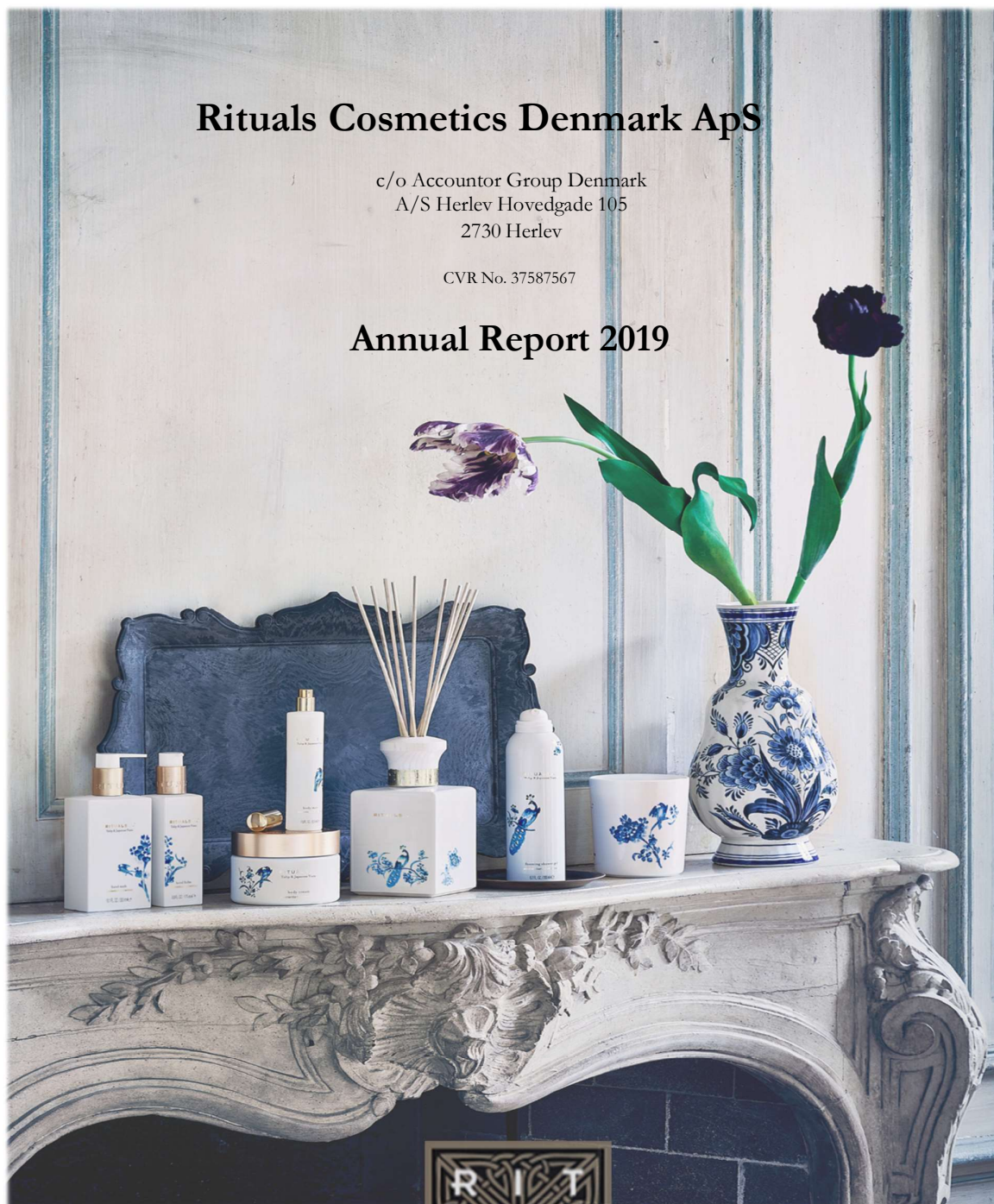


Rituals Cosmetics Denmark ApS

c/o Accountor Group Denmark
A/S Herlev Hovedgade 105
2730 Herlev

CVR No. 37587567

Annual Report 2019



The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 2 July 2020

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Max Krasnik,

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 2019 - 31 December 2019.


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 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019.

The annual report was presented and adopted at the Annual General Meeting of the company on 1st of July 2020.

Herlev, 2 July 2020

Managing Director

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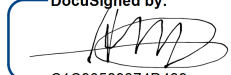
Eduard Wouter Anne van Santen,
Managing Director

Board of Directors


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Raymond Bernardus Hubertus Maria
Cloosterman, Chairman

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Adrianus Maria Schouten

DocuSigned by:

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Marcel Johannes Bernardus Van Groningen

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Jenny Diana De Vries



Company details

Company	Rituals Cosmetics Denmark ApS c/o Accountor Group Denmark A/S Herlev Hovedgade 105 2730 Herlev
CVR No.	37587567
Date of formation	29 March 2016
Financial year	1 January 2019 - 31 December 2019
Board of Directors	Raymond Bernardus Hubertus Maria Cloostermann, Chairman Adrianus Maria Schouten Marcel Johannes Bernardus van Groningen Jenny Diana de Vries
Managing Director	Eduard Wouter Anne van Santen



Management's Review

The board of Directors of Rituals Cosmetics Denmark ApS, CVR 37587567, issues the annual report for the financial year of 2019. This is the company's fourth 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.

Going concern

Rituals Cosmetics Denmark ApS had lost the share capital in 2018 and had a negative equity at 31 December 2018. Therefore, the parent company (Rituals Cosmetics Enterprise B.V.) did a DKK 19.950.000 cash equity injection in 2019 to provide Rituals Cosmetics Denmark ApS with sufficient liquidity, so that Rituals Cosmetics Denmark ApS, has sufficient liquidity to meet its current and future liabilities as they fall due. Based on this, the financial statements for 2019 has been prepared under the going concern assumption.

Developments in activities

The development of Rituals Cosmetics Denmark ApS in the Danish market has been a success in 2019. During the year, 3 new stores were opened and the total number of stores in Denmark therefore ended at a total of 18 stores.

For 2020 it is expected that 5 new stores will be opened. These five stores are expected to be opened in the last half year of 2020.

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 2019 - 31 December 2019 shows a net result of DKK 946.857 and the Balance Sheet at 31 December 2019 a balance sheet total of DKK 42.662.539 and an equity of DKK 20.661.495.



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 2020 is revised based on the expected effects for the full year of 2020. From the reopening date of our stores in May-2020, the cash flow returned to the level prior to Covid-19.

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 2019

		2019 DKK	2018 DKK
	Note		
Gross profit		29.909.311	19.928.933
Staff expenses	1	-21.960.485	-14.863.787
Depreciation and amortisation		-6.531.157	-4.382.191
Profit from ordinary operating activities		1.417.669	682.956
Other finance income		-	-
Finance expenses	2	-203.749	-838.499
Profit from ordinary activities before tax		1.213.920	-155.543
Tax expense on ordinary activities	3	-267.062	-13.598
Profit		946.857	-169.141
<i>Proposed distribution of results</i>			
Retained earnings		946.857	-169.141
Distribution of profit		946.857	-169.141



Balance Sheet as of 31 December

	2019	2018
Note	DKK	DKK
Assets		
Keymoney	2.691.874	3.514.560
Intangible assets	2.691.874	3.514.560
Fixtures, fittings, tools and equipment	14.313.046	13.531.262
Leasehold improvements	6.326.483	6.239.062
Property, plant and equipment in progress and prepayments for property, plant and equipment	-	836.803
Property, plant and equipment	20.639.529	20.607.127
Deposits, investments	1.910.008	1.805.350
Deferred tax asset	-	-
Financial fixed assets	1.910.008	1.805.350
Fixed assets	25.241.410	25.927.037
Raw materials and consumables	4.050.939	2.388.581
Inventories	4.050.939	2.388.581
Short-term trade receivables	2.781.524	4.575.562
Prepayments	3.434.585	3.567.215
Receivables	6.216.109	8.142.777
Cash and cash equivalents	7.154.081	4.117.139
Current assets	17.421.129	14.648.497
Assets	42.662.539	40.575.534



	2019	2018
Note	DKK	DKK
Liabilities and equity		
Contributed capital	400.000	50.000
Retained earnings	<u>20.261.495</u>	<u>-285.362</u>
Equity	<u>20.661.495</u>	<u>-235.362</u>
Provisions for deferred tax	<u>294.218</u>	<u>27.156</u>
Provisions	<u>294.218</u>	<u>27.156</u>
Trade payables	1.959.785	1.166.399
Payables to group companies	8.667.195	31.670.754
Other payables	<u>10.564.464</u>	<u>7.946.588</u>
Short-term liabilities other than provisions	<u>21.191.444</u>	<u>40.783.740</u>
Long-term liabilities	<u>515.382</u>	<u>-</u>
Liabilities and equity	<u>42.662.539</u>	<u>40.575.534</u>
Contingent liabilities	4	
Collaterals and assets pledges as security	5	
Consolidated financial statement related parties	6	



Statement of changes in equity 2019

5. Statement of changes in equity

Contributed

Retained	Contributed capital	Retained earnings	Share premium reserve	Total
Equity, beginning balance	50.000	-285.362	-	-235.362
Proposed distribution of results	-	946.857	-	946.857
Capital contribution 2019	350.000	-	19.600.000	19.950.000
Transferred to retained earnings	-	19.600.000	-19.600.000	-
	400.000	20.261.495	-	20.661.495



Notes

	2019	2018
1. Employee benefits expenses		
Wages and salaries	19.875.992	13.415.593
Social security contributions	137.167	184.959
Other employee expenses	1.947.326	1.263.235
	<u>21.960.485</u>	<u>14.863.787</u>
Average number of employees	<u>53</u>	<u>37</u>
2. Finance expenses		
Finance expenses arising from group	200.061	822.909
Other finance expenses	3.688	15.590
	<u>203.749</u>	<u>838.499</u>
3. Tax expenses		
Deferred tax for the year	267.062	13.598
	<u>267.062</u>	<u>13.598</u>

4. Contingent liabilities

	2019	2018
Rental agreements and leases		
Within 1 year	16.746.332	14.243.133
Between 1 and 5 years	42.011.583	38.623.476
More than 5 years	990.763	3.531.553

5. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

6. 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 2019 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

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

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 2019, 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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 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, 2 July 2020

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

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Klaus Rytz
State Authorised
Public Accountant
mne33205