

LARSEN & ERIKSEN ApS

Gammel Kongevej 140B, kl.
DK-1850 Frederiksberg C

CVR no. 38 02 18 77

Annual report 2020

The annual report was presented and approved at
the Company's annual general meeting on

8 July 2021

Jeppe Bjørn Kragh Larsen
Chairman

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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of LARSEN & ERIKSEN ApS for the financial year 1 January – 31 December 2020.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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.

Frederiksberg, 8 July 2021
Executive Board:



Magnus Lindstrøm Eriksen



Jeppe Bjørn Kragh Larsen

Management confirms that the Company fulfills the requirements to be exempt of audit.



Auditor's report on the compilation of financial statements

To the Management of LARSEN & ERIKSEN ApS

We have compiled the financial statements of LARSEN & ERIKSEN ApS for the financial year 1 January – 31 December 2020 based on the Company's bookkeeping records and other information provided by you.

The financial statements comprise income statement, balance sheet and notes, including accounting policies.

We performed our work in accordance with ISRS 4410 *Engagements to Compile Financial Statements*.

We have applied our professional expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with the independence and other ethical requirements of the IESBA Codes of Ethics, which is based on fundamental principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion as to whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 8 July 2021

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

LARSEN & ERIKSEN ApS
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Management's review

Company details

LARSEN & ERIKSEN ApS
Gammel Kongevej 140B, kl.
1850 Frederiksberg C

CVR no.:	38 02 18 77
Established:	20 September 2016
Registered office:	Frederiksberg
Financial year:	1 January – 31 December

Executive Board

Magnus Lindstrøm Eriksen
Jeppe Bjørn Kragh Larsen

Management's review

Operating review

Principal activities

LARSEN & ERIKSEN is a discreetly modern design studio creating shapes that are subtle, but never simple.

The designs of LARSEN & ERIKSEN can be experienced in the best retail universes the world has to offer as well as on the company's own web shop and in their newly established studio/showroom located at the iconic street of Gammel Kongevej in the heart of Copenhagen.

In order to make sure that the designs of LARSEN & ERIKSEN are unique and always will be relevant, the company partners with market leading culture, art and design institutions. These creative partnerships evolve around both sales activities and special design collaborations.

Development in activities and financial position

The Company's income statement for 2020 shows a profit of DKK -205,479 as against DKK -10,152 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK -277,081 as against DKK -71,603 at 31 December 2019.

Despite numerous challenges related to the global Covid-19 pandemic - one of them being that more or less all retailers shut their doors and order books from one day to the other - LARSEN & ERIKSEN managed to stand through and achieve a remarkable growth across their direct-to-consumer channels.

In the midst of the pandemic, LARSEN & ERIKSEN launched an exclusive collaboration with The Museum of Modern Art in New York and Tokyo which is renowned for being the global epicenter of trendy designer goods.

Furthermore, in late April, LARSEN & ERIKSEN were acclaimed a forerunner of the new, promising Danish watch design movement by The New York Times.

In September, LARSEN & ERIKSEN opened their first ever physical store - a premium brand and shopping experience in an A-location in the heart of Copenhagen.

With 2020 being the fourth year of business for LARSEN & ERIKSEN, we are very satisfied with the fact that we have managed to stand through the global pandemic meanwhile growing our direct-to-consumer channels and building upon our strong brand position in the global market for design watches.

Events after the balance sheet date

No events have occurred after the financial year-end, which could significantly affect the company's financial position.

Expectation for the coming year

Despite the on-going pandemic, LARSEN & ERIKSEN expects to continue its growth journey in 2021 - e.g., by focusing even more on direct-to-consumer channels as well as optimizing the product assortment.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	2019
Gross loss		-76,506	-10,127
Staff costs	2	-128,973	0
Loss before financial income and expenses		-205,479	-10,127
Other financial income		0	5
Other financial expenses		0	-30
Loss before tax		-205,479	-10,152
Tax on profit/loss for the year		0	0
Loss for the year		-205,479	-10,152
Proposed distribution of loss			
Retained earnings		-205,479	-10,152

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
ASSETS			
Fixed assets			
Investments			
Equity investments in group entities		<u>50,000</u>	<u>50,000</u>
Total fixed assets		<u>50,000</u>	<u>50,000</u>
Current assets			
Receivables			
Trade receivables		812	0
Receivables from group entities		0	39,437
Other receivables		<u>12,797</u>	<u>10,764</u>
		<u>13,609</u>	<u>50,201</u>
Cash at bank and in hand		<u>1,525</u>	<u>0</u>
Total current assets		<u>15,134</u>	<u>50,201</u>
TOTAL ASSETS		<u><u>65,134</u></u>	<u><u>100,201</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50,000	50,000
Retained earnings		-327,081	-121,603
Total equity		<u>-277,081</u>	<u>-71,603</u>
Liabilities			
Current liabilities			
Banks, current liabilities		0	6,764
Trade payables		12,000	12,000
Payables to group entities		206,005	153,040
Other payables		20,530	0
Payables to shareholders and Management		103,680	0
		<u>342,215</u>	<u>171,804</u>
Total liabilities		<u>342,215</u>	<u>171,804</u>
TOTAL EQUITY AND LIABILITIES		<u>65,134</u>	<u>100,201</u>
Contractual obligations, contingencies, etc.	3		

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of LARSEN & ERIKSEN ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Investments

Equity investments in group entities and participating interests (including associates) are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Other receivables and deposits are recognised at amortised cost.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Cash at bank and in hand

Cash comprises bank deposits.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

2 Staff costs

DKK	2020	2019
Wages and salaries	127,521	0
Other social security costs	1,452	0
	128,973	0
Average number of full-time employees	1	0

3 Contractual obligations, contingencies, etc.

The Group's Danish entities are severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax. The Group as a whole is not liable to any other parties.