

LARSEN & ERIKSEN ApS

Gammel Kongevej 140, kl
1850 Frederiksberg C

Annual report
1 January 2018 - 31 December 2018

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

24/05/2019

Jeppe Bjørn Kragh Larsen
Chairman of general meeting

(Not audited)

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Company information

Reporting company LARSEN & ERIKSEN ApS
Gammel Kongevej 140, kl
1850 Frederiksberg C

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CVR-nr: 38021877
Reporting period: 01/01/2018 - 31/12/2018

Statement by Management

Management has today considered and approved the annual report for the financial year 01. January 2018 - 31. December 2018 for LARSEN & ERIKSEN ApS.

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

Management believes that the financial statements give a true and fair view of the company's assets, liabilities and financial position and of the result.

The annual report is submitted for approval by the General Assembly.

Management considers the conditions for opting out of audit to be met.

Copenhagen, the 24/05/2019

Management

Magnus Lindstrøm Eriksen

Jeppe Bjørn Kragh Larsen

Auditor's reports

To the management of LARSEN & ERIKSEN ApS

We have prepared the annual report of LARSEN & ERIKSEN ApS for the income year 01. January 2018 - 31. December 2018 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, 24/05/2019

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

Management's Review

Main activity

LARSEN & ERIKSEN is a discreetly modern design studio creating shapes that are subtle, but never simple.

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 and in their newly established studio/showroom located at the iconic street of Gammel Kongevej in the heart of Copenhagen.

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

Building upon the great success of 2017 - the company's first year of business - LARSEN & ERIKSEN continued its rapid growth - both offline and online - by i.e. expanding into several new markets while ensuring a strong focus on brand building throughout all of 2018.

LARSEN & ERIKSEN exhibited at multiple fashion and lifestyle shows in the US and was one of only 100 highly curated brands at the renowned "MAN" fair in New York during the summer.

This led to many new exciting business ventures - i.e. sales collaborations with the prominent Museum of Modern Art in San Francisco and Institute of Contemporary Art in Boston.

Alongside the international expansion, LARSEN & ERIKSEN kept building its market-leading position in Denmark by establishing a strategic partnership with the hyped Danish Architecture Center in Copenhagen (as the only watch brand in the world). Besides sales activities, the partnership also resulted in a permanent exhibition/art installation of LARSEN & ERIKSEN's designs in the amazing design shop of Danish Architecture Center.

At the end of 2018, LARSEN & ERIKSEN announced - and launched - a unique design collaboration with the world-renowned Louisiana Museum of Modern Art. The collaboration consists of an on-going collection of watches that are to be sold exclusively at Louisiana Museum of Modern Art and through LARSEN & ERIKSEN's web shop and showroom.

With 2018 being the second year of business for LARSEN & ERIKSEN, we are very satisfied with the fact that our designs are now present in a wide range of top-tier stores around the world and in a total of 20 different countries. Furthermore, the fact that we have now established strong partnerships with several world-renowned institutions plays a central - and very strong - part in differentiating LARSEN & ERIKSEN from the dense competition in the local as well as global market.

Expectation for the coming year

LARSEN & ERIKSEN expects to continue its solid growth in 2019. Many unique opportunities - branding as well as sales wise - were established in 2018 and these are expected to come to life throughout 2019.

The company is planning on expanding into some high-potential markets, and a big focus in the coming year will be on establishing a scalable setup that can work in tandem with a high growth strategy based on new products, new creative partnerships and an even sharper focus on distribution channels.

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 1 Jan 2018 - 31 Dec 2018

	Disclosure	2018 kr.	2016/17 kr.
Gross Result		-19,260	-104,625
Profit (loss) from ordinary operating activities		-19,260	-104,625
Other finance expenses		-236	0
Profit (loss) from ordinary activities before tax		-19,496	-104,625
Tax expense		12,671	0
Profit (loss)		-6,825	-104,625
Proposed distribution of results			
Retained earnings		-6,825	-104,625
Proposed distribution of profit (loss)		-6,825	-104,625

Balance sheet 31 December 2018

Assets

	Disclosure	2018 kr.	2016/17 kr.
Investments in group enterprises		50,000	50,000
Investments		50,000	50,000
Total non-current assets		50,000	50,000
Receivables from group enterprises		40,283	157,000
Other receivables		9,790	7,992
Receivables		50,073	164,992
Cash and cash equivalents		157	2,063
Current assets		50,230	167,055
Total assets		100,230	217,055

Balance sheet 31 December 2018

Liabilities and equity

	Disclosure	2018 kr.	2016/17 kr.
Contributed capital		50,000	50,000
Retained earnings		-111,450	-104,625
Total equity		-61,450	-54,625
Trade payables		8,000	4,000
Payables to group enterprises		50,000	50,000
Payables to shareholders and management		103,680	217,680
Short-term liabilities other than provisions, gross		161,680	271,680
Liabilities other than provisions, gross		161,680	271,680
Liabilities and equity, gross		100,230	217,055

Statement of changes in equity 1 Jan 2018 - 31 Dec 2018

	Contributed capital	Retained earnings	Total
	kr.	kr.	kr.
Equity, beginning balance	50,000	-104,625	-54,625
Profit (Loss)	0	-6,825	-6,825
Equity, ending balance	50,000	-111,450	-61,450

The Company has lost its share capital but expects it to be re-established by profits in coming years.

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.

2. Information on average number of employees

	2018
Average number of employees	0