



BY APPOINTMENT TO
HER MAJESTY THE QUEEN OF DENMARK

GEORG JENSEN

ESTABLISHED 1904

CONSOLIDATED INTERIM FINANCIAL REPORT

March 2022

January 1 – March 31, 2022

(3 months)

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

COMPANY REG.NO.: 26573645

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MANAGEMENT'S REVIEW

FINANCIAL HIGHLIGHTS	Q1			3 MONTHS		
	DKK million, except for number of stores	2022	2021	Change	2022	2021
Revenue	230.9	191.3	21%	230.9	191.3	21%
Revenue of closed stores	-0.1	0		-0.1	0	
Revenue from continuing operations	230.8	191.3	21%	230.8	191.3	21%
EBITDA	20.9	19.9	5%	20.9	19.9	5%
EBIT	-9.1	-12.1		-9.1	-12.1	
Profit before tax	-17.5	-19.6		-17.5	-19.6	
Profit for the period	81.1	-20.2		81.1	-20.2	
Cash flow from operating activities	-10.9	-7.4		-10.9	-7.4	
Total cash flow	-40.9	-34.9		-40.9	-34.9	
Number of stores*	93	100		93	100	

*Number of stores is from Q1 2022 and going forward calculated without pop-up stores.

MANAGEMENT'S COMMENTARY

- Revenue grew by 21% compared to last year with double digit growth in both Home and Jewellery. Q1 2022 was the 6th consecutive quarter of growth.
- Despite headwinds in gross margin and continued organizational investments, EBITDA amounted to DKK 21 million and exceeded the record high EBITDA from Q1 2021.
- Improved liquidity situation in Q1 2022 vs. Q1 2021 and Net interest-bearing debt adjusted for IFRS16 impact improved DKK 74 million.
- Due to consistent improvements of our financial results and combined with a continued positive outlook, we have recognized a tax asset of DKK 98 million.

Volatility from COVID-19 pandemic continued to impact Q1, to varying degrees depending on channel and geography. However, given its global footprint Georg Jensen was able to absorb the impact and deliver strong revenue and EBITDA growth despite these market circumstances. In Q1 2022, mainly, the APAC region imposed retail restrictions, that ranged from reduced operating hours to regional closures, with an adverse impact on revenue. We will continue to see channel shifts, between Retail, Wholesale and E-commerce as restrictions are further imposed or loosened, however, we are pleased to see strong revenue growth in both B2C (13%) and B2B (28%) in Q1 2022.

Total revenue increased by 21% in Q1 2022 compared to Q1 2021 and was driven by Europe delivering growth of 29% vs. same period last year. Similarly, APAC had a strong start to 2022 as well and a growing 15% in Q1, driven by continued momentum in Australia.

Revenue in the Home category increased by 25% in Q1 2022 compared to Q1 2021 and Jewellery increased by 17% compared to same period last year.

Gross margin contracted from 63.1% in Q1 2021 to 62.4% in Q1 2022. The decrease in gross margin is anchored in a strengthening USD and raw material price increases in both Home and Jewellery. Gross margin continues to be a key priority and we have taken measures to further improve the gross margin.

Operating costs in Q1 increased 22% (DKK 22 million) compared to last year due to higher staff costs, increased investments in marketing and variable rent expense for shop-in-shops increasing due to higher revenue.

EBITDA increased from DKK 20 million in Q1 2021 to DKK 21 million in Q1 2022, driven by increased revenue and partly offset by higher operating costs.

Net cash flow from operating activities was DKK -11 million for Q1 mainly due to inventory build-up as per normal seasonally.

Net interest-bearing debt decreased from DKK 436 million in Q1 2021 to DKK 306 million in Q1 2022 mainly driven by a decrease in IFRS16 lease liabilities and increase in cash and cash equivalents.

Based on the solid financial performance in 2021, delivering profit before tax of DKK 77 million, continued revenue and earnings growth in Q1 2022 and re-affirming outlook for 2022, we have decided to recognize a deferred tax asset which amounts to DKK 98 million.

New product launches in Q1

Jewellery

Successful launches of new Jewellery products and a key driver for growth in Q1 2022. In January we introduced 2 contemporary heart pendants, one in silver and one in gold, as part of our 2022 Valentines activity. In February we launched a new sterling silver collection REFLECT designed by Jacqueline Rabun. The collection comprises 11 designs with a part of the collection targeting a non-gender consumer. In March we launched a design collaboration with Danish Fashion designer Stine Goya. The collection is a colorful update of our Daisy icon – 21 styles in sterling silver and enamel.

Home

In January we introduced a small Easter Collection focusing on the Scandinavian market and a Heart Keyring targeting the gift seasons Valentine's Day as well as Mother's Day. In February we launched a series of Flower Pots in Bloom Botanica. February launches included a line extension within Alfredo collection and adding a Soap dispenser/Sanitizer. In March we launched a line extension to Bernadotte including a Coffee Press

OUTLOOK 2022

Management reiterates the outlook stated in the Annual Report 2021:

The current trading environment remains uncertain as Covid-19 continues to have an impact on the businesses' sales channels and manufacturing base. Recently, multiple APAC markets have imposed new Covid-19 restrictions which impacts footfall at retail level as well as hampering the supply chain operations.

Despite these challenges we expect that overall revenues will continue to grow within B2C and B2B channels and, with a continued focus on margin improvement, cost containment and selective investment, we expect to improve profitability further in 2022.

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 March 2022. 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 March 2022 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 2021 of Georg Jensen A/S.

Furthermore, the consolidated interim financial report for January to March 2022 and Management's Review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

Copenhagen, 30th of May 2022

Executive Board

Mehul Tank
CEO

Board of Directors

Andrea Jayne Davis
Chairman

David Ching Chi Chu

Robert W. Bostock

Celine Infeld

Duncan Zheng

Karl Sebastian Inger

Annick E. M. Desmecht

Inge Andersen

Ida Heiberg Bøttiger

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	Q1		March (YTD)	
DKK million	2022	2021	2022	2021
Revenue	230.9	191.3	230.9	191.3
Cost of sales	-86.8	-70.5	-86.8	-70.5
Gross profit	144.1	120.8	144.1	120.8
Other external costs	-57.2	-39.3	-57.2	-39.3
Staff costs	-69.2	-66.3	-69.2	-66.3
Other operating income and costs	3.2	4.7	3.2	4.7
Operating profit before depreciation and amortization	20.9	19.9	20.9	19.9
Depreciation, amortization and impairment losses	-30.0	-32.0	-30.0	-32.0
Operating profit	-9.1	-12.1	-9.1	-12.1
Financial items, net	-8.4	-7.5	-8.4	-7.5
Profit before tax	-17.5	-19.6	-17.5	-19.6
Tax on profit for the year	98.6	-0.6	98.6	-0.6
Profit for the period	81.1	-20.2	81.1	-20.2
OTHER COMPREHENSIVE INCOME				
	Q1		March (YTD)	
	2022	2021	2022	2021
Profit for the year	81.1	-20.2	81.1	-20.2
OTHER COMPREHENSIVE INCOME				
<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	7.7	-5.0	7.7	-5.0
Other comprehensive income after tax	7.7	-5.0	7.7	-5.0
Total comprehensive income for the period	88.8	-25.2	88.8	-25.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, ASSETS

DKK million	31/03 2022	31/03 2021	31/12 2021
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	46.8	38.6	49.5
Tangible assets	254.4	319.3	259.5
Financial Assets	43.2	43.1	46.5
Deferred tax	98.0	0.0	0.0
Total non-current assets	442.4	401.0	355.5
CURRENT ASSETS			
Inventories	322.7	307.0	285.1
Trade receivables	84.6	74.6	127.2
Other receivables	7.1	7.4	5.6
Receivable from group enterprises	18.5	15.5	16.4
Prepayments	31.0	8.0	12.9
Cash and cash equivalents	180.8	113.5	221.7
Total current assets	644.7	526.0	668.9
TOTAL ASSETS	1,087.1	927.0	1,024.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, LIABILITIES

DKK million	31/03 2022	31/03 2021	31/12 2021
EQUITY AND LIABILITIES			
EQUITY			
Share capital	139.6	139.6	139.6
Share premium	488.3	488.3	488.3
Hedging reserve	1.2	1.2	0.2
Translation reserve	14.7	-1.7	7.0
Retained earnings	-312.8	-481.1	-393.9
Total equity	331.0	146.3	241.2
LIABILITIES			
NON-CURRENT LIABILITIES			
Bond	298.0	298.0	298.0
Credit institutions	0.0	0.0	0.0
Lease liabilities	133.4	186.9	139.9
Provisions	11.7	14.5	11.8
Deferred tax	0.4	2.5	0.7
Retirement benefit obligation	8.8	8.3	8.5
Other Payables	10.2	9.7	10.2
Total non-current liabilities	462.5	519.9	469.1
CURRENT LIABILITIES			
Credit institutions	2.7	6.3	2.8
Trade Payables	93.4	89.7	83.6
Other Payables	117.6	86.6	143.3
Payable to group enterprises	0.0	0.0	0.0
Lease liabilities	71.2	74.1	73.9
Tax payables	5.7	1.1	7.5
Provisions	3.0	3.0	3.0
Total current liabilities	293.6	260.8	314.1
Total liabilities	756.1	780.7	783.2
TOTAL EQUITY AND LIABILITIES	1,087.1	927.0	1,024.4

CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW STATEMENT	Q1		3 MONTHS	
DKK million	2022	2021	2022	2021
Net profit for the period	81.1	-20.2	81.1	-20.2
Non-cash items	-54.2	41.9	-54.2	41.9
Change in working capital	-30.5	-20.8	-30.5	-20.8
Cash flows from operating activities before financial income and expenses	-3.6	0.9	-3.6	0.9
Financial cost, paid	-7.3	-8.3	-7.3	-8.3
Cash flows from ordinary activities	-10.9	-7.4	-10.9	-7.4
Income taxes paid	0.0	0.0	0.0	0.0
Net cash flow from operating activities	-10.9	-7.4	-10.9	-7.4
Purchase of tangible and intangible assets	-6.6	-3.8	-6.6	-3.8
Change in other financial assets	0.0	-0.4	0.0	-0.4
Net cash flow from investing activities	-6.6	-4.2	-6.6	-4.2
Changes in credit institutions	-0.1	0.6	-0.1	0.6
Repayment of loans from credit institutions	0.0	0.0	0.0	0.0
Repayment of lease liabilities	-23.3	-23.9	-23.3	-23.9
Upstream to Group companies	0.0	0.0	0.0	0.0
Cash flow from financing activities	-23.4	-23.3	-23.4	-23.3
Net cash flow for the period	-40.9	-34.9	-40.9	-34.9
Cash and cash equivalents, beginning of the period	221.7	148.4	221.7	148.4
Cash and cash equivalents, end of the period	180.8	113.5	180.8	113.5

STATEMENT OF CHANGES IN EQUITY

31 March 2022

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	0.2	7.0	-460.9	241.2
Profit for the period	0.0	0.0	0.0	0.0	81.1	81.1
<i>Other comprehensive income</i>						
Adjustment cash flow hedges	0.0	0.0	1.0	0.0	0.0	1.0
Exchange adjustment	0.0	0.0	0.0	7.7	0.0	7.7
Total other comprehensive income	0.0	0.0	1.0	7.7	0.0	8.7
Balance at the end of the period	139.6	488.3	1.2	14.7	-312.8	331.0

31 March 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	-20.2	-20.2
<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	-5.0	0.0	-5.0
Total other comprehensive income	0.0	0.0	0.0	-5.0	0.0	-5.0
Balance at the end of the period	139.6	488.3	1.2	-1.7	-481.1	146.3

NOTES

1 ACCOUNTING POLICIES

The unaudited consolidated interim financial statements for the period January to March 2022 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 2021 of Georg Jensen A/S.

Furthermore, the consolidated interim financial report including the consolidated financial statements for the period January to March of 2022 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

2 SEGMENT INFORMATION

Q1 2022					
DKK million	Europe	APAC	North America	Other	Total
Revenue	118.0	101.1	13.4	-1.6	230.9
Gross Profit	38.4	62.2	4.0	39.5	144.1
OPEX	-19.4	-43.7	-3.3	-56.8	-123.2
EBITDA	19.0	18.5	0.7	-17.3	20.9
Amortizations & depreciations					-30.0
EBIT					-9.1
Financial items, net					-8.4
Profit before tax					-17.5

March 2022 (YTD)					
DKK million	Europe	APAC	North America	Other	Total
Revenue	118.0	101.1	13.4	-1.6	230.9
Gross Profit	38.4	62.2	4.0	39.5	144.1
OPEX	-19.4	-43.7	-3.3	-56.8	-123.2
EBITDA	19.0	18.5	0.7	-17.3	20.9
Amortizations & depreciations					-30.0
EBIT					-9.1
Financial items, net					-8.4
Profit before tax					-17.5

Q1 2021

DKK million	Europe	APAC	North America	Other	Total
Revenue	91.3	88.1	11.0	0.9	191.3
Gross Profit	30.7	53.6	3.7	32.8	120.8
OPEX	-12.0	-39.3	-3.1	-46.5	-100.9
EBITDA	18.7	14.3	0.6	-13.7	19.9
Amortizations & depreciations					-32.0
EBIT					-12.1
Financial items, net					-7.5
Profit before tax					-19.6

March 2021 (YTD)

DKK million	Europe	APAC	North America	Other	Total
Revenue	91.3	88.1	11.0	0.9	191.3
Gross Profit	30.7	53.6	3.7	32.8	120.8
OPEX	-12.0	-39.3	-3.1	-46.5	-100.9
EBITDA	18.7	14.3	0.6	-13.7	19.9
Amortizations & depreciations					-32.0
EBIT					-12.1
Financial items, net					-7.5
Profit before tax					-19.6

3 REVENUE

PRIMARY SALES CHANNELS	Q1 2022	March 2022 (YTD)
B2B	97.4	97.4
B2C	125.4	125.4
Other	8.1	8.1
Total	230.9	230.9

PRIMARY SALES CHANNELS	Q1 2021	March 2021 (YTD)
B2B	75.8	75.8
B2C	111.1	111.1
Other	4.4	4.4
Total	191.3	191.3

PRIMARY PRODUCT LINES	Q1 2022	March 2022 (YTD)
Jewellery	118.6	118.6
Home	96.0	96.0
Other	16.3	16.3
Total	230.9	230.9

PRIMARY PRODUCT LINES	Q1 2021	March 2021 (YTD)
Jewellery	101.6	101.6
Home	77.1	77.1
Other	12.6	12.6
Total	191.3	191.3

4 OTHER OPERATING INCOME AND COSTS

Globally, Georg Jensen has received government support of DKK 3.2 million in Q1 2022. The government support relates to staff costs and other external costs.

5 NET INTEREST-BEARING DEBT

DKK million	31/03 2022	31/03 2021	31/12 2021
Net interest-bearing debt comprises:			
Credit institutions (current)	2.7	6.3	2.8
Payable to group enterprises	0.0	0.0	0.0
Lease liabilities	204.6	261.0	213.8
Issued bond	298.0	298.0	298.0
Gross interest-bearing debt	505.3	563.3	514.6
Receivable from group enterprises	-18.5	-15.5	-16.4
Cash and cash equivalents	-180.8	-113.5	-221.7
Gross interest-bearing receivables	-199.3	-129.0	-238.1
Net interest-bearing debt	306.0	436.6	276.5

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 31 March 2022 have occurred.