



BY APPOINTMENT TO  
HER MAJESTY THE QUEEN OF DENMARK

**GEORG JENSEN**

ESTABLISHED 1904

# **GEORG JENSEN INVESTMENT ApS**

CVR: 34 72 08 19

SØNDRE FASANVEJ 7 | DK-2000 FREDERIKSBERG

# **ANNUAL REPORT 2022**

THE ANNUAL REPORT WAS APPROVED AT THE COMPANY'S  
ORDINARY GENERAL MEETING HELD ON 30 JUNE 2023  
CHAIRMAN OF THE MEETING:

JACOB MELANDER

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# COMPANY INFORMATION

Company:

Georg Jensen Investment ApS  
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DK-2000 Frederiksberg  
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Web site: [www.georgjensen.com](http://www.georgjensen.com)  
CVR No.: 34 72 08 19  
Financial year: 1 January – 31 December  
Municipality of residence: Frederiksberg

Board of Directors:

Andrea Jayne Davis, Chairman  
Karl Sebastian Inger, Deputy Chairman  
David Ching Chi Chu  
Celine Infeld

Executive Board:

Mehul Tank

Auditor:

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab  
(a Danish limited liability company)

The general meeting will be held on 30 June 2023  
at the Company's address.

# KEY FIGURES AND FINANCIAL RATIOS

DKK million	2022	2021	2020	2019	2018
<b>INCOME STATEMENT</b>					
Revenue	1,177	1,110	932	1,014	1,041
Gross Profit	728	690	569	622	652
EBITDA	211	228	151	150	145
EBIT	81	91	-15	-26	-17
Net Financials	-36	-33	-43	-34	-33
Profit for the year	162	49	-61	-63	-125
<b>STATEMENT OF FINANCIAL POSITION</b>					
Total assets	1,198	1,140	1,120	1,110	1,192
Invested capital	810	633	550	612	669
Net working capital	302	170	172	225	275
Total Equity	507	352	300	396	436
Net interest-bearing debt	290	286	422	381	447
<b>STATEMENT OF CASH FLOWS</b>					
Cash flow from operating activities	38	198	140	180	124
Investment in tangible assets	14	12	10	14	19
Cash flow from financing activities	-84	-83	-88	-103	-40
Net cash flow for the year	-76	74	31	41	40

DKK million	2022	2021	2020	2019	2018
<b>KEY RATIOS</b>					
Development in revenue	6%	19%	-8%	-3%	-4%
Gross margin	62%	62%	61%	61%	63%
EBITDA margin	18%	21%	16%	15%	14%
EBIT margin	7%	8%	-2%	-3%	-2%
Return on equity	38%	15%	-18%	-15%	-55%
Equity ratio	42%	31%	27%	36%	37%
Return on invested capital	11%	14%	-3%	-4%	-3%
Revenue/invested capital	1.5	1.8	1.7	1.7	1.6
Financial gearing	57%	81%	141%	96%	102%
<b>EMPLOYEES</b>					
Average number of employees*	1,205	1,097	1,080	1,142	1,230
<b>NUMBER OF STORES</b>					
Retail stores**	96	93	100	97	97

\* Number of headcount end of 2022 was 1,291 employees

\*\* Number of stores is from 2021 and going forward calculated without pop-up stores.

Definition of Key Ratios is on page 27.

# HIGHLIGHTS OF 2022

## **Growth delivered despite headwinds**

Georg Jensen delivered 18% top-line growth YoY during the first three quarters to Q3 2022, representing eight consecutive quarters of growth. Encouragingly, growth was broadly anchored in all channels and product segments.

Our last quarter however saw a significant contraction in consumer spending, predominantly in European markets. Accordingly, European sales contracted by 16% to Q4 2022 while sales in the rest of world was down by 1%.

Despite a challenging Q4, full year top-line grew at 6% in 2022.

## **Maintained profitability**

Gross margin remained at the same level as 2021. We have successfully implemented price increases in B2C and B2B and continued to be selective in our discount management. The sustained gross margin is encouraging, demonstrating that Georg Jensen can mitigate inflationary pressures, particularly within

raw materials and freight costs, which have been further compounded by a strengthening of the USD against EUR/DKK.

Coupled with strict OPEX discipline, EBITDA was in line with 2021 levels while the EBITDA-margin decreased 2.6 percentage points from 20.5% in 2021 to 17.9% in 2022.

## **Continually investing in the future, while keeping healthy financial results**

We continue to focus on strengthening the Georg Jensen brand. Commercial priorities are continuously being evaluated and synchronised with the prevailing economic environment. Accordingly, we prioritise investments into digital marketing and ensuring continuity of direct communication with consumers whilst retaining a strong focus on our omnichannel approach. During 2022 we have upgraded ecommerce sites and included new features for the benefit of our consumers. This has supported a 10% revenue increase in B2C channels year-on-year with a highly encouraging 20% increase versus 2019

## **Cashflow impacted by higher inventory levels and non-trade payments**

Cashflow for 2022 amounted to DKK -76 million and was driven by investment in inventory and a strengthening of USD throughout 2022, as key purchases (e.g. gold/silver) are transacted in USD.

# PRODUCT HIGHLIGHTS AND PRODUCT DEVELOPMENT

Product launches in 2022 focused on a creative vision and product strategy that emphasises the balance between new innovations and rejuvenation of our icons.

The beginning of the year was marked by the celebration of HM The Queen of Denmark's 50th jubilee. Georg Jensen celebrated this with the launch of the Jubilee Piece, a stunning piece of jewellery designed and crafted in sterling silver as well as 18-karat gold. Danish designers were invited to participate in creating a design, in line with Georg Jensen's collaborative heritage since 1906. The selected design was created by the Danish architect duo, Ditte Bjerregaard and Sofie Elkjær Jensen, and was inspired by the royal motto; 'The help of God, the love of the people, Denmark's strength'.

We launched three products in the Home category in February. Firstly, the launch of our new Sky water bottle, which joins the well-known Sky collection of striking home objects. This portable water bottle showcases a beautiful fluid shape that comes in four elegant shades and stainless steel. Secondly, we extended the Bloom collection designed by Helle Damkjær. The extension is made up of inviting shapes that continue to add to the story through its expansion into flowerpots that capture the very moment flower buds open, and petals unfold. The Bloom collection is organic and beautiful but has a contemporary and sculptural quality that brings a touch of springtime optimism into the home. Thirdly, there were additions of several new designs inspired by the Sigvard Bernadotte's work for Georg Jensen in the 1930's. Art Deco references of lines and geometry were the foundation of several contemporary pieces which complemented the iconic Bernadotte thermos carafe and contributed to a larger, more dynamic collection. Bernadotte's design inspiration continues to build a complete and unified world in Home for many different environments. Simultaneously, in spring for jewellery

we continue with a long-standing relationship with designer Jacqueline Rabun with the launch of her new collection Reflect. The collection presents a fresh take on the traditional chain design, drawing influence from Punk-inspired aesthetics while honouring Georg Jensen's legacy of expert craftsmanship. A new collection designed to make a statement and celebrate the beauty of individuality and follows the strategy of new innovations.

March was defined by the rejuvenation of not only an icon for Georg Jensen but a national icon, the Daisy. The striking new series of colourful necklaces, earrings and bracelets reinterprets the iconic collection in a unique and respectful way, introducing an updated design and a fresh colour palette. Georg Jensen closely collaborated with Copenhagen fashion designer Stine Goya, who is widely known for her expert use of vivid and colourful prints and inspired the new collection's distinctive use of colour. "This new take on the well-known Daisy design is the result of a strong collaboration between Georg Jensen and Stine Goya, and it presents a whole new look and feel that retains the craftsmanship and cultural heritage behind the original Daisy," says Ragnar Hjartarson, Georg Jensen's Creative Director.

During the summer Georg Jensen welcomed visitors to the Copenhagen flagship store for the installation; Shaped by Silver for Copenhagen's 3daysofdesign. The all immersive and interactive installation, designed with local studio Spacon & X, created a multi-sensory experience that celebrated our deep roots in silver design. Furthermore, the installation introduced the new extension of the Nendo collection. Georg Jensen proudly introduced a range of new designs in continued collaboration with renowned Japanese design studio Nendo with the addition of a stunning new series of organic-shaped candleholders that seamlessly join

the collection of three stainless steel Nendo vases, first introduced in silver autumn of 2021.

In September, we expanded a collection that was first introduced in 2010, the Moonlight Grapes collection, which takes inspiration from the grape-shaped ornaments that are central to silversmith Georg Jensen's 1920s designs. The motif has since been reimagined into a broad collection of modern and confidence-boosting pieces. Defined by a contemporary look and feel, the collection's new designs retain the boldness and abstraction that have defined Moonlight Grapes since its launch. The new series introduces ear cuffs, rings, bracelets and earrings in sterling silver and 18kt gold that reinterpret Georg Jensen's iconic clusters of grapes in dynamic and artful new ways.

Concurrently within Home we launched the new Copenhagen cutlery in matte gold-coloured stainless steel, that can comfortably act as statement pieces that won't look out of place at a festive feast. At first glance, the cutlery is deceptively simple. However, the pieces are simply slender, elegant, charming, and pragmatic. Give it time and you will come to intimately appreciate each one for its weight, its balance, and the comfort with which it sits in your hand.

November was marked by two significant launches. For the first time in its history, the Koppel Pitcher is imbued with a vibrant and powerful colour palette. Consisting of a deep shade of blue, a pastel green, a soft lavender and a lighter tone of blue – each hue celebrates Koppel's artistic vision and universe while bridging the design's rich history with a strikingly contemporary expression. The pitcher was designed in the mid-1950s by Danish artist Henning Koppel, a dedicated Georg Jensen collaborator. The pitcher is defined by sleek and sculptural forms that give its design a unique and recognisable silhouette. First launched in stainless steel in 2009, the pitcher has since established itself as a signature Georg Jensen icon. Continuing celebrating our masters, in November we launched a series of Bernadotte glassware consisting of wine glasses and champagne flutes that make the perfect addition to any festive table.

Through a balance between new innovations and rejuvenation of icons, 2022 was a year of solidifying core stories that remain true to our values. By building on our iconic collections, celebrating the masters, in combination with new innovations, we have designed timeless products that not only celebrate our past but look to the future.

# FINANCIAL REVIEW

## Net Revenue

In 2022 net revenue amounted to DKK 1,177 million (2021: DKK 1,110 million), an increase of 6%. All regions, channels and product segments achieved higher net revenue compared to last year.

Net revenue grew 18% in the first three quarters, but growth was subdued in fourth quarter driven by changing consumer sentiment and specifically driven by a slow down in Europe. Consumer sentiment in Europe was impacted by high inflationary pressures, increase in utility prices and a general concern regarding the economic outlook. In addition, Asia was impacted by several restrictions, as precautionary measures against Covid-19 pandemic, which ultimately led to lower sales.

Europe delivered net revenue of DKK 616 million (52% of total net revenue), a growth of 3% to 2021. The APAC region delivered net revenue of DKK 488 million (41% of total net revenue), which represents an increase of 10% compared to 2021. Net revenue for North America increased by 6% in 2022, going from DKK 61 million to DKK 74 million.

In 2022, Home and Jewellery product segments grew by 7% and 4%, respectively, compared to 2021.

## Gross Profit

Gross profit increased by DKK 38 million to DKK 728 million (2021: DKK 690 million) driven by higher net revenue.

## Other external cost

Other external cost increased by DKK 54 million, primarily due to higher consultant fees, higher variable rent expense for shop-in-shops, IT expenses and increased marketing costs.

## Staff cost

In 2022 staff cost increased by DKK 8 million, from DKK 269 million to DKK 277 million, mainly driven by an overall increase of employees and an underlying change in personnel mix, roles and competences.

## Other operating income and costs

Due to Covid-19 pandemic, the Group participated in government programs, designed to protect jobs and retail operations during the trading restrictions. In 2022 there was a remaining positive impact from government support, which provided a total benefit of DKK 5 million for the whole Group. The received government support is recognised in other operating income.

## Operating Profit before Depreciation and Amortization

In 2022 the operating profit before depreciation and amortisation amounted to DKK 211 million compared to DKK 228 million in 2021. The decrease in operating profit before depreciation and amortisation were mainly driven by increased external and structural costs such as staff costs, partly offset by higher sales and a stable gross margin translating to an increase of DKK 38 million in gross profit.

## Operating Profit

Operating profit decreased by DKK 10 million in the year to DKK 81 million compared to a profit of DKK 91 million last year. Further reductions in depreciations and amortisations this year contributed positively by DKK 6 million. The reductions mainly related to shorter leasehold periods in number of leasehold properties in 2022.

## Net Financial items

Net financial items amounted to an expense of DKK 36 million compared to an expense of DKK 33 million in 2022. The change is driven by a net loss on foreign currency translation of DKK 4 million as well as a negative realised currency loss on derivative financial instruments of DKK 1 million, partly offset by DKK 3 million lower interest on leases. A change in hedging policy triggered a reclassification of the USD hedged costs with a positive DKK 0.3 million impact in costs of sales and offsetting the negative impact in net financial items in 2021.

deferred tax assets, partly offset by a decrease in cash and cash equivalents.

### **Profit before Taxes**

Profit before tax was positive by DKK 44 million in 2022 compared to DKK 58 million in 2021.

### **Tax for the year**

Tax for the year was positively impacted through the recognition of a previously unrecognised deferred tax asset of DKK 119 million.

### **Net Profit**

Net profit was positive by DKK 162 million in 2022 compared to DKK 49 million in 2021.

### **Assets and Cash and Cash Equivalents**

Total assets amounted to DKK 1,198 million as of 31 December 2022 compared to DKK 1,140 million in 2021. The increase of DKK 58 million primarily relates to the build-up of inventories and the recognition of

### **Equity**

Equity increased by DKK 155 million to DKK 507 million (2021: DKK 352 million).

### **Cash Flow and Net Interest-Bearing Debt**

Cash flow from Operations ended at DKK 38 million compared to DKK 198 million in 2021, a decrease of DKK 160 million. The main contributor is driven by a change in working capital due to the build-up of inventories. In 2022 the Net interest-bearing debt increased by DKK 3 million from DKK 287 million to DKK 290 million, mainly driven by a decrease in cash and cash equivalents of DKK 76 million, partly offset by a decrease in IFRS 16 lease obligations of DKK 74 million. The reduction in IFRS 16 lease obligations relates to a reduction in number of leasehold properties in 2022.

# OUTLOOK

## **Comment on the outlook expressed for 2022**

The 2021 Annual report expressed a positive outlook, indicating that both net revenue and profitability would grow in 2022. The outlook was afterwards updated on the back of Q3 2022 interim results, where the Group specified that “Overall for 2022 we expect to deliver topline growth while EBITDA is expected to be around the same level as in 2021”. Aligned with latest outlook, 2022 delivered a topline growth of 6% while EBITDA remained on par.

## **Outlook for 2023**

The 2023 Outlook assumes that the global macroenvironment remains uncertain, including high inflationary pressures and low consumer sentiment

compared to previous years. We expect that these headwinds will be offset by implemented growth initiatives in B2C and in B2B and we are therefore expecting to achieve sales for 2023 at the same level as 2022. For 2023, we further expect minimal impact from Covid-19 as well as from geopolitical issues. We have throughout 2022 been working with cost optimisations to mitigate the impact from FX developments, inflation and higher raw material prices and combined with targeted price increases in both B2C and B2B and continued cost containment, we expect EBITDA for 2023 to be at the same level as 2022. See also disclosures in the Going Concern Assumption in note 2.1 and Subsequent Events in note 18.1.

# RISK MANAGEMENT

The Board of Directors regularly assesses the Company's overall risks and the individual risk factors associated with its activities. The Board of Directors adopts guidelines for key risk areas, monitors progress and prepares action plans for reducing and managing individual risk factors, including financial and business risks, insurance and environmental conditions and compliance with competition law.

## **Business Risk**

**Commercial risk:** As an international brand, Georg Jensen is subject to international economic developments, in particular the consumption of luxury goods. This consumption is driven by several factors including brand integrity, product relevance and channel operations.

Since its launch in 1904, the Georg Jensen brand represents quality craftsmanship and timeless aesthetic design. With its philosophy of engaging designers who contribute their own style and creativity, Georg Jensen has remained relevant and true to its brand for over 100 years. On the product side, cohesive concepts are being developed to introduce new designs while existing design languages are expanded in response to customer trends, with the goal being to maintain the brand's position as a leading Danish design company.

The current uncertainties linked to inflation, economic instability and decreasing consumer sentiment regarding their purchasing power have created a slow down within our end-of-year results. However, our geographical sales diversification provides some risk mitigation when localized economic downturns are experienced, for instance in Europe at the end of 2022. Servicing the customer in different sales channels, spanning from own retail, to external retail, to e-commerce and B2B, and investments into omni-channel capabilities is also a means of mitigation, helping to protect sales growth and ensure improved effectiveness in our customer reach and offering.

## **Logistics risk:**

If the right products are not available in the stores at the right time, the amount of returned and surplus

products rises, which in turn increases the risk of obsolete products. Late delivery or non-delivery thus poses a risk. Sales, Operations and Planning (SO&P) processes are subject to ongoing review in order to ensure alignment between demand and supply, including delivery time, in order to adjust and manage stock levels.

## **Production facilities:**

Georg Jensen depends on two production facilities for Silver/Hollowware (Copenhagen, Denmark) and Jewellery/Seasonal (Chiang Mai, Thailand) whereas the production of Home Décor products is outsourced to 3rd party suppliers primarily in China. Production of Watches is mostly outsourced to 3rd party suppliers. Contingency plans and training are used and communicated for different scenarios which can trigger interruption of operations, and we work with miscellaneous preventative actions to prevent interruption. Existing inventory levels are a preventive factor for a short period of time; insurance against interruptions in operations partly mitigates negative financial impacts.

**IT breakdown:** Risk control measures such as firewalls, access control, contingency plans etc. are assessed on a regular basis in order to identify and minimize these risks.

**Cyber risks:** We have seen an increased level of sophistication and creativity within attempts to breach data. Georg Jensen are partnering with reputable online vendors with high security standards and we are meticulously monitoring data activities to early capture and prevent malicious acts that would lead to data breaches for Georg Jensen or our online vendors.

**Employees:** Georg Jensen strives to offer unique career opportunities and talent development. The HR department is responsible for the development and updating of guidelines and training tools to support managers at all levels. Part of the performance culture ensures that all employees have clear goals and act as accountable, trustworthy ambassadors for our brand and company.

**Brand and image:** The brand and its reputation are managed through company values and integrated into corporate and social responsibility standards for Georg Jensen. Risks related to brand and reputation are addressed by way of prevention in a communication strategy prepared annually and proactively by way of consistent and transparent public relations and communication efforts, both externally and internally and through relevant channels.

**Intellectual property rights:** Georg Jensen aims to use and safeguard our intangible assets by securing key trademarks in key markets, selectively defending our trademarks and designs when necessary and appropriate.

**Environment:** Georg Jensen controls the value chain in our own factories where we continuously work on reducing the use of hazardous materials, noise and pollution and other elements that can cause a risk to employees or the environment. We also continuously work to improve our internal quality system in order to reduce deficiencies.

### **Financial Risk and Financial Instruments**

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks and the day-to-day operations are handled by the Treasury department. The Board of Directors reviews and agrees on policies for managing each of these risks.

### **External Risks**

**Macroeconomic factors:** A substantial part of the Company's sourcing and sales takes place in markets which, from time to time, experience political and economic turmoil. This can affect Georg Jensen's business and thus poses a risk. Reliable and accurate sales forecasting allows flexible planning and reaction time to reduce the impact of macroeconomic factors. We furthermore seek to eliminate the dependency on cyclical economic trends via wider geographical diversification of sales, as well as the use of other sales channels, such as online, B2B and franchise agreements.

### **Corporate Governance**

**Georg Jensen's internal control and risk management:** The purpose of Georg Jensen's internal control and risk management systems in relation to the financial

reporting process is to provide financial statements which are true and fair value, in accordance with the International Financial Reporting Standards (IFRS) with supplement of local Danish requirements in accordance with the Danish Financial Statements Act. The Board of Directors is responsible for the overall governance and have established an Audit Committee which assist the Board in supervising the reporting process. The Audit Committee reviews significant risks and seeks to ensure risks are handled timely, efficiently and proactively.

Internal controls and risk management systems in relation to the Financial Statement process:

**Control environment,** the Group's internal control framework identifies key processes and control procedures to reduce and mitigate financial risks and ensure reliable financial reporting.

**Risk assessment,** the Board of Directors and Executive Board assess risks on an ongoing basis, including risks related to the financial reporting, and assess measures to manage, reduce or eliminate identified risks.

**Control activities,** the financial information reported by Georg Jensen A/S and its subsidiaries follows a formalized and structured process and is controlled by local controllers with local market knowledge as well as the controlling function within Group Finance. The Group controlling function is continuously trained in new accounting and reporting requirements and monitors compliance with relevant legislation on an ongoing basis.

**Information and communication,** Group entities have dedicated controllers within Group Finance. The Group Finance function reports to the Chief Financial Officer (CFO).

**Monitoring,** financial risks are reviewed through monthly performance reviews.

Georg Jensen's internal control and risk management is under continuous development in order to adapt to the changes in the surroundings.

## Management duties

Other managerial positions of the members of the Board of Directors are:

Andrea Jayne Davis:

- Abax AS (and parent companies)
- Corneliani S.pA. (and parent companies)
- Ibis Topco Limited
- Ibis Midco Limited
- Investcorp Europe Holdings Limited
- Investcorp International Limited
- Investcorp Securities Limited
- POC Sweden AB (and parent companies)
- Sarti Holding (UK) Limited

Celine Infeld:

- Sanolium Group Holding AB
- Sanos Group (and parent companies)

David Ching Chi Chu:

- Bond Apparels International Ltd.
- Nobilia Fashion International Group Ltd.

Karl Sebastian Inger:

- Abax AS
- POC Holdings
- Sanolium Group AB
- Sanolium Group Holding AB
- Sanolium Holding AB
- Sanos Group (and parent companies)

# SUSTAINABILITY STATEMENT

## **Statement of Corporate Social Responsibility in accordance with Section 99a of the Danish Financial Statements Act**

Ensuring responsible and sustainable business practices has never been a more prominent task for us than now. As our business evolves, understanding our corporate responsibility and how we can balance growth with sustainability throughout our value chain is becoming even more important.

The 10 principles of the UN Global Compact on environment, human rights, labor rights and anti-corruption continues to guide our business approach towards greater sustainability. We continue our efforts to ensure responsible management of our supply chain, the environment, anti-corruption risks and diversity.

Being active within design and distribution of products made by stainless steel and precious metals, we are particularly dependent on scarce natural resources. We acknowledge the need for precautionary measures when it comes to our value chain, especially in relation to sourcing and manufacturing operations. Caring for the global eco-system on which we depend, is one of our greatest business challenges today and requires us to constantly manage our impact on environmental, social, and economical matters. Consequently, sustainability is an integrated part of our strategy and fundamental to the global Georg Jensen mind-set.

Since 2009, Georg Jensen has submitted an Annual Sustainability Report disclosing our most recent progress and results. The latest report, Georg Jensen Annual Sustainability Report 2022, is available here: <https://www.georgjensen.com/en-gb/csr>

# MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Georg Jensen Investment ApS for the financial year 1 January to 31 December 2022.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a

true and fair view of the financial position at 31 December 2022 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January to 31 December 2022.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company.

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

Copenhagen, 30 June 2023

## Executive Board

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Mehul Tank

CEO

## Board of Directors

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Andrea Jayne Davis  
Chairman

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Karl Sebastian Inger  
Deputy Chairman

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David Ching Chi Chu

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Celine Infeld

# INDEPENDENT AUDITORS' REPORTS

To the Shareholders of Georg Jensen Investment ApS

## Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2022 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2022 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Georg Jensen Investment ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

## 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 Group 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.

## 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

# INDEPENDENT AUDITORS' REPORTS

## Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company 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 Group's and the Parent 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 Group or the Parent 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 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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 AUDITORS' REPORTS

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Hellerup, 30 June 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Michael Groth Hansen

State Authorised Public Accountant

Mne33228

Kristian Højgaard Carlsen

State Authorised Public Accountant

Mne44112

# CONSOLIDATED INCOME STATEMENT

DKK million	Note	2022	2021
Revenue	4.1,4.2	1,176.5	1,110.1
Cost of sales	5.1	-448.9	-420.2
<b>Gross profit</b>		<b>727.6</b>	<b>689.9</b>
Other external costs	6.1	-248.6	-205.8
Staff costs	6.2	-276.7	-268.9
Other operating income and costs	7.1	8.7	12.5
<b>Operating profit before depreciation and amortization</b>		<b>211.0</b>	<b>227.7</b>
Depreciation, amortization, and impairment losses	9.1,9.2	-130.4	-136.8
<b>Operating profit</b>		<b>80.6</b>	<b>90.9</b>
Financial income	8.1	1.2	2.4
Financial costs	8.1	-37.3	-34.9
<b>Profit before tax</b>		<b>44.5</b>	<b>58.4</b>
Tax on profit for the year	8.2	117.0	-9.0
<b>Profit for the year</b>		<b>161.5</b>	<b>49.4</b>

## OTHER COMPREHENSIVE INCOME

DKK million	Note	2022	2021
<b>Profit for the year</b>		<b>161.5</b>	<b>49.4</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit pension plans	15.1	-0.1	-0.4
Items that will be reclassified to profit or loss			
Adjustment Cash flow hedges		0.6	-0.9
Exchange differences on foreign operations		-7.1	3.7
<b>Other comprehensive income after tax</b>		<b>-6.6</b>	<b>2.4</b>
<b>Total comprehensive income for the year</b>		<b>154.9</b>	<b>51.8</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS, ASSETS

DKK million	Note	2022	2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	9.1	161.0	179.3
Tangible assets	9.2,9.3	187.7	259.5
Financial assets		30.1	36.5
Deferred tax	9.4	119.9	1.0
<b>Total non-current assets</b>		<b>498.7</b>	<b>476.3</b>
<b>CURRENT ASSETS</b>			
Inventories	10.1	409.6	285.1
Trade receivables	10.2	105.3	127.3
Other receivables		14.6	5.5
Receivable from group enterprises		13.7	10.7
Prepayments		9.9	13.4
Cash and cash equivalents	12.4	145.9	221.7
<b>Total current assets</b>		<b>699.0</b>	<b>663.7</b>
<b>TOTAL ASSETS</b>		<b>1,197.7</b>	<b>1,140.0</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS, LIABILITIES

DKK million	Note	2022	2021
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	11.1	317.0	317.0
Share premium		594.4	594.4
Hedging reserve		0.8	0.2
Translation reserve		-0.1	7.0
Retained earnings		-405.5	-566.9
<b>Total equity</b>		<b>506.6</b>	<b>351.7</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Bonds	12.1	0.0	298.0
Lease liabilities	9.3	83.4	139.9
Provisions	15.2	13.4	11.8
Deferred tax	9.4	1.1	0.7
Retirement benefit obligation	15.1	8.1	8.5
Other payables		10.1	10.1
<b>Total non-current liabilities</b>		<b>116.1</b>	<b>469.0</b>
<b>CURRENT LIABILITIES</b>			
Bonds	12.1	298.0	0.0
Credit institutions	12.4	11.7	7.9
Trade Payables		97.4	83.6
Other Payables		108.7	143.4
Lease liabilities	9.3	56.7	73.9
Tax payables	9.4	2.7	7.5
Provisions	15.2	0.0	3.0
<b>Total current liabilities</b>		<b>575.0</b>	<b>319.3</b>
<b>Total liabilities</b>		<b>691.1</b>	<b>788.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,197.7</b>	<b>1,140.0</b>

# STATEMENT OF CHANGES IN EQUITY

## ACCOUNTING POLICIES APPLIED

### Share premium

The share premium comprises the amount received, attributable to shareholders' equity, in excess of the nominal amount of the shares issued. The share premium reserve can be distributed.

### Reserve for hedging transactions

Reserve for hedging transactions comprises the accumulated net change of the fair value of hedging

transactions which qualify for recognition as cash flow hedges, and where the hedged transaction has not yet been realized, less tax.

### Translation reserve

The translation reserve comprises foreign exchange differences arising in connection with the translation of foreign subsidiaries' financial statements.

2022 DKK million	Share capital	Share premium	Reserve for hedging transaction	Translation reserve	Retained earnings	Total Equity
<b>Equity at 1 January 2022</b>	<b>317.0</b>	<b>594.4</b>	<b>0.2</b>	<b>7.0</b>	<b>-566.9</b>	<b>351.7</b>
Profit for the year	0.0	0.0	0.0	0.0	161.5	161.5
Other comprehensive income						
Remeasurements of defined benefit pension plans	0.0	0.0	0.0	0.0	-0.1	-0.1
Adjustment Cash flow hedges	0.0	0.0	0.6	0.0	0.0	0.6
Exchange adjustment	0.0	0.0	0.0	-7.1	0.0	-7.1
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.6</b>	<b>-7.1</b>	<b>-0.1</b>	<b>-6.6</b>
<b>Equity at 31 December 2022</b>	<b>317.0</b>	<b>594.4</b>	<b>0.8</b>	<b>-0.1</b>	<b>-405.5</b>	<b>506.6</b>

2021 DKK million	Share capital	Share premium	Reserve for hedging transaction	Translation reserve	Retained earnings	Total Equity
<b>Equity at 1 January 2021</b>	<b>317.0</b>	<b>594.4</b>	<b>1.2</b>	<b>3.3</b>	<b>-616.0</b>	<b>299.9</b>
Profit for the year	0.0	0.0	0.0	0.0	49.4	49.4
Other comprehensive income						
Remeasurements of defined benefit pension plans	0.0	0.0	0.0	0.0	-0.3	-0.3
Adjustment cash flow hedges	0.0	0.0	-1.0	0.0	0.0	-1.0
Exchange adjustment	0.0	0.0	0.0	3.7	0.0	3.7
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.0</b>	<b>3.7</b>	<b>-0.3</b>	<b>2.4</b>
<b>Equity at 31 December 2021</b>	<b>317.0</b>	<b>594.4</b>	<b>0.2</b>	<b>7.0</b>	<b>-566.9</b>	<b>351.7</b>

# CASH FLOW STATEMENT

DKK million	Note	2022	2021
Net profit for the year		161.5	49.4
Non-cash items	17.2	39.2	181.8
Change in working capital	17.1	-130.8	2.7
<b>Cash flows from operating activities before financial income and expenses</b>		<b>69.9</b>	<b>233.9</b>
Financial cost, paid	8.1	-28.3	-31.4
Financial income, received	8.1	0.0	0.0
<b>Cash flows from ordinary activities</b>		<b>41.6</b>	<b>202.5</b>
Income taxes paid		-3.9	-4.0
<b>Net cash flow from operating activities</b>		<b>37.7</b>	<b>198.5</b>
Purchase of intangible assets		-15.1	-27.0
Purchase of property, plant and equipment		-14.3	-11.5
Sale of fixed asset Investments etc.		0.0	0.0
Change in other financial assets		0.0	-3.7
<b>Net cash flow from investing activities</b>		<b>-29.4</b>	<b>-42.2</b>
Issued bond		0.0	0.0
Changes in credit institutions (overdraft facilities)		1.5	-2.9
Repayment of loans from credit institutions		0.0	0.0
Repayment of lease liabilities		-82.6	-77.6
Loan to Group companies		-3.0	-2.0
<b>Cash flow from financing activities</b>		<b>-84.1</b>	<b>-82.5</b>
Net cash flow for the year		-75.8	73.3
Cash and cash equivalents, beginning of the year		221.7	147.9
Currency adjustment of cash and cash equivalents		0.0	0.0
<b>Cash and cash equivalents, end of the year</b>		<b>145.9</b>	<b>221.7</b>
Cash and cash equivalents in the statements of cash flows comprise:			
Cash and cash equivalents		145.9	221.7
<b>Cash and cash equivalents</b>		<b>145.9</b>	<b>221.7</b>

## ACCOUNTING POLICIES APPLIED

The cash flows statement outlines the cash flows from operating, investing and financing activities for the year, and the net cash flows for the year as well as cash and cash equivalents at the beginning and at the end of the financial year.

The statement of cash flows presents cash flow from operating activities indirectly based on the net profit for the year.

Cash flow from operating activities is calculated as operating profit adjusted for non-cash operating items,

provisions, financials paid, change in working capital as well as taxes paid.

Cash flow from investing activities is the aggregated change in the cash position resulting from investments in assets and changes resulting from amounts spent on investments in capital assets.

Cash flow from financing activities is the result from financing activities of the business.



# NOTES

## 1.1 ACCOUNTING POLICIES

The Annual Report for the period 1 January - 31 December 2022 comprises the financial statements of Georg Jensen Investment ApS.

The financial statements for the year ended 31 December 2022 have been prepared in accordance with IFRS as adopted by EU and the accounting policies are unchanged from last year.

### **Implementation of new standards, amendments and interpretations**

Georg Jensen Investment ApS has assessed the effect of the new standards, amendments and interpretations effective for the financial years beginning on or after 1 January 2022. Georg Jensen Investment ApS has concluded that all new standards, amendments and interpretations are either not relevant to Georg Jensen Investment ApS or have no significant effect on the Financial Statements of Georg Jensen Investment ApS.

### **New standards, amendments and interpretations adopted but not yet effective**

Georg Jensen Investment ApS has assessed the effect of the new standards, amendments and

interpretations effective for the financial years beginning on or after 1 January 2022. Georg Jensen Investment ApS has concluded that all standards, amendments and interpretations are either not relevant to Georg Jensen Investment ApS or have no significant effect on the Financial Statements of Georg Jensen Investment ApS.

### **Basis of consolidation**

The consolidated financial statements consist of the financial statements of Georg Jensen Group and its subsidiaries in which the Company's voting rights directly or indirectly exceed 50%, or in which the Company is able to exercise a controlling interest in any other way.

The consolidated financial statements are prepared on the basis of the parent company financial statements and the individual subsidiaries by consolidating items of a uniform nature. Equity interests, intercompany transactions, intercompany balances, unrealized intercompany gains on inventories and dividends are eliminated.

The items of the financial statements of subsidiaries are fully consolidated in the consolidated financial statements. Please refer to note 5 in the parent company.

# NOTES

## 1.1 ACCOUNTING POLICIES

The significant accounting policies deemed by Management to be material for the understanding of the consolidated financial statements are listed in the statement of changes in equity, statement of cash flows as well as below where they are described in more detail in the relevant notes:

1.1	Accounting policies	10.2	Trade receivables
2.1	Going concern	11.1	Equity
3.1	Significant accounting estimates	12.1	Financial instruments by category
4.1	Segment information	12.2	Fair value measurement
4.2	Revenue	12.3	Financial risk
5.1	Cost of sales	12.4	Net interest-bearing debt
6.1.	Special items	12.5	Contingent liabilities
6.2	Staff costs	13.1	Remuneration to Key management and board of directors
7.1	Other operating income and costs	14.1	Related parties
8.1	Financial income and costs	15.1	Retirement benefit obligation
8.2	Tax for the year	15.2	Provisions
9.1	Intangible assets	16.1	Fee to auditors elected at the annual general meeting
9.2	Tangible assets	17.1	Working capital
9.3	Leases	17.2	Cash flow statement, Non-cash items
9.4	Deferred tax	18.1	Events after the reporting period
10.1	Inventory		

## FOREIGN CURRENCY

### Functional currency

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency of each entity in the Group. The functional currency is the currency in the primary economic environment in which the individual reporting entity operates. Transactions in currencies other than the functional currency are transactions denominated in foreign currencies.

The consolidated financial statements and the parent company financial statements are reported in Danish Kroner (DKK). DKK is considered the primary currency of the Group's operations and the functional currency of the parent company.

### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate ruling at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognized in the income statement under financial income or costs, respectively.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the end of the reporting period.

# NOTES

## 1.1 ACCOUNTING POLICIES

The difference between the exchange rate ruling at the end of the reporting period and the exchange rate at the date when the receivable or payable arose or was recorded in the most recent financial statements is recognized in the income statement under financial income or costs.

Property, plant and equipment and intangible assets, inventories and other non-monetary assets acquired in foreign currencies and measured based on historical cost are translated at the exchange rates ruling at the transaction date.

### Translation in the consolidated financial statements

The statements of financial position of foreign subsidiaries are translated into DKK at the exchange rate ruling at the end of the reporting period, while income statements are translated into DKK at monthly average exchange rates during the year.

Foreign exchange differences arising on the translation of foreign subsidiaries' opening equity using the exchange rates ruling at the end of the reporting period as well as on the translation of the income statements using average exchange rates at the end of the reporting period are recognized under other comprehensive income.

### KEY FIGURES

The key figures and financial ratios presented in highlights have been prepared for the company. The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

### Invested capital

Assets less cash and cash equivalents and non-interest-bearing debt

### Net interest-bearing debt

Interest-bearing debt less cash and cash equivalents

### Development in revenue (%)

Development in revenue as a ratio of last year's revenue

### Gross margin (%)

Gross profit as a ratio of revenue

### EBITDA margin (%)

Operating profit before depreciation and amortization (EBITDA) as a ratio of revenue

### EBIT margin (%)

Operating profit (EBIT) as a ratio of revenue

### Return on equity (%)

Net profit/(loss) as a percentage of average equity

### Equity ratio

Total equity as ratio of total assets

### Return on invested capital

Operating profit (EBIT) as a ratio of average invested capital

### Revenue/invested capital

Revenue divided by average invested capital

### Financial gearing

Interest bearing debt as percentage of total equity

# NOTES

## 2.1 GOING CONCERN

The Executive Board is required to decide whether the consolidated financial statements can be presented on a “going concern” basis. Subsequent to the balance sheet date, a refinancing arrangement has been implemented due to the redemption of the EUR 40m Senior Secured bond, initially expected in May 2023 and which successfully occurred in February 2023. A new EUR 40m Senior Secured

bond has been issued with a final maturity date of 14 May 2025. Based on estimated future prospects, expectations of future cash flow, etc., the Executive Board is of the opinion that there are limited factors giving reason to doubt whether Georg Jensen can continue operating for at least 12 months from the balance sheet date.

## 3.1 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

### Significant accounting estimates and judgements by Management

The preparation of the Annual Report requires that Management make estimates and assumptions, which by definition will vary to the actual results, that affect the recognised assets and liabilities, including the disclosures made regarding contingent assets and liabilities, when applying the Groups accounting policies.

Management bases its estimates on historical experience and other assumptions considered relevant at the time. These estimates and assumptions form the basis for the recognised carrying amounts of assets and liabilities and the derived effects on the income statement and other comprehensive income. The actual result may deviate over time.

The estimates made and the underlying assumptions are reconsidered on an ongoing basis.

Management considers the following estimates and judgements and the relevant accounting policies essential for preparing the consolidated financial statement. In the opinion of Management, the result of these estimates and uncertainties are reflected in the Annual Report based on the information available and assumptions made.

### Recognition of deferred tax assets on the reporting period of 2022

Based on the profitable results of the group for the last two years and expectations of generating a future taxable income, management believes that it is more likely than not that Georg Jensen will use a DKK 119 million of deferred tax assets, consisting of deductible temporary differences and

unused tax losses considered recoverable. The balance is included in the tax of the year.

### Inventory valuation

Inventory provision relating to finished items and raw material is assessed on a quarterly basis. The inventory provision is based on the approved policy. A provision is recognised if the expected net realisable value is lower than the cost of the products. Net realisable value is the estimated selling price less the estimated costs of reworking, completion and sale of the inventory.

See note number 10.1 for details in the valuation of the inventory.

### Leases

See note 9.3 for significant judgements in determining the lease term.

### Brand

See note 9.1 for significant accounting estimate on brand.

### Impairment assessment of property, plant, and equipment, and intangible assets

The carrying amounts of property, plant and equipment and intangible assets are reviewed on an annual basis to determine if an impairment is needed beyond ordinary depreciation policies for the specific assets. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount and the asset is written down to its lower recoverable amount. The impairment test includes significant judgments made by Management, such as assumption of projected future cash flows.



# NOTES

## 4.1 SEGMENT INFORMATION

The group segments are based on a regional split. All regions are operated as independent business units, each with their own well-defined strategy plan, and they are responsible for their financial performance. The financial performance of the individual segment is presented in note 4.1 and 4.2.

The group's revenue by primary sales channels is distributed [B2B: 43, B2C: 57, Other: 0] across the group's segments. For the primary product lines the split is [Jewellery: 47, Home: 45, Other: 8].

### ACCOUNTING POLICIES APPLIED

Segment information has been prepared in accordance with the Group's applied accounting policies and is consistent with the Group's internal reporting to the Executive Board, who are considered the Chief operating decision maker (CODM). The Executive Board evaluates operating profits of business segments separately in order to make decisions in relation to resource allocation and performance measurement. The segment results are evaluated in the basis of operating results, which are calculated by the same methods as in the consolidated financial statements.

Depreciation, financial income, costs and corporate taxes are calculated at Group level and are not allocated to the business segments. Other segments comprise group mark-up and cost related to group functions including supply chain. Segment income and costs comprise income and costs that are directly attributable to the individual segment and the items that can be allocated to the individual segment on a reliable basis. Revenue which is reported to Management, is measured by the same methods as in the income statement. Cost allocation between business segments is made on an individual basis. No information has been provided as to the segments' share of the items concerning financial position or cash flows as the Executive Board does not use this segmentation in the internal reporting. Profit/loss elements of the segmentation are recognised according to the countries' individual position included in the continental segment. I.e. revenue is recognised according to the country providing the sale and not the position of the customer.

# NOTES

DKK million	Europe	APAC	North America	Other segments	Total 2022
Total revenue	615.7	487.9	73.6	-0.7	1,176.5
<b>Gross Profit</b>	<b>204.2</b>	<b>294.7</b>	<b>23.2</b>	<b>205.5</b>	<b>727.6</b>
OPEX	-76.7	-203.0	-19.9	-217.0	-516.6
<b>EBITDA</b>	<b>127.5</b>	<b>91.7</b>	<b>3.3</b>	<b>-11.5</b>	<b>211.0</b>
Amortisations and depreciations					-130.4
<b>EBIT</b>					<b>80.6</b>
Financial income					1.2
Financial expenses					-37.3
<b>Profit before tax</b>					<b>44.5</b>

DKK million	Europe	APAC	North America	Other segments	Total 2021
Total revenue	599.1	442.7	61.4	6.9	1,110.1
<b>Gross Profit</b>	<b>208.2</b>	<b>266.4</b>	<b>21.3</b>	<b>194.0</b>	<b>689.9</b>
OPEX	-65.9	-162.1	-17.2	-217.0	-462.2
<b>EBITDA</b>	<b>142.3</b>	<b>104.3</b>	<b>4.1</b>	<b>-23.0</b>	<b>227.7</b>
Amortisations and depreciations					-136.8
<b>EBIT</b>					<b>90.9</b>
Financial income					2.4
Financial expenses					-34.9
<b>Profit before tax</b>					<b>58.4</b>

# NOTES

## 4.1 SEGMENT INFORMATION, CONTINUED

Geographical split	2022		2021	
	Net Revenue	Non-current assets	Net Revenue	Non-current assets
Denmark	310.8	369.4	293.1	318.0
Australia	255.7	42.0	228.2	64.4
Taiwan	101.3	7.9	93.3	6.9
Other	508.7	79.4	495.5	87.0
<b>Total</b>	<b>1,176.5</b>	<b>498.7</b>	<b>1,110.1</b>	<b>476.3</b>

## 4.2 REVENUE

The group derives revenue from the transfer of goods at a point in time in the following major, sales channels and product lines:

PRIMARY SALES CHANNELS	2022*	2021
B2B	500.8	492.4
B2C	673.5	613.6
Other	2.2	4.1
<b>Total</b>	<b>1,176.5</b>	<b>1,110.1</b>

\*Primary sales channels have been amended to follow Management views. The main change is marketplace being included in B2C instead of Other. 2021 figures are restated.

PRIMARY PRODUCT LINES	2022*	2021
Jewellery	557.3	538.1
Home	532.1	497.1
Other	87.1	74.8
<b>Total</b>	<b>1,176.5</b>	<b>1,110.1</b>

# NOTES

## 4.2 REVENUE, CONTINUED

### ACCOUNTING POLICIES APPLIED

#### SALE OF GOODS WHOLESALE

Sales are recognised when control of the products has transferred. The group has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied. The products are often sold with volume discounts. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of maximum 30 days, which is consistent with

market practice. The group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### SALE OF GOODS RETAIL AND ONLINE

Revenue from the sale of goods is recognised when a group entity sells a product to the customer. Payment of the transaction price for Retail is due immediately when the customer purchases the item and for Online Sales when the goods are shipped. It is the group's policy to sell its products to the end customer with a right of return within 30 days. Therefore, a contract liability and a right to the returned goods are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

# NOTES

## 5.1 COST OF SALES

### ACCOUNTING POLICIES APPLIED

#### Cost of goods sold

Cost of goods sold includes direct costs incurred when generating the revenue for the year. The group recognizes costs of goods sold as revenue is earned.

#### Direct sales costs

Direct sales costs include direct costs incurred to assure the revenue, ex. costs related to outbound fairs, royalties etc. Direct sales costs are recognized as the costs occurs.

DKK million	2022	2021
<b>COST OF SALES</b>		
Cost of goods sold	350.9	339.8
Direct sales cost	98.0	80.4
<b>Total</b>	<b>448.9</b>	<b>420.2</b>

## 6.1 SPECIAL ITEMS

Please refer to note 3 in the parent company.

## 6.2 STAFF COSTS

DKK million	2022	2021
<b>TOTAL SALARIES, REMUNERATION ETC MAY BE SPECIFIED AS FOLLOWS:</b>		
Wages and salaries	247.9	243.2
Pensions, defined contribution plans	16.7	15.8
Other staff costs	11.9	9.9
<b>Total staff costs</b>	<b>276.5</b>	<b>268.9</b>
<b>Number of Group employees (FTEs)</b>	<b>1,205</b>	<b>1,097</b>

### ACCOUNTING POLICIES APPLIED

Staff costs include salaries, remuneration, retirement benefit schemes and other staff costs to the Group's employees, including to the members of the management and Board of Directors.

Staff costs are recognized in the financial year in which the employee performs his/her work. Costs related to long-

term employee contribution plans are allocated and recognized in the period to which they relate.

See note 13.1 for further information on remuneration to the Key management and Board of Directors and note 15.1 for further information on the Group's retirement benefit obligation.

# NOTES

## 7.1 OTHER OPERATING INCOME AND COSTS

DKK million	2022	2021
<b>TOTAL OTHER OPERATING INCOME AND COSTS MAY BE SPECIFIED AS FOLLOWS:</b>		
Other income	9.5	13.1
Other expenses	-0.8	-0.6
<b>Total other operating income and costs</b>	<b>8.7</b>	<b>12.5</b>

### ACCOUNTING POLICIES APPLIED

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Other operating income and costs are recognized in the financial year they refer to.

Government support is comprised of grants for compensation of costs or losses already incurred and

recognized. Government support is recognized when there is reasonable assurance that the support will be received. Government support for compensation for costs or losses incurred and recognized without resulting in further future costs or losses are recognized in the income statement as other operating income in the period where the compensation is granted.

Georg Jensen received government support of DKK 5 million in total (2021: DKK 5 million).

# NOTES

## 8.1 FINANCIAL INCOME AND COSTS

DKK million	2022	2021
<b>Financial income:</b>		
Other interest income	1.2	0.3
<b>Interest income from financial assets measured at amortized costs</b>	<b>1.2</b>	<b>0.3</b>
Net loss on foreign currency translation	0.0	2.1
<b>Total financial income</b>	<b>1.2</b>	<b>2.4</b>
<b>Financial costs:</b>		
Interest on liabilities to credit institutions	-2.0	-1.3
Interest on bond	-18.1	-18.0
Interest on leases	-9.2	-11.9
Other interest costs	0.0	-0.4
<b>Interest cost from financial liabilities measured at amortized costs</b>	<b>-29.3</b>	<b>-31.6</b>
Other financial costs	-2.2	-3.5
Realized loss on derivative financial instruments	-1.4	0.2
Net loss on foreign currency translation	-4.3	0.0
<b>Other financial costs</b>	<b>-7.9</b>	<b>-3.3</b>
<b>Total financial cost</b>	<b>-37.2</b>	<b>-34.9</b>
<b>Net financials</b>	<b>-36.1</b>	<b>-32.5</b>

### ACCOUNTING POLICIES APPLIED

Financial income and costs include interest, realized and unrealized foreign currency translation adjustments, fair value adjustments of derivative financial instruments which do not qualify for hedge accounting and supplements, deductions and allowances relating to the payment of tax.

Interest income and costs are accrued based on the principal and the effective rate of interest. The effective rate of interest is the discount rate to be used in discounting expected future payments in relation to the financial asset or the financial liability so that their present value corresponds to the carrying amount of the asset or liability respectively.

# NOTES

## 8.2 TAX FOR THE YEAR

### ACCOUNTING POLICIES APPLIED

Tax for the year consists of current tax for the year and adjustments in deferred tax. Tax for the year relating to the profit/loss for the year is recognized in the income statement, and tax for the year relating to items recognized under other comprehensive income or directly in equity is recognized under other comprehensive income or directly in equity, respectively.

Foreign currency translation adjustments of deferred tax are recognized as part of the adjustment of deferred tax for the year.

Deferred tax is measured using the tax rates and tax rules that, based on legislation in force or in reality in force at the end of the reporting period, are expected to apply in the respective countries when the deferred tax is expected to crystallize as current tax.

Changes in deferred tax as a result of changed tax rates or tax rules are recognized in the income statement unless the deferred tax is attributable to transactions which have been recognized previously under other comprehensive income or directly in equity.

The Parent Company is taxed jointly with all consolidated wholly owned Danish subsidiaries. The current tax expense is allocated among the companies of the Danish tax pool in proportion to their taxable income (full absorption with refunds for tax losses).

The jointly taxed companies pay tax under the Danish on-account tax scheme.

DKK million	2022	2021
<b>Current tax</b>		
Current tax on profits for the year	21.1	10.7
Prior-year adjustment, current tax	-4.4	-1.5
Utilisation of previously unrecognised deferred tax assets	-17.6	0.0
<b>Total current tax</b>	<b>-0.9</b>	<b>9.2</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-21.3	0.0
Recognition of tax loss carry forward relating to prior period	-51.2	0.0
Recognition of deferred tax adjustment (previously unrecognised)	-43.3	0.0
Deferred tax adjustment for the period	-0.3	-0.2
<b>Total deferred tax</b>	<b>-116.1</b>	<b>-0.2</b>
<b>Total income tax</b>	<b>-117.0</b>	<b>9.0</b>
<b>Recognized as follows</b>		
Tax on profit for the period	-0.9	9.2
Deferred tax adjustment	-116.1	-0.2
<b>Tax for the year</b>	<b>-117.0</b>	<b>9.0</b>

# NOTES

## 8.2 TAX FOR THE YEAR

### BREAKDOWN OF TAX ON PROFIT FOR THE YEAR

DKK million	2022	2021
Calculated tax on profit before tax, 22%	17.0	17.0
Non recognized tax loss carry forward for the year	0.0	0.0
Impact of utilization of tax loss carry forward not recognized	-8.9	-8.9
Recognition of tax loss carry forward relating to prior periods	-51.2	0.0
Recognition of deferred tax adjustment (previously unrecognised)	-43.3	0.0
Deferred tax adjustment for the period	-0.3	1.4
Impact of deviations in tax rates	-0.1	-0.1
Impact of non-taxable income & non-deductible cost	-0.4	0.0
Withholding taxes	-0.2	-0.4
Other differences, net	-29.6	0.0
<b>Total tax on profit for the year</b>	<b>-117.0</b>	<b>9.0</b>
<b>Effective tax rate for the year (%)</b>	<b>-148%</b>	<b>15%</b>

# NOTES

## 9.1 INTANGIBLE ASSETS

### ACCOUNTING POLICIES APPLIED

Intangible assets are measured at cost price, comprising directly and indirectly related expenses, less accumulated impairment losses and amortization.

Software and IT development are amortized over the useful life of 3-7 years. Costs include the acquisition price as well as costs arising directly in connection with the acquisition and until the point of time when the asset is ready for use. Amortization is provided on a straight-line basis over the expected useful life.

Rights acquired are measured at cost less accumulated amortisation. The depreciation period reflects the expected economic lifecycle of the activity relating to the rights.

Expenses relating to the development of products, where the intention is to manufacture and market the product, are recognized in the balance sheet when the applicable criteria are fulfilled. In other cases the expenses are carried to the income statement when they are defrayed.

Development expenses are stated in the balance sheet at cost price, comprising the direct and indirect costs attributable to the development activities, less accumulated depreciation and impairment.

Development projects concern either cost for developing of new products within the group's current selections as well as cost for developing of software. Costs concerning software relate to either the ERP-upgrade as well as costs for developing a new online sales platform. Development of

new products is only initiated when a business plan documenting the expected costs and the expected future cash flow is prepared and approved. All products developed are up for sale on all markets.

Status on development projects is assessed on a quarterly basis and impairment tested on an annual basis.

Amortization takes place on a straight line basis as shown below:

Software	3-7 years
Rights	5-10 years
Completed development projects:	Max. 5 years

### Significant accounting estimates

In estimating the recoverable amount for the brand, a test for impairment was performed. The recoverable amount was estimated based on value in use for Georg Jensen as a whole, as the Brand is considered a corporate asset. The recoverable amount was estimated based on the expected future cash flows for a budgeted period of 5 years based on past performance and management's expectations for the future. Further, based on a discount rate of 8% (2021: 8%) reflecting the specific risks relating to Georg Jensen.

The value in use is estimated to be higher than the carrying amount and therefore, no impairment loss is recognised.

# NOTES

## 9.1 INTANGIBLE ASSETS

2022						
DKK million	Software*	Brand	Rights	Completed development projects	Development projects in progress	Total
<b>Cost at 1 January</b>	<b>82.8</b>	<b>235.4</b>	<b>120.7</b>	<b>23.2</b>	<b>12.6</b>	<b>474.7</b>
Additions for the year	0.1	0.0	0.0	0.0	15.1	15.2
Exchange adjustments	0.2	0.0	0.0	0.0	-0.1	0.1
Disposals	-0.9	0.0	0.0	-1.8	-0.1	-2.8
Transferred to other items	3.8	0.0	0.0	4.4	-8.2	0.0
<b>Cost at 31 December</b>	<b>86.0</b>	<b>235.4</b>	<b>120.7</b>	<b>25.8</b>	<b>19.3</b>	<b>487.2</b>
<b>Impairment losses and amortisation at 1 January</b>	<b>53.9</b>	<b>107.9</b>	<b>117.4</b>	<b>16.2</b>	<b>0.0</b>	<b>295.4</b>
Amortization for the year	15.6	11.7	3.1	2.2	0.0	32.6
Disposals	-0.9	0.0	0.0	-1.0	0.0	-1.9
Exchange adjustments	0.1	0.0	0.0	0.0	0.0	0.1
Transferred to other items	0.0	0.0	0.0	0.0	0.0	0.0
<b>Impairment losses and amortisation at 31 December</b>	<b>68.7</b>	<b>119.6</b>	<b>120.5</b>	<b>17.4</b>	<b>0.0</b>	<b>326.2</b>
<b>Carrying amount at 31 December</b>	<b>17.3</b>	<b>115.8</b>	<b>0.2</b>	<b>8.4</b>	<b>19.3</b>	<b>161.0</b>

\*Software relating to the business development of ERP systems is significant as an individual asset and has a carrying amount of DKK 16.3 million, and a remaining lifetime of 4 years.

No identification of impairment for intangible assets per 31 December 2022.

2021						
DKK million	Software*	Brand	Rights	Completed development projects	Development projects in progress	Total
<b>Cost at 1 January</b>	<b>88.3</b>	<b>235.4</b>	<b>102.4</b>	<b>36.1</b>	<b>3.2</b>	<b>465.4</b>
Additions for the year	0.2	0.0	0.0	0.0	26.8	27.0
Exchange adjustments	-0.2	0.0	1.3	0.0	0.0	1.1
Disposals	-0.3	0.0	0.0	-16.7	-1.1	-18.1
Transferred to other items	-5.2	0.0	17.0	3.8	-16.3	-0.7
<b>Cost at 31 December</b>	<b>82.8</b>	<b>235.4</b>	<b>120.7</b>	<b>23.2</b>	<b>12.6</b>	<b>474.7</b>
<b>Impairment losses and amortisation at 1 January</b>	<b>46.2</b>	<b>96.2</b>	<b>93.0</b>	<b>29.6</b>	<b>0.0</b>	<b>265.0</b>
Amortization for the year	13.6	11.7	5.5	2.6	0.0	33.5
Disposals	-0.3	0.0	0.0	-15.8	0.0	-16.1
Exchange adjustments	-0.2	0.0	1.3	0.0	0.0	1.0
Transferred to other items	-5.4	0.0	17.6	-0.2	0.0	12.0
<b>Impairment losses and amortisation at 31 December</b>	<b>53.9</b>	<b>107.9</b>	<b>117.4</b>	<b>16.2</b>	<b>0.0</b>	<b>295.4</b>
<b>Carrying amount at 31 December</b>	<b>28.9</b>	<b>127.5</b>	<b>3.3</b>	<b>7.0</b>	<b>12.6</b>	<b>179.3</b>

\*Software relating to the business development of ERP systems is significant as an individual asset and has a carrying amount of DKK 27.4 million, and a remaining lifetime of 5 years.

No identification of impairment for intangible assets per 31 December 2021.

# NOTES

## 9.2 TANGIBLE ASSETS

### ACCOUNTING POLICIES APPLIED

Property, plant and equipment primarily consist of leasehold improvements and equipment, which are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price and costs directly related to the acquisition until the time when the asset is ready for use.

The net present value of estimated costs in respect of demounting and disposal of the asset and of restoring the place where the asset was used is added to costs.

The difference between cost and the expected scrap value is depreciated on a straight-line basis over the expected economic lives of the assets.

Gains and losses on disposal of property, plant and equipment are computed as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognized in the income statement under other operating income or costs.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

### Depreciations

The depreciation period is determined on the basis of Management's experience in the Group's business area, and Management believes the following estimates to be the best estimate of the economic lives of the assets:

Buildings	25-30 years
Lease assets	Lease period
Plant and machinery	5-15 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-10 years

If the depreciation period or the scrap values are changed, the effect on depreciation going forward is recognized as a change in accounting estimates.

# NOTES

## 9.2 TANGIBLE ASSETS

2022						
DKK million	Land and buildings*	Plant and machinery	Other fixtures and fittings, tools and equipment*	Leasehold improvements	Property, plant and equipment in progress	Total
<b>Cost at 1 January</b>	<b>706.1</b>	<b>32.8</b>	<b>172.6</b>	<b>195.5</b>	<b>0.3</b>	<b>1,107.3</b>
Additions for the year	32.4	3.0	3.0	3.2	2.2	43.8
Disposals for the year	-21.9	-2.2	-6.1	-10.0	0.0	-40.2
Exchange adjustments	4.2	0.7	1.0	-2.8	0.0	3.1
Transferred to other items	0.0	0.2	20.5	0.0	-1.8	18.9
<b>Cost at 31 December</b>	<b>720.8</b>	<b>34.5</b>	<b>191.0</b>	<b>185.9</b>	<b>0.7</b>	<b>1,132.9</b>
<b>Impairment losses and depreciation at 1 January</b>	<b>500.0</b>	<b>28.3</b>	<b>139.6</b>	<b>179.7</b>	<b>0.2</b>	<b>847.8</b>
Depreciation for the year	78.3	1.3	8.7	7.5	0.0	95.8
Impairment and depreciation of sold assets for the year	-1.1	-2.0	-5.9	-9.9	0.0	-18.9
Exchange adjustments	2.6	0.7	1.0	-2.7	0.0	1.6
Transferred to other items	0.0	0.0	19.1	0.0	-0.2	18.9
<b>Impairment losses and amortisation at 31 December</b>	<b>579.8</b>	<b>28.3</b>	<b>162.5</b>	<b>174.6</b>	<b>0.0</b>	<b>945.2</b>
<b>Carrying amount at 31 December</b>	<b>141.0</b>	<b>6.2</b>	<b>28.5</b>	<b>11.3</b>	<b>0.7</b>	<b>187.7</b>
<b>*Right-of-Use Asset</b>	<b>120.3</b>	<b>0.0</b>	<b>1.4</b>	<b>0.0</b>	<b>0.0</b>	<b>121.7</b>

No identification of impairment for tangible assets per 31 December 2022.

2021						
DKK million	Land and buildings*	Plant and machinery	Other fixtures and fittings, tools and equipment*	Leasehold improvements	Property, plant and equipment in progress	Total
<b>Cost at 1 January</b>	<b>688.9</b>	<b>35.4</b>	<b>202.6</b>	<b>219.7</b>	<b>0.0</b>	<b>1,146.6</b>
Additions for the year	10.4	3.9	6.2	3.7	0.2	24.4
Disposals for the year	0.0	-5.3	-23.8	-14.0	0.0	-43.1
Exchange adjustments	-14.4	-0.8	-2.5	8.1	0.0	-9.6
Transferred to other items	21.2	-0.4	-9.9	-22.0	0.1	-11.0
<b>Cost at 31 December</b>	<b>706.1</b>	<b>32.8</b>	<b>172.6</b>	<b>195.5</b>	<b>0.3</b>	<b>1,107.3</b>
<b>Impairment losses and depreciation at 1 January</b>	<b>411.9</b>	<b>34.7</b>	<b>177.7</b>	<b>201.0</b>	<b>0.0</b>	<b>825.2</b>
Depreciation for the year	81.3	0.6	11.6	7.5	0.0	101.0
Impairment and depreciation of sold assets for the year	0.0	-5.7	-23.7	-14.0	0.0	-43.4
Exchange adjustments	-15.2	-0.8	-2.3	7.4	0.0	-10.9
Transferred to other items	22.0	-0.5	-23.7	-22.2	0.2	-24.2
<b>Impairment losses and amortisation at 31 December</b>	<b>500.0</b>	<b>28.3</b>	<b>139.6</b>	<b>179.7</b>	<b>0.2</b>	<b>847.8</b>
<b>Carrying amount at 31 December</b>	<b>206.1</b>	<b>4.5</b>	<b>33.0</b>	<b>15.8</b>	<b>0.1</b>	<b>259.5</b>
<b>*Right-of-Use Asset</b>	<b>184.7</b>	<b>0.0</b>	<b>0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>185.3</b>

No identification of impairment for tangible assets per 31 December 2021.

# NOTES

## 9.3 LEASES

### ACCOUNTING POLICIES APPLIED

The group leases various properties, equipment and cars. Rental contracts are typically made for fixed periods of 2 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate

The lease payments are discounted using the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities
- any lease payments made at or before the commencement date
- any initial direct costs, and
- restoration costs.

### Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts.

### Critical judgements in determining the lease term

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

# NOTES

## 9.3 LEASES

<b>Right-of-use assets</b>	<b>Land and buildings</b>	<b>Other fixtures and fittings, tools and equipment</b>	<b>Total</b>
At 1 January 2022	184.7	0.6	<b>185.3</b>
Additions	38.7	1.4	<b>40.1</b>
Depreciation	-80.7	-0.6	<b>-81.3</b>
Exchange adjustments	-1.7	0.0	<b>1.7</b>
Modification to lease terms	-20.7	0.0	<b>-20.7</b>
<b>At 31 December 2022</b>	<b>120.3</b>	<b>1.4</b>	<b>121.7</b>

<b>Right-of-use assets</b>	<b>Land and buildings</b>	<b>Other fixtures and fittings, tools and equipment</b>	<b>Total</b>
At 1 January 2021	253.6	0.9	<b>254.5</b>
Additions	10.0	0.2	<b>10.2</b>
Depreciation	-80.2	-0.5	<b>-80.7</b>
Exchange adjustments	1.3	0.0	<b>1.3</b>
Modification to lease terms	0.0	0.0	<b>0.0</b>
<b>At 31 December 2021</b>	<b>184.7</b>	<b>0.6</b>	<b>185.3</b>

<b>Lease liabilities</b>	<b>Land and buildings</b>	<b>Other fixtures and fittings, tools and equipment</b>	<b>Total</b>
At 1 January 2022	213.4	0.4	<b>213.8</b>
Additions	30.8	1.4	<b>32.2</b>
Lease payments	-91.3	-0.6	<b>-91.9</b>
Interests	9.2	0.0	<b>9.2</b>
Exchange adjustments	-1.9	0.0	<b>-1.9</b>
Modification to lease terms	-21.5	0.2	<b>-21.3</b>
<b>At 31 December 2022</b>	<b>138.7</b>	<b>1.4</b>	<b>140.1</b>

Variable, low value and short term leases not included in lease liabilities amount to DKK 51.7 million in 2022. The total cash out flow for the year from all leases is DKK 143.7 million. For 2023 variable lease payments are expected to amount to DKK 40.0 – 55.0 million.

<b>Lease liabilities</b>	<b>Land and buildings</b>	<b>Other fixtures and fittings, tools and equipment</b>	<b>Total</b>
At 1 January 2021	275.6	0.9	<b>276.5</b>
Additions	12.8	0.0	<b>12.8</b>
Lease payments	-89.0	-0.5	<b>-89.5</b>
Interests	11.9	0.0	<b>11.9</b>
Exchange adjustments	2.1	0.0	<b>2.1</b>
Modification to lease terms	0.0	0.0	<b>0.0</b>
<b>At 31 December 2021</b>	<b>213.4</b>	<b>0.4</b>	<b>213.8</b>

Variable, low value and short term leases not included in lease liabilities of DKK 45.1 million in 2021. The total cash out flow for the year from all leases is DKK 137.5 million. For 2021 variable lease payments are expected to amount to DKK 40.0 – 55.0 million.

# NOTES

## 9.4 DEFERRED TAX

### ACCOUNTING POLICIES APPLIED

Deferred tax assets, including the tax base of deferrable tax losses, are recognized at the expected value of their utilization of future taxable income and are set off against deferred tax liabilities within the same legal entity and jurisdiction.

If deferred tax is an asset, it is included in non-current assets based on an assessment of the potential for future realization. Taxes are recognized when it is likely that these will be utilized in the foreseeable future. Deferred tax is calculated based on the planned use of each asset and settlement of each liability, respectively.

Risks relating to transfer pricing, disagreement(s) with local tax authorities, etc. arise as a result of global activity. Based on an assessment and review of the outcome of pending matters, management considers that the provisions made for uncertain tax positions recognized in payable and deferred tax are adequate.

### Critical estimate

The Group has recognised a deferred tax asset of DKK 119m for deductible temporary differences and unused tax losses that are believed to be recoverable. Our assessment is based on 2 successful years and on significant assumptions regarding strategic outlook to generate growth in revenue and earnings in a 5 year period after fiscal year 2022.

DKK MILLION	2022	2021
<b>Net tax liability at 1 January</b>	<b>7.5</b>	<b>1.3</b>
Tax payable on profit for the year	-0.9	10.2
Tax paid during the year	-3.9	-4.0
Foreign currency translation adjustment	0.0	0.0
<b>Net tax liability's 31 December</b>	<b>2.7</b>	<b>7.5</b>
<b>Recognized as follows</b>		
Tax payable	2.7	7.5
<b>Net tax liability's 31 December</b>	<b>2.7</b>	<b>7.5</b>

DKK million	2022	2021
Deferred tax at 1 January	-0.7	-3.3
Addition/disposal for the year	118.9	0.2
Write-down of tax asset	-0.4	2.4
<b>Net deferred tax at 31 December</b>	<b>117.8</b>	<b>-0.7</b>
<b>Recognized as follows:</b>		
Deferred tax assets	118.9	0.0
Deferred tax liabilities	-1.1	-0.7
<b>Net deferred tax at 31 December</b>	<b>117.8</b>	<b>-0.7</b>

# NOTES

## 9.4 DEFERRED TAX

DKK million	Net deferred tax at 1 January 2022	Recognition of unrecognised DTA	Write-down on deferred tax Recognized in profit for the year	Net deferred tax at 31 December 2022
Intangible assets	0.0	0.7	-0.3	0.4
Property plant and equipment	-0.7	33.8	-1.3	31.8
Inventories and receivables	0.0	31.7	-1.0	30.7
Provisions and other liabilities	0.0	7.2	-3.7	3.5
Tax losses	0.0	55.9	-4.4	51.5
<b>Total</b>	<b>-0.7</b>	<b>129.2</b>	<b>-10.7</b>	<b>117.8</b>

DKK million	Net deferred tax at 1 January 2021	Recognition of unrecognised DTA	Write-down on deferred tax Recognized in profit for the year	Net deferred tax at 31 December 2021
Intangible assets	0.0	0.0	0.0	0.0
Property plant and equipment	-3.3	0.0	2.6	-0.7
Inventories and receivables	0.0	0.0	0.0	0.0
Provisions and other liabilities	0.0	0.0	0.0	0.0
Tax losses	0.0	0.0	0.0	0.0
<b>Total</b>	<b>-3.3</b>	<b>0.0</b>	<b>2.6</b>	<b>-0.7</b>

Gross Deferred tax asset for the Group makes up for DKK 118.9 million at 31 December 2022 (DKK 0.0 million in 2021). Gross Deferred tax liability for the Group amounts to DKK 1.1 million at 31 December 2022 (Deferred tax liability DKK 0.7 million in 2021). At

year end the non-recognised tax losses carry forward for the Danish entities amounted to DKK 0 million (tax-value DKK 0 million at a tax-rate of 22%). There is no expiry date on the tax losses.

# NOTES

## 10.1 INVENTORY

### ACCOUNTING POLICIES APPLIED

Raw materials and components are measured at acquisition price, or net realization value if lower.

Work in progress and finished goods and goods for resale are measured at cost price (compiled by the weighted average method) with addition of indirect production costs, or at net realization value if lower.

Indirect production costs comprise of fixed costs and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in manufacturing process as well as costs of factory administration and management.

### SIGNIFICANT ACCOUNTING ESTIMATES

The inventory provision is assessed by Stock keeping unit (SKU) level and is based on lifecycle code set per item and

the months on hands for sale. Furthermore, an individual assessment is made for some items. The inventory provision is split into finished items ready for sales and raw material or spare parts.

Based on our historic performance, and when looking at our product groups as a whole, we do not sell items below the cost of the product, with only a few exceptions to this by SKU level. The inventory provision in 2022 has been calculated based on individual assessment on the relevant raw materials and finished goods. The inventory provision increased from 2021 to 2022, mainly driven by adjustments to individual SKU's life cycle registrations. Georg Jensen has during the last years focused on the assortment structure and inventory accounts. By the end of 2022 management is confident that inventory levels are represented accurately and fairly.

DKK million	2022	2021
Raw materials and components	65.2	57.2
Work in progress	4.5	3.1
Finished goods and goods for resale	378.8	270.9
<b>Total inventories, gross</b>	<b>448.5</b>	<b>331.2</b>
<b>Changes in inventory write-downs:</b>		
<b>Inventories write down at 1 January</b>	<b>46.0</b>	<b>42.8</b>
Write-downs for the year, addition	0.0	3.7
Write-downs for the year, reversal (utilized)	-5.1	-0.4
Write-downs (not utilized)	-2.0	0.0
<b>Total inventory write-downs</b>	<b>38.9</b>	<b>46.1</b>
<b>Total inventories, net</b>	<b>409.6</b>	<b>285.1</b>

# NOTES

## 10.2 TRADE RECEIVABLES

### ACCOUNTING POLICIES APPLIED

On initial recognition, receivables are measured at fair value and subsequently at amortized cost which usually corresponds to the nominal value less provision for bad debts.

Receivables are written down to net realizable value corresponding to the amount of expected future net payments received on the receivables. Write-downs are calculated on the basis of individual assessments of the receivables.

### TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional. The group holds the

trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

### IMPAIRMENT OF RECEIVABLES

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

DKK million	2022	2021
Receivables not due	86.8	108.7
Less than 90 days overdue	19.3	24.6
91-180 days overdue	5.3	1.0
181-365 days overdue	0.0	0.0
More than 1 year overdue	0.0	4.6
Receivables, gross	111.4	138.9
Provision for customer return	-2.5	-5.1
Provision for bad debt	-3.6	-6.5
<b>Total trade receivables</b>	<b>105.3</b>	<b>127.3</b>
<b>Change in provision for bad debt</b>		
<b>Provision for bad debt at 1 January</b>	6.5	7.8
Provision made	-3.7	0.6
Provision used	0.8	-1.9
<b>Provision for bad debt at 31 December</b>	<b>3.6</b>	<b>6.5</b>

# NOTES

## 11.1 EQUITY

### ACCOUNTING POLICIES APPLIED

Proposed dividends are recognized as a liability at the time of adoption by the shareholders at the annual general meeting.

Description of capital management in note 12.3, see liquidity risk.

	<b>Number</b>
<b>Share Capital at 1 January 2021</b>	<b>3,170,441</b>
<b>Share Capital at 1 January 2022</b>	<b>3,170,441</b>
<b>Share Capital at 31 December 2022</b>	<b>3,170,441</b>

The share capital consists of 3,170,441 shares with a nominal value of DKK 100 each. No shares carry any special rights.

# NOTES

## 12.1 FINANCIAL INSTRUMENTS BY CATEGORY

DKK million	Carrying amount 2022	Carrying amount 2021
<b>Carried at amortised cost</b>		
Receivable from group enterprises	13.7	11.9
Other interest bearing receivables and deposits	14.6	5.6
Trade receivables	105.3	127.2
Cash and cash equivalents	145.9	221.7
<b>Financial assets at amortised cost</b>	<b>279.5</b>	<b>366.4</b>
<b>Derivatives</b>	<b>2.5</b>	<b>1.8</b>
<b>Carried at amortised cost</b>		
Credit institutions	11.7	7.9
Lease liabilities/	140.1	213.8
Bond	298.0	298.0
Payable to group enterprises	0.0	0.0
Trade payables	97.2	84.8
Financial liabilities and deposits	5.7	4.5
<b>Financial liabilities at amortised cost</b>	<b>552.7</b>	<b>609.0</b>
<b>Derivatives</b>	<b>2.9</b>	<b>1.9</b>

As carried amounts measured in the balance sheet all are regulated according to the official year end exchange rate,

the carried amounts are assessed as representable for fair value.

# NOTES

## 12.2 FAIR VALUE MEASUREMENT ACCOUNTING POLICIES APPLIED

### Financial instruments measured at fair value

Financial instruments measured at fair value can be divided into three levels:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 — Inputs for the asset or liability that are not based on observable market data.

Fair value of listed securities is within level 1 of the fair value hierarchy. Non-listed shares and other securities are within level 3 of the fair value hierarchy.

Fair value of derivatives is mainly within level 2 of the fair value hierarchy and is calculated on the basis of observable market data as of the end of the reporting period.

Fair value of level 3 assets and liabilities is primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the Group's profit or equity significantly.

### Financial instruments carried at amortised cost

The bond is measured at amortised cost.

DKK million	Assets		Equity and liabilities	
		Derivatives*	Bond	Derivatives*
<b>2022</b>				
Level 1	0.0		298.0	0.0
Level 2	2.5		0.0	2.9
Level 3	0.0		0.0	0.0
<b>Total 2022</b>	<b>2.5</b>		<b>298.0</b>	<b>2.9</b>
<b>2021</b>				
Level 1	0.0		298.0	0.0
Level 2	1.8		0.0	1.9
Level 3	0.0		0.0	0.0
<b>Total 2021</b>	<b>1.8</b>		<b>298.0</b>	<b>1.9</b>

\*Derivatives is accounted for within other receivables and payables in the balance sheet.

## 12.3 FINANCIAL RISKS

The Group's activities expose it to a variety of financial risks:

- Credit risk
- Market risks, i.e. interest rate risk, currency risk and raw material risk
- Liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close cooperation with the Group.

### CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The financial receivables of the Group all fall due within 12 months. It is the Group's policy that all major customers and other partners undergo regular credit assessment. A credit line is set on the basis of the credit worthiness of the individual customers and counterparties. The Group has a credit insurance program for sales from Georg Jensen A/S, where more than 90% of invoice amounts are insured, which is unchanged in 2022. Exceptions to the insurance program needs senior management approval. The Group does not

have any material risks relating to individual private customers or partners.

Historically seen, the Group has had relatively small losses as a consequence of non-payment by customers or counterparties. At year-end write downs on bad debt was DKK 3.6 million (2021: DKK 6.5 million).

Other financial assets at amortized cost comprise loans receivable and other receivables. All of these financial assets are considered to have low credit risk and thus the impairment provision calculated basis of 12 month expected losses is considered immaterial. The financial assets are considered to be low risk when they have low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

### MARKET RISKS

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's profit or the value of its holdings of financial instruments. The sensitivity analysis is shown in the section relating to currency risk.

The sensitivity analyses for currency risk and interest rate risk have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies remain unchanged from hedge designations in place at 31 December 2022.

# NOTES

## 12.3 FINANCIAL RISKS, CONTINUED

### Interest rate risk

The interest rate risk of Georg Jensen is primarily related to floating rate debt. The interest applied to the loans is variable on 3-month terms. The Board of Directors has assessed the cost of hedging compared to the risk of interest rate increases and has decided to remain related to floating rate. Thus, at the end of 2022 Georg Jensen has no interest rate swaps.

A general increase in interest rates by 1 percentage point is estimated, all other things being equal, to affect profit before tax and equity, excluding tax effect, negatively by approximately DKK 1.5 million (2021: DKK 1.3 million). A decline by one percentage point would affect by approximately DKK 0.0 (2021: DKK 0.0) as our bank debt has a minimum interest rate limit.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Borrowings by interest rate levels	Carrying amount	Next interest rate fixing		
		0-1 year	1-5 years	5- years
<b>2022</b>				
3-6%	11.7	11.7	0.0	0.0
>6%	298.0	298.0	0.0	0.0
<b>Total</b>	<b>309.7</b>	<b>309.7</b>	<b>0.0</b>	<b>0.0</b>
<b>2021</b>				
3-6%	7.9	7.9	0.0	0.0
>6%	298.0	298.0	0.0	0.0
<b>Total</b>	<b>305.9</b>	<b>305.9</b>	<b>0.0</b>	<b>0.0</b>

### Currency risk

The currency risks of Georg Jensen are mainly related to the purchase and sales of goods in foreign currencies. The largest exposure for purchases are EUR, THB and USD whereas largest invoicing currencies are EUR, SEK, TWD and AUS.

Currency price risk is hedged for up to 12 months with a decreasing hedging degree over the period pursuant to the Hedging Policy approved by the Board of Directors. However, hedge accounting is not applied and in this regard refers to the economic hedging.

The Board of Directors has approved that EUR (primarily related to the bond issue) is not hedged due to the high correlation to DKK.

To hedge this price risk Georg Jensen uses a portfolio of financial instruments as FX-forwards, currency swaps as well as options.

The table below shows the annual impact on the P/L from exchange rate increases of 10%, (except EUR, where an increase of 0,5% have been applied) in Georg Jensen's primary foreign currencies based on financial assets and liabilities at year end (in DKK millions).

# NOTES

## 12.3 FINANCIAL RISKS

	2022	2021
	Net effect	Net effect
AUD	3.1	0.9
CNY	0.0	0.0
EUR	-1.3	-1.3
GBP	0.9	0.4
HKD	0.1	-0.1
JPY	0.2	-0.3
NOK	0.3	0.5
SEK	1.9	0.4
THB	0.4	1.0
TWD	-1.5	-0.8
USD	2.6	-1.5

Georg Jensen has equity investments in foreign affiliated companies, whose net assets are affected by exchange rate fluctuations in connection with translation to DKK in the consolidated accounts. This translation risk is not regarded as a foreign currency risk and is therefore not included in the sensitivity calculations.

At year end the market value of FX derivatives was DKK -1.5 million (2021: DKK -0.4 million). All currency hedging expires within 1 year.

### RAW MATERIAL PRICE RISKS

Georg Jensen is exposed to fluctuations in commodity prices through its production. The main raw materials are gold and silver. These risks are hedged for up to 12 months with a decreasing hedging degree over the period pursuant to the Hedging Policy approved by the Board of Directors. To hedge this price risk Georg Jensen uses silver and gold futures.

The sensitivity on profit for the year and equity from raw material price movements of 10% of gold and silver after

impact of hedge accounting amounts to DKK 4.9 million at year end 2022 (2021: DKK 3.8 million).

The effective part of the fair values of the raw material price futures, used for and complying with the conditions for hedge accounting for future transactions, is recognized directly in equity until the hedged transactions are realized and subsequently recognized in the income statement.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment, to ensure that an economic relationship exists between the hedged item and hedging instruments.

As per 31 December 2022 the market value of gold and silver futures was DKK 1.1 million (2021: DKK 0.2 million), of which DKK 0.8 million (2021: DKK 0.2 million) was recognized directly in equity. All commodity price hedging expires within 1 year.

# NOTES

## 12.3 FINANCIAL RISKS, CONTINUED

### Liquidity risk

The purpose of Georg Jensen's cash management procedures is to ensure that the Group at all times has an adequate level of cash and debt to meet financial obligations. Liquidity forecasts are continuously updated with a higher granularity for the next three months than the monthly outlooks for a rolling 12 month period.

Georg Jensen has a bond issue of 40 million EUR until May 2023 (note that the bond was successfully refinanced in February 2023 and for more information please see note 18.1 Events after the reporting period) and a committed

revolving credit facility of 10 million EUR with DNB Bank until Nov 2024

Georg Jensen's loan and credit agreements contain one financial covenant. The covenant has not been breached in 2022.

Furthermore, some of the subsidiaries have smaller facilities in place to manage local cash flow.

The Group short term budget and longer terms plans shows that the Group will be able to meet its commitments on an ongoing basis.

<b>Maturity analysis of loans and borrowing 2022, DKK million</b>	<b>2023</b>	<b>2024</b>	<b>2025-2026</b>	<b>After 2026</b>	<b>Total</b>
Credit institutions and bond	317.3	0.0	0.0	0.0	317.3
Lease liabilities	63.1	43.7	39.4	6.3	152.5
Trade payables	97.3	0.0	0.0	0.0	97.3
Derivatives	2.9	0.0	0.0	0.0	2.9
<b>Total payment obligations</b>	<b>480.6</b>	<b>43.7</b>	<b>39.4</b>	<b>6.3</b>	<b>570.0</b>

<b>Maturity analysis of loans and borrowing 2021, DKK million</b>	<b>2022</b>	<b>2023</b>	<b>2024-2025</b>	<b>After 2025</b>	<b>Total</b>
Credit institution	18.0	308.3	0.0	0.0	326.3
Lease liabilities	82.6	55.0	71.4	26.2	235.2
Trade payables	84.8	0.0	0.0	0.0	84.8
Derivatives	1.9	0.0	0.0	0.0	1.9
<b>Total payment obligations</b>	<b>187.3</b>	<b>363.3</b>	<b>71.4</b>	<b>26.2</b>	<b>648.2</b>

# NOTES

## 12.4 NET INTEREST-BEARING DEBT ACCOUNTING POLICIES APPLIED

### Financial liabilities

On initial recognition, financial liabilities, including bank loans, are measured at fair value. In subsequent periods, financial liabilities are measured at amortized cost, applying

the effective interest method, to the effect that the difference between the proceeds and the nominal value is recognized in the income statement as financial costs over the term of the loan.

DKK million	2022	2021
<b>Net interest-bearing debt comprises:</b>		
Credit institutions	11.7	7.9
Lease liabilities	140.1	213.8
Bond	298.0	298.0
<b>Gross interest-bearing debt</b>	<b>449.8</b>	<b>519.7</b>
Receivable to group enterprises	-13.7	-11.9
Cash and cash equivalents	-145.9	-221.7
<b>Gross interest-bearing receivables</b>	<b>-159.6</b>	<b>-233.6</b>
<b>Net interest-bearing debt</b>	<b>290.2</b>	<b>286.1</b>

# NOTES

## 12.5 CONTINGENT LIABILITIES ACCOUNTING POLICIES APPLIED

Contingent liabilities comprise potential liabilities which have not yet been confirmed as to whether these will cause an outflow of the Group's resources and actual liabilities which are not possible to measure with sufficient reliability.

For the credit facilities with a credit institution a floating charge on the Company's assets of DKK 200 million (2021: DKK 200 million) and a mortgage registered to the owner of DKK 10 million (2021: DKK 10 million) on a building with an accounting book value of DKK 3.3 million (2021: DKK 3.7 million) have been recorded in the Land Register. For the same credit facilities, shares in the subsidiaries Georg Jensen Retail A/S and Georg Jensen Pty. Ltd. have been pledged as collateral.

For local credit facility in Thailand a mortgage charge on land & buildings with a net booked value of DKK 14.5

million by the end of 2022 in Georg Jensen (Thailand) Ltd. has been registered. The mortgage charge is maximized to DKK 6.1 million.

For local credit facility in Taiwan a mortgage charge on accounts receivable with a net booked value of DKK 6.6 million by the end of 2022, has been registered. The mortgage charge was not utilized by the end of 2022. Georg Jensen Group is subject to tax legislation in the countries in which it operates. Any significant accounting estimates relating to the statements of current tax, deferred tax and spending tax matters in the individual countries have been provided.

The parent company is liable as a surety guarantor for loans of DKK nil (2021: DKK 0.7 million) raised by Georg Jensen (Thailand) Ltd. with IFU.

## 13.1 REMUNERATION TO KEY MANAGEMENT AND BOARD OF DIRECTORS ACCOUNTING POLICIES APPLIED

Key Management includes Board of Directors, Executive Management and the extended Executive Leadership in Georg Jensen Investment ApS.

Key Management is a total of 7 members by end 2022. The compensation paid or payables to key management for employee services is shown below:

DKK million	2022	2021
Wages and salaries	19.0	16.7
Pensions, defined contribution plans	1.3	0.9
<b>Key Management in Total</b>	<b>20.3</b>	<b>17.6</b>
Fees to board of directors	0.5	0.5
<b>Total</b>	<b>0.5</b>	<b>0.5</b>
<b>Total Remuneration</b>	<b>20.8</b>	<b>18.1</b>

# NOTES

## 14.1 RELATED PARTIES

### CONTROLLING INTEREST

Georg Jensen Investment ApS's immediate Parent Company is Moonlight Holding UK Ltd. Georg Jensen Investment ApS is fully consolidated in the consolidated annual report for Moonlight Holding UK Ltd. from where it can be obtained. The ultimate Parent Company is Investcorp European Buyout Fund 2019 B, LP, located on Cayman Islands.

### OTHER RELATED PARTIES

The Company's related parties are the members of the Board of Directors and Executive Board of Georg Jensen Investment ApS, the sole shareholder Georg Jensen Investment ApS and affiliated companies.

### TRANSACTIONS

No agreements or other transactions with the Company have been concluded in which the Board of Directors or Executive Board has had an economic interest besides transactions as a consequence of the employment relationship.

### TRADING TRANSACTIONS

During the year Group companies entered the following transactions with related parties who are not members of the group.

DKK million	Type of transaction	Transaction amount	
		2022	2021
Receivables from group enterprises			
Parent companies	Interest	0.2	0.9
	Addition to loan	13.7	2.0
<b>Total</b>		<b>13.9</b>	<b>2.9</b>

Related parties balances can be seen in the consolidated statements for the group

## 15.1 RETIREMENT BENEFIT OBLIGATIONS ACCOUNTING POLICIES APPLIED

Obligations relating to defined contribution plans are recognized in the income statement in the period in which the employees performed their work, and contributions due are recognized in the statement of financial position under other liabilities. For defined benefit plans, an annual actuarial assessment is made of the net present value of future benefits to be paid under the plan.

The net present value is calculated based on assumptions of the future developments of, e.g., salary, interest, inflation and mortality rates. The net present value is only calculated for those benefits to which the employees have earned the right through their past employment for the Group.

The actuarial calculation of the net present value less the fair value of any assets related to the plan is included in the statement of financial position as retirement benefit obligations, however, please see below. Differences between the expected development of assets and

liabilities in connection with retirement benefit schemes and the realized values are termed actuarial gains or losses.

Subsequently, all actuarial gains or losses are recognized in the comprehensive income. If a retirement plan represents a net asset, the asset is only recognized to the extent that it offsets future contributions from the plan, or it will reduce future contributions to the plan.

The assumptions used for the actuarial calculations and valuations may vary from country to country due to local, economic and social differences.

The Group has used external and independent actuaries for the statement of retirement benefit obligation.

The retirement benefit obligations are specified as follows:

DKK million	2022	2021
Present value of defined benefit obligation, Thailand	7.3	7.6
Present value of defined benefit obligation, Taiwan	1.6	1.8
<b>Total retirement benefit obligation</b>	<b>8.9</b>	<b>9.4</b>

The plan assets are specified as follows:

DKK million	2022	2021
Fair value of plan assets, Thailand	0.0	0.0
Fair value of plan assets, Taiwan	0.8	0.9
<b>Total plan assets</b>	<b>0.8</b>	<b>0.9</b>

# NOTES

## 15.1 RETIREMENT BENEFIT OBLIGATIONS, CONTINUED

The development of the present value of defined benefit obligation is specified as follows:

DKK million	2022	2021
<b>Retirement benefit obligation at 1 January</b>	<b>9.4</b>	<b>9.0</b>
Current service cost	-0.5	0.6
Past service cost	0.0	0.0
Interest expenses	0.2	0.2
<b>Total amount recognized in the profit and loss</b>	<b>-0.3</b>	<b>0.8</b>
Demographical changes	0.0	0.0
Financial changes	-0.1	-1.2
<b>Total amount recognized in other comprehensive income</b>	<b>-0.1</b>	<b>-0.3</b>
Exchange rate adjustments	0.0	-0.1
Benefit payments	-0.1	0.0
<b>Present value of defined benefit obligations</b>	<b>8.9</b>	<b>9.4</b>

DKK million	2022	2021
<b>Fair value at 1 January</b>	<b>0.9</b>	<b>0.8</b>
Return on plan assets, excl. amounts included in interest	0.1	0.0
Exchange rate adjustments	0.0	0.1
Benefit payments	-0.1	0.0
<b>Present value of defined benefit asset</b>	<b>0.9</b>	<b>0.9</b>

DKK million	31 December 2022			31 December 2021		
	Quoted	Un-quoted	Total	Quoted	Un-quoted	Total
Cash and cash equivalents	0.9	0.0	0.9	0.9	0.0	0.9
<b>Total plan assets</b>	<b>0.9</b>	<b>0.0</b>	<b>0.9</b>	<b>0.9</b>	<b>0.0</b>	<b>0.9</b>

Future cashflows relating to benefit payments are noted as follows:

2022 DKK million	1 year	2-5 years	After 5 years	Total
Taiwan	0.0	0.2	1.4	1.6
Thailand	0.1	2.4	12.1	14.6
<b>Total</b>	<b>0.1</b>	<b>2.6</b>	<b>13.5</b>	<b>16.2</b>

## 15.1 RETIREMENT BENEFIT OBLIGATIONS, CONTINUED

2021 DKK million	1 year	2-5 years	After 5 years	Total
Taiwan	0.0	0.2	1.6	1.8
Thailand	0.0	1.5	12.6	14.1
<b>Total</b>	<b>0.0</b>	<b>1.7</b>	<b>14.2</b>	<b>15.9</b>

The significant actuarial assumptions were as follows (weighted averages):

	2022	2021
Discount rate for monthly employee (annual)	1.8%	1.7%
Future salary increases for monthly employee (annual)	2.1%	2.2%

Assumption regarding the mortality and disability rate of Thailand mortality table of 2017 and Taiwan mortality table of 2012, are based on official data, and make up 100% in mortality rate, and 10% in disability rate for male and female respectively.

Expected contributions to post-employment benefit plans for the year ending 31 December 2022 are approx. DKK 0.0 million. (2021: DKK 0.0 million)

## 15.2 PROVISIONS

### ACCOUNTING POLICIES APPLIED

Provisions are recognized when, as a consequence of a past event during the financial year or previous years, the Group has a legal or constructive obligation, and it is likely that settlement of the obligation will require an outflow of the Company's financial resources.

Provisions are measured as the best estimate of the costs required to settle the liabilities at the end of the reporting period. Provisions with an expected term of more than a year at end of the reporting period are measured at present value.

The weighted average duration of the defined benefit obligation is 15 years for Thailand and 10 years for Taiwan. (2021: 15 years for Thailand and 8 years for Taiwan).

The accounting estimates applied in respect of provisions are based on Management's best estimates of assumptions and judgments. The majority of the provisions are expected to be settled within one year. Due to uncertainty in the settlement process, these estimates may be affected significantly by changes in these assumptions and judgments applied. These estimates are based on existing contractual obligations and past experience. Based on the information available, Georg Jensen Group considers the provisions to be adequate.

# NOTES

## 15.2 PROVISIONS, CONTINUED

2022

DKK million	Reestablishment leases	Other	Total
<b>Provisions at 1 January</b>	<b>11.8</b>	<b>3.0</b>	<b>14.8</b>
Adjustment of reestablishment	1.5	0.0	1.5
Reclassified provisions	0.0	-3.0	-3.0
Exchange adjustment	0.1	0.0	0.1
<b>Provisions at 31 December</b>	<b>13.4</b>	<b>0.0</b>	<b>13.4</b>

Provisions specified in the statement of financial positions is as follows:

Non-current liabilities	13.4	0.0	13.4
Current liabilities	0.0	0.0	0.0
<b>Provisions at 31 December</b>	<b>13.4</b>	<b>0.0</b>	<b>13.4</b>

2021

DKK million	Reestablishment leases	Other	Total
<b>Provisions at 1 January</b>	<b>14.4</b>	<b>3.0</b>	<b>17.4</b>
Adjustment of reestablishment	-2.7	0.0	-2.7
Reclassified provisions	0.0	0.0	0.0
Exchange adjustment	0.1	0.0	0.1
<b>Provisions at 31 December</b>	<b>11.8</b>	<b>3.0</b>	<b>14.8</b>

Provisions specified in the statement of financial positions is as follows:

Non current-liabilities	10.2	0.0	10.2
Current liabilities	1.6	3.0	4.6
<b>Provisions at 31 December</b>	<b>11.8</b>	<b>3.0</b>	<b>14.8</b>

# NOTES

## 16.1 FEE TO AUDITORS ELECTED AT THE ANNUAL GENERAL MEETING

DKK million	2022	2021
Audit fee to PwC	2.5	3.1
Other statements and opinions with guarantees	0.0	0.0
Tax services	0.4	0.5
Non-audit services	0.1	0.0
<b>Total fee to the auditors elected at the annual general meeting</b>	<b>3.0</b>	<b>3.6</b>

## 17.1 WORKING CAPITAL

DKK million	2022	2021
Inventories	409.6	285.1
Trade receivables	105.3	127.2
Other receivables	14.6	5.6
Prepayments	9.9	13.4
<b>Total assets</b>	<b>539.4</b>	<b>431.3</b>
Trade payables	97.4	83.6
Other payables	118.8	153.5
Retirement benefit obligation	8.1	8.5
Other provisions	13.4	14.8
<b>Total liabilities</b>	<b>237.7</b>	<b>260.4</b>
<b>Working capital</b>	<b>301.7</b>	<b>170.9</b>
Changes in working capital		
Change in inventory	-124.5	-16.3
Change in receivables	16.4	-8.2
Change in other provisions	-36.5	20.1
Change in suppliers etc.	13.8	7.1
Other adjustments	0.0	0.0
<b>Total other adjustments</b>	<b>-130.8</b>	<b>2.7</b>

# NOTES

## 17.2 CASH FLOW STATEMENT, NON-CASH ITEMS

DKK million	2022	2021
Financial income	-1.2	-2.4
Financial cost	37.3	34.9
Depreciation, amortisation and impairment losses	130.4	136.8
Losses and gain on sales of fixed assets	0.5	-0.9
Tax on profit/loss for the year	-117.0	9.0
Other	-10.8	4.4
<b>Total other adjustments</b>	<b>39.2</b>	<b>181.8</b>

## 18.1 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the balance sheet date, a refinancing arrangement has been implemented due to the redemption of the EUR 40m Senior Secured bond, initially expected in May 2023 and which successfully occurred in February 2023. A new EUR 40m Senior Secured bond has been issued with a final maturity date of 14 May 2025.

No other events have occurred after the balance sheet date that materially affects the financial position of Georg Jensen.



BY APPOINTMENT TO  
HER MAJESTY THE QUEEN OF DENMARK

**GEORG JENSEN**

ESTABLISHED 1904

**FOR THE  
PARENT COMPANY**

**ANNUAL REPORT 2022**

# INCOME STATEMENT

DKK million	Note	2022	2021
Other external costs	3	-16.3	-3.1
Staff costs	4	-0.2	-0.2
<b>Operating profit</b>		<b>-16.5</b>	<b>-3.3</b>
Result of Investments in subsidiaries	6	178.9	52.7
Financial costs		-1.2	-1.0
<b>Profit before tax</b>		<b>161.2</b>	<b>48.4</b>
Tax on profit for the year		0.3	1.0
<b>Profit for the year</b>	<b>5</b>	<b>161.5</b>	<b>49.4</b>

# BALANCE SHEET, ASSETS

DKK million	Note	2022	2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Financial assets</b>			
Investments in subsidiaries	6	530.4	360.8
Deferred tax assets	7	1.3	1.0
<b>Total non-current assets</b>		<b>531.7</b>	<b>361.8</b>
<b>CURRENT ASSETS</b>			
<b>Receivables</b>			
Receivables from group enterprises		7.3	7.0
Prepayments		0.0	0.5
Other receivables		2.4	0.0
<b>Total current assets</b>		<b>9.7</b>	<b>8.5</b>
<b>TOTAL ASSETS</b>		<b>541.4</b>	<b>369.3</b>

# BALANCE SHEET, LIABILITIES

DKK million	Note	2022	2021
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		317.0	317.0
Share premium account		594.4	594.4
Retained earnings		-404.8	-559.7
<b>Total equity</b>		<b>506.6</b>	<b>351.7</b>
<b>CURRENT LIABILITIES</b>			
Credit institutions		7.4	5.1
Other payables		0.0	0.1
Payables to group enterprises		27.4	12.4
<b>Total liabilities</b>		<b>34.8</b>	<b>17.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>541.4</b>	<b>369.3</b>

# STATEMENT OF CHANGES IN EQUITY

<b>2022</b>				
<b>DKK million</b>	<b>Share capital</b>	<b>Share premium account</b>	<b>Retained earnings</b>	<b>Total Equity</b>
Equity as at January 1	<b>317.0</b>	<b>594.4</b>	<b>-559.7</b>	<b>351.7</b>
Profit for the period	0.0	0.0	161.5	<b>161.5</b>
Benefit pension plans	0.0	0.0	-0.1	<b>-0.1</b>
Adjustment cashflow hedges	0.0	0.0	0.8	<b>0.8</b>
Exchange adjustments	0.0	0.0	-7.3	<b>-7.3</b>
Equity as at December 31	<b>317.0</b>	<b>594.4</b>	<b>-404.8</b>	<b>506.6</b>

# NOTES

## 1. GOING CONCERN

For details regarding Going concern assumption and capital resources please refer to note 2.1 in the consolidated financial statements.

## 2. ACCOUNTING POLICIES

The financial statements of the Parent Company have been prepared in accordance with the Danish Financial Statements Act (Class C, medium-sized).

The accounting policies are the same as for the consolidated financial statements with the adjustments described below. For a description of the accounting policies of the Group, please refer to the consolidated financial statements, page 23-27.

The accounting policies is further described in the individual notes for the group.

The accounting policy for lease agreements are similar with the consolidated financial statements for Georg Jensen A/S. The company's accounting policy for recognition of leases is based on the international accounting standard IFRS 16.

### Intercompany transactions

Intercompany transactions which don't fulfil the arm's length principle will be disclosed in the

annual report. Please refer to note 14.1 of the group for further information regarding group accounts.

### Cash flow statement

No separate statement of cash flows has been prepared for the Parent Company; please refer to the statement of cash flows for the Group page 21.

### Supplementary accounting policies for the Parent Company

Shares in subsidiaries recognized via the equity method. See note 3 for further description.

### Equity

Refer to note 11.1 of the group.

### Contingent liabilities

Information regarding contingent liabilities is disclosed in note 12.5 of the group.

### Tax

The jointly taxed companies are subject to the on-account taxation system. See note 8.2 and 9.4.

### Events after the reporting period

Information regarding subsequent events after the reporting are disclosed in note 18.1 of the group.

# NOTES

## 3. SPECIAL ITEMS

As a result of Group strategy, costs of DKK 16.2 million have been incurred. The amount is recognised as other external costs.

## 4. STAFF COST

DKK MILLION	2022	2021
Wages and salaries	0.2	0.2
<b>Total wages</b>	<b>0.2</b>	<b>0.2</b>
<b>Remuneration to Board of Directors</b>		
Fee to board of directors	0.2	0.2
<b>Total remuneration to Board of Directors</b>	<b>0.2</b>	<b>0.2</b>
<b>Average number of employees</b>	<b>0</b>	<b>0</b>

## 5. PROFIT DISTRIBUTION

### Distribution of profit/loss

Profit/loss for the year is proposed distributed as follows:

DKK million	2022	2021
Transferred to retained earnings	161.5	49.4
<b>Profit/loss for the year</b>	<b>161.5</b>	<b>49.4</b>

# NOTES

## 6. INVESTMENT IN SUBSIDIARIES

### ACCOUNTING POLICIES APPLIED

Investments in subsidiaries are recognized and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet includes the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealized intercompany profits or losses.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The

reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net asset value are recognized at DKK 0 million. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is set up against receivables from group enterprises or recognized in provisions.

Other investment securities and capital interests are measured at fair market value on the date of the balance sheet.

DKK million	2022	2021
Cost at 1 January	876.3	876.3
<b>Cost at 31 December</b>	<b>876.3</b>	<b>876.3</b>
<b>Impairment gain/losses at 1 January</b>	<b>-515.5</b>	<b>-570.6</b>
Share of profits of subsidiaries after taxes	193.0	67.3
Depreciations	-14.1	-14.6
Equity adjustment in subsidiaries	-9.3	2.4
Other adjustments	-0.0	0.0
<b>Impairment losses and amortisation at 31 December</b>	<b>-345.8</b>	<b>-515.5</b>
<b>Carrying amount at 31 December</b>	<b>530.5</b>	<b>360.8</b>

	Place of registered office	Votes and ownership	Currency
Georg Jensen A/S	Denmark	100%	DKK

## 7. DEFERRED TAX

DKK million	2022	2021
Deferred tax at 1 January	1.0	0.0
Amounts recognized in the income statement for the year	0.3	1.0
<b>Deferred tax at 31 December</b>	<b>1.3</b>	<b>1.0</b>

See note 9.4 for the group for full disclosure on deferred tax.