



BY APPOINTMENT TO
HER MAJESTY THE QUEEN OF DENMARK

GEORG JENSEN

ESTABLISHED 1904

CONSOLIDATED INTERIM FINANCIAL REPORT

March 2023

January 1 – March 31, 2023

(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	2023	2022	Change	2023	2022
Revenue	220.3	230.9	-5%	220.3	230.9	5%
EBITDA	8.4	20.9	-60%	8.4	20.9	-60%
EBIT	-21.4	-9.1		-21.4	-9.1	
Profit before tax	-33.5	-17.5		-33.5	-17.5	
Profit for the period	-34.6	81.1		34.6	81.1	
Cash flow from operating activities	-39.1	-10.9		-39.1	-10.9	
Total cash flow	-78.7	-40.9		-78.7	-40.9	
Number of stores	94	93		94	93	

MANAGEMENT'S COMMENTARY

Trading highlights

- Georg Jensen delivered revenues of DKK 230 million in Q1 23, -5% vs. Q1 22, with trading improved on Q4 22 comparative results (-11%).
- Gross margin continued to be impacted by higher raw material costs.
- EBITDA-margin reached 3.7% in Q1 2023, compared with 9.0% in Q1 2022, due to lower sales and higher input costs quarter-on-quarter, partially offset by a reduction in OPEX in Q1 2023 (net reduction of DKK 6 million).
- Net Profit decreased by approx. DKK 116m, however DKK 18m when adjusted for a deferred tax asset recognized in Q1 2022.
- Q1 23 operating cashflow amounted to DKK -39 million, DKK 28m lower than Q1 2022, predominantly impacted by the aforementioned sales and gross margin decrease vs. the prior year

Whilst Growth markets enjoyed a strong quarterly performance, particularly in the US and China (+22% vs. the prior year respectively on a constant currency basis), the overall revenue decrease was driven by a challenging macroeconomic environment in Europe and APAC, which in aggregate decreased -7% in Q1 23 vs. Q1 22.

B2C performed slightly better than B2B channels, at index 97 and 95 respectively for the quarter, with the latter index the result of wholesale caution particularly in January (index 87), which subsequently saw improved trading through February (97) and March (99). At a category level, Home and Jewellery recorded sales at -4% vs. Q1 22 alike.

Gross margin contracted from 62.4% to 58.1%, owing to increased raw material prices, specifically gold and silver commodities. Looking ahead, the US dollar has recently been moving towards more favourable rates, whilst freight and other transportation costs are equally trending lower.

Operating costs decreased by 5% (DKK 6 million), led by lower external services costs, marketing expenditure and revenue-linked rental expense.

EBITDA decreased from DKK 21 million in Q1 2022 to DKK 8 million in Q1 2023, driven by lower sales and contribution margin. At the net profit level, Georg Jensen recognized a deferred tax asset (DKK 98m) in Q1 22 following improvements in profitability. Excluding this one-off non-cash adjustment, the group reports quarterly net profit of -DKK35m vs. -DKK17m.

Net interest-bearing debt increased by DKK 33m from DKK 306m to DKK 339 million, mainly driven by decrease in cash and cash equivalent, partly offset by decrease in IFRS 16 lease liabilities.

New product launches in Q1

Jewellery:

In January we launched our annual HEART pendant collection, targeting Valentines and other gifting occasions, followed by a new sculptural silver collection, ARC, which takes inspiration from our mid-century archive design.

A line extension was added to the non-gender collection REFLECT (launched in spring 2022) and we continued our collaboration with fashion designer Stine Goya, through the DAISY capsule line.

Finally, the inhouse design team launched a new SIGNATURE Diamond collection, offering customers a unique diamond setting.

Home:

In February we launched additional tableware pieces in BERNADOTTE cutlery, as well as extensions to the SKY glassware family and the Alfredo kitchen assortment, as part of our "Own The Table" strategy. We continued the Icon activation of the Henning Koppel pitcher with a mini pitcher together with a black edition, whilst introducing new styles into our Children's universe, extending our iconic elephant family.

OUTLOOK 2023

Management reiterates the outlook stated in the Annual Report 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 2023. 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 2023 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 2022 of Georg Jensen A/S.

Furthermore, the consolidated interim financial report for January to March 2023 and Management's Review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

Copenhagen, 31th of May 2023

Executive Board

Mehul Tank
CEO

Board of Directors

Andrea Jayne Davis
Chairman

David Ching Chi Chu

Shi Zheng

Celine Infeld

Karl Sebastian Inger

Pierre Khaitrine

Mehul Tank

Maha Haven

Adnan Hadzihasanovic

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	
DKK million	2023	2022
Revenue	220.3	230.9
Cost of sales	-92.3	-86.8
Gross profit	128.0	144.1
Other external costs	-48.9	-57.2
Staff costs	-71.1	-69.2
Other operating income and costs	0.4	3.2
Operating profit before depreciation and amortization	8.4	20.9
Depreciation, amortization and impairment losses	-29.8	-30.0
Operating profit	-21.4	-9.1
Financial items, net	-12.1	-8.4
Profit before tax	-33.5	-17.5
Tax on profit for the year	-1.1	98.6
Profit for the year	-34.6	81.1

OTHER COMPREHENSIVE INCOME	Q1	
	2023	2022
Profit for the year	-34.6	81.1
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
<i>Items that will be reclassified to profit or loss</i>		
Adjustment Cash flow hedges	1.0	0.0
Exchange differences on foreign operations	-1.6	7.7
Other comprehensive income after tax	-0.6	7.7
Total comprehensive income for the year	-35.2	88.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, ASSETS

DKK million	31/03 2023	31/03 2022	31/12 2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	43.3	46.8	45.2
Tangible assets	197.2	254.4	187.7
Financial Assets	39.1	43.2	40.1
Deferred tax	119.1	98.0	118.6
Total non-current assets	398.7	442.4	391.6
CURRENT ASSETS			
Inventories	414.3	322.7	409.6
Trade receivables	79.6	84.6	105.3
Other receivables	5.0	7.1	14.6
Receivable from group enterprises	43.1	18.5	33.9
Prepayments	20.6	31.0	9.9
Cash and cash equivalents	67.2	180.8	145.9
Total current assets	629.8	644.7	719.2
TOTAL ASSETS	1,028.5	1,087.1	1,110.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, LIABILITIES

DKK million	31/03 2023	31/03 2022	31/12 2022
EQUITY AND LIABILITIES			
EQUITY			
Share capital	139.6	139.6	139.6
Share premium	488.3	488.3	488.3
Hedging reserve	1.8	1.2	0.8
Translation reserve	-4.4	14.7	-2.8
Retained earnings	-235.7	-312.8	-201.1
Total equity	389.6	331.0	424.8
LIABILITIES			
NON-CURRENT LIABILITIES			
Bond	298.0	298.0	0.0
Credit institutions	0.0	0.0	0.0
Lease liabilities	82.6	133.4	83.4
Provisions	13.1	11.7	13.4
Deferred tax	0.0	0.4	1.1
Retirement benefit obligation	8.1	8.8	8.1
Other Payables	10.1	10.2	10.1
Total non-current liabilities	411.9	462.5	116.1
CURRENT LIABILITIES			
Bond	0.0	0.0	298.0
Credit institutions	0.1	2.7	4.3
Trade Payables	74.9	93.4	97.3
Other Payables	77.6	117.6	110.9
Payable to group enterprises	0.0	0.0	0.0
Lease liabilities	69.0	71.2	56.7
Tax payables	5.4	5.7	2.7
Provisions	0.0	3.0	0.0
Total current liabilities	227.0	293.6	569.9
Total liabilities	638.9	756.1	686.0
TOTAL EQUITY AND LIABILITIES	1,028.5	1,087.1	1,110.8

CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW STATEMENT	Q1	
DKK million	2023	2022
Net profit for the period	-34.6	81.1
Non-cash items	41.3	-54.2
Change in working capital	-36.1	-30.5
Cash flows from operating activities before financial income and expenses	-29.4	-3.6
Financial cost, paid	-9.7	-7.3
Cash flows from ordinary activities	-39.1	-10.9
Income taxes paid	0.0	0.0
Net cash flow from operating activities	-39.1	-10.9
Purchase of tangible and intangible assets	-7.4	-6.6
Change in other financial assets	0.0	0.0
Net cash flow from investing activities	-7.4	-6.6
Changes in credit institutions	-4.2	-0.1
Repayment of loans from credit institutions	0.0	0.0
Repayment of lease liabilities	-18.8	-23.3
Transaction with Group companies	-9.2	0.0
Cash flow from financing activities	-32.2	-23.4
Net cash flow for the period	-78.7	-40.9
Cash and cash equivalents, beginning of the period	145.9	221.7
Cash and cash equivalents, end of the period	67.2	180.8

STATEMENT OF CHANGES IN EQUITY

31 March 2023

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	0.8	-2.8	-201.1	424.8
Profit for the period	0.0	0.0	0.0	0.0	-34.6	-34.6
<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	-1.6	0.0	-1.6
Total other comprehensive income	0.0	0.0	1.0	-1.6	0.0	-0.6
Balance at the end of the period	139.6	488.3	1.8	-4.4	-235.7	389.6

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	-393.9	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

NOTES

1 ACCOUNTING POLICIES

The unaudited consolidated interim financial statements for the period January to March 2023 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 2022 of Georg Jensen A/S.

Furthermore, the consolidated interim financial report including the consolidated financial statements for the period January to March of 2023 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

2 SEGMENT INFORMATION

Q1 2023					
DKK million	Europe	APAC	North America	Other*	Total
Revenue	109.5	94.4	16.4	0.0	220.3
Gross Profit	35.1	56.8	3.4	32.7	128.0
OPEX	-18.6	-43.7	-5.8	-51.5	-119.6
EBITDA	16.5	13.1	-2.4	-18.8	8.4
Amortizations & depreciations					-29.8
EBIT					-21.4
Financial items, net					-12.1
Profit before tax					-33.5

*Other Gross Profit represents the consolidated gross margin, net of local subsidiaries

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

3 REVENUE

PRIMARY SALES CHANNELS	Q1 2023	Q1 2022
B2B	93.2	98.4
B2C	127.5	131.0
Other	-0.4	1.5
Total	220.3	230.9

3 REVENUE (CONTINUED)

PRIMARY PRODUCT LINES	Q1 2023	Q1 2022
Jewellery	113.4	118.6
Home	92.1	96.0
Other	14.8	16.3
Total	220.3	230.9

4 OTHER OPERATING INCOME AND COSTS

Globally, Georg Jensen has received DKK 0.3m from government support in Q1 2023 (DKK 3.2m in 2022). The government support relates to staff costs and other external costs.

5 NET INTEREST-BEARING DEBT

DKK million	31/03 2023	31/03 2022	31/12 2022
Net interest-bearing debt comprises:			
Credit institutions	0.1	2.7	4.3
Payable to group enterprises	0.0	0.0	0.0
Lease liabilities	151.6	204.6	140.1
Issued bond	298.0	298.0	298.0
Gross interest-bearing debt	449.7	505.3	442.4
Receivable from group enterprises	-43.1	-18.5	-33.9
Cash and cash equivalents	-67.2	-180.8	-145.9
Gross interest-bearing receivables	-110.3	-199.3	-179.8
Net interest-bearing debt	339.4	306.0	262.6

6 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the balance sheet date, no events that could significantly affect the consolidated interim financial statements as of 31 March 2023 have occurred.