

BALENCIAGA DENMARK APS  
C/O Lundgrens Advokatpartnerselskab,  
Tuborg Boulevard 12, 4.,  
2900 Hellerup

Annual report for 2023

Adopted at the annual general meeting on  
28 June 2024



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Cédric David Charbit  
chairman

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## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The executive board has today discussed and approved the annual report of Balenciaga Denmark ApS for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

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

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

Copenhagen, 28 June 2024

### Executive board

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Director



Alexia Louise Antonia Chodron de  
Courcel ép. Ferroud  
director

Bertrand Antoine Vincent Guillotin  
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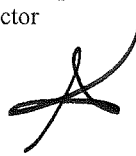
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director



# INDEPENDENT AUDITOR'S REPORT ON EXTENDED REVIEW

*To the shareholder of Balenciaga Denmark ApS*

## **Opinion**

We have performed extended review of the financial statements of Balenciaga Denmark ApS for the financial year 1 January - 31 December 2023, 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.

Based on the performed work it is our opinion, that the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

## **Basis for Opinion**

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review 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 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 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 responsibility for the extended review of the financial statements**

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit and accordingly we do not express an audit opinion on these financial statements.

## INDEPENDENT AUDITOR'S REPORT ON EXTENDED REVIEW

### 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 extended review 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 extended review, 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, 28 June 2024

**CHRISTENSEN KJÆRULFF**  
Statsautoriseret Revisionsaktieselskab  
CVR no. 15 91 56 41

  
Vanja Margrethe Lawaetz Schultz  
Statsautoriseret revisor  
mne34194

## COMPANY DETAILS

The company	Balenciaga Denmark ApS C/O Lundgrens Advokatpartnerselskab Tuborg Boulevard 12, 4. 2900 Hellerup
	CVR no.: 42 64 72 17
	Reporting period: 1 January - 31 December 2023
	Domicile: Hellerup
Executive board	Cédric David Charbit, director Alexia Louise Antonia Chodron de Courcel ép. Ferroud, director Bertrand Antoine Vincent Guillotin, director
Auditors	Christensen Kjørulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø



## MANAGEMENT'S REVIEW

### **Business review**

The company's main objective is the sale of designer clothes.

### **Financial review**

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 4.568.724, and the balance sheet at 31 December 2023 shows negative equity of DKK 7.671.354.

The company has lost more than 50% of the share capital and is thus covered by section 119 of the Danish Company Act.

Management expect that the capital can be re-established through future income.

It is the current intention of the group to provide the Company with sufficient financial funds in order to enable the Company to fulfill at any time its payment obligations, but no written commitments has been given. Reference is made to note 1 for more details.

### **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 Balenciaga Denmark ApS for 2023 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 2023 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 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.

#### **Purchase of finished goods and goods for sale**

Purchase of finished goods and goods for sale include the cost for finished goods 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, amortisation and impairment of property, plant and equipment

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

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

### 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.

The cost of goods for resale, raw materials and consumables 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 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.

### **Prepayments**

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

## ACCOUNTING POLICIES

### **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**  
**1 JANUARY 2023 - 31 DECEMBER 2023**

	<u>Note</u>	<u>2023</u> DKK	<u>2021/22</u> DKK
<b>Gross profit</b>		<b>-721.648</b>	<b>1.424.759</b>
Staff costs	2	-3.712.957	-2.809.871
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-2.013.003</u>	<u>-1.648.771</u>
<b>Profit/loss before net financials</b>		<b>-6.447.608</b>	<b>-3.033.883</b>
Financial income		73.961	0
Financial costs	3	<u>-364.410</u>	<u>-108.748</u>
<b>Profit/loss before tax</b>		<b>-6.738.057</b>	<b>-3.142.631</b>
Tax on profit/loss for the year	4	<u>2.169.333</u>	<u>0</u>
<b>Profit/loss for the year</b>		<b><u><u>-4.568.724</u></u></b>	<b><u><u>-3.142.631</u></u></b>
 <b>Recommended appropriation of profit/loss</b>			
Retained earnings		<u>-4.568.724</u>	<u>-3.142.631</u>
		<b><u><u>-4.568.724</u></u></b>	<b><u><u>-3.142.631</u></u></b>

## BALANCE SHEET 31 DECEMBER

	Note	2023 DKK	2022 DKK
<b>ASSETS</b>			
Other fixtures and fittings, tools and equipment	5	64.787	84.795
Leasehold improvements	5	6.400.184	8.167.629
<b>Tangible assets</b>		<b>6.464.971</b>	<b>8.252.424</b>
<b>Total non-current assets</b>		<b>6.464.971</b>	<b>8.252.424</b>
Finished goods and goods for resale		7.742.114	7.581.176
<b>Stocks</b>		<b>7.742.114</b>	<b>7.581.176</b>
Receivables from group enterprises		2.770.152	1.099.230
Corporation tax		0	19.350
Joint taxation contributions receivable		2.245.798	0
Prepayments		0	11.154
<b>Receivables</b>		<b>5.015.950</b>	<b>1.129.734</b>
<b>Cash at bank and in hand</b>		<b>7.635.797</b>	<b>7.848.739</b>
<b>Total current assets</b>		<b>20.393.861</b>	<b>16.559.649</b>
<b>Total assets</b>		<b>26.858.832</b>	<b>24.812.073</b>

## BALANCE SHEET 31 DECEMBER

	Note	2023 DKK	2022 DKK
<b>EQUITY AND LIABILITIES</b>			
Share capital		40.000	40.000
Retained earnings		-7.711.354	-3.142.631
<b>Equity</b>		<b>-7.671.354</b>	<b>-3.102.631</b>
Provision for deferred tax		76.465	0
<b>Total provisions</b>		<b>76.465</b>	<b>0</b>
Trade payables		1.177.879	1.093.996
Payables to group enterprises		32.409.600	25.288.837
Other payables		853.942	1.519.571
Deferred income		12.300	12.300
<b>Total current liabilities</b>		<b>34.453.721</b>	<b>27.914.704</b>
<b>Total liabilities</b>		<b>34.453.721</b>	<b>27.914.704</b>
<b>Total equity and liabilities</b>		<b>26.858.832</b>	<b>24.812.073</b>
Uncertainty about the continued operation (going concern)	1		
Contingent liabilities	6		
Related parties and ownership structure	7		



## STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	40.000	-3.142.630	-3.102.630
Net profit/loss for the year	<u>0</u>	<u>-4.568.724</u>	<u>-4.568.724</u>
Equity at 31 December 2023	<u><u>40.000</u></u>	<u><u>-7.711.354</u></u>	<u><u>-7.671.354</u></u>

## NOTES

### 1 UNCERTAINTY ABOUT THE CONTINUED OPERATION (GOING CONCERN)

The company has lost more than 50% of the share capital and is thus covered by section 119 of the Danish Company Act. Management expect that the capital can be re-established through future income.

The company's current liabilities exceeded its current assets by 14,060 TDKK.

The company is dependent on that the parent company provides the necessary liquidity. Therefore, we have recieved letter of support from parent company, stating that the parent company will provide Balenciaga Denmark ApS with sufficient liquidity, so that Balenciaga Denmark ApS, at any time, has sufficient liquidity to meet its current liabilities within the coming year.

	<u>2023</u>	<u>2021/22</u>
	DKK	DKK
<b>2 STAFF COSTS</b>		
Wages and salaries	3.316.594	2.621.053
Pensions	367.678	168.559
Other social security costs	28.685	20.259
	<u>3.712.957</u>	<u>2.809.871</u>
Number of fulltime employees on average	<u>9</u>	<u>4</u>
<b>3 FINANCIAL COSTS</b>		
Financial expenses, group entities	274.982	31.501
Other financial costs	58.347	32.344
Exchange loss	31.081	44.903
	<u>364.410</u>	<u>108.748</u>
<b>4 TAX ON PROFIT/LOSS FOR THE YEAR</b>		
Deferred tax for the year	76.465	0
Adjustment of joint taxation contribution concerning previous years	-763.388	0
Joint taxation contribution	-1.482.410	0
	<u>-2.169.333</u>	<u>0</u>

## NOTES

### 5 TANGIBLE ASSETS

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2023	100.040	9.801.155
Additions for the year	0	225.550
Cost at 31 December 2023	100.040	10.026.705
Impairment losses and depreciation at 1 January 2023	15.245	1.633.526
Depreciation for the year	20.008	1.992.995
Impairment losses and depreciation at 31 December 2023	35.253	3.626.521
Carrying amount at 31 December 2023	64.787	6.400.184

### 6 CONTINGENT LIABILITIES

The company has signed a contract to rent premises with an amount of TDKK 3,446. The lease agreements are cancellable with 6 months notice.

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 2023.

### 7 RELATED PARTIES AND OWNERSHIP STRUCTURE

#### Consolidated financial statements

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

The group report can be obtained at the following address:

BALENCIAGA  
16-18 rue Vaneau  
75007 Paris  
France