

# **Sephora Danmark ApS**

Kgs. Nytorv 26, 4. sal

1050 Copenhagen K

CVR No. 33863225

## **Annual Report 2019**

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 25 August 2020

---

Jenni Österlund  
Chairman

## Sephora Danmark ApS

### Contents

Management's Statement	3
Independent Auditor's Report	4
Company Information	6
Management's Review	7
Key Figures and Financial Ratios	8
Accounting Policies	9
Income Statement	13
Balance Sheet	14
Statement of changes in Equity	16
Notes	17

## **Management's Statement**

Today, Management has considered and adopted the Annual Report of Sephora Danmark 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.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 25 August 2020

### **Executive Board**

Marie-Christine Marchive  
Vice President Europe

### **Board of Directors**

Jenni Österlund  
Chairman

Bruno Michel Amadei  
Europe Middle East CFO

Marie-Christine Marchive  
Vice President Europe

## Independent Auditor's Report

### To the shareholder of Sephora Danmark ApS

#### Opinion

We have audited the financial statements of Sephora Danmark ApS for the financial year 1 January 2019 - 31 December 2019, which comprise an income statement, balance sheet and notes. 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 financial position at 31 December 2019 and of the results of its operations for the financial year 1 January 2019 - 31 December 2019 in accordance with the Danish Financial Statements Act.

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Company in accordance with the International Ethics Standards Board of 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. 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 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, for disclosing, as applicable, matters related to going concern and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to either liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### The auditor's responsibility 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 auditors' 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 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 additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- \* Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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.

## Independent Auditor's Report

- \* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* 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 relating 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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.

### Statement on 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information requirement under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. We did not identify any material misstatement management commentary.

Copenhagen, 25 August 2020

**Deloitte**

**Statsautoriseret Revisionspartnerselskab**

CVR-no. 33963556

Lars Andersen

State Authorised Public Accountant

mne27762

## Sephora Danmark ApS

### Company details

<b>Company</b>	Sephora Danmark ApS Kgs. Nytorv 26, 4. sal 1050 Copenhagen K
CVR No.	33863225
Financial year	1 January 2019 - 31 December 2019
<b>Board of Directors</b>	Jenni Österlund, Chairman Bruno Michel Amadei, Europe Middle East CFO Marie-Christine Marchive, Vice President Europe
<b>Executive Board</b>	Marie-Christine Marchive, Vice President Europe
<b>Auditors</b>	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 Postboks 1600 0900 København K CVR-no.: 33963556

## Management's Review

### Primary activities

The business activities carried out by the Company comprise retail sale of cosmetics and beauty products.

### Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2019 - 31 December 2019 shows a result of DKK -10.216.607 and the Balance Sheet at 31 December 2019 a balance sheet total of DKK 54.581.799 and an equity of DKK -1.111.414.

Sephora Danmark APS has the financial support of its shareholder, Sephora SAS. This support is evidenced by two major processes:

- \* On the one hand, the cash-pooling system put in place and allowing to some subsidiaries of Sephora SAS, including Sephora Danmark APS, benefit from treasury help when the situation requires it,.
- \* On the other hand, the comfort letter issued by Sephora SAS on May 27th 2020, in force until May 31st 2021, for its direct benefit to guarantee its assistance in case of some debt issues.

Thus, we think that Sephora Danmark APS is able to get to pre-COVID trend very quickly, to stay within Company's long-term strategy and still respect the previous year outlook to be break even by 2023 and propose to postpone any decision about this matter.

### Profit/loss for the year in relation to expected developments

The negative result close to previous year level was expected and is linked 1st to traffic slow-down in B&M stores & Corners and 2nd to Investments into development and growth of online part of the business, accordingly with long-term strategy.

### Uncertainty relating to recognition and measurement

There is no uncertainty relating to recognition or measurement.

### Unusual circumstances affecting recognition and measurement

There are no unusual circumstances affecting recognition or measurement.

### Outlook

Management expects financial statements to be lower in 2020 vs 2019 due to current world wide situation with COVID-19 virus.

The long-term Strategy of the company remains the same: Profitable growth and market share increase via E-commerce acceleration and performance of existing B&M stores, but it will be a certain slow-down (impossible to assess at current stage) in its implementation.

### Events after the balance sheet date

Company's outlook for the future will be negatively affected by the COVID-19 outbreak. Due to the measures taken by Danish government Sephora has had to close all points of sales across the country. this will obviously have a negative impact on the revenue as well as net profit. Management expects the decrease of result vs 2019, however, it s too early to assess the extent of the impact, which will depend on recovery period after stores re-opening during quarter 3 and high season for perfumes & cosmetic industry in quarter 4.

## Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

*Numbers appear in thousands*

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Key figures					
Gross profit	18.389	19.214	19.786	23.210	15.129
Operating profit/loss	-12.759	-11.341	-4.896	-4.155	-11.662
Net financial income and expenses	-371	360	-358	-204	-331
Profit/loss for the year	-10.217	-9.154	-4.065	-3.402	-9.114
Total assets	54.582	59.857	49.581	44.180	43.468
Investment in tangible assets	1.882	6.601	9.521	3.845	2.196
Total equity	-1.111	9.105	18.260	22.324	4.726
Ratios					
Solvency ratio (%)	-2,04	15,21	36,83	50,53	10,90

For definitions of key ratios, see Accounting Policies.

## **Accounting Policies**

### **Reporting Class**

The Annual Report of Sephora Danmark ApS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C-medium.

The accounting policies used in the preparation of the financial statements have been changed compared to last year.

With reference to section 86 (4) of the Danish Financial Statement Act, Sephora Danmark ApS has not prepared a cash flow statement.

### **General Information**

#### **Recognition and measurement**

Assets are recognised in the Balance Sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability 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.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

#### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### **Income Statement**

#### **Gross profit/loss**

Gross profit or loss comprise revenue, changes in inventories of finished goods and work in progress, own work capitalized, other operating income, cost of raw materials and consumables and external expenses.

#### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of consideration fixed.

## Accounting Policies

### Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods. This item includes ordinary write-downs of such inventories.

### Other operating income

Other operating income comprises income of secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

### Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### Amortisation, depreciation and impairment loss

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies as well as tax relief under the the Danish tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies as well as tax surcharge under the the Danish tax Prepayment Scheme etc.

### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish sister subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with refund concerning tax losses).

## Accounting Policies

### Balance Sheet

#### Intellectual property rights etc.

Intellectual property rights etc comprise acquired software.

Software is measured at cost less accumulated amortisation. Software is amortised over 3-5 years.

Software is written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the assets fair value and present value of future lease payment.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>	<b>Residual value</b>
Other fixtures and fittings, tools and equipment	3-5 years	0%
Leasehold improvements	5 years	0%

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### Inventories

Inventories are measured at the lower of cost using the average method and net realisable value.

Cost of goods for reale consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

#### Receivables

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

#### Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

#### Prepayments

Prepayments comprise incurred cost relating to subsequent financial years. Prepayments are measured at cost.

#### Cash

Cash comprises cash in hand and bank deposits.

## Accounting Policies

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against defferd tax liabilities or as net tax assets.

### Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the the term of the lease.

### Other financial liabilities

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

### Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

## Financial highligts

The key figures are calculated according to Danish Finance Society's Recommendations & Financial Ratios.

### Ratios

Solvency ratio (%)

=

### Calculation formula

Equity X 100

-----  
Total assets

### Ratios reflect

The financial strength of the Entity

## Income Statement

	Note	2019 DKK	2018 DKK
<b>Gross profit</b>		<b>18.388.773</b>	<b>19.213.978</b>
Employee benefits expense	1	-26.528.456	-26.703.300
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-4.618.887	-3.851.736
<b>Profit from ordinary operating activities</b>		<b>-12.758.570</b>	<b>-11.341.058</b>
Finance income		2.986	4.387
Finance expenses	2	-373.764	-364.024
<b>Profit from ordinary activities before tax</b>		<b>-13.129.348</b>	<b>-11.700.695</b>
Tax expense on ordinary activities	3	2.912.741	2.546.351
<b>Profit</b>	4	<b>-10.216.607</b>	<b>-9.154.344</b>
<b>Proposed distribution of results</b>			
Retained earnings		-10.216.607	-9.154.344
<b>Distribution of profit</b>		<b>-10.216.607</b>	<b>-9.154.344</b>

## Balance Sheet as of 31 December

	Note	2019 DKK	2018 DKK
<b>Assets</b>			
Acquired intangible assets	5	841.143	930.730
Prepayments for intangible assets	6	0	73.238
<b>Intangible assets</b>		<b>841.143</b>	<b>1.003.968</b>
Fixtures, fittings, tools and equipment	7	3.547.720	3.514.706
Leasehold improvements	8	7.930.476	10.505.938
Property, plant and equipment in progress	9	144.950	126.057
<b>Property, plant and equipment</b>		<b>11.623.146</b>	<b>14.146.701</b>
Deposits, investments	10	5.483.087	5.508.725
<b>Investments</b>		<b>5.483.087</b>	<b>5.508.725</b>
<b>Fixed assets</b>		<b>17.947.376</b>	<b>20.659.394</b>
Manufactured goods and goods for resale		16.119.340	16.987.047
<b>Inventories</b>		<b>16.119.340</b>	<b>16.987.047</b>
Short-term trade receivables		9.781.588	9.409.140
Short-term receivables from group enterprises		2.743.462	2.849.899
Current deferred tax		270.930	94.605
Short-term tax receivables		2.736.428	2.184.357
Other short-term receivables		755.847	816.154
Prepayments	11	2.535.568	3.900.334
<b>Receivables</b>		<b>18.823.823</b>	<b>19.254.489</b>
<b>Cash and cash equivalents</b>		<b>1.691.260</b>	<b>2.955.775</b>
<b>Current assets</b>		<b>36.634.423</b>	<b>39.197.311</b>
<b>Assets</b>		<b>54.581.799</b>	<b>59.856.705</b>

## Balance Sheet as of 31 December

	Note	2019 DKK	2018 DKK
<b>Liabilities and equity</b>			
Contributed capital	12	80.002	80.002
Retained earnings		-1.191.416	9.025.192
<b>Equity</b>		<b>-1.111.414</b>	<b>9.105.194</b>
Other provisions	13	863.484	1.216.345
<b>Provisions</b>		<b>863.484</b>	<b>1.216.345</b>
Other payables		755.825	0
<b>Long-term liabilities other than provisions</b>	14	<b>755.825</b>	<b>0</b>
Prepayments received from customers		705.577	318.998
Trade payables		5.575.471	5.059.587
Payables to group enterprises		42.431.930	38.959.678
Other payables		5.184.706	5.196.903
Deferred income, liabilities		176.220	0
<b>Short-term liabilities other than provisions</b>		<b>54.073.904</b>	<b>49.535.166</b>
<b>Liabilities other than provisions within the business</b>		<b>54.829.729</b>	<b>49.535.166</b>
<b>Liabilities and equity</b>		<b>54.581.799</b>	<b>59.856.705</b>
Contingent liabilities	15		
Collaterals and assets pledges as security	16		
Ownership	17		
Deferred tax assets and liabilities	18		
Liabilities under off-balance sheet leases	19		
Other disclosures	20		

## Sephora Danmark ApS

### Statement of changes in Equity

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2019	80.002	9.025.191	9.105.193
Profit (loss)	<u>0</u>	<u>-10.216.607</u>	<u>-10.216.607</u>
<b>Equity 31 December 2019</b>	<b><u>80.002</u></b>	<b><u>-1.191.416</u></b>	<b><u>-1.111.414</u></b>

## Notes

	<b>2019</b>	<b>2018</b>
<b>1. Employee benefits expense</b>		
Wages and salaries	25.007.088	24.877.926
Post-employment benefit expense	1.162.318	1.169.710
Social security contributions	512.296	471.815
Other employee expense	-153.246	183.849
	<b>26.528.456</b>	<b>26.703.300</b>
Average number of employees	82	80
Referring to the Danish Financial Statement Act §98B, section 3.2 Management's salaries are left out.		
<b>2. Finance expenses</b>		
Finance expenses arising from group enterprises	72.476	38.007
Other finance expenses	301.288	326.017
	<b>373.764</b>	<b>364.024</b>
<b>3. Tax expense</b>		
Change in deferred tax for the year	-176.313	-361.994
Current tax	-2.736.428	-2.184.357
	<b>-2.912.741</b>	<b>-2.546.351</b>
<b>4. Distribution of profit</b>		
Retained earnings	-10.216.607	-9.154.344
	<b>-10.216.607</b>	<b>-9.154.344</b>
<b>5. Acquired intangible assets</b>		
Cost at the beginning of the year	4.794.342	4.429.891
Addition during the year, incl. improvements	249.766	364.451
<b>Cost at the end of the year</b>	<b>5.044.108</b>	<b>4.794.342</b>
Depreciation and amortisation at the beginning of the year	-3.863.612	-3.609.533
Amortisation for the year	-339.353	-254.079
<b>Impairment losses and amortisation at the end of the year</b>	<b>-4.202.965</b>	<b>-3.863.612</b>
<b>Carrying amount at the end of the year</b>	<b>841.143</b>	<b>930.730</b>
<b>6. Prepayments for intangible assets</b>		
Cost at the beginning of the year	73.238	352.449
Addition during the year, incl. improvements	0	73.238
Transfers during the year to other items	-73.238	-352.449
<b>Cost at the end of the year</b>	<b>0</b>	<b>73.238</b>
<b>Carrying amount at the end of the year</b>	<b>0</b>	<b>73.238</b>

## Notes

	2019	2018
<b>7. Fixtures, fittings, tools and equipment</b>		
Cost at the beginning of the year	4.728.963	1.851.559
Addition during the year, incl. improvements	1.424.769	2.877.404
<b>Cost at the end of the year</b>	<b>6.153.732</b>	<b>4.728.963</b>
Depreciation and amortisation at the beginning of the year	-1.214.257	-792.254
Amortisation for the year	-1.391.755	-422.003
<b>Impairment losses and amortisation at the end of the year</b>	<b>-2.606.012</b>	<b>-1.214.257</b>
<b>Carrying amount at the end of the year</b>	<b>3.547.720</b>	<b>3.514.706</b>
<b>8. Leasehold improvements</b>		
Cost at the beginning of the year	15.764.598	12.167.052
Addition during the year, incl. improvements	312.317	3.597.546
<b>Cost at the end of the year</b>	<b>16.076.915</b>	<b>15.764.598</b>
Depreciation and amortisation at the beginning of the year	-5.258.660	-2.083.007
Amortisation for the year	-2.887.779	-3.175.653
<b>Impairment losses and amortisation at the end of the year</b>	<b>-8.146.439</b>	<b>-5.258.660</b>
<b>Carrying amount at the end of the year</b>	<b>7.930.476</b>	<b>10.505.938</b>
<b>9. Property, plant and equipment in progress</b>		
Cost at the beginning of the year	126.057	848.748
Addition during the year, incl. improvements	144.950	126.057
Disposal during the year	-126.057	-848.748
<b>Cost at the end of the year</b>	<b>144.950</b>	<b>126.057</b>
<b>Carrying amount at the end of the year</b>	<b>144.950</b>	<b>126.057</b>
<b>10. Deposits</b>		
Cost at the beginning of the year	5.508.725	5.387.357
Addition during the year, incl. improvements	85.762	167.808
Disposal during the year	-111.400	-46.440
<b>Cost at the end of the year</b>	<b>5.483.087</b>	<b>5.508.725</b>
<b>Carrying amount at the end of the year</b>	<b>5.483.087</b>	<b>5.508.725</b>
<b>11. Prepayments</b>		
Prepayments primarily comprise prepaid rental costs.		

## Notes

**12. Contributed capital**

	2019	2018
Balance at the beginning of the year	80.002	80.002
Additions during the year	0	0
<b>Balance at the end of the year</b>	<b>80.002</b>	<b>80.002</b>

	2019	2018	2017	2016	2015
Balance, beginning of the year	80.002	80.002	80.002	80.001	80.000
Additions during the year	0	0	0	1	1
<b>Balance, end of the year</b>	<b>80.002</b>	<b>80.002</b>	<b>80.002</b>	<b>80.002</b>	<b>80.001</b>

**13. Other provisions**

	2019	2018
Accrued charges to pay	863.484	1.216.345
<b>Balance at the end of the year</b>	<b>863.484</b>	<b>1.216.345</b>

**14. Long-term liabilities**

	Due after 1 year	Due within 1 year	Due after 5 years
Other payables	755.825	0	0
	<b>755.825</b>	<b>0</b>	<b>0</b>

**15. Contingent liabilities**

The Company participates in a Danish joint taxation arrangement in which Parfums Christian Dior A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

**16. Mortgages and collaterals**

None.

**17. Ownership**

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

LVMH Group SE

LV Group S.A., Paris, France

Sephora SAS, 41, rue Ybry, 92576 Neuilly, CEDEX, France.

The shareholder controls the company.

## Notes

### 18. Deferred tax assets and liabilities

	<b>2019</b>	<b>2018</b>
<b>Balance at the beginning of the year</b>	94.605	-267.389
Adjustments during the year	176.325	361.994
<b>Balance at the end of the year</b>	<u>270.930</u>	<u>94.605</u>

Adjustment of deferred tax assets is recognised in the income statement.

### 19. Unrecognised rental and lease commitments

Commitments under rental agreements or leases until expiry 27.947.402 (2018: 40.084.441 DKK)

### 20. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

LVMH Group S.A., Paris, France

Name and registered office of the Parent preparing consolidated financial statements for the biggest group:

LVMH Group S.A., Paris, France