

Jacob Jensen Holding A/S

Hejlskovvej 104, Hejlskov, 7840 Højslev

CVR no. 21 06 72 02

Annual report 2021

Approved at the Company's annual general meeting on 22 June 2022

Chair of the meeting:

.....
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 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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, 22 June 2022
Executive Board:

.....
Sten Tore Sanberg
Davidsen

Board of Directors:

.....
Lars Kolind
Chair

.....
Søren Holst

.....
Sten Tore Sanberg
Davidsen

.....
Kenneth Spencer Chang

Independent auditor's report

To the shareholder 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 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

- ▶ 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, 22 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lone Nørgaard Eskildsen
State Authorised Public Accountant
mne32085

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, Chair Søren Holst Sten Tore Sanberg Davidsen Kenneth Spencer Chang
Executive Board	Sten Tore Sanberg Davidsen
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Business review

The holding company, Jacob Jensen Holding A/S (JJH), is the sole owner of Jacob Jensen Design A/S (JJD), which operates a branch in Thailand, and is the sole owner of JACOB JENSEN DESIGN (Hong Kong) Holding Limited, which serves as holding company for Jacob Jensen Design Shanghai Ltd. JJH also owns 95% of Jacob Jensen Brand A/S (JJB).

2021 was another difficult year for the Group; however showing significant recovery and growth towards the end of the year, which has continued into 2022. As a design service provider, JJD is particularly dependent on the business climate for its clients. Therefore we continued to be severely hit by the Covid-19 pandemic both in Asia and in Europe, where many client projects and partnerships were put on hold or abandoned. Mindful of the financial consequences of this development, the board continued to maintain the staff intact in all three design studios and instead concentrate on building a stronger foundation for post Covid-19 business. This enabled our Group to be well prepared to serve clients while their needs started to materialise towards the end of the year.

The design service business in Shanghai benefitted from the previous year's establishment of a downtown design studio fully in line with the Group's Timeless Nordic Design values. Despite severe drawbacks and operational difficulties following the pandemic, the studio signed up several new clients and also won significant repeat business.

JACOB JENSEN DESIGN Bangkok partners with King Mongkutt University Thonburi on building stronger design community in South East Asia. The studio hosts a high-level academic design education programme, where young designers learn the unique JACOB JENSEN DESIGN methodology in a hands-on setting. Students work on real projects for real clients under guidance of professors in Design from KMUTT and our studio management. The studio continued to be severely hit by the pandemic along. Despite the pandemic, studio staff and KMUTT professors managed to continue both the business and the education programme under very difficult conditions.

JACOB JENSEN DESIGN Denmark was able to serve its sister company, JACOB JENSEN BRAND, by designing a range of new products which will be launched in 2022 and 2023. Despite restrictions and headwind, the studio also managed to carry through new design projects for other clients.

The JACOB JENSEN BRAND business made significant progress during the year, and welcomed the F&H Group as a strategic brand partner and co-owner of Jacob Jensen Brand A/S. The first JACOB JENSEN audio product was introduced on the Chinese market.

The Group contributes particularly to UN Sustainable Development Goals (SDG) 4, 5, 8, 9 and 12:

- ▶ SDG Goal 4, Quality Education: The Group runs an academic design education program in Bangkok together with a leading University in South East Asia: King Mongkutt's University of Technology Thonburi. This program is unique because it trains designers in a real design studio working environment with real clients and real projects.
- ▶ SDG Goal 5, Gender equality: Today, about fifty per cent of the Group's associates are females, and four out of ten management positions (C-level and functional managers) are female.
- ▶ SDG Goal 8, Decent work and economic growth: The Group meets all local work standards; the design studios provide highly attractive working environments, and the Group's unique TeamPlay organisational model encourages associates to participate in decision making.
- ▶ SDG Goal 9, Industry Innovation and infrastructure: The Group engages primarily in new product development; thus contributing significantly to industry innovation across industries.
- ▶ SDG Goal 12, Responsible consumption and production: The Group designs products with a longer than normal lifetime through its Timeless Nordic Design concept. This reduces resource consumption and waste.

Overall, 2021 was a year of investment, both in design services and in the brand business. Financial performance was disappointing, but management is convinced that maintaining the staff and investing in the business has been the main driver for the significant progress which was made towards the end of the year and continuing in 2022. The main shareholder, Kolind A/S, continues to back the business financially.

Management's review

Financial review

As described, 2021 financial performance was severely affected by lockdowns, both in Asia and also in Europe.

The company and its creditors agreed back in 2020 to restructure the Group debt. The creditors agreed to write off part of the debt on conditions that their remaining debt was fully repaid.

The execution of the agreement took place in 2021 and the write off positively affected net financials in 2021 for the Group by DKK 8.9 million, which resulted in a profit of DKK 2.3 million before tax.

Profit after tax has amounted to DKK 2.0 million.

The Board recommends that the net profit of DKK 2.0 million being set off against the accumulated losses.

The Board suggests all injected capital including working capital by the majority shareholder Kolind A/S being converted into equity at this year's Annual General meeting and thus to finally achieve a positive equity.

The financial restructuring removes the financial burden for the Group and forms a solid basis for returning the company to profitability and sustainable growth in the years to come.

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

Management's review

The board remains confident that maintaining all staff despite significant drop in income is a sound investment in the future. The knowledge and experience of company staff is essential for growing the business in the years to come.

In August 2021, JACOB JENSEN BRAND A/S was spun out as a separate business unit, and Mr. Thomas Bennedsen was appointed CEO. Our long-term business partner, F&H A/S, joined as strategic brand partner and co-owner of JACOB JENSEN BRAND A/S.

Effective January 1, 2022, Mr. Frank Jepsen has been appointed CEO of Jacob Jensen Design A/S.

Mr. Søren Holst took over as chairman of the boards of our two operational companies, JACOB JENSEN DESIGN A/S and JACOB JENSEN BRAND A/S while Mr. Lars Kolind continues as Group chairman.

Foreign branches

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

Events after the balance sheet date

The first quarter of 2022 has seen strong growth in all sections of the Group despite continued lockdowns in Asia and other negative impact on the business. In order to achieve maximum synergies with the majority shareholder, Kolind A/S, all remaining minority shareholders were offered a buyout scheme by Kolind A/S. Following acceptance and execution of this, the Group is now a wholly owned subsidiary of Kolind A/S. This strengthens the financial standing of the Group very significantly. The Board extends its thanks to all minority shareholders including descendants of our company founder, the late Mr. Jacob Jensen, for their ongoing support and loyalty. The change of ownership marks the transition of the Group from a family led business to an ambitious globally oriented professional enterprise. The board and the company's owners are mindful of their responsibility to safeguard the unique heritage and culture which originates from our founder.

Following the departure of the former CEO for Jacob Jensen Design in November 2018, the relationship with our long-standing global brand partner S. Weisz-Uurwerken BV in Holland has suffered severely; unfortunately including a legal conflict in 2021. Early 2022, the conflict has finally been settled, and the parties have now agreed upon an ambitious plan to rebuild the JACOB JENSEN brand within the timepiece category. The Board thanks our long term partners in Weisz for their loyalty and confidence in JACOB JENSEN and our team, despite the difficulties we have had.

The company has unfortunately been forced to take legal action against the former CEO, for abusing our company's intellectual property. Jacob Jensen Design has objected against extensive use of JACOB JENSEN design references in the marketing of the former CEO's new agency. The case is pending at the Maritime and Commercial Court in Copenhagen.

Management's review

Outlook

The Board has seen significant improvement in the business in the first quarter of 2022. Clients are restarting investments in new products and other business development activities. With three design studios intact, a well-established management team and improved company infrastructure, the company is well placed to tap into new business. Therefore revenues will grow significantly in 2022.

The year 2022 will also see significant additional investments in all aspects of the business, which cannot be fully covered by the growing revenues. The company will therefore incur a loss in 2022, which will be financed by additional equity capital from the parent company. Legal costs in 2022 will continue to be above normal as explained in the report.

The board expects operations to turn profitable during the year 2023.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2021	2020
	Gross profit	601,097	1,648,858
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-179,798	-104,799
	Profit before net financials	421,299	1,544,059
	Income from investments in group entities	335,335	-6,348,050
3	Financial income	1,609,151	415,944
4	Financial expenses	-91,268	-61,261
	Profit/loss before tax	2,274,517	-4,449,308
5	Tax for the year	-277,028	-409,983
	Profit/loss for the year	1,997,489	-4,859,291
	 Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	1,997,489	-4,859,291
		1,997,489	-4,859,291

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2021	2020
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Land and buildings	4,689,203	4,794,002
	Other fixtures and fittings, tools and equipment	0	74,999
		<u>4,689,203</u>	<u>4,869,001</u>
7	Investments		
	Investments in group entities	805,491	0
		<u>805,491</u>	<u>0</u>
	Total fixed assets	<u>5,494,694</u>	<u>4,869,001</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	926,419	743,033
	Other receivables	21,985	0
		<u>948,404</u>	<u>743,033</u>
	Cash	6,370	0
	Total non-fixed assets	<u>954,774</u>	<u>743,033</u>
	TOTAL ASSETS	<u>6,449,468</u>	<u>5,612,034</u>
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	17,138,261	10,551,481
	Translation reserve	-343,222	18,299
	Retained earnings	-23,096,574	-25,094,063
	Total equity	<u>-6,301,535</u>	<u>-14,524,283</u>
	Provisions		
	Deferred tax	0	6,000
7	Provision, investments in group entities	317,517	16,683,450
	Total provisions	<u>317,517</u>	<u>16,689,450</u>
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Bank debt	0	2,751,779
		<u>0</u>	<u>2,751,779</u>
	Current liabilities other than provisions		
	Current portion of long-term liabilities	0	275,864
	Trade payables	50,000	3,451
	Payables to group entities	12,100,458	0
	Joint taxation contribution payable	283,028	409,983
	Other payables	0	5,790
		<u>12,433,486</u>	<u>695,088</u>
	Total liabilities other than provisions	<u>12,433,486</u>	<u>3,446,867</u>
	TOTAL EQUITY AND LIABILITIES	<u>6,449,468</u>	<u>5,612,034</u>

- 1 Accounting policies
- 2 Special items
- 9 Contractual obligations and contingencies, etc.
- 10 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Translation reserve	Retained earnings	Total
Equity at 1 January 2020	1,760,000	0	-20,234,772	-18,474,772
Capital increase	8,791,481	0	0	8,791,481
Transfer through appropriation of loss	0	0	-4,859,291	-4,859,291
Exchange adjustment	0	18,299	0	18,299
Equity at 1 January 2021	10,551,481	18,299	-25,094,063	-14,524,283
Capital increase	6,586,780	0	0	6,586,780
Transfer through appropriation of profit	0	0	1,997,489	1,997,489
Exchange adjustment	0	-361,521	0	-361,521
Equity at 31 December 2021	17,138,261	-343,222	-23,096,574	-6,301,535

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Jacob Jensen Holding A/S for 2021 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, other operating income 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 operating income

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

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:

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

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

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

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)

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 deduced 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.

Equity

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

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.

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.

2 Special items

As stated in the Management's review, the profit for 2021 is mainly affected by the agreement made with the Company's lenders. According to Management, these activities differ from the primary operations and are therefore included in this note.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Special items (continued)

DKK	2021	2020
Income		
Sale of forest	0	775,607
Gain on debt on composition, in subsidiary	7,935,105	0
Gain on debt on composition	995,000	0
	<u>8,930,105</u>	<u>775,607</u>
Special items are recognised in the below items of the financial statements		
Gross profit (other operating profit)	0	775,607
Income from investments in group entities	7,935,105	0
Financial income	995,000	0
Net profit on special items	<u><u>8,930,105</u></u>	<u><u>775,607</u></u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2021	2020	
3 Financial income			
Interest receivable, group entities	612,479	415,944	
Other financial income	996,672	0	
	<u>1,609,151</u>	<u>415,944</u>	
4 Financial expenses			
Interest expenses, group entities	68,274	33,333	
Other financial expenses	22,994	27,928	
	<u>91,268</u>	<u>61,261</u>	
5 Tax for the year			
Estimated tax charge for the year	283,028	409,983	
Deferred tax adjustments in the year	-6,000	0	
	<u>277,028</u>	<u>409,983</u>	
6 Property, plant and equipment			
DKK	<u>Land and buildings</u>	<u>Other fixtures and fittings, tools and equipment</u>	<u>Total</u>
Cost at 1 January 2021	5,963,252	424,628	6,387,880
Disposals in the year	0	-424,628	-424,628
Cost at 31 December 2021	<u>5,963,252</u>	<u>0</u>	<u>5,963,252</u>
Impairment losses and depreciation at 1 January 2021	1,169,250	349,629	1,518,879
Depreciation in the year	104,799	74,999	179,798
Reversal of depreciation and impairment of disposals	0	-424,628	-424,628
Impairment losses and depreciation at 31 December 2021	<u>1,274,049</u>	<u>0</u>	<u>1,274,049</u>
Carrying amount at 31 December 2021	<u>4,689,203</u>	<u>0</u>	<u>4,689,203</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Investments

DKK	<u>Investments in group entities</u>
Cost at 1 January 2021	27,281,204
Additions in the year	25,779,376
Cost at 31 December 2021	<u>53,060,580</u>
Value adjustments at 1 January 2021	-27,281,204
Exchange adjustment	-361,521
Share of the loss for the year	-948,291
Other adjustments, investments	327,750
Adjustment of investments with negative equity	<u>-23,991,823</u>
Value adjustments at 31 December 2021	<u>-52,255,089</u>
Carrying amount at 31 December 2021	<u>805,491</u>

<u>Name</u>	<u>Legal form</u>	<u>Domicile</u>	<u>Interest</u>
Subsidiaries			
Jacob Jensen Design A/S	Private limited company	Hejlskov, Denmark	100.00%
Jacob Jensen Brand 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.

DKK	<u>2021</u>	<u>2020</u>
8 Share capital		
Analysis of the share capital:		
17,138,261 shares of DKK 1.00 nominal value each	17,138,261	10,551,481
	<u>17,138,261</u>	<u>10,551,481</u>

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

DKK	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Opening balance	10,551,481	1,760,000	1,760,000	1,760,000	1,560,000
Capital increase	6,586,780	8,791,481	0	0	200,000
	<u>17,138,261</u>	<u>10,551,481</u>	<u>1,760,000</u>	<u>1,760,000</u>	<u>1,760,000</u>

Financial statements 1 January - 31 December

Notes to the financial statements

9 Contractual obligations and contingencies, etc.

Contingent liabilities

Guarantee commitments consist of a guarantee provided in respect of bank commitments in a subsidiary, which at 31 December 2021 amounts to DKK 0.

Other contingent liabilities

The Company is jointly taxed with its parent company, Kolind A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for the payment of income taxes.

10 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 5,500 thousand. The total carrying amount at 31 December 2021 of the assets which have been provided as collateral is DKK 0 thousand.

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"By my signature I confirm all dates and content in this document."

Lars Kolind

Chairman

On behalf of: Jacob Jensen Holding AS

Serial number: PID:9208-2002-2-034193753140

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2022-06-27 13:40:58 UTC

NEM ID 

Lars Kolind

Board of Directors, chair

On behalf of: Jacob Jensen Holding AS

Serial number: PID:9208-2002-2-034193753140

IP: 83.151.xxx.xxx

2022-06-27 13:40:58 UTC

NEM ID 

Kenneth Spencer Chang

Board of Directors

On behalf of: Jacob Jensen Holding AS

Serial number: ken@adseroip.com

IP: 107.123.xxx.xxx

2022-06-27 16:09:31 UTC



Sten Tore Sanberg Davidsen

Executive Board

On behalf of: Jacob Jensen Holding AS

Serial number: fcee991b-82ab-4428-849a-4bcaaf5f69c3

IP: 2.104.xxx.xxx

2022-06-29 08:02:39 UTC

Mit  

Sten Tore Sanberg Davidsen

Board of Directors

On behalf of: Jacob Jensen Holding AS

Serial number: fcee991b-82ab-4428-849a-4bcaaf5f69c3

IP: 2.104.xxx.xxx

2022-06-29 08:02:39 UTC

Mit  

Søren Holst

Board of Directors

On behalf of: Jacob Jensen Holding AS

Serial number: PID:9208-2002-2-635367661850

IP: 83.95.xxx.xxx

2022-06-29 09:13:21 UTC

NEM ID 

Lone Nørgaard Eskildsen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:66193527

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