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Marc O'Polo Danmark ApS (Under tvangsopløsning)

C/O NJORD Law Firm, Pilestræde 58, 1112 København K

Company reg. no. 43 23 89 57

Annual report

20 April 2022 - 31 May 2023

The annual report was submitted and approved by the general meeting on the 22 January 2024.

Magdalena Zorn
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Executive Board has approved the annual report of Marc O'Polo Danmark ApS (Under tvangsopløsning) for the financial year 20 April 2022 - 31 May 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 May 2023 and of the results of the Company's operations for the financial year 20 April 2022 – 31 May 2023.

Further, in our opinion, the Management's review gives a true and 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, 22 January 2024

Executive board

Markus Staude-Skowronek
Director

Maximilian Bock
Director

Independent auditor's report

To the Shareholders of Marc O'Polo Danmark ApS (Under tvangsopløsning)

Auditor's report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Marc O'Polo Danmark ApS (Under tvangsopløsning) for the financial year 20 April 2022 - 31 May 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, except for the possible effect of the matter described in the “Basis for Qualified Opinion” section of our report, the financial statements give a true and fair view of the financial position of the Company at 31 May 2023, and of the results of the Company's operations for the financial year 20 April 2022 – 31 May 2023 in accordance with the Danish Financial Statements Act.

Basis for Qualified Opinion

As part of our audit we have performed substantive procedures to address the existence of the inventory, however we have not performed an inventory count at the balance sheet date and as such we have not confirmed the physical inventory at 31 May 2023.

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’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 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.

Independent auditor's report

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 judgment and maintain professional skepticism 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 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.

Independent auditor's report

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 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.

As evident from the matter described in the "Basis for Qualified Opinion" section of our report, our opinion on the financial statements is modified.

Except for the above, and 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 Statement Act.

Late filing of the annual report

Management has failed to submit the financial statements to the Danish Business Authorities within the deadline and the company is in risk of compulsory liquidation and management can be held liable.

Copenhagen, 22 January 2024

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36

Jacob Helly Juell-Hansen
State Authorised Public Accountant
mne36169

Company information

The company

Marc O'Polo Danmark ApS (Under tvangsopløsning)
C/O NJORD Law Firm
Pilestræde 58
1112 København K

Company reg. no. 43 23 89 57
Established: 20 April 2022
Financial year: 20 April - 31 May

Executive board

Markus Staude-Skowronek, Director
Maximilian Bock, Director

Auditors

Grant Thornton, Godkendt Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

Description of key activities of the company

The company's principal activities are retailing Marc O'Polo branded products.

Development in activities and financial matters

The gross loss for the year totals 480 TDKK. Loss from ordinary activities after tax totals 1.385 TDKK.

Financial resources

The ultimate parent company Marc O'Polo International GmbH. has in a support letter given commitment to support the company, so that the company's normal business activities will continue and the financial resources are intact until 1 June 2024.

Expected developments

The budget for the 2023/24 financial year essentially includes an expansion. The expectations are increase in sales and improvement in the margin and the result before taxes are expected to improve.

Events occurring after the end of the financial year

Subsequent to the balance sheet date the company has gone into compulsory liquidation due to late filing of the financial statements. Management is aware hereof and assures to do what is necessary to resolve all issues and submitting the financial statements to avert the compulsory liquidation and ensure the resumption of the company and its business.

Except for the above mentioned event, no other events occurring after the balance sheet date will affect the financial statements for 22/23.

Accounting policies

The annual report for Marc O'Polo Danmark ApS (Under tvangsopløsning) has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of finished goods from group entity less discounts and changes in inventories.

Other external expenses comprise expenses incurred for sales, advertising, administration, premises, loss on receivables.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expense and transactions in foreign currency.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Accounting policies

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement

All amounts in DKK.

<u>Note</u>	20/4 2022 - 31/5 2023
Gross profit	-480.478
2 Staff costs	-866.234
Depreciation and impairment of property, land, and equipment	-972
Operating profit	-1.347.684
Other financial income	286
3 Other financial expenses	-37.789
Net profit or loss for the year	-1.385.187
 Proposed distribution of net profit:	
Allocated from retained earnings	-1.385.187
Total allocations and transfers	-1.385.187

Balance sheet

All amounts in DKK.

<u>Note</u>	<u>31/5 2023</u>
Assets	
Non-current assets	
4 Other fixtures, fittings, tools and equipment	4.328
Total property, plant, and equipment	<u>4.328</u>
Total non-current assets	<u>4.328</u>
Current assets	
Manufactured goods and goods for resale	1.236.645
Total inventories	<u>1.236.645</u>
Trade receivables	519.182
Other receivables	266.434
Total receivables	<u>785.616</u>
Cash and cash equivalents	<u>413.648</u>
Total current assets	<u>2.435.909</u>
Total assets	<u>2.440.237</u>

Balance sheet

All amounts in DKK.

Equity and liabilities	<u>31/5 2023</u>
<u>Note</u>	
Equity	
Contributed capital	371.825
Retained earnings	<u>-1.385.187</u>
Total equity	<u>-1.013.362</u>
Liabilities other than provisions	
Trade payables	2.530
Payables to group enterprises	2.946.922
Other payables	<u>504.147</u>
Total short term liabilities other than provisions	<u>3.453.599</u>
Total liabilities other than provisions	<u>3.453.599</u>
Total equity and liabilities	<u>2.440.237</u>
1 Uncertainties relating to going concern	
5 Charges and security	
6 Contingencies	
7 Related parties	

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 20 April 2022	371.825	0	371.825
Retained earnings for the year	<u>0</u>	<u>-1.385.187</u>	<u>-1.385.187</u>
	<u>371.825</u>	<u>-1.385.187</u>	<u>-1.013.362</u>

Notes

All amounts in DKK.

1. Uncertainties relating to going concern

The ultimate parent company Marc O'Polo International GmbH has in a support letter given commitment to support the company, so that the company's normal business activities will continue and the financial resources are intact until 1 June 2024.

	20/4 2022
	<u>- 31/5 2023</u>
2. Staff costs	
Salaries and wages	857.942
Pension costs	4.670
Other costs for social security	<u>3.622</u>
	<u>866.234</u>
Average number of employees	<u>2</u>
3. Other financial expenses	
Financial costs, group enterprises	1.796
Other financial costs	<u>35.993</u>
	<u>37.789</u>
4. Other fixtures, fittings, tools and equipment	
Additions during the year	<u>5.300</u>
Cost 31 May 2023	<u>5.300</u>
Amortisation and depreciation for the year	<u>-972</u>
Depreciation and write-down 31 May 2023	<u>-972</u>
Carrying amount, 31 May 2023	<u>4.328</u>

Notes

All amounts in DKK.

5. Charges and security

As of 31 May 2023, the company holds a bank guarantee, with the total amount of the guarantee amounting to DKK 425 thousand.

6. Contingencies

Contingent liabilities

The company has a rent commitment totalling DKK 595 thousand.

7. Related parties

Controlling interest

Marc O'Polo International GmbH, Hofgartenstraße 1 83071,
Stephanskirchen, Germany

Majority shareholder

Consolidated financial statements

The company is included in the consolidated financial statements of Marc O'Polo SE, Hofgartenstraße 1 83071, Stephanskirchen, Germany.