

Aesop Denmark ApS

Værnedamsvej 7, 1819 Frederiksberg C
CVR no. 37 15 86 74

Annual report for 2021

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 09.06.22

Michael Anthony O'keeffe
Dirigent

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The company

Aesop Denmark ApS
Værnedamsvej 7
1819 Frederiksberg C
Website: www.aesop.com
Registered office: Frederiksberg
CVR no.: 37 15 86 74
Financial year: 01.01 - 31.12

Executive Boards

Karl John Wederell
Michael Anthony O'Keeffe

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement of the Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.21 - 31.12.21 for Aesop Denmark ApS.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.21 and of the results of the company's activities for the financial year 01.01.21 - 31.12.21.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Frederiksberg, June 9, 2022

Executive Boards

Karl John Wederell

Michael Anthony O'Keeffe

Independent auditor's report on extended review

To the capital owner of Aesop Denmark ApS

Opinion

We have performed an extended review of the financial statements of Aesop Denmark ApS for the financial year 01.01.21 - 31.12.21 which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Based on the work performed, in our opinion, the financial statements give a true and fair view of the company's assets, equity and liabilities and financial position as at 31.12.21 and the company's financial performance for the financial year 01.01.21 - 31.12.21 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the 'Auditor's responsibilities for the extended review of the financial statements' section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independent auditor's report on extended review

Statement regarding the management's review

The management is responsible for the management's review.

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

In connection with our extended review of the financial statements, it is our responsibility to read the management's review and in this connection consider whether the management's review is materially inconsistent with the financial statements or the knowledge we have obtained during our extended review, or in any other way appears to be materially misstated.

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

Based on the work performed, we believe that the management's review is in accordance with the financial statements and has been prepared in accordance with the provisions of the Danish Financial Statements Acts. We have not detected any material misstatement in the management's review.

Management's responsibility for the financial statements

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

In preparing the financial statements, 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.

Independent auditor's report on extended review

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures primarily consisting of making inquiries of management and others within the company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Soeborg, Copenhagen, June 9, 2022

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Kim Nielsen

State Authorized Public Accountant
MNE-no. mne29417

Primary activities

The company's activities comprise in the sale of body, hair and facial products.

Development in activities and financial affairs

The income statement for the period 01.01.21 - 31.12.21 shows a profit/loss of DKK 943,169 against DKK 463,569 for the period 01.01.20 - 31.12.20. The balance sheet shows equity of DKK -724,238.

The management considers the net profit for the year to be satisfactory.

Information on going concern

The company's budget for 2021 shows a positive result and the liability towards the parent company is a long term payables. On this basis, the annual report has been prepared on the basis of the going concern assumption.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2021 DKK	2020 DKK
	Gross profit	6,903,408	6,521,561
3	Staff costs	-4,738,325	-4,337,314
	Profit before depreciation, amortisation, write-downs and impairment losses	2,165,083	2,184,247
	Depreciation and impairments losses of property, plant and equipment	-1,335,388	-1,503,039
	Operating profit	829,695	681,208
	Financial income	4,458	1,377
	Financial expenses	-89,919	-65,527
	Profit before tax	744,234	617,058
	Tax on profit for the year	198,935	-153,489
	Profit for the year	943,169	463,569
	Proposed appropriation account		
	Retained earnings	943,169	463,569
	Total	943,169	463,569

ASSETS		31.12.21	31.12.20
		DKK	DKK
Note			
	Acquired rights	315,000	385,000
4	Total intangible assets	315,000	385,000
	Land and buildings	3,075,401	3,634,159
	Other fixtures and fittings, tools and equipment	97,723	501,549
5	Total property, plant and equipment	3,173,124	4,135,708
6	Deposits	359,276	359,276
	Total investments	359,276	359,276
	Total non-current assets	3,847,400	4,879,984
	Manufactured goods and goods for resale	2,340,023	842,072
	Prepayments for goods	61,844	420,782
	Total inventories	2,401,867	1,262,854
	Trade receivables	3,093,896	3,081,456
	Receivables from group enterprises	2,888	2,888
	Deferred tax asset	45,445	0
	Income tax receivable	0	216,206
	Prepayments	62,345	30,459
	Total receivables	3,204,574	3,331,009
	Cash	4,042,615	5,401,630
	Total current assets	9,649,056	9,995,493
	Total assets	13,496,456	14,875,477

EQUITY AND LIABILITIES		31.12.21	31.12.20
		DKK	DKK
Note			
	Share capital	50,000	50,000
	Retained earnings	-774,238	-1,717,407
	Total equity	-724,238	-1,667,407
	Provisions for deferred tax	0	369,695
	Total provisions	0	369,695
7	Lease commitments	2,334,087	2,879,522
7	Payables to group enterprises	8,794,969	8,946,353
7	Other payables	0	219,304
	Total long-term payables	11,129,056	12,045,179
7	Short-term part of long-term payables	811,725	803,190
	Trade payables	244,974	257,576
	Payables to group enterprises	2,888	2,888
	Other payables	2,032,051	3,064,356
	Total short-term payables	3,091,638	4,128,010
	Total payables	14,220,694	16,173,189
	Total equity and liabilities	13,496,456	14,875,477

8 Contingent liabilities

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings
Statement of changes in equity for 01.01.20 - 31.12.20		
Balance as at 01.01.20	50,000	-2,180,976
Net profit/loss for the year	0	463,569
Balance as at 31.12.20	50,000	-1,717,407
Statement of changes in equity for 01.01.21 - 31.12.21		
Balance as at 01.01.21	50,000	-1,717,407
Net profit/loss for the year	0	943,169
Balance as at 31.12.21	50,000	-774,238

1. Information as regards going concern

The company's budget for 2022 shows a positive result and the liability towards the parent company is a long term payables. On this basis, the annual report has been prepared on the basis of the going concern assumption.

2. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

Special items:	Recognised in the income statement in:	2021 DKK	2020 DKK
Public grants	Other operating income	418,665	236,289
Total		418,665	236,289

3. Staff costs

Wages and salaries	4,333,389	3,966,191
Other social security costs	390,007	345,003
Other staff costs	14,929	26,120
Total	4,738,325	4,337,314
Average number of employees during the year	12	10

4. Intangible assets

Figures in DKK	Acquired rights
Cost as at 01.01.21	700,000
Cost as at 31.12.21	700,000
Amortisation and impairment losses as at 01.01.21	-315,000
Amortisation during the year	-70,000
Amortisation and impairment losses as at 31.12.21	-385,000
Carrying amount as at 31.12.21	315,000

5. Property, plant and equipment

Figures in DKK	Land and buildings	Other fixtures and fittings, tools and equipment
Cost as at 01.01.21	5,039,567	4,676,282
Additions during the year	31,762	105,893
Cost as at 31.12.21	5,071,329	4,782,175
Depreciation and impairment losses as at 01.01.21	-1,170,258	-4,174,734
Depreciation during the year	-825,670	-509,718
Depreciation and impairment losses as at 31.12.21	-1,995,928	-4,684,452
Carrying amount as at 31.12.21	3,075,401	97,723
Carrying amount of assets held under finance leases as at 31.12.21	3,075,401	0

6. Non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.21	359,276
Cost as at 31.12.21	359,276
Carrying amount as at 31.12.21	359,276

7. Long-term payables

Figures in DKK	Repayment first year	Total payables at 31.12.21	Total payables at 31.12.20
Lease commitments	811,725	3,145,812	3,682,712
Payables to group enterprises	0	8,794,969	8,946,353
Other payables	0	0	219,304
Total	811,725	11,940,781	12,848,369

8. Contingent liabilities*Other contingent liabilities*

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

9. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

9. Accounting policies - continued -**LEASES**

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

INCOME STATEMENT**Gross profit**

Gross profit comprises revenue, other operating income and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

9. Accounting policies - continued -

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Acquired rights	10	0
Buildings	7	0
Other plant, fixtures and fittings, tools and equipment	2,5-5	0

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

9. Accounting policies - continued -

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Acquired rights

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise land and buildings as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

9. Accounting policies - continued -

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

9. Accounting policies - continued -

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

9. Accounting policies - continued -

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.