CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB
ØSTBANEGADE 123
2100 KØBENHAVN Ø

CVR: 15 91 56 41
TLF: 33 30 15 15
E-MAIL: CK@CK.DK
WEB: WWW.CK.DK

Ole Lynggaard Retail Sverige ApS

Hellerupvej 15 B, 2900 Hellerup

Company reg. no. 32 83 58 80

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 Ole Lynggaard
Chairman of the meeting

Contents

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 presented the annual report of Ole Lynggaard Retail Sverige ApS for the financial year 1 January - 31 December 2022.

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 2022 and of the company's results of activities in the financial year 1 January – 31 December 2022.

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 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 Sverige ApS

Opinion

We have audited the financial statements of Ole Lynggaard Retail Sverige 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.

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 Kjærulff
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 Østbanegade 123 2100 København Ø	
Parent company	Ole Lynggaard A/S Hellerup	

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 4.549 thousand against DKK 3.973 thousand last year. Income or loss from ordinary activities after tax totals DKK 25 thousand against DKK 376 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 store but with great uncertainty about the late effects of the pandemic and the war in Europe. We experienced a growth in turnover compared to 2021 and our expectations on gross profit were met.

This year, we face new challenges with inflation and energy crisis. It is impossible to predict the impact, but we expect a gross profit between DKK 4.000 and 6.000 thousand, and income from ordinary activities after tax between DKK 500 and 1.000 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.

Note		2022	2021
	Gross profit	**4.549**	**3.973**
1	Staff costs	-3.698	-2.996
	Depreciation, amortisation, and impairment	-454	-448
	Operating profit	**397**	**529**
	Other financial income	16	7
2	Other financial expenses	-348	-102
	Pre-tax net profit or loss	**65**	**434**
	Tax on net profit or loss for the year	-40	-58
	Net profit or loss for the year	**25**	**376**
	Proposed distribution of net profit:		
	Transferred to retained earnings	25	376
	Total allocations and transfers	**25**	**376**

Balance sheet at 31 December

DKK thousand.

Note	Assets	2022	2021
	Non-current assets		
3	Acquired concessions, patents, licenses, trademarks, and similar rights	0	19
	Total intangible assets	0	19
4	Plant and machinery	1.053	1.094
5	Other fixtures and fittings, tools and equipment	363	574
	Total property, plant, and equipment	1.416	1.668
	Total non-current assets	**1.416**	**1.687**
	Current assets		
	Manufactured goods and goods for resale	5.793	5.385
	Total inventories	5.793	5.385
	Trade receivables	0	126
	Other receivables	147	0
	Prepayments and accrued income	126	119
	Total receivables	273	245
	Cash on hand and demand deposits	2.550	3.151
	Total current assets	**8.616**	**8.781**
	Total assets	**10.032**	**10.468**

Balance sheet at 31 December

DKK thousand.

Equity and liabilities

Note		2022	2021
	Equity		
	Contributed capital	80	80
	Retained earnings	1.017	951
	Total equity	**1.097**	**1.031**
	Provisions		
	Provisions for deferred tax	128	160
	Total provisions	**128**	**160**
	Liabilities other than provisions		
	Prepayments received from customers	285	220
	Trade payables	145	138
	Payables to group enterprises	6.950	7.583
	Corporate tax	120	66
	Other payables	1.307	1.270
	Total short term liabilities other than provisions	8.807	9.277
	Total liabilities other than provisions	**8.807**	**9.277**
	Total equity and liabilities	**10.032**	**10.468**
6	**Contingencies**		

Statement of changes in equity

DKK thousand.

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	80	709	789
Profit or loss for the year brought forward	0	376	376
Adjustment in Exchange Rate from SEK	0	-134	-134
Equity 1 January 2022	80	951	1.031
Profit or loss for the year brought forward	0	25	25
Adjustment in Exchange Rate from SEK	0	41	41
	80	**1.017**	**1.097**

DKK thousand.

		2022	2021
1.	**Staff costs**		
	Salaries and wages	2.697	2.194
	Pension costs	142	147
	Other costs for social security	859	655
		3.698	**2.996**
	Average number of employees	5	5
2.	**Other financial expenses**		
	Financial costs, group enterprises	345	98
	Other financial costs	3	4
		348	**102**
3.	**Acquired concessions, patents, licenses, trademarks, and similar rights**		
	Cost 1 January 2022	1.597	1.627
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-126	-30
	Cost 31 December 2022	**1.471**	**1.597**
	Amortisation and writedown 1 January 2022	-1.578	-1.376
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	126	28
	Amortisation for the year	-19	-230
	Amortisation and writedown 31 December 2022	**-1.471**	**-1.578**
	Carrying amount, 31 December 2022	**0**	**19**

DKK thousand.

		31/12 2022	31/12 2021
4.	**Plant and machinery**		
	Cost 1 January 2022	1.221	601
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-96	-11
	Additions during the year	294	1.131
	Disposals during the year	0	-500
	Cost 31 December 2022	**1.419**	**1.221**
	Depreciation and writedown 1 January 2022	-127	-601
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	23	12
	Depreciation for the year	-262	-38
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	500
	Depreciation and writedown 31 December 2022	**-366**	**-127**
	Carrying amount, 31 December 2022	**1.053**	**1.094**
5.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2022	1.764	1.797
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-140	-33
	Cost 31 December 2022	**1.624**	**1.764**
	Amortisation and writedown 1 January 2022	-1.190	-1.031
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	102	21
	Depreciation for the year	-173	-180
	Amortisation and writedown 31 December 2022	**-1.261**	**-1.190**
	Carrying amount, 31 December 2022	**363**	**574**

DKK thousand.

6. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into a lease agreement concerning store and offices in Stockholm. The lease agreement includes an interminable period corresponding to a commitment of DKK 841 thousand at 31 December 2022.

Joint taxation

With Ole Lynggaard Retail ApS, company reg. no 28713355 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 this.

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

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, 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.

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 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.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown 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.

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 less accrued amortisation. Development cost from software are amortised on a straightline basis over the estimated financial useful lifte which is estimated at 8 years from the start of use of the system in the company.

Acquired concessions, patents, licenses and similar rights are measured at cost less accrued amortisation. Acquried concessions, patents, lincenses and similar rights are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 7 years.

Profit and loss from the sale of software, 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 are recognised in the income statement as other operating income or other operating expenses, respectively.

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 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.

Decoration of rented premisis

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

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 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.

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.

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 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.

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.: 14:24:00
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.: 21:37:38
Underskrevet med NemID

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.: 09:54:39
Underskrevet med MitID