

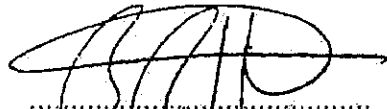
RALPH LAUREN DENMARK ApS

Langelinie Allé 35, 2100 København Ø
CVR No. 30 90 72 99

Annual report 2018/19

Approved at the annual general meeting of shareholders on 13 September 2019

Chairman:



.....
Robert Patrick Rappf

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of RALPH LAUREN DENMARK ApS for the financial year 1 April 2018 - 31 March 2019.

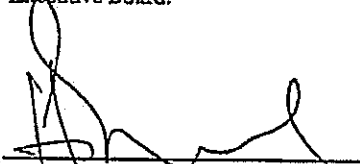
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company at 31 March 2019 and of the results of the Company's operations for the financial year 1 April 2018 - 31 March 2019.

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

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

Copenhagen, 13 September 2019
Executive Board:



Andrew Howard Smith
Director



Robert Patrick Ranfil
Director



Carmel Ann Pedatella
Director



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Independent auditor's report

To the shareholders of Ralph Lauren Denmark ApS

Opinion

We have audited the financial statements of Ralph Lauren Denmark ApS for the financial year 1 April 2018 – 31 March 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2019 and of the results of the Company's operations for the financial year 1 April 2018 – 31 March 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.



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Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 note 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 the 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's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 13 September 2019

Ernst & Young

Godkendt Revisionspartnerselskab

CVR no.: 30 70 02 28

Lissen Fagerlin Hammer
State Authorised
Public Accountant
MNE no.: mne27747

Alex Nissov
State Authorised
Public Accountant
MNE no.: mne33237

Management's review

Company Details

Name RALPH LAUREN DENMARK ApS
Address, Postal code, City Langelinie Allé 35, 2100 København Ø

CVR No. 30 90 72 99
Registered office Copenhagen
Financial year 1 April - 31 March

Executive Board Andrew Howard Smith
Carmel Ann Pedatella
Robert Patrick Ranftl

Ernst & Young, Godkendt Revisionspartnerselskab
Osvold Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark

Bankers Danske Bank A/S
Bank Mendes Gans

Management's review

Management commentary

Business review

The object of the company is to conduct business with selling, distribution and promotion of garments and hereby related business.

Financial review

The company's revenue has creased by 6.5% from EUR 991,046 in 2017/18 to EUR 1,055,352 in 2018/19. The income statement for 2018/19 shows a profit of EUR 53,661 against a profit of EUR 878 last year, and the balance sheet at 31 March 2019 shows equity of EUR 742,735.

During financial year ended 31 March 2019, the company sales creased by 0.6% in comparison to the previous year. Operating expenses have creased by 13.3%.

The company operates as a commissionaire of Ralph Lauren Europe Sàrl and as such earns a commission of 42% (Rate as of March 2019) on its sales to customers. The company has a service agreement in place with Ralph Lauren Scandinavia AB whereby some of its operating expenses are recharged with a 5% Markup.

Events after the balance sheet date

Starting FY20 The company change the currency denomination of the Financial Statement from EUR to DKK

Financial Statements for the period 1 April 2018 - 31 March 2019

Income statement

Note	EUR	2018/19	2017/18
	Revenue	1,055,352	991,046
2	Other operating income	1,105,628	875,454
	External expenses	-892,455	-813,101
	Gross margin	<u>1,268,525</u>	<u>1,053,399</u>
3	Staff costs	-1,071,294	-885,062
4	Depreciation and impairment of Property, Plant and Equipment	-93,658	-118,041
5	Other operating expenses	0	0
	Profit before net financials	<u>103,573</u>	<u>50,296</u>
6	Financial income	1,058	4,746
7	Financial expenses	-33,500	-49,785
	Profit before tax	<u>71,131</u>	<u>5,257</u>
8	Tax for the year	-17,470	-4,379
	Profit for the year	<u>53,661</u>	<u>878</u>
	Distribution of profit		
	Retained earnings	<u>53,661</u>	<u>878</u>

Financial Statements for the period 1 April 2018 - 31 March 2019

Balance Sheet

Note	EUR	2018/19	2017/18
	ASSETS		
	Fixed assets		
9	Property, Plant and Equipment		
	Other fixtures and fittings, tools and equipment	158,017	74,291
		<u>158,017</u>	<u>74,291</u>
	Investments		
	Non current assets - Other receivables	34,028	34,310
		<u>34,028</u>	<u>34,310</u>
	Total non-current assets	<u>192,045</u>	<u>108,601</u>
	Current assets		
	Inventory	370,172	0
	Total Inventory	<u>370,172</u>	<u>0</u>
	Receivables		
	Trade receivables	121,828	101,857
	Receivables from group entities	395,662	310,545
	Deferred tax assets	36,127	39,957
	Income taxes receivable	8,041	13,532
	Current assets - Other receivables	8,642	14,627
		<u>570,300</u>	<u>480,518</u>
	Cash	744,056	1,214,171
	Total current assets	<u>1,314,356</u>	<u>1,694,689</u>
	TOTAL ASSETS	<u>1,876,572</u>	<u>1,803,290</u>
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	17,017	17,017
	Retained earnings	725,718	672,057
	Total equity	<u>742,735</u>	<u>689,074</u>
	Current liabilities		
	Bank Debt	413,819	812,285
	Trade payables	0	1,129
	Payables to group entities	455,658	114,387
	Other payables	264,360	186,415
		<u>1,133,837</u>	<u>1,114,216</u>
	Total liabilities other than provisions	<u>1,133,837</u>	<u>1,114,216</u>
	TOTAL EQUITY AND LIABILITIES	<u>1,876,572</u>	<u>1,803,290</u>
	1. Accounting Policies		
	11. Contractual obligations and contingencies		
	12. Collateral		
	13. Ultimate Group Undertaking		

Financial Statements for the period 1 April 2018 - 31 March 2019

Statement of changes in equity

EUR	<i>Share Capital</i>	<i>Retained earnings</i>	<i>Total</i>
Equity at 1 April 2018	17,017	672,057	689,074
Transfer through appropriation of profit	-	53,661	53,661
Equity at 31 March 2019	17,017	725,718	742,735

Financial Statements for the period 1 April 2018 - 31 March 2019

Notes to the financial statements

1. Accounting policies

The annual report of RALPH LAUREN DENMARK ApS has been presented in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective of choice of certain provisions applying to reporting class C entities.

Changes to presentation and disclosures only

The financial statements have been prepared based on the same accounting policies as last year.

Reporting Currency

The financial statements are presented in euros (EUR), as the entity's most significant transactions are settled in EUR.

Foreign currency translation

Transactions denominated in foreign currencies are translated into EUR at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into EUR at the exchange rate at the balance sheet date. Realized and unrealized exchange gains and losses are recognized in the income statement as financial income/expenses.

Income Statement

Revenue

Revenue is commission income only.

Commission income is recognized when the underlying transaction is carried through.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized in revenue.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of fixed assets.

External expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, 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. The item is net of refunds made by public authorities.

Depreciation of property, plant and equipment

The item comprises depreciation of property, plant and equipment.

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

The expected useful lives of the assets are as follows:

	<u>Useful Life (year)</u>
Other fixtures and fittings, tools and equipment	3-7

Financial Statements for the period 1 April 2018 - 31 March 2019

Notes to the financial statements

1. Accounting policies - (continued)

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

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

Balance Sheet

Property, Plant & Equipment

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

Impairment of Fixed Assets

Every year, other fixtures and fittings, tools and equipment are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognized on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro-rata basis.

Impairment tests are conducted on assets or group of assets when there is evidence of impairment.

The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

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

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

Accounting principles in relation to inventory

Inventories are comprised of finished goods which are stated at the lower of cost or estimated realizable value, with cost determined on a weighted-average cost basis.

Receivables

Receivables are measured at amortized cost.

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

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

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

Prepayments

Prepayments recognized under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Cash and Cash equivalents

Cash at hand and in bank comprise cash balances and bank balances.

Financial Statements for the period 1 April 2018 - 31 March 2019

Notes to the financial statements

1. Accounting policies - (continued)

Equity

Proposed Dividends

Dividends proposed for the financial year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

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

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

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

Liabilities

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

Other liabilities are measured at net realizable value.

Financial Statements for the period 1 April 2018 - 31 March 2019

Notes to the Financial Statements

EUR	<u>2018/19</u>	<u>2017/18</u>
2. Other operating income		
Service Income from Ralph Lauren Scandinavia AB	547,109	419,209
Concession contribution from Ralph Lauren Europe Sàrl	559,264	456,245
Other operating Income	-745	0
	<u>1,105,628</u>	<u>875,454</u>
3. Staff costs		
Analysis of staff costs:		
Wages/salaries	960,307	803,767
Pensions	71,815	60,703
Other social security costs	24,517	6,500
Other staff costs	14,655	14,092
	<u>1,071,294</u>	<u>885,062</u>
4. Depreciation of property, plant and equipment		
Depreciation and impairment of property, plant and equipment	93,658	118,041
	<u>93,658</u>	<u>118,041</u>
5. Other operating expenses		
Losses on the sale of Property, Plant & Equipment	0	0
	<u>0</u>	<u>0</u>
6. Financial income		
Financial income	-1,058	4,746
	<u>-1,058</u>	<u>4,746</u>
7. Financial expenses		
Financial expenses	33,500	49,785
	<u>33,500</u>	<u>49,785</u>
8. Tax for the year		
Current tax provision for the year	13,640	18,372
Deferred tax adjustments in the year	3,830	-13,993
	<u>17,470</u>	<u>4,379</u>

Financial Statements for the period 1 April 2018 - 31 March 2019

Notes to the Financial Statements

9. Property, plant and equipment

EUR	Other fixtures and fittings, tools and equipment
Cost at 1 April 2018	690,452
Additions in the year	177,384
Disposals in the year	0
Transfers in the year	0
Cost at 31 March 2019	<u>867,835</u>
<i>Depreciation and impairment losses</i>	
Cumulated Depreciation at 1 April 2018	616,161
Depreciation in the year	93,658
Disposals in the year	0
Transfers in the year	0
Depreciation and impairment losses at 31 March 2019	<u>709,820</u>
Carrying amount at 31 March 2019	<u>158,016</u>

10. Share capital

The Company's share capital has remained EUR 17,017 over the past 5 years.

11. Contingent liabilities and contingencies

Other contingent liabilities:

EUR	2018/19	2017/18
Guarantee commitments	<u>138,559</u>	<u>101,750</u>

Guarantee commitments consists of outstanding bank guarantees in favour of Illum Administration ApS in relation to below mentioned rent and lease liabilities for a period ending 6 June 2021.

Other financial obligations

Other rent and lease liabilities:

EUR	2018/19	2017/18
Rent and lease liabilities	<u>1,813,894</u>	<u>951,872</u>

Rent and lease liabilities consists of rent payments for outstanding contractual obligations for a period ending 6 June 2021.

12. Collateral

The Company has not placed any assets or other as security for loans at 31 March 2019.

13. Ultimate Group undertaking

The immediate parent of RL Denmark ApS is Ralph Lauren Holding BV (Netherlands), a company registered in the Netherlands, which owns 100% of the Company's share capital.

Its ultimate and controlling parent company is:

Name:	Ralph Lauren Corporation
Country of Incorporation:	United States of America
Address:	650 Madison Avenue New York New York 10022

Ralph Lauren is listed to the New York Stock Exchange.
The company is included within consolidated group accounts which are publicly available.