

Hårklinikken ApS

Amaliegade 42
1256 København K
CVR No. 25635914

Annual report 2023

The Annual General Meeting adopted the annual report on 03.07.2024

Lars Skjøth

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2023	8
Balance sheet at 31.12.2023	9
Statement of changes in equity for 2023	11
Notes	12
Accounting policies	15

Entity details

Entity

Hårklinikken ApS
Amaliegade 42
1256 København K

Business Registration No.: 25635914
Registered office: København
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Lars Skjøth
Mette Marie Louise Stougaard

Executive Board

Malte Holm

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Hårklinikken ApS for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 03.07.2024

Executive Board

Malte Holm

Board of Directors

Lars Skjøth

Mette Marie Louise Stougaard

Independent auditor's report

To the shareholder of Hårklinikken ApS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Hårklinikken ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Report on other legal and regulatory requirements and other reporting responsibilities**Violation of the Danish Company Act**

The Company has contrary to the Danish Company Act §210, granted a loan to the majority shareholder during the financial year 2023, therefore management may incur liability. The loan is expected to be repaid in 2024.

Copenhagen, 03.07.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Haugegaard Albrechtsen

State Authorised Public Accountant
Identification No (MNE) mne45846

Management commentary

Primary activities

The principal activities are treatment of hair loss and scalp diseases, including sales and marketing of hair and scalp products in Denmark.

Development in activities and finances

The gross profit for the year totals 9.220 tDKK (2022: 2,163 tDKK). Profit after tax amounts to 777 tDKK (2022: loss of 2,88 tDKK). Management considers the net profit as expected due to the change of transfer pricing policies in the group.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		9,220,469	2,163,435
Staff costs	1	(8,181,730)	(4,938,002)
Depreciation, amortisation and impairment losses	2	(226,419)	(45,043)
Operating profit/loss		812,320	(2,819,610)
Other financial income	3	24,803	9,295
Other financial expenses	4	(60,247)	(74,631)
Profit/loss for the year		776,876	(2,884,946)
Proposed distribution of profit and loss			
Retained earnings		776,876	(2,884,946)
Proposed distribution of profit and loss		776,876	(2,884,946)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Acquired intangible assets		58,867	0
Intangible assets	5	58,867	0
Other fixtures and fittings, tools and equipment		1,204,061	115,673
Leasehold improvements		48,405	64,500
Property, plant and equipment	6	1,252,466	180,173
Investments in group enterprises		1	1
Deposits		347,346	335,300
Financial assets	7	347,347	335,301
Fixed assets		1,658,680	515,474
Raw materials and consumables		174,849	1,052,199
Manufactured goods and goods for resale		215,124	530,060
Inventories		389,973	1,582,259
Trade receivables		18,721	0
Receivables from group enterprises		1,485,039	55,539
Other receivables		352,095	508,890
Receivables from owners and management	8	44,028	44,028
Prepayments		90,017	0
Receivables		1,989,900	608,457
Other investments		0	26,175
Other investments		0	26,175
Cash		3,150,978	834,836
Current assets		5,530,851	3,051,727
Assets		7,189,531	3,567,201

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		125,000	125,000
Retained earnings		75,122	(701,754)
Equity		200,122	(576,754)
Holiday pay obligation		202,895	202,895
Non-current liabilities other than provisions	9	202,895	202,895
Bank loans		52,953	0
Trade payables		1,125,849	1,300,285
Payables to group enterprises		3,679,114	2,109,308
Payables to owners and management		19,781	19,781
Other payables		1,875,667	418,307
Deferred income		33,150	93,379
Current liabilities other than provisions		6,786,514	3,941,060
Liabilities other than provisions		6,989,409	4,143,955
Equity and liabilities		7,189,531	3,567,201
Unrecognised rental and lease commitments	10		
Contingent assets	11		
Contingent liabilities	12		
Non-arm's length-related party transactions	13		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,000	(701,754)	(576,754)
Profit/loss for the year	0	776,876	776,876
Equity end of year	125,000	75,122	200,122

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	7,471,792	4,458,633
Pension costs	629,454	377,815
Other social security costs	80,484	101,554
	8,181,730	4,938,002
Average number of full-time employees	21	13

2 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	9,102	0
Depreciation of property, plant and equipment	217,317	45,043
	226,419	45,043

3 Other financial income

	2023	2022
	DKK	DKK
Other interest income	21,816	2,666
Exchange rate adjustments	2,987	0
Fair value adjustments	0	6,629
	24,803	9,295

4 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from group enterprises	17,071	16,415
Other interest expenses	200	58,216
Other financial expenses	42,976	0
	60,247	74,631

5 Intangible assets

	Acquired intangible assets DKK
Additions	67,969
Cost end of year	67,969
Amortisation for the year	(9,102)
Amortisation and impairment losses end of year	(9,102)
Carrying amount end of year	58,867

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	469,532	80,625
Additions	1,289,610	0
Disposals	(324,941)	0
Cost end of year	1,434,201	80,625
Depreciation and impairment losses beginning of year	(353,859)	(16,125)
Depreciation for the year	(201,222)	(16,095)
Reversal regarding disposals	324,941	0
Depreciation and impairment losses end of year	(230,140)	(32,220)
Carrying amount end of year	1,204,061	48,405

7 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	7	335,300
Additions	0	12,046
Cost end of year	7	347,346
Impairment losses beginning of year	(6)	0
Impairment losses end of year	(6)	0
Carrying amount end of year	1	347,346

Investments in subsidiaries	Registered in	Equity interest %
Hårklinikken GmbH	Germany	100.00

8 Receivables from owners and management

	Executive Board DKK
Receivables	44,028
Interest rate (%)	9,55%

9 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK
Holiday pay obligation	202,895
	202,895

10 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	458,782	465,000

11 Contingent assets

The company has not recognised deferred tax assets of 634 tDKK. The tax asset is not recognised in the balance sheet, as uncertainty exists about the measurement of the net realizable value of the asset as a result of uncertainty about the time-scale for the carryforward of tax losses.

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where EMKL Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

13 Non-arm's length related party transactions

Besides the transactions highlighted in the auditor's report on page 6, all other transactions are conducted on arm's length basis.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year, only minor adjustments concerning classification without effect on result and equity have been performed.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and normal writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale property, plant and equipment.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet

Acquired intangible assets

Acquired intangible assets comprise licenses for acquired software.

Acquired intangible assets acquired are measured at cost less accumulated amortisation. Licences are amortised over the term of the agreement.

Acquired intangible assets are written down to the lower of recoverable amount and carrying amount.

Plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.