

RALPH LAUREN DENMARK ApS

c/o Bech-Bruun Advokatfirma, Gdanskgade 18, 2150 Nordhavn
CVR nr. 30 90 72 99

Annual report 2023/24

Approved at the annual general meeting of shareholders on July 8, 2024

Chairman:



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Daniel Hausen

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of RALPH LAUREN DENMARK ApS for the financial year 1 April 2023 - 31 March 2024.

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 at 31 March 2024 and of the results of the Company's operations for the financial year 1 April 2023 - 31 March 2024

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

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

Copenhagen, July 8, 2024

Executive Board:



Daniel Edward Hausen
Director



Carmel Ann Pedatella
Director



Cara Allen Turilli
Director

Independent auditor's report

To the shareholders of Ralph Lauren Denmark ApS

Opinion

We have audited the financial statements of RALPH LAUREN DENMARK ApS for the financial year 1. April 2023 – 31 March 2024 which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2024 and of the results of the Company's operations for the financial year 1. April 2023 – 31 March 2024 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

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 responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 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 note 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.

Statement on the 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 during 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.

Frederiksberg, 8 July 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Henrik Pedersen
State Authorised Public Accountant
mne35456



Jesper Dalsgaard Jørgensen
State Authorised Public Accountant
mne50618

Management's review

Company Details

Name RALPH LAUREN DENMARK ApS
Address, Postal code, City c/o Bech-Bruun Advokatfirma, Gdanskgade 18, 2150 Nordhavn

CVR No. 30 90 72 99
Registered office Copenhagen
Financial year 1 April - 31 March

Executive Board

Carmel Ann Pedatella
Daniel Edward Hausen
Cara Allan Turilli

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36, P O Box 250, 2000 Frederiksberg, Denmark

Bankers

Danske Bank A/S
Bank Mendes Gans

Management's review

Management commentary

Business review

The object of the company is to conduct business with selling, distribution and promotion of garments and hereby related business.

Financial review

The company's retail sales represents 10,976,634 DKK in 2023/24.

The income statement for 2023/24 shows a profit of DKK 426,260 against a profit of DKK 314,880 last year, and the balance sheet at 31 March 2023 shows equity of DKK 6,818,422

The company has a service agreement in place with Ralph Lauren Scandinavia AB whereby some of its operating expenses are recharged with a 5% Markup (note 2).

Subsequent Event

There are no significant events since the balance sheet which affect the financial statements of the Company.

Financial Statements for the period 1 April 2023 - 31 March 2024

Income statement

Note	DKK	2023/24	2022/23
	Revenue	10,976,634	10,980,562
	Cost of goods sold	-1,713,314	-2,034,699
2	Other operating income	4,583,954	4,812,702
	Other operating expenses	0	-11,785
	External expenses	-6,001,618	-5,803,131
	Gross margin	7,845,656	7,943,650
3	Staff costs	-6,606,668	-7,409,087
4	Depreciation and impairment of Property, Plant and Equipment	-609,039	-8,555
	Profit before net financials	629,949	526,008
5	Financial income	21,876	19,373
6	Financial expenses	-58,296	-114,561
	Profit before tax	593,529	430,819
7	Tax for the year	-167,269	-115,938
	Profit for the year	426,260	314,880
	Retained earnings	426,260	314,880
		426,260	314,880

Financial Statements for the period 1 April 2023 - 31 March 2024

Balance Sheet

Note	DKK	2023/24	2022/23
	ASSETS		
	Fixed assets		
8	Property, Plant and Equipment		
	Other fixtures and fittings, tools and equipment	2,239,371	283,181
		2,239,371	283,181
	Investments		
	Other receivables	254,024	254,024
		254,024	254,024
	Total non-current assets	2,493,395	537,205
	Current assets		
	Inventory	2,084,285	1,985,282
	Total Inventory	2,084,285	1,985,282
	Receivables		
	Trade receivables	1,025,958	846,583
	Receivables from group entities	3,946,605	1,846,914
	Deferred tax assets	94,441	153,959
	Tax receivables	0	4,062
	Other receivables	25,733	176,262
		5,092,737	3,027,781
	Cash	824,225	4,214,278
	Total current assets	8,001,247	9,227,341
	TOTAL ASSETS	10,494,642	9,764,546
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	127,019	127,019
	Retained earnings	6,691,403	6,265,143
	Total equity	6,818,422	6,392,162
	Current liabilities		
	Bank Debt	1,693,483	0
	Trade payables	256,583	369,773
	Payables to group entities	49,596	140,597
	Income taxes payable	72,602	0
	Other payables	1,603,956	2,862,014
		3,676,220	3,372,384
	Total liabilities other than provisions	3,676,220	3,372,384
	TOTAL EQUITY AND LIABILITIES	10,494,642	9,764,546

1. Accounting Policies

10. Contractual obligations and contingencies

11. Collateral

12. Ultimate Group Undertaking

Financial Statements for the period 1 April 2023 - 31 March 2024

Statement of changes in equity

DKK	Share Capital	Retained earnings	Total
Equity at 1 April 2023	127,019	6,265,143	6,392,162
Transfer through appropriation of profit	-	426,260	426,260
Equity at 31 March 2024	<u>127,019</u>	<u>6,691,403</u>	<u>6,818,422</u>

Financial Statements for the period 1 April 2023 - 31 March 2024

Notes to the financial statements

1. Accounting policies

The annual report of RALPH LAUREN DENMARK ApS has been presented in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective of choice of certain provisions applying to reporting class C entities.

Changes to presentation and disclosures only

The financial statements have been prepared based on the same accounting policies as last year.

Reporting Currency

The financial statements are presented in Danish Kroner (DKK), as the entity's most significant transactions are settled in DKK.

Foreign currency translation

Transactions denominated in foreign currencies are translated into DKK at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into DKK at the exchange rate at the balance sheet date. Realized and unrealized exchange gains and losses are recognised in the income statement as financial income/expenses.

Income Statement

Revenue

The Company has chosen IAS 18 Revenue as interpretation for revenue recognition

Revenue from the Company's retail business is recognized when the customer takes physical possession of the products, which occurs at the Company's concession-based shop-within-shops and online.

Payment is due at the point of sale and online.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties.

All discounts and rebates granted are recognized in revenue.

Cost of Sales

Cost of sales includes the cost of goods used in generating the year 's revenue.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of fixed assets.

External expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, 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.

Depreciation of property, plant and equipment

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life.

The expected useful lives of the assets are as follows:

	Useful Life (year)
Other fixtures and fittings, tools and equipment	3-5

Financial Statements for the period 1 April 2023 - 31 March 2024

Notes to the financial statements

1. Accounting policies - (continued)

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts that concern the financial year.

Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments.

The portion of the tax for the year that relates to the profit/loss for the year is recognized in the income statement, whereas the portion that relates to transactions taken to equity is recognized in equity.

Balance Sheet

Property, Plant & Equipment

Items of other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Impairment of Fixed Assets

Every year, other fixtures and fittings, tools and equipment are reviewed for Impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows.

The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Impairment tests are conducted on assets or group of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognized impairment losses are reversed when the reason for recognition no longer exists.

Inventory

Inventories are comprised of finished goods which are stated at the lower of cost or estimated realizable value, with cost determined on a weighted-average cost basis.

These finished goods are determined as the cost of direct materials and labour plus attributable overheads based on a normal level of activity, excluding borrowing costs.

Receivables

Receivables are measured at amortized cost.

An impairment loss is recognized if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognized on an individual basis.

Receivables in respect of which there is no evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

The Company has chosen IAS 39 Financial instruments as interpretation for impairment write-down of financial receivables: Recognition and measurement. Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used at discount rate.

Cash and Cash equivalents

Cash at hand and in bank comprise cash balances and bank balances.

Leases

The company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payment under operating leases are recognized in the income statement over the terms of the lease."

Financial Statements for the period 1 April 2023 - 31 March 2024

Notes to the financial statements

1. Accounting policies - (continued)

Equity

Proposed Dividends

Dividends proposed for the financial year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognized in the balance sheet as the estimated income tax charge for the year, adjusted for prior-years taxes and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax is measured according to the taxation rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax. Deferred tax assets are recognized at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognized in the income statement.

Liabilities

Financial liabilities are recognized at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan.

Other liabilities are measured at net realizable value.

Financial Statements for the period 1 April 2023 - 31 March 2024

Notes to the Financial Statements

DKK	<u>2023/24 DKK</u>	<u>2022/23 DKK</u>
2. Other operating income		
Service Income from Ralph Lauren Scandinavia AB	4,583,954	4,796,702
Gov. grant in respect of direct expenses	0	16,000
	<u>4,583,954</u>	<u>4,812,702</u>
3. Staff costs		
Wages/salaries	5,555,560	5,995,601
Pensions	515,123	420,444
Other social security costs	363,830	735,885
Other staff costs	172,154	133,868
	<u>6,606,668</u>	<u>7,285,798</u>
Average number of full time employee	12	18
4. Depreciation of property, plant and equipment		
Depreciation and impairment of property, plant and equipment	609,040	8,555
	<u>609,040</u>	<u>8,555</u>
5. Financial income		
Financial income	21,876	19,373
	<u>21,876</u>	<u>19,373</u>
6. Financial expenses		
Financial expenses	58,296	114,561
	<u>58,296</u>	<u>114,561</u>
7. Tax for the year		
Current tax provision for the year	94,602	37,025
Tax provision prior year	13,149	0
Deferred tax adjustments in the year	59,518	78,913
	<u>167,269</u>	<u>115,938</u>

Financial Statements for the period 1 April 2023 - 31 March 2024

Notes to the Financial Statements

8. Property, plant and equipment

DKK	<u>Other fixtures</u>
Cost at 1 April 2023	8,110,835
Additions in the year	2,565,230
Cost at 31 March 2024	<u><u>10,676,064</u></u>

Depreciation and impairment losses

Cumulated Depreciation at 1 April 2023	7,827,653
Depreciation in the year	609,040
Depreciation and impairment losses at 31 March 2024	<u><u>8,436,693</u></u>

Carrying amount at 31 March 2024	<u><u>2,239,372</u></u>
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9. Contingent liabilities and contingencies

Other financial obligations

Other rent and lease liabilities:

DKK	<u>2023/24</u>	<u>2022/23</u>
Rent and lease liabilities	<u>914,336</u>	<u>1,229,436</u>

Rent and lease liabilities consists of rent payments for outstanding contractual obligations for a period ending on January 31, 2028.

10. Collateral

The Company has not placed any assets or other as security for loans at 31 March 2024.

11. Ultimate Group undertaking

The immediate parent of RL Denmark ApS is Ralph Lauren Holding BV (Netherlands), a company registered in the Netherlands, which owns 100% of the Company's share capital.

Its ultimate and controlling parent company is:

Name:	Ralph Lauren Corporation
Country of Incorporation:	United States of America
Address:	650 Madison Avenue New York New York 10022

Ralph Lauren is listed to the New York Stock Exchange.

The company is included within consolidated group accounts which are publicly available.