

# B.S. DANMARK A/S

Østergade 33, 3., 1100 København K

CVR no. 58 46 68 16

## Annual report 2021

Approved at the Company's annual general meeting on 16 June 2022

Chair of the meeting:



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Alexis Tchkladze

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of B.S. DANMARK A/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 16 June 2022

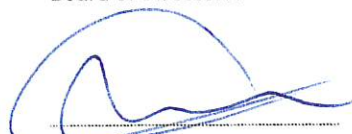
Executive Board:



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Kay Mikael Berg  
Managing director

Board of Directors:



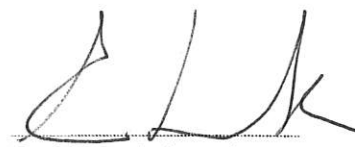
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Alexis Tchikladze  
Chair



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Kay Mikael Berg



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Eva Margareta Lemark

## Independent auditor's report

To the shareholder of B.S. DANMARK A/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of B.S. Danmark A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### Basis for opinion

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

### Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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.

### Auditor's Responsibilities for the Audit of the Financial Statements

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


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

## Independent auditor's report

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

Hellerup, 16 June 2022  
PRICEWATERHOUSECOOPERS  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

  
Jesper Bo Winther  
State Authorised Public Accountant  
mne26864

  
Thomas Lauritsen  
State Authorised Public Accountant  
mne34342

## Management's review

### Company details

Name	B.S. DANMARK A/S
Address, Postal code, City	Østergade 33, 3., 1100 København K
CVR no.	58 46 68 16
Established	28 June 1976
Registered office	Copenhagen
Financial year	1 January - 31 December
Website	<a href="http://www.thebodyshop.dk">www.thebodyshop.dk</a>
Telephone	+45 70 25 22 26
Board of Directors	Alexis Tchikladze, Chair Kay Mikael Berg Eva Margareta Lemark
Executive Board	Kay Mikael Berg, Managing director
Auditors	PRICEWATERHOUSECOOPERS Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 Hellerup

## Management's review

### Business review

The company's purpose is to trade in The Body Shop products in accordance with a The Body Shop Master Franchise Agreement, which the company has entered into with The Body Shop International Limited, Watersmead Littlehampton, West Sussex BN17 6LS, England. As long as this Agreement is in effect, this section may not be amended without The consent of The Body Shop International Ltd. B.S. Danmark A/S (The Body Shop Denmark) sells and markets products for skin, hair and body care as well as cosmetics. Sales take place through 4 channels: company stores, franchise stores, wholesale and e-commerce. The company's head office is situated in Copenhagen. 100 % of all purchases for resale are made through the mother company in Great Britain.

### Unusual matters having affected the financial statements

B.S. Danmark A/S has been directly impacted by Covid-19 and subsequent closing of malls in Denmark during winter and spring 2021. The Company qualified for staff temporary furlough Government support and for the 'Fixed costs' Government support. For the furlough Government support, due to uncertainties regarding the amount of compensation, no income has been recognised in the Financial Statement for 2021. For the 'Fixed costs' Government scheme an income of DKK 1,284,330.47 has been recorded in the 2021 Profit & Loss statement.

### Financial review

The income statement for 2021 shows a profit of DKK 921,183 against a profit of DKK 1,654,006 last year, and the balance sheet at 31 December 2021 shows equity of DKK 23,703,475.

Management considers the Company's financial performance in the year satisfactory.

### Environmental Sustainability Report

The Body Shop is a global brand founded by environmental and human rights activist Anita Roddick in English Brighton 1976 with the philosophy that entrepreneurship can be a good force in the world. With the same drive, The Body Shop is today a certified B Corp™, and thus part of a global association of + 3000 companies with a focus on sustainable business and cooperation in order to create significant change for people and the planet. Certified B Corps meets the highest standards for verified social and environmental performance, transparency and legal aspects.

In 2018, Forever Against Animal Testing, The Body Shop and Cruelty Free International's animal rights campaign became the world's largest petition against animal testing with over 8.3 million signatures to call for a global ban on cosmetic testing on animals. The petition was submitted to the UN body Global Compact to contribute to sustainability goal 12 (SDG 12) Sustainable Consumption and Production. In 2021, ECHA (European Chemicals Agency) demanded to once again be allowed to test cosmetic ingredients on animals, which would mean that the EU ban that has existed since 2013 would be removed. In 2021, The Body Shop launched the European Citizens' Initiative Save Cruelty Free Cosmetics together with a large group of key animal right stakeholders in order to create pressure through one million EU citizens signatures for the EU to take a stand on the issue.

In 2019, The Body Shop launched the world's first recycled Community Fair Trade plastic together with Plastics For Change, an initiative to address the plastic crisis and create more sustainable packaging and to support waste pickers in Bangalore, India.

In 2021, The Body Shop relaunched an updated refill system, as a part of an ambitious plan to open 400 refill stores globally in 2021 and another 400 in 2022. The initiative aims to contribute to changing consumer habits and the perception of single use plastic by encouraging customers to refill their bottles to help reduce plastic consumption and waste.

## Management's review

### Environmental Sustainability Report (continued)

In 2020 and 2021, The Body Shop has worked proactively to prevent men's violence against women. During the pandemic, UN Women flagged that a global shadow pandemic, consisting of increased violence against women, was one of the consequences of self-isolation and social vulnerability. The Body Shop has since 2020 been working together with LOKK in Denmark - the country organization for women crisis centre - to inform and share tools for help to women and children that are exposed to men's violence. In addition to a major public education effort and help lifting the taboo in Denmark the cooperation has also resulted in a donation of 487,000 DKK to LOKK. In 2022, The Body Shop was named Sweden's most sustainable beauty brand for the fourth year in a row according to the Sustainable Brand Index™, Europe's largest brand survey on sustainability.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2021	2020
	<b>Gross profit</b>	19,468,320	19,419,096
3	Staff costs	-17,325,462	-17,016,300
4	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-683,150	-178,592
	Other operating expenses	-175,378	0
	<b>Profit before net financials</b>	1,284,330	2,224,204
5	Financial expenses	-88,039	-104,534
	<b>Profit before tax</b>	1,196,291	2,119,670
6	Tax for the year	-275,108	-465,664
	<b>Profit for the year</b>	921,183	1,654,006
	 <b>Recommended appropriation of profit</b>		
	Retained earnings	921,183	1,654,006
		921,183	1,654,006

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2021	2020
	<b>ASSETS</b>		
	Fixed assets		
7	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	2,362,088	1,288,266
	Leasehold improvements	222,885	97,050
		<u>2,584,973</u>	<u>1,385,316</u>
8	Investments		
	Deposits, investments	2,873,750	2,748,258
		<u>2,873,750</u>	<u>2,748,258</u>
	<b>Total fixed assets</b>	<u>5,458,723</u>	<u>4,133,574</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	3,402,759	2,902,546
		<u>3,402,759</u>	<u>2,902,546</u>
	Receivables		
	Trade receivables	2,423,561	2,171,936
	Receivables from group enterprises	21,120,989	24,186,183
9	Deferred tax assets	518,406	640,642
	Other receivables	11,083	579,920
	Prepayments	276,879	0
		<u>24,350,918</u>	<u>27,578,681</u>
	Cash	8,528,819	5,368,204
	<b>Total non-fixed assets</b>	<u>36,282,496</u>	<u>35,849,431</u>
	<b>TOTAL ASSETS</b>	<u>41,741,219</u>	<u>39,983,005</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2021	2020
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	523,000	523,000
	Retained earnings	23,180,475	22,259,292
	<b>Total equity</b>	<u>23,703,475</u>	<u>22,782,292</u>
	<b>Provisions</b>		
	Other provisions	131,336	118,868
	<b>Total provisions</b>	<u>131,336</u>	<u>118,868</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	696,707	181,829
	Payables to group enterprises	2,438,308	1,908,603
	Joint taxation contribution payable	143,451	243,084
	Other payables	10,263,376	9,988,560
	Deferred income	4,364,566	4,759,769
		<u>17,906,408</u>	<u>17,081,845</u>
	<b>Total liabilities other than provisions</b>	<u>17,906,408</u>	<u>17,081,845</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>41,741,219</u>	<u>39,983,005</u>

- 1 Accounting policies
- 2 Special items
- 10 Contractual obligations and contingencies, etc.
- 11 Collateral
- 12 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2020	523,000	20,605,286	21,128,286
Transfer through appropriation of profit	0	1,654,006	1,654,006
<b>Equity at 1 January 2021</b>	<b>523,000</b>	<b>22,259,292</b>	<b>22,782,292</b>
Transfer through appropriation of profit	0	921,183	921,183
<b>Equity at 31 December 2021</b>	<b>523,000</b>	<b>23,180,475</b>	<b>23,703,475</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of B.S. DANMARK A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

#### Basis of recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

#### Income statement

##### Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue provided that delivery and transfer of risk to the buyer have taken place. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

##### Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other operating income and operating expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

##### Raw materials and consumables, etc.

Cost of goods includes the materials and consumables used in generating the year's revenue.

##### Staff costs

Staff expenses comprise wages and salaries as well as payroll expenses.

##### Amortisation/depreciation and impairment

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	5-10 years
Leasehold improvements	4-7 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

##### Financial expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise of interest, realised and unrealised exchange adjustments, amortisation of mortgage loans as well as extra payments and repayment under the on account tax scheme.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

##### Other securities and investments

Fixed asset investments consist of rent deposits measured at cost.

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

##### Receivables

Receivables are measured at amortised cost.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

#### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

#### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period. Provisions are measured and recognised based on experience with guarantee work.

#### Deferred tax assets and liabilities

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Special items

DKK	2021	2020
<b>Income</b>		
Covid 19 payroll relief package	0	1,517,162
Covid 19 fixed costs relief package	1,284,330	0
	<u>1,284,330</u>	<u>1,517,162</u>

Special items are recognised in the below items of the financial statements

Other operating income	1,284,330	1,517,162
<b>Net profit on special items</b>	<u>1,284,330</u>	<u>1,517,162</u>

#### 3 Staff costs

Wages/salaries	15,663,000	15,474,127
Pensions	1,109,332	1,144,819
Other social security costs	341,536	314,914
Other staff costs	211,594	82,440
	<u>17,325,462</u>	<u>17,016,300</u>

Average number of full-time employees	<u>45</u>	<u>51</u>
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#### 4 Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

Amortisation of intangible assets	0	142,628
Depreciation of property, plant and equipment	804,463	484,332
Impairment of property, plant and equipment	-121,313	-448,368
	<u>683,150</u>	<u>178,592</u>

#### 5 Financial expenses

Interest expenses, group entities	61,958	72,513
Other financial expenses	26,081	32,021
	<u>88,039</u>	<u>104,534</u>

#### 6 Tax for the year

Estimated tax charge for the year	143,451	243,084
Deferred tax adjustments in the year	122,233	222,580
Tax adjustments, prior years	9,424	0
	<u>275,108</u>	<u>465,664</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 7 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2021	11,596,236	550,456	12,146,692
Additions	1,888,729	169,454	2,058,183
Disposals	-746,126	-7,175	-753,301
Cost at 31 December 2021	<u>12,738,839</u>	<u>712,735</u>	<u>13,451,574</u>
Impairment losses and depreciation at 1 January 2021	10,307,970	453,406	10,761,376
Depreciation	760,844	43,619	804,463
Reversal of prior year impairment losses	-121,314	0	-121,314
Reversal of accumulated depreciation and impairment of assets disposed	-570,749	-7,175	-577,924
Impairment losses and depreciation at 31 December 2021	<u>10,376,751</u>	<u>489,850</u>	<u>10,866,601</u>
Carrying amount at 31 December 2021	<u>2,362,088</u>	<u>222,885</u>	<u>2,584,973</u>

#### 8 Investments

DKK	Deposits, investments
Cost at 1 January 2021	2,748,258
Additions	125,492
Cost at 31 December 2021	<u>2,873,750</u>
Carrying amount at 31 December 2021	<u>2,873,750</u>

#### 9 Deferred tax assets

The deferred tax asset consists of temporary differences, that is expected to be utilized within the coming years.

#### 10 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company is jointly taxed with group entity, Aesop Denmark ApS, which acts as administration entity, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2017 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 8 September 2017.

The Body Shop International Group operates in a wide variety of jurisdictions, in some of which the tax law is subject to varying interpretations and potentially inconsistent enforcement. As a result, there can be practical uncertainties in applying tax legislation to The Body Shop International Group's activities. Whilst the Body Shop International Group considers that it operates in accordance with applicable tax law, there are potential tax exposures in respect of its operations.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 10 Contractual obligations and contingencies, etc. (continued)

##### Other financial obligations

Other rent and lease liabilities:

DKK	2021	2020
Rent and lease liabilities	6,496,461	10,159,371

Rent and lease liabilities include a rent obligation totaling DKK 6,458,666 (2020: DKK 9,966,368) in interminable rent agreements with remaining contract terms of 1-5 years. Where DKK 6,404,642 (2020: DKK 7,441,926) falls due within one year, DKK 54,024 (2020: DKK 2,524,442) falls due with one to five years, and DKK 0 (2020: DKK 0) falls due after 5 Years. Additionally, the company has entered other lease obligations totaling DKK 37,795 (2020: DKK 193,003) with remaining contract terms of 1-5 years. Where DKK 37,795 (2020: DKK 155,208) falls due within one year, DKK 0 (2020: DKK 37,795) falls due within one to five years, and DKK 0 (2020: DKK 0) falls due after 5 years.

#### 11 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2021.

#### 12 Related parties

B.S. DANMARK A/S' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
The Body Shop Worldwide Limited	United Kingdom	Parent Company
Natura & Co Holding S.A.	Brazil	Ultimate Parent Company

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Natura Cosméticos S.A	Sao Paulo, Brazil	Sao Paulo, Alexandre Colares Avenue, 1188, Vila Jaguara, Postal Code 05106-000, State of Sao Paulo, Brazil