

Parfums Christian Dior A/S

Gammel Kongevej 60, DK-1850 Frederiksberg
CVR no. 18 78 87 99

Annual report for 2023

Adopted at the annual general meeting on 28 June 2024



Carlos Manuel Reina Santos
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Parfums Christian Dior A/S for the financial year 1 January - 31 December 2023.

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 company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Frederiksberg, 28 June 2024

Executive board

Carlos Manuel Reina Santos

Supervisory board

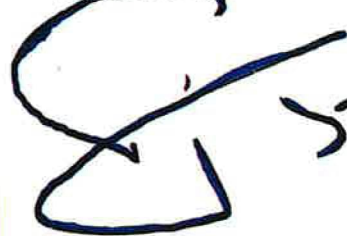
Veronique Courtois



Carlos Manuel Reina Santos



Philippe Farnier



Independent auditor's report

To the shareholder of Parfums Christian Dior A/S

Opinion

We have audited the financial statements of Parfums Christian Dior A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under 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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

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 the 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.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the 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.

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.

Independent auditor's report

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, we conclude that 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 of management's review.

Copenhagen, 28 June 2024

Mazars
Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41



Nicklas Rasmussen
Stats Authorised Public Accountant
mne43474

Company details

The company

Parfums Christian Dior A/S
Gammel Kongevej 60
DK-1850 Frederiksberg

CVR no.: 18 78 87 99

Reporting period: 1 January - 31 December 2023

Domicile: Frederiksberg

Supervisory board

Veronique Courtois
Carlos Manuel Reina Santos
Philippe Farnier

Executive board

Carlos Manuel Reina Santos

Auditors

Mazars
Statsautoriseret Revisionspartnerselskab
Midtermolen 1,2 tv.
DK-2100 Copenhagen

Management's review

Business review

The company's line of business is import and sale of cosmetics.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of TDKK 14.302, and the balance sheet at 31 December 2023 shows equity of TDKK 17.724.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2023 TDKK	2022 TDKK
Gross profit		37.318	35.965
Staff costs	1	-30.166	-28.238
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2.667	-3.458
Profit/loss before net financials		4.485	4.269
Income from investments in subsidiaries		11.338	11.266
Financial income	2	120	80
Financial costs		-762	-312
Profit/loss before tax		15.181	15.303
Tax on profit/loss for the year	3	-879	-1.026
Profit/loss for the year		14.302	14.277
Proposed dividend for the year		13.668	14.490
Retained earnings		634	-213
		14.302	14.277

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Assets			
Software		162	251
Intangible assets		162	251
Other fixtures and fittings, tools and equipment		4.237	5.579
Tangible assets		4.237	5.579
Investments in subsidiaries		2.023	2.023
Fixed asset investments		2.023	2.023
Total non-current assets		6.422	7.853
Finished goods and goods for resale		4.977	3.315
Stocks		4.977	3.315
Trade receivables		29.816	28.828
Receivables from group companies		7.424	3.369
Other receivables		1.392	1.344
Deferred tax asset		2.158	2.389
Corporation tax		53	0
Receivables		40.843	35.930
Total current assets		45.820	39.245
Total assets		52.242	47.098

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Equity and liabilities			
Share capital		3.000	3.000
Retained earnings		1.056	422
Proposed dividend for the year		<u>13.668</u>	<u>14.490</u>
Equity		<u>17.724</u>	<u>17.912</u>
Other provisions		<u>7.027</u>	<u>8.197</u>
Total provisions		<u>7.027</u>	<u>8.197</u>
Trade payables		3.324	5.641
Payables to group companies		9.041	6.484
Corporation tax		0	616
Other payables		<u>15.126</u>	<u>8.248</u>
Total current liabilities		<u>27.491</u>	<u>20.989</u>
Total liabilities		<u>27.491</u>	<u>20.989</u>
Total equity and liabilities		<u>52.242</u>	<u>47.098</u>
Contingent liabilities	4		
Mortgages and collateral	5		

Statement of changes in equity

	Share capital	Retained ear- nings	Proposed divi- dend for the year	Total
Equity at 1 January 2023	3.000	422	14.490	17.912
Ordinary dividend paid	0	0	-14.490	-14.490
Net profit/loss for the year	0	634	13.668	14.302
Equity at 31 December 2023	3.000	1.056	13.668	17.724

Notes

	2023	2022
	TDKK	TDKK
1 Staff costs		
Wages and salaries	24.900	24.810
Pensions	1.803	1.766
Other social security costs	867	960
Other staff costs	2.596	702
	30.166	28.238
	<hr/>	<hr/>
Number of fulltime employees on average	61	58
	<hr/>	<hr/>
2 Financial income		
Interest received from group companies	116	21
Other financial income	4	59
	120	80
	<hr/>	<hr/>
3 Tax on profit/loss for the year		
Current tax for the year	650	1.043
Deferred tax for the year	231	-17
Adjustment of tax concerning previous years	-2	0
	879	1.026
	<hr/>	<hr/>

Notes

4 Contingent liabilities

The company is jointly taxed with the group companies and is jointly and severally liable with other jointly taxed group companies for payment of income taxes as well as withholding taxes on interest.

Other rent and lease liabilities include a rent and obligation totalling TDKK 7.222 (2022: TDKK 6.144).

5 Mortgages and collateral

The company has provided bank guarantee of TDKK 742 to the landlord (2022: TDKK 742).

6 Related parties and ownership structure **Consolidated financial statements**

The company is reflected in the group report of the parent company Iparkos S.A.S, Paris, France

Accounting policies

The annual report of Parfums Christian Dior A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in TDKK

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Accounting policies

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Finished goods and goods for resale

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

Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Accounting policies

Income from investments in subsidiaries

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Software

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Interest expenses on loans obtained specifically for the purpose of financing the manufacturing of items of property, plant and equipment are included in cost over the manufacturing period. All indirect, attributable borrowing costs are recognised in the income statement.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Investments in subsidiaries

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Accounting policies

Stocks

Stocks are measured at cost using the weighted average method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Provisions

Provisions comprise anticipated costs of returns. Provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

If goods are sold on approval, a provision is made for the mark-up on the goods estimated to be returned as well as any expenses related to the returns.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.