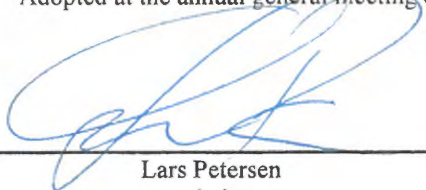


LUXURY GOODS DENMARK A/S
Pilestræde 2
1112 København K

Annual report for the period
17 August 2021 to 31 December 2022

Adopted at the annual general meeting on

30 June 2023



Lars Petersen
chairman

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

Executive and Supervisory Boards have today considered and adopted the Annual Report of Luxury Goods Denmark A/S for the financial year 17 August 2021 - 31 December 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 company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 17 August 2021 - 31 December 2022.

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

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

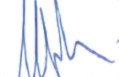
Copenhagen, 26 June 2023

Executive board

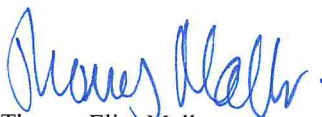


Phillippa Helen Florentin-Lee
Director

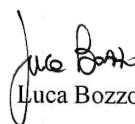
Supervisory board



Matteo Carlo Maria Mascazzini
chairman



Thomas Elias Møller



Luca Bozzo

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Luxury Goods Denmark A/S

Opinion

We have audited the financial statements of Luxury Goods Denmark A/S for the financial year 17 August 2021 - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under 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 2022 and of the results of the company's operations for the financial year 17 August 2021 - 31 December 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 the 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 are independent of the company in accordance with the International Ethics Standards Board for 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 and IESBA Code. 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 the 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 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:

INDEPENDENT AUDITOR'S REPORT

- 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 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.

INDEPENDENT AUDITOR'S REPORT

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

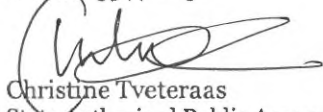
Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 26 June 2023

PRICEWATERHOUSECOOPERS

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31



Christine Tveteraas

State Authorised Public Accountant

MNE no. mne34341

COMPANY DETAILS

The company	Luxury Goods Denmark A/S Pilestræde 2 1112 København K
	CVR no.: 42 60 55 57
	Reporting period: 17 August 2021 - 31 December 2022
	Domicile: Copenhagen
Supervisory board	Matteo Carlo Maria Mascazzini, chairman Thomas Elias Møller Luca Bozzo
Executive board	Phillippa Helen Florentin-Lee, director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

MANAGEMENT'S REVIEW

Business review

The company's purpose is to operate with trade and service as well as activities which, at the board's discretion, are connected with this.

Financial review

The company's income statement for the year ended 31 December 2022 shows a profit of DKK 8.618.308, and the balance sheet at 31 December 2022 shows equity of DKK 43.087.968.

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.

Unusual events

On 17 August 2021 Group 88 has incorporated a new local company in Denmark

On 1 October 2021 Group 88 has transferred to the above mentioned company the entire business of (and solely the business of) the Gucci stores operated until that date by Group 88 on a franchise basis including:

- a) the lease agreements in place for the Gucci stores in Denmark (Ostergade 46 - 1100 Copenhagen and Kobenhavns Lufthavn Varegarden Vestvej, 2770 Kastrup – Copenhagen);
- b) stock, fixtures and furniture;
- c) store personnel employed in such stores

On 1 October 2021 51% of the share capital of this company has been purchased by G-Distribution from Group 88.

ACCOUNTING POLICIES

The annual report of Luxury Goods Denmark A/S for 2021/22 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 annual report for 2021/22 is presented in DKK

As 2021/22 is the company's first reporting period, no comparatives have been presented.

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.

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 distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, 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.

Depreciation

Depreciation comprise the year's depreciation of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company is subject to the Danish rules on compulsory joint taxation.

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. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

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

	Useful life
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

ACCOUNTING POLICIES

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

Stocks

Stocks are measured at cost using the weighted average method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

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 comprise cash and deposits at banks.

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.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

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.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are 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.

ACCOUNTING POLICIES

Prepayments

Prepayments recognised under 'Current liabilities' comprises payments received concerning gift cards and store credits.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

INCOME STATEMENT
17 AUGUST 2021 - 31 DECEMBER 2022

	Note	2021/22 DKK
Revenue		116.265.387
Raw materials and consumables		-57.966.597
Other external expenses		-29.898.065
Gross profit		28.400.725
Staff costs	1	-14.388.676
Depreciation		-2.823.527
Profit/loss before net financials		11.188.522
Financial income		19.172
Financial costs		-68.418
Profit/loss before tax		11.139.276
Tax on profit/loss for the year	2	-2.520.968
Profit/loss for the year		8.618.308
Retained earnings		8.618.308
		8.618.308

BALANCE SHEET 31 DECEMBER

	Note	2021/22 DKK
ASSETS		
Other fixtures and fittings, tools and equipment	3	98.967
Leasehold improvements	3	7.940.550
Tangible assets		8.039.517
Deposits		3.113.501
Fixed asset investments		3.113.501
Total non-current assets		11.153.018
Finished goods and goods for resale		15.082.956
Stocks		15.082.956
Receivables from subsidiaries		1.123.744
Other receivables		1.259.641
Deferred tax asset		6.123.992
Prepayments		2.661.895
Receivables		11.169.272
Cash at bank and in hand		18.419.316
Total current assets		44.671.544
Total assets		55.824.562

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2021/22</u> DKK
EQUITY AND LIABILITIES		
Share capital		400.100
Retained earnings		42.687.868
Equity		<u>43.087.968</u>
Prepayments received from customers		235.003
Trade payables		773.676
Payables to subsidiaries		9.414.920
Corporation tax		1.058.200
Other payables		1.254.795
Total current liabilities		<u>12.736.594</u>
Total liabilities		<u>12.736.594</u>
Total equity and liabilities		<u><u>55.824.562</u></u>

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium account	Retained earnings	Total
Equity at 17 August 2021	400.000	0	0	400.000
Contribution in kind	100	34.069.560	0	34.069.660
Net profit/loss for the year	0	0	8.618.308	8.618.308
Transfer from share premium account	0	-34.069.560	34.069.560	0
Equity at 31 December 2022	400.100	0	42.687.868	43.087.968

NOTES

	2021/22	
	DKK	
1 STAFF COSTS		
Wages and salaries		13.706.004
Pensions		486.801
Other social security costs		195.871
		14.388.676
 Average number of employees		24
 2 TAX ON PROFIT/LOSS FOR THE YEAR		
Current tax for the year		1.058.200
Deferred tax for the year		1.462.768
		2.520.968
 3 TANGIBLE ASSETS		
	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 17 August 2021	0	0
Additions for the year	105.592	10.757.452
Cost at 31 December 2022	105.592	10.757.452
 Impairment losses and depreciation at 17 August 2021	0	0
Depreciation for the year	6.625	2.816.902
Impairment losses and depreciation at 31 December 2022	6.625	2.816.902
 Carrying amount at 31 December 2022	98.967	7.940.550

4 CONTINGENT LIABILITIES

The company is jointly taxed with other danish related parties and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2022.

Other contingent liabilities not recognised in balance sheet

The company has entered into contracts for the rental of premises. The annual rent for premises amount to DKK mio. 9,2. The leases can be terminated with 3-12 months, which corresponds to a rental obligation of DKK mio. 9,1.

NOTES

5 RELATED PARTIES AND OWNERSHIP STRUCTURE

Consolidated financial statements

The company is reflected in the group report of the parent company Kering SA.

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

Kering SA
40 rue de Sèvres
75007 Paris, France.