

## **Valentino Denmark ApS**

co CITCO Denmark ApS  
Holbergsgade 14, 2. tv.  
1057 København K

CVR no. 32 31 24 11

**Annual report for 2022**  
(9th Financial year)

Adopted at the annual general meeting  
on 26 May 2023

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Stig Holmegaard Jensen  
chairman

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## **Statement by management on the annual report**

The Board of Directors and Executive Board have today discussed and approved the annual report of Valentino Denmark ApS for the financial year 1 January - 31 December 2022.

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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

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.

Copenhagen, 26 May 2023

### **Executive Board**

Stig Holmegaard Jensen  
CEO

### **Board of Directors**

Jacopo Venturini  
chairman

Alessandro Beretta

Stig Holmegaard Jensen

# **Independent auditor's report on extended review**

## **To the shareholder of Valentino Denmark ApS**

### **Opinion**

We have performed extended review of the financial statements of Valentino Denmark ApS for the financial year 1 January - 31 December 2022, 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.

Based on the performed work it is our opinion, that the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

### **Basis for Opinion**

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review 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 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 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 responsibility for the extended review of the financial statements**

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

## **Independent auditor's report on extended review**

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit and accordingly we do not express an audit opinion on these financial statements.

### **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.

In connection with our extended review 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 extended review, 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.

Hellerup, 26 May 2023

CVR no. 33 25 68 76



Søren Jonassen  
Statsautoriseret revisor  
MNE no. mne18488

## Company details

### The company

Valentino Denmark ApS  
co CITCO Denmark ApS  
Holbergsgade 14, 2. tv.  
1057 København K

CVR no.: 32 31 24 11

Reporting period: 1 January - 31 December 2022

Incorporated: 17 June 2014

Domicile: Copenhagen

### Board of Directors

Jacopo Venturini, chairman  
Alessandro Beretta  
Stig Holmegaard Jensen

### Executive Board

Stig Holmegaard Jensen

### Auditors

Crowe  
Statsautoriseret Revisionsinteressentskab v.m.b.a.  
Rygårds Allé 104  
2900 Hellerup

## **Management's review**

### **Business review**

The company's main activity is retail of clothing, accessories and activities similar to this.

### **Financial review**

The company's income statement for the year ended 31 December 2022 shows a profit of DKK 270.301, and the balance sheet at 31 December 2022 shows equity of DKK 2.906.499.

### **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.

## **Accounting policies**

The annual report of Valentino Denmark ApS for 2022 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 2022 is presented in DKK

### **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**

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods less other external expenses.

### **Revenue**

Income from the sale of goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer at the cash register, 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.



## Accounting policies

### Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including COVID19 and insurance compensation and Operating Margin Adjustment (APA).

### Other external costs

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

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### 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

### 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.

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

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Assets costing less than DKK 31.000 are expensed in the year of acquisition.

### Stocks

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

## **Accounting policies**

### **Receivables**

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

### **Prepayments**

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### **Equity**

#### **Dividends**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

### **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.

### **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.

### **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'.

**Income statement**  
**1 January 2022 - 31 December 2022**

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
<b>Gross profit</b>		<b>3.105.324</b>	<b>3.854.507</b>
Staff costs	2	<u>-2.519.409</u>	<u>-2.575.817</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>585.915</b>	<b>1.278.690</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-295.560</u>	<u>-287.862</u>
<b>Profit/loss before net financials</b>		<b>290.355</b>	<b>990.828</b>
Financial costs	3	<u>-20.054</u>	<u>-58.622</u>
<b>Profit/loss before tax</b>		<b>270.301</b>	<b>932.206</b>
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
<b>Profit/loss for the year</b>		<b><u>270.301</u></b>	<b><u>932.206</u></b>
 <b>Recommended appropriation of profit/loss</b>			
Retained earnings		<u>270.301</u>	<u>932.206</u>
		<b><u>270.301</u></b>	<b><u>932.206</u></b>

## Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment	4	747.660	855.783
Leasehold improvements	4	<u>0</u>	<u>0</u>
<b>Tangible assets</b>		<b><u>747.660</u></b>	<b><u>855.783</u></b>
<b>Total non-current assets</b>		<b><u>747.660</u></b>	<b><u>855.783</u></b>
Finished goods and goods for resale		<u>4.131.641</u>	<u>4.207.481</u>
<b>Stocks</b>		<b><u>4.131.641</u></b>	<b><u>4.207.481</u></b>
Trade receivables		4.722.683	3.833.480
Receivables from Group Companies		39.051	46.766
Other receivables		100.000	100.000
Prepayments		<u>94.724</u>	<u>63.984</u>
<b>Receivables</b>		<b><u>4.956.458</u></b>	<b><u>4.044.230</u></b>
<b>Cash at bank and in hand</b>		<b><u>2.136.375</u></b>	<b><u>2.556.484</u></b>
<b>Total current assets</b>		<b><u>11.224.474</u></b>	<b><u>10.808.195</u></b>
<b>Total assets</b>		<b><u><u>11.972.134</u></u></b>	<b><u><u>11.663.978</u></u></b>

## Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
<b>Equity and liabilities</b>			
Share capital		50.000	50.000
Retained earnings		<u>2.856.499</u>	<u>2.586.200</u>
<b>Equity</b>		<b><u>2.906.499</u></b>	<b><u>2.636.200</u></b>
Trade payables		3.037.671	1.606.085
Payables to Group Companies		5.574.497	6.076.850
Other payables		<u>453.467</u>	<u>1.344.843</u>
<b>Total current liabilities</b>		<b><u>9.065.635</u></b>	<b><u>9.027.778</u></b>
<b>Total liabilities</b>		<b><u>9.065.635</u></b>	<b><u>9.027.778</u></b>
<b>Total equity and liabilities</b>		<b><u><u>11.972.134</u></u></b>	<b><u><u>11.663.978</u></u></b>
Contingent liabilities	5		
Mortgages and collateral	6		
Related parties and ownership structure	7		

## Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	50.000	2.586.198	2.636.198
Net profit/loss for the year	0	270.301	270.301
<b>Equity at 31 December 2022</b>	<b><u>50.000</u></b>	<b><u>2.856.499</u></b>	<b><u>2.906.499</u></b>

## Notes

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>1 Other operating income</b>		
COVID-19 compensation	0	610.503
Operating Margin Adjustment (APA)	<u>2.235.861</u>	<u>158.110</u>
	<b><u>2.235.861</u></b>	<b><u>768.613</u></b>
<b>2 Staff costs</b>		
Wages and salaries	2.475.802	2.529.863
Other social security costs	<u>43.607</u>	<u>45.954</u>
	<b><u>2.519.409</u></b>	<b><u>2.575.817</u></b>
Average number of employees	<u>7</u>	<u>7</u>
<b>3 Financial costs</b>		
Interest paid to shareholder	18.782	56.664
Other financial costs	<u>1.272</u>	<u>1.958</u>
	<b><u>20.054</u></b>	<b><u>58.622</u></b>

## Notes

### 4 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2022	3.316.530	6.915.272
Additions for the year	187.437	0
Cost at 31 December 2022	<u>3.503.967</u>	<u>6.915.272</u>
Impairment losses and depreciation at 1 January 2022	2.460.747	6.915.272
Depreciation for the year	295.560	0
Impairment losses and depreciation at 31 December 2022	<u>2.756.307</u>	<u>6.915.272</u>
<b>Carrying amount at 31 December 2022</b>	<b><u>747.660</u></b>	<b><u>0</u></b>

### 5 Contingent liabilities

For the use of leasehold and services there is a 6 month termination period. The contingent liability during the termination period amounts to DKK 3 mio.

### 6 Mortgages and collateral

The company has no mortgages and collateral.

### 7 Related parties and ownership structure

#### Transactions

Transactions in terms of purchase and sale of goods with related parties amounts to 5,7 mio. DKK. Terms and conditions are at market value.

In order to comply with the Advance Pricing Agreement (APA) signed between Valentino S.p.A. and the Italian Revenue Agency on November 2018, the Company booked an Operating Margin Adjustment equal to DKK 917,961 for the fiscal year 2020, including DKK 251,757 related to 2019. The APA is focused on the applicable transfer pricing methodology (TPM) for a set of intercompany transactions and the appropriate arm's length profitability that other Valentino subsidiaries shall reflect in their financial statements; the APA will be valid for five years, starting from FY 2018 and up to FY 2022.



## Notes

### 7 Related parties and ownership structure (continued)

#### Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Valentino S.p.A., Via Turati, 16/18, 20121 Milano, Italien.