BY APPOINTMENT TO
HER MAJESTY THE QUEEN OF DENMARK

GEORG JENSEN

ESTABLISHED 1904

GEORG JENSEN INVESTMENT ApS

CVR: 34 72 08 19
SØNDRE FASANVEJ 7 | DK-2000 FREDERIKSBERG

ANNUAL REPORT 2020

THE ANNUAL REPORT WAS APPROVED AT THE COMPANY'S
ORDINARY GENERAL MEETING HELD ON 9 JUNE 2021
CHAIRMAN OF THE MEETING:

JACOB MELANDER

CONTENS

COMPANY INFORMATION

Company:	Georg Jensen Investment ApS Søndre Fasanvej 7 DK-2000 Frederiksberg Phone: +45 38 14 98 98 Fax: +45 38 14 99 13 Web site: www.georgjensen.com CVR No.: 34 72 08 19 Financial year: 1 January – 31 December Municipality of residence: Frederiksberg
Board of Directors:	Andrea Jayne Davis, Chairman Karl Sebastian Inger, Deputy Chairman David Ching Chi Chu Celine Infeld
Executive Board:	Mehul Tank
Auditor:	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (a Danish limited liability company)

The general meeting will be held on 9 June 2021
at the Company's address.

KEY FIGURES AND FINANCIAL RATIOS

DKK million	2020 IFRS	2019 IFRS	2018 IFRS	2017 IFRS	2016 ÅRL
INCOME STATEMENT					
Revenue	932	1,014	1,041	1,089	1,091
Gross Profit	569	622	652	676	649
EBITDA	151	149	145	146	55
EBIT	-15	-26	-17	-35	-108
Net Financials	-43	-34	-33	-47	-17
Profit for the year	-61	-63	-125	-61	-119
STATEMENT OF FINANCIAL POSITION					
Total assets	1,120	1,110	1,192	1,379	1,127
Invested capital	550	612	669	819	812
Net working capital	172	225	275	290	284
Total Equity	300	396	436	558	625
Net interest-bearing debt	422	381	447	530	185
STATEMENT OF CASH FLOWS					
Cash flow from operating activities	140	180	124	92	53
Investment in tangible assets	10	14	19	21	28
Cash flow from financing activities	-88	-103	-40	-65	-4
Net cash flow for the year	31	41	44	-2	-2

DKK million	2020 IFRS	2019 IFRS	2018 IFRS	2017 IFRS	2016 ÅRL
KEY RATIOS					
Revenue development	-8%	-3%	-4%	0%	-5%
Gross margin	61%	61%	63%	62%	59%
EBITDA margin	16%	15%	14%	13%	5%
EBIT margin	-2%	-3%	-2%	-3%	-10%
Return on equity	-18%	-15%	-55%	-10%	-17%
Equity ratio	27%	36%	37%	40%	55%
Return on invested capital	-3%	-4%	-3%	-4%	-13%
Revenue/invested capital	1.7	1.7	1.6	1.3	1.3
Financial gearing	141%	96%	102%	95%	30%
EMPLOYEES					
Average number of employees	1,080	1,142	1,230	1,287	1,352
NUMBER OF STORES					
Retail stores	100	97	97	106	120

*ÅRL = Danish GAAP The company has implemented IFRS as per January 2017. The comparative figures for 2016 are stated under Danish GAAP. Definition of Key Ratios is on page 25.

HIGHLIGHTS OF 2020

Increasing profitability
In 2020 we managed to continue our journey towards a more profitable Georg Jensen. Despite the arrival of COVID-19 and several forced lockdowns, the Group EBITDA increased by DKK 2.0 million to DKK 151.2 million. EBITDA margin at 16% was improved by 1% point to 2019 and reflected an agile organisation that was able to reduce costs when the topline was negatively impacted by the pandemic.

E-commerce set records
2020 was marked as a year of change, with social distancing and several global lockdowns, which impacted the global retail trade dramatically. We had to temporarily close the majority of our shops across the world, but were able to recoup a meaningful portion of the reduced retail sales through our e-commerce sites online. E-commerce increase by 71% compared to 2019, makes up 17% of total revenue.

Merger of Georg Jensen Investment and Moonlight I B.V.
Moonlight I B.V. has merged with Georg Jensen Investment ApS effective from January 1 2020. The merger resulted in the tresuary shares in Moonlight I B.V. located in Georg Jensen A/S became part of the Georg Jensen Investment consolidation.

On the right path
Georg Jensen Group finished 2020 with a strong fourth quarter, with revenue increased by 6%, compared to Q4 2019. Furthermore EBITDA was improved by DKK 4.3 million in Q4 2020 compared to Q4 2019.

PRODUCT HIGHLIGHTS AND PRODUCT DEVELOPMENT

The product launches of 2020 expanded on the signature balance between strong icons and innovative design at Georg Jensen.

Starting in February, Georg Jensen celebrated the 20th anniversary of the Bloom collection with the introduction of five new pieces expanding on the organic, natural forms of the existing home designs. Helle Damkjær's work in ceramics has informed the soft inviting shapes that continue to add to the Bloom story and led the collection to expansion for years to come. Spring also marked the addition of several new designs inspired by the Sigvard Bernadotte's work for Georg Jensen in the 1930's. Deco references of lines and geometry were the foundation of several contemporary pieces which complemented the iconic Bernadotte thermo carafe and contributed to a larger, more dynamic collection. Bernadotte's design inspiration continues to build a complete and unified world in Home for many different environments.

March marked the return of designer Regitze Overgaard to Georg Jensen with the new Curve collection. Curve explores the sculptural expression of the perfect contour in bold and imaginative ways. The collection is a modern interpretation of strong, mid-century designs which appeals to a fashion customer drawn to statement jewellery in their daily styling. Curve's soft segments of both gold and silver joining in sharp contrast gives it its distinctive look across nearly 20 new pieces. The collection was also the centrepiece of a new brand campaign, Nature. Formed. which premiered in March. The Mercy collection, by Jacqueline Rabun, continued its great success by expanding with 8 new gold and diamond designs that became instant best-sellers. Among them, the gold twist earrings, were quickly emerged as a top-selling gold item online for 2020.

Georg Jensen celebrated the 80th birthday of Her Majesty Queen Margrethe II with a limited edition version of the Daisy brooch, which has come to symbolize her importance to Denmark. Debuting in April, the new Daisy became a top-seller of 2020 and re-ignited interest in the entire Daisy collection both in Denmark and throughout Scandinavia, for a new generation. In our Copenhagen smithy, a silver hollowware masterpiece was created in the form of Jardiniere 1505. The piece was discovered in the archive as a drawing by Georg Jensen, and through the expertise of our silversmiths, 200 separate parts, and thousands of hammer marks over several months, Jardiniere 1505 was completed to the original specifications of our founder and as a symbol of our enduring commitment to craftsmanship.

Summer brought two exciting collaborations that continued Georg Jensen's presence at the forefront of contemporary design. Terra, a collaboration with the renowned multi-disciplinary architecture firm Snohetta, debuted at Copenhagen's 3 Days of Design festival to the delight and praise of the international design press, such as Monocle and Wallpaper and Architectural Digest. The collection, dedicated to the art of living with plants, is an innovative yet functional mix of terracotta, steel, and sculpture that has been nominated for several design awards and won. Georg Jensen also collaborated on a new technology project with Philips to create its first personal audio collection. From a power bank to small speakers, the collection integrated the organic shapes and sculpture of iconic Georg Jensen design with the audio expertise of Philips to bring a new expression to the field. Critically acclaimed in both the design and tech media, the collection launched in August in Europe.

The year closed with the success of the 2020 annual Christmas mobile. Dubbed 'Ice Flower', the design was inspired by Georg Jensen's early inspiration from botanical themes and continued the annual Christmas collectible tradition that began in 1984. 'Ice Flower' captured the attention of collectors and new admirers and has become the most successful annual mobile in years.

By remaining focused on core design strengths and a commitment to innovation, 2020 introduced a group of strong Georg Jensen products that are poised to become enduring designs of our time.

FINANCIAL REVIEW

Revenue
Revenue excluding the impact from closed stores amounted to DKK 920.1 million (2019: DKK 969.6 million), a decrease of 5%. Reported revenue in 2020 amounted to DKK 932.4 million (2019: DKK 1,013.8 million). The revenue was negatively affected by temporarily closed shops as a result of the COVID-19 pandemic off-set partially by growth in e-commerce of 71%. The increase was generated across all product categories and all markets.

Europe delivered revenue excluding closed stores of DKK 505.2 million (55% of total revenue), a decline of 3%. The APAC region delivered revenue excluding closed stores of DKK 364.8 million (40% of total revenue), which is a decline of 8% compared to 2019. North America increased by 7% when excluding the impact of closed stores. These three regions, covering more than 95% of revenue, have all been significantly affected by COVID-19 during 2020.

Gross Profit
The gross margin percentage was unchanged compared to 2019 at 61% despite the shift in channel mix towards B2B. Overall gross profit decreased by DKK 52.7 million to DKK 569.2 million (2019: DKK 621.9 million) due to lower revenue.

Other External Cost
Other external costs excluding non-recurring costs, continued the decline compared to last year by DKK 20.4 million as a result of the continuing efforts to bring down operating costs through various cost optimization efforts and tight control of spending. Including non-recurring costs, external costs decreased by DKK 3.3 million.

Staff Cost
In 2020 costs were reduced by DKK 27.7 million, from DKK 271.7 million to DKK 244.0 million. The staff costs do not include government support.

Other Operating Income and Costs
Due to COVID-19 causing lockdowns and decrease in revenue, the Group participated in government programs, designed to protect jobs and retail operating costs during the trading restrictions. This provided a contribution to these costs of a total of DKK 22.3 million for the whole Group. The received government support is recognized in other operating income.

Operating Profit before Depreciation and Amortization
In 2020 the operating profit before depreciation and amortization amounted to DKK 151.2 million compared to DKK 149.2 million in 2019.

Operating Profit
Operating profit increased by DKK 10.8 million, from a negative of DKK 25.7 million in 2019 to a negative of DKK 14.9 million in 2020.

Net Financial Items
Net financial items amounted to an expense of DKK 42.8 million compared to an expense of DKK 33.6 million in 2019. The change is mostly caused by a THB exposure in 2019 which was partly hedged and the gain from this was recognized in financial income. The financial costs are unchanged compared to 2019.

Profit before Taxes
Profit before tax was negative by DKK 57.7 million in 2020 compared to a negative amount of DKK 59.3 million in 2019.

Net Profit
Net profit was negative by DKK 61.4 million vs. negative by DKK 63.3 million in 2019.

FINANCIAL REVIEW

Assets and Cash and Cash Equivalents

Total assets amounted to DKK 1,119.6 million as of 31 December 2020 compared to DKK 1,110.0 million in 2019. The increase of DKK 9.6 million primarily concerns trade receivables and cash and cash equivalent partly off-set by decrease in inventory. In 2020 we have seen a continued decrease in inventory of DKK 19.4 million. The decrease in inventory is a result of a continuous focus on reducing net working capital items.

Equity

Equity decreased by DKK 96.0 million to DKK 299.9 million (2019: DKK 395.9 million).

Cash Flow and Net Interest Bearing Debt

Cash flow from Operations ended at DKK 140.4 million compared to DKK 177.9 million in 2019, a decrease of DKK 37.5 million. The main contributor to this is the FX change on balance sheet items without P/L-effect. The management of inventory levels continued to improve cash flow from net working capital during 2020.

In 2020 the net interest bearing debt increased by DKK 41.2 million from DKK 380.7 million to DKK 421.9 million mainly driven by an increase in IFRS 16 lease obligations of DKK 65.1 million. The increased lease obligation is a result of lease extensions on key locations in Denmark and new additions primarily located in Japan and Australia.

OUTLOOK

Comment on the outlook expressed for 2020

When the annual report was finalized in April 2020 the Group expressed a negative outlook for 2020 due to COVID-19 and the uncertainties with respect to consumer behavior and retail restrictions. The Group expected a revenue level around 15% lower than realised revenue in 2019, and that the decrease in revenue would result in a larger loss compared to 2019.

The Group prioritised cash management and manouvered through the uncertainty by managing costs tightly. Revenue decreased for the first three quarters of 2020 but took a strong step forward in the fourth quarter to end the year at 8% lower than 2019 revenue. Liquidity remained healthy throughout the year and EBITDA improved to 2019, despite the declining, but stronger than anticipated, topline.

Outlook for 2021

Management expects that COVID-19 will continue to have an impact on the business and how consumers interact with and shop the brand. National and localized retail restrictions are expected to continue and create uncertainty into the third quarter of 2021. Store traffic in key urban stores is expected to remain below 2019 levels throughout the year but E-business growth is expected to continue. Despite these challenges, Georg Jensen expects to be able to recover revenue and deliver growth compared to 2020. Combined with a constant focus on margin improvement, cost containment and selective investment, Georg Jensen expects to make good progress to profitability in 2021.

See also disclosures in Going Concern Assumption in note 2.1 and Subsequent Events in note 18.1.

The Group's financial situation in 2021 and growth expectations for the year significantly reduced risk about the Group's liquidity or continued operation as a going concern. Management expects Group revenue to exceed 2020 levels and to have sufficient liquidity throughout 2021.

RISK MANAGEMENT

The Board of Directors regularly assesses the Company's overall risks and the individual risk factors associated with its activities. The Board of Directors adopts guidelines for key risk areas, monitors progress and prepares action plans for reducing and managing individual risk factors, including financial and business risks, insurance and environmental conditions and compliance with competition law.

Business risk

Commercial risk: As an international brand, Georg Jensen is subject to the international economic development, in particular the consumption of luxury goods. This consumption is driven by several factors including brand integrity, product relevance and channel operations.

Since its launch in 1904, the Georg Jensen brand represents quality craftsmanship and timeless aesthetic design. With its philosophy of engaging designers who contribute their own style and creativity, Georg Jensen has remained relevant and true to its brand for over 100 years. On the product side, cohesive concepts are being developed to introduce new designs while existing design languages are expanded in response to customer trends, with the goal of both being to maintain the brand's position as a leading Scandinavian design company.

The current COVID-19 pandemic highlighted the Company's sensitivity to sales channel fluctuations and the high fixed costs for lease charges and salaries, associated with the relatively high gross margins, from its retail operations. We seek to mitigate this dependency, as well as broader cyclical economic trends, via wider geographical diversification of sales, servicing the customer in different sales channels, spanning from owned retail, to external retail, to e-commerce and B2B, and investment in omni-channel capabilities.

Logistics risk: If the right products are not available in the stores at the right time, the amount of returned and surplus products rises, which in turn increases the risk of obsolete products. Late delivery or non-delivery thus poses a risk. Sales, Operations and Planning (S&OP) processes are subject to ongoing review and strengthening in order to ensure alignment between the demand and supply, including delivery time, in order to adjust and manage stock levels.

Production facilities: Georg Jensen depends on three production facilities for Silver/Hollowware (Copenhagen, Denmark), Jewellery (Chiang Mai, Thailand) and Seasonal (Hjoerring, Denmark) whereas the production of Home Decór products is outsourced to third party suppliers primarily in China. Watches are also primarily outsourced to third party suppliers. Contingency plans and training are used and communicated in execution for different scenarios which can trigger interruption of operations, and we work with miscellaneous actions to prevent interruption. Existing inventory levels are a preventive factor for a short period of time; insurance against interruptions in operations partly mitigates negative financial impacts.

Due to COVID-19 pandemic there is a continued risk of national lockdowns, which could slow down or even temporarily stop the flow of raw materials as well as temporarily stop production.

IT breakdown: Risk control measures such as firewalls, access control, contingency plans etc. are assessed on a regular basis in order to identify and minimize these risks.

Employees: Georg Jensen strives to offer unique career opportunities and talent development. The HR department is responsible for the development and updating of guidelines and training tools to support managers at all levels. Part of the performance culture ensures that all employees have clear goals and act as accountable, trustworthy ambassadors for our brand and company.

Brand and image: The brand and its reputation are managed through company values and integrated into corporate and social responsibility standards for Georg Jensen. Risks related to brand and reputation are addressed by way of prevention in a communication strategy prepared annually and proactively by way of consistent and transparent public relations and communication efforts, both externally and internally and through relevant channels.

Intellectual property rights: Georg Jensen aims to use and safeguard our intangible assets by securing key trademarks in key markets, selectively defending our trademarks and designs when necessary and appropriate.

Environment: Georg Jensen controls the value chain in our own factories where we continuously work on reducing the use of hazardous materials, noise and pollution and other elements that can cause a risk to employees or the environment. We also continuously work to improve our internal quality system in order to reduce deficiencies.

Financial risk and financial instrument

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risk and the day-to-day operations are handled by the Treasury department. The Board of Directors reviews and agrees on policies for managing each of these risks.

External Risks

Macroeconomic factors: A substantial part of the Company's sourcing and sales takes place in markets which from time to time experience political and economic turmoil. This can affect Georg Jensen's business and thus poses a risk. Reliable and accurate sales forecasting allows flexible planning and reaction time to reduce the impact of macroeconomic factors. We furthermore seek to eliminate the dependency on cyclical economic trends via wider geographical diversification of sales, as well as the use of other sales channels, such as online, B2B and franchise agreements.

CSR

General
Georg Jensen acknowledges our impact on and our responsibility for the countries and communities where we operate. We work proactively to ensure environmentally, socially and economically responsible business processes.

Since 2009, we have been a UN Global Compact signatory. The Ten Principles of the UN Global Compact guide our work and the way we address material sustainability issues throughout our value chain, from design through production to our retail stores. Through our UN Global Compact commitment, all areas of the value chain are integrated into our business procedures and strategy.

The UN Global Compact requires participants to report on their progress and to embed the Ten Principles into their strategies and operations. Since 2009, Georg Jensen has submitted an annual COP (Communication on Progress) report. The most recent progress and results are available in the Georg Jensen 2020 COP report*, cf. Section 99A (7) of the Danish Financial Statement Act. Furthermore the disclosures on gender diversity cf. Section 99B of the Danish Financial Statement Act, is included in the report. *

https://www.georgjensen.com/en-gb/csr

MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Georg Jensen Investment ApS for the financial year 1 January to 31 December 2020.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January to 31 December 2020.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 9 June 2021

Executive Board

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Mehul Tank

CEO

Board of Directors

____________________	____________________	____________________
Andrea Jayne Davis	Karl Sebastian Inger	David Ching Chi Chu
Chairman	Deputy Chairman	

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Celine Infeld

INDEPENDENT AUDITORS' REPORTS

To the Shareholders of Georg Jensen Investment ApS

Opinion
In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2020 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2020 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Georg Jensen Investment ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

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

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.

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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

INDEPENDENT AUDITORS' REPORTS

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company 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 Group's and the Parent 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 Group or the Parent 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.

INDEPENDENT AUDITORS' REPORT

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Copenhagen, 9 June 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Michael Groth Hansen
State Authorised Public Accountant
mne33228

Kristian Højgaard Carlsen
State Authorised Public Accountant
mne44112

CONSOLIDATED INCOME STATEMENT

DKK million	Note	2020	2019
Revenue	4.1,4.2	932.4	1,013.8
Cost of sales	5.1	-363.2	-391.9
Gross profit		**569.2**	**621.9**
Other external costs		-195.8	-199.1
Staff costs	6.1	-244.0	-271.7
Other operating income and costs	7.1	21.8	-1.9
Operating profit before depreciation and amortization		**151.2**	**149.2**
Depreciation, amortization and impairment losses	9.1,9.2	-166.1	-174.9
Operating profit		**-14.9**	**-25.7**
Financial income	8.1	0.5	10.6
Financial costs	8.1	-43.3	-44.2
Profit before tax		**-57.7**	**-59.3**
Tax on profit for the year	8.2	-3.7	-4.0
Profit for the year		**-61.4**	**-63.3**

OTHER COMPREHENSIVE INCOME

DKK million	Note	2020	2019
Profit for the year		**-61.4**	**-63.3**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit pension plans	15.1	0.3	-1.0
Items that will be reclassified to profit or loss			
Adjustment Cash flow hedges		0.1	0.4
Exchange differences on foreign operations		-15.2	23.4
Other comprehensive income after tax		**-14.8**	**22.8**
Total comprehensive income for the year		**-76.2**	**-40.5**

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS, ASSETS

DKK million	Note	2020	2019
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9.1	200.4	236.7
Tangible assets	9.2,9.3	321.4	283.7
Financial assets		32.7	39.2
Deferred tax	9.4	0	0.0
Total non-current assets		**554.5**	**559.6**
CURRENT ASSETS			
Inventories	10.1	268.8	288.2
Trade receivables	10.2	115.5	103.8
Other receivables		3.5	2.5
Receivable from group entreprises		10.4	19.2
Prepayments		19.0	19.5
Cash and cash equivalents	12.4	147.9	117.2
Total current assets		**565.1**	**550.4**
TOTAL ASSETS		**1,119.6**	**1,110.0**

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS, LIABILITIES

DKK million	Note	2020	2019
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11.1	317.0	317.0
Share premium		594.4	594.4
Hedging reserve		1.2	1.1
Translation reserve		3.3	18.5
Retained earnings		-616.0	-535.1
Total equity		**299.9**	**395.9**
LIABILITIES			
NON-CURRENT LIABILITIES			
Bonds	12.1	298.0	298.0
Credit institutions	12.1	0.0	1.4
Lease liabilities	9.3	201.1	126.1
Provisions	15.2	14.4	12.8
Deferred tax	9.4	3.3	2.0
Retirement benefit obligation	15.1	8.3	8.1
Other payables		10.0	3.8
Total non-current liabilities		**535.1**	**452.2**
CURRENT LIABILITIES			
Credit institutions	12.4	5.7	6.3
Trade Payables		77.7	64.3
Other Payables		121.5	101.2
Lease liabilities	9.3	75.4	85.3
Tax payables	9.4	1.3	1.8
Provisions	15.2	3.0	3.0
Total current liabilities		**284.6**	**261.9**
Total liabilities		**819.7**	**714.1**
TOTAL EQUITY AND LIABILITIES		**1,119.6**	**1,110.0**

STATEMENT OF CHANGES IN EQUITY

ACCOUNTING POLICIES APPLIED

Share premium
The share premium comprises the amount received, attributable to shareholders' equity, in excess of the nominal amount of the shares issued. The share premium reserve can be distributed.

Reserve for hedging transactions
Reserve for hedging transactions comprises the accumulated net change of the fair value of hedging transactions which qualify for recognition as cash flow hedges, and where the hedged transaction has not yet been realized, less tax.

Translation reserve
The translation reserve comprises foreign exchange differences arising in connection with the translation of foreing subsidiaries' financial statements.

2020 DKK million	Share capital	Share premium	Reserve for hedging transaction	Translation reserve	Retained earnings	Total Equity
Equity at 1 january 2020	**317.0**	**594.4**	**1.1**	**18.5**	**-535.1**	**395.9**
Profit for the year	0.0	0.0	0.0	0.0	-61.4	**-61.4**
Adjustments of merger	0.0	0.0	0.0	0.0	-9.8	**9.8**
Treasury shares	0.0	0.0	0.0	0.0	-10.0	**-10.0**
Other comprehensive income						
Remeasurements of defined benefit pension plans	0.0	0.0	0.0	0.0	0.3	**0.3**
Adjustment Cash flow hedges	0.0	0.0	0.1	0.0	0.0	**0,1**
Exchange adjustment	0.0	0.0	0.0	-15.2	0.0	**-15.2**
Total comprehensive income	**0.0**	**0.0**	**0.1**	**-15.2**	**0.3**	**-14.8**
Equity at 31 december 2020	**317.0**	**594.4**	**1.2**	**3.3**	**-616.0**	**299.9**

2019 DKK million	Share capital	Share premium	Reserve for hedging transaction	Translation reserve	Retained earnings	Total Equity
Equity at 1 january 2019	**317.0**	**594.4**	**0.7**	**-4.9**	**-470.8**	**436.4**
Profit for the year	0.0	0.0	0.0	0.0	-63.3	**-63.3**
Other comprehensive income						
Remeasurements of defined benefit pension plans	0.0	0.0	0.0	0.0	-1.0	**-1.0**
Adjustment cash flow hedges	0.0	0.0	0.4	0.0	0.0	**0.4**
Exchange adjustment	0.0	0.0	0.0	23.4	0.0	**23.4**
Total comprehensive income	**0.0**	**0.0**	**0.4**	**23.4**	**-1.0**	**22.8**
Equity at 31 december 2019	**317.0**	**594.4**	**1.1**	**18.5**	**-535.1**	**395.9**

CASH FLOW STATEMENT

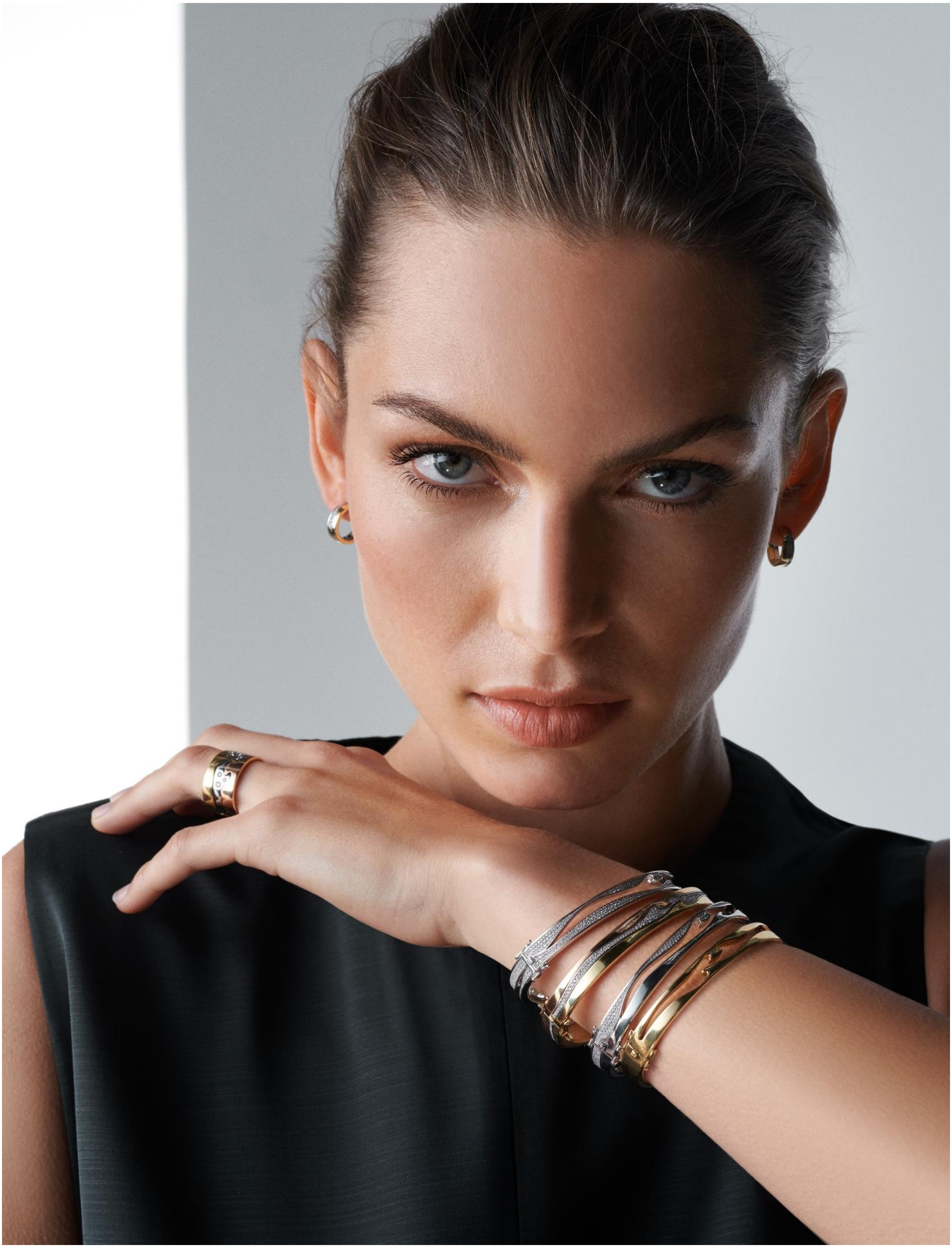
DKK million	Note	2020	2019
Net profit for the year		-61.4	-63.3
Non-cash items	17.2	189.5	225.7
Change in working capital	17.1	48.7	50.3
Cash flows from operating activities before financial income and expenses		**176.8**	**212.7**
Financial cost, paid	8.1	-33.9	-31.9
Financial income, received	8.1	0.0	0.0
Cash flows from ordinary activities		**142.9**	**180.8**
Income taxes paid		-2.5	-2.9
Net cash flow from operating activities		**140.4**	**177.9**
Purchase of intangible assets		-8.1	-12.8
Purchase of property, plant and equipment		-9.6	-14.0
Sale of fixed asset Investments etc.		0.0	0.0
Change in other financial assets		-4.3	-9.3
Net cash flow from investing activities		**-22.0**	**-36.1**
Issued bond		0.0	0.0
Changes in credit institutions (overdraft facilities)		-1.8	-2.4
Repayment of loans from credit institutions		-0.7	-1.4
Repayment of lease liabilities		-83.2	-96.6
Loan to Group companies		-2.0	-2.5
Cash flow from financing activities		**-87.7**	**-102.9**
Net cash flow for the year		30.7	40.8
Cash and cash equivalents, beginning of the year		117.2	76.4
Currency adjustment of cash and cash equivalents		0.0	0.0
Cash and cash equivalents, end of the year		**147.9**	**117.2**
Cash and cash equivalents in the statements of cash flows comprise:			
Cash and cash equivalents		147.9	117.2
Cash and cash equivalents		**147.9**	**117.2**

ACCOUNTING POLICIES APPLIED

The cash flows statement outlines the cash flows from operating, investing and financing activities for the year, and the net cash flows for the year as well as cash and cash equivalents at the beginning and at the end of the financial year.

The statement of cash flows presents cash flow from operating activities indirectly based on the net profit for the year.

Cash flow from operating activities is calculated as operating profit adjusted for non-cash operating items, provisions, financials paid, change in working capital as well as taxes paid.



NOTES

1.1 ACCOUNTING POLICIES

The Annual Report for the period 1 January - 31 December 2020 comprises the financial statements of Georg Jensen Investment ApS.

The financial statements for the year ended 31 December 2020 has been prepared in accordance with IFRS and the accounting policies are unchanged from last year.

Implementation of new standards, amendments and interpretations

Georg Jensen Investment ApS has assessed the effect of the new standards, amendments and interpretations effective for the financial years beginning on or after 1 January 2020. Georg Jensen Investment ApS has concluded that all standards, amendments and interpretations are either not relevant to Georg Jensen Investment ApS or have no significant effect on the Financial Statements of Georg Jensen Investment ApS.

New standards, amendments and interpretations adopted but not yet effective

Georg Jensen Investment ApS has assessed the effect of the new standards, amendments and interpretations effective for the financial years beginning on or after 1 January 2021. Georg Jensen Investment ApS has concluded that all standards, amendments and interpretations are either not relevant to Georg Jensen Investment ApS or have no significant effect on the Financial Statements of Georg Jensen Investment ApS.

Basis of consolidation

The consolidated financial statements consist of the financial statements of Georg Jensen Group and its subsidiaries in which the Company's voting rights directly or indirectly exceed 50%, or in which the Company is able to exercise a controlling interest in any other way.

The consolidated financial statements are prepared on the basis of the parent company financial statements and the individual subsidiaries by consolidating items of a uniform nature. Equity interests, intercompany transactions, intercompany balances, unrealized intercompany gains on inventories and dividends are eliminated.

The items of the financial statements of subsidiaries are fully consolidated in the consolidated financial statements. Please refer to note 12 in the parent company.

NOTES

1.1 ACCOUNTING POLICIES

The significant accounting policies deemed by Management to be material for the understanding of the consolidated financial statements are listed in the statement of changes in equity, statement of cash flows as well as below where they are described in more detail in the relevant notes:

- 1.1 Accounting policies
- 2.1 Going concern
- 3.1 Significant accounting estimates
- 4.1 Segment information
- 4.2 Revenue
- 5.1 Cost of sales
- 6.1 Staff costs
- 7.1 Other operating income and costs
- 8.1 Financial items
- 8.2 Tax on profit for the year
- 9.1 Intangible assets
- 9.2 Tangible assets
- 9.3 Leases
- 9.4 Deferred tax
- 10.1 Inventories
- 10.2 Trade receivables
- 11.1 Equity
- 12.1 Financial instruments by category
- 12.2 Fair value measurement
- 12.3 Financial risk
- 12.4 Net interest-bearing debt
- 12.5 Contingent liabilities
- 13.1 Remuneration to Key management and board of directors
- 14.1 Related Parties
- 15.1 Retirement benefit obligation
- 15.2 Provisions
- 16.1 Fee to auditors elected at the annual general meeting
- 17.1 Working capital
- 17.2 Cash flow statement, Non-cash items
- 18.1 Events after the reporting period

FOREIGN CURRENCY

Functional currency

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency of each entity in the Group. The functional currency is the currency in the primary economic environment in which the individual reporting entity operates. Transactions in currencies other than the functional currency are transactions denominated in foreign currencies.

The consolidated financial statements and the parent company financial statements are reported in Danish Kroner (DKK). DKK is considered the primary currency of the Group's operations and the functional currency of the parent company.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate ruling at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognized in the income statement under financial income or costs, respectively.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the end of the reporting period.

NOTES

1.1 ACCOUNTING POLICIES

The difference between the exchange rate ruling at the end of the reporting period and the exchange rate at the date when the receivable or payable arose or was recorded in the most recent financial statements is recognized in the income statement under financial income or costs.

Property, plant and equipment and intangible assets, inventories and other non-monetary assets acquired in foreign currencies and measured based on historical cost are translated at the exchange rates ruling at the transaction date.

Translation in the consolidated financial statements
The statements of financial position of foreign subsidiaries are translated into DKK at the exchange rate ruling at the end of the reporting period, while income statements are translated into DKK at monthly average exchange rates during the year.

Foreign exchange differences arising on the translation of foreign subsidiaries' opening equity using the exchange rates ruling at the end of the reporting period as well as on the translation of the income statements using average exchange rates at the end of the reporting period are recognized under other comprehensive income.

KEY FIGURES

The key figures and financial ratios presented in highlights have been prepared for the company. The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

Invested capital
Assets less cash and cash equivalents and non-interest-bearing debt

Net interest-bearing debt
Interest-bearing debt less cash and cash equivalents

Development in revenue (%)
Development in revenue as a ratio of last years revenue

Gross margin (%)
Gross profit as a ratio of revenue

EBITDA margin (%)
Operating profit before depreciation and amortization(EBITDA) as a ratio of revenue

EBIT margin (%)
Operating profit (EBIT) as a ratio of revenue

Return on equity (%)
Net profit/(loss) as a percentage of average equity

Equity ratio
Total equity as ratio of total assets

Return on invested capital
Operating profit (EBIT) as a ratio of average invested capital

Revenue/invested capital
Revenue divided by average invested capital

Financial gearing
Interest bearing debt as percentage of total equity

NOTES

2.1 GOING CONCERN

Capital Resources, Going Concern Assumptions, and COVID-19 Implications

At the time of finalizing the 2019 Georg Jensen Group Annual Report in Q1 2020, the COVID-19 pandemic was escalating and significant uncertainties emerged in predicting its full impact on the Group's revenue and liquidity.

Many governments across the world had decided to enforce temporary, regional and national, shutdowns, which directly impacted retail stores and shopping malls for non-essential items. Even in those countries where a shutdown was not mandated, retail traffic patterns saw a sharp decline compared to 2019.

As 2020 progressed and despite these shutdowns, Georg Jensen delivered Group revenue, earnings and cash flow that out-performed outlook expectations. To a large extent, channels and markets compensated for each other and the Group delivered revenue of DKK 932.4 million (2019: DKK 1,013.8 million), down 8% compared to 2019 revenue.

Stronger than anticipated top-line performance in 2020, coupled with cost control measures that included participation in government programs that supported retail and protected jobs, resulted in a stable and healthy level of liquidity and cash flow throughtout the year. Management continued efforts of optimizing the net working capital and delivered a net cash inflow of DKK 30.7 million in 2020. Cash flow monitoring and working capital optimization had been key priorities in 2020 and will continue throughout 2021.

The Group's financial situation as it exited 2020 and growth expectations for 2021 have significantly reduced risk related to the Group's liquidity for the year. Management expects Group revenue to exceed 2020 levels and has sufficient liquidity throughout 2021. Furthermore, revenue in 2021 can fall in excess of 5% compared to revenue for 2020 and the Group will still be in compliance with the requirements of the debt facilities. Mitigating actions, such as support from government, cost reductions, rent reductions, reduction of capex compared to previous years, net working capital improvements etc. would allow the Group to absorb an even greater shortfall in revenue to 2020 than noted above.

It is Management's expectation that the measures taken and which could be taken, as desbribed above, will ensure that the Group and the Company have sufficient liquidity and capital resources to continue its operations. Management has therefore prepared the annual report for 2020 based on the assumption of going concern.

NOTES

3.1 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant accounting estimates and judgements by management

The preparation of the Annual Report requires that the Management makes estimates and assumptions, which by definition will vary to the actual results, that affect the recognized assets and liabilities, including the disclosures made regarding contingent assets and liabilities, when applying the Groups accounting policies.

Management bases its estimates on historical experience and other assumptions considered relevant at the time. These estimates and assumptions form the basis for the recognized carrying amounts of assets and liabilities and the derived effects on the income statement and other comprehensive income. The actual result may deviate over time. The estimates made and the underlying assumptions are reconsidered on an ongoing basis.

Management considers the following estimates and judgements and the relevant accounting policies essential for preparing the consolidated financial statement. In the opinion of Management, the result of these estimates and uncertainties are reflected in the Annual Report based on the information available and assumptions made.

Inventory valuation

Inventory provision relating to finished items and raw material is assessed on a quarterly basis. The inventory provision is based on the approved policy. A provision is recognized if the expected net realizable value is lower than the cost of the products. Net realizable value is the estimated selling price less the estimated costs of reworking, completion and sale of the inventory. See note number 10.1 for details in the valuation of the inventory.

Impairment assessment of property, plant, and equipment, and intangible assets

The carrying amounts of property, plant and equipment and intangible assets are reviewed on an annual basis to determine if an impairment is needed beyond ordinary depreciation policies for the specific assets. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount and the asset is written down to its lower recoverable amount. The impairment test includes significant judgments made by Management, such as assumption of projected future cash flows.

Brand

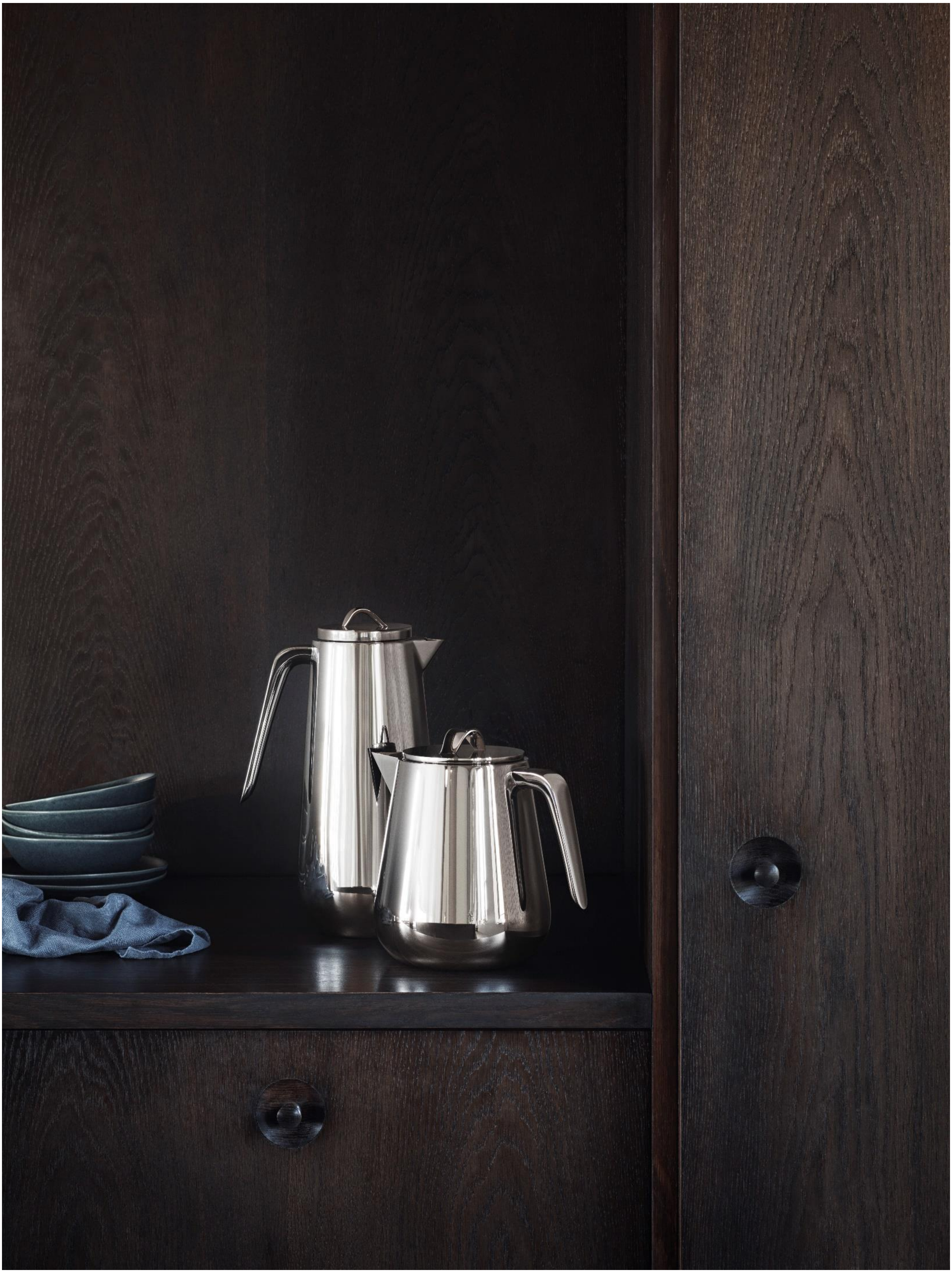
See note 9.1 for significant accounting estimate on brand.

Leases

See note 9.3 for significant judgements in determining the lease term.

Deferred tax

See note 9.4 for deferred tax.



NOTES

4.1 SEGMENT INFORMATION

The group segments are based on a regional split. All regions are operated as independent business units, each with their own well-defined strategy plan, and they are responsible for their financial performance. The financial performance of the individual segment is presented in note 4.1 and 4.2.

ACCOUNTING POLCIES APPLIED

Segment information has been prepared in accordance with the Group's applied accounting policies and is consistent with the Group's internal reporting to the Executive Board, who are considered the Chief operating decision maker(CODM).

The Executive Board evaluates operating profits of business segments separately in order to make decisions in relation to resource allocation and performance measurement. The segment results are evaluated in the basis of operating results, which are calculated by the same methods as in the consolidated financial statements.

Depreciation, financial income, costs and corporate taxes are calculated at group level and are not allocated to the business segments. Other segments comprise group mark-up and cost related to group functions including supply chain.

Segment income and costs comprise income and costs that are directly attributable to the individual segment and the items that can be allocated to the individual segment on a reliable basis. Revenue which is reported to Management, is measured by the same methods as in the income statement. Cost allocation between business segments is made on an individual basis.

No information has been provided as to the segments' share of the items concerning financial position or cash flows as the Executive Board does not use this segmentation in the internal reporting.

Profit/loss elements of the segmentation are recognized according to the countries' individual position included in the continental segment, i.e. revenue is recognized according to the country providing the sale and not the position of the customer.

NOTES

DKK million	Europe	APAC	North America	Other segments	Total 2020
Total revenue	507.2	371.4	46.1	7.7	932.4
Gross Profit	**154.0**	**220.8**	**17.1**	**177.3**	**569.2**
OPEX	-69.2	-150.8	-19.8	-178.2	-418.0
EBITDA	**84.8**	**70.0**	**-2.7**	**-0.9**	**151.2**
Amortisations and depreciations					-166.1
EBIT					**-14.9**
Financial income					0.5
Financial expenses					-43.3
Profit before tax					**-57.7**

DKK million	Europe	APAC	North America	Other segments	Total 2019
Total revenue	529.4	411.3	58.5	14.6	1,013.8
Gross Profit	**191.9**	**239.8**	**25.0**	**165.2**	**621.9**
OPEX	-94.4	-174.0	-21.0	-183.3	-472.7
EBITDA	**97.5**	**65.8**	**4.0**	**-18.1**	**149.2**
Amortisations and depreciations					-174.9
EBIT					**-25.7**
Financial income					10.6
Financial expenses					-44.2
Profit before tax					**-59.3**

NOTES

4.1 SEGMENT INFORMATION, CONTINUED

Georgraphical split	2020 Net Revenue	2020 Non-current assets	2019 Net Revenue	2019 Non-current assets
Denmark	263.1	363.8	287.1	364.7
Australia	183.4	69.1	193.0	66.8
Taiwan	93.0	5.3	107.1	11.0
Other	392.8	116.2	426.6	117.0
Total	**932.4**	**554.5**	**1,013.8**	**559.6**

4.2 REVENUE

The group derives revenue from the transfer of goods at a point in time in the following major, sales channels and product lines:

PRIMARY SALES CHANNELS	2020	2019
B2B	395.5	401.9
B2C	516.0	589.8
Other	20.9	22.1
Total	**932.4**	**1,013.8**
PRIMARY PRODUCT LINES		
Jewellery	446.7	510.2
Home	403.7	398.2
Other	82.0	105.4
Total	**932.4**	**1,013.8**

4.2 REVENUE, CONTINUED

ACCOUNTING POLICIES APPLIED

Sale of goods wholesale
Sales are recognized when control of the products has transferred. The group has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

The products are often sold with volume discounts. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of maximum 30 days, which is consistent with market practice. The group's obligation to provide a refund for faulty products under the standard warranty terms is recognized as a provision. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of goods retail
The group operates a chain of retail stores selling own branded products. Revenue from the sale of goods is recognized when a group entity sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases the item. It is the group's policy to sell its products to the end customer with a right of return within 30 days. Therefore, a contract liability and a right to the returned goods are recognized for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

NOTES

5.1 COST OF SALES

ACCOUNTING POLICIES APPLIED

Cost of goods sold
Cost of goods sold includes direct costs incurred when generating the revenue for the year. The group recognizes costs of goods sold as revenue is earned.

Direct sales costs
Direct sales costs includes direct costs incurred to assure the revenue, ex. costs related to outbound fairs, royalties etc. Direct sales costs are recognized as the costs occurs.

DKK million	2020	2019
COST OF SALES		
Cost of goods sold	303.3	332.1
Direct sales cost	59.9	59.8
Total	**363.2**	**391.9**

6.1 STAFF COSTS

DKK million	2020	2019
TOTAL SALARIES, REMUNERATION ETC MAY BE SPECIFIED AS FOLLOWS:		
Wages and salaries*	219.9	244.2
Pensions, defined contribution plans	13.8	15.3
Other staff costs	10.3	12.2
Total staff costs	**244.0**	**271.7**
Average number of Group employees	**1,080**	**1,142**

*Wages and Salaries do not include received government support of DKK 13.7 million.

ACCOUNTING POLICIES APPLIED

Staff costs include salaries, remuneration, retirement benefit schemes and other staff costs to the Group's employees, including to the members of the management and Board of Directors.

Staff costs are recognized in the financial year in which the employee performs his/her work. Costs related to long-term employee contribution plans are allocated and recognized in the period to which they relate.

See note 13.1 for further information on remuneration to the Key management and Board of Directors and note 15.1 for further information on the Group's retirement benefit obligation.

NOTES

7.1 OTHER OPERATIONG INCOME AND COSTS

DKK million	2020	2019
TOTAL OTHER OPERATING INCOME AND COSTS MAY BE SPECIFIED AS FOLLOWS:		
Other income	24.4	0.7
Other expenses	-2.6	-2.6
Total other operating income and costs	**21.8**	**-1.9**

ACCOUNTING POLICIES APPLIED

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Other operationg income and costs are recognized in the financial year they refer to.

Government support is comprised of grants for compensation of costs or losses already incurred and recognized. Government support is recognized when there is reasonable assurance that the support will be received. Government support for compensation for costs or losses incurred and recognized without resulting in further future costs or losses are recognized in the income statement as other operating income in the period where the compensation is granted.

Georg Jensen recieved government support of DKK 22.3 million in total. The Government support mainly relates to Personnel costs DKK 13.7 million.

NOTES

8.1 FINANCIAL INCOME AND COSTS

DKK million	2020	2019
Financial income:		
Other interest income	0.1	0.8
Interest income from financial assets measured at amortized costs	**0.1**	**0.8**
Net loss on foreign currency translation	0.4	9.8
Total financial income	**0.5**	**10.6**
Financial costs:		
Interest on liabilities to credit instistutions	-1.0	-5.3
Interest on bond	-18.2	-13.5
Interest on leases	-13.4	-10.7
Other interest costs	-0.3	-0.2
Interest cost from financial liabilities measured at amortized costs	**-32.9**	**-29.7**
Other financial costs	-5.4	-5.2
Realized loss on derivative financial instruments	-5.0	0.0
Net loss on foreign currency translation	0.0	-9.3
Other financial costs	**-10.4**	**-14.5**
Total financial cost	**-43.3**	**-44.2**
Net financials	**-42.8**	**-33.6**

ACCOUNTING POLICIES APPLIED

Financial income and costs include interest, realized and unrealized foreign currency translation adjustments, fair value adjustments of derivative financial instruments which do not qualify for hedge accounting and supplements, deductions and allowances relating to the payment of tax.

Interest income and costs are accrued based on the principal and the effective rate of interest. The effective rate of interest is the discount rate to be used in discounting expected future payments in relation to the financial asset or the financial liability so that their present value corresponds to the carrying amount of the asset or liability respectively.

NOTES

8.2 TAX FOR THE YEAR

ACCOUNTING POLICIES APPLIED

Tax for the year consists of current tax for the year and adjustments in deferred tax. Tax for the year relating to the profit/loss for the year is recognized in the income statement, and tax for the year relating to items recognized under other comprehensive income or directly in equity is recognized under other comprehensive income or directly in equity, respectively.

Foreign currency translation adjustments of deferred tax are recognized as part of the adjustment of deferred tax for the year.

Deferred tax is measured using the tax rates and tax rules that, based on legislation in force or in reality in force at the end of the reporting period, are expected to apply in the respective countries when the deferred tax is expected to crystallize as current tax.

Changes in deferred tax as a result of changed tax rates or tax rules are recognized in the income statement unless the deferred tax is attributable to transactions which have been recognized previously under other comprehensive income or directly in equity.

The Parent Company is taxed jointly with all consolidated wholly owned Danish subsidiaries. The current tax expense is allocated among the companies of the Danish tax pool in proportion to their taxable income (full absorption with refunds for tax losses).

The jointly taxed companies pay tax under the Danish on-account tax scheme.

DKK million	2020	2019
Current tax		
Current tax on profits for the year	2.4	6.9
Prior-year adjustment, current tax	-0.4	-2.8
Total current tax	**2.0**	**4.1**
Deferred tax		
Deferred tax adjustment for the period	1.7	0.0
Write-down of deferred tax asset	0.0	-0.1
Total deferred tax	**1.7**	**-0.1**
Total income tax	**3.7**	**4.0**
Recognized as follows		
Tax on profit for the year	2.0	4.1
Deferred tax adjustment	1.7	-0.1
Tax on other comprehensive income	0,0	0.0
Tax for the year	**3.7**	**4.0**

8.2 TAX FOR THE YEAR

BREAKDOWN ON TAX ON PROFIT FOR THE YEAR

DKK million	2020	2019
Calculated tax on profit before tax, 22%	-15.0	13.0
Non recognized tax loss carry forward for the year	18.3	-16.1
Impact of utilization of tax loss carry forward not recognized	0.0	0.0
Writedown of deferred tax asset	0.0	0.0
Impact of deviations in tax rates	0.6	1.5
Impact of non-taxable income & non-deductible cost	0.0	0.1
Withholding taxes	-0.2	-0.5
Prior-year adjustment	0.0	-0.2
Total tax on profit for the year	**3.7**	**4.0**
Effective tax rate for the year (%)	**-5%**	**-7%**

NOTES

9.1 INTANGIBLE ASSETS

ACCOUNTING POLICIES APPLIED

Intangible assets are measured at cost price, Intangible assets are measured at cost price, comprising directly and indirectly related expenses, less accumulated impairment losses and amortization.

Software and IT development are amortized over the useful life of 3-7 years. Costs include the acquisition price as well as costs arising directly in connection with the acquisition and until the point of time when the asset is ready for use. Amortization is provided on a straight-line basis over the expected useful life.

Rights acquired are measured at cost less accumulated amortisation. The depreciation period reflects the expected economic lifecycle of the activity relating to the rights. Expenses relating to the development of products, where the intention is to manufacture and market the product, are recognized in the balance sheet when the applicable criteria are fulfilled. In other cases the expenses are carried to the income statement when they are defrayed.

Development expenses are stated in the balance sheet at cost price, comprising the direct and indirect costs attributable to the development activities, less accumulated depreciation and impairment.

Development projects concern either cost for developing of new products within the group's current selections as well as cost for developing of software. Costs concerning software relate to either the ERP-upgrade as well as costs for developing a new online sales platform. Development of new products is only initiated when a business plan documenting the expected costs and the expected future cash flow is prepared and approved. All products developed are up for sale on all markets.

Status on development projects is assessed on a quarterly basis and impairment tested on an annual basis.

Amortization takes place on a straight line basis as shown below:

Software	3-7 years
Rights	5-10 years
Completed development projects:	Max. 5 years

Significant accounting estimates

In estimating the recoverable amount for the brand, a test for impairment was performed. The recoverable amount was estimated based on value in use for Georg Jensen as a whole, as the Brand is considered a corporate asset. The recoverable amount was estimated based on the expected future cash flows for a budgeted period of 5 years based on past performance and management's expectations for the future. Further, based on a discount rate of 8% (2019: 9%) reflecting the specific risks relating to Georg Jensen.

The value in use is estimated to be higher than the carrying amount and therefore, no impairment loss is recognised.

NOTES

9.1 INTANGIBLE ASSETS

2020 **DKK million**	**Software***	**Brand**	**Rights**	**Completed development projects**	**Development projects in progress**	**Total**
Cost at 1 January	**80.7**	**235.4**	**103.4**	**32.6**	**8.8**	**460.9**
Additions for the year	0.1	0.0	0.0	0.0	8.0	**8.1**
Exchange adjustments	-0.8	0.0	-1.1	0.0	0.0	**-1.9**
Disposals	-1.6	0.0	0.0	-0.2	0.0	**-1.8**
Transferred to other items	9.9	0.0	0.1	3.6	-13.6	**0.0**
Cost at 31 December	**88.3**	**235.4**	**102.4**	**36.0**	**3.2**	**465.3**
Impairment losses and amortisation at 1 January	**37.7**	**84.4**	**77.1**	**25.2**	**0.0**	**224.4**
Amortization for the year	10.4	11.8	16.9	4.6	0.0	**43.7**
Disposals	-1.3	0.0	0.0	-0.2	0.0	**-1.5**
Exchange adjustmensts	-0.6	0.0	-0.9	0.0	0.0	**-1.5**
Impairment losses and amortisation at 31 December	**46.2**	**96.2**	**93.1**	**29.6**	**0.0**	**265.1**
Carrying amount at 31 December	**42.1**	**139.2**	**9.3**	**6.4**	**3.2**	**200.2**

*Software relating to the business development of ERP systems is significant as an individual asset and has a carrying amount of DKK 28,3 million, and a remaining lifetime of 5 years.
No identification of impairment for intangible assets per 31 december 2020.

2019 **DKK million**	**Software***	**Brand**	**Rights**	**Completed development projects**	**Development projects in progress**	**Total**
Cost at 1 January	**75.5**	**235.4**	**102.1**	**30.6**	**6.9**	**450.5**
Additions for the year	0,0	0.0	0.0	0.0	12.8	**12.8**
Exchange adjustments	0.9	0.0	1.1	0.0	0.0	**2.0**
Disposals	-4.4	0.0	0.0	0.0	0.0	**-4.4**
Transferred to other items	8.7	0.0	0.2	2.0	-10.9	**0.0**
Cost at 31 December	**80.7**	**235.4**	**103.4**	**32.6**	**8.8**	**460.9**
Impairment losses and amortisation at 1 January	**26.1**	**72.6**	**62.7**	**21.4**	**0.0**	**182.7**
Amortization for the year	15.4	11.8	13.7	3.8	0.0	**44.7**
Disposals	-4.4	0.0	0.0	0.0	0.0	**-4.4**
Exchange adjustments	0.5	0.0	0.7	0.0	0.0	**1.2**
Impairment losses and amortisation at 31 December	**37.7**	**84.4**	**77.1**	**25.2**	**0.0**	**224.4**
Carrying amount at 31 December	**43.1**	**151.0**	**26.3**	**7.4**	**8.8**	**236.5**

* Software relating to the business development of ERP systems are significant as an individual asset and has a carrying amount of DKK 28.3 million, and a remaining lifetime of 5 years.

NOTES

9.2 TANGIBLE ASSETS

ACCOUNTING POLICIES APPLIED

Property, plant and equipment primarily consist of leasehold improvements and equipment, which are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price and costs directly related to the acquisition until the time when the asset is ready for use.

The net present value of estimated costs in respect of demounting and disposal of the asset and of restoring the place where the asset was used is added to costs.

The difference between cost and the expected scrap value is depreciated on a straight-line basis over the expected economic lives of the assets.

Gains and losses on disposal of property, plant and equipment are computed as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognized in the income statement under other operating income or costs.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

Depreciations

The depreciation period is determined on the basis of Management's experience in the Group's business area, and Management believes the following estimates to be the best estimate of the economic lives of the assets:

Buildings	25-30 years
Lease assets	Lease period
Plant and machinery	5-15 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-10 years

If the depreciation period or the scrap values are changed, the effect on depreciation going forward is recognized as a change in accounting estimates.

NOTES

9.2 TANGIBLE ASSETS

2020 **DKK million**	**Land and buildings***	**Plant and machinery**	**Other fixtures and fittings, tools and equipment***	**Leasehold improve-ments**	**Property, plant and equipment in progress**	**Total**
Cost at 1 January	**528.4**	**38.8**	**228.4**	**233.0**	**1.4**	**1,030.0**
Additions for the year	153.2	0.2	9.1	6.0	0.9	**169.4**
Disposals for the year	0.0	-0.7	-32.3	-16.1	0,0	**-49.1**
Exchange adjustmensts	7.3	-2.9	-4.9	-3.2	0,0	**-3.7**
Transferred to other items	0.0	0.0	2.3	0.0	-2.3	**0.0**
Cost at 31 December	**688.9**	**35.4**	**202.6**	**219.7**	**0.0**	**1,146.6**
Impairment losses and depriciation at 1 January	**306.0**	**37.2**	**197.6**	**205.5**	**0.0**	**746.3**
Depreciation for the year	92.6	0.9	14.9	13.9	0.0	**122.3**
Impairment and depreciation of sold assets for the year	0.0	-0.7	-31.3	-16.1	0.0	**-48.1**
Exchange adjustments	13.3	-2.7	-3.6	-2.3	0.0	**4.7**
Impairment losses and amortisation at 31 December	**411.9**	**34.7**	**177.6**	**201.0**	**0.0**	**825.2**
Carrying amount at 31 December	**277.0**	**0.7**	**25.0**	**18.7**	**0.0**	**321.4**
***Right-of-Use Asset**	**253.6**	**0.0**	**0.9**	**0.0**	**0.0**	**254.5**

No identification of impairment for tangible assets per 31 december 2020.

2019 **DKK million**	**Land and buildings***	**Plant and machinery**	**Other fixtures and fittings, tools and equipment***	**Leasehold improve-ments**	**Property, plant and equipment in progress**	**Total**
Cost at 1 January	**447.7**	**36.0**	**234.1**	**228.4**	**0.0**	**946.2**
Additions for the year	75.0	0.3	7.0	7.0	1.5	**90.8**
Disposals for the year	0.0	-0.6	-17.6	-5.7	0.0	**-23.9**
Exchange adjustments	5.7	3.1	4.9	3.2	0.0	**16.9**
Transferred to other items	0.0	0.0	0.0	0.1	-0.1	**0,0**
Cost at 31 December	**528.4**	**38.8**	**228.4**	**233.0**	**1.4**	**1,030.0**
Impairment losses and depriciation at 1 January	**204.6**	**33.5**	**197.7**	**193.5**	**0.0**	**629.3**
Depreciation for the year	100.5	1.4	13.2	15.1	0.0	**130.2**
Impairment and depreciation of sold assets for the year	0.0	-0.6	-17.6	-5.6	0.0	**-23.8**
Exchange adjustments	0.9	2.9	4.3	2.5	0.0	**10.6**
Impairment losses and amortisation at 31 December	**306.0**	**37.2**	**197.6**	**205.5**	**0.0**	**746.3**
Carrying amount at 31 December	**222.4**	**1.6**	**30.8**	**27.5**	**1.4**	**283.7**
***Right-of-Use Asset**	**196.4**	**0.0**	**0.9**	**0.0**	**0.0**	**197.3**

NOTES

9.3 LEASES

ACCOUNTING POLICIES APPLIED

The group leases various properties, equipment and cars. Rental contracts are typically made for fixed periods of 2 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate

The lease payments are discounted using the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities
- any lease payments made at or before the commencement date
- any initial direct costs, and
- restoration costs.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts.

Critical judgements in determining the lease term

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

NOTES

9.3 LEASES

Right-of-use assets	Land and buildings	Other fixtures and fittings, tools and equipment	Total
At 1 January 2020	196.4	0.9	**197.3**
Additions	62,0	0.7	**62.7**
Depreciation	-90,8	-0.7	**-91.5**
Exchange adjustments	-4.3	0.0	**-4.3**
Modification to lease terms	90.3	0.0	**90.3**
At 31 December 2020	**253,6**	**0.9**	**254,5**

Right-of-use assets	Land and buildings	Other fixtures and fittings, tools and equipment	Total
At 1 January 2019	218.0	0.3	**218.3**
Depreciation	-99.1	-1.2	**-100.3**
Exchange adjustments	2.5	0.0	**2.5**
Additions	75.0	1.8	**76.8**
At 31 December 2019	**196.4**	**0.9**	**197.3**

Lease liabilities	Land and buildings	Other fixtures and fittings, tools and equipment	Total
At 1 January 2020	211.1	0.3	**211.4**
Additions	62.0	0.7	**62.7**
Lease payments	-95.9	-0.7	**-96.6**
Interests	13.4	0.0	**13.4**
Exchange adjustments	-4.7	0.0	**-4.7**
Modification to lease terms	90.3	0.0	**90.3**
At 31 December 2020	**276.2**	**0.3**	**276.5**

Variable leases(turnover based leases) not included in lease liabilities of DKK 41.1 million in 2020. The total cash out flow for the year from all leases is DKK 137.7 million. For 2020 variable lease payments are expected to amount to DKK 40.0 – 55.0 million.

Lease liabilities	Land and buildings	Other fixtures and fittings, tools and equipment	Total
At 1 January 2019	228.4	0.3	**228.7**
Lease payments	-106.1	-1.3	**-107.4**
Interests	10.7	0.1	**10.8**
Exchange adjustments	2.4	0.0	**2.4**
Additions	75.7	1.2	**76.9**
At 31 December 2019	**211.1**	**0,3**	**211.4**

Variable leases (turnover based leases) not included in lease liabilities of DKK 49.8 million in 2019. The total cash out for the year from all leases is DKK 150.8 million.

9.4 DEFERRED TAX

ACCOUNTING POLICIES APPLIED
Deferred tax assets, including the tax base of deferrable tax losses, are recognized at the expected value of their utilization of future taxable income and are set off against deferred tax liabilities within the same legal entity and jurisdiction.

If deferred tax is an asset, it is included in noncurrent assets based on an assessment of the potential for future realization. Taxes are recognized when it is likely that these will be utilized in the foreseeable future. Deferred tax is calculated based on the planned use of each asset and settlement of each liability, respectively.

Risks relating to transfer pricing, disagreement(s) with local tax authorities, etc. arise as a result of global activity. Based on an assessment and review of the outcome of pending matters, management considers that the provisions made for uncertain tax positions recognized in payable and deferred tax are adequate.

Critical estimate
Deferred tax assets are recognized if it is likely that there will be taxable income in the future against which timing differences or tax loss carry forwards may be used. The significant estimate regarding deferred tax consists of the expectations to future recognition of the asset.

DKK MILLION	2020	2019
Net tax liability at 1 January	**1.8**	**2.6**
Tax payable on profit for the year	2.0	4.1
Tax paid during the year	-2.5	-4.9
Net tax liabilitys 31 December	**1.3**	**1.8**
Recognized as follows		
Tax payable	1.3	1.8
Net tax liabilitys 31 December	**1.3**	**1.8**

DKK million	2020	2019
Deferred tax at 1 January	-2.0	-2.6
Addition/disposal for the year	-1.7	0.6
Writedown of tax asset	0.4	0.0
Net deferred tax at 31 December	**-3.3**	**-2.0**
Recognized as follows:		
Deferred tax liabilities	-3.3	-2.0
Net deferred tax at 31 December	**-3.3**	**-2.0**

NOTES

9.4 DEFERRED TAX

DKK million	Net deferred tax at 1 January 2020	Write-down on deferred tax Recognized in profit for the year	Net deferred tax at 31 December 2020
Intangible assets	0.0	0.0	0.0
Property plant and equipment	-2.0	-1.3	-3.3
Inventories and receivables	0.0	0.0	0.0
Provisions and other liabilities	0.0	0.0	0.0
Tax losses	0.0	0.0	0.0
Total	**-2.0**	**-1.3**	**-3.3**

DKK million	Net deferred tax at 1 January 2019	Write-down on deferred tax Recognized in profit for the year	Net deferred tax at 31 December 2019
Intangible assets	0.0	0.0	0.0
Property plant and equipment	-2.6	0.6	-2.0
Inventories and receivables	0.0	0.0	0.0
Provisions and other liabilities	0.0	0.0	0.0
Tax losses	0.0	0.0	0.0
Total	**-2.6**	**0.6**	**-2.0**

Deferred tax liability for the Group amounts to DKK 3.3 million at 31 December 2020 (Deferred tax liability DKK 2.0 million in 2019) The deferred tax liability concerns the subsidiaries in Australia and UK.

Deferred tax asset for the Group make up for DKK 0.0 million at 31 December 2020 (2019: DKK 0.0 million in 2019).

At year end the non-recognized tax losses carry forward for the Danish entities including the parent company amounted to DKK 263.8 million.

10.1 INVENTORY

ACCOUNTING POLICIES APPLIED
Raw materials and components are measured at acquisition price, or net realization value if lower.

Work in progress and finished goods and goods for resale are measured at cost price (compiled by the weighted average method) with addition of indirect production costs, or at net realization value if lower.

Indirect production costs comprise of fixed costs and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in manufacturing process as well as costs of factory administration and management.

Significant accounting estimates

The inventory provision is assessed by Stock keeping unit(SKU) level and is based on lifecycle code set per item and the months on hands for sale. Furthermore, an individual assessment is made for some items. The inventory provision is split into finished items ready for sales and raw material or spareparts. Based on our historic performance, and when looking at our product groups as a whole, we do not sell items below the cost of the product, with only a few exceptions to this by SKU level.

The inventory provision in 2020 has been calculated based on individual assessment on the relevant raw materials and finished goods and goods ready for sale. The inventory provision increased from 2019 to 2020, mainly driven by a general decision of adjusting the provision for discontiniued items to 100%.

Georg Jensen has during the last years focused on the assortment structure and inventory accounts. By the end of 2020 management is confident that inventory levels are represented accurately and fairly.

DKK million	2020	2019
Raw materials and components	51.6	39.5
Work in progress	3.4	18.1
Finished goods and goods for resale	256.6	251.8
Total inventories, gross	**311.6**	**309.4**
Changes in inventory write-downs:		
Inventories write down at 1 January	**21.2**	**21.1**
Write-downs for the year, addition	24.0	2.8
Write-downs for the year, reversal (utilized)	-2.4	-1.3
Write downs, reversed (not utilized)	0.0	-1.4
Total inventory write-downs	**42.8**	**21.2**
Total inventories, net	**268.8**	**288.2**

10.2 TRADE RECEIVABLES

ACCOUNTING POLICIES APPLIED

On initial recognition, receivables are measured at fair value and subsequently at amortized cost which usually corresponds to the nominal value less provision for bad debts.

Receivables are written down to net realizable value corresponding to the amount of expected future net payments received on the receivables. Write downs are calculated on the basis of individual assessments of the receivables.

Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Impairment of receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

DKK million	**2020**	**2019**
Receivables not due	87.0	84.3
Less than 90 days overdue	29.5	20.1
91-180 days overdue	3.8	0.3
181-365 days overdue	2.9	3.4
More than 1 year overdue	3.3	6.3
Receivables, gross	126.5	114.4
Provision for customer return	-3.2	-4.3
Provision for bad debt	-7.8	-6.2
Total trade receivables	**115.5**	**103.8**
Change in provision for bad debt		
Provision for bad debt at 1 January	6.2	7.9
Provision made	1.6	0.3
Provision used	0.0	-2.0
Provision for bad debt at 31 december	**7.8**	**6.2**

NOTES

11.1 EQUITY

ACCOUNTING POLICIES APPLIED

Proposed dividends are recognized as a liability at the time of adoption by the shareholders at the annual general meeting. Description of capital management in note 12.3, see liquidity risk.

DKK million	Number
Share Capital at 1 January 2019	**3,170**
Share Capital at 1 January 2020	**3,170**
Share Capital at 31 December 2020	**3,170**

The share capital consists of 3,170,441 shares with a nominal value of DKK 100 each. No shares carry any special rights.
31.102

Treasury shares consists of 52.487 shares with a nominal value of DKK 100 each. The treasury shares consist of 1.7% of the total shares.

12.1 FINANCIAL INSTRUMENTS BY CATEGORY

DKK million	Carrying amount 2020	Carrying amount 2019
Carried at amortised cost		
Receivable from group entreprises	10.4	19.2
Other interest bearing receivables and deposits	3.5	2.5
Trade receivables	115.5	103.8
Cash and cash equivalents	147.9	117.2
Financial assets at amortised cost	**277.3**	**242.7**
Derivatives	**3.1**	**2.1**
Carried at amortised cost		
Credit institutions	5.7	7.7
Lease liabilities	276.5	211.4
Bond	298.0	298.0
Payable to group enterprises	0.0	0.0
Trade payables	77.7	64.3
Financial liabilities and deposits	6.8	5.2
Financial liabilities at amortised cost	**664.7**	**583.6**
Derivatives	**4.2**	**2.7**

As carried amounts measured in the balance sheet all are regulated according to the official year end exchange rate, the carried amounts are assesed as representable for fair value.

12.2 FAIR VALUE MEASUREMENT

ACCOUNTING POLICIES APPLIED

Financial instruments measured at fair value
Financial instruments measured at fair value can be divided into three levels:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 — Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
Level 3 — Inputs for the asset or liability that are not based on observable market data.

Fair value of listed securities is within level 1 of the fair value hierarchy. Non-listed shares and other securities are within level 3 of the fair value hierarchy.

Fair value of derivatives is mainly within level 2 of the fair value hierarchy and is calculated on the basis of observable market data as of the end of the reporting period.

Fair value of level 3 assets and liabilities is primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the Group's profit or equity significantly.

Financial instruments carried at amortised cost
The bond is measured at amortised cost.

	Assets	Equity and liabilities	
DKK million	**Derivatives***	**Bond**	**Derivatives***
2020			
Level 1	-	-	-
Level 2	3.1	298.0	4.2
Level 3	-	-	-
Total 2020	**3.1**	**298.0**	**4.2**
2019			
Level 1	-	-	-
Level 2	2.1	298.0	2.7
Level 3	-	-	-
Total 2019	**2.1**	**298.0**	**2.7**

*Derivatives is accounted for within other receivables and payables in the balance sheet.

NOTES

12.3 FINANCIAL RISKS

The Group's activities expose it to a variety of financial risks:
• Credit risk
• Market risks, i.e. interest rate risk, currency risk and raw material risk
• Liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close cooperation with the Group.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The financial receivables of the Group all fall due within 12 months. It is the Group's policy that all major customers and other partners undergo regular credit assessment. A credit line is set on the basis of the credit worthiness of the individual customers and counterparties. The Group has a credit insurance program for sales from Georg Jensen A/S, where more than 90% of invoice amounts are insured, which is unchanged in 2020. Exceptions to the insurance program needs senior management approval. The Group does not have any material risks relating to individual private customers or partners.

Historically seen the Group has had relatively small losses as a consequence of non-payment by customers or counterparties. At year-end write downs on bad debt was DKK 7.8 million (2019: DKK 6.2 million).

Other financial assets at amortised cost comprise loans receivable and other receivables. All of these financial assets are considered to have low credit risk and thus the impairment provision calculated basis of 12 month expected losses is considered immaterial. The financial assets are considered to be low risk when they have low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Market risks
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's profit or the value of its holdings of financial instruments. The sensitivity analysis is shown in the section relating to currency risk.

The sensitivity analyses for currency risk and interest rate risk have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies remain unchanged from hedge designations in place at 31 December 2020.

12.3 FINANCIAL RISKS, CONTINUED

Interest rate risk

The interest rate risk of Georg Jensen is primarily related to floating rate debt. The interest applied to the loans is variable on 3-month terms. The Board of Directors has assessed the cost of hedging compared to the risk of interest rate increases and has decided to remain related to floating rate. Thus, at the end of 2020 Georg Jensen has no interest rate swaps.

A general increase in interest rates by 1 percentage point is estimated, all other things being equal, to affect profit before tax and equity, excluding tax effect, negatively by approximately DKK 1.2 million (2019: DKK 1.7 million). A decline by one percentage point would affect by approximately DKK 0 (2019: DKK 0) as our bank debt has a minimum interest rate limit.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

		Next interest rate fixing		
Borrowings by interest rate levels	**Carrying amount**	**0-1 year**	**1-5 years**	**5- years**
2020				
3-6%	5.7	5.7	-	-
6-8%	298.0	298.0	-	-
Total	**303.7**	**303.7**	**-**	**-**
2019				
3-6%	7.7	7.7	-	-
6-8%	298.0	298.0	-	-
Total	**305.7**	**305.7**	**-**	**-**

Currency risk

The currency risks of Georg Jensen are mainly related to the purchase and sales of goods in foreign currencies. The largest exposure for purchases are EUR, THB and USD whereas largest invoicing currencies are EUR, SEK, TWD and AUS.

Currency price risk is hedged for up to 12 months with a decreasing hedging degree over the period pursuant to the Hedging Policy approved by the Board of Directors. However, hedge accounting is not applied and in this regard refers to the economic hedging.

The Board of Directors has approved that EUR (primarily related to the bond issue) is not hedged due to the high correlation to DKK. Furthermore, exposures below DKK 15 million are not hedged either. All changes in financial instruments are recognized as financial income and financial expenses in the income statement.

To hedge this price risk Georg Jensen uses a portfolio of financial instruments as FX-forwards, currency swaps as well as options.

The table below shows the annual impact on the P/L from exchange rate increases of 10%, (except EUR, where an increase of 0,5% have been applied) in Georg Jensen's primary foreign currencies based on financial assets and liabilities at year end (in DKK millions).

12.3 FINANCIAL RISKS

	2020	2019
	P/L before tax	**P/L before tax**
AUD	1.1	(1.6)
CNY	-	-
EUR	(1.5)	(1.5)
GBP	(0.5)	(1.5)
HKD	(0.3)	(0.3)
JPY	(1.1)	(1.2)
NOK	(0.2)	(0.7)
SEK	(0.2)	(1.7)
THB	1.1	1.8
TWD	(0.6)	(0.9)
USD	4.7	5.3

Georg Jensen has equity investments in foreign affiliated companies, whose net assets are affected by exchange rate fluctuations in connection with translation to DKK in the consolidated accounts. This translation risk is not regarded as a foreign currency risk and is therefore not included in the sensitivity calculations.

At year end the market value of FX derivatives was DKK -2.6 million (2019: DKK -2.1 million). All currency hedging expires within 1 year.

Raw material price risks

Georg Jensen is exposed to fluctuations in commodity prices through its production. The main raw materials are gold and silver. These risks are hedged for up to 12 months with a decreasing hedging degree over the period pursuant to the Hedging Policy approved by the Board of Directors.

To hedge this price risk Georg Jensen uses silver and gold futures.

The sensitivity on profit for the year and equity from raw material price movements of 10% of gold and silver after impact of hedge accounting amounts to DKK 4.0 million (2019: DKK 2.2 million) at year end 2020

The effective part of the fair values of the raw material price futures, used for and complying with the conditions for hedge accounting for future transactions, is recognized directly in equity until the hedged transactions are realized and subsequently recognized in the income statement.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment, to ensure that an economic relationship exists between the hedged item and hedging instruments.

As per 31 December 2020 the market value of gold and silver futures was DKK 1.5 million (2019: DKK 1.4 million), of which DKK 1.5 million (2019: DKK 1.4 million) was recognized directly in equity. All commodity price hedging expires within 1 year.

12.3 FINANCIAL RISKS, CONTINUED

Liquidity risk
The purpose of Georg Jensen's cash management procedures is to ensure that the Group at all times has an adequate level of cash and debt to meet financial obligations. Liquidity forecasts are continuously updated with a higher granularity for the next three months than the monthly outlooks for a rolling 12 month period.

Georg Jensen has a bond issue of 40 million EUR until May 2023 and a committed revolving credit facility of 10 million EUR with DNB Bank until May 2023.

Georg Jensen's loan and credit agreements contain one financial covenant. The covenant has not been breached in 2020.

Furthermore, some of the subsidiaries have smaller facilities in place to manage local cash flow.

The Groups short term budget and longer terms plans shows that the Group will be able to meet its commitments on an ongoing basis. In 2023 the bond and the RCF will need to be re-financed and renegotiated with the ensuing re-financing risk.

Maturity analysis of loans and borrowing 2020, DKK million	**2021**	**2022**	**2023-2024**	**After 2024**	**Total**
Credit institutions and bond	18.1	18.1	311.3	0.0	347.5
Lease liabilities	86.9	75.2	89.1	55.6	306.8
Trade payables	77.7	0.0	0.0	0.0	77.7
Derivates	4.2	0.0	0.0	0.0	4.2
Total payment obligations	**186.9**	**93.3**	**400.4**	**55.6**	**736.2**

Maturity analysis of loans and borrowing 2019, DKK million	**2020**	**2021**	**2022-2023**	**After 2023**	**Total**
Credit institution	21.4	21.0	327.9	0.0	370.3
Lease liabilities	100.8	75.4	100.5	115.7	392.4
Trade payables	64.3	0.0	0.0	0.0	64.3
Derivates	2.7	0.0	0.0	0.0	2.7
Total payment obligations	**189.2**	**96.4**	**428.4**	**115.6**	**829.7**

NOTES

12.4 NET INTEREST-BEARING DEBT

ACCOUNTING POLICIES APPLIED

Financial liabilities

On initial recognition, financial liabilities, including bank loans, are measured at fair value. In subsequent periods, financial liabilities are measured at amortized cost, applying the effective interest method, to the effect that the difference between the proceeds and the nominal value is recognized in the income statement as financial costs over the term of the loan.

DKK million	**2020**	**2019**
Net interest-bearing debt comprises:		
Credit institutions	5.7	7.7
Lease liabilities	276.5	211.4
Bond	298.0	298.0
Gross interest-bearing debt	**580.2**	**517.1**
Recevable to group enterprises	-10.4	-19.2
Cash and cash equivalents	-147.9	-117.2
Gross interest-bearing receivables	**-158.3**	**-136.4**
Net interest-bearing debt	**421.9**	**380.7**

12.5 CONTINGENT LIABILITIES

ACCOUNTING POLICIES APPLIED

Contingent liabilities comprise potential liabilities which have not yet been confirmed as to whether these will cause an outflow of the Group's resources actual liabilities which are not possible to measure with sufficient reliability.

For the credit facilities with a credit institution a floating charge on the Company's assets of DKK 200 million (2019: DKK 200 million) and a mortgage registered to the owner of DKK 10 million (2019: DKK 10 million) on a building with an accounting book value of DKK 4.1 million (2019: DKK 4.6 million) have been recorded in the Land Register. For the same credit facilities, shares in the subsidiaries Georg Jensen Retail A/S and Georg Jensen Pty. Ltd. have been pledged as collateral.
For local credit facility in Thailand a mortgage charge on land & buildings with a net booked value of DKK 16.2 million by the end of 2020 in Georg Jensen (Thailand) Ltd. has been registered. The mortgage charge is maximized to DKK 6.1 million. For local credit facility in Taiwan a mortgage charge on accounts receivable with a net booked value of DKK 6.6 million by the end of 2019, has been registered. The mortgage charge was not utilized by the end of 2020.

Georg Jensen Group is subject to tax legislation in the countries in which it operates. Any significant accounting estimates relating to the statements of current tax, deferred tax and pending tax matters in the individual countries have been provided.

The parent company is liable as a surety guarantor for loans of DKK 1.4 million (2019: DKK 2.8 million) raised by Georg Jensen (Thailand) Ltd. with IFU.

13.1 REMUNERATION TO KEY MANAGEMENT AND BOARD OF DIRECTORS

ACCOUNTING POLICIES APPLIED

Key Management includes Board of Directors, Executive Management and the extended Executive Leadership in Georg Jensen Investment ApS.

Key Management is a total of 7 members by end 2020. The compensation paid or payables to key management for employee services is shown below:

DKK million	2020	2019
Wages and salaries	10.7	11.6
Pensions, defined contribution plans	0.6	0.6
Termination benefits	0.0	0.0
Key Management in Total	**11.3**	**12.2**
Fees to board of directors	0.6	0.4
Total	**0.6**	**0.4**
Total Remuneration	**11.9**	**12.6**

NOTES

14.1 RELATED PARTIES

CONTROLLING INTEREST
Georg Jensen Investment ApS's immediate Parent Company is Moonlight II BV, Netherlands. Georg Jensen Investment ApS is fully consolidated in the consolidated annual report for Moonlight Holding UK Ltd. from where it can be obtained. The ultimate Parent Company is Investcorp European Buyout Fund 2019 B, LP, located on Cayman Islands.

OTHER RELATED PARTIES
The Company's related parties are the members of the Board of Directors and Executive Board of Georg Jensen Investment ApS, the sole shareholder Georg Jensen Investment ApS and affiliated companies.

TRANSACTIONS
No agreements or other transactions with the Company have been concluded in which the Board of Directors or Executive Board has had an economic interest besides transactions as a consequence of the employment relationship.

TRADING TRANSACTIONS
During the year Group companies entered into the following transactions with related parties who are not members of the group.

		Transaction amount	
DKK million	Type of transaction	**2020**	**2019**
Receivables from group enterprises			
Parent companies	Interest	0.8	0.7
	Addition to loan	2.0	2.5
Total		**2.8**	**3.2**

Intercompany balances can be seen in the consolidated statements for the group

15.1 RETIREMENT BENEFIT OBLIGATIONS

ACCOUNTING POLICIES APPLIED

Obligations relating to defined contribution plans are recognized in the income statement in the period in which the employees performed their work, and contributions due are recognized in the statement of financial position under other liabilities. For defined benefit plans, an annual actuarial assessment is made of the net present value of future benefits to be paid under the plan.

The net present value is calculated based on assumptions of the future developments of, e.g., salary, interest, inflation and mortality rates. The net present value is only calculated for those benefits to which the employees have earned the right through their past employment for the Group.

The actuarial calculation of the net present value less the fair value of any assets related to the plan is included in the statement of financial position as retirement benefit obligations, however, please see below. Differences between the expected development of assets and liabilities in connection with retirement benefit schemes and the realized values are termed actuarial gains or losses.

Subsequently, all actuarial gains or losses are recognized in the comprehensive income. If a retirement plan represents a net asset, the asset is only recognized to the extent that it offsets future contributions from the plan, or it will reduce future contributions to the plan.

The assumptions used for the actuarial calculations and valuations may vary from country to country due to local, economic and social differences.

The Group has used external and independent actuaries for the statement of retirement benefit obligation.

The retirement benefit obligations are specified as follows:

DKK million	2020	2019
Present value of defined benefit obligation, Thailand	7.3	7.1
Present value of defined benefit obligation, Taiwan	1.7	2.0
Total retirement benefit obligation	**9.0**	**9.1**

The plan assets are specified as follows:

DKK million	2020	2019
Fair value of plan assets, Thailand	0.0	0.0
Fair value of plan assets, Taiwan	0.8	1.0
Total plan assets	**0.8**	**1.0**

15.1 RETIREMENT BENEFIT OBLIGATIONS, CONTINUED

The development of the present value of defined benefit obligation is specified as follows:

DKK million	2020	2019
Retirement benefit obligation at 1 January	**9.0**	**8.5**
Current service cost	0.0	0.7
Past service cost	-0.1	1.4
Interest expenses	0.2	0.2
Total amount recognized in the profit and loss	**0.1**	**2.3**
Financial changes	0.3	-1.0
Total amount recognized in other comprehensive income	**0.3**	**-1.0**
Exchange rate adjustments	-0.2	0.9
Benefit payments	-0.2	-1.6
Present value of defined benefit obligations	**9.0**	**9.1**

DKK million	2020	2019
Fair value at 1 January	**1.0**	**1.9**
Exchange rate adjustments	-0.1	0.2
Benefit payments	-0.1	-1.1
Present value of defined benefit asset	**0.8**	**1.0**

	31 December 2020			31 December 2019		
DKK million	**Quoted**	**Un-quoted**	**Total**	**Quoted**	**Un-quoted**	**Total**
Cash and cash equivalents	0.8	0.0	**0,8**	1.0	0.0	**1.0**
Total plan assets	**0.8**	**0.0**	**0.8**	**1.0**	**0.0**	**1.0**

Future cashflows relating to benefit payments are noted as follows:

2020 DKK million	1 year	2-5 years	After 5 years	Total
Taiwan	0.0	0.2	1.4	**1.6**
Thailand	0.4	0.5	12.2	**13.1**
Total	**0.4**	**0.7**	**13.6**	**14.7**

15.1 RETIREMENT BENEFIT OBLIGATIONS

2019 DKK million	1 year	2-5 years	After 5 years	Total
Taiwan	0.1	0.2	1.8	**2.1**
Thailand	0.3	0.8	12.3	**13.4**
Total	**0.4**	**1.0**	**14.1**	**15.5**

The significant actuarial assumptions were as follows (weighted averages):

	2020	**2019**
Discount rate for monthly employee (annual)	2.0%	1.6%
Future salary increases for monthly employee (annual)	3.7%	3.0%

Assumption regarding the mortality and disability rate of Thailand mortality table of 2017 and Taiwan mortality table of 2012, are based on official data, and make up 100% in mortality rate, and 10% in disability rate for male and female respectively.

Expected contributions to post-employment benefit plans for the year ending 31 December 2020 are approx. DKK 0.0 million. (2019: DKK 0.0 million) The weighted average duration of the defined benefit obligation is 15 years for Thailand and 8 years for Taiwan. (2019: 15 years for Thailand and 9 years for Taiwan)

15.2 PROVISIONS

ACCOUNTING POLICIES APPLIED

Provisions are recognized when, as a consequence of a past event during the financial year or previous years, the Group has a legal or constructive obligation, and it is likely that settlement of the obligation will require an outflow of the Company's financial resources.

Provisions are measured as the best estimate of the costs required to settle the liabilities at the end of the reporting period. Provisions with an expected term of more than a year at end of the reporting period are measured at present value.

The accounting estimates applied in respect of provisions are based on Management's best estimates of assumptions and judgments. The majority of the provisions are expected to be settled within one year. Due to uncertainty in the settlement process, these estimates may be affected significantly by changes in these assumptions and judgments applied. These estimates are based on existing contractual obligations and past experience. Based on the information available, Georg Jensen Group considers the provisions to be adequate.

NOTES

15.2 PROVISIONS, CONTINUED

2020

DKK million	Reestablishment leases	Other	Total
Provisions at 1 January	**12.8**	**3.0**	**15.8**
Adjustment of reestablishment	1.6	0.0	**1.6**
Reclassified provisions	0.0	0.0	**0.0**
Exchange adjustment	0.0	0.0	**0.0**
Provisions at 31 December	**14.4**	**3.0**	**17.4**

Provisions specified in the statement of financial positions is as follows:

Non-current liabilities	10.3	0.0	**10.3**
Current liabilities	4.1	3.0	**7.1**
Provisions at 31 December	**14.4**	**3.0**	**17.4**

2019

DKK million	Reestablishment leases	Other	Total
Provisions at 1 January	**15.4**	**0.5**	**15.9**
Actuary remeasurement	-2.6	0.0	**-2.6**
Reclassified provisions	0.0	2.5	**2.5**
Exchange adjustment	0.0	0.0	**0.0**
Provisions at 31 December	**12.8**	**3.0**	**15.8**

Provisions specified in the statement of financial positions is as follows:

Non current-liabilities	10.4	0.0	**10.4**
Current liabilities	2.4	3.0	**5.4**
Provisions at 31 December	**12.8**	**3.0**	**15.8**

NOTES

16.1 FEE TO AUDITORS ELECTED AT THE ANNUAL GENERAL MEETING

DKK million	2020	2019
Audit fee to PwC	2.7	2.3
Other statements and opinions with guarantees	0.1	0.2
Tax services	0.7	0.6
Non-audit services	0.4	0.0
Total fee to the auditors elected at the annual general meeting	**3.9**	**3.1**

17.1 WORKING CAPITAL

DKK million	2020	2019
Inventories	268.8	288.2
Trade receivables	115.5	103.8
Other receivables	3.5	2.5
Prepayments	19.0	19.5
Total assets	**406.8**	**414.0**
Trade payables	77.7	64.3
Other payables	131.0	104.7
Retirement benefit obligation	8.3	8.1
Other provisions	17.4	15.8
Total liabilities	**234.4**	**192.9**
Working capital	**172.4**	**221.1**
Changes in working capital		
Change in inventory	19.4	72.5
Change in receivables	-12.2	0.8
Change in other provisions	28.1	1.5
Change in suppliers etc.	13.4	-24.5
Other adjustments	0.0	0.0
Total other adjustments	**48.7**	**50.3**

17.2 CASH FLOW STATEMENT, NON-CASH ITEMS

DKK million	2020	2019
Financial income	-0.5	-10.6
Financial cost	43.3	44.2
Depreciation, amortisation and impairment losses	166.1	174.9
Tax on profit/loss for the year	3.7	4.0
Other	-23.1	13.2
Total other adjustments	**189.5**	**225.7**

18.1 EVENTS AFTER THE REPORTING PERIOD

The Georg Jensen Board of Directors appointed Mehul Tank as CEO of Georg Jensen effective from January 2021. The appointment has no impact on the financial strategy of Georg Jensen for 2021. No events have occurred after the balance sheet date that materially affects the financial position of Georg Jensen.

BY APPOINTMENT TO
HER MAJESTY THE QUEEN OF DENMARK

GEORG JENSEN

ESTABLISHED 1904

FOR THE
PARENT COMPANY

ANNUAL REPORT 2020

INCOME STATEMENT

DKK million	Note	2020	2019
Other external costs		-0.8	-0.1
Staff costs	3	-0.2	-0.2
Operating profit		**-1.0**	**-0.3**
Result of Investments in subsidiaries	5	-59.7	-63.0
Financial costs		-0.7	0.0
Profit before tax		**-61.4**	**-63.3**
Tax on profit for the year		-0.0	-0.0
Profit for the year	**4**	**-61.4**	**-63.3**

BALANCE SHEET, ASSETS

DKK million	Note	2020	2019
ASSETS			
NON-CURRENT ASSETS			
Financial assets			
Investments in subsidiaries	5	305.7	390.2
Total non-current assets		**305.7**	**390.2**
CURRENT ASSETS			
Receivables			
Receivables from group enterprises		7.6	6.1
Deferred tax assets	6	0.0	0.0
Total current assets		**7.6**	**6.1**
TOTAL ASSETS		**313.3**	**396.3**

BALANCE SHEET, LIABILITIES

DKK million	Note	2020	2019
EQUITY AND LIABILITIES			
EQUITY			
Share capital		317.0	317.0
Share premium account		594.4	594.4
Retained earnings		-611.5	-515.5
Total equity		**299.9**	**395.9**
CURRENT LIABILITIES			
Credit institutions		0.5	0.2
Other payables		0.5	0.2
Payables to group enterprises		12.4	0.0
Total liabilities		**13.4**	**0.4**
TOTAL EQUITY AND LIABILITIES		**313.3**	**396.3**

STATEMENT OF CHANGES IN EQUITY

2020 DKK million	Share capital	Share premium account	Retained earnings	Total Equity
Equity as at January 1	**317.0**	**594.4**	**-515.5**	**395.9**
Adjusted equity at 1 January	**317.0**	**594.4**	**-515.5**	**395.9**
Profit for the period	0.0	0.0	-61.4	**-61.4**
Other Adjustments	0.0	0.0	-9.8	**-9.8**
Treasury shares	0.0	0.0	-10.0	**-10.0**
Benefit pension plans	0.0	0.0	0.3	**0.3**
Adjustment cashflow hedges	0.0	0.0	0.1	**0.1**
Exhange adjustments	0.0	0.0	-15.2	**-15.2**
Equity as at December 31	**317.0**	**594.4**	**-611.5**	**299.9**

NOTES

1. GOING CONCERN

For details regarding Going concern assumption and capital ressources please refer to note 2.1 in the consolidated financial statements.

2. ACCOUNTING POLICIES

The financial statements of the Parent Company have been prepared in accordance with the Danish Financial Statements Act (Class C, medium-sized).

Merger of Georg Jensen Investment and Moonlight I B.V.

During the financial year Georg Jensen Investment ApS merged with Moonlight I B.V. why the comparative figures can not be applied immediately. The merger was carried out using the aggregation method.

The accounting policies are the same as for the consolidated financial statements with the adjustments described below. For a description of the accounting policies of the Group, please refer to the consolidated financial statements, page 23-27.

The accounting policies is further described in the individual notes for the group.

The accounting policy for lease aggrements are similar with the consolidated financial statemens for Georg Jensen A/S. The companys accounting policy for recogniztion of leases is based on the international accounting standard IFRS 16.

Intercompany transactions
Intercompany transactions which don't fulfill the arm's lenght principle will be disclosed in the annual report. Please refer to note 14.1 of the group for further information regarding group accounts.

Cash flow statement
No separate statement of cash flows has been prepared for the Parent Company; please refer to the statement of cash flows for the Group page 21.

Supplementary accounting policies for the Parent Company
Shares in subsidiaries recognized via the equity method. See note 3 for further description.

Equity
Refer to note 11.1 of the group.

Contingent liabilities
Information regarding contingent liabilities are disclosed in note 12.5 of the group.

Tax
The jointly-taxed companies are subject to the on-account taxation system. See note 8.2 and 9.4.

Events after the reporting period
Information regarding subsequent events after the reporting are disclosed in note 18.1 of the group.

NOTES

3. STAFF COST

DKK MILLION	2020	2019
Wages and salaries	0.2	0.2
Total wages	**0.2**	**0.2**
Remuneration to Board of Directors		
Fee to board of directors	0.2	0.2
Total remuneration to Board of Directors	**0.2**	**0.2**
Average number of employees	**0**	**0**

4. PROFIT DISTRIBUTION

Distribution of profit/loss
Profit/loss for the year is propsed distributed as follows:

DKK million	2020	2019
Transfered to retained earnings	-61.4	-63.3
Profit/loss for the year	**-61.4**	**-63.3**

5. INVESTMENT IN SUBSIDIARIES

ACCOUNTING POLICIES APPLIED

Investments in subsidiaries are recognized and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet includes the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealized intercompany profits or losses.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net asset value are recognized at DKK 0 million. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is set up against receivables from group enterprises or recognized in provisions.

Other investment securities and capital interests are measured at fair market value on the date of the balance sheet.

DKK million	2020	2019
Cost at 1 January	876.3	876.3
Cost at 31 December	**876.3**	**876.3**
Impairment gain/losses at 1 January	**-486.1**	**-446.0**
Share of profits of subsidiaries after taxes	-45.1	-48.4
Depreciations	-14.6	-14.6
Equity adjustment in subsidiaries	-14.8	22.9
Other adjustments	-10.0	0.0
Impairment losses and amortisation at 31 December	**-570.6**	**-486.1**
Carrying amount at 31 December	**305.7**	**390.2**

	Place of registered office	Votes and ownership	Currency
Georg Jensen A/S	Denmark	100%	DKK

6. DEFERRED TAX

DKK million	2020	2019
Deferred tax at 1 January	0.0	0.0
Amounts recognized in the income statement for the year	0.0	0.0
Deferred tax at 31 December	**0.0**	**0.0**

See note 9.4 for the group for full disclosure on deferred tax.