



BY APPOINTMENT TO  
HER MAJESTY THE QUEEN OF DENMARK

# GEORG JENSEN

ESTABLISHED 1904

## CONSOLIDATED INTERIM FINANCIAL REPORT

September 2021

January 1 – September 30, 2021

(9 months)

GEORG JENSEN A/S, SDR. FASANVEJ 7, DK-2000 FREDERIKSBERG

COMPANY REG.NO.: 26573645

# CONTENT

Page 3	Management's review and financial highlights
Page 4	Management's commentary
Page 6	Management statement
Page 7	Consolidated Income and Other comprehensive income statement
Page 8	Consolidated statement of financial position, Assets
Page 9	Consolidated statement of financial position, Liabilities
Page 10	Consolidated cash flow statement
Page 11	Statement of changes in equity
Page 12	Notes

# MANAGEMENT'S REVIEW

FINANCIAL HIGHLIGHTS				Q3		9 MONTHS	
DKK million, except for number of stores	2021	2020	Change	2021	2020	Change	
Revenue	242.7	209.0	16%	649.7	538.1	21%	
Revenue of closed stores	-0.4	-2.0		-1,5	-10.0		
<b>Revenue from continuing operations</b>	<b>242.3</b>	<b>207.0</b>	<b>17%</b>	<b>648.2</b>	<b>528.1</b>	<b>23%</b>	
<b>EBITDA</b>	<b>39.7</b>	<b>31.9</b>		<b>83.2</b>	<b>37.7</b>		
<b>EBIT</b>	<b>11.0</b>	<b>-1.4</b>		<b>-8.9</b>	<b>-77.0</b>		
<b>Profit before tax</b>	<b>8.0</b>	<b>-13.8</b>		<b>-27.5</b>	<b>-101.1</b>		
<b>Profit for the period</b>	<b>7.3</b>	<b>-14.1</b>		<b>-29.4</b>	<b>-101.6</b>		
Cash flow from operating activities	5.5	1.1		13.8	13.0		
<b>Total cash flow</b>	<b>-35.2</b>	<b>-21.9</b>		<b>-92.3</b>	<b>-84.7</b>		
<b>Number of stores*</b>	<b>92</b>	<b>96</b>		<b>92</b>	<b>96</b>		

\*Number of stores is from Q3 2021 and going forward calculated without pop-up stores.

# MANAGEMENT'S COMMENTARY

- Q3 2021 marks the fourth consecutive growth quarter. Revenue increased 16% to Q3 2020, with double-digit growth rates in both Home and Jewellery product segments
- All channels are growing in Q3 2021 with B2B leading the way, driven by both growth markets and mature markets
- EBITDA amounted to DKK 39.7m for Q3 2021, growing 24% and representing an EBITDA-margin expansion of 1.1 percentage point to reach 16.4% in Q3 2021. EBITDA grew 41% compared to Q3 2019
- Despite significant investments in IT and working capital, cash position improved DKK 23.6 million compared to Q3 2020

Volatility and uncertainty continued to impact our retail environment in Q3 2021. Local and national restrictions from COVID-19 were enforced in key APAC markets and entailed temporary store closures as well as reduced opening hours as a mean to contain and minimize impact from COVID-19 outbreaks. Whilst Retail channel was adversely impacted by COVID-19 restrictions, we did see continued strong growth within E-commerce.

Total revenue increased by 16% in Q3 2021 compared to Q3 2020 and was driven by Europe and North America delivering an increase in revenue of 17% and 75% vs. same period last year, respectively.

Revenue in Home product line increased 16% in Q3 2021 compared to Q3 2020 and Jewellery increased by 20% compared to same period last year.

Operating costs increased due to selected investments to support current and future growth, including significant increase in marketing. In addition, Operating costs in 2020 were favorably impacted by COVID-grants which were eligible in 2020 however not relevant for Q3 2021.

EBITDA increased from DKK 31.9 million in Q3 2020 to DKK 39.7 million in Q3 2021 driven by increased revenue, stable gross margin, despite an unfavorable channel mix to last year, and operating leverage.

Net cash flow from operating activities was DKK 4.3 million for Q3 2021. Operating cash flow was unfavorably impacted by inventory build-up of DKK 26.6 million while increase in receivables and prepayments since Q2 amounted to DKK 63.2 million. Combined with payables of DKK 60.9 million, expansion of net working capital amounted to DKK 29.0 million in Q3. This is in line with usual seasonality for Georg Jensen in preparation for the high season in Q4.

Net interest-bearing debt adjusted for IFRS16 impact decreased from DKK 259.4 million in Q3 2020 to DKK 229.8 million in Q3 2021 due to increase in cash and cash equivalents and an unchanged debt position.

## **New product launches**

In Q3 2021 the following products were launched:

### **Jewellery:**

In August we introduced new accessories (pendants, bracelets and earrings) to Fusion, our gold jewellery icon concept. In September we launched pieces in Offspring supporting the new Art of Style universe. The line extension included silver as well as gold necklaces, bracelets, earrings and pendants.

### **Home**

In September we launched a children's concept in the Bernadotte collection. We also expanded the Sky universe with additional bar and champagne accessories, a gift range including ice cup and dices as well as a Card game and a small selection of frames and boxes. We also extended the bestselling Cobra collection with a Menora candlestick for the US market and an advent candelabra for the Scandinavian market.

### **Hollowware**

In September we launched a design collaboration with the Japanese architecture and design firm Nendo, a collection of 3 sculptural vases in sterling silver

## **OUTLOOK 2021**

Due to consistent growth and improved profitability throughout 2021, we are firming up the expectations for 2021

- Growth rates for revenue and EBITDA for 2021FY are expected to exceed 10% compared to 2020FY

### **Previous outlook for 2021**

- "... Georg Jensen expects to be able to recover revenue and deliver growth compared to 2020. Combined with a constant focus on margin improvement, cost containment and selective investment, Georg Jensen expects to make good progress to profitability in 2021."

# MANAGEMENT STATEMENT

The Board of Directors and Executive Management have reviewed and approved the consolidated interim financial report of Georg Jensen A/S for the period January to September 2021. The consolidated interim financial report has not been audited or reviewed by the company's independent auditors.

The consolidated interim financial report for the period January to September 2021 has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The accounting policies adopted in the preparation are consistent with those applied in the Annual Report 2020 of Georg Jensen A/S.

Furthermore, the consolidated interim financial report for January to September 2021 and Management's Review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

Copenhagen, 30<sup>th</sup> of November 2021

## Executive Board

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Mehul Tank  
CEO

## Board of Directors

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Andrea Jayne Davis  
Chairman

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David Ching Chi Chu

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Robert W. Bostock

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Celine Infeld

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Duncan Zheng

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Karl Sebastian Inger

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Annick E. M. Desmecht

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Inge Andersen

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Ida Heiberg Bøttiger

In our opinion, the accounting policies used are appropriate and the overall presentation of the consolidated interim financial report for the period January to September 2021 is adequate. Furthermore, in our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances, of the results for the period and of the consolidated interim financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group in accordance with Danish disclosure requirements for listed companies.

Besides what has been disclosed in the consolidated interim financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated Annual Report for 2020.

## DISCLAIMER

This company announcement contains forward looking statements, which include estimates of financial performance and targets. These statements are not guarantees of future performance and involve certain risks and uncertainties. Therefore, actual future results and trends may differ from what is forecasted in this report due to a variety of factors.

# CONSOLIDATED INCOME AND COMPREHENSIVE INCOME STATEMENT

INCOME STATEMENT	Q3		September (YTD)	
DKK million	2021	2020	2021	2020
Revenue	242.7	209.0	649.7	538.1
Cost of sales	-95.9	-82.2	-249.4	-214.6
<b>Gross profit</b>	<b>146.8</b>	<b>126.8</b>	<b>400.3</b>	<b>323.5</b>
Other external costs	-48.0	-47.4	-130.6	-143.5
Staff costs	-61.2	-56.0	-193.4	-163.4
Other operating income and costs	2.1	8.4	6.9	21.1
<b>Operating profit before depreciation and amortization</b>	<b>39.7</b>	<b>31.9</b>	<b>83.2</b>	<b>37.7</b>
Depreciation, amortization and impairment losses	-28.7	-33.3	-92.1	-114.7
<b>Operating profit</b>	<b>11.0</b>	<b>-1.4</b>	<b>-8.9</b>	<b>-77.0</b>
Financial items, net	-3.0	-12.4	-18.6	-24.1
<b>Profit before tax</b>	<b>8.0</b>	<b>-13.8</b>	<b>-27.5</b>	<b>-101.1</b>
Tax on profit for the year	-0.7	-0.3	-1.9	-0.5
<b>Profit for the year</b>	<b>7.3</b>	<b>-14.1</b>	<b>-29.4</b>	<b>-101.6</b>

OTHER COMPREHENSIVE INCOME	Q3		September (YTD)	
	2021	2020	2021	2020
<b>Profit for the year</b>	<b>7.3</b>	<b>-14.1</b>	<b>-29.4</b>	<b>-101.6</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit pension plans	0.0	0.0	0.0	0.0
<i>Items that will be reclassified to profit or loss</i>				
Adjustment Cash flow hedges	0.0	0.0	0.0	0.0
Exchange differences on foreign operations	-1.2	-7.6	-11.0	-15.0
<b>Other comprehensive income after tax</b>	<b>-1.2</b>	<b>-7.6</b>	<b>-11.0</b>	<b>-15.0</b>
<b>Total comprehensive income for the year</b>	<b>6.1</b>	<b>-21.7</b>	<b>-40.4</b>	<b>-116.6</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION, ASSETS

DKK million	30/09 2021	30/09 2020	31/12 2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	50.7	46.9	56.0
Tangible assets	273.0	351.6	321.4
Financial Assets	47.4	43.2	42.7
<b>Total non-current assets</b>	<b>371.1</b>	<b>441.7</b>	<b>420.1</b>
<b>CURRENT ASSETS</b>			
Inventories	352.6	321.2	268.8
Trade receivables	109.8	110.8	115.5
Other receivables	7.6	7.5	3.5
Receivable from group enterprises	15.8	20.6	15.4
Prepayments	26.1	15.1	19.0
Cash and cash equivalents	56.1	32.5	148.4
<b>Total current assets</b>	<b>568.0</b>	<b>507.7</b>	<b>570.6</b>
<b>TOTAL ASSETS</b>	<b>939.1</b>	<b>949.4</b>	<b>990.7</b>



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION, LIABILITIES

DKK million	30/09 2021	30/09 2020	31/12 2020
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	139.6	139.6	139.6
Share premium	488.3	488.3	488.3
Hedging reserve	1.2	1.1	1.2
Translation reserve	-7.7	3.5	3.3
Retained earnings	-490.3	-517.7	-460.9
<b>Total equity</b>	<b>131.1</b>	<b>114.8</b>	<b>171.5</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Bond	298.0	298.0	298.0
Credit institutions	0.0	1.4	0.0
Lease liabilities	152.6	208.5	201.1
Provisions	14.5	13.6	14.4
Deferred tax	0.4	1.8	3.3
Retirement benefit obligation	8.1	7.7	8.3
Other Payables	10.1	9.7	9.8
<b>Total non-current liabilities</b>	<b>483.7</b>	<b>540.7</b>	<b>534.9</b>
<b>CURRENT LIABILITIES</b>			
Credit institutions	2.7	8.5	5.7
Trade Payables	118.4	88.0	77.7
Other Payables	127.8	113.5	121.2
Payable to group enterprises	1.0	6.0	0.0
Lease liabilities	71.8	74.0	75.4
Tax payables	-0.3	0.9	1.3
Provisions	3.0	3.0	3.0
<b>Total current liabilities</b>	<b>324.4</b>	<b>293.9</b>	<b>284.3</b>
<b>Total liabilities</b>	<b>808.0</b>	<b>834.6</b>	<b>819.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>939.1</b>	<b>949.4</b>	<b>990.7</b>

# CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW STATEMENT	Q3		September (YTD)	
DKK million	2021	2020	2021	2020
Net profit for the period	7.3	-14.1	-29.4	-101.6
Non-cash items	34.9	37.3	116.8	128.9
Change in working capital	-29.0	-16.2	-49.8	2.0
<b>Cash flows from operating activities before financial income and expenses</b>	<b>13.2</b>	<b>7</b>	<b>37.6</b>	<b>29.3</b>
Financial cost, paid	-7.7	-5.0	-23.8	-15.4
<b>Cash flows from ordinary activities</b>	<b>5.5</b>	<b>2.0</b>	<b>13.8</b>	<b>13.9</b>
Income taxes paid	0.0	-0.9	0.0	-0.9
<b>Net cash flow from operating activities</b>	<b>5.5</b>	<b>1.1</b>	<b>13.8</b>	<b>13.0</b>
Purchase of tangible and intangible assets	-15.1	-1.7	-30.3	-18.8
Change in other financial assets	-3.6	0.2	-3.7	-4.4
<b>Net cash flow from investing activities</b>	<b>-18.7</b>	<b>-1.5</b>	<b>-34.0</b>	<b>-23.2</b>
Changes in credit institutions	0.1	2.9	-2.9	2.4
Repayment of loans from credit institutions	0.0	0.0	0.0	-0.7
Repayment of lease liabilities	-22.1	-24.4	-69.2	-74.2
Upstream to Group companies	0.0	0.0	0.0	-2.0
<b>Cash flow from financing activities</b>	<b>-22.0</b>	<b>-21.5</b>	<b>-72.1</b>	<b>-74.5</b>
Net cash flow for the period	-35.2	-21.9	-92.3	-84.7
Cash and cash equivalents, beginning of the period	91.3	54.4	148.4	117.2
<b>Cash and cash equivalents, end of the period</b>	<b>56.1</b>	<b>32.5</b>	<b>56.1</b>	<b>32.5</b>

# STATEMENT OF CHANGES IN EQUITY

30 September 2021

DKK million	Share capital	Share premium	Reserve for hedging transaction	Translation reserve	Retained earnings	Total Equity
Balance at the beginning of the period	139.6	488.3	1.2	3.3	-460.9	171.5
Profit for the period	0.0	0.0	0.0	0.0	-29.4	-29.4
<i>Other comprehensive income</i>						
Adjustment cash flow hedges	0.0	0.0	0.0	0.0	0.0	0.0
Exchange adjustment	0.0	0.0	0.0	-11.0	0.0	-11.0
<b>Total other comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-9.8</b>	<b>0.0</b>	<b>-9.8</b>
<b>Balance at the end of the period</b>	<b>139.6</b>	<b>488.3</b>	<b>1.2</b>	<b>-7.7</b>	<b>-490.3</b>	<b>131.1</b>

30 September 2020

DKK million	Share capital	Share premium	Reserve for hedging transaction	Translation reserve	Retained earnings	Total Equity
Balance at the beginning of the period	139.6	488.3	1.1	18.5	-416.1	231.4
Profit for the period	0.0	0.0	0.0	0.0	-101.6	-101.6
<i>Other comprehensive income</i>						
Remeasurement of defined Benefit pension plans	0.0	0.0	0.0	0.0	0.0	0.0
Adjustment cash flow hedges	0.0	0.0	0.0	0.0	0.0	0.0
Exchange adjustment	0.0	0.0	0.0	-15.0	0.0	-15.0
<b>Total other comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-15.0</b>	<b>0.0</b>	<b>-15.0</b>
<b>Balance at the end of the period</b>	<b>139.6</b>	<b>488.3</b>	<b>1.1</b>	<b>3.5</b>	<b>-517.7</b>	<b>114.8</b>

# NOTES

## 1 ACCOUNTING POLICIES

The unaudited consolidated interim financial statements for the period January to September 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The accounting policies and significant accounting estimates adopted in the preparation are consistent with those applied in the Annual Report 2020 of Georg Jensen A/S.

Furthermore, the consolidated interim financial report including the consolidated financial statements for the period January to September of 2021 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

## 2 SEGMENT INFORMATION

Q3 2021					
DKK million	Europe	APAC	North America	Other	Total
Revenue	138.7	86.0	17.7	0.3	242.7
<b>Gross Profit</b>	49.6	50.0	6.6	40.6	146.8
OPEX	-17.9	-36.5	-4.3	-48.4	-107.1
<b>EBITDA</b>	<b>31.7</b>	<b>13.5</b>	<b>2.3</b>	<b>-7.8</b>	<b>39.7</b>
Amortizations & depreciations					-28.7
<b>EBIT</b>					<b>11.0</b>
Financial items, net					-3.0
<b>Profit before tax</b>					<b>8.0</b>

September 2021 (YTD)					
DKK million	Europe	APAC	North America	Other	Total
Revenue	342.6	265.6	41.6	-0.1	649.7
<b>Gross Profit</b>	121.7	158.6	15.0	105.0	400.3
OPEX	-47.2	-115.1	11.0	-143.8	-317.1
<b>EBITDA</b>	<b>74.5</b>	<b>43.5</b>	<b>4.0</b>	<b>-38.8</b>	<b>83.2</b>
Amortizations & depreciations					-92.1
<b>EBIT</b>					<b>-8.9</b>
Financial items, net					-18.6
<b>Profit before tax</b>					<b>-27.5</b>

Q3 2020					
DKK million	Europe	APAC	North America	Other	Total
Revenue	118.3	81.0	10.1	-0.3	209.0
<b>Gross Profit</b>	35.6	48.3	3.1	39.8	126.8
OPEX	-14.1	-28.4	5.1	-47.3	-94.9
<b>EBITDA</b>	<b>21.5</b>	<b>19.9</b>	<b>-2.0</b>	<b>-7.5</b>	<b>31.9</b>
Amortizations & depreciations					-33.3
<b>EBIT</b>					<b>-1.4</b>
Financial items, net					-12.4
<b>Profit before tax</b>					<b>-13.8</b>

September 2020 (YTD)					
DKK million	Europe	APAC	North America	Other	Total
Revenue	289.3	215.7	29.1	3.9	538.1
<b>Gross Profit</b>	<b>89.0</b>	<b>125.3</b>	<b>10.7</b>	<b>98.5</b>	<b>323.5</b>
OPEX	-49.4	92.6	-13.2	-130.6	-285.8
<b>EBITDA</b>	<b>39.6</b>	<b>32.7</b>	<b>-2.5</b>	<b>-32.1</b>	<b>37.7</b>
Amortizations & depreciations					-114.7
<b>EBIT</b>					<b>-77.0</b>
Financial items, net					-24.1
<b>Profit before tax</b>					<b>-101.1</b>

### 3 REVENUE

PRIMARY SALES CHANNELS	Q3 2021	September 2021 (YTD)
B2B	121.8	283.7
B2C	114.1	348.9
Other	6.8	17.1
<b>Total</b>	<b>242.7</b>	<b>649.7</b>

PRIMARY SALES CHANNELS	Q3 2020	September 2020 (YTD)
B2B	97.3	224.3
B2C	106.9	302.1
Other	4.8	11.7
<b>Total</b>	<b>209.0</b>	<b>538.1</b>

PRIMARY PRODUCT LINES	Q3 2021	September 2021 (YTD)
Jewellery	122.9	333.6
Home	104.1	271.3
Other	15.7	44.8
<b>Total</b>	<b>242.7</b>	<b>649.7</b>

PRIMARY PRODUCT LINES	Q3 2020	September 2020 (YTD)
Jewellery	102.0	271.7
Home	90.0	212.6
Other	17.0	53.8
<b>Total</b>	<b>209.0</b>	<b>538.1</b>

#### 4 OTHER OPERATING INCOME AND COSTS

Globally, Georg Jensen has received government support of DKK 1.2 million in Q3 2021 and DKK 6.1 million for the period January to September 2021. The government support relates to staff costs and other external costs.

#### 5 NET INTEREST-BEARING DEBT

DKK million	30/09 2021	30/09 2020	31/12 2020
<b>Net interest-bearing debt comprises:</b>			
Credit institutions (current)	2.7	8.5	5.7
Payable to group enterprises	1.0	6.0	0.0
Lease liabilities	224.3	282.5	276.5
Issued bond	298.0	298.0	298.0
<b>Gross interest-bearing debt</b>	<b>526.0</b>	<b>595.0</b>	<b>580.2</b>
Receivable from group enterprises	-15.8	-20.6	-15.4
Cash and cash equivalents	-56.1	-32.5	-148.4
<b>Gross interest-bearing receivables</b>	<b>-71.9</b>	<b>-53.1</b>	<b>-163.8</b>
<b>Net interest-bearing debt</b>	<b>454.1</b>	<b>541.9</b>	<b>416.4</b>

#### 6 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the balance sheet date, no other events that could significantly affect the consolidated interim financial statements as of 30 September 2021 have occurred.