Timma Danmark A/S

Borgmester Christiansens Gade 50, DK-2450 København SV

Annual Report for 2023

CVR No. 20 24 32 44

The Annual Report was presented and adopted at the Annual General Meeting of the company on 15/5 2024

Lari Mykrä
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Timma Danmark A/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København SV, 15 May 2024

Executive Board

Kasper Næsager Lindén
CEO

Board of Directors

Morten Ersbøll Ebbesen
Chairman

Kasper Næsager Lindén

Lari Anselmi Mykrä

Independent Auditor's report

To the shareholder of Timma Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company´s operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Timma Danmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 15 May 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Niels Henrik B. Mikkelsen
State Authorised Public Accountant
mne16675

Company information

The Company	Timma Danmark A/S Borgmester Christiansens Gade 50 DK-2450 København SV CVR No: 20 24 32 44 Financial period: 1 January - 31 December Municipality of reg. office: København SV
Board of Directors	Morten Ersbøll Ebbesen, chairman Kasper Næsager Lindén Lari Anselmi Mykrä
Executive Board	Kasper Næsager Lindén
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit		**9,842,068**	**13,069,949**
Staff expenses	3	-14,716,288	-17,295,868
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	4	-1,714,412	-1,999,446
Profit/loss before financial income and expenses		**-6,588,632**	**-6,225,365**
Income from investments in subsidiaries		95,753	-403,909
Financial income	5	3,808	0
Financial expenses	6	-214,669	-830,494
Profit/loss before tax		**-6,703,740**	**-7,459,768**
Tax on profit/loss for the year	7	-145,058	-106,380
Net profit/loss for the year		**-6,848,798**	**-7,566,148**

Distribution of profit

	2023	2022
	DKK	DKK
Proposed distribution of profit		
Reserve for net revaluation under the equity method	173,077	0
Retained earnings	-7,021,875	-7,566,148
	-6,848,798	**-7,566,148**

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Completed development projects		388,217	1,062,848
Goodwill		5,213,623	6,176,551
Intangible assets	8	**5,601,840**	**7,239,399**
Other fixtures and fittings, tools and equipment		255,253	293,886
Property, plant and equipment	9	**255,253**	**293,886**
Investments in subsidiaries	10	703,766	651,587
Fixed asset investments		**703,766**	**651,587**
Fixed assets		**6,560,859**	**8,184,872**
Trade receivables		1,039,137	912,743
Other receivables		510,363	554,050
Deferred tax asset		0	1,143,051
Corporation tax		919,653	0
Prepayments		278,179	41,940
Receivables		**2,747,332**	**2,651,784**
Cash at bank and in hand		**311,367**	**2,329,073**
Current assets		**3,058,699**	**4,980,857**
Assets		**9,619,558**	**13,165,729**

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		2,081,996	2,081,996
Reserve for net revaluation under the equity method		617,437	444,360
Reserve for development costs		317,532	829,021
Retained earnings		-3,085,234	3,468,726
Equity		**-68,269**	**6,824,103**
Other payables		1,041,991	958,387
Long-term debt		**1,041,991**	**958,387**
Credit institutions		3,111,689	0
Trade payables		865,982	1,291,108
Payables to group enterprises		2,326,782	676,944
Corporation tax		0	136,346
Other payables		2,322,482	2,325,999
Deferred income		18,901	952,842
Short-term debt		**8,645,836**	**5,383,239**
Debt		**9,687,827**	**6,341,626**
Liabilities and equity		**9,619,558**	**13,165,729**
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Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	2,081,996	444,360	829,021	3,468,726	6,824,103
Exchange adjustments	0	0	0	-43,574	-43,574
Depreciation, amortisation and impairment for the year	0	0	-511,489	511,489	0
Net profit/loss for the year	0	173,077	0	-7,021,875	-6,848,798
Equity at 31 December	**2,081,996**	**617,437**	**317,532**	**-3,085,234**	**-68,269**

Notes to the Financial Statements

1. Going concern

The company has a loss for the year of TDKK 6.892 for the financial year 2023 and, as of December 31, 2023, has negative equity of TDKK 68 , while current assets amount to TDKK 3.059 compared to current liabilities of TDKK 8.646.

To strengthen the company's liquidity and capital availability, the company has received a letter of support from its parent company. In the support letter, Timma Oy declares its willingness to provide additional loans or capital, to the extent necessary, to meet the company's obligations as they fall due.

The declaration is valid until December 31, 2024.

Based on the above, the financial statements are prepared on the assumption of a going concern.

2. Key activities

Timma has taken over the ownership of Timma Danmark, signaling its commitment to not only maintain but also expand the current business. This move is a key part of Timma's plan to grow and become a leading player in the Nordics. By joining Timma Danmark's market reach with Timma's resources, the newly combined company is set to offer outstanding services to its customers.

With this acquisition, Timma is ready to meet the increasing demand for digital services in the beauty industry. The company is enthusiastic about the opportunities this merger brings and is committed to providing exceptional value to its customers while driving growth and innovation in Denmark.

3. Staff Expenses

	2023	2022
	DKK	DKK
Wages and salaries	13,579,415	15,900,867
Pensions	920,888	657,328
Other social security expenses	191,295	161,490
Other staff expenses	24,690	576,183
	14,716,288	**17,295,868**
Average number of employees	**21**	**22**

Notes to the Financial Statements

	2023	2022
	DKK	DKK
4. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	1,637,559	1,975,920
Depreciation of property, plant and equipment	76,853	23,526
	1,714,412	**1,999,446**

	2023	2022
	DKK	DKK
5. Financial income		
Exchange adjustments	3,683	0
Exchange gains	125	0
	3,808	**0**

	2023	2022
	DKK	DKK
6. Financial expenses		
Other financial expenses	148,762	343,770
Exchange adjustments, expenses	64,528	486,724
Exchange loss	1,379	0
	214,669	**830,494**

	2023	2022
	DKK	DKK
7. Income tax expense		
Current tax for the year	-919,653	0
Deferred tax for the year	1,143,051	106,380
Adjustment of tax concerning previous years	-78,340	0
	145,058	**106,380**

Notes to the Financial Statements

8. Intangible fixed assets

	Completed development projects	Goodwill
	DKK	DKK
Cost at 1 January	3,010,653	8,102,407
Cost at 31 December	3,010,653	8,102,407
Impairment losses and amortisation at 1 January	1,947,805	1,925,856
Amortisation for the year	674,631	962,928
Impairment losses and amortisation at 31 December	2,622,436	2,888,784
Carrying amount at 31 December	**388,217**	**5,213,623**
Amortised over	3 years	10 years

9. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	334,320
Additions for the year	38,220
Cost at 31 December	372,540
Impairment losses and depreciation at 1 January	40,434
Depreciation for the year	76,853
Impairment losses and depreciation at 31 December	117,287
Carrying amount at 31 December	**255,253**

Notes to the Financial Statements

	2023	2022
	DKK	DKK

10. Investments in subsidiaries

	2023 DKK	2022 DKK
Cost at 1 January	86,329	86,328
Cost at 31 December	86,329	86,328
Value adjustments at 1 January	565,259	872,783
Net profit/loss for the year	95,752	108,944
Other adjustments	-43,574	-416,468
Value adjustments at 31 December	617,437	565,259
Carrying amount at 31 December	**703,766**	**651,587**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
CBIT Norge AS	Oslo	100.000 NOK	100%

11. Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2023.

Notes to the Financial Statements

12. Accounting policies

The Annual Report of Timma Danmark A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with MEE Holding ApS. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 year.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.