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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 2020

The annual report has been submitted and approved by the general meeting on the 10 March 2021.

Søren Lynggaard
Chairman of the meeting

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 %.



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Management's report

Today, the managing director has presented the annual report of Ole Lynggaard Retail Sverige ApS for the financial year 1 January - 31 December 2020.

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

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Hellerup, 8 March 2021

Managing Director

Søren Ole Lynggaard



Independent auditor's report

To the shareholder of Ole Lynggaard Retail Sverige ApS

Opinion

We have audited the financial statements of Ole Lynggaard Retail Sverige ApS for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.



Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 8 March 2021

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 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 Kjærulff
Statsautoriseret Revisionsaktieselskab
Store Kongensgade 68
1264 København K

Parent company

Ole Lynggaard A/S
Hellerup



Management commentary

The principal activities of the company

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

Development in activities and financial matters

The gross profit for the year totals DKK 3.228 thousand against DKK 3.536 thousand last year. Income or loss from ordinary activities after tax totals DKK -50 thousand against DKK -31 thousand last year. The management considers the result for the year satisfactory, given the COVID-19 impact.

Expected developments

Modest growth was expected in 2020 driven by organic growth in existing store and market, however the COVID-19 crisis has impacted the company, resulting in challenges on both top and bottom line.

Since March 2020, the company has implemented measures to ensure the safety and health of the employees. These measures include increased focus on intrapersonal distance and hygiene in the store as well as reduced number of simultaneous customers.

The political restrictions on travelling and shopping possibilities for the consumer are still challenging the business. Looking into 2021 we hope for more openness of our business and a small growth in turnover compared to 2020. The expectations for 2021 are extremely uncertain because of COVID-19, but we expect a gross profit between DKK 3.000 and DKK 4.000 thousand, and income from ordinary activities after tax between DKK 0 and DKK 500 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>2020</u>	<u>2019</u>
Gross profit	3.228	3.536
1 Staff costs	-2.711	-2.956
Depreciation, amortisation, and impairment	-408	-438
Operating profit	109	142
Other financial income	26	18
2 Other financial costs	-176	-154
Pre-tax net profit or loss	-41	6
Tax on net profit or loss for the year	-9	-37
Net profit or loss for the year	-50	-31
Proposed appropriation of net profit:		
Allocated from retained earnings	-50	-31
Total allocations and transfers	-50	-31



Statement of financial position at 31 December

DKK thousand.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Assets		
Non-current assets		
3 Concessions, patents, licenses, trademarks, and similar rights acquired	251	468
Total intangible assets	251	468
4 Plant and machinery	0	11
5 Other fixtures and fittings, tools and equipment	766	916
Total property, plant, and equipment	766	927
Total non-current assets	1.017	1.395
Current assets		
Manufactured goods and goods for resale	4.503	3.932
Total inventories	4.503	3.932
Trade receivables	142	95
Other receivables	7	3
Prepayments and accrued income	94	89
Total receivables	243	187
Cash on hand and demand deposits	2.858	2.452
Total current assets	7.604	6.571
Total assets	8.621	7.966



Statement of financial position at 31 December

DKK thousand.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity and liabilities		
Equity		
Contributed capital	80	80
Retained earnings	709	652
Total equity	789	732
Provisions		
Provisions for deferred tax	171	157
Total provisions	171	157
Liabilities other than provisions		
Prepayments received from customers	76	157
Trade payables	46	206
Payables to group enterprises	6.369	5.548
Other payables	1.170	1.166
Total short term liabilities other than provisions	7.661	7.077
Total liabilities other than provisions	7.661	7.077
Total equity and liabilities	8.621	7.966

6 Contingencies



Statement of changes in equity

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2019	80	539	619
Profit or loss for the year brought forward	0	-31	-31
Adjustment in Exchange Rate from SEK	0	144	144
Equity 1 January 2020	80	652	732
Profit or loss for the year brought forward	0	-50	-50
Adjustment in Exchange Rate from SEK	0	107	107
Equity 31 December 2020	80	709	789



Notes

DKK thousand.

	<u>2020</u>	<u>2019</u>
1. Staff costs		
Salaries and wages	1.899	2.160
Pension costs	159	126
Other costs for social security	<u>653</u>	<u>670</u>
	<u>2.711</u>	<u>2.956</u>
Average number of employees	<u>5</u>	<u>6</u>
2. Other financial costs		
Financial costs, group enterprises	173	153
Other financial costs	<u>3</u>	<u>1</u>
	<u>176</u>	<u>154</u>
3. Concessions, patents, licenses, trademarks, and similar rights acquired		
Cost 1 January 2020	1.574	1.598
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	<u>53</u>	<u>-24</u>
Cost 31 December 2020	<u>1.627</u>	<u>1.574</u>
Amortisation and writedown 1 January 2020	-1.106	-894
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	-47	10
Amortisation for the year	<u>-223</u>	<u>-222</u>
Amortisation and writedown 31 December 2020	<u>-1.376</u>	<u>-1.106</u>
Carrying amount, 31 December 2020	<u>251</u>	<u>468</u>



Notes

DKK thousand.

	<u>31/12 2020</u>	<u>31/12 2019</u>
4. Plant and machinery		
Cost 1 January 2020	581	590
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	<u>20</u>	<u>-9</u>
Cost 31 December 2020	<u>601</u>	<u>581</u>
Depreciation and writedown 1 January 2020	-570	-535
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	-20	7
Depreciation for the year	<u>-11</u>	<u>-42</u>
Depreciation and writedown 31 December 2020	<u>-601</u>	<u>-570</u>
Carrying amount, 31 December 2020	<u>0</u>	<u>11</u>
5. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	1.738	1.765
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	<u>59</u>	<u>-27</u>
Cost 31 December 2020	<u>1.797</u>	<u>1.738</u>
Amortisation and writedown 1 January 2020	-822	-656
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	-35	8
Depreciation for the year	<u>-174</u>	<u>-174</u>
Amortisation and writedown 31 December 2020	<u>-1.031</u>	<u>-822</u>
Carrying amount, 31 December 2020	<u>766</u>	<u>916</u>
6. Contingencies		
Contingent liabilities		
Lease 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 180 thousand at 31 December 2020.		



Notes

DKK thousand.

6. Contingencies (continued)

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

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 Sverige 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, writedowns 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.

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.

Foreign currency translation

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. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods and external costs.

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. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.



Accounting policies

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

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

Other external costs comprise costs 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. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

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 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.

Statement of financial position

Intangible 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.

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.



Accounting policies

Profit and loss from the sale of software and acquired concessions, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement under amortisation and writedown for impairment.

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown 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.

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 or a cost of less than DKK 14 thousand 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 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.



Accounting policies

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. Writedown 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.

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 market 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.

Prepayments and accrued income

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

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

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.



Accounting policies

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 "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Ole Lynggaard Retail Sverige 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.

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.

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Søren Ole Lynggaard

Direktør

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