

Jacob Jensen Holding A/S

Hejlskovvej 104, Hejlskov, 7840 Højslev

CVR no. 21 06 72 02

Annual report 2019

Approved at the Company's annual general meeting on 22 June 2020

Chairman:

.....
Lars Kolind





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Jacob Jensen Holding A/S for the financial year 1 January - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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

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

Hejlskov, 19 May 2020
Executive Board:

.....
Sten Tore Sandberg
Davidsen

Board of Directors:

.....
Lars Kolind
Chairman

.....
Kaare Agerholm Danielsen

.....
Sten Tore Sanberg
Davidsen

Independent auditor's report

To the shareholders of Jacob Jensen Holding A/S

Opinion

We have audited the financial statements of Jacob Jensen Holding A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 19 May 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lone Nørgaard Eskildsen
State Authorised Public Accountant
mne32085

Nikolai Holm Pedersen
State Authorised Public Accountant
mne45896



Management's review

Company details

Name	Jacob Jensen Holding A/S
Address, Postal code, City	Hejlskovvej 104, Hejlskov, 7840 Højslev
CVR no.	21 06 72 02
Established	10 June 1998
Registered office	Skive
Financial year	1 January - 31 December
Website	www.jacobjensen.com
Board of Directors	Lars Kolind, Chairman Kaare Agerholm Danielsen Sten Tore Sanberg Davidsen
Executive Board	Sten Tore Sandberg Davidsen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark
Bankers	Salling Bank

Management's review

Business review

The holding company, Jacob Jensen Holding A/S, is wholly-owner of Jacob Jensen Design A/S (JJD), which operates a branch in Thailand and is the wholly-owner of Jacob Jensen Design (Hong Kong) Holding Limited, which serves as holding company for Jacob Jensen Design Shanghai Ltd.

2019 was a difficult year for Jacob Jensen Holding A/S whose main activity is Jacob Jensen Design A/S. Many years of severe business failures continued to leave its mark. Rebuilding the business foundation has taken time and focus for all involved and it took longer to rebuild the almost empty project pipeline that the Company was left with at the beginning of the year.

In addition, we struggled with the departure from the six-year strategic partnership we had enjoyed with Detao Masters Academy in China. Detao terminated the partnership late 2018, and the Company was faced with unwinding a complex legal structure, establishing a new legal entity, Jacob Jensen Design Shanghai Ltd. A resource-intensive process in every respect.

The Shanghai team is now fully operational and is now working in a new and attractive JACOB JENSEN design studio.

It is also satisfactory to see that the Thai branch office is now fully operational after some difficulties and a new five-year strategic partnership has been established with King Mongkut's University of Technology Thomburi (KMUTT) in Bangkok.

The JACOB JENSEN design studio in Denmark is now operating successfully in the House of Jacob Jensen. New associates have been recruited and trained in applying the unique Jacob Jensen Design processes, principles and values.

Even though business is well under way, the transition has taken longer than expected at the beginning of the year and the financial performance in 2019 reflects that.

Unusual matters having affected the financial statements

Going concern

As described below under 'Events after the balance sheet date', Management has taken significant steps to restructure the Jacob Jensen Group's debt and inject additional equity. The majority shareholder of the Group has supported the Company with sufficient cash to keep bank debt at the current level. Furthermore, if additional financing is needed, Management expects this to be made available by the shareholders. This, together with future profits, expects to reestablish positive equity in the years to come.

The Board expects that future operations can be carried out within the restructured credit lines. Based on the above assumptions, Management has presented the financial statements on a going basis.

Reference is made to note 2 for more details.

Financial review

2019 was a difficult year for the Group. Although Management has worked intensively to bring the Company back on track, it has taken longer than expected to establish satisfactory results.

This year, the Company reported a loss of DKK 5.2 million, which is DKK 1.0 million less than the previous year. The loss can be attributed to the unsatisfactory results of operation in Jacob Jensen Design A/S - the Company's main activity.

The profit before net financials was DKK 0.9 million and slightly better than in 2018 due to an increase in royalty fee. Cost was DKK 0.1 million corresponding to budget.

The Board recommends that the loss of DKK 5.2 million be added to the accumulated losses.

Management's review

The very significant negative figure is the result of many years of poor management, which has now been brought to an end. The root causes have been removed, and the Board is confident that the business today is sound. In the years to come, the Company will reduce debt and interest expenses and build positive equity, both through profits from operations and through monetizing the value of the JACOB JENSEN trademark. The Board now considers the product business to be completely closed down, which means that all efforts can now focus on building the design services and brand licensing business.

Foreign branches

The subsidiary, Jacob Jensen Design A/S, maintains a branch in Thailand.

Events after the balance sheet date

The Company has owned 17-hectares of forest near to our previous premises for a decade. In January 2020, the forest was sold to Kolind A/S by way of a cash deal at the market price of DKK 1.7 million.

Restructure debt and additional equity in Jacob Jensen Design and Jacob Jensen Holding

Acknowledging that the debt level for the Group is unsustainable, the Board has agreed with creditors in April 2020 to restructure the group debt and to inject additional equity. Salling Bank and Vækstfonden (The Danish Growth Fund) have agreed to write off DKK 8.9 million debt on condition that their remaining debt of DKK 8.7 million is fully repaid by the end of 2028.

Kolind A/S has agreed to convert all loans granted to both Jacob Jensen Design and Jacob Jensen Holding (DKK 6.7 million in total) into equity and to invest additional DKK 2.0 million as equity. Consequently, the Group's interest-bearing debt is reduced from DKK 24.4 million to DKK 8.8 million.

This debt restructuring eases the financial burden for the Group significantly and gives the Board confidence that the Company can return to profitable and sustainable growth and positive equity in the years to come.

The Board thanks creditors for their support and trust in the Company.

Outlook

We expect a loss but hope to return to profitability before year-end

Early 2020, the Covid-19 virus shut down our studios, first in Shanghai and then in Denmark and Bangkok. Virtually, no productive time has been invoiced in the first three months of 2020 because projects went on hold and clients had other priorities. This obviously slows down business recovery, but all associates have worked from home, preparing for business to return. As countries reopen, we are confident that the Company can get back on its feet and start generating business and income. We expect a loss in 2020, but we hope to return to profitability before the end of the year, thus making it possible to start repaying debt from 2021 and on.

In order to ensure that the Company is sufficiently financed through the Covid-19 lock down in 2020 and to allow all shareholders to maintain their relative ownership share of the parent company, Jacob Jensen Holding, the Board has decided to invite all shareholders to participate in a capital increase in 2020.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2019	2018
	Gross profit	961,308	866,060
3	Staff costs	0	0
	Amortisation/ depreciation and impairment of intangible assets and property, plant and equipment	-104,799	-74,893
	Profit before net financials	856,509	791,167
	Income from investments in group entities	-5,858,314	-6,724,366
4	Financial income	221,650	92,372
5	Financial expenses	-250,317	-202,767
	Profit/ loss before tax	-5,030,472	-6,043,594
6	Tax for the year	-205,181	-166,246
	Profit/ loss for the year	-5,235,653	-6,209,840
	 Recommended appropriation of profit/ loss		
	Retained earnings/accumulated loss	-5,235,653	-6,209,840
		-5,235,653	-6,209,840

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2019	2018
	ASSETS		
	Fixed assets		
7	Property, plant and equipment		
	Land and buildings	5,822,194	5,926,994
	Other fixtures and fittings, tools and equipment	74,999	74,999
		<u>5,897,193</u>	<u>6,001,993</u>
8	Investments		
	Investments in group entities, net asset value	0	0
		<u>0</u>	<u>0</u>
	Total fixed assets	<u>5,897,193</u>	<u>6,001,993</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	324,840	0
	Other receivables	0	39,784
		<u>324,840</u>	<u>39,784</u>
	Total non-fixed assets	<u>324,840</u>	<u>39,784</u>
	TOTAL ASSETS	<u>6,222,033</u>	<u>6,041,777</u>
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	1,760,000	1,760,000
	Retained earnings	-20,234,772	-15,585,119
	Total equity	<u>-18,474,772</u>	<u>-13,825,119</u>
	Provisions		
	Deferred tax	6,000	6,000
8	Provision, investments in group entities	19,247,708	14,516,985
	Total provisions	<u>19,253,708</u>	<u>14,522,985</u>
	Liabilities other than provisions		
11	Non-current liabilities other than provisions		
	Bank debt	3,005,000	3,005,000
		<u>3,005,000</u>	<u>3,005,000</u>
	Current liabilities other than provisions		
11	Current portion of long-term liabilities	2,118,611	2,018,611
	Bank debt	37,878	38,803
	Trade payables	63,000	115,251
	Payables to group entities	8,573	0
	Joint taxation contribution payable	205,181	166,246
	Other payables	4,854	0
		<u>2,438,097</u>	<u>2,338,911</u>
	Total liabilities other than provisions	<u>5,443,097</u>	<u>5,343,911</u>
	TOTAL EQUITY AND LIABILITIES	<u>6,222,033</u>	<u>6,041,777</u>

- 1 Accounting policies
- 2 Going concern uncertainties
- 10 Treasury shares
- 12 Contractual obligations and contingencies, etc.
- 13 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2018	1,760,000	-9,375,279	-7,615,279
Transfer through appropriation of loss	0	-6,209,840	-6,209,840
Equity at 1 January 2019	1,760,000	-15,585,119	-13,825,119
Transfer through appropriation of loss	0	-5,235,653	-5,235,653
Sale of treasury shares	0	586,000	586,000
Equity at 31 December 2019	1,760,000	-20,234,772	-18,474,772

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Jacob Jensen Holding A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Licence and royalty income is recognised over the term of the agreement in accordance with the contents of the agreement.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Depreciation

The item comprises depreciation of property, plant and equipment.

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

Buildings	50 years
Other fixtures and fittings, tools and equipment	3-5 years

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

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

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

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Treasury shares

Purchases and sales of treasury shares are taken directly to equity under "Retained earnings".

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

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

Income taxes

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

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Going concern uncertainties

Acknowledging that the debt level for the Group is unsustainable, the Bhas agreed with creditors in April 2020 to restructure the group debt and to inject additional equity. Salling Bank and Vækstfonden (The Danish Growth Fund) have agreed to write off DKK 8.9 million debt on condition that their remaining debt of DKK 8.7 million is fully repaid by the end of 2028.

Kolind A/S has agreed to convert all loans granted to both Jacob Jensen Design and Jacob Jensen Holding (DKK 6.7 million in total) into equity, and to invest additional DKK 2.0 million as equity. Consequently, the Group's interest-bearing debt is reduced from DKK 24.4 million to DKK 8.8 million.

This debt restructuring eases the financial burden for the Group significantly and gives the Board confidence that the Company can return to profitable and sustainable growth and positive equity in the years to come.

Furthermore, if additional financing is needed, Management expects this to be made available by shareholders. This, together with future profits, expects to re-establish positive equity in the years to come.

The Board expects that future operations can be carried out within the restructured credit lines. Based on the above assumptions, Management has presented the financial statements on a going concern basis.

3 Staff costs and incentive programmes

The Company has no employees.

Incentive programmes

In 2019, the Parent Company introduced an updated incentive plan aimed at certain persons in the Group and its Board of Directors.

The total number of shares for which employees and members of the Board of Directors may become eligible is 200,000 at a price of DKK 1,000, and it is a condition for exercising the warrants that the holder of the warrant has not left the Group at his/her own will.

DKK	2019	2018
4 Financial income		
Interest receivable, group entities	221,650	92,372
	<u>221,650</u>	<u>92,372</u>
5 Financial expenses		
Interest expenses, group entities	100,000	0
Other financial expenses	150,317	202,767
	<u>250,317</u>	<u>202,767</u>
6 Tax for the year		
Estimated tax charge for the year	205,181	166,246
	<u>205,181</u>	<u>166,246</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Property, plant and equipment

DKK	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2019	6,886,646	424,628	7,311,274
Cost at 31 December 2019	6,886,646	424,628	7,311,274
Impairment losses and depreciation at 1 January 2019	959,652	349,629	1,309,281
Amortisation/depreciation in the year	104,800	0	104,800
Impairment losses and depreciation at 31 December 2019	1,064,452	349,629	1,414,081
Carrying amount at 31 December 2019	5,822,194	74,999	5,897,193
Depreciated over	50 years	3-5 years	

8 Investments

DKK	Investments in group entities, net asset value
Cost at 1 January 2019	27,272,631
Additions in the year	8,573
Cost at 31 December 2019	27,281,204
Value adjustments at 1 January 2019	-27,272,631
Share of the profit/loss for the year	-5,858,314
Adjustment of investments with negative equity	5,849,741
Value adjustments at 31 December 2019	-27,281,204
Carrying amount at 31 December 2019	0

Name	Legal form	Domicile	Interest
Subsidiaries			
Jacob Jensen Design A/S	Private limited company	Hejlskov, Denmark	100.00%
Jacob Jensen Design (Hong Kong) Holding Limited	Private limited company	Hong Kong, Hong Kong	100.00%
- Yangyan Creative Design (Shanghai) Co., Ltd.*	Private limited company	Shanghai, China	100.00%

* Wholly-owned subsidiary of Jacob Jensen Design (Hong Kong) Holding Limited.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2019	2018
9 Share capital		
Analysis of the share capital:		
1,760,000 shares of DKK 1.00 nominal value each	1,760,000	1,760,000
	<u>1,760,000</u>	<u>1,760,000</u>

Analysis of changes in the share capital over the past 5 years:

DKK	2019	2018	2017	2016	2015
Opening balance	1,760,000	1,760,000	1,560,000	660,000	520,000
Capital increase	0	0	200,000	900,000	140,000
	<u>1,760,000</u>	<u>1,760,000</u>	<u>1,760,000</u>	<u>1,560,000</u>	<u>660,000</u>

10 Treasury shares

	Number	Nominal value DKK	Share of capital	Purchase/ sales sum DKK
Balance at 1 January 2019	586,000	586,000	33.29%	
Sold in the year	-586,000	-586,000	-33.29%	-586,000
Balance at 31 December 2019	<u>0</u>	<u>0</u>	<u>0.00%</u>	

11 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	3,005,000	0	3,005,000	0
Payables to shareholders and management	2,118,611	2,118,611	0	0
	<u>5,123,611</u>	<u>2,118,611</u>	<u>3,005,000</u>	<u>0</u>

12 Contractual obligations and contingencies, etc.

Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Financial statements 1 January - 31 December

Notes to the financial statements

13 Collateral

As security for the Company's debt to banks and other lenders, the Company has placed assets or other as collateral worth a total of DKK 16,750 thousand. The total carrying amount of the assets which have been provided as collateral is DKK 6,213 thousand.

The Company has provided a joint and several guarantee to the Danish subsidiary as security for the Company's debt to banks.

The intercompany balance with the Danish subsidiary has been assigned to the Company's bank.

The Company has issued a letter of pledge regarding the Company's shares in the Danish subsidiary at a nominal amount of DKK 1,780 thousand.

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Sten Tore Sanberg Davidsen

Direktion

På vegne af: Jacob Jensen Holding A/S

Serienummer: PID:9208-2002-2-896122284310

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Sten Tore Sanberg Davidsen

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Serienummer: PID:9208-2002-2-896122284310

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2020-06-19 07:37:53Z

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Lars Kolind

Bestyrelse

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Serienummer: PID:9208-2002-2-034193753140

IP: 90.185.xxx.xxx

2020-06-20 15:46:27Z

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Navnet er skjult (CPR valideret)

Bestyrelse

På vegne af: Jacob Jensen Holding A/S

Serienummer: PID:9208-2002-2-529370935608

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Lone Nørgaard Eskildsen

Statsautoriseret revisor

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Nikolai Holm Pedersen

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Sten Tore Sanberg Davidsen

Dirigent

På vegne af: Jacob Jensen Holding A/S

Serienummer: PID:9208-2002-2-896122284310

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