



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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Ole Lynggaard Retail Sverige ApS

Hellerupvej 15 B, 2900 Hellerup

Company reg. no. 32 83 58 80

Annual report

1 January - 31 December 2015

The annual report has been submitted and approved by the general meeting on the 20 April 2016.

Søren Lynggaard
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.



Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's reports	2
Management's review	
Company data	4
Management's review	5
Annual accounts 1 January - 31 December 2015	
Profit and loss account	6
Balance sheet	7
Notes	9



Management's report

The managing director has today presented the annual report of Ole Lynggaard Retail Sverige ApS for the financial year 1 January to 31 December 2015.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Hellerup, 22 March 2016

Managing Director

Søren Ole Lynggaard



Independent auditor's reports

To the shareholder of Ole Lynggaard Retail Sverige ApS

Report on the annual accounts

We have audited the annual accounts of Ole Lynggaard Retail Sverige ApS for the financial year 1 January to 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as it determines necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

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

The audit has not resulted in any qualification.



Independent auditor's reports

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Copenhagen, 22 March 2016

Christensen Kjarulff

Statsautoriseret Revisionsaktieselskab
CVR-nr. 15 91 56 41



Torben Laurentz Wiberg
State Authorised Public Accountant



Company data

The company

Ole Lynggaard Retail Sverige ApS
Hellerupvej 15 B
2900 Hellerup

Company reg. no.: 32 83 58 80

Financial year: 1 January - 31 December

Managing Director

Søren Ole Lynggaard

Auditors

Christensen Kjørulff Statsautoriseret Revisionsaktieselskab

Parent company

Ole Lynggaard Retail Holding ApS



Management's review

Principal activities

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

Development in activities and financial matters

The gross profit for the year is DKK 4.610.000 against DKK 3.337.000 last year. The results from ordinary activities after tax are DKK 57.000 against DKK 219.000 last year. The management considers the results satisfactory.

The company's cash and cash equivalents have decreased by DKK 236.000, i.e. from DKK 1.645.000 to DKK 1.409.000.

The development of the company's activities and financial conditions are shown in the following profit and loss account and balance sheet. Similar results are expected in the following financial year.

Events subsequent to 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.



Profit and loss account 1 January - 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

Note	2015	2014
Gross profit	4.610.470	3.337
1 Staff costs	-3.874.726	-2.967
Depreciation and amortisation of tangible and intangible fixed assets	-657.799	-130
Results before net financials	77.945	240
Other financial income	3.508	0
2 Other financial costs	-3.480	-8
Results before tax	77.973	232
Tax of the results for the year	-21.442	-13
Results for the year	56.531	219
Proposed distribution of the results:		
Allocated to results brought forward	56.531	219
Distribution in total	56.531	219



Balance sheet 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Assets		
Fixed assets		
3 Software	19.749	38
4 Acquired concessions, patents, licenses, trademarks and similar rights	1.552.849	1.728
Intangible fixed assets in total	<u>1.572.598</u>	<u>1.766</u>
5 Production plant and machinery	92.823	47
6 Leasehold improvement	1.808.160	201
Tangible fixed assets in total	<u>1.900.983</u>	<u>248</u>
Fixed assets in total	<u>3.473.581</u>	<u>2.014</u>
Current assets		
Trade debtors	125.292	62
Accrued income and deferred expenses	121.922	187
Debtors in total	<u>247.214</u>	<u>249</u>
Cash funds	<u>1.408.687</u>	<u>1.645</u>
Current assets in total	<u>1.655.901</u>	<u>1.894</u>
Assets in total	<u>5.129.482</u>	<u>3.908</u>



Balance sheet 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Equity and liabilities		
Equity		
7 Share capital	80.000	80
8 Results brought forward	244.939	169
Equity in total	324.939	249
Provisions		
Provisions for deferred tax	66.274	43
Provisions in total	66.274	43
Liabilities		
Prepayments received from customers	227.855	83
Trade creditors	743.965	1.762
Debt to group enterprises	2.186.623	280
Other liabilities	1.579.826	1.491
Short-term liabilities in total	4.738.269	3.616
Liabilities in total	4.738.269	3.616
Equity and liabilities in total	5.129.482	3.908

9 Contingencies



Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>2015</u>	<u>2014</u>
1. Staff costs		
Salaries and wages	2.698.373	2.245
Pension costs	275.250	46
Other costs for social security	855.953	633
Other staff costs	45.150	43
	<u>3.874.726</u>	<u>2.967</u>
Average number of employees	<u>6</u>	<u>6</u>
2. Other financial costs		
Interest, group enterprises	0	8
Other interest costs	3.480	0
	<u>3.480</u>	<u>8</u>
3. Software		
Cost 1 January 2015	118.182	126
Translation by use of the exchange rate valid on balance sheet date 31 December 2015	4.002	-8
Cost 31 December 2015	<u>122.184</u>	<u>118</u>
Amortisation and writedown 1 January 2015	-79.978	-65
Translation by use of the exchange rate valid on balance sheet date 31 December 2015	-2.708	5
Amortisation for the year	-19.749	-20
Amortisation and writedown 31 December 2015	<u>-102.435</u>	<u>-80</u>
Book value 31 December 2015	<u>19.749</u>	<u>38</u>



Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
4. Acquired concessions, patents, licenses, trademarks and similar rights		
Cost 1 January 2015	1.728.320	0
Translation by use of the exchange rate valid on balance sheet date 31 December 2015	58.520	0
Additions during the year	<u>0</u>	<u>1.728</u>
Cost 31 December 2015	<u>1.786.840</u>	<u>1.728</u>
Amortisation for the year	<u>-233.991</u>	<u>0</u>
Amortisation and writedown 31 December 2015	<u>-233.991</u>	<u>0</u>
Book value 31 December 2015	<u>1.552.849</u>	<u>1.728</u>
5. Production plant and machinery		
Cost 1 January 2015	445.797	474
Translation by use of the exchange rate valid on balance sheet date 31 December 2015	15.094	-28
Additions during the year	<u>109.204</u>	<u>0</u>
Cost 31 December 2015	<u>570.095</u>	<u>446</u>
Depreciation and writedown 1 January 2015	-399.187	-350
Translation by use of the exchange rate valid on balance sheet date 31 December 2015	-13.516	28
Depreciation for the year	<u>-64.569</u>	<u>-77</u>
Depreciation and writedown 31 December 2015	<u>-477.272</u>	<u>-399</u>
Book value 31 December 2015	<u>92.823</u>	<u>47</u>



Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
6. Leasehold improvement		
Cost 1 January 2015	350.214	373
Translation by use of the exchange rate valid on balance sheet date 31 December 2015	11.858	-22
Additions during the year	1.952.227	0
Disposals during the year	-362.071	0
Cost 31 December 2015	<u>1.952.228</u>	<u>351</u>
Depreciation and writedown 1 January 2015	-149.798	-122
Translation by use of the exchange rate valid on balance sheet date	-5.072	9
Depreciation for the year	-153.209	-37
Reversal of depreciation, amortisation and writedown, assets disposed of	164.011	0
Depreciation and writedown 31 December 2015	<u>-144.068</u>	<u>-150</u>
Book value 31 December 2015	<u>1.808.160</u>	<u>201</u>
7. Share capital		
Share capital 1 January 2015	80.000	80
	<u>80.000</u>	<u>80</u>
8. Results brought forward		
Results brought forward 1 January 2015	168.924	-2
Profit or loss for the year brought forward	56.531	219
Adjustment exchange rate from SEK	19.484	-48
	<u>244.939</u>	<u>169</u>



Notes

9. Contingencies

Contingent liabilities

The company has entered into a lease agreement concerning a store in Stockholm. The lease agreement includes an interminable period corresponding to a commitment of DKK 1.169 thousand at 31 December 2015.

Operational leasing

The company has entered into an operational leasing contract. The leasing contract has a residual maturity of 27 months and a total outstanding payment of DKK 127 thousand.

Joint taxation

Ole Lynggaard Retail ApS being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The liability relating to obligations in connection with corporation tax represents an estimated maximum of DKK 1.256 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.



Accounting policies used

The annual report for Ole Lynggaard Retail Sverige ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

All assets and liabilities are measured at balance sheet date. The difference between the closing rate and the rate at the time of the recognition of the asset/liability is recognised directly in equity

The profit and loss account

Gross profit

The gross profit comprises the net turnover, other operating income, and external costs.



Accounting policies used

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials include interest income and interest expenses Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation of the parent company and the Danish subsidiaries. Income related to the permanent establishment in Sweden is taxable in Sweden and is irrelevant for the Danish income. It has been estimated that the total income of the company is allocated to the permanent establishment in Sweden, as the company has activities in Sweden only.

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

External development costs from software are measured at cost with deduction of accrued amortisation. Development costs from software are amortised on a straight-line basis over the estimated financial useful life which is estimated at 8 years from commencement of use of the system in the company.



Accounting policies used

Acquired concessions, patents, licenses, trademarks and similar rights are measured at cost with deduction of accrued amortisation. Acquired concessions, patents, licenses, trademarks and similar rights are amortised on a straight-line basis over the estimated financial useful life which is estimated at 7 years.

Gain and loss from the sale of software and acquired concessions, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under amortisation.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

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

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

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Technical plants and machinery	3 -5 years
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Minor assets with an expected useful life of less than 1 year or a cost of less than DKK 13 thousand are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Decoration of rented premises

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 10 years.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.



Accounting policies used

Available funds

Available funds comprise cash at bank and in hand.

Equity - dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Ole Lynggaard Retail Sverige ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.