

# RALPH LAUREN DENMARK ApS

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

## Annual report 2020/21

Approved at the annual general meeting of shareholders on September 30, 2021

Chairman:



.....  
Daniel Hausen

## **Contents**

<b>Statement by the Executive Board</b>	<b>3</b>
Independent auditor's report	<b>4</b>
<b>Management 's review</b>	
Company Details	<b>6</b>
Management commentary	<b>7</b>
<b>Financial Statements 1 April 2020 - 31 March 2021</b>	
Income Statement	<b>8</b>
Balance Sheet	<b>9</b>
Statement of change in equity	<b>10</b>
Notes to the Financial Statements	<b>11</b>

### **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 2020 - 31 March 2021.

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 2021 and of the results of the Company's operations for the financial year 1 April 2020 - 31 March 2021.

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, September 30, 2021  
Executive Board:



---

Daniel Edward Hausen  
Director



---

Vladimir Martynenko  
Director



---

Carmel Ann Pedatella  
Director

## **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 2020 – 31 March 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 March 2021 and of the results of the Company's operations for the financial year 1 April 2020 – 31 March 2021 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.

## 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.

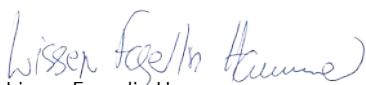
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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.

Frederiksberg, 1 October 2021  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Lissen Fagerlin Hammer  
Statsaut. Revisor  
mne27747

## 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 Vladimir Martynenko  
Carmel Ann Pedatella  
Daniel Edward Hausen

EY Godkendt Revisionspartnerselskab  
Dirch Passers allé 36, 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 retail sales represents 7,656,595 DKK in 2020/21.

The income statement for 2020/21 shows a profit of DKK 95,742 against a profit of DKK 202,322 last year, and the balance sheet at 31 March 2021 shows equity of DKK 5,842,390.

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.

#### **Subsequent Event**

##### **Rent and lease liabilities**

On 22 of July 2021, RL Denmark has renewed the Concession Agreements for two of his stores, extending the outstanding contractual obligations until the 6 of June 2024, for an extra amount of DKK 3'352'000.

## Financial Statements for the period 1 April 2020 - 31 March 2021

### Income statement

Note	DKK	2020/21	2019/20
	Revenue	7,656,595	12,898,931
	Cost of goods sold	95,311	-620,864
3	Other operating income	4,455,088	4,494,315
	Other operating expenses	16,110	0
	External expenses	-5,014,667	-8,119,490
	<b>Gross margin</b>	<b>7,208,437</b>	<b>8,652,891</b>
4	Staff costs	-6,584,957	-7,810,255
5	Depreciation and impairment of Property, Plant and Equipment	-463,457	-477,023
	<b>Profit before net financials</b>	<b>160,023</b>	<b>365,613</b>
6	Financial income	23,720	25,469
7	Financial expenses	-54,737	-125,584
	<b>Profit before tax</b>	<b>129,005</b>	<b>265,499</b>
8	Tax for the year	-33,264	-63,177
	<b>Profit for the year</b>	<b>95,742</b>	<b>202,322</b>
	Retained earnings	95,742	202,322
		<b>95,742</b>	<b>202,322</b>



## Financial Statements for the period 1 April 2020 - 31 March 2021

## Balance Sheet

Note	DKK	2020/21	2019/20
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
9	<b>Property, Plant and Equipment</b>		
	Other fixtures and fittings, tools and equipment	241,771	705,228
		<b>241,771</b>	<b>705,228</b>
	<b>Investments</b>		
	Other receivables	254,024	254,024
		<b>254,024</b>	<b>254,024</b>
	<b>Total non-current assets</b>	<b>495,795</b>	<b>959,252</b>
	<b>Current assets</b>		
	Inventory	4,260,974	3,288,711
	<b>Total Inventory</b>	<b>4,260,974</b>	<b>3,288,711</b>
	<b>Receivables</b>		
	Trade receivables	13,422	575,016
	Receivables from group entities	6,012,215	2,236,228
	Deferred tax assets	252,053	241,736
	Tax receivables	36,642	20,630
	Other receivables	770,083	488,847
		<b>7,084,415</b>	<b>3,562,458</b>
	<b>Cash</b>	425,902	1,667,318
	<b>Total current assets</b>	<b>7,510,317</b>	<b>5,229,776</b>
	<b>TOTAL ASSETS</b>	<b>12,267,087</b>	<b>9,477,740</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
10	Share capital	127,019	127,019
	Retained earnings	5,715,371	5,619,629
	<b>Total equity</b>	<b>5,842,390</b>	<b>5,746,648</b>
	<b>Current liabilities</b>		
	Bank Debt	420,494	408,893
	Trade payables	282,215	267,172
	Payables to group entities	3,117,334	238,269
	Other payables	2,604,655	2,816,758
		<b>6,424,697</b>	<b>3,731,092</b>
	<b>Total liabilities other than provisions</b>	<b>6,424,697</b>	<b>3,731,092</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,267,087</b>	<b>9,477,740</b>
	1. Accounting Policies		
	11. Contractual obligations and contingencies		
	12. Collateral		
	13. Ultimate Group Undertaking		

Financial Statements for the period 1 April 2020 - 31 March 2021

Statement of changes in equity

DKK	<i>Share Capital</i>	<i>Retained earnings</i>	<i>Total</i>
Equity at 1 April 2020	<u>127,019</u>	<u>5,619,629</u>	<u>5,746,648</u>
Transfer through appropriation of profit	<u>-</u>	<u>95,742</u>	<u>95,742</u>
Equity at 31 March 2021	<u><u>127,019</u></u>	<u><u>5,715,371</u></u>	<u><u>5,842,390</u></u>

## Financial Statements for the period 1 April 2020 - 31 March 2021

### 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.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed new and amended presentation and disclosure requirements.

#### 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 Danish Kroner (DKK), as the entity's most significant transactions are settled in DKK.

#### Foreign currency translation

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

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

#### Income Statement

##### Revenue

Revenue from the Company's retail business is recognized when the customer takes physical possession of the products, which occurs at the Company's concession-based shop-within-shops and online.

Payment is due at the point of sale and online.

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.

##### Cost of Sales

Cost of sales includes the cost of goods used in generating the year's 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.

The company has received government grants related to the Covid-19.

##### 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.

The government grant related to the Covid-19 is in Other operating income.

##### 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:

	Useful Life (year)
Other fixtures and fittings, tools and equipment	3-5

## Financial Statements for the period 1 April 2020 - 31 March 2021

### 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.

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.

##### 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. These finished goods are determined as the cost of direct materials and labour plus attributable overheads based on a normal level of activity, excluding borrowing costs.

##### 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 2020 - 31 March 2021

### 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 2020- 31 March 2021

### Notes to the Financial Statements

DKK	<u>2020/21 DKK</u>	<u>2019/20 DKK</u>
<b>2. Other operating income</b>		
Service Income from Ralph Lauren Scandinavia AB	2,914,110	4,413,534
Concession contribution from Ralph Lauren Europe Sàrl	0	75,421
Other operating Income	1,540,978	5,359
	<u>4,455,088</u>	<u>4,494,315</u>
<b>3. Staff costs</b>		
Analysis of staff costs:		
Wages/salaries	5,945,378	7,426,284
Pensions	444,974	443,698
Other social security costs	84,641	73,324
Other staff costs	109,964	-133,050
	<u>6,584,957</u>	<u>7,810,255</u>
<b>4. Depreciation of property, plant and equipment</b>		
Depreciation and impairment of property, plant and equipment	463,457	477,023
	<u>463,457</u>	<u>477,023</u>
<b>5. Financial income</b>		
Financial income	23,720	25,469
	<u>23,720</u>	<u>25,469</u>
<b>6. Financial expenses</b>		
Financial expenses	54,737	125,584
	<u>54,737</u>	<u>125,584</u>
<b>7. Tax for the year</b>		
Current tax provision for the year	43,581	35,235
Deferred tax adjustments in the year	-10,317	27,942
	<u>33,264</u>	<u>63,177</u>

## Financial Statements for the period 1 April 2020 - 31 March 2021

### Notes to the Financial Statements

#### **8. Property, plant and equipment**

DKK	<u>Other fixtures</u>
Cost at 1 April 2020	7,899,267
Cost at 31 March 2020	<u><u>7,899,267</u></u>

#### ***Depreciation and impairment losses***

Cumulated Depreciation at 1 April 2020	7,194,038
Depreciation in the year	463,457
Depreciation and impairment losses at 31 March 2020	<u><u>7,657,495</u></u>

Carrying amount at 31 March 2020	<u><u>241,771</u></u>
----------------------------------	-----------------------

#### **9. Share capital**

The Company's share capital has remained DKK 127,019 over the past 5 years.

#### **10. Contingent liabilities and contingencies**

##### **Other financial obligations**

Other rent and lease liabilities:

DKK	<u>2020/21</u>	<u>2019/20</u>
Rent and lease liabilities	<u><u>3,203,255</u></u>	<u><u>8,036,031</u></u>

Rent and lease liabilities consists of rent payments for outstanding contractual obligations for a period ending on December 31, 2022.

#### **11. Collateral**

The Company has not placed any assets or other as security for loans at 31 March 2021.

#### **12. 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.