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**MICHAEL KORS DENMARK ApS**

c/o Bech Bruun, Langelinie Allé 35, DK- 2100

København Ø

Annual Report for 1 April 2021 – 31 March 2022

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CVR-nr. 35 41 80 08

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company  
on 23/8/2022

Chairman of the General Meeting



Robin Gendron

**Contents**

## Page

**Management's Statement and Auditor's Report**

Management's Statement 3

Independent Auditor's Report 4

Company Information 7

**Financial Statements**

Income Statement 1 April – 31 March 8

Balance Sheet 31 March 9

Statement of Changes in Equity 12

Notes to the Financial Statements 13

**Management's Statement**

The executive Board and Board of Directors have today considered and adopted the Annual Report of Michael Kors (Denmark) ApS for the financial year 1 April 2021 – 31 March 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 financial position at 31 March 2022 of the Company and of the results of the Company operations for 2021/2022.

We recommend that the Annual Report be adopted at the Annual General Meeting.

*Copenhagen*      23/8/2022

**Executive Board****Robin Gendron****Boris Djordjevic****Board of Directors****Robin Gendron**  
*Chairman***Boris Djordjevic****David Michael Provenzano**

**Independent Auditor's Report****To the shareholders of Michael Kors (Denmark) ApS****Opinion**

We have audited the financial statements of Michael Kors (Denmark) ApS for the financial year 1 April 2021 – 31 March 2022, 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 2022 and of the results of the Company's operations for the financial year 1 April 2021 – 31 March 2022 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

**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.

*Horsens, den* 23/8/2022

EY Godkendt Revisionspartnerselskab

CVR-nr. 30 70 02 28



Morten Klarskov Larsen

State Authorized Public Accountant

mne32736

**Company Information**

<b>The company</b>	<b>Michael Kors (Denmark) ApS</b> c/o Bech-Bruun Langelinie Allé 35 DK-2100 København Ø CVR-NR.: 35 41 80 08 Financial period: 1 April – 31 March Incorporated: 23 August 2013 Financial year: 9 <sup>th</sup> financial year Municipality of reg. office: Copenhagen
<b>Board of Directors</b>	Robin Gendron, Chairman Boris Djordjevic David Michael Provenzano
<b>Executive Board</b>	Robin Gendron Boris Djordjevic
<b>Auditors</b>	EY Godkendt Revisionspartnerselskab Holmboes Allé 12 DK-8700 Horsens

**Income Statement 1 April - 31 March**

	<u>Note</u>	<u>2021/22</u> DKK	<u>2020/21</u> DKK
<b>Gross profit/loss</b>		1,366,297	1,110,552
Staff expenses	3	-1,013,287	-937,664
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-86,490	-92,103
Other operating expenses		0	0
		<hr/>	<hr/>
<b>Profit/loss before financial income and expenses</b>		<b>266,520</b>	<b>80,784</b>
Financial income	5	79,735	24,208
Financial expenses	6	-75,014	-77,986
		<hr/>	<hr/>
<b>Profit/loss before tax</b>		<b>271,241</b>	<b>27,007</b>
Tax on profit/loss for the year	7	-62,522	-29,233
		<hr/>	<hr/>
<b>Net profit/loss for the year</b>		<b>208,719</b>	<b>-2,226</b>
		<hr/>	<hr/>
<b>Distribution of profit</b>			
<b>Proposed distribution of profit</b>			
Retained earnings		208,719	-2,226
		<hr/>	<hr/>
		<b>208,719</b>	<b>-2,226</b>
		<hr/>	<hr/>

**Balance Sheet 31 March****Assets**

	<u>Note</u>	<u>2021/22</u> DKK	<u>2020/21</u> DKK
Other fixtures and fittings, tools and equipment		124,839	204,829
Leasehold improvements		0	6,500
<b>Property, plant and equipment</b>	<b>8</b>	<b><u>124,839</u></b>	<b><u>211,328</u></b>
<b>Fixed assets</b>		<u>124,839</u>	<u>211,328</u>
<b>Inventories</b>		<b><u>683,430</u></b>	<b><u>447,910</u></b>
Trade receivables		358,460	4,066
Receivables from group enterprises		3,438,578	18,860
Deferred tax asset	9	60,346	78,995
Corporation tax		301,127	345,000
Prepayments		3,108	3,108
<b>Receivables</b>		<b><u>4,161,620</u></b>	<b><u>450,030</u></b>
<b>Cash at bank and in hand</b>		<b><u>518,204</u></b>	<b><u>3,415,836</u></b>
<b>Current assets</b>		<b><u>5,363,254</u></b>	<b><u>4,313,777</u></b>
<b>Assets</b>		<b><u>5,488,092</u></b>	<b><u>4,525,105</u></b>

**Balance Sheet 31 March****Liabilities and equity**

	<u>Note</u>	<u>2021/22</u> DKK	<u>2020/21</u> DKK
Share capital		80,000	80,000
Retained earnings		1,903,410	1,694,691
<b>Equity</b>	<b>10</b>	<b><u>1,983,410</u></b>	<b><u>1,774,691</u></b>
Other payables		0	61,045
<b>Long-term debt</b>	<b>11</b>	<b><u>0</u></b>	<b><u>61,045</u></b>
Trade payables		430,965	401,383
Payables to group enterprises		2,511,220	1,705,313
Corporation tax		0	0
Other payables	11	562,497	579,564
Deferred income		0	3,109
<b>Short-term debt</b>		<b><u>3,504,682</u></b>	<b><u>2,689,369</u></b>
<b>Debt</b>		<b><u>3,504,682</u></b>	<b><u>2,750,414</u></b>
<b>Liabilities and equity</b>		<b><u>5,488,092</u></b>	<b><u>4,525,105</u></b>
		0	0
Unusual events	1		
Key activities	2		

Contingent assets, liabilities and other financial obligations	12
Related parties	13
Accounting Policies	14

**Statement of Changes in Equity**

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	DKK	DKK	DKK
Equity at 1 April	80,000	1,694,691	1,774,691
Net profit/loss for the year	0	208,719	208,719
Equity at 31 March	<u>80,000</u>	<u>1,903,410</u>	<u>1,983,410</u>

**1 Unusual events**

At the date of preparation of this financial statement, the macroeconomic instability factor related to the spread of Covid-19 has finally come to an end and this affect positively the economic activity of Denmark.

**2 Key activities**

*The company's activity consist of sale of fashion items*

**3 Staff expenses**

*Wages and salaries*

*Other social security expenses*

*Other staff expenses*

*Average number of employees*

	2021/22	2020/21
	DKK	DKK
	987,977	892,785
	25,310	44,879
	0	0
	<b>1,013,287</b>	<b>937,664</b>
	<b>5</b>	<b>5</b>

**4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**

*Amortisation of intangible assets*

*Depreciation of property, plant and equipment*

*Impairment of intangible assets*

*Impairment of property, plant and equipment*

	2021/22	2020/21
	DKK	DKK
	0	0
	86,490	92,103
	0	0
	0	0
	<b>86,490</b>	<b>92,103</b>

**5 Financial income**

*Interest received from group enterprises*

*Other financial income*

*Exchange gains*

	75,747	0
	-312	17,973
	4,300	6,236
	<b>79,735</b>	<b>24,208</b>

	2021/22	2020/21
	DKK	DKK
<b>6 Financial expenses</b>		
Interest paid to group enterprises	0	0
Other financial expenses	74,538	77,498
Exchange loss	476	488
	<b>75,014</b>	<b>77,986</b>
<b>7 Tax on profit/loss for the year</b>		
Current tax for prev year	43,873	0
Deferred tax for the year	18,649	29,233
	<b>62,522</b>	<b>29,233</b>
<b>8 Property, Plant and equipment</b>		
	<i>Other fixtures and fittings, tools and equipment</i>	<i>Leasehold improvements</i>
cost at 1 April	402,488	28,725
Disposal for the year		
	<b>402,488</b>	<b>28,725</b>
cost at 31 March		
Impairment losses and depreciation at 1 April	(197,659)	(22,225)
Depreciation for the year	(79,990)	(6,500)
Reversal of impairment and depreciation of sod assets	-	-
Impairment losses and depreciation at 31 March	<b>(277,649)</b>	<b>(28,725)</b>
<b>Carrying amount at 31 March</b>	<b>124,839</b>	<b>0</b>
<b>9 Deferred tax asset</b>	2021/2022	2020/2021
	DKK	DKK
Deferred tax asset at 1 April	78,995.00	108,228
Amounts recognize in the income statement for the year	(18,649.00)	(29,233)
<b>Deferred tax asset at 31 March</b>	<b>60,346</b>	<b>78,995</b>

**10 Equity**

The share capital consists of 80.000 shares of nominal value of DKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

**11 Long-term debt**

	2021/2022 DKK	2020/2021 DKK
Debt falling due after 5 years	0	0
	<u>0</u>	<u>0</u>

**12*****Contingent assets, liabilities and other financial obligations***

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes act of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Michael Kors (Denmark) ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for the Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustment of corporation taxes and withholding taxes may increase the Company's

There are no other contingent liabilities or securities at 31 March 2022.

**13 Related parties****Basis*****Controlling interest***

Capri Holding Limited

Ultimate parent Company

***Consolidated Financial Statements***

The company is included in the Group Annual Report of the ultimate parent company Capri Holdings Limited as well as in the Group Annual Report of the parent company

<b>Name</b>	<b>Place of registered office</b>
Michael Kors (Europe) B.V.	Venlo, Holland

**Notes to the Financial Statements*****Accounting Policies***

The Annual Report of Michael Kors (Denmark) ApS for 2021/22 has been prepared in accordance with the provision of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021/22 are presented in DKK.

**Recognition and measurement**

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

**Translation policies**

Danish Kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging or future cash flows, the value adjustments are recognized directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the time when the receivable or the debt arose are recognized in financial income and expenses in the income statement.

## **Income Statement**

### **Revenue**

Revenue from the sale of goods is recognized when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognized exclusive of VAT and net of discounts relating to sales.

### **Other external expenses**

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

### **Gross profit /loss**

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses.

### **Amortization, depreciation and impairment losses**

Amortization, depreciation and impairment losses comprise amortization, depreciation and impairment losses of property, plant and equipment.

### **Other operating income and expenses**

Other operating income and expenses and other operating expenses comprise items of a secondary nature to the main activities of the company, including expenses in connection with change of location.

### **Financial income and expenses**

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year.

### **Tax on profit/loss for the year**

Tax for the year consist of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

## Balance Sheet

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation. If so, the asset is written down to its lower recoverable amount.

### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realizable value.

### Receivable

Receivables are recognized in the balance sheet at amortized cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### Prepayment

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement.

**Current tax receivables and liabilities**

Current tax receivables and liabilities are recognized in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior year and tax paid on account. Extra payments scheme are recognized in the income statement in financial income and expenses.

**Financial debts**

Debts are measured at amortized cost, substantially corresponding to nominal value.

**Deferred income**

Deferred income comprises payments received in respect of income in subsequent years.