

# Jacob Jensen Design A/S

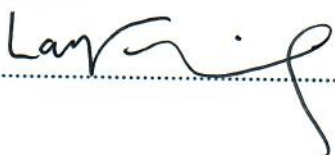
Hejlskovvej 106, Hejlskov, 7840 Højslev

CVR no. 26 38 70 00

## Annual report 2017

Approved at the Company's annual general meeting on 6 March 2018

Chairman:

  
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## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

### 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 Design A/S for the financial year 1 January - 31 December 2017.

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 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

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, 6 March 2018  
Executive Board:

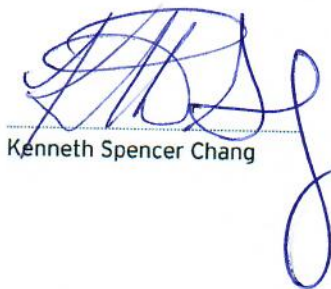


Timothy Jacob Jensen

Board of Directors:



Lars Kolind  
Chairman



Kenneth Spencer Chang



Timothy Jacob Jensen



Sten Tore Sanberg Davidsen

## Independent auditor's report

To the shareholder of Jacob Jensen Design A/S

### Opinion

We have audited the financial statements of Jacob Jensen Design A/S for the financial year 1 January - 31 December 2017, 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 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 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 Group 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.
- ▶ 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.

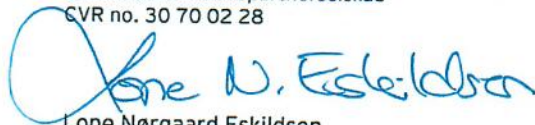
Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 6 March 2018

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Lone Nørgaard Eskildsen

State Authorised Public Accountant

MNE no.: mne32085



## Management's review

### Company details

Name	Jacob Jensen Design A/S
Address, Postal code, City	Hejlskovvej 106, Hejlskov, 7840 Højslev
CVR no.	26 38 70 00
Established	30 November 2001
Registered office	Skive
Financial year	1 January - 31 December
Website	<a href="http://www.jacobjensendesign.com">www.jacobjensendesign.com</a>
Board of Directors	Lars Kolind, Chairman Kenneth Spencer Chang Timothy Jacob Jensen Sten Tore Sanberg Davidsen
Executive Board	Timothy Jacob Jensen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark
Bankers	Salling Bank

## Management's review

### Business review

The Company's most significant business activities relate to the sale of product design, design and branding services which also include royalty income in connection with the sale of products under the JACOB JENSEN brand and the customers' use of JACOB JENSEN DESIGN as reference on products designed.

The activities are operated through the Company's three design studios in Denmark, China and Thailand. Together with local universities, the foreign design studios moreover offer local students to train them in Danish design tradition of which JACOB JENSEN through the past 60 years has been and still is a unique exponent.

### Unusual matters having affected the financial statements

2017 marked a significant improvement compared to 2016 where the Board decided to terminate the product-business in order to return to its core: design services and brand licensing. The Group incurred a loss of DKK 3,9 million, mainly affected by the remaining close-down of the activities in relation to the product business. The close-down costs primarily related to personnel costs and amounted to DKK 1.5 million in the financial year.

### Going concern

In the year under review, the Company's shareholders made a contribution of DKK 2 million to finance the winding up of loss-making activities; and having adjusted the organizational structure as part of the changed strategy, the Board expects that future operations can be carried out within the credit lines established. For 2018, the Company expects to make a profit from operations. The Board has initiated a process to enter into a strategic partnership for the JACOB JENSEN brand, which it expects will reestablish equity in 2018 or 2019.

### Financial review

The income statement for 2017 shows a loss of DKK 3,920,740 against a loss of DKK 23,373,404 last year, and the balance sheet at 31 December 2017 shows a negative equity of DKK 12,200,805.

The loss for the year, which Management considers to be unsatisfactory, is mainly due to a delay in the realization of the goals set in connection with the changes in the Company's strategy and activity base mid 2016 combined with further close-down costs related to the strategy change.

In the past year focus has been on bringing the Company back to profitable growth. The Company has made good progress and is improving. The Company's activity base and the actions taken make the Board expect that 2018 will mark our return to profit.

The Board is of the opinion that the JACOB JENSEN brand, in cooperation with the right partners within technology, manufacturing, marketing and sales, holds considerable commercial and financial potential which is not fully utilized today.

### Outlook

For 2018, the Company expects to report a profit and to reestablish equity within a foreseeable future through own earnings and the conclusion of strategic cooperations.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2017	2016
	Gross margin	4,383,847	-806,178
4	Staff costs	-6,967,253	-9,827,723
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-123,413	-159,206
	Other operating expenses	0	-11,444,610
	<b>Profit/loss before net financials</b>	<b>-2,706,819</b>	<b>-22,237,717</b>
	Financial income	1,955	3,195
5	Financial expenses	-1,105,130	-988,507
	<b>Profit/loss before tax</b>	<b>-3,809,994</b>	<b>-23,223,029</b>
6	Tax for the year	151,590	105,361
	Other taxes	-262,336	-255,736
	<b>Profit/loss for the year</b>	<b>-3,920,740</b>	<b>-23,373,404</b>
	<b>Recommended appropriation of profit/loss</b>	<b>-3,920,740</b>	<b>-23,373,404</b>
	Retained earnings/accumulated loss	-3,920,740	-23,373,404





## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2017</u>	<u>2016</u>
	<b>ASSETS</b>		
	Fixed assets		
7	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	209,128	94,556
	Leasehold improvements	46,983	88,115
		<u>256,111</u>	<u>182,671</u>
	Investments		
	Other receivables	204,187	208,558
		<u>204,187</u>	<u>208,558</u>
	<b>Total fixed assets</b>	<u>460,298</u>	<u>391,229</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	2,172,557	2,407,099
8	Deferred tax assets	2,461,000	2,461,000
	Other receivables	123,765	452,405
	Deferred income	434	14,610
		<u>4,757,756</u>	<u>5,335,114</u>
	Securities and investments	7,490	11,515
	Cash	6,187	9,626
	<b>Total non-fixed assets</b>	<u>4,771,433</u>	<u>5,356,255</u>
	<b>TOTAL ASSETS</b>	<u>5,231,731</u>	<u>5,747,484</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2017	2016
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
9	Share capital	1,780,000	1,779,000
	Retained earnings	-13,980,805	-12,059,065
	<b>Total equity</b>	<b>-12,200,805</b>	<b>-10,280,065</b>
	<b>Liabilities other than provisions</b>		
10	<b>Non-current liabilities other than provisions</b>		
	Other payables	6,024,305	6,734,612
		<b>6,024,305</b>	<b>6,734,612</b>
	<b>Current liabilities other than provisions</b>		
10	Current portion of long-term liabilities	245,842	0
	Bank debt	7,309,395	5,112,896
	Prepayments received from customers	1,137,500	972,898
	Trade payables	175,741	381,155
	Payables to group entities	1,746,236	1,230,515
	Payables to shareholders and management	4,651	1,796
	Other payables	788,866	1,593,677
		<b>11,408,231</b>	<b>9,292,937</b>
	<b>Total liabilities other than provisions</b>	<b>17,432,536</b>	<b>16,027,549</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,231,731</b>	<b>5,747,484</b>

- 1 Accounting policies
- 2 Going concern uncertainties
- 3 Special items
- 11 Contractual obligations and contingencies, etc.
- 12 Collateral
- 13 Related parties



## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	1,779,000	-12,059,065	-10,280,065
Capital increase	1,000	1,999,000	2,000,000
Transfer through appropriation of loss	0	-3,920,740	-3,920,740
Equity at 31 December 2017	<u>1,780,000</u>	<u>-13,980,805</u>	<u>-12,200,805</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Jacob Jensen Design A/S for 2017 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.

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.

#### 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".

### Income statement

#### Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Income from the rendering of services, which comprise designing products, is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

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 margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other operating income and operating expenses

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

##### Cost of sales

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

##### 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.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### 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:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

##### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

##### 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 entity is jointly taxed with other subsidiaries. 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.

Other taxes comprise taxes paid to other countries.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### Other securities and investments

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

##### Receivables

Receivables are measured at amortised cost.

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

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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

###### *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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Going concern uncertainties

In the year under review, the Company's shareholders made a contribution of DKK 2 million to finance the winding up of loss-making activities; and having adjusted the organizational structure as part of the changed strategy, the Board expects that future operations can be carried out within the credit lines established. For 2018, the Company expects to make a profit from operations. The Board has initiated a process to enter into a strategic partnership for the JACOB JENSEN brand, which it expects will reestablish equity in 2018 or 2019.

#### 3 Special items

As stated in last year's Management's review, the loss for 2017 is mainly affected by the remaining close-down of the activities in relation to the product business. The close-down costs primarily related to personnel costs. 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.

DKK	2017	2016
<b>Expenses</b>		
Inventory write-downs	0	1,190,941
Termination of manufacturing contracts, etc.	0	6,179,466
Payroll costs, employees discharged	1,394,256	523,038
Costs relating to employees discharged	129,520	127,340
Depreciation charges re. fixed assets scrapped	0	4,074,203
	<u>1,523,776</u>	<u>12,094,988</u>
<b>Special items are recognised in the below items of the financial statements</b>		
Gross margin	129,520	127,340
Staff costs	1,394,256	523,038
Other operating expenses	0	11,444,610
Net profit on special items	<u>1,523,776</u>	<u>12,094,988</u>



## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK		2017	2016
<b>4 Staff costs</b>			
Wages/salaries		6,532,192	9,225,934
Pensions		144,000	207,876
Other social security costs		53,285	53,247
Other staff costs		237,776	340,666
		<u>6,967,253</u>	<u>9,827,723</u>
Average number of full-time employees		<u>19</u>	<u>21</u>
<b>5 Financial expenses</b>			
Interest expenses, group entities		20,203	14,354
Other financial expenses		1,084,927	974,153
		<u>1,105,130</u>	<u>988,507</u>
<b>6 Tax for the year</b>			
Estimated tax charge for the year		-151,590	-105,361
		<u>-151,590</u>	<u>-105,361</u>

The estimated tax charge for the year includes tax refunds received, totalling DKK 151,590, between jointly taxed entities.

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2017	955,492	220,641	1,176,133
Additions in the year	196,853	0	196,853
Cost at 31 December 2017	<u>1,152,345</u>	<u>220,641</u>	<u>1,372,986</u>
Impairment losses and depreciation at 1 January 2017	860,936	132,526	993,462
Depreciation in the year	82,281	41,132	123,413
Impairment losses and depreciation at 31 December 2017	<u>943,217</u>	<u>173,658</u>	<u>1,116,875</u>
Carrying amount at 31 December 2017	<u>209,128</u>	<u>46,983</u>	<u>256,111</u>
Depreciated over	<u>3-5 years</u>	<u>3-5 years</u>	

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 8 Deferred tax assets

Of the deferred tax asset, DKK 2,115 thousand is expected to be utilised more than one year as of the balance sheet date.

A further deferred tax asset of DKK 5,713 thousand has not been recognised due to the material uncertainty in utilising it.

DKK	2017	2016
9 Share capital		
Analysis of the share capital:		
1,780 shares of DKK 1,000.00 nominal value each	1,780,000	1,779,000
	<u>1,780,000</u>	<u>1,779,000</u>

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

DKK	2017	2016	2015	2014	2013
Opening balance	1,779,000	1,275,000	1,265,000	1,260,000	400,000
Capital increase	1,000	504,000	10,000	5,000	860,000
	<u>1,780,000</u>	<u>1,779,000</u>	<u>1,275,000</u>	<u>1,265,000</u>	<u>1,260,000</u>

#### 10 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2017	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	6,270,147	245,842	6,024,305	746,319
	<u>6,270,147</u>	<u>245,842</u>	<u>6,024,305</u>	<u>746,319</u>

#### 11 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company have received a claim from a previous employee. The claim have been assessed by the Company's lawyers and there is a potential risk of a settlement payment to the previous employee.

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

##### Other financial obligations

##### Other rent and lease liabilities:

DKK	2017	2016
Rent and lease liabilities	2,348,000	3,095,000
	<u>2,348,000</u>	<u>3,095,000</u>

Rent and lease liabilities include a rent obligation totalling DKK 2,216 thousand in interminable rent agreements with remaining contract terms of 1-7 years. Furthermore, the Company has liabilities under operating leases for cars, totalling DKK 132 thousand, with remaining contract terms of 2-3 years.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 12 Collateral

As collateral for the Company's debt to banks and other lenders, the Company has placed floating charges, worth a total of DKK 19,500 thousand. The total carrying amount of the assets placed as collateral is DKK 2,389 thousand.

The Company has provided a guarantee for the parent company's debt to its banks.

The balances with the parent company have been assigned to the Company's bank.

#### 13 Related parties

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Jacob Jensen Holding A/S	Hejlskov, Denmark	Erhvervsstyrelsen