Aesop Denmark ApS

Værnedamsvej 7, 1819 Frederiksberg C

CVR no. 37 15 86 74

Annual report for 2023

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Company information etc.

The company

Aesop Denmark ApS
Værnedamsvej 7
1819 Frederiksberg C

Registered office: Frederiksberg
CVR no.: 37 15 86 74
Financial year: 01.01 - 31.12

Executive Boards

Riad Djellas
Michael Anthony O'Keeffe
Alexandre Menais

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Boards on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Aesop Denmark ApS.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

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 C, July 4, 2024

Executive Boards

Riad Djellas   Michael Anthony O'Keeffe   Alexandre Menais

Independent auditor's report on extended review

To the capital owner of Aesop Denmark ApS

Conclusion

We have conducted an extended review of the financial statements of Aesop Denmark ApS for the financial year 01.01.23 - 31.12.23, which comprise 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 Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.23 and of the results of its operations for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the ”Auditor’s responsibilities for the extended review of the financial statements” section. We are independent of the Entity 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 suficient and appropriate to provide a basis for our conclusion.

Management's responsibility 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 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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 to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance for our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

København S, July 4, 2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR no. 33963556

Stine Eva Grothen
State Authorized Public Accountant
MNE-no. mne29431

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 01.01.23 - 31.12.23 shows a profit/loss of DKK -1,068,501 against DKK 405,986 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK -1,386,754.

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

Information on going concern

The company's budget for 2024 shows a positive result and the Directors have received a letter of support from the parent company. 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		2023 DKK	2022 DKK
	Gross profit	**6,971,175**	**6,794,584**
2	Staff costs	-6,183,258	-5,394,133
	Profit before depreciation, amortisation, write-downs and impairment losses	**787,917**	**1,400,451**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-1,925,247	-1,000,881
	Operating profit/loss	**-1,137,330**	**399,570**
3	Financial income	503	71
4	Financial expenses	-133,736	-45,066
	Profit/loss before tax	**-1,270,563**	**354,575**
	Tax on profit or loss for the year	202,062	51,411
	Profit/loss for the year	**-1,068,501**	**405,986**

Proposed appropriation account		
Retained earnings	-1,068,501	405,986
Total	**-1,068,501**	**405,986**

Balance sheet

ASSETS

Note		31.12.23 DKK	31.12.22 DKK
	Acquired rights	175,000	245,000
5	**Total intangible assets**	**175,000**	**245,000**
	Land and buildings	4,372,331	2,841,284
	Other fixtures and fittings, tools and equipment	1,164,725	89,066
6	**Total property, plant and equipment**	**5,537,056**	**2,930,350**
7	Deposits	732,589	359,276
	Total investments	**732,589**	**359,276**
	Total non-current assets	**6,444,645**	**3,534,626**
	Manufactured goods and goods for resale	1,933,133	2,311,051
	Prepayments for goods	54,861	40,337
	Total inventories	**1,987,994**	**2,351,388**
	Trade receivables	3,339,732	3,345,863
	Receivables from group enterprises	0	161,897
	Deferred tax asset	365,104	65,985
	Other receivables	0	154,207
	Prepayments	56,487	45,325
	Total receivables	**3,761,323**	**3,773,277**
	Cash	**1,967,739**	**4,592,336**
	Total current assets	**7,717,056**	**10,717,001**
	Total assets	**14,161,701**	**14,251,627**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.23 DKK	31.12.22 DKK
	Share capital	50,000	50,000
	Retained earnings	-1,436,754	-368,253
	Total equity	**-1,386,754**	**-318,253**
8	Lease commitments	3,951,845	2,340,748
8	Payables to group enterprises	0	8,467,644
	Total long-term payables	**3,951,845**	**10,808,392**
8	Short-term part of long-term payables	1,191,761	582,514
	Trade payables	152,903	104,515
	Payables to group enterprises	7,562,767	63,674
	Income taxes	61,316	0
	Other payables	2,627,863	3,010,785
	Total short-term payables	**11,596,610**	**3,761,488**
	Total payables	**15,548,455**	**14,569,880**
	Total equity and liabilities	**14,161,701**	**14,251,627**

9 Contingent liabilities

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings
Statement of changes in equity for 01.01.22 - 31.12.22		
Balance as at 01.01.22	50,000	-774,239
Net profit/loss for the year	0	405,986
Balance as at 31.12.22	50,000	-368,253
Statement of changes in equity for 01.01.23 - 31.12.23		
Balance as at 01.01.23	50,000	-368,253
Net profit/loss for the year	0	-1,068,501
Balance as at 31.12.23	50,000	-1,436,754

1. Information as regards going concern

The company's budget for 2024 shows a positive result and the Directors have received a letter of support from the parent company. On this basis, the annual report has been prepared on the basis of the going concern assumption.

2. Staff costs

Wages and salaries	5,563,058	4,739,514
Other social security costs	581,400	549,642
Other staff costs	38,800	104,977
Total	6,183,258	5,394,133
Average number of employees during the year	15	12

3. Financial income

Interest, group enterprises	503	0
Other interest income	0	71
Total	503	71

4. Financial expenses

Interest, group enterprises	14,970	0
Other financial expenses	118,766	45,066
Total	133,736	45,066

5. Intangible assets

Figures in DKK	Acquired rights
Cost as at 01.01.23	700,000
Cost as at 31.12.23	700,000
Amortisation and impairment losses as at 01.01.23	-455,000
Amortisation during the year	-70,000
Amortisation and impairment losses as at 31.12.23	-525,000
Carrying amount as at 31.12.23	175,000

6. Property, plant and equipment

Figures in DKK	Land and buildings	Other fixtures and fittings, tools and equipment
Cost as at 01.01.23	5,171,606	4,864,027
Additions during the year	3,319,559	1,142,395
Cost as at 31.12.23	8,491,165	6,006,422
Depreciation and impairment losses as at 01.01.23	-2,330,323	-4,774,961
Impairment losses during the year	-799,230	0
Depreciation during the year	-989,281	-66,736
Depreciation and impairment losses as at 31.12.23	-4,118,834	-4,841,697
Carrying amount as at 31.12.23	4,372,331	1,164,725
Carrying amount of assets held under finance leases as at 31.12.23	4,372,332	0

7. Non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.23	359,276
Additions during the year	373,313
Cost as at 31.12.23	732,589
Carrying amount as at 31.12.23	732,589

8. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.23	Total payables at 31.12.22
Lease commitments	1,191,761	1,495,850	5,143,606	2,923,262
Payables to group enterprises	0	0	0	8,467,644
Total	1,191,761	1,495,850	5,143,606	11,390,906

9. 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.

10. 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.

10. 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.

10. 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, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised 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 and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and 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.

10. 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

Aquired 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, amortisation 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.

10. 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, amortisation 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 and amortisation.

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.

10. 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.

10. 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 financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.