

# BERING

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## BERING Time ApS

Skrænten 34, 6200 Aabenraa

CVR no. 32 44 57 64

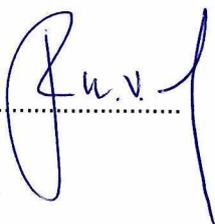
## Annual report 2019

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Approved at the Company's annual general meeting on 30 April 2020

Chairman:

.....  
Frank Waller

A handwritten signature in blue ink, appearing to read 'F. Waller', is written over a horizontal dotted line. The signature is stylized and extends below the line.

## Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes to the financial statements	12

## Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of BERING Time ApS for the financial year 1 January - 31 December 2019.

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

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

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Aabenraa, 30 April 2020  
Executive Board:

.....  
Michael Witt Johansen

.....  
Frank Waller

## Independent auditor's report

To the shareholders of BERING Time ApS

### Opinion

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

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

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

Aabenraa, 30 April 2020  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Jon Midtgaard  
State Authorised Public Accountant  
mne28657

## Management's review

### Company details

Name	BERING Time ApS
Address, Postal code, City	Skrænten 34, 6200 Aabenraa
CVR no.	32 44 57 64
Established	1 September 2009
Registered office	Aabenraa
Financial year	1 January - 31 December
Website	<a href="http://www.beringtime.com">www.beringtime.com</a>
E-mail	<a href="mailto:info@beringtime.com">info@beringtime.com</a>
Telephone	+45 88 16 90 90
Executive Board	Michael Witt Johansen Frank Waller
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Skibbroen 16, 6200 Aabenraa, Denmark

## Management's review

### Financial highlights

DKK'000	2019	2018	2017	2016	2015
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#### Key figures

Revenue	284,453	268,837	333,135	286,793	259,528
Gross profit	18,177	15,254	15,784	21,365	34,684
Operating profit/loss	10,160	9,759	11,999	10,325	12,845
Net financials	-1,503	-1,924	-6,533	-4,052	-1,727
Profit for the year	7,676	6,689	5,167	4,885	8,433

Total assets	227,058	211,206	206,902	149,729	130,534
Equity	50,244	42,568	35,888	30,720	25,834

#### Financial ratios

Operating margin	3.6%	3.6%	3.6%	3.6 %	4.9 %
Gross margin	6.4%	5.7%	4.7%	7.4%	13.4%
Equity ratio	22.1%	20.2%	17.3%	20.5%	19.8%
Return on equity	16.5%	17.1%	15.5%	17.3%	39.0%

Average number of employees	8	6	7	11	13
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Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

## Management's review

### Business review

BERING Time ApS is a design enterprise whose activities comprise the sale of wrist watches and jewellery.

BERING Time ApS presents a series of watches and jewellery that blend minimalistic Danish design and optimal material strength. HighTech ceramic and sapphire glass make the watches extremely tough and uniquely resistant. Time leaves no trace on the streamlined forms and pure elegance of the watches. A brand that redefines time with its love for detail.

### Financial review

The income statement for 2019 shows a profit of DKK 7,676 thousand against a profit of DKK 6,689 thousand last year, and the balance sheet at 31 December 2019 shows equity of DKK 50,244 thousand.

Bering Time has realised a growth in revenue of 6% compared to last year. The growth is in particular in mature markets and is considered satisfactory.

The positive sales development has been created in a declining overall market. At the same time, organic growth has been created in the main market due to product development and increased marketing. It shows that the chosen market strategy is right.

The results in 2019 are considered satisfactory and in line with expectations.

### Special risks

Because of the current global outbreak of coronavirus (Covid-19), we see a substantial, short-term negative impact on demand in the markets for wrist watches and jewelry. This is a consequence of the spread of coronavirus in all the company's markets. Several retailers have been forced to close their shops for a period and the buying behavior is in general reduced under times with increased uncertainty.

The impact on the company's operations and financial position for financial year 2020 will depend on the length and scope of the virus-outbreak.

### Events after the balance sheet date

In general Bering Time has realized results in January and February 2020 in line with expectations. However, from beginning of March 2020 revenue has dropped significantly due to the coronavirus as described above. Management has taken a number of actions to reduce costs, incl. to take advantage of compensation initiatives introduced by government.

The impact on the company's operations and financial position for financial year 2020 will depend on the length and scope of the virus-outbreak, which is still uncertain at the date of this annual report.

### Outlook

Due to the current situation and the changed outlook for our markets, we expect a significant negative impact on our business and financial performance in the coming months. Thus, revenue and results for 2020 is expected to be reduced significantly compared to 2019. Given the rapid developments in many of our markets, we are currently unable to accurately assess the magnitude of this short-term impact, and we are not able to give an outlook for 2020 at this time. However, management believes that Bering Time has a strong financial position and available credit facilities in place to get the company well through these times of increased uncertainty.

### Other matters

The Company's employees have a thorough knowledge of the market and have shown a particular ability to develop a unique product programme. Upgrading of employees is made on an ongoing basis. The Company does not perform research and development activities, and the influence of the external environment is not regarded as material.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2019	2018
	Revenue	284,453	268,837
	Cost of sales	-173,132	-170,100
	Other operating income	80	0
	Other external expenses	-93,224	-83,483
	Gross profit	18,177	15,254
3	Staff costs	-5,929	-4,881
	Amortisation/depreciation and impairment losses	-2,008	-614
	Profit before net financials	10,240	9,759
	Income from investments in group entities	888	600
4	Financial income	3,514	3,450
5	Financial expenses	-5,017	-5,374
	Profit before tax	9,625	8,435
6	Tax for the year	-1,949	-1,746
	Profit for the year	<u>7,676</u>	<u>6,689</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2019	2018
	ASSETS		
	Fixed assets		
7	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	5,929	3,106
		<u>5,929</u>	<u>3,106</u>
8	Investments		
	Investments in group entities, net asset value	2,651	1,763
	Other receivables	800	800
		<u>3,451</u>	<u>2,563</u>
	Total fixed assets	<u>9,380</u>	<u>5,669</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	92,338	84,245
	Prepayments for goods	1,220	1,282
		<u>93,558</u>	<u>85,527</u>
	Receivables		
	Trade receivables	65,242	56,864
	Receivables from group entities	52,094	27,529
	Other receivables	2,310	2,867
	Prepayments	1,442	1,118
		<u>121,088</u>	<u>88,378</u>
	Cash	3,032	31,632
	Total non-fixed assets	<u>217,678</u>	<u>205,537</u>
	TOTAL ASSETS	<u><u>227,058</u></u>	<u><u>211,206</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2019	2018
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	125	125
	Net revaluation reserve according to the equity method	2,465	1,577
	Retained earnings	47,654	40,866
	Total equity	<u>50,244</u>	<u>42,568</u>
	Provisions		
10	Deferred tax	194	221
	Warranty commitments	698	702
12	Total provisions	<u>892</u>	<u>923</u>
	Liabilities other than provisions		
11	Non-current liabilities other than provisions		
	Other payables	164	0
		<u>164</u>	<u>0</u>
	Current liabilities other than provisions		
	Bank debt	23,298	14
	Prepayments received from customers	50	17
	Trade payables	10,723	14,617
	Payables to group entities	136,188	150,149
	Payables to associates	0	311
	Other payables	5,499	2,607
		<u>175,758</u>	<u>167,715</u>
	Total liabilities other than provisions	<u>175,922</u>	<u>167,715</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>227,058</u></u>	<u><u>211,206</u></u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 13 Contractual obligations and contingencies, etc.
- 14 Collateral
- 15 Currency and interest rate risks and use of derivative financial instruments
- 16 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 January 2019	125	1,577	40,866	42,568
17	Transfer, see "Appropriation of profit"	0	888	6,788	7,676
	Equity at 31 December 2019	125	2,465	47,654	50,244

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of BERING Time ApS for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

In accordance with section 112(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.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Bering Group ApS.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Foreign currency translation

Transactions denominated in foreign currencies are translated to Danish Kroner at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at 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 to Danish Kroner at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets or liabilities are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

#### Income statement

##### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods and finished goods, which includes the sale of wrist watches and jewellery, is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

The date of transition of the principal advantages and risks is based on standardised delivery terms on the basis of Incoterms® 2010.

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.

#### Other operating income

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

#### 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
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#### 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 entity is jointly taxed with other group entities. 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.

## 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.

##### 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.

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

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

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

##### 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 necessary 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, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Investments - Other receivables includes subordinated loan, where creditor has indicated willingness to step back in favor of other creditors.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The objective indicators used for portfolios are determined based on historical loss experience.

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Prepayments

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

##### 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 and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

##### Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

##### Provisions

Provisions comprise expected expenses relating to litigations/disputes raised against the company. Provisions are recognised when the company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Warranty commitments include expenses for remedial action in respect of the sales of watches and jewelry within the warranty period of 3 years. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience. Provisions that are expected to mature more than one year after the balance sheet date are discounted at average bond yields.

##### Income taxes

Current tax payable and receivable is recognised in the balance sheet under receivables/payables to Group entities, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value 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.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

Other liabilities are measured at net realisable value.

##### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Gross margin ratio	$\frac{\text{Gross margin} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

#### 2 Events after the balance sheet date

Because of the current global outbreak of coronavirus (Covid-19), we see a substantial, short-term negative impact on demand in the markets for wrist watches and jewelry. We expect a significant negative impact on our business and financial performance in the coming months. Thus, revenue and results for 2020 is expected to be reduced significantly compared to 2019. Management has taken a number of actions to reduce costs, incl. to take advantage of compensation initiatives introduced by government.

The impact on the company's operations and financial position for financial year 2020 will depend on the length and scope of the virus-outbreak, which is still uncertain at the date of this annual report. However, management believes that Bering Time has a strong financial position and available credit facilities in place to get the company well through these times of increased uncertainty.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2019	2018
3 Staff costs		
Wages/salaries	5,523	4,520
Pensions	268	229
Other social security costs	67	44
Other staff costs	71	88
	<u>5,929</u>	<u>4,881</u>
Average number of full-time employees	<u>8</u>	<u>6</u>
By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
4 Financial income		
Interest receivable, group entities	1,437	847
Other interest income	16	46
Exchange adjustments	2,061	2,557
	<u>3,514</u>	<u>3,450</u>
5 Financial expenses		
Interest expenses, group entities	4,805	5,209
Interest expenses, associates	8	0
Other interest expenses	204	165
	<u>5,017</u>	<u>5,374</u>
DKK'000	2019	2018
6 Tax for the year		
Estimated tax charge for the year	1,976	1,644
Deferred tax adjustments in the year	-27	102
	<u>1,949</u>	<u>1,746</u>
7 Property, plant and equipment		
DKK'000		Other fixtures and fittings, tools and equipment
Cost at 1 January 2019		4,455
Additions in the year		4,831
Disposals in the year		-360
Cost at 31 December 2019		<u>8,926</u>
Impairment losses and depreciation at 1 January 2019		1,349
Amortisation/depreciation in the year		2,008
Reversal of amortisation/depreciation and impairment of disposals		-360
Impairment losses and depreciation at 31 December 2019		<u>2,997</u>
Carrying amount at 31 December 2019		<u>5,929</u>
Depreciated over		<u>2-5 years</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 8 Investments

DKK'000	Investments in group entities, net asset value	Other receivables	Total
Cost at 1 January 2019	186	800	986
Cost at 31 December 2019	186	800	986
Value adjustments at 1 January 2019	1,577	0	1,577
Share of the profit/loss for the year	888	0	888
Value adjustments at 31 December 2019	2,465	0	2,465
Carrying amount at 31 December 2019	2,651	800	3,451

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries					
Bering Time	GmbH	Düsseldorf, Germany	100.00%	2,651	888

DKK'000	2019	2018
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#### 9 Share capital

Analysis of the share capital:

125 shares of DKK 1,000.00 nominal value each	125	125
	125	125

No shares have special rights.

The Company's share capital has remained DKK 125 thousand over the past 5 years.

#### 10 Deferred tax

Provision relating to deferred tax includes deferred tax regarding property, plant and equipment. It is expected that DKK 0 thousand of the deferred tax recognised at 31 December 2019 is realised as current tax in 2020.

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

DKK'000	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	164	0	164	0
	164	0	164	0

#### 12 Provisions

Other provisions comprise provisions for warranty commitments, totalling DKK 698 thousand. Warranty provisions relate to expected warranty expenses in accordance with usual guarantee commitments applicable to the sale of goods. The obligation is expected to be settled over the warranty period, which is up to three years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

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

##### Other contingent liabilities

Bering Time ApS is party to a few pending legal actions. In Management's opinion, the outcome of these legal actions will not affect the company's financial position apart from the receivables and payables recognised in the balance sheet at 31 December 2019.

The Company is jointly taxed with its parent, BERING Group ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

##### Other financial obligations

The Company has entered into rent agreements with terms of 3 months. The total residual lease liability amounts to DKK 37 thousand.

The company has entered into lease agreements with terms up to 60 months with a residual liability of DKK 866 thousand.

#### 14 Collateral

As security for the Company's debt to banks, 23,298 thousand DKK, the Company has provided security or other collateral in its assets for a total amount of thousand DKK 36,602. The total carrying amount of these assets are DKK 164.729 thousand.

#### 15 Currency and interest rate risks and use of derivative financial instruments

Bering Time ApS currency risk primarily relates to purchases from Far East in USD.

The parent company Bering Group ApS relies on hedging instruments to hedge recognised and non-recognised purchase transactions at group level.

Thus, Bering Time ApS has no hedging instruments on standalone basis.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 16 Related parties

BERING Time ApS' related parties comprise the following:

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
BERING GROUP ApS	Skænten 34, 6200 Aabenraa	Participating interest

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
BERING Group ApS	Skrænten 34, 6200 Aabenraa	BERING Group ApS, Skrænten 34, 6200 Aabenraa

##### Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

DKK'000	<u>2019</u>	<u>2018</u>
17 Appropriation of profit		
Recommended appropriation of profit		
Net revaluation reserve according to the equity method	888	600
Retained earnings	<u>6,788</u>	<u>6,089</u>
	<u>7,676</u>	<u>6,689</u>