

SMCP DENMARK APS
c/o Mazars,
2100 København Ø,
Midtermolen 1, 2. tv

Annual report for 2019

Adopted at the annual general meeting on

chairman

15/09/20
Pr

CVR-nr. 35 68 25 03

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COMPANY DETAILS

The company

SMCP Denmark ApS
c/o Mazars
2100 København Ø
Midtermolen 1, 2. tv

CVR no.: 35 68 25 03

Reporting period: 1 January - 31 December 2019

Domicile: Copenhagen

Executive board

Philippe Dominique Yves Gautier
Christophe Marie Bernard de Montille

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The executive board has today discussed and approved the annual report of SMCP Denmark ApS for the financial year 1 January - 31 December 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's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends to the company in general meeting that the financial statements for 2020 are not to be audited. Management considers the criteria for not auditing the financial statements to be met.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Paris, 15 September 2020

Executive board



Philippe Dominique Yves Gautier
Director



Christophe Marie Bernard de Montille
Director

The company in general meeting has resolved that the financial statements for the coming financial year are not be audited.

AUDITOR'S REPORT ON COMPILATION OF THE FINANCIAL STATEMENTS

To the shareholder of SMCP Denmark ApS

We have compiled the financial statements of SMCP Denmark ApS for the financial year 1 January - 31 December 2019 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR - Danish Auditors' Code of Ethics for Professional Accountants, including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 15 September 2020

MAZARS

Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41

Kurt Christensen
statsautoriseret revisor
(State-authorised public accountant)
MNE no. mne26824

MANAGEMENT'S REVIEW

Business review

The Company's aim is to drive wholesale and retail trade in clothing as well as related activity following the board of directors.

Financial review

The company's income statement for the year ended 31 December 2019 shows a profit of DKK 47,985, and the balance sheet at 31 December 2019 shows equity of DKK 481,654.

Significant events occurring after the end of the financial year

Apart from the effect of COVID-19, no significant events have occurred after the balance sheet date which could significantly affect the company's financial position. We refer to note 6 of the annual report for discussion of COVID-19.

ACCOUNTING POLICIES

The annual report of SMCP Denmark ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 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

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Other external expenses

Other external expenses include expenses related to sale and administration, etc.

ACCOUNTING POLICIES

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.

Amortisation, depreciation and impairment losses

Depreciation and impairment losses comprise the year's depreciation and impairment of property, plant and equipment.

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 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.

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

	Useful life	Residual value
Other fixtures and fitting, tools and equipment	3-5 years	0 %

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

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.

The cost of goods for resale comprises the purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost.

ACCOUNTING POLICIES

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents consists of cash and are subject to insignificant risks of changes in value.

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.

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.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 DKK
Gross profit		5,253,472	2,856,695
Staff costs	1	-4,285,419	-2,419,876
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-732,755	-237,827
Profit/loss before net financials		235,298	198,992
Financial income		10	346
Financial costs	2	-173,787	-40,822
Profit/loss before tax		61,521	158,516
Tax on profit/loss for the year	3	-13,536	-23,599
Profit/loss for the year		47,985	134,917
Retained earnings		47,985	134,917
		47,985	134,917

BALANCE SHEET 31 DECEMBER

	Note	2019 DKK	2018 DKK
ASSETS			
Other fixtures and fittings, tools and equipment		4,434,094	1,521,999
Prepayments for tangible fixed assets		20,100	0
Right-of-use assets		0	0
Tangible assets	4	4,454,194	1,521,999
Total non-current assets		4,454,194	1,521,999
Finished goods and goods for resale		3,793,879	1,514,665
Stocks		3,793,879	1,514,665
Trade receivables		1,606,455	1,185,805
Receivables from associates		2,554,948	1,073,543
Other receivables		209,445	0
Prepayments		568,149	4,689
Receivables		4,938,997	2,264,037
Cash at bank and in hand		2,807,520	2,025,116
Total current assets		11,540,396	5,803,818
Total assets		15,994,590	7,325,817

BALANCE SHEET 31 DECEMBER

	Note	2019 DKK	2018 DKK
EQUITY AND LIABILITIES			
Share capital		350,000	50,000
Retained earnings		131,654	83,669
Equity	5	481,654	133,669
Provision for deferred tax		37,135	23,599
Total provisions		37,135	23,599
Other payables		164,186	0
Total non-current liabilities		164,186	0
Trade payables		510,872	100,389
Payables to group companies		14,122,143	6,336,716
Other payables		678,600	731,444
Total current liabilities		15,311,615	7,168,549
Total liabilities		15,475,801	7,168,549
Total equity and liabilities		15,994,590	7,325,817
SUBSEQUENT EVENTS			
Related parties and ownership structure	6		
	7		

STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2019	50,000	83,669	133,669
Increase of capital by conversion of debt	300,000	0	300,000
Net profit/loss for the year	0	47,985	47,985
Equity at 31 December 2019	<u>350,000</u>	<u>131,654</u>	<u>481,654</u>

NOTES

	2019	2018
	DKK	DKK
1 STAFF COSTS		
Wages and salaries	4,017,910	2,290,772
Pensions	200,170	117,744
Other social security costs	67,339	11,360
	4,285,419	2,419,876
Average number of employees	10	6
2 FINANCIAL COSTS		
Financial expenses, group entities	122,063	12,846
Other financial costs	50,366	23,573
Exchange loss	1,358	4,403
	173,787	40,822
3 TAX ON PROFIT/LOSS FOR THE YEAR		
Deferred tax for the year	13,536	23,599
	13,536	23,599
4 TANGIBLE ASSETS		
	Other fixtures and fittings, tools and equipment	Prepayments for tangible fixed assets
Cost at 1 January 2019	1,759,826	20,100
Additions for the year	3,644,850	0
Cost at 31 December 2019	5,404,676	20,100
Impairment losses and depreciation at 1 January 2019	237,827	0
Depreciation for the year	732,755	0
Impairment losses and depreciation at 31 December 2019	970,582	0
Carrying amount at 31 December 2019	4,434,094	20,100

NOTES

5 EQUITY

The share capital has developed as follows:

	2019	2018	2017	2016	2015
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January 2019	50,000	50,000	50,000	50,000	50,000
Additions for the year	300,000	0	0	0	0
Share capital	350,000	50,000	50,000	50,000	50,000

6 SUBSEQUENT EVENTS

SMCP has reviewed the situation of the Covid-19 epidemic. As of the date of this document, all the stores have reopened in Denmark since the beginning of May 2020. SMCP results were strongly impacted by the Covid-19 pandemic. Nevertheless, they have implemented strong measures to mitigate the impacts of the crisis, reducing operational costs and investments, securing cash position and adjusting collections. In H2, they will further pursue their Covid-19 action plan while continuing to deliver on our key priorities: enhance brands desirability.

7 RELATED PARTIES AND OWNERSHIP STRUCTURE

Consolidated financial statements

The company is reflected in the group report as the parent company

The largest group into which the results of the company are consolidated is SMCP SA. The financial statement of SMCP SA are available at the following address: 49, rue Etienne Marcel, 75001 Paris, France.