

# LARSEN & ERIKSEN ApS

Linnésgade 24, 2 1  
1361 København K

Annual report  
20 September 2016 - 31 December 2017

**The annual report has been presented and  
approved on the company's general meeting the**

**31/05/2018**

**Jeppe Bjørn Kragh Larsen**  
**Chairman of general meeting**

(Not audited)

## Content

### Company informations

Company informations .....	3
----------------------------	---

### Reports

Statement by Management .....	4
-------------------------------	---

### Auditor's Reports

Report on an Engagement to Compile Financial Statements .....	5
---	---

### Management's Review

Management's Review .....	6
---------------------------	---

### Financial statement

Accounting Policies .....	7
Income statement .....	8
Balance sheet .....	9
Disclosures .....	11

# Company information

**Reporting company**    LARSEN & ERIKSEN ApS  
Linnésgade 24, 2 1  
1361 København K

Phone number:    29852285  
e-mail:    hello@larseneriksen.com

CVR-nr:    38021877  
Reporting period: 20/09/2016 - 31/12/2017

# Statement by Management

The Management has today discussed and approved the annual report for the financial year 20. September 2016 - 31. December 2017. The annual report has been presented in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of the Company's operations for the financial year 20. September 2016 - 31. December 2017.

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

Copenhagen, the 31/05/2018

## Management

Magnus Eriksen

Jeppe Bjørn Kragh Larsen

## Opting out of auditing financial statements in next reporting period due to exemption

Management confirms that the company fulfills the requirements to be exempt of audit.

# Auditor's reports

To the management of LARSEN & ERIKSEN ApS

We have prepared the annual report of LARSEN & ERIKSEN ApS for the income year 20. September 2016 - 31. December 2017 based on the Company's bookkeeping and additional information that you have provided.

The annual report comprises accounting practice, profit/loss, balance sheet and notes.

We performed our work in accordance with ISRS 4410 Engagements to Compile Financial Information. We applied our professional expertise in order to assist you in preparing and presenting the annual report in accordance with the Danish Financial Statement Act. We complied with relevant provisions of the Danish Auditors Act and FSR – Danish Auditors' ethical rules, including principles regarding integrity, objectivity, professional competence and due care.

The annual and the accuracy and completeness of the information applied when preparing the annual report are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you have provided to us for the purpose of our preparation of the annual report. Consequently, we do not express any opinion as to whether the annual report has been prepared in accordance with Danish Financial Statement Act.

Copenhagen, 31/05/2018

Morten Høgh-Petersen , mne34283  
State Authorised Public Accountant  
KPMG P/S  
CVR: 25578198

# Management's Review

## Main activity

LARSEN & ERIKSEN is a Copenhagen-based design studio. Driven by contemporary Copenhagen lifestyle, the company creates accessible aesthetics inspired by Danish Mid-Century Modern.

The designs of LARSEN & ERIKSEN can be experienced in the best retail universes the world has to offer as well as on the company's own web shop.

In order to make sure that the designs of LARSEN & ERIKSEN are unique and always will be relevant, the company partners with market leading culture, art and design institutions.

These creative partnerships evolve around both sales activities and special design collaborations.

## Development in the year

After launching the first collection of watches in December 2016 LARSEN & ERIKSEN quickly experienced a steadily increasing demand - from both B2C and B2B customers.

Within the first months of 2017 Louisiana Museum of Modern Art joined the list of LARSEN & ERIKSEN retailers. Their design store was recently awarded the World's Best Museum Shop and LARSEN & ERIKSEN remained the only watch brand in the store throughout all of 2017.

Shortly after, ARoS Aarhus Art Museum was announced as new LARSEN & ERIKSEN retailer. Also here, LARSEN & ERIKSEN remained the only watch brand in the store throughout all of 2017.

Meanwhile, Aarhus was awarded European Capital of Culture in 2017, with ARoS Aarhus Art Museum being the locus of attention.

During the summer of 2017 LARSEN & ERIKSEN was invited to exhibit at fashion shows in both Paris and New York. This - amongst other sales and branding activities - led to new prominent retailers in i.e. USA, Canada, China and most of Europe.

With 2017 being the first year of business for LARSEN & ERIKSEN, we are quite overwhelmed by the fact that the products are already present in 20+ top-tier stores in Denmark as well as in 14 different countries around the world - including world-renowned art and design institutions in i.e. USA and The Netherlands.

## Expectation for the coming year

LARSEN & ERIKSEN expects to continue its rapid growth. Numerous relationships and possibilities that were established in 2017 are expected to bring scale and new top-market entries in the coming year.

The company is gearing up to move into new markets and a big focus in the coming year will be on creating a scalable business setup that can work in tandem with a high growth strategy based on new products and additional creative partnerships.

We expect this pathway to pave the way for an on-going growth story for the company which will involve scaling the team, building new distribution channels and cementing a strong position in the global market.

# Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B.

## Income statement

### Revenue

Income from the sale of services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All forms of discounts granted are deducted from revenue.

### Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

### Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

## Balance sheet

### Investments

Equity investments in group entities and associates are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

### Receivables

Receivables are measured at amortised cost, which corresponds to nominal value. The value is reduced by write-down for bad debts.

### Liabilities

Financial liabilities are recognised at cost at the date of borrowing, equivalent to proceeds received less transaction costs paid. Other liabilities are measured at net realisable value.

# Income statement 20 Sep 2016 - 31 Dec 2017

	Disclosure	2016/17 kr.
Gross Result .....		-104,625
Profit (loss) from ordinary operating activities .....		-104,625
Profit (loss) from ordinary activities before tax .....		-104,625
Profit (loss) .....		-104,625
Proposed distribution of results		
Retained earnings .....		-104,625
Proposed distribution of profit (loss) .....		-104,625



# Balance sheet 31 December 2017

## Assets

	Disclosure	2016/17 kr.
Investments in group enterprises .....		50,000
<b>Investments .....</b>		<b>50,000</b>
<b>Total non-current assets .....</b>		<b>50,000</b>
Receivables from group enterprises .....		157,000
Other receivables .....		7,992
<b>Receivables .....</b>		<b>164,992</b>
Cash and cash equivalents .....		2,063
<b>Current assets .....</b>		<b>167,055</b>
<b>Total assets .....</b>		<b>217,055</b>

# Balance sheet 31 December 2017

## Liabilities and equity

	Disclosure	2016/17 kr.
Contributed capital .....		50,000
Retained earnings .....		-104,625
<b>Total equity .....</b>		<b>-54,625</b>
Trade payables .....		4,000
Payables to group enterprises .....		50,000
Payables to shareholders and management .....		217,680
<b>Short-term liabilities other than provisions, gross .....</b>		<b>271,680</b>
<b>Liabilities other than provisions, gross .....</b>		<b>271,680</b>
<b>Liabilities and equity, gross .....</b>		<b>217,055</b>

# Disclosures

## 1. Disclosure of contingent liabilities

### **Joint taxation liability**

The Company is jointly taxed with other Danish companies in the Group. As administrative company, together with the other companies in the joint taxation, the Company has joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation. Any later corrections of the taxable income subject to joint taxation may entail that the Company's liability will increase.