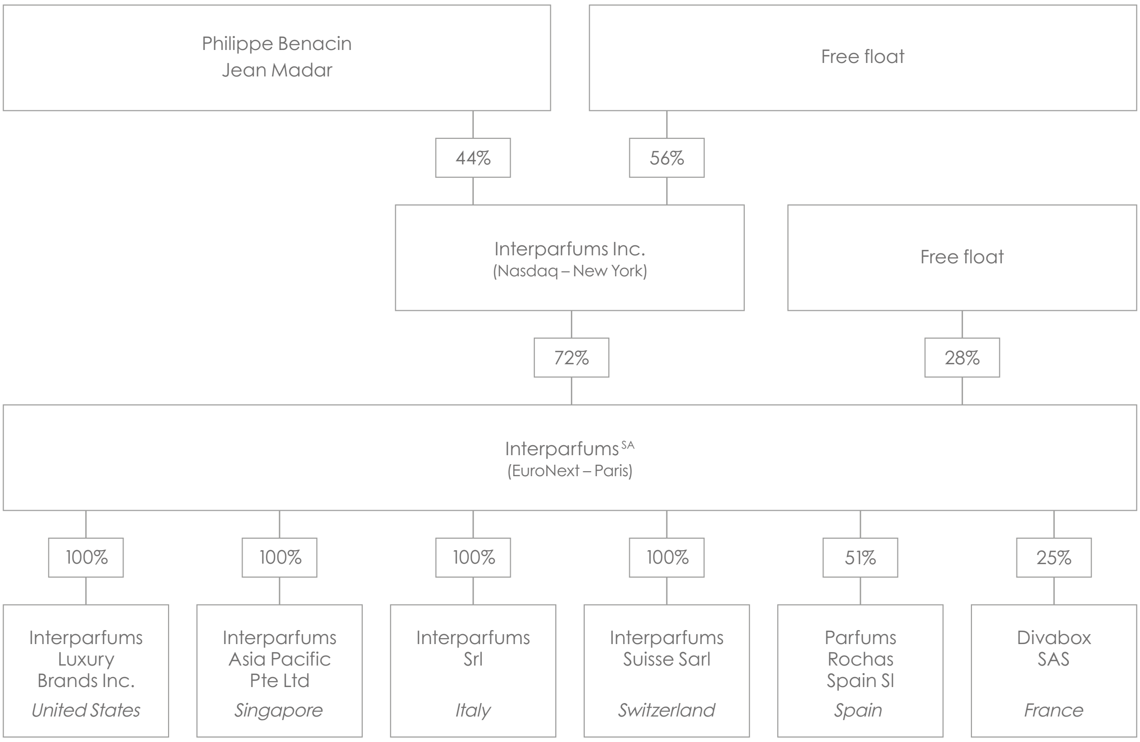
If one of the characteristics of the description of this program is modified during the period of its duration, the public shall be notified of this modification in accordance with the provisions set forth in article L.212-13 of the AMF General Regulation.

7.4 — Summary of the previous share buyback program

Transactions for 2021 under the share buyback program are described in note 3.9.3 "Treasury shares" to the consolidated financial statements.

8 — Group organization

The shareholder base of Interparfums Inc. at December 31, 2021 was as follows:



Detailed information on the percentage of voting rights is provided in Chapter 2.3 "Breakdown of share capital and voting rights" and Part 6 "Information on the company and its capital".

9 — Market share and competition

9.1 — Market share

In France, Interparfums attained roughly a 3% 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 selective perfume market is estimated at approximately €20 billion.

Source: Internal estimates.

9.2 — 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, Shiseido or Euroitalia or brands under license and LVMH (Christian Dior, Guerlain, Givenchy, Kenzo, Bulgari), Estée Lauder, Chanel and Puig for own brands.

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

10 — Post-closing events and significant changes in the financial position

As a result of the war between Russia and Ukraine, which began at the end of February 2022, the Group has defined the exposure of its financial position and balance sheet to these two countries.

In 2021, Interparfums' sales in Russia amounted to €29.8 million (5.3%), in Ukraine €1.6 million (0.3%) and in Belarus €1.8 million (0.3%).

At December 31, 2021, the Group's total outstanding balance of accounts receivable in these markets amounted to €13.5 million with €10 million covered by credit insurance.

In the beginning of March, the company suspended all shipments to Russia.

Subject to further developments, the company has not, as of the date of publication, identified any further impact on its financial position.

11 — 2022 outlook

2021's record performance for sales and earnings was made possible by the dedication and know-how of all teams combined with strong demand for the Group's products. But while business momentum was still strong at the beginning of 2022, the supply-chain difficulties that emerged last summer, shipping problems in the United States and, above all, the impact of sanctions against Russia in response to the war in Ukraine, significantly limit visibility for the upcoming months.

2 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.

Social and societal values have been an important component of Interparfums' development for a number of years, exemplified notably by an attractive policy of employee benefits and solid relations with its partners.

At the environmental level, the company does not have its own manufacturing base, having chosen until now to support its industrial partners by placing an emphasis on quality, the use of good manufacturing practices and innovation. The construction of a HQE *(Haute Qualité Environnementale)* high quality environmental certified warehouse in 2011 and sourcing in Europe more than 80% of its needs highlight the efforts undertaken in recent years.

Today, reflecting the stakes in terms of protecting the planet, Interparfums now intends to also exercise an increasingly active role in contributing to the environment.

To support this approach, at the beginning of the year and at the initiative of Executive Management, it created an Executive CSR Committee, consisting of members of the Operations & Supply Chain, Human Resources, Legal Affairs and Communications teams, tasked with formalizing the company's CRS strategy focusing on the following priorities:

- reinforce its status as a responsible employer, by notably creating a "Responsible Employer Charter" and strengthening the employee training plan;
- reduce its environmental footprint, notably by adopting environmentally optimized design specifications to reduce packaging and the introduction of recycled and recyclable materials for each product developed;
- strengthen its sustainable development approach by formalizing a code of business conduct and ethics that is enforceable against operational stakeholders.

The launch of a first low environmental impact line for the Rochas brand marks the first stone of this new edifice...

1 — Business model

Our resources

Human

- **300** employees located in several countries
- A diverse range of skills
- Highly experienced teams
- An agile organization

Intangible

- A portfolio of **13** prestige brands
- Expertise in creating, developing and distributing selective fragrance and cosmetic products
- An entrepreneurial culture

Industrial & commercial

- Around **one hundred** industrial partners
- **80%** of sourcing in Europe
- An international distribution network

Social

- Long-standing partnership relationships with all stakeholders
- Sponsorship and patronage initiatives

Environmental

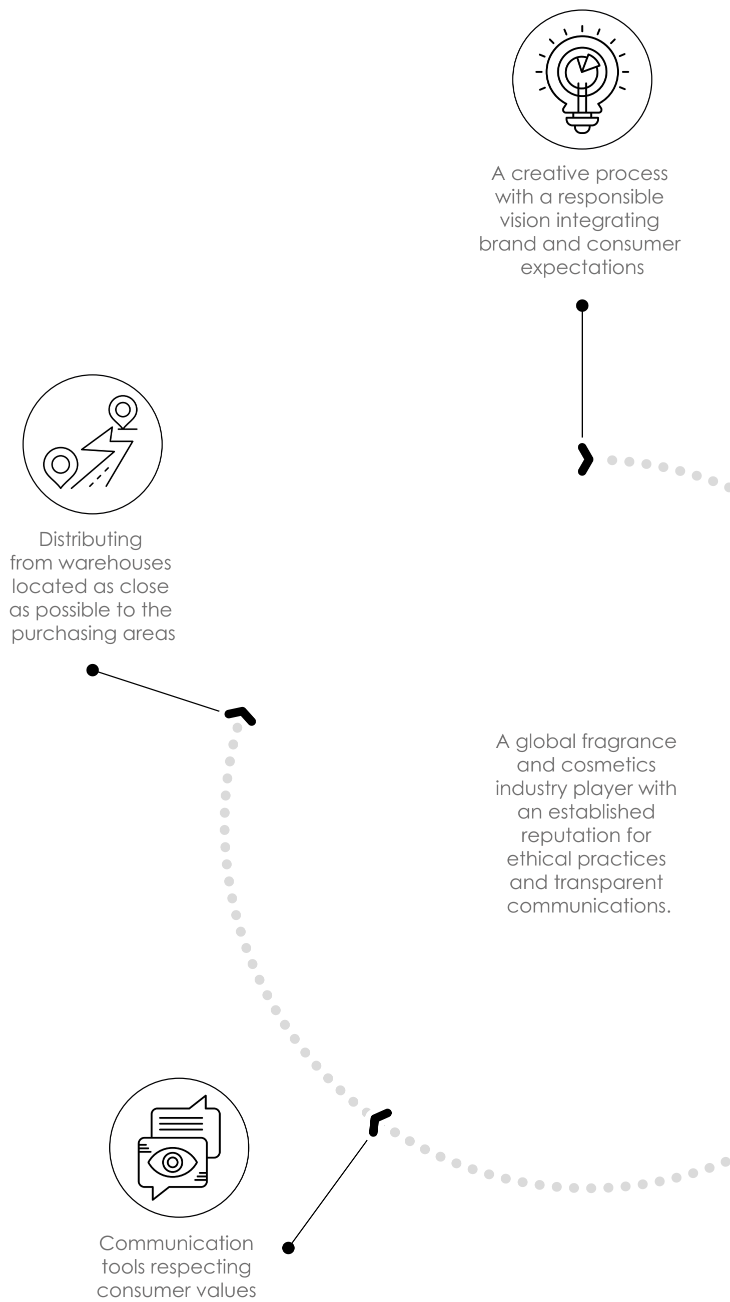
- Integrating the environmental footprint in the product design process
- A 36,000 sq. m. **HQE** warehouse near the manufacturing sites
- Two warehouses close to the consumer markets (North America and Asia)

Governance

- Recognized ethical practices
- Adoption of the Middlenext Corporate Governance Code
- Existence of a CSR Executive Committee

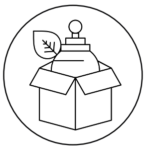
Financial

- A very strong balance sheet with **€148m** in net cash
- Listed on Euronext Paris (compartment A), controlled by the founders

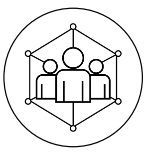


Perfume industry trends

- Growing importance of environmental considerations for citizens and brands
- Multi-channel communication
- Increasingly restrictive regulations



Choice of bottles and cardboard packaging integrating environmental considerations



Application of Good Manufacturing Practices (GMP) with a network of selected partners

Our value creation

Human

- A motivating compensation policy linking employees to the company's performance
- **€37m** paid to our employees in the form of compensation in 2021
- Performance share plans every 2-3 years
- Workplace quality of life (a future HQE and BREEAM certified headquarters building)
- **85/100** gender equality index score
- Average employee age: **41**
- Average employee seniority: **10.1 years**

Industrial

- **86%** of relationships with our suppliers are more than 10 years old
- **€171m** of industrial purchases in Europe in 2020

Social

- Support for patchouli-producing communities in Indonesia
- **€136,000** of expenses allocated to patronage initiatives and donations in 2021

Environmental

- **68%** of purchases made with Ecovadis business sustainability rated suppliers
- **54%** of our suppliers distinguished by Ecovadis Gold & Platinum medals
- PCR recycled glass represents **46%** of our total glass purchases
- **255 tCO_2e** carbon footprint (scope 1 and 2)

Financial

- **€561m** in revenue expected in 2021
- **17.6%** operating margin expected in 2021
- **€28.5m** in dividends distributed to our shareholders in 2021
- **30 million** bottles and **4 million** gift sets shipped in 2021

2 — Sustainable Development Goals

In line with the Group's Corporate Social Responsibility strategy, the main goals set by the Group are presented in the following table.

Social Initiatives		Current Situation	Expected performance	Deadline	SDG
Attracting, supporting and developing all talents					
Attract	Responsible Employer Charter	-	-	2022	8 DECENT WORK AND ECONOMIC GROWTH
Develop	Strengthen training	50% of the employees	80% of the employees	2024	4 QUALITY EDUCATION
Develop	CSR training for employees	-	80% in 2 years	2023	4 QUALITY EDUCATION
Diversify	Raising employee awareness about disabilities	Once a year	Once or twice a year	-	10 REDUCED INEQUALITIES
Proposing environmentally and socially responsible packaging					
Monitor	Monitor the Ecovadis scores of our suppliers	> Gold 46%	> Gold 60%	2023	8 DECENT WORK AND ECONOMIC GROWTH
Increase	Increase the recycling potential of our packaging (% recyclable packaging)	83%	85%	2022	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 15 LIFE ON LAND
Initiating a low-carbon trajectory					
Reduce	Reduce scope 1 and 2 greenhouse gas emissions (1)	-3%/year	Neutrality	2030	13 CLIMATE ACTION
Offset	Define the appropriate carbon offset programs	-	-	2022	15 LIFE ON LAND
Strengthen our relationships with our partners					
Raising awareness	Integrate CSR criteria in each supplier consultation	nd	100%	2022	8 DECENT WORK AND ECONOMIC GROWTH
Ethical conduct and compliance					
Deploy	Deploy the code of business conduct and ethics with all stakeholders	-	100%	2022	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

nd: not determined.
(1) Scope 1 concerns direct GHG emissions associated with consumption for heating and fuel for company vehicles. Scope 2 concerns indirect GHG emissions associated with the purchase of electricity.

3 — Responsibilities to our operational stakeholders

For the conduct of its operations and the development of its activities, Interparfums has identified the following priorities:

- 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 our distributor customers.

3.1 — 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 proposals for 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.

3.2 — Long-term relationships with industrial partners

3.2.1 — 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, logistics and Good Manufacturing Practices (GMP) in addition to a supplier gateway.

In addition, the company has adopted a code of business conduct and ethics that will be applicable to its partners designed to ensure that they respect the rules of ethics, morality and law in line with the company's commitments.

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

The supplier specifications, the portal and the code of ethical business conduct form the basis of the company's engagements for promoting close and constructive collaboration with suppliers and partners.

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.

3.2.2 — 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;
— evaluation of the Quality performance of its subcontractors and suppliers;
— strengthen and monitor quality for sourcing of production processes;
— monitor audits of Good Manufacturing Practices;
— supporting subcontractors in the industrialization of its products;
— implement quality indicators;
— monitor nonconformities and corrective measures taken by subcontractors and suppliers;
— monitor customer complaints.

3.2.3 — 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.

The Group 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.

3.2.4 — By assessing the CSR performance of its suppliers

As part of its CSR strategy, Interparfums has partnered with EcoVadis to assess the CSR performance of its supply chain and suppliers.

Ecovadis operates a global platform to assess corporate social responsibility and share performance data using their assessment method based on international CSR standards.

In 2021, 85 suppliers were evaluated or were in the process of being evaluated, representing over 90% of Interparfums' procurement activity. As part of a continuous improvement process, Interparfums' objective will be to monitor and encourage the CSR performance of its suppliers in four major areas: the environment, social and human rights, ethics and responsible procurement.

3.3 — 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.

4 — 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 principal 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;
— the quality of working conditions;
— preserving the health and safety of all;
— maintaining a proper balance between professional and private life.

4.1 — 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.

4.2 — 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.

Women account for 72% of Interparfums' workforce and 52% of management positions are occupied by women in 2021.

Since 2019, Interparfums has organized an annual disability awareness-raising campaign. In 2021, employees were given an opportunity to participate role-playing workshop designed to give them a first-hand perspective of a person with a disability (hearing, visual, psychological, motor). Thanks to these opportunities for exchange, employees were able to talk about their all possible impediments and share their views and experiences.

Through these awareness-raising campaigns and local support from the Human Resources teams, two employees were accorded the status of employees with disabilities through a specific procedure available in France for that purpose *(Reconnaissance de la Qualité de Travailleur Handicapé* or RQTH).

The company also participates indirectly in promoting the employment of persons with disabilities and combating exclusion discrimination. The company has chosen to use a sheltered work enterprise to package its perfume boxes and a global communications agency called *"Les Papillons de Jour"* to organize the European Week for the Employment of People with Disabilities (EWPD).

In 2021, the total cost for these services amounted to €974,094.

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 categories of functions. To this purpose, all Interparfums employees are offered individual employee development plans offering opportunities to all to expand their technical, managerial or personal skills.

For FY 2021, subjects covered by training included mainly workplace health and safety, office automation, language skills, business function-specific training and employee development.

4.3 — Management-employee dialogue, health, safety and working conditions

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 four management employees including a contact person for issues relating to harassment. 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.

Following the implementation of the Social and Economic Committee *(Comité Social et Economique* or CSE), a French employee representation body, in June 2019, an "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. An employee considered to possess particular qualifications in the area of health, safety and working conditions has been appointed internally. Several employees receive first aid training each year and health coordinators have also been appointed since the health crisis emerged in 2020.

In 2021, two commuting accidents were recorded, though without resulting in sick leave. No occupational accidents or illnesses were reported in the period. As Interparfums does not possess manufacturing sites, the risk of occupational accidents is minimized. Furthermore, the Group does not generate hazardous situations.

The employees, working mainly in the offices of the Paris headquarters, benefit from excellent conditions. The offices are calm and bright. In addition, the company pays is particularly sensitive about the importance 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: heating the warehouse at 11°C with the provision of specially adapted attire, individual dressing rooms and shower facilities, natural lighting, natural lighting, blank walls for persons working on foot, a dedicated and well-kept meal area…

After drawing up a workplace map to 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).*

4.4 — Employment indicators

4.4.1 — Compensation and wage increases

Interparfums has a compensation policy as well as 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 under 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'Epargne 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 contract (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.

4.4.2 — Absenteeism

The absenteeism rate, a key indicator for measuring employee engagement and motivation, is very low: 2.47% in 2021 (3.66% in 2020). Adjusted to exclude maternity leave, the absenteeism rate is 1.23% (1.65% in 2020).

(French workforce reporting boundary only).

4.4.3 — 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	12/31/2020	12/31/2021
Executive Management	5	5
Production & Logistics	45	49
Marketing	66	65
Export	71	76
France	42	40
Finance & Corporate Affairs	57	60
Rochas fashion	4	3
Total	**290**	**298**

— Headcount by geographic region

Number of employees at	12/31/2020	12/31/2021
France	213	214
North America	59	65
Asia	18	19
Total	**290**	**298**

— Headcount by age

Number of employees at	12/31/2020	12/31/2021
Less than 25 years	5	12
Between 25 and 35 years	99	88
Between 36 and 45 years	92	95
Between 46 and 55 years	64	68
> 55 years	30	35
Total	**290**	**298**

The average age of employees is 41 (France).

— Change in headcount (France)

The turnover rate in 2021 was 11.4%.

The average seniority of employees is 10.1 years (France).

5 — 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.

5.1 — 4.2 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) and 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.

Production facilities of subcontractors as well as warehousing facilities for finished products are located primarily in the Haute Normandie region of France. The activity generated by Interparfums in this way 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 and a waste of resources:

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

5.1.1 — 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 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.

The carbon footprint has been calculated for scopes 1 and 2 for the years 2020 and 2021. Scope 1 concerns direct greenhouse gas emissions (gas and fuel consumption by company vehicles), and Scope 2 indirect emissions associated with energy (electricity consumption). The sites included for the calculation were the warehouse and the offices of the Paris headquarters.

In tons eq CO_2	**2020**	**2021**
Scope 1	208	226
Scope 2	25	29
Total	**233**	**255**

Changes between 2021 and 2020 reflect the impact of the lockdown periods in response to the pandemic for 2020. In 2022, the group will move its headquarters to HQE and BREEAM certified premises expected to represent a gain of approximately 30% in terms of energy consumption. In addition, use of renewable energies and the city of Paris' heating network will also improve this performance.

In 2021, scope 3 of the carbon footprint was addressed by assessing greenhouse gas emissions related to downstream shipping, i.e. the shipment of goods for which Interparfums is financially responsible.

This item represents 671 tons of CO_2 equivalent breaking down as follows: 27% by maritime shipments, 32% by truck and 41% by air.

These initial assessments will allow us to initiate an action plan to optimize transportation flows.

All inbound freight between manufacturing partners and the warehouse will be quantified in 2022.

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 recyclable glass bottles includes a system for the recovery, crushing and remolding the waste. 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 are 100% recyclable.

5.2 — Relations with not-for-profits and educational establishments

5.2.1 — 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.

Since 2018, through the Givaudan Foundation, Interparfums provided support to five schools for the management of their libraries.

In 2021, the program for the installation of school libraries continued in Sulawesi with a new library in Moramo (South East Sulawesi), benefiting 1,040 children and 66 school teachers, and providing a total of 5,180 books.

In 2021, funding of sponsorship initiatives amounted to €136,000.

5.2.2 — 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 as well as work-study contract beneficiaries.

6 — Non-financial indicators

Even though the company, because of its size, is not required to produce a Non-Financial Statement, indicators are provided below that are monitored under its Social, Societal and Environmental strategy.

	Indicators	2020	2021
Employer values			
Employment	Permanent group employees	290	298
(Group scope)	Workforce by region		
	— France	213	214
	— United States	59	65
	— Asia	18	19
	Workforce by type of contract		
	— Permanent	273	287
	— Non-Permanent	17	11
(France)	Creation of a permanent position	3	5
Absenteeism	Related to occupational and commuting accidents	-	0.03%
(France)	Related to occupational illnesses	-	-
	Related to maternity and paternity leave	2.01%	1.24%
	Linked to illness	1.65%	1.23%
	Total absenteeism rate	3.66%	2.47%
	Number of calls to helpline and psychological support services	-	-
Training	Percentage of employees receiving training at least once a year	45%	50%
(France)	Number of training hours	668	2,603
	Percentage of annual appraisal interviews conducted	100%	100%
Diversity	Breakdown for permanent staff		
(France)	— Women	72%	73%
	— Men	28%	27%
	Breakdown for management positions		
	— Women	56%	51.5%
	— Men	44%	48.5%
	Professional gender equality index score	85/100	85/100
	Number of trainees	8	13
	Number of employees with disabilities	2	2
Retention	Average seniority	9.9 years	10.1 years
(France)	Turnover	7%	11%
	Percentage of employees with access to the different employee savings schemes with employer contributions	> 95%	> 95%
	Expenses related to performance shares	€1.3 million	€1.4 million
Environmental			
Packaging	% of FSC paperboard:	< 1%	1%
	Quantity of cardboard used in packaging *(tons/sales)*	0.01	0.03
	% of recycled glass PCR:	46.9%	46.1%
	Quantity of glass used in packaging *(tons/sales)*	5.68	5.79
	Quantity of plastic used in packaging *(tons/sales)*	2.32	2.08
Waste management	Quantity of hazardous waste *(tons)*	3.78	8.80
	Quantity of nonhazardous waste *(tons)*	nd	29.2
	Percentage of recovered waste (sorted waste)	nd	78%
CO_2 emissions	Scope 1 and 2 GHG emissions generated *(in t CO_2 eq)*	233	255
(France)	Scope 1 and 2 GHG emissions intensity *(in g/€)*	0.63	0.45
	Energy consumption *(in MWh)*	1,246	1,846
	Scope 3 outbound freight GHG emissions *(in t CO_2 eq)*	nd	671
	Scope 3 outbound freight GHG emissions intensity *(in g/€)*	nd	1.26
Relations with partners	Percentage of purchases from suppliers Ecovadis-assessed suppliers	68%	68%
	Percentage of Ecovadis rated Gold + Platinum suppliers	54%	54%
	Percentage of purchases from suppliers/relationships > 10 years	86%	86%
	Percentage of purchases from suppliers located in Europe	80%	85%
	Percentage of purchases from suppliers located in France	59%	62%

nd: not determined.

3 Consolidated financial statements

Consolidated financial statements

Consolidated income statement

€ thousands except per share data which is in units	Notes	2020	2021
Sales	4.1	**367,365**	**560,827**
Cost of sales	4.2	(140,293)	(195,187)
Gross margin		**227,072**	**365,640**
% of sales		*61.8%*	*65.2%*
Selling expenses	4.3	(162,643)	(243,187)
Administrative expenses	4.4	(17,520)	(21,576)
Current operating income		**46,909**	**100,877**
% of sales		*12.8%*	*18.0%*
Other operating expenses	4.5	-	(1,986)
Operating profit		**46,909**	**98,891**
% of sales		*12.8%*	*17.6%*
Financial income		1,759	2,257
Interest and similar expenses		(901)	(2,262)
Net finance costs		**858**	**(5)**
Other financial income		4,045	5,662
Other financial expense		(6,051)	(3,237)
Net financial income/(expense)	4.6	**(1,148)**	**2,420**
Income before income tax		**45,761**	**101,311**
% of sales		*12.5%*	*18.1%*
Income tax	4.7	(15,220)	(29,676)
Effective tax rate		33.3%	29.3%
Share of profit from equity-accounted companies		477	45
Net income		**31,018**	**71,680**
% of sales		*8.4%*	*12.8%*
Net income (loss) attributable to non-controlling interests		**(314)**	**(585)**
Net income attributable to parent company shareholders		**30,704**	**71,095**
% of sales		*8.4%*	*12.7%*
Net earnings per share [1]	4.8	0.63	1.30
Diluted earnings per share [1]	4.8	0.63	1.30

(1) Restated on a prorated basis for bonus share grants.

Consolidated statement of comprehensive income and expense

€ thousands	2020	2021
Consolidated net profit for the period	**31,018**	**71,680**
Available-for-sale assets	-	-
Currency hedges	(97)	(1,559)
Deferred tax arising from items able to be recycled	31	403
Items able to be recycled in profit or loss	**(66)**	**(1,156)**
Actuarial gains and losses	8	1,202
Deferred taxes on items unable to be recycled	(3)	(310)
Items unable to be recycled in profit or loss	**5**	**892**
Other comprehensive income total	**(61)**	**(264)**
Comprehensive income for the period	**30,957**	**71,416**
Net income (loss) attributable to non-controlling interests	(314)	(585)
Attributable to equity holders of the parent	**30,643**	**70,831**

Consolidated balance sheet

ASSETS

€ thousands	Notes	2020	2021
Non-current assets			
Net trademarks and other intangible assets	3.1	153,578	149,777
Net property, plant, equipment	3.2	13,298	127,669
Right-of use assets	3.3	8,349	15,243
Long-term investments	3.4	2,834	4,047
Other non-current financial assets	3.4	2,566	2,066
Equity-accounted investments	3.5	12,977	12,722
Deferred tax assets	3.13	7,982	9,228
Total non-current assets		**201,584**	**320,752**
Current assets			
Inventory and work-in-progress	3.6	92,520	102,136
Trade receivables and related accounts	3.7	85,961	125,430
Other receivables	3.8	5,298	14,280
Corporate income tax		3,273	1,730
Current financial assets	3.9	103,192	141,280
Cash and cash equivalents	3.9	124,966	116,404
Total current assets		**415,210**	**501,260**
Total assets		**616,794**	**822,012**

SHAREHOLDERS' EQUITY & LIABILITIES

€ thousands	Notes	2020	2021
Shareholders' equity			
Share capital		155,965	171,562
Additional paid-in capital		-	-
Retained earnings		305,819	298,752
Net income for the year		30,704	71,095
Equity attributable to parent company shareholders		**492,488**	**541,409**
Non-controlling interests		1,630	1,920
Total shareholders' equity	3.10	**494,118**	**543,329**
Non-current liabilities			
Provisions for non-current commitments	3.11	12,984	8,771
Non-current borrowings	3.12	-	96,712
Non-current lease liabilities	3.12	6,139	12,562
Deferred tax liabilities	3.13	1,913	3,302
Total non-current liabilities		**21,036**	**121,347**
Current liabilities			
Trade payables and related accounts	3.14	51,276	92,148
Current borrowings	3.12	11,000	13,102
Current lease liabilities	3.12	2,852	3,067
Provisions for contingencies and expenses	3.11	925	5,114
Income tax		2,939	3,789
Other liabilities	3.14	32,648	40,116
Total current liabilities		**101,640**	**157,336**
Total shareholders' equity and liabilities		**616,794**	**822,012**

Statement of changes in consolidated shareholders' equity

€ thousands	Number of shares	Share capital	Paid-in capital	Other comprehensive income	Retained earnings and income	Total equity: Group share	Total equity: Non-controlling interests	Total equity: Total
As of December 31, 2019[1]	**47,055,449**	**141,787**	**-**	**(1,119)**	**322,161**	**462,829**	**1,609**	**464,438**
Bonus share issues	4,726,219	14,178	-	-	(14,178)	-	-	-
2020 net income	-	-	-	-	30,704	30,704	314	31,018
Change in actuarial gains and losses on provisions for pension obligations	-	-	-	5	-	5	-	5
Remeasurement of financial instruments at fair value	-	-	-	(66)	-	(66)	-	(66)
2019 dividend paid in 2020	-	-	-	-	-	-	(294)	(294)
Changes in Group structure of consolidated operations	-	-	-	-	-	-	-	-
Treasury shares	13,396	-	-	-	2,292	2,292	-	2,292
Currency translation adjustments	-	-	-	-	(3,275)	(3,275)	-	(3,275)
As of December 31, 2020[1]	**51,795,064**	**155,965**	**-**	**(1,180)**	**337,704**	**492,489**	**1,629**	**494,118**
Bonus share issues	5,198,840	15,597	-	-	(15,597)	-	-	-
2021 net income	-	-	-	-	71,095	71,095	585	71,680
Change in actuarial gains and losses on provisions for pension obligations	-	-	-	892	-	892	-	892
Remeasurement of financial instruments at fair value	-	-	-	(1,156)	-	(1,156)	-	(1,156)
2020 dividend paid in 2021	-	-	-	-	(28,508)	(28,508)	(294)	(28,802)
Changes in Group structure of consolidated operations	-	-	-	-	-	-	-	-
Treasury shares	5,825	-	-	-	2,388	2,388	-	2,388
Currency translation adjustments	-	-	-	-	4,209	4,209	-	4,209
As of December 31, 2021[1]	**56,999,729**	**171,562**	**-**	**(1,444)**	**371,291**	**541,409**	**1,920**	**543,329**

(1) Excluding treasury shares.

Statement of cash flows

€ thousands	2020	2021
Cash flows from operating activities		
Net income	31,018	71,680
Depreciation, amortization and other	18,902	15,179
Share of profit from equity-accounted companies	(477)	255
Net finance costs	(858)	5
Tax charge of the period	15,220	29,676
Operating cash flows	**63,805**	**116,795**
Interest expense payments	(896)	(1,992)
Tax payments	(17,991)	(28,571)
Cash flow after interest expense and tax	**44,918**	**86,232**
Change in inventory and work in progress	8,509	(12,480)
Change in trade receivables and related accounts	5,088	(37,355)
Change in other receivables	(1,160)	(8,688)
Change in trade payables and related accounts	(12,005)	40,872
Change in other current liabilities	641	8,585
Change in working capital requirements	**1,073**	**(9,066)**
Net cash flows provided by (used in) operating activities	**45,991**	**77,166**
Cash flows from investing activities		
Net acquisitions of intangible assets	(1,432)	(1,253)
Net acquisitions of property, plants and equipment	(8,543)	(116,767)
Net acquisitions of property, plants and equipment – right-of-use assets	(699)	(9,381)
Acquisition of equity interests	(12,500)	-
Net acquisitions of marketable securities (> 3 months)	3,376	(36,198)
Changes in investments and other non-current assets	528	(713)
Net cash flows provided by (used in) investing activities	**(19,270)**	**(164,312)**
Cash flows from financing activities		
Issuance of borrowings and new financial debt	12,000	134,204
Debt repayments	(11,000)	(34,204)
Discharge of lease liabilities	(2,640)	6,638
Dividend payments to shareholders	-	(28,508)
Treasury shares	823	454
Net cash flows provided by (used in) financing activities	**(817)**	**78,584**
Change in net cash	**25,904**	**(8,562)**
Opening cash and cash equivalents	99,062	124,966
Closing cash and cash equivalents	**124,966**	**116,404**

The reconciliation of net cash breaks down as follows:

€ thousands	2020	2021
Cash and cash equivalents	124,966	116,404
Current financial assets	103,192	141,280
Cash + other current financial assets	**228,158**	**257,684**

Notes to the consolidated financial statements

Annual highlights

January

— Launch of the *I Want Choo* line of Jimmy Choo
I Want Choo, the brand's 4th fragrance line, is a powerful oriental floral Eau de Parfum finished with a seductive twist.

— Launch of the *Kate Spade New York* line
For Interparfums' first initiative, the radiating joy, confidence and optimism of the *Kate Spade New York* woman reflects the cheerful and sparkling spirit of the much-loved American fashion brand.

February

— Launch of *Orchid Leather* of the Van Cleef & Arpels *Extraordinary Collection*
Named in honor of the precious orchid that produces the vanilla pod, *Orchid Leather* takes us on an imaginary journey. This new fragrance is the latest addition to the *Collection Extraordinaire* range launched several years ago.

March

— Launch of the *Rochas Girl* line
Girl is the fragrance for a new generation which is attentive to its own well-being. *Girl* is a low-environmental impact line with a vegan formula that contains 90% natural-origin ingredients and manufactured in France using recycled glass and plastics.

April

— Acquisition of the future headquarters office complex
In mid-April, Interparfums completed the acquisition of its future headquarters at 10 rue de Solférino in the 7th arrondissement of Paris.

— Launch of the *Montblanc Explorer Ultra Blue* line
The *Montblanc Explorer Ultra Blue* line conveys an irrepressible spirit of adventure and exploration that awakens a desire to discover nature's palette of blues: sky, lakes and mountain glaciers. This new line thus expands the brand's top-selling line, *Montblanc Explorer*, launched in early 2019.

— *Cuir de Venise*, a new fragrance added to the Boucheron collection
Boucheron unveils its latest creation: *Cuir de Venise*, a warm and enveloping woody fragrance celebrating the leather craftsmanship of Venetian masters.

— Karl Lagerfeld: a new *Places by Karl* duo
With *Tokyo – Shibuya* (a woman's eau de parfum) and *Hamburg – Alster* (a men's eau de parfum) the odyssey continues with two new destinations, a futuristic metropolis and the cradle of childhood where it all began.

May

— Dividend
To partially compensate the absence of a dividend in 2020 (for FY 2019), the company decided to make a considerable effort in 2021 (for FY 2020) by offering a dividend of €0.55 per share representing nearly 95% of the prior's year's earnings.

June

— End of eligibility for inclusion in equity savings accounts for Small and Mid Caps (PEA-PME)
Reflecting the increase in Interparfums' market capitalization, it is no longer eligible for this tax-advantaged equity savings regime.

— Launch of the *Coach Dreams Sunset* line
Following the launch of *Coach Dreams* line in early 2020, *Coach Dreams Sunset* evokes the warmth of memories in the making and the magic of possibilities on the horizon.

— Bonus share issue
The company proceeded with its 22nd bonus share issue on the basis of one new share for every ten shares held.

September

— Launch of the *Les Fleurs de Lanvin* collection
A tale of the senses composed of three different bouquets… Lanvin writes its own story by creating this contemporary saga awaking the senses and unleashing emotions. Creating an attachment, a source of delight.

October

— Launch of the *Moncler pour Femme* and *Moncler pour Homme* lines
Two perfumes that signal a veritable expedition for the senses.

Moncler pour Femme: The composition opens with the crisp, bright sensation of the Powdery Snow accord – reminiscent of the evanescent beauty of freshly fallen snow.

Moncler pour Homme: Capturing the vibrant natural beauty of an alpine forest, this enveloping fragrance contains an unprecedented saturation of woody notes.

1 — Accounting principles

1.1 — Compliance statement

In accordance with EC regulations 1606/2002 of July 19, 2002 on international accounting standards, the 2021 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, 2021 were adopted by the Board of Directors on March 1, 2022. They will become definitive after having been approved by the ordinary general Meeting of April 29, 2022.

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, 2021.

The following standards, amendments or interpretations that entered into effect on January 1, 2021 were applied by the company in preparing its consolidated financial statements for the fiscal year ended December 31, 2021:

— Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 "Interest rate benchmark reform"

These amendments have no impact on the financial statements are presented.

1.3 — Basis of consolidation

Interparfums SA		Ownership interest (%) Controlling interest (%)	Consolidation method
Interparfums Suisse Sarl	Switzerland	100%	Full consolidation
Parfums Rochas Spain	Spain	51%	Full consolidation
Interparfums Srl	Italy	100%	Full consolidation
Interparfums Luxury Brands	United States	100%	Full consolidation
Interparfums Asia Pacific Pte Ltd	Singapore	100%	Full consolidation
Divabox	France	25%	Equity method

Parfums Rochas S.L 51%-held by Interparfums is fully consolidated based on the exercise of exclusive control over this company.

At June 30, 2020, Interparfums acquired 25% of the capital of Divabox, specialized in e-commerce for beauty products. Divabox is consolidated by the Group according to the equity method because it exercises significant influence but not control.

The procedures to wind up the subsidiary Inter España Parfums and Cosmetiques S.L have been completed and the company's removal from the trade register is in progress. It was deconsolidated as of December 31, 2021 with no commercial activity during the period.

Interparfums Srl is in the process of being liquidated. While included in the consolidation scope it no longer had commercial operations in 2021.

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.

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, 2021. Translation losses and gains arising from the conversion of accounts denominated in foreign currencies on December 31, 2021 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	2020	2021	2020	2021
US dollar (USD)	1.2271	1.1326	1.1422	1.1827
Singapore dollar (SGD)	1.6218	1.5279	1.5742	1.5891
Swiss franc (CHF)	1.0802	1.0331	1.0705	1.0811

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 7.47% at December 31, 2021 compared to 6.99% at December 31, 2020. This ratio is determined on the basis of a positive long-term interest rate of 0.20% 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 1.6% at December 31, 2021 and 0% at December 31, 2020.

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 purchase of the company's new headquarters, consisting of land, buildings and facilities, has not yet been allocated due to "VEFA" off-plan purchase *(Vente en l'État Futur d'Achèvement)* that will be finalized in the first quarter of 2022. The transfer of the rights on the land is effective from the execution date of the deed of purchase. Work under construction is capitalized on a proportional performance basis as progress advances.

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

The line item "non-current financial assets" consist mainly of 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 — Equity-accounted investments

The line item "Equity-accounted investments" includes the 25% share of the capital of Divabox acquired in June 2020 (see note 3.5).

1.14 — Cash, cash equivalents and current financial assets

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.

"Current financial assets" include certificates of deposit, capital redemption contracts and shares in luxury goods companies with a maturity of more than three months.

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 to cover sales budgets 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 2021, revenue was restated to eliminate the impact of these hedges.

— Interest rate hedges

A swap to hedge interest-rate risks in connection with the Solférino loan subject to interest based on the 1-month Euribor was arranged in 2021. 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 Group 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 Group 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	2020	+	–	2021
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	14,728	863	-	15,591
Registration of trademarks	570	-	-	570
Software	3,796	390	(187)	3,999
Total gross amount	**209,588**	**1,253**	**(187)**	**210,654**
Amortization and impairment				
Indefinite useful life intangible assets				
Rochas Fashion trademark	-	(1,986)	-	(1,986)
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	(881)	(67)	-	(948)
Boucheron upfront license fee	(10,000)	(1,000)	-	(11,000)
Karl Lagerfeld upfront license fee	(10,335)	(635)	-	(10,970)
Other intangible assets				
Rights on molds for bottles and related items	(11,770)	(1,109)	-	(12,879)
Registration of trademarks	(500)	-	-	(500)
Software	(3,055)	(257)	187	(3,125)
Total amortization and impairment	**(56,010)**	**(5,054)**	**187**	**(60,877)**
Net total	**153,578**	**(3,801)**	**-**	**149,777**

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 17 December 2010 is amortized over the 15 year term of the Boucheron license agreement.

— Karl Lagerfeld upfront license fee

The upfront license fee of €13 million 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 3.4.2. Other non-financial assets).

This upfront license fee was amortized in the amount of €5.2 million.

— Rights on molds for bottles and related items

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

3.1.2 — Impairment tests

Impairment tests are carried out at the level of individual brands at least once a year and more frequently when evidence of impairment exists.

For all discounts, the weighted average cost of capital (WACC) of 7.47% is applied.

— Own brands

A valuation was performed of the Lanvin and Rochas brands on December 31, 2021 by discounting future cash flows to infinity.

No impairment was recorded in the period for the Lanvin brand.

In March 2021, an independent external expert's appraisal of the value of the Rochas fashion brand resulted in the recognition of an impairment loss of €1,986,000.

— Upfront license fees

All upfront license fees were measured on December 31, 2021 using the discounted cash flow method over the term of the licenses.

— Analysis of sensitivity

An increase in the discount rate before tax or the perpetuity growth rate would not result in an a significant impairment charge on trademarks and other intangible assets.

3.2 — Property, plant and equipment

€ thousands	**2020**	**+**	**–**	**2021**
Fixtures, improvements, fittings	4,709	200	(313)	4,596
Office and computer equipment and furniture	2,351	212	(68)	2,495
Molds for bottles and caps	16,025	2,412	(4)	18,433
Building (land and construction)	6,250	113,943	-	120,193
Other	549	-	-	549
Total gross amount	**29,884**	**116,767**	**(385)**	**146,266**
Amortization and impairment	(16,586)	(2,396)	385	(18,597)
Net total	**13,298**	**114,371**	**-**	**127,669**

At the end of 2020, the company signed a preliminary sales agreement for the acquisition of its future headquarters, accompanied by an advance payment of €6.3 million. In April 2021, the company completed the acquisition of the real estate complex (land and buildings and facilities) under and off-plan the purchase agreement (VEFA or *Vente en l'État Futur d'Achèvement)* agreement for a total of €125 million. This amount is recognized under fixed assets on a proportional performance basis as work progresses.

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, 2021, "right-of use assets" broke down as follows:

€ thousands	2020	+	–	2021
Gross value				
Property leases	15,236	16,698	(7,232)	24,702
Vehicle leases	564	133	(218)	479
Total gross amount	**15,800**	**16,831**	**(7,450)**	**25,181**
Amortization				
Property leases	(7,082)	(6,648)	4,064	(9,666)
Vehicle leases	(369)	(121)	218	(272)
Total amortization	**(7,451)**	**(6,769)**	**4,282**	**(9,938)**
Net total	**8,349**	**10,062**	**(3,168)**	**15,243**

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.

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 €2.1 million at December 31, 2020.

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

3.5 — Equity-accounted investments

At June 30, 2020, Interparfums acquired 25% of the capital of Divabox, specialized in e-commerce for beauty products.

Divabox is consolidated by the Group according to the equity method because it exercises significant influence but not control.

In accordance with IAS 28, the reconciliation of financial information with the carrying value of the Group's interest in this joint venture breaks down as follows:

€ thousands	
Divabox's shareholders equity at June 30, 2020	19,231
Group ownership interest (%) in Divabox	25%
Share in net equity	4,808
Goodwill	7,692
Carrying value of the Group's ownership interest in the joint-venture at June 30, 2020	**12,500**
Share of prior period earnings	477
Dividend distribution	(300)
Share of earnings of the period	45
Equity-accounted investments	**12,722**

The amount of goodwill was definitively set at December 31, 2020.

3.6 — Inventory and work-in-progress

€ thousands	2020	2021
Raw materials and components	41,578	60,192
Finished goods	57,736	47,871
Total gross amount	**99,314**	**108,063**
Allowances for raw materials	(3,076)	(1,928)
Allowances for finished goods	(3,718)	(3,999)
Accumulated provisions for impairment	**(6,794)**	**(5,927)**
Net total	**92,520**	**102,136**

3.7 — Trade receivables and related accounts

€ thousands	2020	2021
Total gross amount	**90,252**	**127,607**
Impairment	(4,291)	(2,177)
Net total	**85,961**	**125,430**

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

€ thousands	2020	2021
Not due	61,011	102,816
0-90 days	25,823	22,980
91-180 days	934	1,348
181-360 days	30	354
More than 360 days	2,454	109
Total gross amount	**90,252**	**127,607**

3.8 — Other receivables

€ thousands	2020	2021
Prepaid expenses	2,304	1,204
Interparfums Holding current accounts	-	-
Value-added tax	1,410	2,823
Hedging instruments	1,010	1,750
License royalties	423	-
Advances and downpayments	-	7,900
Other	151	603
Total	**5,298**	**14,280**

"Advances and downpayments" include amounts held in escrow relating to the acquisition of the company's headquarters building and distributed in installments as the work progresses.

3.9 — Current financial assets, cash and cash equivalents

€ thousands	2020	2021
Current financial assets	103,192	141,280
Cash and cash equivalents	124,966	116,404
Current financial assets, cash and cash equivalents	**228,158**	**257,684**

3.9.1 — Current financial assets

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

€ thousands	2020	2021
Term deposit accounts	49,563	40,304
Capital redemption contracts	53,194	78,897
Shares	-	21,637
Other current financial assets	435	442
Current financial assets	**103,192**	**141,280**

The item "Shares" relates to the acquisition of shares in companies in the luxury sector.

Because capital redemption contracts were analyzed as instruments designed as medium or long term investment vehicles, they were classified as non-courant financial assets. However, it is noted that these contracts are liquid and readily convertible into cash by the company at any moment.

3.9.2 — Cash and cash equivalents

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

€ thousands	2020	2021
Interest-bearing accounts	-	-
Term deposit accounts	24,604	20,001
Current interest-bearing accounts	8,759	10,278
Bank accounts	91,603	86,125
Cash and cash equivalents	**124,966**	**116,404**

3.10 — Shareholders' equity

3.10.1 — Share capital

As of December 31, 2021, Interparfums' capital was comprised of 57,187,249 shares fully paid-up with a par value of €3, 72.60%-held by Interparfums Holding.

Capital increases in 2021 are the result of the bonus share issue of June 16, 2021 in the amount of 5,198,840 shares on the basis of one new share for every ten shares held.

3.10.2 — Performance share awards

The maximum number of shares to be awarded on the inception date of the plan implemented on December 31, 2018 was 133,000 shares for senior executives and managers and 26,000 shares for all other employees.

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

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 the other 50% awarded to senior executive and manager beneficiaries.

To ensure the availability of shares for remittance to employees on maturity, the company purchased 159,260 shares on the market on December 31, 2021 for a total amount of €5.2 million. These shares are presented as a deduction from shareholders' equity.

At December 31, 2021, the estimated number to be remitted was 172,343 shares.

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, 2021, the cumulative expense since the beginning of the plan was €3,352,000.

3.10.3 — Treasury shares

Within the framework of the share repurchase program authorized by the General Meeting of April 23, 2021, 28,260 Interparfums shares with a nominal value of €3 per share were held by the company as of December 31, 2021 or 0.05% of the share capital.

Changes in the period break down as follows:

€ thousands	Av. exch. rate	Number of shares	Book Value
At December 31, 2020	**40.28**	**48,563**	**1,956**
Acquisition	50.76	126,764	6,435
Bonus issue of June 16, 2021	-	1,601	-
Sales	46.33	(148,668)	(6,888)
Impairment	-	-	-
At December 31, 2021	**53.18**	**28,260**	**1,503**

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 €125 per share, excluding execution costs;
- the total number of shares acquired may not exceed 2.5% of the company's capital stock.

3.10.4 — Non-controlling interests

Non-controlling interests concern the percentage not held in the European subsidiary, Parfums Rochas Spain SL (49%). that break down as follows:

€ thousands	**2020**	**2021**
Reserves attributable to non-controlling interests	1,316	1,335
Earnings attributable to non-controlling interests	314	585
Non-controlling interests	**1,630**	**1,920**

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

3.10.5 — 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, Interparfums has been distinguished by a dividend policy designed to reward shareholders while at the same time associating them with the Group's expansion.

To partially compensate for the absence of a dividend in 2020 (for FY 2019), the company decided to make a considerable effort in 2021 (for FY 2020) by offering a dividend of €0.55 per share representing nearly 95% of the prior's year's earnings.

Given its financial structure, the Group has the ability to secure financing for important projects from banks in the form of medium-term loans. In April 2021, a 10-year €120 million loan was obtained to finance the acquisition of the company's new headquarters complex in Paris.

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.

3.11 — Provisions for contingencies and expenses

€ thousands	**2020**	**Allowances**	**Actuarial gains/losses**	**Provisions used the period**	**Reversal of unused provisions**	**2021**
Provisions for retirement severance payments	9,770	677	(1,202)	(474)	-	8,771
Provision for expenses (1)	439	-	-	-	(439)	-
Provisions for operating losses	2,775	-	-	-	(2,775)	-
Total provisions for expenses > 1 year	**12,984**	**677**	**(1,202)**	**(474)**	**(3,214)**	**8,771**
Provision for expenses	-	345	-	-	439	784
Lawsuit contingency provision	-	4,330	-	-	-	4,330
Provisions for operating losses	925	-	-	-	(925)	-
Other provisions for contingencies < 1 year	-	-	-	-	-	-
Total provisions for contingencies > 1 year	**925**	**4,675**	**-**	**-**	**(486)**	**5,114**
Total provisions for contingencies and expenses	**13,909**	**5,352**	**(1,202)**	**(474)**	**(3,700)**	**13,885**

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

The provision for operating losses which concerned the risk of future losses for the activity of a minor brand of the portfolio has been reversed. As the company has entered into discussions with the owners of this brand in order to terminate our commitments before term, a lawsuit contingency provision, evaluated by the lawyers, has been recorded.

3.11.1 — 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 2021, the following assumptions were applied: a negotiated termination at age 65; a rate of 50% for employer payroll contributions for all employees; a 2% 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 0.87%.

On the basis of these assumptions, the annual expense of €677,000 recorded under current income breaks down as follows:

- service costs: €644,000;
- financial expense: €33,000.

Actuarial gains and losses in 2021 resulted in a gain of €1,202,000 recorded under reserves resulting primarily from changes in assumptions and experience adjustments. A reversal relating to retirement severance benefits in 2021 was recognized in the amount of €474,000.

A 0.5% increase in the discount rate would result in a €9,000 reduction in the present value of rights at December 31, 2021 versus a 0.5% decrease resulting in a €9,000 increase.

3.11.2 — Tax risk

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

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 continue to review this matter by issuing a new audit notification.

During the 2021 first half, pursuant to discussions with the tax authorities on the subject of transfer pricing, the company recognized an additional tax charge of €2.5 million over the period, paid in the of 2021 4th quarter.

3.12 — Borrowings, financial liabilities and lease liabilities

— Borrowings and financial liabilities

In April 2021, to finance the acquisition of its future headquarters, for an amount of €120 million, the company obtained a 10-year €120 million loan.

This loan is repayable in fixed monthly installments of €1 million each for the principal beginning in April 2021. This loan will be subject to interest equal to the 1-month Euribor plus the applicable margin.

This debt was recognized at fair value to which were allocated the €1.1 million in transaction costs directly attributable to the acquisition, in compliance with IFRS 9.

The outstanding balance at December 31, 2021 was €111 million.

— 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.

3.12.1 — Changes in finance costs

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

			Non-cash items			
€ thousands	**2020**	**Cash flow**	**Net acquisitions**	**Changes in fair value**	**Amortization**	**2021**
Borrowings	11,000	100,000	-	-	-	111,000
Loan acquisition costs	-	(1,134)	-	-	155	(979)
Interest rate swap	-	-	-	(207)	-	(207)
Total borrowings and other financial liabilities	**11,000**	**98,866**	**-**	**(207)**	**155**	**109,814**
Lease liabilities	8,991	(4,010)	15,795	-	(5,147)	15,629
Total financial debt	**19,991**	**94,856**	**15,795**	**(207)**	**(4,992)**	**125,443**

3.12.2 — Borrowings, financial liabilities and lease liabilities by maturity

€ thousands	Total	Up to 1 year	1 to 5 years	>5 years
Borrowings and financial liabilities	109,814	13,102	46,578	50,134
Lease liabilities	15,629	3,067	8,580	3,982
Total at December 31, 2021	**125,443**	**16,169**	**55,158**	**54,116**

3.12.3 — Covenants and special provisions

There are no covenants associated with the loan to acquire the new headquarters.

No other special provision is attached to this loan.

€80 million of the loan amount is backed by a fixed-rate swap guaranteeing a maximum interest rate of 2%.

3.13 — 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	2020	Changes through reserves	Changes through profit or loss	2021
Deferred tax assets				
Timing differences between financial and tax accounting	3,209	-	346	3,555
Provisions for retirement liabilities	134	(310)	310	134
Loss carryforwards	293	-	848	1,141
Currency hedges on future sales	-	403	(69)	334
Right-of use assets	53	-	(53)	-
Leases	2	-	(1)	1
Intra-group inventory margin	3,580	-	908	4,488
Advertising and promotional costs	1,004	-	(288)	716
Total deferred tax assets before amortization	**8,275**	**93**	**2,001**	**10,369**
Depreciation of deferred tax assets	(293)	-	(848)	(1,141)
Net deferred tax assets	**7,982**	**93**	**1,153**	**9,228**
Deferred tax liabilities				
Acquisition costs	(416)	-	(702)	(1,118)
Right-of use assets	-	-	(37)	(37)
Bonus shares	-	314	(314)	-
Levies imposed by governments	(132)	-	(54)	(186)
Borrowing costs associated with the headquarters building acquisition	-	-	(253)	(253)
Capitalization of costs associated with the headquarters building acquisition	(1,258)	-	-	(1,258)
Gains (losses) on treasury shares	-	(185)	185	-
Impairment of treasury shares	-	-	-	-
Derivatives	(107)	-	95	(12)
Swap instrument	-	-	(53)	(53)
Unrealized capital gains on securities	-	-	(385)	(385)
Total deferred tax liabilities	**(1,913)**	**129**	**(1,518)**	**(3,302)**
Total net deferred tax	**6,069**	**222**	**(365)**	**5,926**

3.14 — Trade payables and other current liabilities

3.14.1 — Trade payables and related accounts

€ thousands	2020	2021
Trade payables for components	10,054	20,207
Other trade payables	41,222	71,941
Total	**51,276**	**92,148**

3.14.2 — Other liabilities

€ thousands	2020	2021
Accrued credit notes	2,335	2,498
Tax and employee-related liabilities	12,451	16,879
Accrued royalties	11,218	13,061
Hedging instruments	803	1,808
Interparfums Holding current accounts	1,681	1,473
Other liabilities	4,160	4,397
Total	**32,648**	**40,116**

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).

3.15 — Financial instruments

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

		2021				2020	
€ 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	3.4	4,047	-	4,047	4,047	2,834	2,834
Total non-current financial assets	3.4	2,066	-	2,066	2,066	2,566	2,566
Equity-accounted investments	3.5	12,722	-	12,722	12,722	12,977	12,977
Current financial assets							
Trade receivables and related accounts	3.7	125,430	-	125,430	125,430	85,961	85,961
Other receivables	3.8	14,280	-	14,280	14,280	5,298	5,298
Derivative instruments subject to hedge accounting (based documentation establishing the hedging relationship)		-	-	-	-	-	-
Other current financial assets	3.9	141,280	-	141,280	141,280	103,192	103,192
Cash and cash equivalents	3.9	116,404	-	116,404	116,404	124,966	124,966
Non-current financial liabilities							
Non-current borrowings and financial liabilities (1)	3.12	90,282	-	96,712	96,712	-	-
Current liabilities							
Trade payables and related accounts	3.14	92,148	-	92,148	92,148	51,276	51,276
Current borrowings and financial liabilities (1)	3.12	13,027	-	13,102	13,102	11,000	11,000
Other liabilities	3.14	38,310	-	40,116	40,116	32,648	32,648
Derivative instruments subject to hedge accounting (based documentation establishing the hedging relationship)		1,806	-	-	-	-	-

(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.

3.16 — Risk management

The primary risks related to the Group's business and organization concern 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.

3.16.1 — 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.

3.16.2 — Liquidity risks

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

€ thousands	Up to 1 year	1 to 5 years	>5 years	Total
Other non-current financial assets	500	1,566	-	2,066
Current financial assets	78,897	61,941	442	141,280
Cash and cash equivalents	116,404	-	-	116,404
Total financial assets	**195,801**	**63,507**	**442**	**259,750**
Borrowings and financial liabilities	(11,803)	(47,430)	(50,788)	(110,021)
Total financial liabilities	**(11,803)**	**(47,430)**	**(50,788)**	**(110,021)**
Net position before hedging	**183,998**	**16,077**	**(50,346)**	**149,729**
Hedging of assets and liabilities (swaps)	(1,299)	852	654	207
Net position after hedging	**182,699**	**16,929**	**(49,692)**	**149,936**

3.16.3 — Foreign exchange risks

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

€ thousands	USD	GBP	JPY
Assets	37,696	6,410	304
Liabilities	(6,807)	(2,271)	(19)
Net position before hedging at the closing price	**30,889**	**4,139**	**285**
Net position hedged	(13,685)	(4,165)	-
Net position after hedging	**17,204**	**(26)**	**285**

Because a significant portion of Group sales is in foreign currencies, it incurs a risk from exchange rate fluctuations, primarily from the US dollar (51.7% of sales) and to a lesser extent the Pound sterling (5.2% of sales) and the Japanese yen (1.1% 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, 2021, the Group had hedged 36% of its receivables in US dollars and 65% for trade receivables booked in Pound sterling.

— 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 €32.1 million on sales and €27.0 million on operating income. A 10% decrease of these same exchange rates would have an inverse negative effect.

3.16.4 — 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

In light of the public health crisis and the measures adopted in 2020 in response, the income and expense aggregates forming the operating profit were subject to significant variations in the period.

Expenses directly related to operations, such as royalties and transportation costs, as well as other, expenses more flexible in nature, mainly related to certain advertising campaigns, which were cancelled or postponed, and provisions related to variable compensation adjusted in 2020, returned to a more normal level in 2021.

4.1 — Breakdown of consolidated sales by brand

€ thousands	2020	2021
Montblanc	99,961	142,323
Jimmy Choo	73,761	130,966
Coach	81,107	115,630
Lanvin	32,943	52,391
Rochas	29,696	35,332
Van Cleef & Arpels	10,381	18,344
Karl Lagerfeld	11,415	16,920
Boucheron	12,018	15,350
Kate Spade	2,734	13,635
Moncler (3 months of activity in 2021)	-	4,861
Other	13,349	15,075
Sales	**367,365**	**560,827**

4.2 — Cost of sales

€ thousands	2020	2021
Raw materials, trade goods and packaging	(120,882)	(198,508)
Changes in inventories	(5,101)	14,859
POS advertising	(1,559)	(1,839)
Staff costs	(5,118)	(6,921)
Allowances and reversals	(6,024)	(2,755)
Property rental expenses	(850)	984
Transportation costs	(672)	(864)
Other expenses related to the cost of sales	(87)	(143)
Total cost of sales	**(140,293)**	**(195,187)**

4.3 — Selling expenses

€ thousands	2020	2021
Advertising	(71,794)	(123,423)
Royalties	(29,578)	(46,497)
Staff costs	(26,641)	(30,286)
Service fees/subsidiaries	(5,897)	(7,945)
Subcontracting	(4,322)	(6,394)
Transportation costs	(3,778)	(7,764)
Travel and entertainment expenses	(2,203)	(3,204)
Allowances and reversals	(11,021)	(8,800)
Tax and related expenses	(3,087)	(3,739)
Commissions	(840)	(1,185)
Property rental expenses	(376)	1,467
Other selling expenses	(3,106)	(5,417)
Total selling expenses	**(162,643)**	**(243,187)**

4.4 — Administrative expenses

€ thousands	2020	2021
Purchases and external costs	(6,152)	(6,984)
Staff costs	(9,012)	(11,375)
Property rental expenses	(147)	(432)
Allowances and reversals	(1,431)	(1,804)
Travel expenses	(199)	(302)
Other administrative expenses	(579)	(679)
Total administrative expenses	**(17,520)**	**(21,576)**

4.5 — Other operating expenses

Other operating expenses relate to the impairment loss recognized on the Rochas Fashion brand.

4.6 — Net financial income/(expense)

€ thousands	**2020**	**2021**
Financial income	1,759	2,257
Interest and similar expenses	(901)	(2,262)
Net finance costs	**858**	**(5)**
Currency losses	(6,051)	(3,237)
Currency gains	4,045	5,662
Net currency gains (losses)	**(2,006)**	**2,425**
Other financial income and expenses	-	-
Net financial income/(expense)	**(1,148)**	**2,420**

The change in the foreign exchange result reflects significant weakening of the Euro against the US dollar in the second half of 2021.

4.7 — Income tax

4.7.1 — Analysis of income taxes

€ thousands	**2020**	**2021**
Current income tax – France	(8,989)	(17,216)
Current income tax – Foreign operations	(5,298)	(10,031)
Total current income tax	**(14,287)**	**(27,247)**
Non-current income tax	**-**	**(2,064)**
Deferred tax- France	(1,331)	(214)
Deferred tax- Foreign operations	398	(151)
Total deferred taxes	**(933)**	**(365)**
Total income taxes	**(15,220)**	**(29,676)**

Non-current taxes relate to the adjustment by tax authorities of transactions with the Swiss subsidiary Interparfums (see 3.11.2).

4.7.2 — 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 28.41% and 32.02% applicable in France for fiscal 2021 and 2020 respectively to pre-tax income reflects the following.

€ thousands	**2020**	**2021**
Tax base	**45,761**	**101,311**
Theoretical tax calculated at the parent company rate	(14,653)	(28,782)
Effect of tax rate differences	1,013	965
Recognition of tax income not previously classified as tax assets	-	-
Tax adjustments	(1,398)	(2,064)
Permanent non-deductible differences	(182)	205
Income tax	**(15,220)**	**(29,676)**

4.8 — Earnings per share

€ thousands except number of shares and earnings per share in euros	**2020**	**2021**
Consolidated net income	30,704	71,095
Average number of shares	48,508,541	54,614,015
Basic earnings per share (1)	**0.63**	**1.30**
Dilutive effect of stock options:		
Potential additional number of fully diluted shares	-	-
Potential fully diluted average number of shares outstanding	48,508,541	54,614,015
Diluted earnings per share (1)	**0.63**	**1.30**

(1) Adjusted for bonus shares granted in 2020 and 2021.

5 — Segment reporting

5.1 — Business lines

The company now operates in two distinct segments, "Perfumes" and "Fashion" corresponding to the activity generated by Rochas' fashion business.

However, a separate presentation is not provided for income statement aggregates because the "Fashion" business represents less than 0.5% of Group sales.

Intangible assets relating to the Rochas trademark include €86,739,000 for fragrances and €19,086,000 for fashion or a total of €105,825,000.

Segment assets consist of operating assets used primarily in France.

5.2 — Geographical segments

Sales by geographical sector break down as follows:

€ thousands	**2020**	**2021**
Africa	4,331	4,917
Asia	52,021	78,136
Eastern Europe	25,556	47,780
France	31,821	35,655
Middle East	34,176	36,403
North America	126,046	224,832
South America	25,666	42,157
Western Europe	67,748	90,947
Sales	**367,365**	**560,827**

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**	**2020**	**2021**
Guaranteed minima on trademark royalties	Guaranteed minima on royalties regardless of sales achieved for each of the trademarks in the period.	257,664	319,998
Guaranteed minima for warehousing and logistics	Contractual minima for remuneration of warehouses to be paid regardless of sales volume for the period.	4,891	-
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.	4,155	10,391
Total commitments given in connection with operating activities		**266,710**	**330,389**

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, 2021 amounted to £3,500,000.

Commitments with respect to forward currency sales at December 31, 2021 budgeted in the first three quarters of 2022 amounted to US$64,500,000.

6.1.3 — Commitments given by maturity at December 31, 2021

€thousands	**Total**	**Up to 1 year**	**1 to 5 years**	**5 years or more**
Guaranteed minima on trademark royalties	319,998	39,701	154,791	125,506
Guaranteed minima for warehousing and logistics	-	-	-	-
Firm component orders	10,391	10,391	-	-
Total commitments given	**330,389**	**50,092**	**154,791**	**125,506**

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

6.1.4 — Commitments received

Commitments with respect to forward currency purchases for Pound sterling hedges at December 31, 2021 amounted to €4,104,000.

Commitments with respect to forward currency purchases at December 31, 2021 budgeted in the first three quarters of 2022 amounted to €55,012,000 for US dollar hedges.

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	-
	Renewal	January 2020	3 years	December 2022
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
Moncler	Inception	January 2021	6 years	December 2026

In June 2020, Interparfums and Moncler entered into an exclusive global fragrance license agreement for a contractual period of 6 years and with the possibility for an extension for 5 years.

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 the Moncler brand retail stores.

The launch of the first fragrance line is planned during the first quarter of 2022.

The Paul Smith license expires on December 31, 2021 and is not renewed.

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 had a buy back option for the brands exercisable on July 1, 2025.

In September 2021, an agreement was signed to postpone this buyback option to July 1, 2027.

— 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	12/31/2020	12/31/2021
Executive Management	5	5
Production & Operations	45	49
Marketing	66	65
Export	71	76
French Distribution	42	40
Finance & Corporate Affairs	57	60
Rochas fashion	4	3
Total	**290**	**298**

6.4.2 — Headcount by region

Number of employees at	12/31/2020	12/31/2021
France	213	214
North America	59	65
Asia	18	19
Total	**290**	**298**

6.4.3 — Staff costs

€ thousands	2020	2021
Staff costs	29,057	32,747
Social security charges	9,489	12,467
Profit-sharing	2,357	4,680
Restricted stock awards	1,349	1,433
Total wages and benefits	**42,252**	**51,327**

In addition €701,000 in supplemental retirement benefits for Executive Management were paid in 2021.

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	2020	2021
Wages and social charges	6,672	6,870
Share based payment expenses	311	311

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

€ thousands	2020	2021
Gross wages	2,037	2,074
Benefits in-kind	19	22
Supplemental retirement contribution	45	45
	2,101	**2,141**

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 receive compensation which breaks down as follows:

€ thousands	**2020**	**2021**
Compensation received by Directors [1]	264	176

(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	**2020**	**%**	**2021**	**%**	**2020**	**%**	**2021**	**%**
Statutory auditing, certification of accounts, review of separate and consolidated accounts								
For the issuer	316	68%	334	73%	92	100%	102	100%
For fully consolidated subsidiaries	115	25%	116	25%	-	-	-	
Services other than for the certification of accounts								
For the issuer	3	1%	3	1%	-	-	3	- %
For fully consolidated subsidiaries	28	6%	2	- %	-	-	-	- %
Total	**462**	**100%**	**455**	**100%**	**92**	**100%**	**105**	**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 Audit Committee.

6.7 — Post-closing events

As a result of the war between Russia and Ukraine, which began at the end of February 2022, the Group has defined the exposure of its financial position and balance sheet to these two countries.

In 2021, Interparfums' sales in Russia amounted to €29.8 million (5.3%), in Ukraine €1.6 million (0.3%) and in Belarus €1.8 million (0.3%).

At December 31, 2021, the Group's total outstanding balance of accounts receivable in these markets amounted to €13.5 million with €10 million covered by credit insurance.

In the beginning of March, the company suspended all shipments to Russia.

Subject to further developments, the company has not, as of the date of publication, identified any further impact on its financial position.

4 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 1, 2022.

1 — Corporate governance (articles L.225-37-4, L.22-10-8 to L.22-10-12 of the French Commercial Code)

1.1 — Rules of governance

1.1.1 — Adoption of the Middlenext Code

Since 2010, the company refers to the Middlenext Corporate Governance Code of December 2009, revised in September 2016 and in September 2021. This code may be consulted at www.middlenext.com, (section Publications – Corporate governance). This decision was made by the Board of Directors in relation with the shareholder structure, of which 72.4% of the share capital at December 31, 2021 was held by the parent company, Interparfums Holding.

In accordance with the recommendations, and in particular Recommendation 22, Board members also took cognizance of the “points to be watched” set forth therein and review each year main questions that must be addressed to ensure effective governance.

1.1.2 — Charter of the Board of Directors

In compliance with Middlenext Code Recommendation 9, 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 supplements the provisions provided for by law and the company’s bylaws.

The full text of this Charter is available at the company’ website (www.interparfums-finance.fr).

The main provisions of this Charter 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 January 24, 2022.

1.2 — Governance objectives and key indicators

1.2.1 — Sustainable Development Goals

	Shares	Current Situation	Expected performance	Deadline	SDG
Strengthen the rules of good governance on the basis of the recommendations of the Middlenext Corporate Governance Code	50% of independent Directors on the Board	40%	50%	mid-2023	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	50% of women on the Board	40%	50%	mid-2023	
	Provide training to Board members	0.5 days	4-6 days	2024	
	Setting up of an Individual Shareholders Consultative Committee	-	-	2022	
	Setting up a CSR committee	-	-	2022	

1.2.2 — Key indicators

	Indicators	2020	2021
	Gaïa index	71/100	74/100
Boards	Compliance with the Middlenext Corporate Governance Code	Yes	Yes
	Percentage of independent Directors	40%	40%
	Percentage of women	40%	40%
	Attendance rate of Directors	100%	100%
	Training of Directors	-	0.5 days
	Audit Committee	Yes	Yes
	CSR Committee	No	No
	Individual Shareholders Consultative Committee:	No	No
Executive committees	Management Committee members: Percentage of women	27%	27%
	CSR Committee	No	Yes
Compliance	Number of whistleblower reports	-	-
	Personal data protection policy (PDO)	Yes	Yes

1.3 — Organization of Executive Management and the Board of Directors

1.3.1 — Executive Management

1.3.1.1 — 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.

1.3.1.2 — 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 and reflects the complementary nature of expertise present within Interparfums.

The composition of the Management Committee at December 31, 2021 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;
— **Pierre Desaulles** Managing Director of Interparfums Luxury Brands;
— **Frédéric Garcia-Pelayo** Executive Vice President, Chief International Officer;
— **Natacha Finateu** General Counsel and Chief Legal Officer;
— **Axel Marot** Vice President, Supply Chain & Operations;
— **Delphine Pommier** Executive Director – Marketing Development & Communication;
— **Philippe Santi** Executive Vice President and CFO, Chief Financial and Legal Officer;
— **Jérôme Thermoz** Executive Director, French Distribution;
— **Véronique Duretz** Vice President of Human Resources.

The company decided to form an expanded Management Committee, including all head office line management and support departments and the managers of subsidiaries, representing a total of 11 persons with women members representing 27%.

The Board is constantly seeking to achieve a balance in the representation of men and women on the Management Committee assuring a presence of some of the Company's older members to benefit from their expertise and experience.

1.3.2 — Composition of the Board of Directors

On December 31, 2021, 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.

1.3.3 — 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, 2021, the number of offices held by each of the Directors was in compliance with the applicable laws.

The term of office is currently set at 4 years. The term of office was reduced from 5 years to 4 years by decision of the Combined General Meeting of April 23, 2021. This General Meeting decided to complete the provisions of the Bylaws relating to the term of offices in order to provide that, 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 a shorter term of two or three years in accordance with Middlenext Recommendation 9 providing for the staggering of the renewals of terms of office.

In addition, the company considers that, in light of its size and the composition of its Board, a term of 4 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 and that the ability to appoint Directors for terms of 2 and 3 years in order to stagger their terms leaves the company with flexibility in managing its governance.

The company adheres to the Middlenext Code Recommendation 10 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.

1.3.4 — Members of the Board of Directors on December 31, 2021

— **Philippe BENACIN**
Chairman-CEO – French nationality

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

Biography: Philippe Benacin, 63, 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, S.T. Dupont, Paul Smith, Boucheron, Coach, Kate Spade et Moncler.

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 (Switzerland);
- Director of Interparfums Asia Pacific Pte Ltd (Singapore);
- Chairman of the Board of Directors of Parfums Rochas Spain SL (Spain);
- 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.

— **Jean MADAR**
Director – French nationality

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

Biography: Jean Madar, 61, 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, MCM, Guess et Graff, Ferragamo and Ungaro.

Current offices:

- Chief Executive Officer and Director of Interparfums Holding;
- Chief Executive Officer and Vice President of Interparfums Holding (United States).

Offices having expired in the last five years: None.

— **Philippe SANTI**
Director and Executive Vice President – French nationality

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

Biography: Philippe Santi, 60, 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 offices:

- Director of Interparfums Inc. (United States);
- Director of Middlenext.

Offices having expired in the last five years: None.

— **Frédéric GARCIA-PELAYO**
Director and Executive Vice President – French nationality

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

Biography: Frédéric Garcia-Pelayo, 63, 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.

— **Patrick CHOËL**
Director and Audit Committee member – French nationality

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

Biography: Patrick Choël, 78, 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. (United States);
— 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.

— **Véronique GABAÏ-PINSKY**
Director – Dual French and American nationality

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

Biography: Véronique Gabaï-Pinsky, 56, a business school graduate of ESSEC, began her career at L'Oréal and was Vice President of Marketing for Giorgio Armani. She subsequently served as Vice President of Marketing and Communication for Guerlain, then spent 12 years at the Estee Lauder Companies as the Global President for Aramis and Designers Fragrances Until June 2018, she was Chair of the US company, Vera Wang, operating in the luxury ready-to-wear sector. Since 2019, she has been developing her own the fragrance brand, VERONIQUE GABAI.

Current offices:

— Director of Interparfums Inc. (United States);
— Member of The Committee of 200 (Fashion Group International and Cosmetic Executive Women);
— Director of Lifetime Brands (United States);
— Founder and President of the company VERONIQUE GABAI, perfume designer.

Offices having expired in the last five years:

— Chair of the Vera Wang Group.

— **Maurice ALHADÈVE**
Independent Director and Audit Committee member – French nationality

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

Biography: Maurice Alhadève, 79, 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 a teacher, consultant and 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.

— **Chantal ROOS**
Independent Director – French nationality

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

Biography: Chantal Roos, 78, 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, Roos & Roos.

Current offices:

— Managing Partner of CREA;
— Managing Partner of ROOS & ROOS, perfume designer.

Offices having expired in the last five years: None.

— **Dominique CYROT**
Independent Director and Audit Committee member – French nationality

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

Biography: Dominique Cyrot, 70, has a master's degree in management from University Paris IX Dauphine. She spent her career from 1973 to 2011 with the French insurer AGF, which has become today ALLIANZ GI, where she was responsible for managing the group's UCTIS for French large caps then for all French and European Mid Caps. She has served on the boards of investment funds 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).

— **Marie-Ange VERDICKT**
Independent Director & Audit Committee Chair – French nationality

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

Biography: Marie-Ange Verdickt, 59, 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 (ex Solucom) (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).

1.3.5 — Members of the Board of Directors and Audit Committee

Name and function	Independent Director	Year of 1st appointment	Date of last reappointment	Date of expiration	Number of shares held	Audit Committee	Experience and expertise
Philippe Benacin Chairman-Chief Executive Officer	No	1989	2018	2023	7,062	-	Co-founder
Jean Madar Director Chief Executive Officer, Interparfums Inc.	No	1993	2018	2023	7,003	-	Co-founder
Philippe Santi Director Executive Vice President	No	2004	2018	2023	6,772	-	Finance and accounting
Frédéric Garcia-Pelayo Director Executive Vice President	No	2009	2018	2023	13,612	-	Knowledge of the business sector and distribution
Patrick Choël Director	No	2004	2021	2023	3,570	Member	Knowledge of the business sector
Véronique Gabaï-Pinsky Director	No	2017	2021	2023	438	-	Knowledge of the business sector
Maurice Alhadève Director	Yes	2004	2021	2023	631	Member	Knowledge of the business sector
Chantal Roos Director	Yes	2009	2018	2023	1,271	-	Knowledge of the business sector
Dominique Cyrot Director	Yes	2012	2020	2025	3,797	Member	Finance and accounting
Marie-Ange Verdickt Director	Yes	2015	2018	2023	3,935	Chair	Finance and accounting

In compliance with the provisions of article 4.8 of the Board Charter, all Directors hold at least 300 shares of the company.

1.3.6 — Change anticipated in 2022: Proposal for the appointment of a new Director, Ms. Constance Benqué

The Board of Directors has decided to propose to the shareholders' Meeting of April 29, 2022, the appointment of Mr. Constance Benqué as a Director for a term of four years.

Constance Benqué, 61, after serving as a parliamentary assistant for the French Deputy, François d'Aubert, began a career in advertising at the Expansion Group in 1981, where she was quickly appointed Advertising Director (1983-1990). This is followed by a position as Sales Director for the French business magazine, *Capital* for the Prisma Presse Group (1990-94) and then Chief Executive Officer of Régie Obs, which at the time included the advertising departments of the publications *Nouvel Observateur*, *Challenges* and *Sciences & Avenir* (1994-1994).

In 1999, she joined the Lagardère Group where she was successively appointed Vice President (1999-2003) and President (2003-2016) of Europe Régies, which subsequently became Lagardère Active Publicité. A member of the Lagardère Active Management Board since 2008, Constance Benqué was appointed in 2014 Chief Executive Officer of ELLE France & International (*ELLE*, *ELLE Décoration*, *ELLE à Table*, *Art & Décoration*; international licenses and Lagardère Active Enterprises).

Since December 2018, she has served as the CEO, then President (2020) of the Lagardère Group's media activities (Lagardère News), which include the radio stations Europe 1, Virgin Radio, RFM, and the publications *Paris Match*, *Le Journal du Dimanche* and *ELLE International*.

She is a graduate of the University of Paris II Panthéon Assas (Master's degree in Public Law) and of the Institut d'Etudes Politiques de Paris (with an advanced degree in Marketing and Communication).

Ms. Constance Benqué's experience and expertise in media and the digital universe will make a valuable contribution to Interparfums' Board of Directors.

1.3.7 — The diversity policy of the Board of Directors

As every year, the Board considered the gender balance of its members as well as the diversity and complementarity of their skills and qualifications.

Criteria applied	**Targets**	**Procedures implemented and results obtained in FY 2021**
Gender balance	Balanced representation of men and women on the Board of Directors in compliance with article L.225-18-1 of the French Commercial Code. Achieving this same balance is also a priority for the Audit Committee.	Increase in the percentage of women on the Board: — 25% since the 2012 General Meeting — 33% since the 2015 General Meeting — 40% since the 2017 General Meeting While the Board of Directors considers that 40% ratio of women Directors comply with legal requirements, its goal is to increase this percentage to 50% of Board membership. Women already account for 50% of the Audit Committee's membership which is furthermore chaired by a woman.
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/perfumery: 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 3)	4 independent Directors (40%)
Age and seniority of Directors	Not more than one third of the Directors over than 80. In addition to the age of the Directors, a balance is sought in terms of seniority on the Board.	The average age of Directors is 66.6. The composition of the Board remains balanced in terms of the breakdown between Directors with a longer history of involvement with the Company and Directors having joined more recently.

1.3.7.1 — Expertise and professional experience

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. The complementary and diverse nature of the Directors' professional experience ensures that measures adopted by the company remain in line with Interparfums' strategy.

1.3.7.2 — Director ethics

In accordance with Middlenext Code Recommendation 7each Director is informed of the responsibilities arising from his or her appointment and encouraged to adhere to the rules with respect to the obligations resulting from their appointment which are set forth in the Board Charter.

Each member of the Board complies with the rules provided for by law with respect to 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 including foreign companies, outside its group), 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.

More specifically, and in accordance with the new Middlenext Code Recommendation 2 reinforcing the management of conflicts of interest, each Director declares before each meeting any potential conflicts of interest and, on an annual basis, any actual or potential conflicts of interest between their obligations to Interparfums and their private interests, in particular with respect to their other offices and functions.

In any event, the members of the Board shall refrain from participating in the proceedings and voting on any matter in which they would be in a situation of real or potential conflict of interest.

On the basis of these declarations, the Board of Directors has not identified any conflicts of interest at the date of their preparation.

With respect to securities market regulations, Board members have been informed of the rules for the prevention of insider trading, resulting from the European Market Abuse Regulation No. 596-2014, which entered into force on July 3, 2016, as well as from the recommendations of the AMF *(Autorité des Marchés Financiers)*, and more specifically those relating to blackout periods during which trading in securities is prohibited.

Consequently, each Board member complies with the Stock market ethics Charter established by Interparfums, the main provisions of which are set forth in the Board Charter.

1.3.7.3 — Independence of Directors

With respect to the criteria set forth in Middlenext Code Recommendation 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

X = criteria of independence met.

As at December 31, 2021, the independent Directors did not have any business relations of any nature with the company that could compromise their independence.

1.3.8 — Training of Directors

Each Director can benefit from additional training. In this respect, and in accordance with Middlenext Code Recommendation 5, a three-year training plan of 4 to 6 days was established by the Board.

1.4 — Preparation and organization of the work of the Board of Directors and Audit Committee

1.4.1 — Board meetings

The number of meetings held by the Board of Directors is in compliance with the provisions of Middlenext Code Recommendation 6. 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 2021, the Board of Directors met 6 times (in person or by videoconference) with an attendance rate of 100% for meetings lasting on average three hours addressing notably the following items of business:

- review and approval of the separate parent company and consolidated financial statements for the fiscal year ended December 31, 2020 and the notice of the Annual General Meeting;
- implementing of the share buyback program;
- review and approval of the 2021 interim financial statements;
- review of the fiscal year 2021 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 officers and Directors;
- breakdown of compensation allocated to Board members;
- 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;
- regular updates about the company's new headquarters office;
- formalization of a CSR strategy and approach;
- discussions on workplace and wage equality policy;
- review of the issue of succession planning for the manager.

In accordance with the law, managers do not take part in the deliberations or vote at those Board meetings deciding on the amount or allocation of components of compensation relating to them.

In addition, in compliance with Act No. 2019-486 of May 22, 2019 *(Loi Pacte)*, the Board of Directors adopted a new procedure for the annual review of ordinary agreements entered into under normal conditions, 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 with 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 attended by the Statutory Auditors.

On the date of this Universal Registration Document, the Board of Directors met twice since the beginning of 2022 to consider, on the one hand, the compensation policy for Directors and officers, and on the other hand, the review and closing of the annual and consolidated financial statements for the year ended December 31, 2021 and the notice for the Annual General Meeting of 2022.

1.4.2 — Audit Committee meetings

The Board of Directors, taking into account Middlenext Code Recommendation 6 and in light of the company's size and operating procedures, on June 11, 2018, created 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 auditors' term are 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 majority of the Audit Committee members are independent Directors, of which its Chair (see paragraph 1.3.5. above).

Members of the Audit Committee were appointed for terms matching their terms as Directors (see above paragraph 1.3.5.).

Their expertise and background (as described in paragraph 1.3.4 above), ensure that the Audit Committee is able to perform its duties with the requisite experience.

The Audit Committee adopted a Charter approved by the Board of Directors on June 11, 2018, and amended on March 1, 2021, describing its organization, operating procedures, areas of competence and functions.

In the period ended December 31, 2021, 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 adoption of measures to comply with the provisions of the European General Data Protection Regulation (GDPR);
— the review of internal control;
— the production of financial statements in XBRL format;
— the validation of financial information;
— the review of Non-Audit Services;
— the presentation of the CSR policy;
— 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.

1.4.3 — Evaluation of the work of the Board of Directors and Audit Committee

In accordance with Middlenext Code Recommendation 13, 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, their organizational and operating effectiveness. In light of the above, a favorable assessment was issued for the operating procedures of the Board and the Audit Committee and the quality of the information provided before the proceedings, in compliance with the spirit of the Middlenext recommendations. The members of the Board also issued a favorable assessment of the environment in which they effectively exercise their functions and responsibilities.

1.5 — 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 1.3.1.1 above), 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.

1.5.1 — Transmission of information to Directors

Directors are provided with all relevant documents and information to effectively perform their duties. Before each Board of Directors' meeting, its members 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 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.

1.5.2 — Representations concerning Directors and Executive Management

1.5.2.1 — Convictions

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 and/or 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;
- 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.

1.5.2.2 — Potential conflict 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 participating or 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.

Pursuant to the reinforcement of Middlenext Code Recommendation 2, Directors now undertake to declare any conflicts of interest prior to each meeting.

Insofar as the company is aware and on the date this document was prepared, no arrangements or agreements existed with the principal shareholders or with customers, suppliers or other parties by virtue of 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, none of the members of the Board of Directors and Executive Management have accepted any restrictions relating to the sale of their holdings, within a certain period of time, the shares of the Company they hold, with the exception of the lock-up obligation to hold 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 exercise their functions.

1.5.2.3 — Service contracts with members of the Board of Directors and corporate governance bodies

Insofar as the company is aware, no benefits have been granted under the terms of service contracts binding one of the members of the Board and corporate governance bodies to the company or one of its subsidiaries.

1.5.2.4 — Family ties between corporate officers

No family ties exist among members of corporate officers.

1.6 — Summary of delegations of authority and financial authorizations granted by the General Meeting to the Board of Directors (Art. L.225 129-1 and 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 Annual General Meeting of April 26, 2019			
Authorization to grant stock options to employees or selected corporate officers (Resolution 13)	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 (Resolution 14)	Within the limit of 3% of the share capital on the grant date	Unused	06/25/2022
Delegations of authority and authorizations granted by the Annual General Meeting of June 24, 2020			
Delegation of authority to issue shares or securities, maintaining shareholders' preferential subscription rights (Resolution 12)	Within the limit of €30,000,000 (shares) and €100,000,000 (debt securities)	Unused	08/23/2022
Delegation of authority to issue securities 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 as consideration for security tendered in connection with a public exchange offer (Resolution 13)	Within the limit of €9,000,000 (1) (for shares) €50,000,000 (for debt securities)	Unused	08/23/2022
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 point 1 of article L.411-2 of the French Monetary and Financial Code (Resolution 14)	Within the limit of €9,000,000 (1) (for shares) €15,000,000 (for debt securities)	Unused	08/23/2022
Increase in the number of shares to be issued in the case of a capital increase maintaining or canceling shareholders' preferential subscription rights (Resolution 16)	Within the limit of 10% of the initial issue	Unused	08/23/2022
Authorization to issue shares or securities giving access to the capital as consideration in payment for in-kind contributions of equity securities (Resolution 17)	Within the limit of 10% of the share capital on the date of the General Meeting (1)	Unused	08/23/2022
Delegation of authority to issue shares reserved for employees of the Group participating in a company savings plan (Resolution 18)	Within the limit of 2% of the share capital on issue date (1)	Unused	08/23/2022
Delegations of authority and authorizations granted by the Annual General Meeting of April 23, 2021			
Delegation of authority to increase the capital by capitalizing reserves, earnings or premiums (Resolution 14)	Within the limit of €50,000,000	Delegation of authority used by the Board of Directors' meetings of June 3, 2021, creating 5,198,840 new shares in the amount of €15,596,520	06/22/2023

(1) Included within the total ceiling of 10% of the share capital on the issue date (19th resolution of the 2020 AGM).

1.7 — 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).

In the context of the Covid-19 epidemic and the government measures implemented to limit or ban public gatherings for health reasons, the procedures for organizing and the participation of shareholders in the General Meeting of April 23, 2021 were adapted. On that basis this Meeting was held in closed session without the physical presence of the shareholders, proxyholders and other persons entitled to attend.

2 — Compensation of Directors and officers

2.1 — Compensation policy for corporate officers (6th and 7th resolutions of the AGM of April 29, 2022)

In accordance with the provisions of articles L 22-10-8 and R.22-10-14 of the French Commercial Code, the compensation policy for each corporate officer of the Company complies with the interest of the company, thus contributing to its long-term development and is in line with its commercial strategy as described in Part 1 "consolidated management report", Paragraph 1 "The company's business and strategy" of this Universal Registration Document.

The compensation policy for corporate officers is established by the Board of Directors in reference to principles and criteria defined in the Middlenext Code.

The Board of Directors ensures that these principles and criteria are also directly aligned with both the Company's strategy and the interests of shareholders, in order to support the Company's performance and competitiveness. It also henceforth takes into account the social and environmental issues relating to the Company's activity.

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, with 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, 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.

The determination, review and implementation of the compensation policy for each of the company's officers takes into account changes in compensation and employment conditions of the company's employees, and in particular the pay ratios presented in section 2.2.5, to ensure they remain coherent with those of company's senior executives and employees.

2.1.1 — Compensation policy for the Chairman-Chief Executive Officer or any other executive officer

The policy described below applies to the Chairman-CEO 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, for 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 below in paragraph 2.1.3. and receive compensation exclusively on this basis.

The compensation policy for the Chairman-CEO, in line with the Company's interest, is designed to ensure that the latter's total compensation is coherent with the Company's performance as described below in paragraph 2.2.5.

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:

2.1.1.1 — Variable and fixed compensation

— Fixed compensation

The fixed compensation of the Chairman-CEO is provided as consideration for the responsibilities associated with this type of corporate office.

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.

The fixed compensation, which is not subject to systematic annual increases, serves as a reference to determine the percentage of the annual variable compensation.

The Chairman-CEO's annual fixed compensation set by the Board of Directors on January 24, 2022 was €480,000, starting as of FY 2022. As the fixed remuneration of the Chairman-CEO has not been increased since 2020, and in view of the company's improved results for 2021, the Directors have decided to increase the fixed compensation by 2.5%.

— Annual variable compensation

Procedures for determining compensation

The Board of Directors ensures annually that the percentage of the Chairman-CEO's variable compensation is based on performance criteria that are precisely defined and sufficiently important relative to his fixed compensation.

This annual variable compensation is based on clearly defined, quantifiable and operational objectives and is contingent on the achievement of financial objectives on the one hand, and non-financial objectives on the other. This condition is set at a maximum of 100% of fixed compensation if the objectives are achieved, and a maximum of 120% if exceeded. This increase in the maximum amount compared with the previous year is intended to bring the Company in line with market standards and to give priority to annual variable compensation linked to the Group's performance.

Annual variable compensation of the Chairman-CEO shall be set and calculated according to the following criteria:

- 50% of the objectives based on the financial performances achieved by the Company in the period ended, and namely a target for consolidated revenue and consolidated operating profit, with each of these targets of equal parts in determining the percentage of variable compensation;
- 50% of the objectives based on non-financial objectives, precisely defined and directly linked to the growth strategy of the Company and its subsidiaries, relations with the brands and the development of a CSR and governance policy.

Criteria for annual variable compensation	2021	2022	Comments
Consolidated sales	25%	25%	No change
Consolidated operating profit	25%	25%	No change
External growth	10%	10%	No change
Oversight of subsidiaries	10%	10%	No change
Relationships with brands	10%	10%	No change
Development of a CSR & Governance strategy	10%	20%	Criteria for the development of CSR & Governance policy doubled for 2022
Rochas license contract management	10%	N/A	Criteria canceled as not significant for 2022
TOTAL	**100%**	**100%**	

The aforementioned annual financial targets are determined in reference to the annual budget approved by the Board of Directors. Each of the financial criteria is evaluated separately.

To this end, the Board of Directors examines these various objectives, their weighting and the expected levels of performance and sets for each objective:

- a minimum level of achievement triggering payment of the portion of the annual variable compensation for the corresponding indicator;
- a target level triggering payment of 100% for the corresponding variable compensation;
- a payment linked to each criteria capped at 120% of the target level.

Annual variable compensation is calculated and set by the Board of Directors after the close of the financial year to which it applies.

The degree of achievement expected for the financial and non-financial criteria has been 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.

Conditions for payment

As required by law, payment of components of annual variable compensation is subject to approval by the Annual General Meeting of the components of compensation paid in the period ended or granted for the same period to the interested party.

2.1.1.2 — Other compensation

— Multi-annual variable compensation

There are no plans for the payment of multi-year variable compensation.

— Exceptional compensation

The Board of Directors may decide to grant the Chairman-CEO exceptional compensation in light of specific circumstances. The amount of exceptional compensation thus granted may not exceed 20% of total annual fixed compensation.

As required by law, such exceptional compensation is subject to in any event approval by the Annual General Meeting of the components of compensation paid in the period ended or granted for the same period to the interested party.

— Performance share awards – stock options

The Chairman-CEO may be awarded 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.

The effective delivery of these restricted share units is subject to a condition, on the one hand, of presence within the company of the Chairman-CEO and, on the other hand, on the achievement of performance criteria for in particular consolidated revenue and operating income.

In addition, 20% of the restricted stock units awarded to the Chairman-CEO are subject to a lockup provision until the end of his term of office.

With regard to stock options (2022 stock options), the total options awarded to corporate officers subject to conditions over the period covered by the resolution of the shareholders' Meeting may not represent more than 1% of the share capital on the date of the Board of Directors' decision for the grant.

— Supplemental contribution pension plan

The Chairman-CEO benefits from a supplemental funded pension plan in the form of a life annuity, as described in paragraph 2.2.4.

— 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 compensation policy for Board members is based on an allocation reserved exclusively to outside non-executive Directors serving on the Board of Directors. The other Directors exercising executive functions expressly waived their entitlement to receive compensation.

The compensation of each Director shall be capped annually regardless of the number of Board and Committee meetings. An additional portion is allocated for participation in committees.

In addition, the criteria for distribution of the total annual amount to be allocated by the General Meeting to the members of the Board of Directors are also linked to the rate of attendance or actual participation of the Directors at Board and/or Committee meetings.

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 terms of the offices of the Company' corporate officers are presented above in paragraph 1.

The following table indicates existence of employment or service contracts with the company, the notice periods and termination conditions applicable thereto.

Officers of the Company	Frédéric Garcia-Pelayo	Philippe Santi
Office(s) exercised	Executive Vice President	Executive Vice President
Employment contract entered into with the company (specify its term)	Yes – permanent employment contract for the position of "Chief International Officer"	Yes – permanent employment contract for the position of "Chief Financial and Legal Officer"
Service agreements entered into with the Company	No	No
Notice periods	3 month notice period for salaried positions	
Conditions of termination	Termination of the office as provided by law and jurisprudence	

2.2 — Disclosures required by article L.22-10-9 of the French Commercial Code for each officer of the Company (8th resolution of the AGM of April 29, 2022)

It is specified that the total compensation of the Chairman-CEO and the Directors is in compliance with the compensation policy relating thereto as approved by the 9th and 10th resolutions of the Annual General Meeting of April 23, 2021. Readers are reminded that the Company's two Executive Vice Presidents *(Directeurs Généraux Délégués)* receive compensation exclusively on the basis of their employment contract.

2.2.1 — Summary of compensation, stock options and shares awarded to each executive officer

	Fiscal 2020	Fiscal 2021
Mr. Philippe Benacin – Chairman and Chief Executive Officer		
Compensation allocated for the year	€592,300	€618,800
Valuation of options granted in the period (Interparfums Inc. plan)	-	-
Valuation of multi-year variable compensation granted in the period	N/A	N/A
Valuation of performance shares granted in the period	-	-
Valuation of other long-term compensation plans	-	-

	Fiscal 2020	Fiscal 2021
Philippe Santi – Director – Executive Vice President		
Compensation allocated for the year	€664,750	€807,000
Valuation of options granted in the period (Interparfums Inc. plan)	-	-
Valuation of multi-year variable compensation granted in the period	N/A	N/A
Valuation of performance shares granted in the period	-	-
Valuation of other long-term compensation plans	-	-
Frédéric Garcia-Pelayo – Director – Executive Vice President		
Compensation allocated for the year	€674,300	€817,800
Valuation of options granted in the period (Interparfums Inc. plan)	-	-
Valuation of multi-year variable compensation granted in the period	N/A	N/A
Valuation of performance shares granted in the period	-	-
Valuation of other long-term compensation plans	-	-

No other compensation or benefits of any kind were granted to the Chairman-CEO and the Executive Vice Presidents in 2021 from controlled companies and the controlling company.

2.2.2 — Summary of compensation for each executive officer

	Fiscal 2020		Fiscal 2021	
	Compensation allocated for the year	Compensation paid during the year	Compensation allocated for the year	Compensation paid during the year
Mr. Philippe Benacin – Chairman and Chief Executive Officer				
Fixed compensation	€468,000	€468,000	€468,000	€468,000
Annual variable compensation	€113,500	€124,000	€140,000	€152,500
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation allocated on the basis of his office as Board member	-	-	-	-
Benefits in-kind	€10,800	€10,800	€10,800	€10,800
Total	**€592,300**	**€602,800**	**€618,800**	**€631,300**

	Fiscal 2020		Fiscal 2021	
	Compensation allocated for the year	Compensation paid during the year	Compensation allocated for the year	Compensation paid during the year
Philippe Santi – Director – Executive Vice President				
Fixed compensation	€408,000	€408,000	€408,000	€408,000
Annual variable compensation	€256,750	€298,500	€399,000	€307,750
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation allocated on the basis of his office as Board member	-	-	-	-
Benefits in-kind	-	-	-	-
Total	**€664,750**	**€706,500**	**€807,000**	**€715,750**
Frédéric Garcia-Pelayo – Director – Executive Vice President				
Fixed compensation	€408,000	€408,000	€408,000	€408,000
Annual variable compensation	€256,750	€298,500	€399,000	€307,750
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation allocated on the basis of his office as Board member	-	-	-	-
Benefits in-kind	€9,550	€9,550	€10,800	€10,800
Total	**€674,300**	**€716,050**	**€817,800**	**€726,550**

2.2.3 — Attendance' fees received by non-executive Directors

Non-executive officers	Compensation granted in 2020 and paid in 2021	Compensation granted in 2020 and paid in 2021 after approval by the 2021 AGM(1)	Compensation granted and paid in 2021 (advance)(2)	Compensation granted in 2021 and paid in 2022 (balance)	Total compensation granted in 2021
Maurice Alhadève	€33,600	€10,500	€3,900	€32,000	€35,900
Patrick Choël	€33,600	€10,500	€3,900	€32,000	€35,900
Dominique Cyrot	€33,600	€10,500	€3,900	€32,000	€35,900
Chantal Roos	€28,000	€8,750	€3,250	€24,000	€27,250
Marie-Ange Verdickt	€33,600	€10,500	€3,900	€32,000	€35,900
Véronique Gabaï-Pinsky	€28,000	€8,750	€3,250	€24,000	€27,250
Total	**€190,400**	**€59,500**	**€22,100**	**€176,000**	**€198,100**

(1) At the Annual General Meeting of April 23, 2021, in its eighth resolution shareholders voted to increase the total annual amount of compensation for members of the Board of Directors to €250,000, valid starting from the fiscal year 2020 and subsequent years, until a new decision to be issued by the Annual General Meeting.
(2) The Board of Directors meeting of April 23, 2021, noting on the one hand, the new methods of distribution for Directors' compensation in accordance with the compensation policy approved by the General Meeting of April 23, 2021 under the terms of its 9th resolution, and on the other hand, the maximum total compensation likely to be allocated to Directors for 2021 in the amount of €250,000, has decided on an exceptional basis and solely for fiscal 2021, to proceed with an interim payment to Directors.

This concerns solely compensation paid on the basis of their offices as Director.

Mr. Madar's compensation for his functions within Interparfums Inc. is presented in paragraph 2.4 point For information, Mr. Madar receives no compensation from InterparfumsSA.

2.2.4 — Summary of employment contracts, specific retirement benefits, severance benefits and non-compete clauses of executive officers

In accordance with Middlenext Code Recommendation 18, it is specified that the employment contracts for the Executive Vice Presidents are maintained in order to offer them the protections available thereunder predating their respective appointments as 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
Mr. 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, changes in compensation and performance

These ratios are calculated in compliance with article L.22-10-9 of the French Commercial Code for the purpose of complying with new requirements with respect to transparency regarding executive compensation.

The following summary presents, on the one hand, the ratio between the level of compensation of the Chairman-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 annual change in compensation, the company's performance and the average compensation on a full-time equivalent basis of the company's employees, other than executives, over the five most recent fiscal years.

	2017	2018	2019	2020	2021
Change in the Group's performance					
Sales *(€ millions)*	422.0	455.3	484.3	367.4	560.8
Change N/N-1	*15.4%*	*7.9%*	*6.4%*	*(24.1%)*	*52.6%*
Consolidated operating profit *(€ millions)*	60	66.2	73.1	46.9	98.9
Change N/N-1	*20.7%*	*10.3%*	*10.4%*	*(35.8%)*	*110.9%*
Change in compensation excluding corporate officers					
Average compensation of employees (excluding corporate officers)	€76,143	€82,612	€86,616	€81,982	€86,007
Change N/N-1	*2.4%*	*8.5%*	*4.8%*	*(5.4%)*	*4.9%*
Median compensation of employees (excluding corporate officers)	€58,370	€61,775	€62,875	€56,525	€60,500
Change N/N-1	*1.0%*	*5.8%*	*1.8%*	*(10.1%)*	*7.0%*
Changes and pay ratios for compensation of corporate officers					
Philippe Benacin – Chairman and Chief Executive Officer					
Gross compensation	€490,000	€591,000	€602,000	€592,000	€620,500
Change N/N-1	*(3.4%)*	*20.6%*	*1.9%*	*(1.7%)*	*4.8%*
Pay ratios on average compensation	6.44	7.15	6.95	7.22	7.21
Change N/N-1	*-3.38 points*	*+0.71 points*	*-0.20 points*	*+0.27 points*	*-0.01 points*
Pay ratios on median compensation	8.39	9.57	9.57	10.47	10.26
Change N/N-1	*-0.38 points*	*+1.18 points*	*+- points*	*+0.90 points*	*-0.21 points*
Philippe Santi – Executive Vice President					
Gross compensation	€666,000	€702,000	€727,500	€706,500	€715,750
Change N/N-1	*11.3%*	*5.4%*	*3.6%*	*(2.9%)*	*1.3%*
Pay ratios on average compensation	8.75	8.50	8.40	8.62	8.32
Change N/N-1	*+0.70 points*	*-0.25 points*	*-0.10 points*	*+0.22 points*	*-0.30 points*
Pay ratios on median compensation	11.41	11.36	11.57	12.50	11.83
Change N/N-1	*+1.06 points*	*-0.05 points*	*+0.21 points*	*+0.93 points*	*-0.67 points*
Frédéric Garcia-Pelayo – Executive Vice President					
Gross compensation	€666,000	€702,000	€727,500	€706,500	€715,750
Change N/N-1	*11.3%*	*5.4%*	*3.6%*	*(2.9%)*	*1.3%*
Pay ratios on average compensation	8.75	8.50	8.40	8.62	8.32
Change N/N-1	*+0.7 points*	*-0.25 points*	*-0.10 points*	*+0.22 points*	*-0.30 points*
Pay ratios on median compensation	11.41	11.36	11.57	12.50	11.83
Change N/N-1	*+1.06 points*	*-0.05 points*	*+0.21 points*	*+0.93 points*	*-0.67 points*

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 29, 2022)

At the Annual General Meeting of April 29, 2022, shareholders will be asked to approve the fixed, variable or exceptional components of total compensation and benefits of any kind paid in or granted for fiscal year 2021 to Mr. Philippe Benacin, Chairman-CEO.

After determining that 100% of the objectives set for Philippe Benacin for 2021 had been met, on January 24, 2022, the Board of Directors set the amount of variable annual compensation to be granted for fiscal 2021 at €140,000 in the following manner.

Criteria	Weight of criteria	Minimum (80%)	Objective (100%)	Maximum (120%)	Achieved objective	Corresponding amount *(in euros)*
2021 consolidated sales	25%	20%	25%	30%	30%	€37,500
2021 consolidated operating profit	25%	20%	25%	30%	30%	€37,500
External growth	10%	8%	10%	12%	8%	€10,000
Oversight of subsidiaries	10%	8%	10%	12%	10%	€12,500
Rochas license contract management	10%	8%	10%	12%	10%	€12,500
Relationships with brands	10%	8%	10%	12%	12%	€15,000
Development of a CSR & Governance strategy	10%	8%	10%	12%	12%	€15,000
Total	**100%**	**80%**	**100%**	**120%**	**112%**	**€140,000**

The Board of Directors set the fixed portion of the Chairman-CEO's compensation for fiscal 2021 and the 2021 target for the annual variable portion of his compensation, as well as the other components of compensation, as follows:

Components of compensation paid in or granted for fiscal 2021	Amounts or accounting valuations submitted to vote	Description
Fixed compensation	€468,000 Amount paid and granted	-
Annual variable compensation paid in fiscal 2021	€152,500 Amount to be paid after approval by the 2021 AGM	-
Annual variable compensation allocated for fiscal 2021	€140,000 Amount to be paid after approval by the 2022 AGM	See the table above providing a breakdown of annual variable compensation
Exceptional compensation	-	-
Bonus share issues	-	-
Stock option grant	-	-
Benefits of any nature	€10,800 Accounting valuation	Use of a company car

2.4 — Compensation of Jean Madar, a non-executive Director (administrateur non dirigeant) for fiscal 2021 (article L.22-10-9 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 2020	Fiscal 2021
Mr. Jean Madar – Director		
Compensation due for the year (Interparfums Inc.)	$1,230,000	$1,230,000
Valuation of options granted in the period (Interparfums Inc. Plan)	-	-
Valuation of multi-year variable compensation granted in the period	N/A	N/A
Valuation of performance shares granted in the period	-	-
Valuation of other long-term compensation plans	-	-

— Summary of compensation

	Fiscal 2020		Fiscal 2021	
	Compensation allocated for the year	Compensation paid during the year	Compensation allocated for the year	Compensation paid during the year
Mr. Jean Madar – Director				
Fixed compensation	$1,230,000	$1,230,000	$1,230,000	$1,230,000
Annual variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation allocated on the basis of his office as Board member	-	-	-	-
Benefits in-kind	-	-	-	-
Total	**$1,230,000**	**$1,230,000**	**$1,230,000**	**$1,230,000**

3 — Information relating to items having a potential impact in the event of a public offering (article L.225-10-11 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.

3.1 — Structure of the share capital of the company at December 31, 2021

	Shares held	% of capital	Theoretical voting rights	% of theoretical votes
Interparfums Holding SA	41,380,832	72.4%	82,761,655	83.8%
Other shareholders	15,618,897	27.3%	15,798,959	16.0%
Treasury shares	187,520	0.3%	187,520	0.2%
Total	**57,187,249**	**100.0%**	**98,748,134**	**100.0%**

To the Company's knowledge, no other shareholders 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.225-46 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.

3.2 — Powers of the Board of Directors – Implementation of the 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 of Directors are listed in the table presented above in paragraph 1.5.

3.3 — Restrictions under the bylaws to exercise voting rights and transfer shares or agreements brought to the attention of the company in application of article L.233-11 of the French Commercial Code

No restriction exists under the bylaws to exercise voting rights and transfer shares or agreements brought to the attention of the company in application of article L.233-11 of the French Commercial Code.

3.4 — List of the holders of any securities conferring special control rights and a description of those rights

There do not exist any holders of securities conferring special control rights. It is however specified that in application of article 11 of the Bylaws, fully paid up registered shares recorded in the name of the same shareholder for at least three years carry a double voting right.

3.5 — Control procedures provided for in the event of the existence of an employee stock ownership scheme with control rights not exercised by participating employers

No control procedure is provided for in the event of the existence of an employee stock ownership scheme.

3.6 — Agreements between shareholders known to the company that could result in restrictions on the transfer of shares and the exercise of voting rights

There are no agreements between shareholders known to the company that could result in restrictions on the transfer of shares and the exercise of voting rights.

3.7 — Rules governing the appointment and replacement of Board members and the modification of the company' bylaws

The appointment and replacement of Board members and the modification of the company's bylaws are governed by the applicable regulations in effect.

3.8 — Agreements entered into by the company that would change or terminate if there were a change in control of the company

There are no agreements entered into by the company that would change or terminate if there were a change in control of the company.

3.9 — Agreements providing for severance benefits for members of the Board of Directors or employees should they resign or be dismissed without genuine and serious cause or if their employment ceases because of a public tender bids or exchange offer

There are no agreements providing for severance benefits for members of the Board of Directors or employees should they resign or be dismissed without genuine and serious cause or if their employment ceases because of a public tender bid or exchange offer.

4 — Statutory Auditors' report on stock options and restricted stock unit awards

4.1 — 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 29, 2022 of transactions carried out in fiscal 2021 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, 2021.

— 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 2016	Plan 2017	Plan 2018-1	Plan 2018-2	Plan 2019
Grant date	12/30/2016	12/29/2017	01/19/2018	12/31/2018	12/31/2019
Subscription price	$32.83	$43.80	$46.90	$65.25	$73.09
Valuation of options granted (1)	$7.43	$9.89	$10.79	$14.66	$14.12
Options granted at inception					
Philippe Benacin	19,000	25,000	-	25,000	25,000
Jean Madar	19,000	25,000	-	25,000	25,000
Philippe Santi	6,000	6,000	4,000	10,000	10,000
Frédéric Garcia-Pelayo	6,000	6,000	4,000	10,000	10,000
Options outstanding at December 31, 2021					
Philippe Benacin	19,000	25,000	-	25,000	25,000
Jean Madar	19,000	25,000	-	25,000	25,000
Philippe Santi	1,200	2,400	1,600	6,000	8,000
Frédéric Garcia-Pelayo	1,200	2,400	1,600	6,000	8,000

(1) Valuation applied in the consolidated financial statements of Interparfums Inc. according to the Black-Scholes model.

No stock option plan was granted in 2021.

— Valuation of options granted

In 2020 and 2021, no Interparfums Inc. options have been granted.

In 2020 and 2021, no Interparfums SA options have been granted.

— Options exercised by each corporate officer of the company in 2021

	Number of options exercised	Subscription price	Expiration date
Interparfums Inc. options exercised in the period by officers			
Philippe Benacin			
Plan of December 31, 2015	19,000	$23.61	12/30/2021
Jean Madar			
Plan of December 31, 2015	19,000	$23.61	12/30/2021
Philippe Santi			
Plan of January 28, 2015	400	$25.82	02/27/2021
Plan of December 31, 2015	2,400	$23.61	12/31/2021
Plan of December 30, 2016	2,400	$32.83	12/30/2022
Plan of December 29, 2017	2,400	$43.80	12/29/2023
Plan of January 19, 2018	2,400	$46.90	01/18/2024
Plan of December 30, 2018	4,000	$65.25	12/30/2024
Plan of December 31, 2019	2,000	$73.09	12/30/2025
Frédéric Garcia-Pelayo			
Plan of January 28, 2015	400	$25.82	02/27/2021
Plan of December 31, 2015	2,400	$23.61	12/31/2021
Plan of December 30, 2016	2,400	$32.83	12/30/2022
Plan of December 29, 2017	2,400	$43.80	12/29/2023
Plan of January 19, 2018	2,400	$46.90	01/18/2024
Plan of December 30, 2018	4,000	$65.25	12/30/2024
Plan of December 31, 2019	2,000	$73.09	12/30/2025

— 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 2021

No stock option plan was in effect at December 31, 2021.

4.2 — 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 29, 2022 of transactions carried out by virtue of the provisions under articles L.225-197-1 to L.225-197-3 of said code.

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 2020 and 2021.

— Performance shares awarded by Interparfums[SA] under plans in force to each corporate officer in connection with operational responsibilities exercised in the company

	Plan 2018
Grant date	12/31/2018
Vesting date	06/30/2022
Share price on the grant date	€33.20 (1)
Number of shares awarded on inception	
Philippe Benacin	4,000
Jean Madar	4,000
Philippe Santi	4,000
Frédéric Garcia-Pelayo	4,000
Number of shares outstanding at December 31, 2021 (2)	
Philippe Benacin	5,324
Jean Madar	5,324
Philippe Santi	5,324
Frédéric Garcia-Pelayo	5,324

(1) The valuation of shares granted amounted to €29.84 for the 2018 plan in the consolidated financial statements.
(2) The number of shares outstanding is recalculated in order to take into account the bonus share issues of 2020 and 2021.

— Performance shares awarded by Interparfums[SA] to employees who are not executive officers of the company

	Plan 2018
Grant date	12/31/2018
Vesting date	06/30/2022
Share price on the grant date	€33.20 (1)
Number of shares awarded on inception	
Senior executives and managers (other than executive officers)	117,000
Other employees	27,000
Of which awards to the ten employees having received the highest number	28,000

(1) The valuation of shares granted amounted to €29.84 for the 2018 plan in the consolidated financial statements.

— Change in the number of performance shares of the 2018 plan for 2021

	Plan 2018		
	Senior executives and managers (1)	**Other employees**	**Total**
Existing at January 1, 2019	130,075	29,326	159,401
Adjusted for the bonus share issue of one new share for every ten shares held on June 16, 2021.	13,024	2,812	15,836
Canceled in 2021	(666)	(1,814)	(2,480)
Existing at December 31, 2021	**142,433**	**30,324**	**172,757**

(1) Excluding officers.

— Grant terms and conditions

Shares previously purchased by the company on the market are vested by their beneficiaries after a vesting period of 3 1/2 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.

5 Information on the company and its capital

1 — Statutory information on the company

1.1 — The company

1.1.1 — General information

Corporate name: Interparfums.

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

Website: www.interparfums.fr and www.interparfums-finance.fr.

Date of incorporation: April 05, 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.: 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 adiministré)* 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

At the present time, and given the evolution of the health situation, there are no plans for the adoption of measures to simplify and adapt conditions for General Meetings and meetings of governance bodies or legal entities under private law and other entities (along the lines of the emergency mechanism implemented by the French government on March 25, 2020 providing notably for the possibility of holding General Meetings in closed session).

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 €)*
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
2020	Bonus share issues	4,726,219	4,726,219	51,988,409	155,965,227
2021	**Bonus share issues**	**5,198,840**	**5,198,840**	**57,187,249**	**171,561,747**

As of December 31, 2021, Interparfums' capital was composed of 57,187,249 shares with a par value of €3.

2.2 — Authorized capital

The shareholders' Meeting of April 23, 2021 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 June 3, 2021 resulting in the creation of 5,198,840 new shares in the amount of €15,596,520.

2.3 — Ownership of Interparfums capital stock and voting rights

2.3.1 — Situation at December 31, 2021

	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	41,380,832	72.4%	82,761,655	83.8%	82,761,655	84.2%
French investors	2,686,928	4.7%	2,704,032	2.7%	2,704,032	2.8%
Foreign investors	9,575,930	16.7%	9,575,930	9.7%	9,575,930	9.7%
Individuals	3,030,413	5.3%	3,193,371	3.2%	3,193,371	3.3%
Employee shareholders	325,626	0.6%	337,570	0.3%	-	-
Treasury shares	187,520	0.3%	187,520	0.2%	-	-
Total	**57,187,249**	**100.0%**	**98,760,078**	**100.0%**	**98,234,988**	**100.0%**

Based on a survey of shareholder ownership, there were approximately 12,080 shareholders at December 31, 2021.

Excluding Interparfums Holding and treasury shares, the company's share capital breaks down as follows:

— 260 French institutional investors and mutual funds owning 4.7% of the capital stock (compared with 5.0% in 2020);
— 410 foreign investors owning 16.7% of the capital stock (compared with 15.8% in 2020);
— 11,410 individual shareholders (of which employee shareholders) holding 5.9% of the capital stock (compared with 6.5% in 2020).

To the Company's knowledge, no other shareholders 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

	2019	2020	2021
Interparfums Holding	72.4%	72.4%	72.4%
French investors	8.0%	5.0%	4.7%
Foreign investors	13.2%	15.8%	16.7%
Individuals	5.4%	5.6%	5.3%
Employee shareholders	0.5%	0.5%	0.6%
Treasury shares	0.5%	0.4%	0.3%
Total	**100.0%**	**100.0%**	**100.0%**

2.4 — Breakdown of Interparfums Holding's capital stock as of December 31, 2021

Interparfums Holding, whose sole equity holding is Interparfums, is itself wholly owned by Interparfums Inc., listed on NASDAQ in the United States with approximately 15,700 shareholders. As of December 31, 2021 it had the following ownership structure:

— Philippe Benacin and Jean Madar: 43.60%;
— free float: 56.40%.

2.5 — Dividend

Since 1998, Interparfums has been distinguished by a dividend policy designed to reward shareholders while at the same time associating them with the Group's expansion.

To partially compensate the absence of a dividend in 2020 (for FY 2019), the company decided to make a considerable effort in 2021 (for FY 2020) by offering a dividend of €0.55 per share representing nearly 95% of the prior's year's earnings.

In 2022, the Board of Directors will propose to the General Meeting the distribution of a dividend of €0.94 per share for the financial year ended December 31, 2021.

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 2021, 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	**2017**	**2018**	**2019**	**2020**	**2021**
Shares outstanding as of December 31	39,059,662	42,965,628	47,262,190	51,988,409	57,187,249
Market capitalization as of December 31 *(€m)*	1,350	1,450	1,749	2,233	4,203
High (1)	38.45	45.30	49.30	44.95	74.10
Low (1)	26.02	32.35	32.10	26.70	39.95
Average (1)	30.82	37.83	41.86	37.80	55.42
Year-end (1)	34.55	33.75	37.00	42.95	73.50
Average daily volume (1)	28,580	37,753	58,468	45,627	27,837
Earnings per share (1)	1.07	1.15	1.12	1.30	1.30
Dividend per share (1)	0.50	0.71	-	0.55	0.94
Average number of shares outstanding (2)	37,280,813	41,000,764	45,073,082	48,508,541	54,614,015

(1) Historical data (not restated for bonus share issues undertaken each year).
(2) Excluding treasury shares.

2.10 — Share price and trading activity trends since 2019

In euros	High	Low	Trading volume *(number of shares)* (1)	Trading value *(€ millions)* (1)
2019				
January	43.95	32.10	829,491	32,995
February	46.20	44.00	556,248	25,258
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	14,132
February	38.00	30.95	491,484	15,446
March	32.80	26.70	992,389	27,161
April	33.05	28.85	227,387	6,471
May	32.70	29.15	306,807	8,429
June	40.35	30.40	524,283	17,222
July	41.40	39.15	391,783	14,236
August	42.35	39.55	242,910	9,030
September	44.95	40.40	331,567	13,029
October	44.55	38.75	322,807	12,846
November	44.00	39.65	426,536	18,026
December	44.05	41.85	333,138	14,880
2021				
January	44.05	39.95	323,775	13,645
February	48.85	44.40	283,951	13,156
March	46.35	52.70	432,123	21,572
April	58.10	51.50	644,455	35,763
May	62.20	56.60	607,292	35,747
June	63.70	53.30	731,594	42,819
July	61.90	54.70	788,282	45,350
August	63.00	59.10	338,144	20,323
September	61.20	53.00	749,747	35,752
October	71.50	53.10	922,615	58,731
November	74.10	67.20	844,796	59,656
December	73.50	65.50	515,271	35,890
2022				
January	74.80	63.10	817,382	54,962
February	69.20	64.40	618,919	41,574

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 2019. 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 October 2020. 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 2021. This resulted in the automatic division of the share price from this date by 1.10.

6 Combined Ordinary and Extraordinary General Meeting of April 29, 2022

1 — Board of Directors' report – Presentation of resolutions to the Annual General Meeting

1.1 — Approval of the annual and consolidated financial statements for the period ended December 31, 2021 – 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, 2021 showing a profit of €59,801,199.62 and the consolidated financial statements for the period ended December 31, 2021 as presented, showing a profit (attributable to equity holders of the parent) of €71,095,000.

We also ask you to approve the total amount of disallowed deductions under article 39-4 of the French General Tax Code of €63,201 as well as the corresponding tax.

1.2 — 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 €59,801,199.62 as follows:

Inception	
Profit of the period	€59,801,199.62
Appropriation	
Legal reserve	€1,559,652.00
Dividends	€53,756,014.06
Retained earnings	€4,485,533.56

On that basis, the gross dividend reverting to each share would be €0.94.

For individuals with their tax residence in France, the dividend is subject to either, a flat tax *(prélèvement forfaitaire unique)* applied to the gross dividend of 12.8% (article 200 A of the French General Tax Code), or, taxation according to the progressive income taxed scale, after notably applying the 40% reduction (article 200 A, 13, and 158 of the French General Tax Code). This latter option must be expressly selected by the taxpayer which applies to all investment income and is irrevocable. The dividend is in addition subject to social charges of 17.2%.

The dividend payment date will be May 18, 2022 and the ex-rights date May 16, 2022.

In the event of a change in the number of shares conferring dividend rights in relation to the number of 57,187,249 shares comprising the share capital of December 31, 2021, the total amount of dividends will be adjusted in consequence and the amount allocated to "Retained earnings" will be determined on the basis of dividends actually paid.

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:

For the fiscal year	Distributions eligible for the tax basis reduction		Distributions not eligible for the tax basis reduction
	Dividends	Other distributions	
2018	€30,505,596 (1) or €0.71 per share	-	-
2019	-	-	-
2020	€28,593,624.90 (1) or €0.55 per share	-	-

(1) Including the unpaid amount of dividends relating to treasury shares and allocated to retained earnings.

1.3 — Approval of regulated agreements (fourth resolution)

1) We hereby request that you approve the new agreement entered into at the beginning of 2022 and duly authorized by the Board of Directors, of the same nature as those referred to in article L.225-38 of the French Commercial Code.

This agreement is a substitution agreement concluded for the purpose of substituting in favor of Interparfums the rights and obligations under the preliminary sales agreement *(promesse de vente)* signed by La Foncière du Rond Point, the terms of which are as follows:

- acquisition of a Property located 96 rue de l'Université 75007 Paris for the principal price of ONE MILLION FOUR HUNDRED AND TWENTY-FIVE THOUSAND EUROS (€1,425,000) payable in cash;
- repayment of the earnest money deposit to La Foncière du Rond Point, i.e. the sum of SEVENTY ONE THOUSAND TWO HUNDRED AND FIFTY EUROS (€71,250);
- payment of the commission relating to the mandate given under the Preliminary Sales Agreement for an amount of SIXTY THOUSAND EUROS (€60,000) including VAT.

Under this substitution agreement, no compensation is payable to Foncière du Rond Point.

It is also presented in the corresponding Statutory Auditors' Special Report to be presented to you at the General Meeting. Information on this agreement was published on the Company's website in accordance with regulations.

2) We also ask you to approve the following agreements, if any, of the type referred to in article L.225-38 of the French Commercial Code, previously authorized by your Board of Directors, but not yet been concluded as of the date of this report.

These agreements are substitution agreements not yet concluded for the benefit of Interparfums for the purpose of substituting it in the rights and obligations of two preliminary sales agreement *(promesse de vente)* signed by La Foncière du Rond Point subject to the following terms :

— For the first preliminary sales agreement which is the subject of the first substitution agreement:

  – acquisition of a Property located 96 rue de l'Université 75007 Paris for the principal price of THREE MILLION ONE HUNDRED AND THIRTY THOUSAND EUROS (€3,130,000) payable in cash;
  – repayment of the earnest money deposit to La Foncière du Rond Point, i.e. ONE HUNDRED AND FIFTY-SIX THOUSAND FIVE HUNDRED EUROS (€156,500);
  – payment of the commission relating to the mandate given under the Preliminary Sales Agreement for an amount of ONE HUNDRED AND TWENTY THOUSAND EUROS (€120,000) including VAT.

Under this substitution agreement, no compensation is payable to Foncière du Rond Point.

— For the second preliminary sales agreement which is the subject of the second substitution agreement:

  – acquisition of a Property located 96 rue de l'Université 75007 Paris for the principal price of FOUR MILLION EIGHTY THOUSAND EUROS (€4,080,000) payable in cash;
  – repayment of the earnest money deposit to La Foncière du Rond Point, i.e. TWO HUNDRED AND FOUR THOUSAND EUROS (€204,000).

Under this substitution agreement, no compensation is payable to Foncière du Rond Point.

These Substitution Agreements are also presented in the special report of the Statutory Auditors relating thereto, which will be presented to you at the General Meeting, it being specified that the shareholders will be notified as soon as these agreements are concluded by a notice published on the Company's website in accordance with regulations.

1.4 — Proposal for the appointment of a new Director (fifth resolution)

We propose that you appoint Ms. Constance Benqué as a Director for a term of four years, expiring at the close of the General Meeting to be held in 2026 to approve the financial statements for the previous fiscal year, as a new member of the current Board of Directors.

— Independence and gender balance

We inform you that the Board of Directors, considers that Constance Benqué 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 Ms. Constance Benqué is provided in Part 4, Chapter 1.3.6, of the 2021 Universal Registration Document.

Should you approve this proposal of appointment:

— the Board would thus be increased from 10 to 11 members;
— the Board will continue to include five 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 would be increased to 45%, thus meeting the requirements of the law;
— the percentage of international members of the Board will be 10%, with two nationalities represented.

1.5 — Say on Pay (sixth to ninth resolutions)

In accordance with the provisions of L.22-10-8 of the French Commercial Code, it is proposed to the shareholders:

— by the 6th resolution to approve the compensation policy for the Chairman-CEO or any other executive officer;
— by the 7th resolution, to approve the compensation policy for members of the Board of Directors.

The compensation policy of members of the Board of Directors, the Chairman-CEO and/or any other corporate officer is presented in the report on corporate governance included in Part 4, Chapter 2.1 of the 2021 Universal Registration Document.

In accordance with the provisions of article L.22-10-34 I 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 point I of article L.22-10-9 of the French Commercial Code, presented in the report on corporate governance included Part 4, Chapter 2.2, of the 2021 Universal Registration Document.

By the vote of the 9th resolution, in accordance with the provisions of article L.22-10-34 II 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 are subject to approval of the shareholders.

These components of compensation are presented in the report on corporate governance included in Part 4, Chapter 2.3 of the 2021 registration document.

1.6 — 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 treasury shares (twelfth 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 such times as it shall determine, shares in the company up to a maximum number that may not represent more than 2.5% of the number of shares comprising the share capital on the date of this Meeting, and where applicable adjusted to take into account increases or reductions therein that may occur while the share buyback authorization is in force.

This authorization will cancel the authorization granted to the Board of Directors by the 13th ordinary resolution of the General Meeting of April 23, 2021.

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 by 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 possible mergers, spin-offs, contributions or acquisitions;
— ensuring sufficient shares are available for stock option and/or restricted share award *("attribution d'actions gratuites*" or bonus share) plans (or equivalent plans) for the benefit of employees and/or corporate officers of the Group, including economic interest groups or affiliated companies, 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, it being specified that the Board may not, without the prior authorization of the General Meeting, make use of this authorization during the period of a public tender offer initiated by a third party for the company's shares and up until the end of the offer period.

The company does not intend to make use of options or derivatives.

We propose that the maximum purchase price be set at €125 per share and in consequence the maximum amount of the program at €178,710,125.

In light of the objective to cancel shares, under the terms of the 12th resolution, 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 repurchase, and to reduce the share capital by the corresponding amount in compliance with applicable laws and regulations.

The Board of Directors shall be vested with all necessary powers to carry out all that is required for this purpose, while specifying that the Board that may not, without the prior authorization of the General Meeting, make use of this authorization from the moment a third party makes a public tender offer for the company's shares up until the end of the offer period.

1.7 — Ratification of the transfer of the registered office (eleventh resolution)

We ask you to ratify the transfer of the registered office of the company, decided by the Board of Directors on March 1, 2022, from 4 Rond Point des Champs-Élysées 75008 Paris to 10 rue de Solférino 75007 Paris as of March 28, 2022.

1.8 — Delegations of authority and financial authorizations (thirteenth to twenty-first resolutions)

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 this reason it is requested that you renew the delegations of authority and financial authorizations which are expiring.

In the list of delegations of authority and authorizations in progress, you will find in Part 4, Paragraph 1.6 of the 2021 registration document, a summary of the delegations of authority and authorizations granted to the Board of Directors by your General Meeting and their use.

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.

1.8.1 — 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' preferential 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 securities giving access to the share capital and/or debt securities.

1.8.1.1 — Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities giving access to the share capital (of the company or a group company) and/or debt securities, with preferential subscription rights (thirteenth 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 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 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 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 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.

Equity warrants of the Company may be issued out by means of 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.

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.

The Board of Directors may not, without the prior authorization of the General Meeting, make use of this delegation of authority from the moment a third party makes a public tender offer for the company's shares up until the end of the offer period.

This delegation of authority will supersede and cancel, for the unused portion, as applicable, any prior delegation of authority having the same purpose.

1.8.1.2 — Delegations of authority providing for the cancellation of preferential subscription rights

1.8.1.2.1 — Delegation of authority to the Board of Directors to issue ordinary shares and/or securities giving access to the capital (of the company or of a Group company) and/or to debt securities, with cancellation of the preferential subscription right, by way of a public offer (excluding offers referred to in paragraph 1 of article L.411-2 of the French Monetary and Financial Code) and/or as consideration for securities in the context of a public exchange offer (fourteenth 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 and/or as consideration for securities in the context of a public exchange offer.

The preferential subscription rights of shareholders to ordinary shares and/or securities giving access to the share capital and or debt securities 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 5.25% of the share capital existing on the date of this meeting.

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 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 (nineteenth resolution).

The total nominal amount of debt securities of the company that may be issued by virtue of this authority may not exceed €50,000,000.

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.22-10-32 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 5%.

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.

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 applicable, 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.

The Board of Directors may not, without the prior authorization of the General Meeting, make use of this delegation of authority from the moment a third party makes a public tender offer for the company's shares up until the end of the offer period.

This delegation of authority will supersede and cancel, for the unused portion, as applicable, any prior delegation of authority having the same purpose.

1.8.1.2.2 — Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities giving access to the share capital and/or rights to debt securities, canceling shareholders' preferential subscription rights by a private placement (fifteenth 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 and/or debt securities will be canceled.

The total nominal amount of ordinary shares that may be issued may not exceed €9,000,000 representing approximately 5.25% 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 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 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 (nineteenth 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.

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.22-10-32 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 5%.

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.

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.

The Board of Directors may not, without the prior authorization of the General Meeting, make use of this delegation of authority from the moment a third party makes a public tender offer for the company's shares up until the end of the offer period.

This delegation of authority will supersede and cancel, for the unused portion, as applicable, any prior delegation of authority having the same purpose.

1.8.1.2.3 — 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 Meeting (sixteenth resolution)

We propose, in accordance with the provisions of article L.22-10-52, 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 (14th and 15th resolutions) subject to the provisions of article L.22-10-52, subsection 2 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 issue, minus, as applicable, a discount of up to 5%;
- or the average trading price for three consecutive days selected from within a period of the last 30 trading days preceding the price fixing, minus a possible discount of up to 5%.

This derogatory pricing rule could offer the Board certain flexibility in determining the reference period when setting the issue price according to the nature of the corporate action, the market situation and the average of reference price.

This authorization will supersedes and cancel any prior authorization having the same purpose.

1.8.1.3 — Authorization to increase the amount of issues (seventeenth resolution)

We propose, within the framework of the aforementioned delegations of authority for maintaining and canceling the preferential subscription rights (13^{th} to 14^{th} 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.

1.9 — 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 opposing 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 grant without consideration to beneficiaries 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 reserves, earnings or additional paid-in capital for the payment of said shares.

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 for the maximum nominal amount of ordinary shares that may be issued, set at 10% of the share capital on the issue date (nineteenth resolution).

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 the rights of holders or securities giving access to the Company's capital.

This delegation of authority 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 less by more than 30% or 40%, 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 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.

1.10 — Overall limit of the maximum aggregate amount of delegations of authority provided for in the fourteenth, fifteenth and eighteenth resolutions of this 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, by virtue of the delegations of authority providing for the cancellation of preferential subscription rights submitted to this Meeting (fourteenth, fifteenth 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 the rights of holders or rights or securities giving access to the company's capital.

1.11 — Authorization to be given to the Board of Directors for stock option awards and/or to employees or selected corporate officers (twentieth resolution)

We propose that you authorize your Board of Directors for a new period of 38 months, in accordance with the provisions of articles L.225-177 to L.225-185, L.22-10-56 and L.22-10-57 of the French Commercial Code, to grant, on one or more occasions options to subscribe for and/or purchase shares for the benefit of employees, or certain categories thereof and/or corporate officers defined by law, of the company and affiliated companies or economic interest groups according to the provisions of article L.225-180 of the French Commercial Code.

The maximum number of options that may be granted by the Board of Directors under this authorization may not give a right to subscribe for or purchase a number of shares exceeding 0.5% of the share capital existing on the date of the grant by the Board of Directors.

The subscription and/or purchase price for the shares for beneficiaries would be set on the day the options are granted by the Board of Directors and shall at least equal the average trading price for the Interparfums share over the twenty trading sessions preceding the date the option is granted, and may not be less than 80% of the average purchase price for shares held by the company for purchases made in the conditions provided for by articles L.225-208 and L.22-10-62 of the French Commercial Code or options to purchase shares only.

No option may be granted during blackout periods provided for by regulations.

The term of the options set by the Board of Directors may not exceed a period of five years from their grant date.

In consequence, your Board of Directors will possess, within the limits set above, all powers to set the other terms and conditions for the grant of options and their exercise, and notably for setting the conditions according to which the options shall be granted and the list or categories of beneficiaries as provided for above, set the period or periods for exercising the options thus granted, perform or have performed all measures and formalities to record the completion of the capital increase(s) that may be undertaken, amend the bylaws in consequence and, in general, undertake everything that is necessary.

1.12 — Authorization to be given to the Board of Directors to proceed with restricted share awards (actions gratuites or bonus shares) to be granted from existing shares and/or new shares to employees or selected corporate officers (twenty-first resolution)

You are asked to renew, for a period of 38 months, the authorization to grant restricted stock units, on one or more occasions, in accordance with articles L.225-197-1, L.225-197-2 and L.22-10-59 of the French Commercial Code, to the following beneficiaries:

— employees or selected categories thereof of the company or companies or economic interest groups directly or indirectly related to it within the meaning of article L.225-197-2 of the French Commercial Code;
— corporate officers fulfilling the conditions of article L.225-197-1 of the French Commercial Code.

The number of shares able to be granted may not exceed 0.5% of the share capital on the grant date by the Board of Directors, whereby the total number shares thus defined does not take into account the nominal amount of the capital increase required to preserve the rights of beneficiaries of restricted stock awards (bonus shares) in the event of corporate actions involving the Company's capital during the vesting period.

Shares granted to beneficiaries would be fully vested after a vesting period to be set by the Board of Directors which may not be less than one year.

The beneficiaries must, as applicable, hold their shares for a period set by the Board of Directors, that is at least equal to the vesting period and, as applicable, the holding period, combined which may not be less than two years.

By way of exception, shares granted will become fully vested before the end of this vesting period in the case of disability of the beneficiary falling under the second or third categories provided for in article L.341-4 of the French social security code *(code de la sécurité sociale)*.

This authorization constitutes waiver by operation of law of your preferential subscription right to the new shares issued through the capitalization of reserves, additional paid-in capital and earnings.

On that basis, your Board of Directors, within the limits set above, will benefit from all powers to:

— set the terms and conditions and, as applicable, the criteria for share grants;
— determine the identity of the beneficiaries of share awards from among the persons fulfilling the conditions set above as well as the number of shares reverting to each;
— as applicable, ensure the existence of sufficient reserves and with each grant, transfer to restricted reserves the amounts required for the payment of the new shares to be granted;
— decide to proceed with the capital increase(s) by the capitalization of reserves, additional paid-in capital or earnings corresponding to the issue of new shares thus granted;
— acquire shares required through the share repurchase program and allocate them to the share plan;

— determine the impacts on the rights of beneficiaries of transactions modifying the capital or which might affect the value of the shares granted, and carried out during the vesting periods;
— take all necessary measures to impose or not an obligation to hold the shares and ensure compliance therewith as applicable;
— and generally, in accordance with the laws in force, take all steps necessary to implement this authorization.

This authorization will supersede and cancel on the date of the Meeting, for the unused portion, as applicable, any prior delegation of authority having the same purpose.

The Board of Directors invites you to vote in favor the resolutions which have been submitted to you.

2 — Draft resolutions – Combined Ordinary and extraordinary general Meeting of April 29, 2022

Ordinary resolutions

— **First resolution**
Approval of the annual financial statements for the period ended December 31, 2021, 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, 2021, approve the financial statements as presented showing on this date net income of €59,801,199.62.

The shareholders furthermore approve the total amount of disallowed deductions under article 39-4 of the French General Tax Code of €63,201 as well as the corresponding tax.

— **Second resolution**
Approval of the consolidated financial statements for the period ended December 31, 2021

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, 2021, approve these financial statements as presented showing on this date a net profit (attributable to equity holders of the parent) of €71,095,000.

— **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, 2021 as follows:

Inception	
Profit of the period	€59,801,199.62
Appropriation	
Legal reserve	€1,559,652.00
Dividends	€53,756,014.06
Retained earnings	€4,485,533.56

The shareholders note for the record a total gross dividend reverting to each share of €0.94.

For individuals with their tax residence in France, the dividend is subject to either, a flat tax *(prélèvement forfaitaire unique)* applied to the gross dividend of 12.8% (article 200 A of the French General Tax Code), or, taxation according to the progressive income taxed scale, after notably applying the 40% reduction (article 200 A, 13, and158 of the French General Tax Code). This latter option must be expressly selected by the taxpayer which applies to all investment income and is irrevocable. The dividend is in addition subject to social charges of 17.2%.

The ex-dividend date will be May 16, 2022 and the dividend payment date May 18, 2022.

In the event of a change in the number of shares conferring dividend rights in relation to the number of 57,187,249 shares comprising the share capital of December 31, 2021, the total amount of dividends will be adjusted in consequence and the amount allocated to "Retained earnings" will be determined on the basis of dividends actually paid.

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		Distributions not eligible for the tax basis reduction
For the fiscal year	**Dividends**	**Other distributions**	
2018	€30,505,596 (1) or €0.71 per share	-	-
2019	-	-	-
2020	€28,593,624.90 (1) or €0.55 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 the approval of these agreements

Having considered the Statutory Auditors' special report on regulated agreements as presented, the General Meeting approves the new agreements referred to therein.

— **Resolution five**
Appointment of Ms. Constance Benqué as Director

The shareholders decide to appoint Constance Benqué as a new member of the Board of Directors for a term of four years expiring at the end of the Annual General Meeting that will be called in 2026 to approve the financial statements for the fiscal year ended.

— **Sixth 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.22-10-8 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 Part 4, paragraph 2.1 of the 2021 Universal Registration Document and espacially Paragraph 2.1.1.

— **Seventh resolution**
Approval of the Directors' compensation policy

The shareholders, ruling in accordance with article L.22-10-8 of the French Commercial Code, approve the compensation policy for Directors presented in the report on corporate governance included in Part 4, Paragraph 2.1 of the 2021 Universal Registration Document and espacially Paragraph 2.1.2.

— **Eighth resolution**
Persons referred to I of article L.22-10-9 of the French Commercial Code *(code de commerce)*

The shareholders, ruling in accordance with article L.22-10-34 I of the French Commercial Code, approve the information covered by article L.22-10-9 of the French Commercial Code mentioned in the report on corporate governance included in Part 4, paragraph 2.2 of the 2021 Universal Registration Document.

— **Ninth resolution**
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

The shareholders, ruling in accordance with article L.22-10-34 II 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 included in Part 4, paragraph 2.3 of the 2021 Universal Registration Document.

— **Tenth resolution**
Authorization to be granted to the Board of Directors to allow the company to purchase its own shares within the framework of article L.22-10-62 of the French Commercial Code

The shareholders, after considering the Board of Directors' report, grant the latter an authorization for eighteen months in accordance with the provisions of articles L.22-10-62 *et seq.* and L.225-210 *et seq.* of the French Commercial Code, to purchase, on one or more occasions at times of its choosing shares in the company up to a maximum number that may not represent more than 2.5% the number of shares comprising the share capital on the date of this Meeting, and 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 thirteenth ordinary resolution of the General Meeting of April 23, 2021.

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 by 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 possible mergers, spin-offs, contributions or acquisitions;
— ensuring sufficient shares are available for stock option and/or restricted share award *("attribution d'actions gratuites*" or bonus share) plans (or equivalent plans) for the benefit of employees and/or corporate officers of the Group, including economic interest groups or affiliated companies, 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, including economic interest groups or affiliated companies;
— 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, it being specified that the Board may not, without the prior authorization of the General Meeting, make use of this authorization during the period of a public tender offer initiated by a third party for the company's shares and up until the end of the offer period.

The company does not intend to make use of options or derivatives.

The maximum purchase price is €125 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 €178,710,125.

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.

— **Eleventh resolution**
Ratification of the transfer of the registered office from 4 rond-point des Champs-Élysées – 75008 Paris to 10 rue de Solférino 75007 Paris

The shareholders, after considering the report of the Board of Directors, expressly ratifies the decision taken by the Board of Directors in its meeting of March 1, 2022 to transfer the registered office from 4 rond-point des Champs-Élysées – 75008 Paris to 10 rue de Solférino 75007 Paris with effect from March 28, 2022.

Extraordinary resolutions

— **Twelfth resolution**
Authorization to be granted to the Board of Directors to cancel own shares held by the company and notably those purchased under the terms of article L.22-10-62 of the French Commercial Code

The shareholders, pursuant to articles L.225-204 and L.22-10-62 of the French Commercial Code, after considering the Board of Directors' report and the Auditors' report:

3) 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, notably, pursuant to share buybacks undertaken in accordance with article L.22-10-62 of the French Commercial Code, or any other means, as well as reduce the share capital by the corresponding amount in compliance with applicable laws and regulations;

4) set the period of validity of this delegation of authority at twenty-four months from the date of this meeting;

5) resolve that Board of Directors may not, without the prior authorization of the General Meeting, make use of this authorization from the moment a third party makes a public tender offer for the company's shares up until the end of the offer period;

6) 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.

— **Thirteenth resolution**
Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities giving access to the share capital (of the company or a group company) and/or debt securities, with 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.*:

— 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:

  – ordinary shares,
  – and/or securities giving access to the share capital and/or debt securities.

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:

1) set the duration for this authorization provided for under this resolution at twenty-six months from the date of this meeting;

2) 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 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;

3) 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 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;

4) decide that the issues 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;
5) 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;
6) resolve that Board of Directors may not, without the prior authorization of the General Meeting, make use of this delegation of authority from the moment a third party makes a public tender offer for the company's shares up until the end of the offer period;
7) duly note that this authorization supersedes and cancels, for the unused portion, as applicable, any prior authorization having the same purpose.

— **Fourteenth resolution**
Delegation of authority to the Board of Directors to issue ordinary shares and/or securities giving access to the capital (of the company or of a Group company) and/or to debt securities, with cancellation of the preferential subscription right, by way of a public offering (excluding offers referred to paragraph 1 in article L.411-2 of the French Monetary and Financial Code) and/or as consideration for securities in the context of 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.22-10-51, L.22-10-52, L.22-10-54 and L.228-92:

— 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 securities giving access to the share capital and/or debt securities.

  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.22-10-54 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:

1) set the duration for this authorization provided for under this resolution at twenty-six months from the date of this meeting;
2) 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 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 that may be issued under the nineteenth resolution.

   The 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 is independent of all other limits on the nominal amount of debt securities provided by the other resolutions of this Meeting;
3) 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;
4) 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 at least equal the weighted average price of the last three trading sessions preceding the offer, minus, as applicable, a maximum discount of 5%;
5) 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.22-10-54 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;

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) resolve that the Board of Directors may not, without the prior authorization of the General Meeting, make use of this delegation of authority from the moment a third party makes a public tender offer for the company's shares up until the end of the offer period;

9) duly note that this authorization supersedes and cancels, for the unused portion, as applicable, any prior authorization having the same purpose.

— **Fifteenth resolution**
Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities giving access to the share capital (of the company or of a group company) and/or rights to debt securities, suspending shareholders' preferential description rights through an offering referred to in 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.2225-136, L.222-10-52, and L.2228-92:

— 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 securities granting entitlement to the allocation of debt securities.

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:

1) set the duration for this authorization provided for under this resolution at twenty-six months from the date of this meeting;

2) the total nominal amount of ordinary shares that may be issued under this resolution may not exceed €9,000,000, 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 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 under the nineteenth resolution.

   The total nominal amount of debt securities of the company that may be issued by virtue of this authority may not exceed €15 million.

   This limit is independent of all other limits on the nominal amount of debt securities provided by the other resolutions of this Meeting;

3) 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;

4) 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 at least equal the weighted average price of the last three trading sessions preceding the offer, minus, as applicable, a maximum discount of 5%;

5) 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;

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, 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) resolve that the Board of Directors may not, without the prior authorization of the General Meeting, make use of this delegation of authority from the moment a third party makes a public tender offer for the company's shares up until the end of the offer period;

8) duly note that this authorization supersedes and cancels, for the unused portion, as applicable, any prior authorization having the same purpose.

— **Sixteenth 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.22-10-52, 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 fourteenth and fifteenth resolutions, subject to the provisions of article L.22-10-52 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 issue, minus, as applicable, a discount of up to 5%;
— or the average trading price for three consecutive days selected from within a period of the last 30 trading days preceding the price fixing, minus a possible discount of up to 5%.

— **Seventeenth 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 decided in application of the thirteenth to fifteenth 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.

— **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, 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 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 and securities 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 shall be included within the overall limit concerning the maximum nominal amount of ordinary shares that may be issued under the nineteenth 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 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 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 authorization supersedes and cancels, for the unused portion, as applicable, any prior authorization 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 fourteenth, fifteenth and eighteenth resolutions of this 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 fourteenth, fifteenth 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 the rights of holders of rights or securities giving access to the Company's capital.

— **Twentieth resolution**
Authorization to be given to the Board of Directors for stock option awards to employees (and/or selected corporate officers)

The shareholders, after considering the Board of Directors' report and the Auditors' special report:

1) authorize the Board of Directors within the framework of the provisions of articles L.225-177 to L.225-185, L.22-10-56 and L.22-10-57 of the French Commercial Code, to grant, on one or more occasions, for the benefit of the beneficiaries indicated below, stock options conferring rights to subscribe for new shares of the Company to be issued in connection with a capital increase or to purchase existing shares of the Company originating from a share buyback program according to the conditions provided for by law;

2) set the period of validity for this delegation of authority at thirty-eight months from the date of this General Meeting;

3) decide that the beneficiaries of these options shall include only:

   – on the one hand, employees or selected employees, or certain categories thereof, of the company and, as applicable, affiliated companies or an economic interest group according to the provisions of article L.225-180 of the French Commercial Code,
   – and, on the other hand, corporate officers fulfilling the conditions set forth in article L.225-185 of the French Commercial Code;

4) the maximum number of options that may be granted by the Board of Directors under this authorization may not give a right to subscribe for or purchase a number of shares exceeding 0.5% of the share capital existing on the grant date.

   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 option grantees in the event of a corporate action by the Company;

5) decide that the subscription and/or purchase price of the shares for beneficiaries shall be set on the day the options are granted and shall at least equal the average trading price for the Interparfums share over the twenty trading sessions preceding the date the option is granted, without being less than 80% of the average purchase price for shares held by the company for purchases made in the conditions provided for by articles L.225-208 and L.22-10-62 of the French Commercial Code or options to purchase shares only;

6) decide that no option may be granted during blackout periods provided for by regulations;

7) duly note that this authorization entails express waiver by shareholders in favor of beneficiaries of options of their pre-emptive subscription rights to subscribe for new shares that will be issued as the options are exercised;

8) grant the Board of Directors all powers to set the other conditions and procedures granting stock options and their exercise and in particular to:

   – set the conditions according to which the options shall be granted and determine the list or categories of beneficiaries as provided for above; set, as applicable the conditions of seniority and performance to be fulfilled by these beneficiaries; decide the conditions according to which the price and number of shares may be adjusted, in particular in the scenarios provided for by articles R.225-137 to R.225-142 of the French Commercial Code,
   – set the period or periods for exercising the options thus granted, it being specified that the term of the options may not exceed a period of five years from their grant date,
   – provide for the option of temporarily suspending the exercise of options for a period not to exceed three months in the case of capital transactions involving the exercise of rights attached to shares,
   – as applicable, acquire shares required through the share repurchase program and allocate them to the stock option plan,
   – perform or have performed all measures and formalities to record the completion of the capital increase(s) that may be undertaken by virtue of the authorization, amend the bylaws in consequence and, in general, undertake everything that is necessary,
   – at its sole discretion if it so deems appropriate, charge issuance costs resulting from capital increases to the corresponding premium and deduct from such premiums amounts necessary to bring the legal reserve in line with one tenth of new amount of equity after each increase;

9) duly note that this authorization supersedes and cancels, for the unused portion, as applicable, any prior authorization having the same purpose.

— **Twenty-first resolution**
Authorization to be granted to the Board of Directors to grant restricted shares without consideration (bonus shares) to salaried employees and/or selected corporate officers

The shareholders, after having considered the Board of Directors' report and the Auditors' special report, authorize the Board of Directors to, on one or more occasions, in accordance with the provisions of article L.225-197-1, L.225-197-2 and L.22-10-59 of the French Commercial Code, grant ordinary shares of the company, existing or to be issued, to the benefit of:

- employees of the Company or companies or economic interest groups directly or indirectly related to it within the meaning of article L.225-197-2 of the French Commercial Code;
- and/or corporate officers fulfilling the conditions set forth in article L.225-197-1 of the French Commercial Code.

The total number of restricted share units *(actions gratuites)* granted under this authorization may not exceed 0.5% of the share capital on the date of the grant decision. This limit may be increased, where applicable, by the nominal amount of the capital increase required to preserve the rights of the beneficiaries of restricted share units in the event of corporate actions involving the Company's capital during the vesting period.

Shares granted to beneficiaries will be fully vested after a vesting period to be set by the Board of Directors which may not be less than one year.

The beneficiaries will, as applicable, hold their shares for a period set by the Board of Directors, that is at least equal to the vesting period and, as applicable, the holding period, combined which may not be less than two years.

By way of exception, shares granted will be fully vested before the end of this vesting period in the cases of disability of the beneficiary falling under the second and third categories provided for in article L.341-4 of the French social security code *(code de la sécurité sociale)*.

All powers are granted to the Board of Directors to:

- set the terms and conditions and, as applicable, the criteria for final allotment of shares;
- determine the identity of the beneficiaries as well as the number of shares granted to each;
- as applicable:
  - ensure the existence of sufficient reserves and with each grant, transfer to restricted reserves the amount required for the payment of the new shares to be granted,
  - decide, when the time comes, to proceed with the capital increase(s) by the capitalization of reserves, additional paid-in capital or earnings corresponding to the issue of new shares thus granted,
  - acquire shares required through the share repurchase program and allocate them to the share plan;
- determine the effects on the rights of beneficiaries, of corporate actions modifying the capital or potentially affecting the value of the shares granted and carried out during the vesting period and, in consequence, modify or adjust as necessary the number of shares granted to preserve the rights of beneficiaries;
- decide to set or not set a holding period at the end of the vesting period and, as applicable, determine the length of the period and take all necessary measures to ensure compliance therewith by the beneficiaries;
- and generally, in accordance with the laws in force, take all steps necessary to implement this authorization.

This authorization constitutes waiver by operation of law by the shareholders of their preferential subscription right to the new shares issued through the capitalization of reserves, additional paid-in capital and earnings.

It is granted for thirty-eight months from the date of this meeting.

This authorization of authority, effective today, supersedes and cancels, for the unused portion, as applicable, any prior authorization having the same purpose.

— **Twenty-second resolution**
Powers for formalities

All powers are granted to the bearer of copies or extracts of the minutes thereof to perform all legal formalities required by law.

7 Group organization

Interparfums^{SA} and its subsidiaries

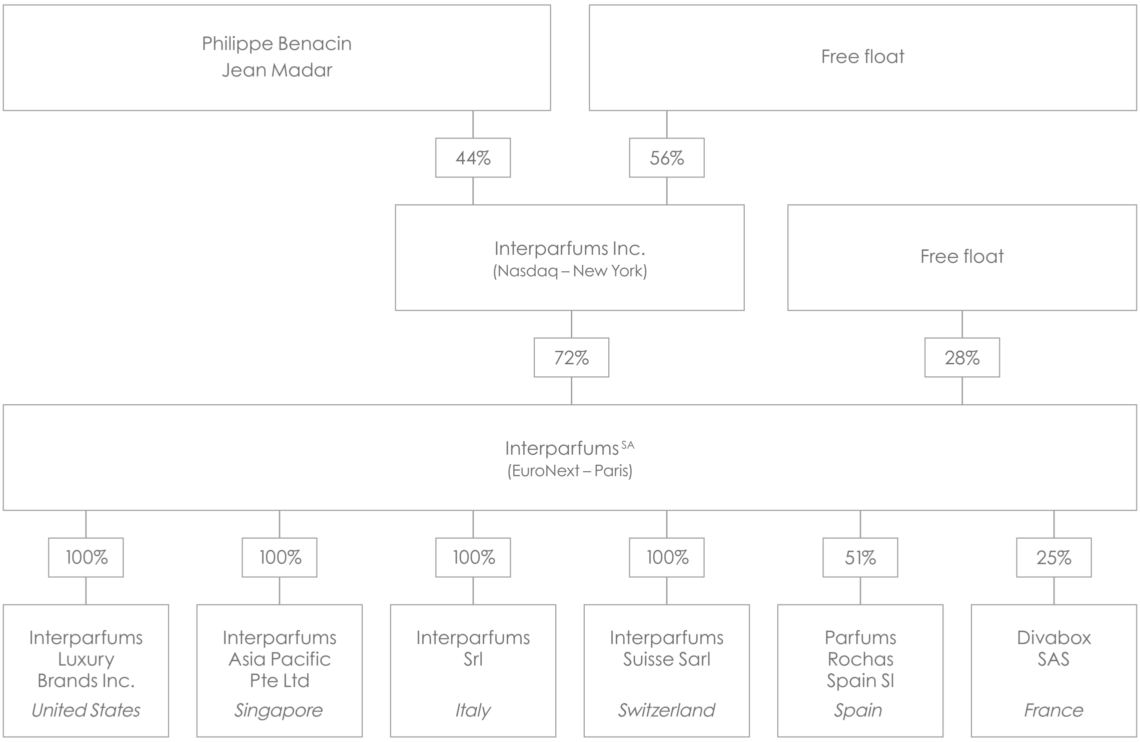
Commercial operations are conducted largely through Interparfums^{SA}. As part of its development, Interparfums created a wholly-owned subsidiary in Switzerland, Interparfums Suisse Sarl. This subsidiary is the owner of the Lanvin brand name for class 3 products.

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.

At June 30, 2020, Interparfums acquired 25% of the capital of Divabox, specialized in e-commerce for beauty products.

Detailed information on the percentage of voting rights is provided in section 2.3 "Breakdown of share capital and voting rights" and chapter 6 " Shareholder information".



8 History and development 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 brand and distribute them worldwide Dupont.

— 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 for the Nickel brand, specialized in skincare and personal hygiene products for men.
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 Balmain brand and distribute them worldwide.
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.

— 2020
Signature of a license agreement to create and produce perfumes under the Moncler brand and distribute them worldwide.
Acquisition of 25% of the capital of Divabox, specialized in e-commerce for beauty products.

— 2021
Acquisition of the headquarters complex at 10 rue de Solférino in Paris.

9 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 Ile 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

— 2021
"Hall of Fame Award" given to Philippe Benacin by the American Fragrance Foundation

10 Auditors, responsibility statements

1 — Auditors

The Statutory Auditors having issued reports on the parent company and consolidated financial statements are :

Mazars
61 rue Henri Renault
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 Gilbert 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 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 and that the management report included Part 1 this Universal Registration Document faithfully presents business trends, the results and financial position of the company and describes principal risks and uncertainties they face.

Paris, March 30, 2022

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):

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From the website: www.interparfums.fr

Design: Agence Marc Praquin. Translation: Thomas Judge.

Boucheron
Coach
Jimmy Choo
Karl Lagerfeld
Kate Spade
Lanvin
Moncler
Montblanc
Repetto
Rochas
S.T. Dupont
Van Cleef & Arpels

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