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KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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Ole Lynggaard Retail Danmark ApS

Hellerupvej 15 B, 2900 Hellerup

Company reg. no. 31 47 57 08

Annual report

1 January - 31 December 2022

The annual report has been submitted and approved by the general meeting on the 15 May 2023.

Søren Lynggaard
Chairman of the meeting



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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



Management's statement

Today, the Managing Director has approved the annual report of Ole Lynggaard Retail Danmark ApS for the financial year 1 January - 31 December 2022.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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

We recommend that the annual report be approved at the Annual General Meeting.

Hellerup, 15 May 2023

Managing Director

Søren Ole Lynggaard



Independent auditor's report

To the Shareholder of Ole Lynggaard Retail Danmark ApS

Opinion

We have audited the financial statements of Ole Lynggaard Retail Danmark ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under 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 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 Management's Review

Management is responsible for Management's Review.

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



Independent auditor's report

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

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

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 15 May 2023

Christensen Kjarulff

Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Torben Laurentz Wiberg

State Authorised Public Accountant
mne11651



Company information

The company	Ole Lynggaard Retail Danmark ApS Hellerupvej 15 B 2900 Hellerup
	Company reg. no. 31 47 57 08 Established: 29 May 2008 Domicile: Hellerup Financial year: 1 January - 31 December
Managing Director	Søren Ole Lynggaard
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø
Parent company	Ole Lynggaard A/S Hellerup



Management's review

Description of key activities of the company

The principal activities of the company are retail sales of Ole Lynggaard Copenhagen jewellery in Denmark.

Development in activities and financial matters

The gross profit for the year totals DKK 11.242 thousand against DKK 15.050 thousand last year. Income or loss from ordinary activities after tax totals DKK 1.859 thousand against DKK 6.276 thousand last year. Management considers the net profit or loss for the year satisfactory.

Expected developments

Modest growth was expected in 2022 driven by organic growth in existing stores but with great uncertainty about the late effects of the pandemic and the war in Europe. We experienced a small growth in turnover and income after tax compared to 2021, however not quite as high as expected.

This year, we are facing new challenges with inflation and energy crisis. It is impossible to predict the impact, but we expect a gross profit between DKK 13.000 and 15.000 thousand, and income from ordinary activities after tax between DKK 2.000 and 4.000 thousand.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.



Income statement 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	11.242	15.050
1 Staff costs	-8.186	-6.853
Depreciation and impairment of property, land, and equipment	-411	-300
Operating profit	2.645	7.897
Other financial income	65	247
2 Other financial expenses	-326	-94
Pre-tax net profit or loss	2.384	8.050
Tax on net profit or loss for the year	-525	-1.774
Net profit or loss for the year	1.859	6.276
Proposed distribution of net profit:		
Dividend for the financial year	1.850	10.000
Transferred to retained earnings	9	0
Allocated from retained earnings	0	-3.724
Total allocations and transfers	1.859	6.276

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Balance sheet at 31 December

DKK thousand.

Assets			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Non-current assets			
3	Plant and machinery	135	218
4	Other fixtures, fittings, tools and equipment	1.273	1.311
	Total property, plant, and equipment	1.408	1.529
	Total non-current assets	1.408	1.529
Current assets			
	Manufactured goods and goods for resale	11.802	11.813
	Total inventories	11.802	11.813
	Trade receivables	0	603
	Deferred tax assets	0	8
	Other receivables	45	482
	Prepayments	202	146
	Total receivables	247	1.239
	Cash and cash equivalents	2.897	14.555
	Total current assets	14.946	27.607
	Total assets	16.354	29.136

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Balance sheet at 31 December

DKK thousand.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity and liabilities		
Equity		
Contributed capital	125	125
Retained earnings	10.423	10.414
Proposed dividend for the financial year	1.850	10.000
Total equity	12.398	20.539
Provisions		
Provisions for deferred tax	23	0
Other provisions	155	227
Total provisions	178	227
Liabilities other than provisions		
5 Other payables	0	420
Total long term liabilities other than provisions	0	420
Prepayments received from customers	981	893
Trade payables	254	164
Payables to group enterprises	1.201	3.983
Income tax payable	493	1.705
Other payables	849	1.205
Total short term liabilities other than provisions	3.778	7.950
Total liabilities other than provisions	3.778	8.370
Total equity and liabilities	16.354	29.136

6 Contingencies



Statement of changes in equity

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the financial year</u>	<u>Total</u>
Equity 1 January 2021	125	14.138	0	14.263
Profit or loss for the year brought forward	0	-3.724	10.000	6.276
Equity 1 January 2022	125	10.414	10.000	20.539
Distributed dividend	0	0	-10.000	-10.000
Profit or loss for the year brought forward	0	9	1.850	1.859
	125	10.423	1.850	12.398



Notes

DKK thousand.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	7.563	6.424
Pension costs	509	339
Other costs for social security	37	30
Other staff costs	77	60
	<u>8.186</u>	<u>6.853</u>
Average number of employees	<u>12</u>	<u>13</u>
2. Other financial expenses		
Financial costs, group enterprises	215	6
Other financial costs	111	88
	<u>326</u>	<u>94</u>
3. Plant and machinery		
Cost 1 January 2022	631	1.840
Additions during the year	22	165
Disposals during the year	0	-1.374
	<u>653</u>	<u>631</u>
Depreciation and write-down 1 January 2022	-413	-1.687
Depreciation for the year	-105	-98
Reversal of depreciation, amortisation and writedown, assets disposed of	0	1.372
	<u>-518</u>	<u>-413</u>
Carrying amount, 31 December 2022	<u>135</u>	<u>218</u>



Notes

DKK thousand.

	<u>31/12 2022</u>	<u>31/12 2021</u>
4. Other fixtures, fittings, tools and equipment		
Cost 1 January 2022	2.322	3.356
Additions during the year	269	1.472
Disposals during the year	<u>-380</u>	<u>-2.506</u>
Cost 31 December 2022	<u>2.211</u>	<u>2.322</u>
Depreciation and write-down 1 January 2022	-1.011	-3.316
Depreciation for the year	-307	-201
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>380</u>	<u>2.506</u>
Depreciation and write-down 31 December 2022	<u>-938</u>	<u>-1.011</u>
Carrying amount, 31 December 2022	<u>1.273</u>	<u>1.311</u>
5. Other payables		
Total other payables	<u>0</u>	<u>420</u>
Share of liabilities due after 5 years	<u>0</u>	<u>420</u>

6. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into two lease agreements for commercial premises. The leases have 6 months to maturity. The total outstanding lease payments amount to DKK 1.581 thousand at 31 December 2022.

Joint taxation

With Ole Lynggaard A/S, company reg. no 83024917 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability to joint taxation is stated in the annual report of the parent company, why we refer to it.



Notes

DKK thousand.

6. Contingencies (continued)

Joint taxation (continued)

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.



Accounting policies

The annual report for Ole Lynggaard Retail Danmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.



Accounting policies

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from debt and transactions in foreign currency, as well as surcharges and reimbursements under the advance Danish tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.



Accounting policies

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Plant and machinery	3-10 years	0 %
Other fixtures and fittings, tools and equipment	5 years	0 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.



Accounting policies

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.



Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Ole Lynggaard Retail Danmark ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions comprise expected costs for return goods Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.



Accounting policies

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Søren Ole Lynggaard

Navnet returneret af dansk MitID var:

Søren Ole Lynggaard

Direktør

ID: e45ec579-2443-45d8-95bb-19464ab6a073

Tidspunkt for underskrift: 16-05-2023 kl.: 14:23:20

Underskrevet med MitID



Torben Laurentz Wiberg

Navnet returneret af dansk NemID var:

Victor Torben Laurentz Wiberg

Revisor

ID: 1297678658811

Tidspunkt for underskrift: 22-05-2023 kl.: 21:38:28

Underskrevet med NemID

NEM ID

Søren Ole Lynggaard

Navnet returneret af dansk MitID var:

Søren Ole Lynggaard

Dirigent

ID: e45ec579-2443-45d8-95bb-19464ab6a073

Tidspunkt for underskrift: 23-05-2023 kl.: 09:55:16

Underskrevet med MitID



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