



BY APPOINTMENT TO
HER MAJESTY THE QUEEN OF DENMARK

GEORG JENSEN

ESTABLISHED 1904

CONSOLIDATED INTERIM FINANCIAL REPORT

December 2020

January 1 – December 31, 2020

(12 months)

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

COMPANY REG.NO.: 26573645

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MANAGEMENT'S REVIEW

| FINANCIAL HIGHLIGHTS | Q4 | | | 12 MONTHS | | |
|---|--------------|--------------|-----------|--------------|--------------|------------|
| | 2020 | 2019 | Change | 2020 | 2019 | Change |
| DKK million, except for number of stores | | | | | | |
| Net Sales | 394.3 | 373.2 | 6% | 932.4 | 1,013.8 | -8% |
| Closed stores | -3.3 | -14.0 | | -12.3 | -44.2 | |
| Net sales continuing operations | 391.0 | 359.2 | 9% | 920.1 | 969.6 | -5% |
| EBITDA | 114.5 | 110.2 | | 152.2 | 149.5 | |
| EBIT | 77.7 | 56.2 | | 0.7 | -10.8 | |
| Profit before tax | 59.7 | 39.6 | | -41.4 | -44.4 | |
| Profit for the period | 56.5 | 39.6 | | -45.1 | -48.4 | |
| Cash flow from operating activities | 141.4 | 168.4 | | 144.4 | 178.8 | |
| Total cash flow | 115.9 | 99.0 | | 31.2 | 40.8 | |
| Number of stores | 100 | 97 | | 100 | 97 | |

- EBITDA increased in Q4 from DKK 110.2 million in 2019 to DKK 114.5 million 2020 driven by increase in revenue of 6%.
- Revenue from continuing operations was up by 9% in Q4 2020 reducing the full year shortfall to 5%.
- In Q4, revenue increased in Europe by 8% and in APAC by 8% and was offset by a 18% decline in the smaller US market.
- In Q4, the global B2B channel increased by 10% and the global B2C channel increased by 1%.
- In Q4, E-business accelerated its growth to 85% and delivered a strong full year growth of 78%. Increases were generated across all product categories and all markets.
- In Q4, the Home category and Jewellery category grew revenues 16% and 1%, respectively.
- Operating costs continued to be significantly lower. Overall, they came down by 12% for the full year 2020.

- Net cash flow from operating activities was DKK 144.4 million for the full year compared to DKK 178.8 million the prior year. The management of inventory levels continued to improve cash flow from net working capital during 2020.
- Net interest-bearing debt increased to DKK 416.4 million compared to DKK 386.5 million the prior year. The main reason is an increase in lease liabilities of DKK 65.1 million. Adjusted EBITDA was DKK 174.4 million with sundry costs of DKK 22.2 million, resulting in a leverage of 2.4.
- The cash balance increased by DKK 31.2 million to DKK 148.4 million compared to end of last year.

MANAGEMENT'S COMMENTARY

The arrival and global spread of the corona virus in 2020 had a significant overall impact on our business but its impact varied by channel, geography and category. Several countries imposed retail restrictions that ranged from reduced operating hours to national closures. This dampened Retail and B2B performance and shifted consumer demand to E-Business.

Despite these challenges, we have seen an improvement in EBITDA for Q4 2020 compared to Q4 2019 and for the full year EBITDA increased by DKK 2.7 million to DKK 152.2 compared with 2019.

Total revenue increased 6% in Q4 2020 and was driven by strong B2B growth, at index 110, which narrowed the decline in revenue for the full year 2020 to 8% compared to 2019. Net sales for continuing operations increased by 9% in Q4. Our B2B proved resilient in 2020 and delivered index 99 to last year.

An acceleration of growth in our Q4 2020 E-business, at an index of 185, more than offset the Retail environment that continued to be impacted by local lockdowns and reduced footfall, to deliver an overall B2C index of 101. Our Q4 2020 Retail performed at index 86 to last year bringing the 2020 Retail index to 72. E-business delivered an index 178 to last year and delivered growth in all markets. Overall B2C performed at an index 87 to 2019.

The Home category increased by 16% in Q4 compared to last year and delivered a full year increase of 1% year in 2020. Jewellery increased by 1% in Q4 2020 but decreased 12% for the whole year.

Operating costs continued the downward trend and were significantly lower than in 2019. Other external cost was reduced by 6% and staff cost by 15% for the full year 2020 compared to 2019. Participation in government programs, designed to protect jobs and retail operating costs during the trading restrictions, provided an offset to these costs for a total of DKK 22.3 million for the whole group.

EBITDA increased in Q4 from DKK 110.2 million in 2019 to DKK 114.5 million in 2020, mainly driven by increased revenue and partly offset by increased operating costs. Ongoing cost adjustment and efficiency measures continue to be implemented to improve and protect the results of the company. The government support received in Q4 was DKK 1.0 million for the whole group.

Net cash flow from operating activities was DKK 144.4 for the full year. Compared to last year it decreased by DKK 34.4 million, mainly driven by lower improvement of net working capital, which decreased from DKK 64.1 million in 2019 to DKK 48.0 million in 2020.

Net interest-bearing debt increased from DKK 386.5 million last year to DKK 416.4 million mainly driven by an increase in lease obligations. The increased lease obligation is a result of lease extensions on key locations in Denmark and new additions primarily located in Japan and Australia.

New product launches

In addition to the product launches in Q1, Q2 and Q3 Georg Jensen in November introduced the 2021 Annual Heritage collection. It is an annual launch celebrating our Art Nouveau design language.

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 December 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 December 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 December 2020 and Management's Review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

Copenhagen, 25th of February 2021

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 forecast in this report due to a variety of factors.

CONSOLIDATED INCOME AND COMPREHENSIVE INCOME STATEMENT

| INCOME STATEMENT | Q4 | | 12 MONTHS | |
|--|--------------|--------------|--------------|--------------|
| DKK million | 2020 | 2019 | 2020 | 2019 |
| Revenue | 394.3 | 373.2 | 932.4 | 1,013.8 |
| Cost of sales | -148.2 | -143.5 | -362.8 | -391.9 |
| Gross profit | 246.1 | 229.7 | 569.6 | 621.9 |
| Other external costs | -65.2 | -49.6 | -186.9 | -198.9 |
| Staff costs | -66.6 | -68.8 | -230.0 | -271.6 |
| Other operating income and costs | 0.2 | -1.1 | -0.5 | -1.9 |
| Operating profit before depreciation and amortization | 114.5 | 110.2 | 152.2 | 149.5 |
| Depreciation, amortization and impairment losses | -36.8 | -54.0 | -151.5 | -160.3 |
| Operating profit | 77.7 | 56.2 | 0.7 | -10.8 |
| Financial items, net | -18.0 | -16.6 | -42.1 | -33.6 |
| Profit before tax | 59.7 | 39.6 | -41.4 | -44.4 |
| Tax on profit for the year | -3.2 | 0.0 | -3.7 | -4.0 |
| Profit for the year | 56.5 | 39.6 | -45.1 | -48.4 |

| OTHER COMPREHENSIVE INCOME | Q4 | | 12 MONTHS | |
|--|-------------|-------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| Profit for the year | 56.5 | 39.6 | -45.1 | -48.4 |
| OTHER COMPREHENSIVE INCOME | | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | | |
| Remeasurements of defined benefit pension plans | 0.0 | -1.0 | 0.0 | -1.0 |
| <i>Items that will be reclassified to profit or loss</i> | | | | |
| Adjustment Cash flow hedges | 0.0 | 0.4 | 0.0 | 0.4 |
| Exchange differences on foreign operations | 0.9 | 2.0 | -14.1 | 23.4 |
| Other comprehensive income after tax | 0.9 | 1.4 | -14.1 | 22.8 |
| Total comprehensive income for the year | 57.4 | 41.0 | -59.2 | -25.6 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, ASSETS

| DKK million | 31/12 2020 | 31/12 2019 |
|-----------------------------------|--------------|--------------|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Intangible assets | 41.1 | 77.7 |
| Tangible assets | 336.3 | 283.7 |
| Financial Assets | 42.7 | 39.2 |
| Total non-current assets | 420.1 | 400.6 |
| CURRENT ASSETS | | |
| Inventories | 268.8 | 288.2 |
| Trade receivables | 115.5 | 103.8 |
| Other receivables | 3.5 | 2.5 |
| Receivable from group enterprises | 15.4 | 19.2 |
| Prepayments | 19.0 | 19.5 |
| Cash and cash equivalents | 148.4 | 117.2 |
| Total current assets | 570.6 | 550.4 |
| TOTAL ASSETS | 990.7 | 951.0 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, LIABILITIES

| DKK million | 31/12 2020 | 31/12 2019 |
|--------------------------------------|--------------|--------------|
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 139.6 | 139.6 |
| Share premium | 488.3 | 488.3 |
| Hedging reserve | 1.1 | 1.1 |
| Translation reserve | 4.4 | 18.5 |
| Retained earnings | -461.2 | -416.1 |
| Total equity | 172.2 | 231.4 |
| LIABILITIES | | |
| NON-CURRENT LIABILITIES | | |
| Bond | 298.0 | 298.0 |
| Credit institutions | 0.0 | 1.4 |
| Lease liabilities | 201.1 | 126.1 |
| Provisions | 13.4 | 12.8 |
| Deferred tax | 0.2 | 2.0 |
| Retirement benefit obligation | 8.3 | 8.1 |
| Other Payables | 9.8 | 3.8 |
| Total non-current liabilities | 530.8 | 452.2 |
| CURRENT LIABILITIES | | |
| Credit institutions | 5.7 | 6.1 |
| Trade Payables | 78.0 | 64.3 |
| Other Payables | 121.2 | 100.9 |
| Payable to group enterprises | 0.0 | 6.0 |
| Lease liabilities | 75.4 | 85.3 |
| Tax payables | 4.4 | 1.8 |
| Provisions | 3.0 | 3.0 |
| Total current liabilities | 287.7 | 267.4 |
| Total liabilities | 818.5 | 719.6 |
| TOTAL EQUITY AND LIABILITIES | 990.7 | 951.0 |

CONSOLIDATED CASH FLOW STATEMENT

| CASH FLOW STATEMENT | Q4 | | 12 MONTHS | |
|--|--------------|--------------|--------------|---------------|
| DKK million | 2020 | 2019 | 2020 | 2019 |
| Net profit for the period | 56.5 | 39.6 | -45.1 | -48.4 |
| Non-cash items | 49.0 | 67.9 | 177.9 | 197.9 |
| Change in working capital | 46.0 | 77.3 | 48.0 | 64.1 |
| Cash flows from operating activities before financial income and expenses | 151.5 | 184.8 | 180.8 | 213.6 |
| Financial cost, paid | -8.5 | -16.4 | -33.9 | -31.9 |
| Cash flows from ordinary activities | 143.0 | 168.4 | 146.9 | 181.7 |
| Income taxes paid | -1.6 | 0.0 | -2.5 | -2.9 |
| Net cash flow from operating activities | 141.4 | 168.4 | 144.4 | 178.8 |
| Purchase of tangible and intangible assets | -2.4 | -11.2 | -21.2 | -26.8 |
| Change in other financial assets | 0.1 | 3.5 | -4.3 | -9.3 |
| Net cash flow from investing activities | -2.3 | -7.7 | -25.5 | -36.1 |
| Changes in credit institutions | -4.2 | -32.0 | -1,8 | -1.4 |
| Repayment of loans from credit institutions | 0.0 | -1.4 | -0.7 | -1.4 |
| Repayment of lease liabilities | -19.0 | -28.3 | -83.2 | -96.6 |
| Upstream to Group companies | 0.0 | 0.0 | -2.0 | -2.5 |
| Cash flow from financing activities | -23.2 | -61.7 | -87.7 | -101.9 |
| Net cash flow for the period | 115.9 | 99.0 | 31.2 | 40.8 |
| Cash and cash equivalents, beginning of the period | 32.5 | 18.2 | 117.2 | 76.4 |
| Cash and cash equivalents, end of the period | 148.4 | 117.2 | 148.4 | 117.2 |

STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 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 | -45.1 | -45.1 |
| <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 | -14.1 | 0.0 | -14.1 |
| Total other comprehensive income | 0.0 | 0.0 | 0.0 | -14.1 | 0.0 | -14.1 |
| Balance at the end of the period | 139.6 | 488.3 | 1.1 | 4.4 | -461.2 | 172.2 |

31 DECEMBER 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 | -48.4 | -48.4 |
| <i>Other comprehensive income</i> | | | | | | |
| Remeasurement of defined Benefit pension plans | 0.0 | 0.0 | 0.0 | 0.0 | -1.0 | -1.0 |
| Adjustment cash flow hedges | 0.0 | 0.0 | 0.4 | 0.0 | 0.0 | 0.4 |
| Exchange adjustment | 0.0 | 0.0 | 0.0 | 23.4 | 0.0 | 23.4 |
| Total other comprehensive income | 0.0 | 0.0 | 0.0 | 23.4 | -1.0 | 22.8 |
| Balance at the end of the period | 139.6 | 488.3 | 1.1 | 18.5 | -416.1 | 231.4 |

NOTES

1 ACCOUNTING POLICIES

The unaudited consolidated interim financial statements for the period January to December 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 December 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

Q4 2020

| DKK million | Europe | APAC | North America | Other | Total |
|-------------------------------|-------------|-------------|---------------|-------------|--------------|
| Total revenue | 219.0 | 155.8 | 17.0 | 2.5 | 394.3 |
| Gross Profit | 65.7 | 95.4 | 6.5 | 78.5 | 246.1 |
| OPEX | -19.6 | -57.2 | -7.5 | -47.3 | -131.6 |
| EBITDA | 46.1 | 38.2 | -1.0 | 31.2 | 114.5 |
| Amortizations & depreciations | | | | | -36.8 |
| EBIT | | | | | 77.7 |
| Financial items, net | | | | | -18.0 |
| Profit before tax | | | | | 59.7 |

12 MONTHS 2020

| DKK million | Europe | APAC | North America | Other | Total |
|-------------------------------|--------------|--------------|---------------|--------------|--------------|
| Total revenue | 507.2 | 371.4 | 46.1 | 7.7 | 932.4 |
| Gross Profit | 154.0 | 220.8 | 17.1 | 177.7 | 569.6 |
| OPEX | -69.2 | -152.2 | -19.5 | -176.5 | -417.4 |
| EBITDA | 84.8 | 68.6 | -2.4 | 1.2 | 152.2 |
| Amortizations & depreciations | | | | | -151.5 |
| EBIT | | | | | 0.7 |
| Financial items, net | | | | | -42.1 |
| Profit before tax | | | | | -41.4 |

Q4 2019

| DKK million | Europe | APAC | North America | Other | Total |
|-------------------------------|---------------|-------------|----------------------|--------------|--------------|
| Total revenue | 199.5 | 144.6 | 21.8 | 7.3 | 373.2 |
| Gross Profit | 74.5 | 86.4 | 9.9 | 58.9 | 229.7 |
| OPEX | -22.1 | -44.9 | -1.9 | -50.6 | -119.5 |
| EBITDA | 52.4 | 41.5 | 8.0 | 8.3 | 110.2 |
| Amortizations & depreciations | | | | | -54.0 |
| EBIT | | | | | 56.2 |
| Financial items, net | | | | | -16.6 |
| Profit before tax | | | | | 39.6 |

12 MONTHS 2019

| DKK million | Europe | APAC | North America | Other | Total |
|-------------------------------|---------------|--------------|----------------------|--------------|--------------|
| Total revenue | 529.4 | 411.3 | 58.5 | 14.6 | 1,013.8 |
| Gross Profit | 191.9 | 239.8 | 25.0 | 165.2 | 621.9 |
| OPEX | -94.4 | -174.0 | -21.0 | -183.0 | -472.4 |
| EBITDA | 97.5 | 65.8 | 4.0 | -17.8 | 149.5 |
| Amortizations & depreciations | | | | | -160.3 |
| EBIT | | | | | -10.8 |
| Financial items, net | | | | | -33.6 |
| Profit before tax | | | | | -44.4 |

3 REVENUE

| PRIMARY SALES CHANNELS | Q4 2020 | 12 MONTHS 2020 |
|-------------------------------|----------------|-----------------------|
| B2B | 171.2 | 395.5 |
| B2C | 213.9 | 516.0 |
| Other | 9.2 | 20.9 |
| Total | 394.3 | 932.4 |

| PRIMARY SALES CHANNELS | Q4 2019 | 12 MONTHS 2019 |
|-------------------------------|----------------|-----------------------|
| B2B | 155.6 | 401.9 |
| B2C | 212.2 | 589.8 |
| Other | 5.4 | 22.1 |
| Total | 373.2 | 1,013.8 |

| PRIMARY PRODUCT LINES | Q4 2020 | 12 MONTHS 2020 |
|------------------------------|----------------|-----------------------|
| Jewellery | 175.0 | 446.7 |
| Home | 191.1 | 403.7 |
| Other | 28.2 | 82.0 |
| Total | 394.3 | 932.4 |

| PRIMARY PRODUCT LINES | Q4 2019 | 12 MONTHS 2019 |
|------------------------------|----------------|-----------------------|
| Jewellery | 173.2 | 510.2 |
| Home | 164.8 | 398.2 |
| Other | 35.2 | 105.4 |
| Total | 373.2 | 1,013.8 |

4 NET INTEREST-BEARING DEBT

| DKK million | 31/12 2020 | 31/12 2019 |
|---|-------------------|-------------------|
| Net interest-bearing debt comprises: | | |
| Credit institutions | 5.7 | 7.5 |
| Payable to group enterprises | 0.0 | 6.0 |
| Lease liabilities | 276.5 | 211.4 |
| Issued bond | 298.0 | 298.0 |
| Gross interest-bearing debt | 580.2 | 522.9 |
| Receivable from group enterprises | -15.4 | -19.2 |
| Cash and cash equivalents | -148.4 | -117.2 |
| Gross interest-bearing receivables | -163.8 | -136.4 |
| Net interest-bearing debt | 416.4 | 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 31 December 2020 have occurred.