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# *Watch Group Denmark ApS*

c/o Kristian Bernt Knudsen, Martensens Alle 4A, 1. th, DK-1828 Frederiksberg C

## Annual Report for 2021

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CVR No. 40 01 58 68

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 3/6 2022

Kristian Bernt Knudsen  
Chairman of the  
general meeting



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# Management's statement

The Executive Board has today considered and adopted the Financial Statements of Watch Group Denmark ApS for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

I recommend that the Financial Statements be adopted at the Annual General Meeting.

Frederiksberg C, 3 June 2022

**Executive Board**

Kristian Bernt Knudsen  
CEO

# Practitioner's Statement on Compilation of Financial Statements

To the Management of Watch Group Denmark ApS

We have compiled the Financial Statements of Watch Group Denmark ApS for the financial year 1 January - 31 December 2021 on the basis of the Company's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Ringsted, 3 June 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Brian Petersen

State Authorised Public Accountant

mne28701

## Company information

### The Company

Watch Group Denmark ApS  
c/o Kristian Bernt Knudsen  
Martensens Alle 4A, 1. th  
DK-1828 Frederiksberg C

CVR No: 40 01 58 68

Financial period: 1 January - 31 December

Incorporated: 12 November 2018

Financial year: 3rd financial year

Municipality of reg. office: Frederiksberg C

### Executive board

Kristian Bernt Knudsen

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Eventyrvej 16  
4100 Ringsted

## Income statement 1 January - 31 December

	Note	2021	2020
		DKK	DKK
<b>Gross loss</b>		<b>-89,631</b>	<b>-207,350</b>
Staff expenses	2	0	-31,774
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-329,167	-202,500
<b>Profit/loss before financial income and expenses</b>		<b>-418,798</b>	<b>-441,624</b>
Financial expenses		-942	-1,136
<b>Profit/loss before tax</b>		<b>-419,740</b>	<b>-442,760</b>
Tax on profit/loss for the year	3	5,803	0
<b>Net profit/loss for the year</b>		<b>-413,937</b>	<b>-442,760</b>

### Distribution of profit

	2021	2020
	DKK	DKK
<b>Proposed distribution of profit</b>		
Retained earnings	-413,937	-442,760
	<b>-413,937</b>	<b>-442,760</b>

## Balance sheet 31 December

### Assets

	Note	2021 DKK	2020 DKK
Goodwill		0	329,167
<b>Intangible assets</b>	4	<b>0</b>	<b>329,167</b>
Other fixtures and fittings, tools and equipment		0	0
<b>Property, plant and equipment</b>	5	<b>0</b>	<b>0</b>
<b>Fixed assets</b>		<b>0</b>	<b>329,167</b>
Finished goods and goods for resale		850,605	401,940
<b>Inventories</b>		<b>850,605</b>	<b>401,940</b>
Trade receivables		49,050	0
Receivables from group enterprises		5,803	0
Other receivables		12,000	18,691
<b>Receivables</b>		<b>66,853</b>	<b>18,691</b>
<b>Cash at bank and in hand</b>		<b>118,137</b>	<b>91,820</b>
<b>Current assets</b>		<b>1,035,595</b>	<b>512,451</b>
<b>Assets</b>		<b>1,035,595</b>	<b>841,618</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2021	2020
		DKK	DKK
Share capital		50,000	50,000
Share premium account		0	2,200,000
Retained earnings		365,977	-1,420,086
<b>Equity</b>		<b>415,977</b>	<b>829,914</b>
Trade payables		10,000	10,000
Payables to owners and Management		596,704	1,704
Other payables		12,914	0
<b>Short-term debt</b>		<b>619,618</b>	<b>11,704</b>
<b>Debt</b>		<b>619,618</b>	<b>11,704</b>
<b>Liabilities and equity</b>		<b>1,035,595</b>	<b>841,618</b>

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## Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	2,200,000	-1,420,086	829,914
Net profit/loss for the year	0	0	-413,937	-413,937
Transfer from share premium account	0	-2,200,000	2,200,000	0
<b>Equity at 31 December</b>	<b>50,000</b>	<b>0</b>	<b>365,977</b>	<b>415,977</b>

# Notes to the Financial Statements

## 1. Key activities

The company's main activities consist of wholesale trade of watches, jewelry, gold and silver products and operating business with watch development

## 2. Staff Expenses

	2021	2020
	DKK	DKK
Wages and salaries	0	30,412
Other social security expenses	0	1,362
	<u>0</u>	<u>31,774</u>
Average number of employees	<u>0</u>	<u>1</u>

## 3. Income tax expense

	2021	2020
	DKK	DKK
Adjustment of tax concerning previous years	-5,803	0
	<u>-5,803</u>	<u>0</u>

## 4. Intangible fixed assets

	Goodwill
	DKK
Cost at 1 January	790,000
Cost at 31 December	<u>790,000</u>
Impairment losses and amortisation at 1 January	460,833
Amortisation for the year	329,167
Impairment losses and amortisation at 31 December	<u>790,000</u>
Carrying amount at 31 December	<u>0</u>
Amortised over	<u>3 years</u>

# Notes to the Financial Statements

## 5. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	5,000
Cost at 31 December	5,000
Impairment losses and depreciation at 1 January	5,000
Impairment losses and depreciation at 31 December	5,000
<b>Carrying amount at 31 December</b>	<b>0</b>
Amortised over	5 years

## 6. Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Alpha Business Group ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 7. Accounting policies

The Annual Report of Watch Group Denmark ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

## Income statement

### Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and as well as office expenses, etc.

### Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

### Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

# Notes to the Financial Statements

## Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

## Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with the Parent company. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## Balance sheet

### Intangible fixed assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 3 year.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

The fixed assets' residual values are determined at nil.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

# Notes to the Financial Statements

## Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

## Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

## Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.