

**ELIZABETH ARDEN
(DENMARK) ApS**

**c/o Regus
Herstedøstervej 27, 1.
2620 Albertslund**

CVR no. 25 48 34 99

Annual report for 2022

Adopted at the annual general
meeting on 7 July 2023

Marion Hélène Grandjean
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of ELIZABETH ARDEN (DENMARK) ApS for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Albertslund, 7 July 2023

Executive board

Marion Hélène Grandjean
Director

Independent auditor's report

To the shareholder of ELIZABETH ARDEN (DENMARK) ApS

Opinion

We have audited the financial statements of ELIZABETH ARDEN (DENMARK) ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the section of the accounting policies, which states that management has decided to discontinue the company's activities. Consequently, the financial statements have been prepared in accordance with the realisation principle. Our opinion is not modified in respect of this matter.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

Independent auditor's report

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Aarhus, 7 July 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Katrine Gybel

State Authorised Public Accountant

MNE no. mne45848

Company details

The company

ELIZABETH ARDEN (DENMARK) ApS
c/o Regus
Herstedøstervej 27, 1.
2620 Albertslund

CVR no.: 25 48 34 99

Reporting period: 1 January - 31 December 2022
Incorporated: 28 June 2000

Domicile: Albertslund

Executive board

Marion H el ene Grandjean, director

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
8000 Aarhus C

General meeting

The annual general meeting is held at the company's address on 7 July 2023.

Management's review

Business review

The Company sells Elizabeth Arden products in Scandinavia to travel markets.

Financial review

The company's income statement for the year ended 31 December 2022 shows a negativ result of TDKK 10,569 compared to a positive result in 2021 of TDKK 250, and the balance sheet at 31 December 2022 shows equity of TDKK 3,780 compared to TDKK 14,349 for 2021.

The receivable against a group company located in the US is written down by 10,701 thousand DKK as at 31 December 2022.

Significant events occurring after the end of the financial year

It has been decided to discontinue the activities and dissolve the company by voluntary liquidation. Management expects that the company will be without activity from Q3 2023. As a result of the discontinuation of the activities, the financial statements for 2022 have been prepared according to the realisation principle.

Apart from above there has not been any other significant subsequent events after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of ELIZABETH ARDEN (DENMARK) ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year, with the exception of the adjustments made as a consequence of the fact, that the company is expected to be dissolved within the coming year, thus the financial statements have not been prepared on a going concern basis of accounting. Comparative figures have not been adjusted.

The annual report for 2022 is presented in TDKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Accounting policies

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Cost of sales

Cost of sales include direct costs of goods sold and commission expenses used in generating the year's revenue.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of property, plant and equipment.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised exchange gains and losses on foreign currency transactions and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement.

Accounting policies

Balance sheet

Tangible assets

Tangible assets are measured at the values at which they expect to be realised.

Receivables

Receivables are measured at the values at which they are expected to be realised.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Provisions

Provisions are recognised when, as a result of a past event, the company has a legal or actual obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at the values at which they are expected to be realised.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2022</u> TDKK	<u>2021</u> TDKK
Gross profit	1	<u>-7,314</u>	<u>2,870</u>
Staff costs	2	-3,214	-2,733
Depreciation		<u>-46</u>	<u>-38</u>
Profit/loss before net financials		-10,574	99
Financial income	3	91	187
Financial costs	4	<u>-86</u>	<u>-36</u>
Profit/loss before tax		-10,569	250
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u>-10,569</u>	<u>250</u>
Retained earnings		<u>-10,569</u>	<u>250</u>
		<u>-10,569</u>	<u>250</u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> TDKK	<u>2021</u> TDKK
Assets			
Other fixtures and fittings, tools and equipment		162	102
Tangible assets		<u>162</u>	<u>102</u>
Total non-current assets		<u>162</u>	<u>102</u>
Trade receivables		1,218	1,130
Receivables from group entities		13,536	24,146
Deposits		42	42
Other receivables		38	0
Receivables		<u>14,834</u>	<u>25,318</u>
Cash at bank and in hand		<u>4,658</u>	<u>4,508</u>
Total current assets		<u>19,492</u>	<u>29,826</u>
Total assets		<u>19,654</u>	<u>29,928</u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> TDKK	<u>2021</u> TDKK
Equity and liabilities			
Share capital		125	125
Retained earnings		3,655	14,224
Equity	5	<u>3,780</u>	<u>14,349</u>
Other provisions		113	267
Total provisions		<u>113</u>	<u>267</u>
Trade payables		125	29
Payables to group entities		13,307	13,384
Corporation tax		49	0
Other payables		2,280	1,899
Total current liabilities		<u>15,761</u>	<u>15,312</u>
Total liabilities		<u>15,761</u>	<u>15,312</u>
Total equity and liabilities		<u><u>19,654</u></u>	<u><u>29,928</u></u>

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	125	14,224	14,349
Net profit/loss for the year	0	-10,569	-10,569
Equity at 31 December 2022	<u>125</u>	<u>3,655</u>	<u>3,780</u>

Notes

	<u>2022</u> TDKK	<u>2021</u> TDKK
1 Special items		
Impairment of receivables from group entities	10,701	0
	<u>10,701</u>	<u>0</u>
2 Staff costs		
Wages and salaries	2,700	2,246
Pensions	23	23
Other social security costs	491	464
	<u>3,214</u>	<u>2,733</u>
Average number of employees	<u>3</u>	<u>3</u>
3 Financial income		
Interest received from affiliated companies	91	187
	<u>91</u>	<u>187</u>
4 Financial costs		
Other financial costs	15	3
Exchange loss	71	33
	<u>86</u>	<u>36</u>

Notes

5 Equity

The share capital consists of 1,250 shares of a nominal value of TDKK 100. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

6 Related parties and ownership structure

Controlling interest

ELIZABETH ARDEN (DENMARK) ApS is part of the consolidated financial statements of Elizabeth Arden (Netherlands) Holding B.V., Holland, Controlling shareholder, registered office, which is the smallest group in which the Company is included as a subsidiary.