



BY APPOINTMENT TO
HER MAJESTY THE QUEEN OF DENMARK

GEORG JENSEN

ESTABLISHED 1904

CONSOLIDATED INTERIM FINANCIAL REPORT

SEPTEMBER 2020

January 1 – September 30, 2020

(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 5	Management's commentary
Page 7	Management statement
Page 8	Consolidated Income and Other comprehensive income statement
Page 9	Consolidated statement of financial position, Assets
Page 10	Consolidated statement of financial position, Liabilities
Page 11	Consolidated cash flow statement
Page 12	Statement of changes in equity
Page 13	Notes

MANAGEMENT'S REVIEW

FINANCIAL HIGHLIGHTS	Q3			9 MONTHS		
	DKK million, except for number of stores	2020	2019	Change	2020	2019
Net Sales	209.0	241.4	-13%	538.1	640.6	-16%
Closed stores	0.0	-4.1		-1.2	-11.1	
Net sales continuing operations	209.0	237.3	-12%	536.9	629.5	-15%
EBITDA	31.9	28.1		37.7	39.3	
EBIT	-1.4	-6.9		-77.0	-67.0	
Profit before tax	-13.8	-10.9		-101.1	-84.0	
Profit for the period	-14.1	-12.7		-101.6	-88.0	
Cash flow from operating activities	1.1	21.6		13.0	10.4	
Total cash flow	-21.9	-7.2		-84.7	-58.2	
Number of stores	96	100		96	100	

- EBITDA increased in Q3 from DKK 28.1 million in 2019 to DKK 31.9 million 2020 driven by lower operating costs.
- Revenue from continuing operations was down by 12% in Q3 2020 due to the effects of Covid-19.
- In Q3 revenue in Europe was down by 10%, APAC by 13% and the US declined by 18%.
- Sweden, UK and China experienced revenue growth in the first nine months despite tough market conditions. This is mainly due to strong wholesale and E-com performance.
- In Q3 the B2B channel fell by 4% and in the B2C channel the drop was 20%.
- E-commerce experienced a strong first nine months with a growth of 74% compared to the same period last year. Growth was generated across all product categories and all markets.
- Overall, the Home category was resilient with a revenue decline of only 2%. Jewellery declined by 16% for Q3.

- Operating costs continued to be significantly lower. Overall, they came down by 19% in the first nine months and by 20% in Q3.
- Net cash flow from operating activities is DKK 2.6 million better than last year for the first nine months. The main reason is improved management of inventory levels.
- Net interest-bearing debt increased to DKK 541.9 million from DKK 473.7 million last year.

The reason is an increase in lease liabilities of DKK 114.2 million. Adjusted EBITDA was DKK 167.7 million with sundry of DKK 19.7 million, hence a leverage of 3.2.

- The cash balance increased by DKK 14.3 million vs. Q3 2019 to DKK 32.5 million.

MANAGEMENT'S COMMENTARY

In 2020 we have unfortunately seen the arrival of the corona virus which has had a significant effect on our business.

Despite this, we have seen an improvement in EBITDA for Q3 2020 vs. Q3 2019 and for the first nine months we are almost on par with 2019.

Total revenue was down by 13% in Q3 2020. The fall was lower than in Q2 2020 and was relatively consistent over the quarter. Net sales for continuing operations decreased 12% in Q3.

All markets have been affected by the pandemic and we have had falling sales in all markets except in Sweden, UK and China.

The E-commerce channel grew by 74% in the first nine months of the year. The Jewellery category (up 96%) and the Home category (up 53%) are showing the strongest growth.

In total B2B fell by 4% in Q3 and is now down by 9% year to date. The B2C channel dropped by 20% both in Q3 and year to date. The Home category declined by 2% in Q3 vs. last year, whereas Jewellery fell by 16%. Year to date the fall is 9% and 19%, respectively, compared to 2019.

Operating costs continued the downward trend and were significantly lower than in 2019. Other external cost was reduced by 18% and staff cost by 19% for the first nine months.

The reduction in operating costs did offset the lower revenue and EBITDA increased in Q3 from DKK 28.1 million in 2019 to DKK 31.9 million in 2020. Ongoing cost adjustment and efficiency measures continue to be implemented to improve and protect the results of the company.

Net cash flow from operating activities improved by DKK 2.6 million in the first nine months compared to last year, mainly due improved management of inventory levels.

Net interest-bearing debt increased from DKK 473.7 million last year to DKK 541.9 million driven by an increase in lease obligations.

New product launches

In addition to the product launches done in Q1 and Q2, Georg Jensen in September introduced Terra. Terra is a collection of an innovative nine-piece plant accessory series crafted in terracotta and stainless steel by the pioneering Norwegian design and architecture practice, Snøhetta. The collection represents a strikingly contemporary and urban interpretation of potted plants ideal for the modern home gardener.

Also in September, Georg Jensen introduced a new silver masterpiece The Jardinière No. 1505. The Jardinière is an original design from the hand of Georg Jensen himself, based on a sketch from 1915 only recently discovered in the

company's rich archives. The intricate design is composed of a large decorative bowl inset with a voluptuous, rising vase. These two central vessels create an impressive, ornamental display intended for fruits, flowers, and plants.

OUTLOOK

Outlook for 2020

Based on the assumption that there will be no new major lockdowns and no further material deterioration of the macroeconomic environment, Management re-affirms the outlook stated in the Annual Report 2019 that its revenue in 2020 is expected to be above 85% of the actual revenue in 2019. The loss for 2020 is expected to be close to the level of 2019 due to cost containment measures.

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 2020. 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 2020 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 2019 of Georg Jensen A/S.

Furthermore, the consolidated interim financial report for January to September 2020 and Management's Review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

Copenhagen, 25th of November 2020

Executive Board

Francesco Pesci
CEO

Board of Directors

Hazem Ben-Gacem
Chairman

David Ching Chi Chu

Andrea Jayne Davis

Francesco Pesci

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 forecast in this report due to a variety of factors.

CONSOLIDATED INCOME AND COMPREHENSIVE INCOME STATEMENT

INCOME STATEMENT	Q3		9 MONTHS	
DKK million	2020	2019	2020	2019
Revenue	209.0	241.4	538.1	640.6
Cost of sales	-82.2	-94.6	-214.6	-248.4
Gross profit	126.8	146.8	323.5	392.2
Other external costs	-44.2	-52.1	-121.7	-149.3
Staff costs	-49.9	-66.5	-163.4	-202.8
Other operating income and costs	-0.8	-0.1	-0.7	-0.8
Operating profit before depreciation and amortization	31.9	28.1	37.7	39.3
Depreciation, amortization and impairment losses	-33.3	-35.0	-114.7	-106.3
Operating profit	-1.4	-6.9	-77.0	-67.0
Financial income	0.9	7.0	16.1	18.3
Financial costs	-13.3	-11.0	-40.2	-35.3
Profit before tax	-13.8	-10.9	-101.1	-84.0
Tax on profit for the year	-0.3	-1.8	-0.5	-4.0
Profit for the year	-14.1	-12.7	-101.6	-88.0
OTHER COMPREHENSIVE INCOME				
	Q3		9 MONTHS	
	2020	2019	2020	2019
Profit for the year	-14.1	-12.7	-101.6	-88.0
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	-7.6	19.9	-15.0	21.4
Other comprehensive income after tax	-7.6	19.9	-7.4	21.4
Total comprehensive income for the year	-21.7	7.2	-116.6	-66.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, ASSETS

DKK million	30/09 2020	30/09 2019	31/12 2019
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	46.9	71.0	77.7
Tangible assets	351.6	254.5	283.7
Financial Assets	43.2	40.0	39.2
Total non-current assets	441.7	365.5	400.6
CURRENT ASSETS			
Inventories	321.2	364.5	288.2
Trade receivables	110.8	100.9	103.8
Other receivables	7.5	6.1	2.5
Receivable from group enterprises	20.6	18.7	19.2
Prepayments	15.1	18.2	19.5
Cash and cash equivalents	32.5	18.2	117.2
Total current assets	507.7	526.6	550.4
TOTAL ASSETS	949.4	892.1	951.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, LIABILITIES

DKK million	30/09 2020	30/09 2019	31/12 2019
EQUITY AND LIABILITIES			
EQUITY			
Share capital	139.6	139.6	139.6
Share premium	488.3	488.3	488.3
Hedging reserve	1.1	0.7	1.1
Translation reserve	3.5	16.5	18.5
Retained earnings	-517.7	-454.7	-416.1
Total equity	114.8	190.4	231.4
LIABILITIES			
NON-CURRENT LIABILITIES			
Bond	298.0	298.0	298.0
Credit institutions	1.4	2.8	1.4
Lease liabilities	208.5	91.1	126.1
Provisions	13.6	14.4	12.8
Deferred tax	1.8	1.9	2.0
Retirement benefit obligation	7.7	6.6	8.1
Other Payables	9.7	0.0	3.8
Total non-current liabilities	540.7	414.8	452.2
CURRENT LIABILITIES			
Credit institutions	8.5	38.2	6.1
Trade Payables	88.0	71.4	64.3
Other Payables	113.5	88.9	100.9
Payable to group enterprises	6.0	6.1	6.0
Lease liabilities	74.0	77.2	85.3
Tax payables	0.9	2.1	1.8
Provisions	3.0	3.0	3.0
Total current liabilities	293.9	286.9	267.4
Total liabilities	834.6	701.7	719.6
TOTAL EQUITY AND LIABILITIES	949.4	892.1	951.0

CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW STATEMENT	Q3		9 MONTHS	
DKK million	2020	2019	2020	2019
Net profit for the period	-14.1	-12.7	-101.6	-88.0
Non-cash items	37.3	39.9	128.9	130.0
Change in working capital	-16.2	0.7	2.0	-13.2
Cash flows from operating activities before financial income and expenses	7.0	27.9	29.3	28.8
Financial cost, paid	-5.0	-5.3	-15.4	-15.5
Financial income, received	0.0	0.0	0.0	0.0
Cash flows from ordinary activities	2.0	22.6	13.9	13.3
Income taxes paid	-0.9	-1.0	-0.9	-2.9
Net cash flow from operating activities	1.1	21.6	13.0	10.4
Purchase of intangible assets	0.0	0.0	0.0	-5.4
Purchase of property, plant and equipment	-1.7	-8.0	-18.8	-10.2
Sale of fixed asset investments etc.	0.0	0.0	0.0	0.0
Change in other financial assets	0.2	-12.0	-4.4	-12.8
Net cash flow from investing activities	-1.5	-20.0	-23.2	-28.4
Issued bond	0.0	0.0	0.0	0.0
Changes in credit institutions	2.9	13.3	2.4	30.6
Repayment of loans from credit institutions	0.0	0.0	-0.7	0.0
Repayment of lease liabilities	-24.4	-22.1	-74.2	-68.3
Upstream to Group companies	0.0	0.0	-2.0	-2.5
Cash flow from financing activities	-21.5	-8.8	-74.5	-40.2
Net cash flow for the period	-21.9	-7.2	-84.7	-58.2
Cash and cash equivalents, beginning of the period	54.4	25.4	117.2	76.4
Currency adjustment of cash and cash equivalents	0.0	0.0	0.0	0.0
Cash and cash equivalents, end of the period	32.5	18.2	32.5	18.2

STATEMENT OF CHANGES IN EQUITY

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>						
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
Balance at the end of the period	139.6	488.3	1.1	3.5	-517.7	114.8

SEPTEMBER 2019

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	0.7	-4.9	-366.7	257.0
Profit for the period	0.0	0.0	0.0	0.0	-88.0	-88.0
<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	21.4	0.0	21.4
Balance at the end of the period	139.6	488.3	0.7	16.5	-454.7	190.4

NOTES

1 ACCOUNTING POLICIES

The unaudited consolidated interim financial statements for the period January to September 2020 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 2019 of Georg Jensen A/S.

Furthermore, the consolidated interim financial report including the consolidated financial statements for the period January to September of 2020 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

2 SEGMENT INFORMATION

Q3 2020					
DKK million	Europe	APAC	North America	Other	Total
Total revenue	117.1	81.0	10.1	0.8	209.0
Gross Profit	34.9	48.3	3.1	40.5	126.8
OPEX	-14.5	-30.2	-4.1	-46.1	-94.9
EBITDA	20.4	18.1	-1.0	-5.6	31.9
Amortizations & depreciations					-33.3
EBIT					-1.4
Financial income					0.9
Financial expenses					-13.3
Profit before tax					-13.8

9 MONTHS 2020					
DKK million	Europe	APAC	North America	Other	Total
Total revenue	288.2	215.7	29.1	5.1	538.1
Gross Profit	88.3	125.3	10.7	99.2	323.5
OPEX	-49.6	-95.0	-12.0	-129.2	-285.8
EBITDA	38.7	30.3	-1.3	-30.0	37.7
Amortizations & depreciations					114.7
EBIT					-77.0
Financial income					16.1
Financial expenses					-40.2
Profit before tax					-101.1

Q3 2019

DKK million	Europe	APAC	North America	Other	Total
Total revenue	129.9	93.3	12.3	5.9	241.4
Gross Profit	48.1	54.7	5.1	38.9	146.8
OPEX	-23.9	-45.3	-7.1	-42.4	-118.7
EBITDA	24.2	9.4	-2.0	-3.5	28.1
Amortizations & depreciations					-35.0
EBIT					-6.9
Financial income					7.0
Financial expenses					-11.0
Profit before tax					-10.9

9 MONTHS 2019

DKK million	Europe	APAC	North America	Other	Total
Total revenue	329.9	266.7	36.7	7.3	640.6
Gross Profit	117.4	153.4	15.1	106.3	392.2
OPEX	-72.3	-129.1	-19.1	-132.4	-352.9
EBITDA	45.1	24.3	-4.0	-26.1	39.3
Amortizations & depreciations					-106.3
EBIT					-67.0
Financial income					18.3
Financial expenses					-35.3
Profit before tax					-84.0

3 REVENUE

PRIMARY SALES CHANNELS	Q3 2020	9 MONTHS 2020
B2B	97.3	224.3
B2C	106.9	302.1
Other	4.8	11.7
Total	209.0	538.1

PRIMARY SALES CHANNELS	Q3 2019	9 MONTHS 2019
B2B	101.8	246.4
B2C	132.9	377.6
Other	6.7	16.6
Total	241.4	640.6

PRIMARY PRODUCT LINES	Q3 2020	9 MONTHS 2020
Jewellery	102.0	271.7
Home	90.0	212.6
Other	17.0	53.8
Total	209.0	538.1

PRIMARY PRODUCT LINES	Q3 2019	9 MONTHS 2019
Jewellery	122.1	337.0
Home	92.3	233.4
Other	27.0	70.2
Total	241.4	640.6

4 NET INTEREST-BEARING DEBT

DKK million	30/09 2020	30/09 2019	31/12 2019
Net interest-bearing debt comprises:			
Credit institutions (current)	8.5	38.2	7.5
Payable to group enterprises	6.0	6.1	6.0
Lease liabilities	282.5	168.3	211.4
Issued bond	298.0	298.0	298.0
Gross interest-bearing debt	595.0	510.6	522.9
Receivable from group enterprises	-20.6	-18.7	-19.2
Cash and cash equivalents	-32.5	-18.2	-117.2
Gross interest-bearing receivables	-53.1	-36.9	-136.4
Net interest-bearing debt	541.9	473.7	386.5

5 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 2020 have occurred.