Celine Denmark ApS
CVR no. 40473092
c/o TMF Denmark A/S, Købmagergade 60, 1. tv.
1150 København K

Annual report
for the period ended 31 December 2019

Adopted at the Company's Annual General Meeting
on 25th August 2020

Chairman Carole Chevron

Contents

Company details

Company:	Celine Denmark ApS
CVR no:	40473092
Registered address:	c/o TMF Denmark A/S, Købmagergade 60, 1. tv. 1150 København K Denmark
Telephone:	+45 58 59 59 18
Financial year:	24 April - 31 December 2019
Directors:	Carole Chevron Séverine Caroline Claude Merle
Companys auditor:	DELOITTE STATSAUTORISERET REVISIONSPARTNERSELSKAB Weidekampsgade 6 2300 Copenhagen Denmark

Management's review

Principal Activities of the Company

The Company's purpose is to trade, purchase, represent, import and export all kinds of fashion items, bags, leather goods, footwear, luxury and quality products, accessories, perfumery, cosmetics, jewelery, candles, home accessories and in particular goods marketed under the brand " CELINE " in Denmark.

Development in the Company's activities and financial matters

Celine Denmark, ApS was established on April, 24 2019 and this is the first fiscal year closing.
The company's income statement for 2019 shows a profit of DKK 207,411 and the company's balance sheet at 31 December 2019 shows equity of DKK 257,411.

Significant events after the balance sheet date

No significant events have occurred after the balance sheet date which would influence the evaluation of the Company's financial position as at the balance sheet date.

Statement by the Management on the annual report

The Directors have today discussed and approved the annual report of Celine Denmark ApS (the Company) for the financial period 24 April 2019 – 31 December 2019.

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

It is our opinion that 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 first financial period 24 April 2019 – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 25 August 2020

Directors:

Carole Chevron

Séverine Caroline Claude Merle

Independent auditors' report

To the shareholder of Celine Denmark ApS

Opinion

We have audited the financial statements of EHI Fund Denmark ApS for the financial year 24.04.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accord with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 24.04.2019 - 31.12.2019 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 requirement 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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. We believe that the audit 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

Independent auditors' report

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 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 in 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.

Copenhagen, 25 August 2020

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Andersen
State Authorised Public Accountant
MNE no. mne27762

Accounting policies

The annual report has been prepared in accordance with Danish financial statements legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the reporting requirements of the Danish Financial Statements Act of class B entities.

Recognition and Measurement

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Furthermore, all costs incurred to earn the profit or loss for year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

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

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement item.

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less instalments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

The functional currency is Danish kroner, DKK. All other currencies are considered foreign currencies.

Foreign Currency Translations

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

Income Statement

Gross profit/loss

As income recognition criterion, the completed contract method is applied so that revenue comprises invoiced revenue for the year. Revenue is measured at fair value excl. VAT and less granted goods and customer discounts.

Accounting policies

Revenue
Revenue from the sale of goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of goods sold
Cost of goods sold comprises cost of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

External costs
External costs include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Other financial income and other financial expenses
Financial income and expenses comprise interest, realised and unrealised exchange gains and losses as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

Tax on profit or loss for the year income taxes
Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

Assets

Goods
The goods are measured at cost less accumulate amortisation and depreciation. The basis of amortisation and depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives.

Profit/loss on sale or retirement has been included in the income statement under other operating income and other operating expenses.

Impairment of goods and equipment
The carrying amount of property plant and equipment is reviewed annually for indication of impairment for loss, apart from what is expressed by usual amortisation and depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount.

As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the anticipated cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant and equipment and intangible assets.

Fixed asset investments
Other receivables recognised under fixed assets comprise loans and rental deposits measured at amortised cost, which usually corresponds to nominal amount. In events when the carrying amount exceeds the recoverable amount, impairment for loss is made to such lower value. Impairment for loss for the year is recognised in the income statement as impairment for loss of financial assets.

Accounting policies

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

Prepayments
Prepayments comprise costs incurred relating to subsequent financial years.

Equity and Liabilities

Equity
Management's proposed dividends for the financial year is disclosed as a separate item in equity.

Provision for deferred tax
Deferred tax is measured according to the liability method. Provision has been made for deferred tax by 22% on all temporary differences between carrying amount and tax-based value of assets and liabilities.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

Other liabilities other than provisions
Other liabilities other than provisions have been measured at amortised cost which corresponds to nominal value.

Deferred income
Deferred income comprises income received relating to subsequent years.

Income statement

	Notes	Period ended 31/12/2019 DKK
Revenue	1	17,198,872
Cost of goods sold	2	(11,170,501)
External costs	3	(3,782,871)
Gross profit		**2,245,500**
Staff Cost	4	(1,968,044)
Operating profit/loss		**277,456**
Other financial expenses	5	(3,993)
Profit/loss before tax		**273,463**
Tax on profit/loss for the year	6	(66,052)
Profit/loss for the year		**207,411**
Proposed profit/loss distribution		
Retained earnings		207,411
Proposed dividends for the financial year		-
Profit/loss for the year		**207,411**

Balance sheet

	Notes	As at 31/12/2019 DKK
Assets		
Current assets		
Inventories		2,708,356
Trade receivables		5,629,117
Cash		4,522
Total current assets		**8,341,995**
Total Assets		**8,341,995**
Equity and liabilities		
Equity	7	
Share capital		50,000
Retained earnings		207,411
Total equity		**257,411**
Liabilities		
Non-current liabilities		
Long term payables	8	105,508
Total non-current liabilities		**105,508**
Current liabilities		
Trade payables		428,689
Payables to group enterprises		6,351,862
Income tax payable		66,052
Other payables	9	1,132,473
Total current liabilities		**7,979,076**
Total liabilities		8,084,584
Total Equity and Liabilities		**8,341,995**

Notes to the financial statements

1 **Revenue**

	31/12/2019 DKK
Gross Sales	17,179,048
Discounts	19,824
	17,198,872

2 **Cost of goods sold**

	31/12/2019 DKK
Inventory changes	2,717,498
Adjustments of stock	94,899
Purchases	(9,041,600)
Adjustment of cost of goods sold	(94,899)
Other transportation costs	(142,257)
Variation of inventory allowance	(9,142)
Transfer Price Adjustment	(4,695,000)
	(11,170,501)

3 **External costs**

	31/12/2019 DKK
Store Operating fees	(3,302,525)
Other Operating fees	(480,346)
	(3,782,871)

4 **Staff Cost**

	31/12/2019 DKK
Gross salaries	(1,359,997)
Bonus	(304,602)
Holiday accrual	(165,622)
Other costs	(137,823)
	(1,968,044)

The averange number of employees in 2019 totalled to 6

5 **Other financial expenses**

	31/12/2019 DKK
Foreign exchange losses	(3,793)
Interest paid to tax office	(200)
	(3,993)

Notes to the financial statements

6 Corporation tax and deferred tax

	31/12/2019 DKK
Corporate tax liability	(66,052)
	(66,052)

7 Equity

	31/12/2019 DKK
Share capital at 31 December 2019	**50,000**
Transfer from profit/loss for the year	207,411
Retained earnings at 31 December 2019	**207,411**
Equity at 31 December 2019	**257,411**

The share capital consist of 50 000 shares of DKK 1,00. The shares have not been divided into classes.

8 Long term payables

	31/12/2019 DKK
Long term frozen holiday pay	(105,508)
	(105,508)

9 Other payables

	31/12/2019 DKK
Payroll related taxes and contributions	(84,597)
Accrued expenses	(189,234)
VAT payables	(858,642)
	(1,132,473)

10 Ownership

The following shareholders are subject to section 55 of Danish Public Companies Act:

CELINE Société , 16 Rue Vivienne, 75002 Paris , France

11 Consolidation

Name and registered office of the parent preparing consolidated financial statements for the smallest group:

CELINE Société , 16 Rue Vivienne, 75002 Paris , France

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