

Uniwa Production ApS

Artillerivej 86, 4., 2300 København S

Company reg. no. 29 82 26 46

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 20 June 2019.

Nicklas Jørgensen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Uniwa Production ApS for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 20 June 2019

Managing Director

Dan Lindberg Obelitz

Board of directors

Dan Lindberg Obelitz

Nicklas Jørgensen

Independent auditor's report

To the shareholder of Uniwa Production ApS

Opinion

We have audited the annual accounts of Uniwa Production ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 20 June 2019

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Michael Markussen

State Authorised Public Accountant
mne34295

Company data

The company

Uniwa Production ApS
Artillerivej 86, 4.
2300 København S

Company reg. no. 29 82 26 46
Established: 18 September 2013
Domicile: Copenhagen
Financial year: 1 January 2018 - 31 December 2018

Board of directors

Dan Lindberg Obelitz
Nicklas Jørgensen

Managing Director

Dan Lindberg Obelitz

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Management's review

The principal activities of the company

The main activity consists of the production and development of Jorgobe skin care products. The products are sold to the sister company Jorgobé Operations ApS, which is responsible for marketing to external customers.

Development in activities and financial matters

The gross loss for the year is DKK -972.000 against DKK 128.000 last year. The results from ordinary activities after tax are DKK -979.000 against DKK 115.000 last year. The management consider the results unsatisfactory.

As the equity represents less than half of the subscribed capital, the Company is subject to the Danish Companies Act section 119 regarding loss of capital. The Management expects to recover the capital by positive results the coming years.

The expected development

The management expect a growth in net turnover and profits for 2019.

Accounting policies used

The annual report for Uniwa Production ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross loss

The gross loss comprises the net turnover, cost of sales and other external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Accounting policies used

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, administration and premises.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies used

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Uniwa Production ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Gross loss	-972.491	127.685
1 Other financial income from group enterprises	0	24.217
2 Other financial costs	-130	-3.071
Results before tax	-972.621	148.831
3 Tax on ordinary results	-6.028	-33.396
Results for the year	-978.649	115.435
Proposed distribution of the results:		
Dividend for the financial year	0	100.000
Allocated to results brought forward	0	15.435
Allocated from results brought forward	-978.649	0
Distribution in total	-978.649	115.435

Balance sheet 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Assets		
Current assets		
Manufactured goods and trade goods	3.412.921	3.823.185
Prepayments for goods	19.234	0
Inventories in total	<u>3.432.155</u>	<u>3.823.185</u>
Other debtors	0	307.542
Debtors in total	<u>0</u>	<u>307.542</u>
Available funds	0	162
Current assets in total	<u>3.432.155</u>	<u>4.130.889</u>
Assets in total	<u>3.432.155</u>	<u>4.130.889</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Equity			
4	Contributed capital	80.000	80.000
5	Results brought forward	-530.154	448.495
6	Proposed dividend for the financial year	0	100.000
	Equity in total	<u>-450.154</u>	<u>628.495</u>
Liabilities			
	Bank debts	1	0
	Trade creditors	415.854	1.404.479
	Debt to group enterprises	3.384.698	2.064.493
	Tax payables to group enterprises	6.028	33.396
	Other debts	75.728	26
	Short-term liabilities in total	<u>3.882.309</u>	<u>3.502.394</u>
	Liabilities in total	<u>3.882.309</u>	<u>3.502.394</u>
	Equity and liabilities in total	<u>3.432.155</u>	<u>4.130.889</u>
7	Mortgage and securities		
8	Contingencies		

Notes

All amounts in DKK.

	<u>2018</u>	<u>2017</u>
1. Other financial income from group enterprises		
Interest, group enterprises	0	24.217
	<u>0</u>	<u>24.217</u>
2. Other financial costs		
Other financial costs	130	3.071
	<u>130</u>	<u>3.071</u>
3. Tax on ordinary results		
Tax of the results for the year	6.028	33.396
	<u>6.028</u>	<u>33.396</u>
4. Contributed capital		
Contributed capital 1 January 2018	80.000	80.000
	<u>80.000</u>	<u>80.000</u>
5. Results brought forward		
Results brought forward 1 January 2018	448.495	433.060
Profit or loss for the year brought forward	-978.649	15.435
	<u>-530.154</u>	<u>448.495</u>
6. Proposed dividend for the financial year		
Dividend 1 January 2018	100.000	0
Distributed dividend	-100.000	0
Dividend for the financial year	0	100.000
	<u>0</u>	<u>100.000</u>

Notes

All amounts in DKK.

7. Mortgage and securities

Furthermore the company has provided security in company assets representing a nominal value of T.DKK 1.000 for its own banking facilities and for Jorgobé Operations ApS. This security comprises the below assets, stating the book values:

Inventories	T.DKK 4.432
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8. Contingencies

Contingent liabilities

The company has provided a guarantee for the sister company, Jorgobé Operations ApS' banking facilities. The guarantee is maximized to T.DKK 900.

Joint taxation

Uniwa Group ApS, company reg. no 34 48 97 18 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The total tax payable under the joint taxation amounts to DKK 0 thousand.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.