

NUORI ApS
Stormgade 35, 3. th.
1555 København V
Business Registration No
32766641

**Annual report 01.10.2016
- 30.09.2017**

The Annual General Meeting adopted the annual report on 31.01.2018

Chairman of the General Meeting

Name: Jasmi-Maaria Bonnén

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Income statement for 2016/17	6
Balance sheet at 30.09.2017	7
Statement of changes in equity for 2016/17	9
Notes	10
Accounting policies	12

Entity details

Entity

NUORI ApS
Stormgade 35, 3. th.
1555 København V

Central Business Registration No (CVR): 32766641

Founded: 04.02.2010

Registered in: København

Financial year: 01.10.2016 - 30.09.2017

Executive Board

Jasmi-Maaria Bonnén, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 Copenhagen

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of NUORI ApS for the financial year 01.10.2016 - 30.09.2017.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2017 and of the results of its operations for the financial year 01.10.2016 - 30.09.2017.

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

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

Copenhagen, 31.01.2018

Executive Board

Jasmi-Maaria Bonnén
CEO

Independent auditor's reports

To the shareholder of NUORI ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of NUORI ApS for the financial year 01.10.2016 - 30.09.2017. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2017 and of the results of its operations for the financial year 01.10.2016 - 30.09.2017 in accordance with the Danish Financial Statements Act.

Emphasis of matter affecting the financial statements

We point out note 1 in the financial statements, which states that the company's future operations is dependent on the company receives the necessary capital for the development and growth of the activities of the shareholder. The company's continued operation is subject to the capital mentioned is achieved. Management has provided for the financial reporting that the capital be obtained, and has been prepared financial statements provided on its continued operation. As indicated in Note 1 this indicates that there is a material uncertainty that give rise to doubt about the company's ability to continue operations. Our conclusion is not modified on this point.

Independent auditor's reports

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 extended review 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 extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 31.01.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Henrik Hartmann Olesen
statsautoriseret revisor
Identification No (MNE) 34143

Management commentary

Primary activities

The company's primary activity is development, marketing and sales of cosmetics and other related services and consulting.

Development in activities and finances

The company has realized losses in the financial year of 1,7 million dkk. And shareholders' equity is negative by 4,3 million dkk. The company's future operations are dependent on the company receiving the necessary capital and loans for the development and growth of the activities of the shareholder. Management expects that the necessary capital and loans to the future activities will be provided as the need arises. Management also expects an increase in revenue which will reduce the need for additional capital.

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 2016/17

	<u>Notes</u>	<u>2016/17</u> <u>DKK</u>	<u>2015/16</u> <u>DKK</u>
Gross loss		(314.799)	(744.042)
Staff costs	2	(1.831.326)	(1.386.695)
Depreciation, amortisation and impairment losses		<u>(20.219)</u>	<u>(16.206)</u>
Operating profit/loss		(2.166.344)	(2.146.943)
Income from investments in group enterprises		34.674	0
Other financial income		18.209	3.838
Other financial expenses		<u>(27.548)</u>	<u>(14.570)</u>
Profit/loss before tax		(2.141.009)	(2.157.675)
Tax on profit/loss for the year		<u>475.616</u>	<u>792.972</u>
Profit/loss for the year		<u>(1.665.393)</u>	<u>(1.364.703)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(1.665.393)</u>	<u>(1.364.703)</u>
		<u>(1.665.393)</u>	<u>(1.364.703)</u>

Balance sheet at 30.09.2017

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Other fixtures and fittings, tools and equipment		32.564	52.783
Property, plant and equipment	3	32.564	52.783
Investments in group enterprises		146.792	0
Deposits		79.821	73.229
Fixed asset investments	4	226.613	73.229
Fixed assets		259.177	126.012
Manufactured goods and goods for resale		1.187.452	1.018.591
Inventories		1.187.452	1.018.591
Trade receivables		344.427	152.410
Other receivables		471.322	112.487
Income tax receivable		0	14.871
Joint taxation contribution receivable		475.616	792.972
Prepayments		78.823	35.899
Receivables		1.370.188	1.108.639
Cash		389.967	590.313
Current assets		2.947.607	2.717.543
Assets		3.206.784	2.843.555

Balance sheet at 30.09.2017

	<u>Notes</u>	<u>2016/17</u> <u>DKK</u>	<u>2015/16</u> <u>DKK</u>
Contributed capital		125.000	125.000
Reserve for net revaluation according to the equity method		34.674	0
Retained earnings		<u>(4.467.681)</u>	<u>(2.767.614)</u>
Equity		<u>(4.308.007)</u>	<u>(2.642.614)</u>
Deferred tax		<u>0</u>	<u>42.924</u>
Provisions		<u>0</u>	<u>42.924</u>
Trade payables		525.046	179.505
Payables to group enterprises		6.360.414	4.603.167
Payables to shareholders and management		84.848	79.414
Other payables		<u>544.483</u>	<u>581.159</u>
Current liabilities other than provisions		<u>7.514.791</u>	<u>5.443.245</u>
Liabilities other than provisions		<u>7.514.791</u>	<u>5.443.245</u>
Equity and liabilities		<u>3.206.784</u>	<u>2.843.555</u>
Going concern	1		
Unrecognised rental and lease commitments	5		
Contingent liabilities	6		
Related parties with controlling interest	7		

Statement of changes in equity for 2016/17

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	0	(2.767.614)	(2.642.614)
Profit/loss for the year	0	34.674	(1.700.067)	(1.665.393)
Equity end of year	125.000	34.674	(4.467.681)	(4.308.007)

Notes

1. Going concern

The company has realized losses in the financial year of 1,7 million dkk. And shareholders' equity is negative by 4,3 million dkk. Company's future operations is dependent on the company receives the necessary capital and loans for the development and growth of the activities of the shareholder. Management expects that the necessary capital and loans to the future activities will be provided as the need arises. Management also expects an increase in revenue which will reduces the need for additional capital.

	2016/17	2015/16
	DKK	DKK
2. Staff costs		
Wages and salaries	1.808.329	1.369.943
Other social security costs	22.997	16.752
	1.831.326	1.386.695
Average number of employees	4	

	Other fixtures and fittings, tools and equipment DKK
3. Property, plant and equipment	
Cost beginning of year	73.156
Cost end of year	73.156
Depreciation and impairment losses beginning of year	(20.373)
Depreciation for the year	(20.219)
Depreciation and impairment losses end of year	(40.592)
Carrying amount end of year	32.564

Notes

	Investment s in group enterprises DKK	Deposits DKK
4. Fixed asset investments		
Cost beginning of year	0	73.229
Additions	<u>94.557</u>	<u>6.592</u>
Cost end of year	<u>94.557</u>	<u>79.821</u>
Exchange rate adjustments	17.561	0
Share of profit/loss for the year	<u>34.674</u>	<u>0</u>
Revaluations end of year	<u>52.235</u>	<u>0</u>
Carrying amount end of year	<u>146.792</u>	<u>79.821</u>
	<u>2016/17</u>	<u>2015/16</u>
	DKK	DKK
5. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	<u>75.447</u>	<u>73.575</u>

6. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which B Holding 2005 ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed company B Holding 2005 ApS. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

7. Related parties with controlling interest

Related parties with controlling interest – B Holding 2005 ApS owns all the shares in the Company and thus has controlling interest.

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 certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue

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.

Accounting policies

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

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 ordinary write-downs 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 write-downs of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as 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, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Accounting policies

Balance sheet

Property, plant and equipment

Plant and machinery as well as 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:

Plant and machinery	5 years
IT equipment	3 years

Property, 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 or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprises.

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

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories

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

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 write-downs for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Accounting policies

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

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