

# **Sephora Danmark ApS**

Kgs. Nytorv 26, 4. sal

1050 Copenhagen K

CVR No. 33863225

## **Annual Report 2021**

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29 June 2022

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Marie-Christine Marchive  
Chairman

## Sephora Danmark ApS

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## **Management's Statement**

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

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, 29 June 2022

### **Executive Board**

Marie-Christine Marchive  
General Manager Europe

### **Board of Directors**

Jenni Österlund  
Chairman

Bruno Michel Amadei  
EuropeMiddleEast CFO

Marie-Christine Marchive  
GeneralManagerEurope

## Independent Auditors' 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 2021 - 31 December 2021, which comprise an income statement, balance sheet, statement of changes in equity 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 2021 and of the results of its operations for the financial year 1 January 2021 - 31 December 2021 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 Auditors' 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, 29 June 2022

### 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. januar 2021 - 31. december 2021
<b>Board of Directors</b>	Jenni Österlund, Chairman Bruno Michel Amadei, Europe Middle East CFO Marie-Christine Marchive, General Manager Europe
<b>Executive Board</b>	Marie-Christine Marchive, General Manager 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 2021 - 31 December 2021 shows a result of DKK -6.752.273 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 46.873.776 and an equity of DKK -20.762.573.

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 11th 2022, in force until June 30th 2023, 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 follow an updated outlook to be break even by 2025 (which represent a 2 years shift caused by Covid vs previous 2023 assumption).

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

The negative result was expected due to COVID crisis and physical stores fully closed from December 2020 and until April 2021 (street locations re-opened 1st of March, Malls & Corners re-opened Mid-April).

### 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 flat or slightly improved in 2022 vs 2021, thanks to after-COVID recovery, tourists flow reappearance, return of sport/culture events, launch of new Brands (Rare Beauty, Drunken Elephant). 2021 includes significant positive impact from Government COVID support and 2022 contains a few investments ( 10 years anniversary which will be celebrated through the year in order to increase brand awareness and Full renovation of Flagship store in Copenhagen) that's why there is no expectation for a significant improvement of result in 2022 and expect flat result in range of kr. 5.000.000 to kr. 7.000.000 for 2022.

The Long-term strategy of the company remains the same: profitable growth and market share increase via E-commerce acceleration (2022 represents 1st full year on new platform web site including new Mobile App and click & collect, also further enhancements are planned to improve online & OMNI experience for clients (new payment methods, English language, etc...) and performance of existing Stores and Corners.

### Events after the balance sheet date

Even with relief of COVID restriction, there is no full return to pre-COVID levels during 1Q22. Touristic flows are still limited. Difficult to access the macro-economic impact on Europe from current situation in Russia and Ukraine.

## 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>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Key figures</b>					
Gross profit	13.415	6.435	18.389	19.214	19.786
Operating profit/loss	-8.378	-15.986	-12.759	-11.341	-4.896
Net financial income and expenses	-288	-549	-371	360	-358
Profit/loss for the year	-6.752	-12.899	-10.217	-9.154	-4.065
Total assets	46.874	48.001	54.582	59.857	49.581
Investment in tangible assets	1.632	2.595	1.882	6.601	9.521
Total equity	-20.763	-14.010	-1.111	9.105	18.260
<b>Ratios</b>					
Solvency ratio (%)	-44,29	-29,19	-2,04	15,21	36,83

For definitions of key ratios, see Accounting Policies.

## **Accounting Policies**

### **Reporting Class**

The Annual Report of Sephora Danmark ApS for 2021 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

### **Change 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 operating expenses**

Other operating expenses include items relating to activities secondary to the main activity of the enterprises.

### **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 software licences, completed development projects and development projects in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equaling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount. Completed development projects are amortised on a straight-line basis using their estimated useful lives of the assets. The amortisation period is 3-5 years. For development projects, protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. Development projects are 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:

Other fixtures and fittings, tools and equipment	3-10 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.

## Accounting Policies

### Prepayments

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

### Cash

Cash comprises cash in hand and bank deposits.

### Deferred tax

Deffered tax is recognised on all temporary diffferences 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.

Deffered 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 (%)

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### Calculation formula

Equity X 100

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Total assets

### Ratios reflect

The financial strength of the Entity

Sephora Danmark ApS

**Income Statement**

	Note	2021 DKK	2020 DKK
<b>Gross profit</b>		<b>13.414.711</b>	<b>6.435.141</b>
Employee benefits expense	1	-16.845.694	-17.583.940
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-4.869.985	-4.837.634
Other operating expenses		-77.177	0
<b>Profit from ordinary operating activities</b>		<b>-8.378.145</b>	<b>-15.986.433</b>
Finance income		33.436	42.621
Finance expenses	2	-321.486	-592.006
<b>Profit from ordinary activities before tax</b>		<b>-8.666.195</b>	<b>-16.535.818</b>
Tax expense on ordinary activities	3	1.913.922	3.636.932
<b>Profit</b>	4	<b>-6.752.273</b>	<b>-12.898.886</b>
 <b>Proposed distribution of results</b>			
Retained earnings		-6.752.273	-12.898.886
<b>Distribution of profit</b>		<b>-6.752.273</b>	<b>-12.898.886</b>

## Balance Sheet as of 31 December

	Note	2021 DKK	2020 DKK
<b>Assets</b>			
Acquired intangible assets	5	1.315.713	520.249
Intangible assets in progress	6	0	387.066
<b>Intangible assets</b>		<b>1.315.713</b>	<b>907.315</b>
Fixtures, fittings, tools and equipment	7	2.968.057	3.523.461
Leasehold improvements	8	2.913.362	5.870.325
Property, plant and equipment in progress	9	3.786	215.188
<b>Property, plant and equipment</b>		<b>5.885.205</b>	<b>9.608.974</b>
Deposits, investments	10	5.631.263	5.555.359
<b>Investments</b>		<b>5.631.263</b>	<b>5.555.359</b>
<b>Fixed assets</b>		<b>12.832.181</b>	<b>16.071.648</b>
Manufactured goods and goods for resale		12.573.879	13.175.001
<b>Inventories</b>		<b>12.573.879</b>	<b>13.175.001</b>
Short-term trade receivables		8.485.788	7.101.571
Short-term receivables from group enterprises		1.860.955	2.409.151
Current deferred tax	11	797.686	479.245
Short-term tax receivables		1.595.481	3.425.882
Other short-term receivables		1.226.555	799.895
Prepayments	12	3.575.783	3.461.275
<b>Receivables</b>		<b>17.542.248</b>	<b>17.677.019</b>
<b>Cash and cash equivalents</b>		<b>3.925.468</b>	<b>1.077.575</b>
<b>Current assets</b>		<b>34.041.595</b>	<b>31.929.595</b>
<b>Assets</b>		<b>46.873.776</b>	<b>48.001.243</b>

## Balance Sheet as of 31 December

	Note	2021 DKK	2020 DKK
<b>Liabilities and equity</b>			
Contributed capital	13	80.002	80.002
Retained earnings		-20.842.575	-14.090.302
<b>Equity</b>		<b>-20.762.573</b>	<b>-14.010.300</b>
Other provisions	14	145.259	502.288
<b>Provisions</b>		<b>145.259</b>	<b>502.288</b>
Prepayments received from customers		774.942	1.209.256
Trade payables		9.488.389	9.191.724
Payables to group enterprises		52.631.906	43.384.173
Other payables		3.676.957	6.418.409
Deferred income, liabilities		918.896	1.305.693
<b>Short-term liabilities other than provisions</b>		<b>67.491.090</b>	<b>61.509.255</b>
<b>Liabilities other than provisions within the business</b>		<b>67.491.090</b>	<b>61.509.255</b>
<b>Liabilities and equity</b>		<b>46.873.776</b>	<b>48.001.243</b>
Contingent liabilities	15		
Mortgages and collaterals	16		
Ownership	17		
Unrecognised rental and lease commitments	18		
Transactions with related parties	19		
Consolidation	20		

## Sephora Danmark ApS

### Statement of changes in Equity

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2021	80.002	-14.090.302	-14.010.300
Profit (loss)	0	-6.752.273	-6.752.273
<b>Equity 31 December 2021</b>	<b>80.002</b>	<b>-20.842.575</b>	<b>-20.762.573</b>

## Notes

	2021	2020
<b>1. Employee benefits expense</b>		
Wages and salaries	15.019.387	15.665.600
Post-employment benefit expense	1.222.721	1.180.604
Social security contributions	432.460	359.143
Other employee expense	171.126	378.593
	<b>16.845.694</b>	<b>17.583.940</b>
Average number of employees	71	72
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	-159.619	-123.817
Other finance expenses	-161.867	-468.189
	<b>-321.486</b>	<b>-592.006</b>
<b>3. Tax expense</b>		
Change in deferred tax for the year	-318.441	-208.315
Current tax	-1.595.481	-3.428.617
	<b>-1.913.922</b>	<b>-3.636.932</b>
<b>4. Distribution of profit</b>		
Retained earnings	-6.752.273	-12.898.886
	<b>-6.752.273</b>	<b>-12.898.886</b>
<b>5. Acquired intangible assets</b>		
Cost at the beginning of the year	5.096.707	5.044.108
Addition during the year, incl. improvements	814.407	52.599
Transfers during the year to other items	387.066	0
<b>Cost at the end of the year</b>	<b>6.298.180</b>	<b>5.096.707</b>
Depreciation and amortisation at the beginning of the year	-4.576.458	-4.202.965
Amortisation for the year	-406.009	-373.493
<b>Impairment losses and amortisation at the end of the year</b>	<b>-4.982.467</b>	<b>-4.576.458</b>
<b>Carrying amount at the end of the year</b>	<b>1.315.713</b>	<b>520.249</b>
<b>6. Intangible assets in progress</b>		
Cost at the beginning of the year	387.066	0
Addition during the year, incl. improvements	0	387.066
Transfers during the year to other items	-387.066	0
<b>Cost at the end of the year</b>	<b>0</b>	<b>387.066</b>
<b>Carrying amount at the end of the year</b>	<b>0</b>	<b>387.066</b>

## Notes

**7. Fixtures, fittings, tools and equipment**

	<b>2021</b>	<b>2020</b>
Cost at the beginning of the year	7.350.975	6.153.732
Addition during the year, incl. improvements	751.531	1.197.243
Disposal during the year	-166.145	0
Transfers during the year to other items	215.188	0
<b>Cost at the end of the year</b>	<b>8.151.549</b>	<b>7.350.975</b>
Depreciation and amortisation at the beginning of the year	-3.827.514	-2.606.012
Amortisation for the year	-1.444.946	-1.221.502
Reversal of impairment losses and amortisation of disposed assets	88.968	0
<b>Impairment losses and amortisation at the end of the year</b>	<b>-5.183.492</b>	<b>-3.827.514</b>
<b>Carrying amount at the end of the year</b>	<b>2.968.057</b>	<b>3.523.461</b>

**8. Leasehold improvements**

Cost at the beginning of the year	17.259.404	16.076.915
Addition during the year, incl. improvements	62.067	1.182.489
<b>Cost at the end of the year</b>	<b>17.321.471</b>	<b>17.259.404</b>
Depreciation and amortisation at the beginning of the year	-11.389.079	-8.146.439
Amortisation for the year	-3.019.030	-3.242.640
<b>Impairment losses and amortisation at the end of the year</b>	<b>-14.408.109</b>	<b>-11.389.079</b>
<b>Carrying amount at the end of the year</b>	<b>2.913.362</b>	<b>5.870.325</b>

**9. Property, plant and equipment in progress**

Cost at the beginning of the year	215.188	144.950
Addition during the year, incl. improvements	3.786	215.188
Transfers during the year to other items	-215.188	-144.950
<b>Cost at the end of the year</b>	<b>3.786</b>	<b>215.188</b>
<b>Carrying amount at the end of the year</b>	<b>3.786</b>	<b>215.188</b>

**10. Deposits**

Cost at the beginning of the year	5.555.359	5.483.087
Addition during the year, incl. improvements	75.904	72.272
<b>Cost at the end of the year</b>	<b>5.631.263</b>	<b>5.555.359</b>
<b>Carrying amount at the end of the year</b>	<b>5.631.263</b>	<b>5.555.359</b>

## Notes

**11. Current deferred tax**

	<b>2021</b>	<b>2020</b>
Balance at the beginning of the year	479.245	270.930
Adjustments during the year	318.441	208.315
<b>Balance at the end of the year</b>	<b>797.686</b>	<b>479.245</b>

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

**12. Prepayments**

Prepayments primarily comprise prepaid rental costs.

**13. Contributed capital**

	<b>2021</b>	<b>2020</b>
Balance at the beginning of the year	80.002	80.002
<b>Balance at the end of the year</b>	<b>80.002</b>	<b>80.002</b>

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Balance, beginning of the year	80.002	80.002	80.002	80.002	80.002
Additions during the year	0	0	0	0	0
<b>Balance, end of the year</b>	<b>80.002</b>	<b>80.002</b>	<b>80.002</b>	<b>80.002</b>	<b>80.002</b>

**14. Other provisions**

	<b>2021</b>	<b>2020</b>
Accrued charges to pay	145.259	502.288
<b>Balance at the end of the year</b>	<b>145.259</b>	<b>502.288</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.

## Notes

### 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.

### 18. Unrecognised rental and lease commitments

Commitments under rental agreements or leases until expiry 17.324.615 (2020: 17.050.513 DKK)

### 19. Transactions with related parties

The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only to transactions that were not performed on common market conditions.

### 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