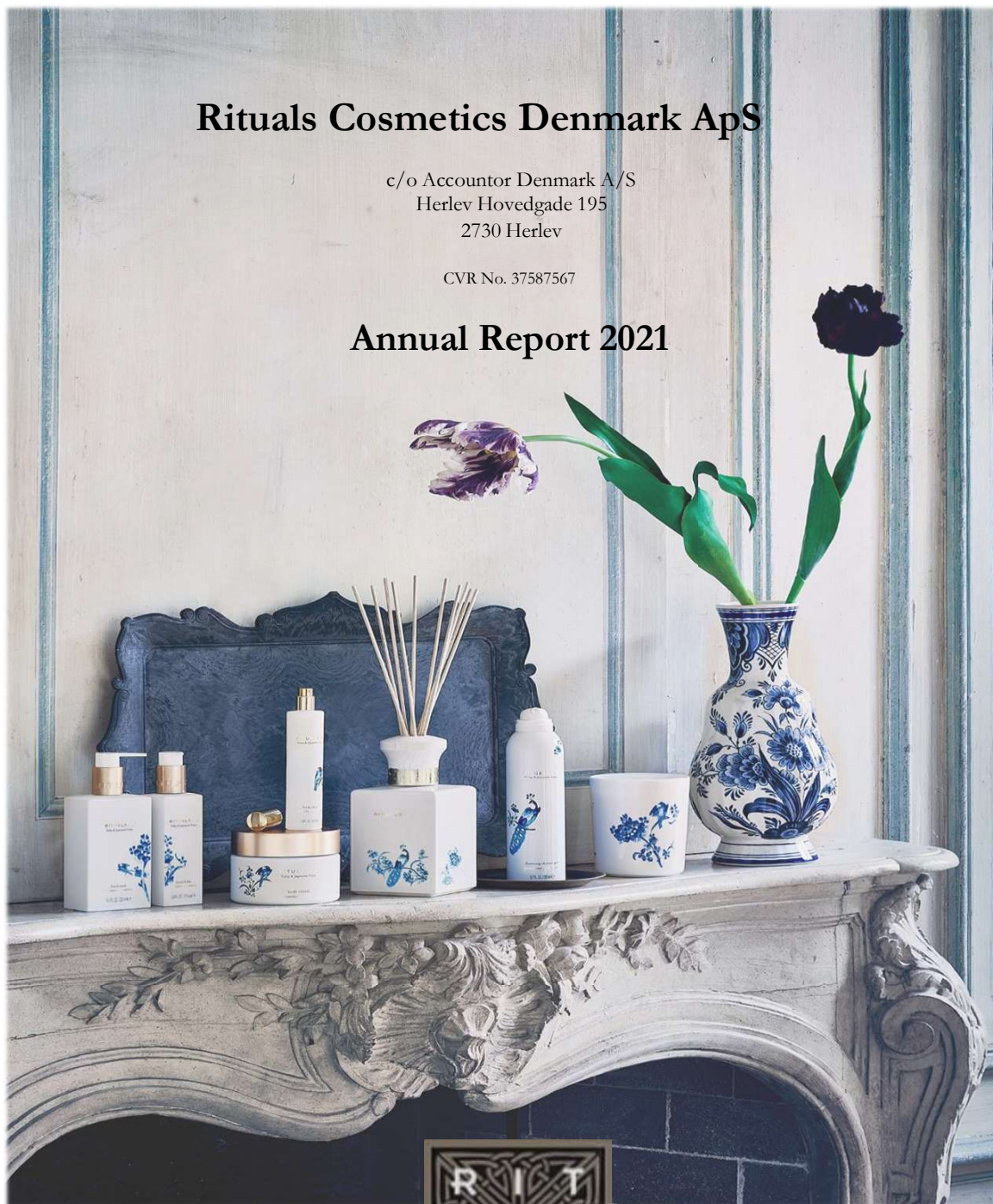


# Rituals Cosmetics Denmark ApS

c/o Accountor Denmark A/S  
Herlev Hovedgade 195  
2730 Herlev

CVR No. 37587567

## Annual Report 2021



The Annual Report was presented and adopted at the Annual General Meeting of the Company on 30 June 2022

DocuSigned by:

*Joakim Klingsell*

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Joakim Jan Klingsell, Chairman



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## Management's Statement

Today, Management has considered and adopted the Annual Report of Rituals Cosmetics Denmark ApS for the financial year 1 January 2021 - 31 December 2021.

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 assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

The annual report was presented and adopted at the Annual General Meeting of the company on 30th of June 2022.

Herlev, 30 June 2022

### Managing Director

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Joakim Jan Klingsell,  
Managing Director

### Board of Directors

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Raymond Bernardus Hubertus Maria  
Cloosterman, Chairman

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Jenny Diana De Vries

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Marcel Johannes Bernardus Van Groningen

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Lucas Diederik Van Eeghen



## Company details

<b>Company</b>	Rituals Cosmetics Denmark ApS c/o Accountor Denmark A/S Herlev Hovedgade 195C 2730 Herlev
<b>CVR No.</b>	37587567
<b>Date of formation</b>	29 March 2016
<b>Financial year</b>	1 January 2021 - 31 December 2021
<b>Board of Directors</b>	Raymond Bernardus Hubertus Maria Cloostermann, Chairman Marcel Johannes Bernardus van Groningen Jenny Diana de Vries Lucas Diederik van Eeghen
<b>Managing Director</b>	Joakim Jan Klingsell



## Management's Review

The board of Directors of Rituals Cosmetics Denmark ApS, CVR 37587567, issues the annual report for the financial year of 2021. This is the company's sixth financial year.

### The Company's principal activities

The Company's principal activities consist of selling home and personal care products, such as fragrance candles, soap, hand lotion, make-up, tea and perfumes. The company is based in Herlev, but the stores are located throughout the country. The company is fully owned and financed by Rituals Cosmetics Enterprise B.V.

### Developments in activities

The development of Rituals Cosmetics Denmark ApS in the Danish market has been a success in 2021 even with Covid-19 impacting the turnover the company was still able to grow. During the year, 2 new stores were opened and the total number of stores in Denmark therefore ended at a total of 23 stores.

For 2022 it is expected that 3 new stores will be opened. These three stores are expected to be opened in the first half year of 2022.

The growth of Rituals Denmark makes it more important to maintain the close contact between the stores and the head office. Our stores managers and other staff members are one of the keys to success.

### HR

Rituals works intensively to attract, recruit, introduce and develop our staff in the best possible way. All of our work must be based on our company's core values:

- Meaningful
- Authentic
- Inner & Outer beauty
- Innovative
- Best in class
- Accessible

All employees should have the same opportunities and equal treatment irrespective of gender, sexual orientation, age, ethnicity or religion. Rituals strives to be an attractive and developing workplace for both woman and men.



### **Financial matters**

The Company's Income Statement of the financial year 1 January 2021 - 31 December 2021 shows a net result of DKK 1.612.882 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 49.967.771 and an equity of DKK 23.413.676.

### **Post financial year events (Covid-19)**

The board of directors and the management have analyzed the effects of the covid-19 pandemic for Rituals Cosmetics Denmark. The initial budget for 2022 is revised based on the expected effects for the full year of 2022.

The board of directors and the management are continuously analyzing all developments regarding covid-19 and take corresponding measures to limit the negative effects on the company.



## Income statement 2021

		2021 DKK	2020 DKK
	<b>Note</b>		
<b>Gross profit</b>	1	<b>41.394.215</b>	<b>33.733.460</b>
Staff expenses	2	-29.477.869	-24.385.704
Depreciation and amortisation		-9.794.790	-7.817.472
<b>Profit from ordinary operating activities</b>		<b>2.121.556</b>	<b>1.530.284</b>
Finance income and expenses	3	-52.819	-70.588
<b>Profit from ordinary activities before tax</b>		<b>2.068.737</b>	<b>1.459.696</b>
Tax expense on ordinary activities	4	-455.855	-320.397
<b>Profit</b>		<b>1.612.882</b>	<b>1.139.299</b>
<i><u>Proposed distribution of results</u></i>			
Retained earnings		1.612.882	1.139.299
<b>Distribution of profit</b>		<b>1.612.882</b>	<b>1.139.299</b>



## Balance Sheet as of 31 December

	Note	2021 DKK	2020 DKK
<b>Assets</b>			
Keymoney		497.395	1.478.354
<b>Intangible assets</b>		<b>497.395</b>	<b>1.478.354</b>
Fixtures, fittings, tools and equipment		12.438.941	13.635.011
Leasehold improvements		8.985.071	8.849.873
Property, plant and equipment in progress and prepayments for property, plant and equipment		-	1.251.489
<b>Property, plant and equipment</b>		<b>21.424.012</b>	<b>23.736.374</b>
Deposits		2.143.651	2.134.218
<b>Financial fixed assets</b>		<b>2.143.651</b>	<b>2.134.218</b>
<b>Fixed assets</b>		<b>24.065.058</b>	<b>27.348.945</b>
Raw materials and consumables		5.811.496	4.717.367
<b>Inventories</b>		<b>5.811.496</b>	<b>4.717.367</b>
Short-term trade receivables		1.639.613	1.546.117
Receivables from group companies		8.915.506	1.945.349
Prepayments		4.917.678	3.737.417
<b>Receivables</b>		<b>15.472.797</b>	<b>7.228.883</b>
<b>Cash and cash equivalents</b>		<b>4.618.420</b>	<b>2.922.664</b>
<b>Current assets</b>		<b>25.902.713</b>	<b>14.868.915</b>
<b>Assets</b>		<b>49.967.771</b>	<b>42.217.861</b>





	Note	2021 DKK	2020 DKK
<b>Liabilities and equity</b>			
Contributed capital		400.000	400.000
Retained earnings		23.013.676	21.400.794
<b>Equity</b>		<b>23.413.676</b>	<b>21.800.794</b>
<b>Long-term liabilities</b>			
		<b>1.347.216</b>	<b>1.347.216</b>
Other provisions		9.212.129	-
Provisions for deferred tax		745.200	614.615
<b>Provisions</b>		<b>9.957.329</b>	<b>614.615</b>
Trade payables		5.824.219	2.927.529
Payables to group companies		-	-
Other payables		9.425.331	15.527.706
<b>Short-term liabilities other than provisions</b>		<b>15.249.550</b>	<b>18.455.236</b>
<b>Liabilities and equity</b>			
		<b>49.967.771</b>	<b>42.217.861</b>
Contingent liabilities	5		
Collaterals and assets pledges as security	6		
Consolidated financial statement related parties	7		



## Statement of changes in equity 2021

### Statement of changes in equity

#### Contributed

<b>Retained</b>	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Share premium reserve</b>	<b>Total</b>
Equity, beginning balance	400.000	21.400.794	-	21.800.794
Proposed distribution of results	-	1.612.882	-	1.612.882
	<b>400.000</b>	<b>23.013.676</b>	-	<b>23.413.676</b>



## Notes

### 1. Gross profit

Gross profit includes other operating income represented by government grants awarded in connection with Covid-19.

	2021	2020
<b>2. Employee benefits expenses</b>		
Wages and salaries	26.539.377	21.737.134
Social security contributions	426.932	317.578
Other employee expenses	2.511.560	2.330.993
	<u>29.477.869</u>	<u>24.385.704</u>
Average number of employees	<u>63</u>	<u>61</u>
<b>3. Finance income and expenses</b>		
Finance income arising from group enterprises	-48.694	-
	<u>-48.694</u>	<u>-</u>
Finance expenses arising from group enterprises	-	31.470
Other finance expenses	101.513	39.117
	<u>101.513</u>	<u>70.588</u>
<b>Finance income and expenses</b>	<u>52.819</u>	<u>70.588</u>
<b>4. Tax expenses</b>		
Deferred tax for the year	455.855	320.397
	<u>455.855</u>	<u>320.397</u>

### 5. Contingent liabilities

#### Rental agreements and leases

	2021	2020
Within 1 year	15.723.502	19.501.541
Between 1 and 5 years	24.985.374	25.755.937
More than 5 years	5.530.832	-

### 6. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

### 7. Consolidated financial statement related parties

The company is part of the consolidated financial statements of Rituals Cosmetics Enterprise B.V. and can be obtained at the following address:

Keizersgracht 679-689  
1017 DW Amsterdam  
The Netherlands



## Accounting policies

### Reporting Class

The Annual Report of Rituals Cosmetics Denmark ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

### Reporting currency

The Annual Report is presented in Danish kroner.

### General Information

#### **Basis of recognition and measurement**

Income is recognized in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the Income Statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the Income Statement.

Assets are recognized in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the term. Amortized cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortization of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

Regarding recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.



## **Income Statement**

### **Other operating income**

Government grants are recognized when it is fairly certain that the grant conditions will be complied with, and the grant will be received.

Grants compensating for costs incurred are recognized directly as operating income in the income statement as costs eligible for grants are incurred. If the conditions for receiving the grant are not complied until after related costs have been recognized, the grant is to be recognized in the income statement when the conditions have been complied with and it is fairly certain that the grant will be awarded.

### **Revenue**

Revenue from sale is recognized in the income statement when delivery is made and risk has passed to the buyer.

Revenue is recognized net of VAT, duties and sales discount and is measured at fair value of the consideration fixed.

### **Other external expenses**

Other external expenses comprise expenses regarding sales and administration.

### **Staff expenses**

Staff expenses comprise wages and salaries, pensions and social security costs.

### **Financial income and expenses**

Financial income and expenses are recognized in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realized and unrealized capital gains and losses regarding securities, debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

### **Tax on net profit/loss for the year**

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognized directly in equity.

## **Balance Sheet**

### **Intangible assets**

Key money is stated at cost, less accumulated depreciation and impairment losses. The capitalized key money is amortized on a straight-line basis over the term of the rental contracts.

An impairment test of acquired intangible assets is performed in the event of indications of a decrease in value. Furthermore, annual impairment tests are performed for ongoing and activated development projects, if any. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) if this one is lower than the carrying amount.



### **Tangible assets**

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortization and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Depreciation of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight-line basis, based on cost, on the basis of the following assessment of useful life and residual values.

#### **Useful life**

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognized prospectively.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) if this one is lower than the carrying amount.

### **Inventories**

Inventories are measured at cost based on the FIFO principle or at the net realizable value if the latter is lower.

### **Receivables**

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

### **Prepayments**

Prepayments recognized in assets comprises prepaid costs regarding subsequent financial years.

### **Cash and cash equivalents**

Cash comprise cash in hand and bank deposit.

### **Other financial liabilities**

Other financial liabilities are measured at amortized cost which usually corresponds to the nominal value.

### **Current tax liabilities and assets**

Current tax liabilities and current tax assets are recognized in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.



## **Independent auditors report**

### **To the shareholders of Rituals Cosmetics Denmark ApS**

#### **Opinion**

We have audited the financial statements of Rituals Cosmetics Denmark ApS for the financial year 1 January – 31 December 2021, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared 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 at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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 that 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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.
- 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.





## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 30 June 2022

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read "Klaus Rytz".

**Klaus Rytz**  
**State Authorised**  
**Public Accountant**  
**mne33205**