

MICHAEL KORS

MICHAEL KORS DENMARK ApS

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

København Ø

Annual Report for 1 April 2020 – 31 March 2021

CVR-nr. 35 41 80 08

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company
on 26/8/2021

Chairman of the General Meeting



ROBIN GENDRON
PRESIDENT EMEA

Contents

Page

Management's Statement and Auditor's Report

Management's Statement 3

Independent Auditor's Report 4

Company Information 6

Financial Statements

Income Statement 1 April – 31 March 7

Balance Sheet 31 March 8

Statement of Changes in Equity 10

Notes to the Financial Statements 11

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 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 financial position at 31 March 2021 of the Company and of the results of the Company operations for 2020/2021.

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

Copenhagen 26/08/2021

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 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.

MICHAEL KORS

Horsens, den 26 August 2021

EY Godkendt Revisionspartnerselskab

CVR-nr. 30 70 02 28



Morten Klarskov Larsen

State Authorized Public Accountant

mne32736

Company Information

The company

Michael Kors (Denmark) ApS
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: 8th financial year
Municipality of reg. office: Copenhagen

Board of Directors

Robin Gendron, Chairman
Boris Djordjevic
David Michael Provenzano

Executive Board

Robin Gendron
Boris Djordjevic

Auditors

EY Godkendt Revisionspartnerselskab
Holmboes Allé 12
DK-8700 Horsens

Income Statement 1 April - 31 March

	Note	2020/21 DKK	2019/20 DKK
Gross profit/loss		1,110,552	1,576,671
Staff expenses	3	-937,664	-1,319,394
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-92,103	-89,908
Other operating expenses		0	-58,281
Profit/loss before financial income and expenses		80,785	109,088
Financial income	5	24,208	7,387
Financial expenses	6	-77,986	-48,486
Profit/loss before tax		27,007	67,989
Tax on profit/loss for the year	7	-29,233	-14,958
Net profit/loss for the year		-2,226	53,031
Distribution of profit			
Proposed distribution of profit			
Retained earnings		-2,226	53,031
		-2,226	53,031

Balance Sheet 31 March**Assets**

	Note	2020/21 DKK	2019/20 DKK
Other fixtures and fittings, tools and equipment		204,828	287,357
Leasehold improvements		6,500	16,075
Property, plant and equipment	8	211,328	303,432
Fixed assets		211,328	303,432
Inventories		447,910	778,138
Trade receivables		4,066	182,106
Receivables from group enterprises		18,860	1,218,947
Deferred tax asset	9	78,995	108,228
Corporation tax		345,000	34,000
Prepayments		3,108	0
Receivables		450,029	1,543,281
Cash at bank and in hand		3,415,836	30,633
Current assets		4,313,777	2,352,052
Assets		4,525,105	2,655,484

Balance 31. marts
Balance Sheet 31 March

Liabilities and equity	Note	2020/21	2019/20
		DKK	DKK
Share capital		80,000	80,000
Retained earnings		1,694,691	1,696,917
Equity	10	<u>1,774,691</u>	<u>1,776,917</u>
Other payables		61,045	61,045
Long-term debt	11	<u>61,045</u>	<u>61,045</u>
Trade payables		401,383	336,305
Payables to group enterprises		1,705,313	106
Corporation tax		0	0
Other payables	11	579,564	478,002
Deferred income		3,109	3,109
Short-term debt		<u>2,689,369</u>	<u>817,522</u>
Debt		<u>2,750,414</u>	<u>878,567</u>
Liabilities and equity		<u>4,525,105</u>	<u>2,655,484</u>
		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

	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 April	80,000	1,696,917	1,776,917
Net profit/loss for the year	0	-2,226	-2,226
Equity at 31 March	<u>80,000</u>	<u>1,694,691</u>	<u>1,774,691</u>
		0	0 check

Notes to the Financial Statements

1 Unusual events

At the date of preparation of this financial statement, the macroeconomic instability factor related to the spread of Covid-19 has still affected the economic activity of Denmark. This factor has also a significant impact on the global prospects for future growth, influencing the general macroeconomic framework and the financial and real estate markets, also in light of the decisions taken by government authorities to contain the spread of the epidemic.

So following the diffusion of Covid-19 and the decision taken by the government, MK Denmark's concession has observed some closing period during the year 2020. The closure of the store has led to a drop in sales of 5% compared to the sales of previous year.

This closing period, even if it leads to the interruption of operating activities, does not represent an impacting element on the assessments made by the Management on business continuity, since the Company can benefit of the Group's financial and capital support if necessary. It should be noted that the company has the financial resources necessary to meet its obligations within the times agreed with suppliers or provided for by law without resorting to new sources of financing. The impact on the economic and financial performance of the 2021 financial year is not currently estimated and will depend on the duration of the containment measures taken by the Government.

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

	2020/21	2019/20	2018/19
	DKK	DKK	DKK
Wages and salaries	892,785	1,203,169	3,070,939
Other social security expenses	44,879	48,723	57,303
Other staff expenses	0	67,502	322,014
	937,664	1,319,394	3,450,257
Average number of employees	5	5	16

4	Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2020/21	2019/20	2018/19
		DKK	DKK	DKK
	Amortisation of intangible assets	0	0	722,980
	Depreciation of property, plant and equipment	92,103	89,908	967,346
	Impairment of intangible assets	0	0	3,902,431
	Impairment of property, plant and equipment	0	0	3,239,383
		92,103	89,908	8,832,140
5	Financial income			
	Interest received from group enterprises	0	11	0
	Other financial income	17,973	6,663	0
	Exchange gains	6,236	713	1,865
		24,208	7,387	1,865
6				
	Interest paid to group enterprises	0	0	18,883
	Other financial expenses	77,498	47,053	52,504
	Exchange loss	488	1,433	182,394
		77,986	48,486	253,780
7	Tax on profit/loss for the year			
	Current tax for prev year	0	0	591,778
	Deferred tax for the year	29,233	14,958	-483,533
		29,233	14,958	108,245

8 Property, Plant and equipment

	<i>Other fixtures and fittings, tools and equipment</i>	<i>Leasehold improvements</i>	Total
cost at 1 April	402,488	28,725	431,213
Disposal for the year			
	402,488	28,725	431,213
<i>Impairment losses and depreciation at 1 April</i>	(115,131)	(12,650)	(127,781)
<i>Depreciation for the year</i>	(82,529)	(9,575)	(92,104)
Reversal of impairment and depreciation of sod assets	-	-	-
Impairment losses and depreciation at 31 March	(197,660)	(22,225)	(219,885)
Carrying amount at 31 March	204,828	6,500	211,328

9 Deferred tax asset

	2020/2021	2019/2020
Deferred tax asset at 1 April	108,228	123,186
Amounts recognize in the income statement for the year	(29,233)	(14,958)
Deferred tax asset at 31 March	78,995	108,228

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

	2020/2021	2019/2020
Debt falling due after 5 years	0	0
	0	0

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 liability.

There are no other contingent liabilities or securities at 31 March 2021.

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.

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

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

The Annual Report of Michael Kors (Denmark) ApS for 2020/21 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 2020/21 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 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 intangible assets and 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 intangible assets and 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.