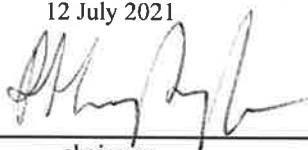


SMCP DENMARK APS
c/o Mazars,
Midtermolen 1, 2. tv.,
København

Annual report for 2020

Adopted at the annual general meeting on
12 July 2021



chairman

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COMPANY DETAILS

The company

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

CVR no.: 35 68 25 03

Reporting period: 1 January - 31 December 2020

Domicile: Copenhagen

Executive board

Patricia Denise Danielle Thevenin ép Huyghues Despointes

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 2020.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

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

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, 12 July 2021

Executive board



Patricia Denise Danielle Thevenin *ep*
Huyghues Despointes
Director

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 2020 based on the company's bookkeeping records and other information made available by enterprise.

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

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 International Ethics Standards Boards for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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, 12 July 2021

MAZARS

Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41

Nicklas Rasmussen
statsautoriseret revisor
(State-authorized public accountant)
MNE no. mne43474

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 2020 shows a loss of DKK 763,339, and the balance sheet at 31 December 2020 shows equity of DKK 3,218,315.

With the outbreak of the Coronavirus and preventive measures taken by governments, there is high economic uncertainty. For SMPC Danmark ApS the Coronavirus resulted in a lockdown of the shops that has been imposed by the government during the year 2020. Due to the effects of the Coronavirus the Company recorded a decrease in the business activities between 2019 and 2020.

Besides, in this unprecedented context, the Company implemented immediate measures to alleviate the impact of the crisis and protect its cash flow, mainly by:

- Significantly reducing its capital expenditure by postponing several infrastructure investments, as well as reducing the planned number of store openings;
- The reduction of its operating expenses;
- Significant adjustment to SG&A costs;
- Adjustments to inventories and collections with a major deduction in purchases for the 2020 Fall/Winter collections and adjustments to the Spring/Summer collections.

However, things remain very uncertain and subject to change. As the Corona-crisis could not have been foreseen at the end of the reporting period, the respective implications, if any, have not been reflected in the financial statements as per 31 December 2020. Considering the high level of uncertainty regarding the implications of the Corona-crisis including the size and duration of the government facilities needed for SMCP Danmark ApS, we are not able to reliably estimate the further future impact on the company at this stage.

However, management considers that the cash flow of the Company and the Group is sufficient for the next 12 months.

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 SMCP Denmark ApS for 2020 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 2020 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 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.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

ACCOUNTING POLICIES

Other external expenses

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

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.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost.

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. 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.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK
Gross profit		5,869,040	5,253,472
Staff costs	1	<u>-5,065,629</u>	<u>-4,285,419</u>
Profit/loss before amortisation/depreciation and impairment losses		803,411	968,053
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-1,348,875</u>	<u>-732,755</u>
Profit/loss before net financials		-545,464	235,298
Financial income		1,597	10
Financial costs	2	<u>-256,607</u>	<u>-173,787</u>
Profit/loss before tax		-800,474	61,521
Tax on profit/loss for the year	3	<u>37,135</u>	<u>-13,536</u>
Profit/loss for the year		<u>-763,339</u>	<u>47,985</u>
Retained earnings		<u>-763,339</u>	<u>47,985</u>
		<u>-763,339</u>	<u>47,985</u>

BALANCE SHEET 31 DECEMBER

	Note	2020 DKK	2019 DKK
ASSETS			
Other fixtures and fittings, tools and equipment		3,089,462	4,434,094
Prepayments for tangible fixed assets		20,100	20,100
Right-of-use assets		0	0
Tangible assets	4	3,109,562	4,454,194
Total non-current assets		3,109,562	4,454,194
Finished goods and goods for resale		3,065,318	3,793,879
Stocks		3,065,318	3,793,879
Trade receivables		833,970	1,606,455
Receivables from associates		5,183,226	2,554,948
Other receivables		25,875	209,445
Prepayments		620,402	568,149
Receivables		6,663,473	4,938,997
Cash at bank and in hand		788,473	2,807,520
Total current assets		10,517,264	11,540,396
Total assets		13,626,826	15,994,590

BALANCE SHEET 31 DECEMBER

	Note	2020 DKK	2019 DKK
EQUITY AND LIABILITIES			
Share capital		350,100	350,000
Retained earnings		2,868,215	131,654
Equity		3,218,315	481,654
Provision for deferred tax		0	37,135
Total provisions		0	37,135
Other payables		0	164,186
Total non-current liabilities		0	164,186
Trade payables		161,897	510,872
Payables to group companies		8,216,784	14,122,143
Other payables		2,029,830	678,600
Total current liabilities		10,408,511	15,311,615
Total liabilities		10,408,511	15,475,801
Total equity and liabilities		13,626,826	15,994,590
Contingent liabilities	5		
Related parties and ownership structure	6		

STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	350,000	131,654	481,654
Cash capital increase	100	3,499,900	3,500,000
Net profit/loss for the year	0	-763,339	-763,339
Equity at 31 December 2020	<u>350,100</u>	<u>2,868,215</u>	<u>3,218,315</u>

NOTES

	<u>2020</u>	<u>2019</u>
	DKK	DKK
1 STAFF COSTS		
Wages and salaries	4,707,050	4,017,910
Pensions	278,887	200,170
Other social security costs	79,692	67,339
	<u>5,065,629</u>	<u>4,285,419</u>
Average number of employees	<u>13</u>	<u>10</u>
2 FINANCIAL COSTS		
Financial expenses, group entities	188,710	122,063
Other financial costs	66,594	50,366
Exchange loss	1,303	1,358
	<u>256,607</u>	<u>173,787</u>
3 TAX ON PROFIT/LOSS FOR THE YEAR		
Deferred tax for the year	<u>-37,135</u>	<u>13,536</u>
	<u>-37,135</u>	<u>13,536</u>
4 TANGIBLE ASSETS		
	<u>Other fixtures and fittings, tools and equipment</u>	<u>Prepayments for tangible fixed assets</u>
Cost at 1 January 2020	5,404,676	20,100
Additions for the year	4,243	0
Cost at 31 December 2020	<u>5,408,919</u>	<u>20,100</u>
Impairment losses and depreciation at 1 January 2020	970,582	0
Depreciation for the year	1,348,875	0
Impairment losses and depreciation at 31 December 2020	<u>2,319,457</u>	<u>0</u>
Carrying amount at 31 December 2020	<u>3,089,462</u>	<u>20,100</u>

NOTES

5 CONTINGENT LIABILITIES

Contingent pension liabilities

The company has entered into a contract for the rental of premises. The annual rent for premises amount to DKK thousand 2,492.

6 RELATED PARTIES AND OWNERSHIP STRUCTURE

Consolidated financial statements

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

The group report of can be obtained at the following address:

SMCP SA
49, rue Etienne Marcel
75001 Paris
France

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Nicklas Rasmussen

Som Revisor

NEM ID

RID: 51711770

Tidspunkt for underskrift: 13-07-2021 kl.: 10:39:28

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