

## LOUIS VUITTON DANMARK A/S

Amagertorv 2  
1160 København K

Annual report  
1 January 2019 - 31 December 2019

The annual report has been presented and approved on the company's general meeting the

Chairman of general meeting

FOR AND ON BEHALF OF  
MICHAEL WEJP-CLOEN

A handwritten signature in blue ink, appearing to be 'Caroline Ullrich', written over the printed name.

ASSISTANT ATTORNEY  
CAROLINE ULLICH

29.06.2020

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## Company information

<b>Reporting company</b>	LOUIS VUITTON DANMARK A/S Amagertorv 2 1160 København K Phone number: 33151022 CVR-nr: 11935893 Reporting period: 01/01/2019 - 31/12/2019
<b>Main financial institution</b>	BNP Paribas S.A. Denmark Adelgade 12, 3rd floor 1304 Copenhagen DK Danmark
<b>Auditor</b>	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S DK Denmark CVR-nr: 33963556 P-number: 1017192430

## Statement by Management

The board of directors and the executive board have today presented the annual report of Louis Vuitton Danmark A/S for the financial year 2019.

The annual report has been presented in accordance with the Danish Financial Statements Act. We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2019 and of the company's results of its activities in the period from 1 January to 31 December 2019. We are of the opinion that the management review includes a fair description of the issues dealt with. The annual report is recommended for approval by the general meeting.

Paris, the 9<sup>th</sup> June 2020

### Management

Anthony Michel Patrick Ledru

Board of directors

Isabelle Brunetiere Rebours

Alessandro Valenti  
Chairman

Anthony Michel Patrick Ledru

## The independent auditor's report on financial statements

To the shareholder of LOUIS VUITTON DANMARK A/S

### Opinion

We have audited the financial statements of Louis Vuitton Danmark A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

### Responsibilities of management 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 Entity'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 liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibility

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 judgement and maintain professional skepticism throughout the audit.

We also:

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

#### Statement on the management's review

Statement on the management commentary. Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 required 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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 9 June 2020

Lars Andersen, mne27762

Deloitte Statsautoriseret Revisionspartnerselskab

CVR: 33963556

## Management's Review

### Main activities of the enterprise

Like previous years, the main activity has consisted of retailing Louis Vuitton branded products.

### Unusual matters

There have been no unexpected circumstances this year.

### Uncertainties in relation and measurement

There have not been uncertainties related to recognition and measuring during the year.

### Development in activities and financial affairs+A65

The result from ordinary activities after tax is DKK 56.067k against DKK 40.601k last year. Management considers the result satisfactory.

### Special risks

The Company does not have any special price, currency or interest risks.

### Environmental issues

The Company has prepared a comprehensive strategy for environmental work.

### Know-how resources

The Company bases its activity on educated industry-related know-how resources, where quality and diligence of the work performance are put into focus.

### Research and development activities

The Company did not have expenses related to research and development.

### The expected development

As a consequence of the Covid 19 crisis, sales are expected to be down by 20% in 2020, comparable to 2018.

The drop of sales coming from travel retail / tourists will be partly compensated by e-commerce expected to be multiplied by 2,5

And by the close monitoring of our expenses will allow to mitigate the impact of the operating income.

### Events subsequent to the end of the financial year

The Covid 19 crisis will impact the 2020 sales as the store had to be closed during 6 weeks and as the tourist activity decreased significantly as a result of the closing of the borders. We noticed as well a very strong increase of the e-commerce sales. All in all we expect sales to be down by 15% to 20% on a full year basis, but still higher than 2018. All expenses will be reviewed in order to mitigate the decrease of sales.

### Annual profit compared with the expected development

The profit of LV Danmark rose by DKK 15.466k due to an increase in sales which is linked to the good performance of the store.

## Key figures and Financial Ratios

For the definition of key figures please see accounting policies.

Key figures	2019 t.kr	2018 t.kr	2017 t.kr	2016 t.kr	2015 t.kr
Results from operating activities	72 048	52 317	51 765	35 908	26 618
Net financials	-138	-249	-553	-154	-113
Results for the year	56 067	40 601	39 804	27 811	19 608
Investments in tangible fixed assets	1 100	426	380	653	325
Balance sheet total	79 040	61 383	65 118	52 186	56 010
Equity	56 567	41 101	48 545	18 741	38 349
Financial ratios Equity share	71,2%	66,1%	74,6%	69,0%	65,5%
Return on equity	115,4%	91,6%	82,0%	73,5%	39,8%
Average number of full-time employees	25	22	18	18	18



## Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class C.

### General

The annual report for Louis Vuitton Danmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

### Recognition and measurement in general

Income is recognised in the profit and loss accounts simultaneously with its realisation, including the recognition of the value adjustments of financial assets and liabilities.

Likewise, all costs, these including depreciation, amortisation, writedown, provisions and reversals which are due to change in estimated amounts previously recognised in profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to loose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described for each individual item.

### Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. Debtors, creditors and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

### The profit and loss account

#### Gross profit

The gross profit comprises the net turnover, cost of goods sold, other operating income and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received.

The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales include costs for the purchase of goods less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors and operational leasing costs.

#### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

#### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

#### **Net financials**

Net financials include income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities.

Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

#### **Tax on the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses)

#### **The balance sheet**

##### **Intangible fixed assets**

Acquired intangible assets are amortized on a straight line basis over the estimated financial life of the asset, which is 5 years.

##### **Goodwill**

Goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised on a straight line basis over the estimated financial life which is 8 years.

### **Tangible fixed assets**

Tangible fixed assets are measured at cost with deduction of accumulated depreciation and writedown.

The basis of depreciation at cost with deduction of expected residual value after the end of the useful life of the asset.

The cost price contains the acquisition cost and cost directly linked to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale.

### **Leasehold improvements**

Leasehold improvements of rented premises are measured at cost with deduction of accumulated depreciation. Depreciation takes place on a straight line basis over the estimated useful life of the asset, which is set at 6 years.

### **Property, plant and equipment in progress and prepayments for property, plant and equipment.**

Property, plant and equipment in progress and prepayments for property, plant and equipment are measured at cost. There is no depreciation for these fixed assets until the time of activation.

### **Deposits**

Deposits consist of deposits made for rent. The deposit is adjusted yearly with indexation.

### **Decoration of rented premises**

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 6 years.

### **Inventories**

Inventories are measured at cost on basis of measured average prices. In the case the net realisable value is lower than the cost, write-down takes place at this lower value.

The cost for trade goods, raw material, and consumables comprises the acquisition cost with the addition of the delivery costs.

### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, write-down takes place at the net realisable income.

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### **Available funds**

Cash and cash equivalents comprise cash.

### **Equity - dividend**

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years taxable income and prepaid taxes.

Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Louis Vuitton Danmark A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

### **Liabilities**

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

### **Available funds**

Available funds comprise cash funds with deduction of short-term bank debt.

### **Cash flow statement**

In accordance with section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared for the company, as the cash flows are included in the consolidated cash flow statement of the parent company.

### **The key figures**

The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal" ('Recommendations & Financial Ratios') published by the Danish Association of Finance Analysts.

The key figures in the survey appear as follow:

Equity share:  $\text{Equity less minority interests, closing balance} \times 100 / \text{Total assets, closing balance}$

Return on equity:  $\text{Results} \times 100 / \text{Average equity exclusive of minority interests}$

## Income statement 1 Jan 2019 - 31 Dec 2019

	Disclosure	2019 kr.	2018 kr.
<b>Gross profit (loss)</b>		<b>89 847 816</b>	<b>68 083 069</b>
Employee expense	<b>1</b>	-12 159 391	-10 131 286
Depreciation, amortization expense and impairment losses of property, plant and equipment and intangible assets		-5 502 135	-5 385 836
<b>Profit (loss) from ordinary operating activities</b>		<b>72 186 290</b>	<b>52 565 947</b>
Other finance expenses		-137 967	-249 020
<b>Profit (loss) from ordinary activities before tax</b>		<b>72 048 323</b>	<b>52 316 927</b>
Tax expense	<b>2</b>	-15 980 967	-11 716 194
<b>Profit (loss)</b>	<b>3</b>	<b>56 067 356</b>	<b>40 600 733</b>

## Balance sheet 31 December 2019

### Assets

	Disclosure	2019 kr.	2018 kr.
Acquired intangible assets		211 271	77 508
Goodwill		255 146	567 656
<b>Intangible assets</b>	<b>4</b>	<b>466 417</b>	<b>645 164</b>
Fixtures, fittings, tools and equipment		1 048 120	1 856 270
Leasehold improvements		142 012	3 333 253
Property, plant and equipment in progress		71 506	181 410
<b>Property, plant and equipment</b>	<b>5</b>	<b>1 261 638</b>	<b>5 370 933</b>
Deposits		2 993 329	2 957 987
<b>Investments</b>	<b>6</b>	<b>2 993 329</b>	<b>2 957 987</b>
<b>Total non-current assets</b>		<b>4 721 384</b>	<b>8 974 084</b>
Manufactured goods and goods for resale		7 691 047	8 247 324
<b>Inventories</b>		<b>7 691 047</b>	<b>8 247 324</b>
Trade receivables		5 329 813	6 850 546
Receivables from group enterprises		53 223 987	26 269 833
Current deferred tax assets		3 285 051	2 984 177
Tax receivables		0	12 230
Other receivables		863 945	3 537 117
Deferred income assets	<b>7</b>	2 094 834	2 095 376
<b>Receivables</b>		<b>64 797 630</b>	<b>41 749 279</b>
Cash and cash equivalents		1 829 462	2 412 733
<b>Current assets</b>		<b>74 318 139</b>	<b>52 409 336</b>
<b>Total assets</b>		<b>79 039 523</b>	<b>61 383 420</b>

## Balance sheet 31 December 2019

### Liabilities and equity

Disclosure	2019 kr.	2018 kr.
Contributed capital	500 000	500 000
Retained earnings	0	0
Proposed dividend	56 067 356	40 600 733
<b>Total equity</b>	<b>56 567 356</b>	<b>41 100 733</b>
Trade payables	724 043	3 253 528
Payables to group enterprises	8 094 590	5 403 985
Other payables, including tax payables, liabilities other than provisions	13 653 534	11 625 174
<b>Short-term liabilities other than provisions, gross</b>	<b>22 472 167</b>	<b>20 282 687</b>
<b>Liabilities other than provisions, gross</b>	<b>22 472 167</b>	<b>20 282 687</b>
<b>Liabilities and equity, gross</b>	<b>79 039 523</b>	<b>61 383 420</b>

## Statement of changes in equity 1 Jan 2019 - 31 Dec 2019

	Contributed capital	dividend recognised	Proposed in equity	Total
	kr.		kr.	kr.
Equity, beginning balance	500 000		40 600 733	41 100 733
Dividend paid	0		-40 600 733	-40 600 733
Proposed dividend	0		56 067 356	56 067 356
Equity, ending balance	500 000		56 067 356	56 567 356



## Disclosures

### 1. Employee expense

	2019 kr.	2018 kr.
Wages and salaries	10 574 607	9 003 790
Pensions	1 011 816	739 740
Social security	242 386	187 102
Other staff costs	330 582	200 654
	<b>12 159 391</b>	<b>10 131 286</b>

#### Information on remuneration of management categories and special incentive programs:

No fees were paid to management.

### 2. Tax expense

	2019 kr.	2018 kr.
Current tax	16 281 841	12 277 882
Changes in deferred tax	-300 874	-561 688
	<b>15 980 967</b>	<b>11 716 194</b>

### 3. Proposed distribution of results

	2019 kr.	2018 kr.
Retained earnings	56 067 356	40 600 733
Proposed distribution of profit (loss)	<b>56 067 356</b>	<b>40 600 733</b>

#### 4. Intangible assets

Software	2019 kr.	2018 kr.
Cost, beginning of year	781 500	781 500
Increase	223 908	0
<b>Cost, end of year</b>	<b>1 005 408</b>	<b>781 500</b>
Impairment and depreciation, beginning of year	-703 992	-547 692
Depreciation of the year	-90 145	-156 300
<b>Impairment and depreciation, end of year</b>	<b>-794 137</b>	<b>-703 992</b>
<b>Carrying value, end of year</b>	<b>211 271</b>	<b>77 508</b>

Goodwill	2019 kr.	2018 kr.
Cost, beginning of year	2 500 000	2 500 000
<b>Cost, end of year</b>	<b>2 500 000</b>	<b>2 500 000</b>
Impairment and depreciation, beginning of year	-1 932 344	-1 619 834
Depreciation of the year	-312 510	-312 510
<b>Impairment and depreciation, end of year</b>	<b>-2 244 854</b>	<b>-1 932 344</b>
<b>Carrying value, end of year</b>	<b>255 146</b>	<b>567 656</b>

#### 5. Property, plant and equipment

	Fixtures, fittings, tools & equipment kr.	Leasehold improvements kr.	Plant and equipment in progress kr.
Cost, beginning of year	9 721 148	30 159 543	181 410
Increase	1 047 549	52 540	71 713
Decrease	-797 463		-181 617
<b>Cost, end of year</b>	<b>9 971 234</b>	<b>30 212 083</b>	<b>71 506</b>
Amortisation, beginning of year	-7 864 878	-26 826 290	0
Depreciation for the year	-1 058 236	-3 243 781	0
<b>Impairment losses and amortisation, end of year</b>	<b>-8 923 114</b>	<b>-30 070 071</b>	<b>0</b>
<b>Carrying value, end of year</b>	<b>1 048 120</b>	<b>142 012</b>	<b>71 506</b>

## 6. Investments

	2019 kr.	2018 kr.
Cost, beginning of year	2 957 987	2 957 987
Increase	35 342	0
Decrease	0	0
<b>Cost, end of year</b>	<b>2 993 329</b>	<b>2 957 987</b>

## 7. Deferred income assets

	2019 kr.	2018 kr.
Prepaid employee travel costs	11 397	10 884
Prepaid phone & lease costs	0	20 313
Prepaid rent	2 053 610	2 035 758
Prepaid insurances	29 827	28 421
	<b>2 094 834</b>	<b>2 095 376</b>

## 8. Disclosure of contingent liabilities

The lease liability is 6 months (DKK 5.089.397).

Parfums Christian Dior A/S being the administration company, the company is subject to the Danish scheme of joint taxation and, as from the financial year 2012, unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

As from 1 July 2012, the company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

As of corporate taxes or withheld taxes etc. may cause change in the company's liabilities.

## 9. Disclosure of mortgages and collaterals

There are no mortgages or securities.

## 10. Disclosure of ownership

### Ownership

The company has registered the following shareholder holding more than 5% of the voting rights or nominal value:

Louis Vuitton Malletier S.A., France

### Related parties

Controlling interest:

LVMH SE  
22 Avenue Montaigne 75008 Paris  
France

LV Group  
22 Avenue Montaigne 75008 Paris  
France

Louis Vuitton Malletier S.A.  
2. Rue du Pont Neuf 75001 Paris  
France

All transactions were on arm's length basis.

## 11. Information on transactions with related parties made on arm's length basis

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

LVMH Moët Hennessy, Paris, France.

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

Louis Vuitton Malletier, Paris, France.

Information on transactions with related parties not made on arm's length basis:

All transactions are made on market terms.