

Bucherer Denmark ApS
c/o Aagaard & Partnere Advokatanpartsselskab, 1101 Copenhagen K

Company reg. no. 37 86 03 01

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 24 March 2023.



Lise Aagaard
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Management's review	6
Financial statements 1 January - 31 December 2022	
Income statement	7
Balance sheet	8
Notes	10
Accounting policies	12

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Bucherer Denmark ApS for the financial year 1 January - 31 December 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 15 March 2023

Managing Director



Claire Hansted

Board of directors



Guido Michael Zumbühl
Chairman



Kilian Paul Müller



Claire Hansted

Independent auditor's report

To the Shareholders of Bucherer Denmark ApS

Opinion

We have audited the financial statements of Bucherer Denmark ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 15 March 2023

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36



Ulrik Bloch-Sørensen
State Authorised Public Accountant
mne2913



Martin Bomholtz
State Authorised Public Accountant
mne34117

Company information

The company

Bucherer Denmark ApS
c/o Aagaard & Partnere Advokatanpartsselskab
1101 Copenhagen K

Company reg. no. 37 86 03 01
Established: 1 July 2016
Financial year: 1 January 2022 - 31 December 2022

Board of directors

Guido Michael Zumbühl, Chairman
Kilian Paul Müller
Claire Hansted

Managing Director

Claire Hansted

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

The principal activities of the company

Bucherer Denmark is a subsidiary of Bucherer AG, a Swiss-based company that designs, manufactures, and retails watches, jewellery, pearls and diamonds. The danish subsidiary retails watches and jewelley in the Illum store in Copenhagen.

Development in activities and financial matters

The gross profit for the year totals DKK 17,1m against DKK 17,1m last year. Income or loss from ordinary activities after tax totals DKK 4,1m against DKK 5,1m last year.

Last year's gross profit is positively affected by Covid-19 compensation. The company has in the gross profit for 2021 recognized Covid-19 compensation amounting to DKK 2,1m. Of this amount DKK 0,9m is compensation for payroll and DKK 1,2m is compensation for fixed costs. See note 1.

Events subsequent to the financial year

The company has per 4 January 2023 acquired 100% of the shares in Klarlund A/S.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	17.098.823	17.126.374
2 Staff costs	-10.143.123	-8.679.458
Depreciation and writedown relating to tangible fixed assets	-1.558.424	-1.538.026
Operating profit	5.397.276	6.908.890
Other financial income	654.533	229.888
3 Other financial costs	-825.157	-649.058
Pre-tax net profit or loss	5.226.652	6.489.720
Tax on ordinary results	-1.157.576	-1.431.256
Profit or loss from ordinary activities after tax	4.069.076	5.058.464
Net profit or loss for the year	4.069.076	5.058.464
Proposed distribution of net profit:		
Transferred to retained earnings	4.069.076	5.058.464
Total allocations and transfers	4.069.076	5.058.464

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets		
Non-current assets		
4 Other fixtures and fittings, tools and equipment	8.653.241	8.742.742
Total property, plant, and equipment	8.653.241	8.742.742
Total non-current assets	8.653.241	8.742.742
Current assets		
Raw materials and consumables	36.528.033	30.313.148
Total inventories	36.528.033	30.313.148
Trade debtors	30.105.923	26.321.087
Amounts owed by group enterprises	1.393.509	0
Receivable corporate tax	0	388.528
Other debtors	477.647	3.834.626
Accrued income and deferred expenses	20.811	18.117
Total receivables	31.997.890	30.562.358
Available funds	2.326.811	1.929.784
Total current assets	70.852.734	62.805.290
Total assets	79.505.975	71.548.032

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
5 Contributed capital	51.000	51.000
6 Share premium	24.999.000	24.999.000
7 Retained earnings	7.338.301	3.269.225
Total equity	<u>32.388.301</u>	<u>28.319.225</u>
Provisions		
Provisions for deferred tax	1.034.027	1.097.711
Total provisions	<u>1.034.027</u>	<u>1.097.711</u>
Long term liabilities other than provisions		
Accrued expenses and deferred income	311.956	415.941
Total long term liabilities other than provisions	<u>311.956</u>	<u>415.941</u>
Trade payables	13.094.085	3.070.948
Payables to group enterprises	25.732.681	31.547.035
Income tax payable	1.221.260	0
Other payables	5.619.680	6.993.187
Accruals and deferred income	103.985	103.985
Total short term liabilities other than provisions	<u>45.771.691</u>	<u>41.715.155</u>
Total liabilities other than provisions	<u>46.083.647</u>	<u>42.131.096</u>
Total equity and liabilities	<u>79.505.975</u>	<u>71.548.032</u>

1 Special items

8 Charges and security

9 Contingencies

Notes

All amounts in DKK.

1. Special items

The company has in the gross profit for 2021 recognized Covid-19 compensation amounting to DKK 2,1m. Of this amount DKK 0,9m is compensation for payroll and DKK 1,2m is compensation for fixed costs.

	<u>2022</u>	<u>2021</u>
2. Staff costs		
Salaries and wages	9.498.535	8.111.311
Pension costs	598.515	525.419
Other costs for social security	46.073	42.728
	<u>10.143.123</u>	<u>8.679.458</u>
Average number of employees	<u>21</u>	<u>19</u>
3. Other financial costs		
Financial costs, group enterprises	127.401	161.195
Other financial costs	697.756	487.863
	<u>825.157</u>	<u>649.058</u>
	<u>31/12 2022</u>	<u>31/12 2021</u>
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2022	16.483.885	15.901.875
Additions during the year	1.572.909	582.010
Cost 31 December 2022	<u>18.056.794</u>	<u>16.483.885</u>
Depreciation and writedown 1 January 2022	-7.741.143	-6.099.131
Depreciation for the year	-1.662.410	-1.642.012
Depreciation and writedown 31 December 2022	<u>-9.403.553</u>	<u>-7.741.143</u>
Carrying amount, 31 December 2022	<u>8.653.241</u>	<u>8.742.742</u>

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
5. Contributed capital		
Contributed capital 1 January 2022	<u>51.000</u>	<u>51.000</u>
	<u>51.000</u>	<u>51.000</u>
6. Share premium		
Share premium 1 January 2022	<u>24.999.000</u>	<u>24.999.000</u>
	<u>24.999.000</u>	<u>24.999.000</u>
7. Retained earnings		
Retained earnings 1 January 2022	3.269.225	-1.789.239
Profit or loss for the year brought forward	<u>4.069.076</u>	<u>5.058.464</u>
	<u>7.338.301</u>	<u>3.269.225</u>
8. Charges and security		
For bank debts, DKK 0, the company has provided security in bank account representing a nominal value of DKK 100.000.		
9. Contingencies		
Contingent liabilities		
The company has no contingent liabilities as at 31 December 2022.		

Accounting policies

The annual report for Bucherer Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

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

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

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

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to tangible fixed assets respectively.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax of the results for the year

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

The balance sheet

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

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

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

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	5-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Accounting policies

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accrued income and deferred expenses

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

Available funds

Available funds comprise cash at bank and in hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.