

Jacob Jensen Brand A/S

Hejlskovvej 104, Hejlskov, 7840 Højslev

CVR no. 42 52 37 47

Annual report 2022

Approved at the Company's annual general meeting on 19 June 2023

Chair of the meeting:

.....
Søren Holst

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Jacob Jensen Brand A/S for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with 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.

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

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

Hejlskov, 19 June 2023
Executive Board:

.....
Thomas S. Bennedsen

Board of Directors:

.....
Søren Holst
Chairman

.....
Lars Kolind

.....
Sten T. Davidsen

.....
Knud Lomborg

Independent auditor's report

To the shareholders of Jacob Jensen Brand A/S

Opinion

We have audited the financial statements of Jacob Jensen Brand A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.

Independent auditor's report

- ▶ 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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Aarhus, 19 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Tom B. Lassen
State Authorised Public Accountant
mne24820

Christian Jøker
State Authorised Public Accountant
mne31471

Management's review

Company details

Name	Jacob Jensen Brand A/S
Address, Postal code, City	Hejlskovvej 104, Hejlskov, 7840 Højslev
CVR no.	42 52 37 47
Established	5 July 2021
Registered office	Skive
Financial year	1 January - 31 December
Website	www.jacobjensen.com
Board of Directors	Søren Holst, Chairman Lars Kolind Sten T. Davidsen Knud Lomborg
Executive Board	Thomas S. Bennedsen
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Business review

JACOB JENSEN BRAND A/S was established as a stand-alone business within the Jacob Jensen Group. The company builds on design services from its sister company, Jacob Jensen Design A/S in Denmark and other resources within the Jacob Jensen Group.

During 2022, Jacob Jensen Brand initiated design and development of a range of products to be launched under the Jacob Jensen brand in 2023, 2024 and on. The revitalised Jacob Jensen brand was launched on the Formland fair in 2022 together with our partner, the F&H Group A/S.

Financial review

The income statement for 2022 shows a loss of DKK 2,235 thousand against a loss of DKK 1,184 last year, and the balance sheet at 31 December 2022 shows equity of DKK 824 thousand.

The company's shareholders, Jacob Jensen Holding A/S and F&H Group A/S have financed the operation through capital increases.

The Board recommends that the loss for the year be added to the accumulated losses.

Events after the balance sheet date

During the first months of 2023, the shareholders have made additional equity investments which the board expects will cover the cash needs for the company during the remainder of 2023.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2022 12 months	2021 6 months
	Gross profit/loss	-690,415	-582,730
2	Staff costs	-1,209,333	-457,462
	Amortisation and impairment of intangible assets	-190,000	-95,000
	Other operating expenses	0	-112,093
	Profit/loss before net financials	-2,089,748	-1,247,285
3	Financial expenses	-64,024	-17,538
	Profit/loss before tax	-2,153,772	-1,264,823
4	Tax for the year	-81,307	81,307
	Profit/loss for the year	-2,235,079	-1,183,516
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-2,235,079	-1,183,516
		-2,235,079	-1,183,516

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2021
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Intellectual Property Rights	665,000	855,000
		<u>665,000</u>	<u>855,000</u>
	Investments		
	Deposits	36,500	0
		<u>36,500</u>	<u>0</u>
	Total fixed assets	<u>701,500</u>	<u>855,000</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	0	286,799
		<u>0</u>	<u>286,799</u>
	Receivables		
	Trade receivables	171,751	688,711
	Receivables from group entities	4,375	0
	Joint taxation contribution receivable	0	81,307
	Other receivables	0	117,202
	Prepayments	147,427	29,000
		<u>323,553</u>	<u>916,220</u>
	Cash	953,894	245,922
	Total non-fixed assets	<u>1,277,447</u>	<u>1,448,941</u>
	TOTAL ASSETS	<u>1,978,947</u>	<u>2,303,941</u>
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	1,040,000	1,000,000
	Retained earnings	-216,150	16,484
	Total equity	<u>823,850</u>	<u>1,016,484</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Prepayments from customers	750,000	0
	Trade payables	250,489	134,890
	Payables to group entities	15,469	1,121,714
	Other payables	139,139	30,853
		<u>1,155,097</u>	<u>1,287,457</u>
	Total liabilities other than provisions	<u>1,155,097</u>	<u>1,287,457</u>
	TOTAL EQUITY AND LIABILITIES	<u>1,978,947</u>	<u>2,303,941</u>

1 Accounting policies

7 Contractual obligations and contingencies, etc.

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2022	1,000,000	16,484	1,016,484
Capital increase	40,000	960,000	1,000,000
Transfer through appropriation of loss	0	-2,235,079	-2,235,079
Contribution from group	0	1,042,445	1,042,445
Equity at 31 December 2022	1,040,000	-216,150	823,850

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Jacob Jensen Brand A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

Income from the rendering of services, which comprise designing products, is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

Licence and royalty income is recognised over the term of the agreement in accordance with the contents of the agreement.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit/loss

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation

The item comprises amortisation of intangible assets.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Intellectual Property Rights	5 years
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The residual value is determined at the time of acquisition and is reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised. In case of changes in the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2022 12 months	2021 6 months
2 Staff costs		
Wages/salaries	1,115,429	435,217
Pensions	56,272	21,757
Other staff costs	37,632	488
	<u>1,209,333</u>	<u>457,462</u>
Average number of full-time employees	<u>1</u>	<u>1</u>
3 Financial expenses		
Interest expenses, group entities	40,773	1,672
Other financial expenses	23,251	15,866
	<u>64,024</u>	<u>17,538</u>
4 Tax for the year		
Estimated tax charge for the year	0	-81,307
Tax adjustments, prior years	81,307	0
	<u>81,307</u>	<u>-81,307</u>
5 Intangible assets		
DKK		Intellectual Property Rights
Cost at 1 January 2022		950,000
Additions in the year		0
Cost at 31 December 2022		<u>950,000</u>
Impairment losses and amortisation at 1 January 2022		95,000
Amortisation/depreciation in the year		190,000
Impairment losses and amortisation at 31 December 2022		<u>285,000</u>
Carrying amount at 31 December 2022		<u>665,000</u>
DKK	2022	2021
6 Share capital		
Analysis of the share capital:		
1,040,000 shares of DKK 1.00 nominal value each	1,040,000	1,000,000
	<u>1,040,000</u>	<u>1,000,000</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Contingencies, etc.

Contingent liabilities

The Company is jointly taxed with its parent company, Kolind A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for the payment of income taxes.

Obligation regarding rent agreement with 3 months notice amounts to DKK 35 thousand.

Contingent assets

At 31 December 2022 the company has a deferred tax asset of DKK 696 thousand regarding tax loss carry-forwards which have not been recognised in the balance sheet due to the uncertainty as to utilisation of the tax loss.

Other financial obligations

The Company has obligations totalling DKK 35 thousand, with remaining contract terms of 3 months.

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Thomas Sassine Bennedsen

Executive Board

On behalf of: Jacob Jensen Brand AS

Serial number: 363824ed-c1f6-4e62-b131-f557b538ed70

IP: 62.242.xxx.xxx

2023-06-19 07:09:27 UTC



Søren Holst

Chairman

On behalf of: Jacob Jensen Brand AS

Serial number: 1e7cf034-4813-4c01-8f59-bc97675135f7

IP: 83.95.xxx.xxx

2023-06-21 08:10:18 UTC



Søren Holst

Board of Directors

On behalf of: Jacob Jensen Brand AS

Serial number: 1e7cf034-4813-4c01-8f59-bc97675135f7

IP: 83.95.xxx.xxx

2023-06-21 08:10:18 UTC



Sten Tore Sanberg Davidsen

Board of Directors

On behalf of: Jacob Jensen Brand AS

Serial number: fcee991b-82ab-4428-849a-4bcaaf5f69c3

IP: 87.52.xxx.xxx

2023-06-22 09:07:11 UTC



Knud Lomborg

Board of Directors

On behalf of: Jacob Jensen Brand AS

Serial number: a861a05e-ada0-4b55-86d0-464e14c62d7d

IP: 83.137.xxx.xxx

2023-06-23 07:31:43 UTC



Lars Kolind

Board of Directors

On behalf of: Jacob Jensen Brand AS

Serial number: 5d7abb24-f89f-4e0b-865f-e2fd2cb4987a

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Tom Barreth Lassen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

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2023-06-24 13:40:33 UTC

NEM ID 

Christian Joeker

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:1267084545534

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