BUUS JENSEN
STATSAUTORISEREDE REVISORER

Uniwa Group ApS

Artillerivej 86, 4., 2300 København S

Company reg. no. 34 48 97 18

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

Contents

	Page
Reports	
Management's report	1
Independent auditor's report	2
Management's review	
Company data	5
Management's review	6
Annual accounts 1 January - 31 December 2018	
Accounting policies used	7
Profit and loss account	12
Balance sheet	13
Notes	15

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 Group 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

Nicklas Jørgensen

Dan Lindberg Obelitz

Independent auditor's report

To the shareholders of Uniwa Group ApS

Opinion

We have audited the annual accounts of Uniwa Group 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:

- 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.

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 Group ApS Artillerivej 86, 4. 2300 København S	
	Company reg. no.	34 48 97 18
	Established:	8 May 2012
	Domicile:	Copenhagen
	Financial year:	1 January 2018 - 31 December 2018
Board of directors	Nicklas Jørgensen Dan Lindberg Obelitz	
Managing Director	Dan Lindberg Obelitz	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	

Management's review

The principal activities of the company

The companys principle activity consists of owning the rights to JorgÓbe skin care products, as well as holding activities.

Development in activities and financial matters

The gross profit for the year is DKK 181.000 against DKK 595.000 last year. The results from ordinary activities after tax are DKK -3.325.000 against DKK 5.405.000 last year. The management consider the results unsatisfactory.

The expected development

The management expect a growth in net turnover and profits for 2019 for the company and its group enterprises.

Accounting policies used

The annual report for Uniwa Group 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 profit

The gross profit comprises the net turnover and other external costs.

The net turnover includes royalty income from the use of the company's intangible property rights. Recognition in the Profit and loss account takes place in accordance with the rightsholder's use of the rights, if the income can be calculated reliably and 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.

Other external costs comprise costs for administration.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible fixed assets respectively.

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.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

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 company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

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

Intangible fixed assets

Acquired trademarks and similar rights

Trademarks and similar rights are measured at cost with deduction of accrued amortisation and are amortised on a straight-line basis over the remaining patent period, which is estimated to 5 years.

Writedown of fixed assets

The book values of both intangible and equity investments in subsidiaries enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

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.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

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.

Uniwa Group ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Uniwa Group 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

Other 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.

Note		2018	2017
	Gross profit	**181.470**	**595.224**
	Amortisation and writedown relating to intangible fixed assets	-50.000	-50.000
	Operating profit	**131.470**	**545.224**
	Income from equity investments in group enterprises	-3.405.821	4.960.048
1	Other financial income from group enterprises	0	28.379
2	Other financial costs	-5.616	-2.916
	Results before tax	**-3.279.967**	**5.530.735**
3	Tax on ordinary results	-45.054	-125.316
	Results for the year	**-3.325.021**	**5.405.419**
	Proposed distribution of the results:		
	Extraordinary dividend adopted during the financial year	0	1.300.000
	Reserves for net revaluation as per the equity method	-3.405.821	1.360.048
	Dividend for the financial year	0	3.000.000
	Allocated to results brought forward	80.800	0
	Allocated from results brought forward	0	-254.629
	Distribution in total	**-3.325.021**	**5.405.419**

Balance sheet 31 December

All amounts in DKK.

Note	Assets	2018	2017
	Fixed assets		
4	Acquired concessions, patents, licenses, trademarks and similar rights	0	50.000
	Intangible fixed assets in total	0	50.000
5	Equity investments in group enterprises	1.006.306	6.276.787
	Financial fixed assets in total	1.006.306	6.276.787
	Fixed assets in total	**1.006.306**	**6.326.787**
	Current assets		
	Amounts owed by group enterprises	942.658	0
	Deferred tax assets	0	13.000
	Receivable corporate tax	32.550	253.788
	Tax receivables from group enterprises	19.382	1.116.896
	Other debtors	3	0
	Debtors in total	994.593	1.383.684
	Available funds	0	46
	Current assets in total	**994.593**	**1.383.730**
	Assets in total	**2.000.899**	**7.710.517**

Balance sheet 31 December

All amounts in DKK.

Note	Equity and liabilities	2018	2017
	Equity		
6	Contributed capital	80.000	80.000
7	Reserves for net revaluation as per the equity method	351.152	3.771.787
8	Results brought forward	251.224	170.424
9	Proposed dividend for the financial year	0	3.000.000
	Equity in total	**682.376**	**7.022.211**
	Provisions		
10	Provisions concerning equity investments in group enterprises	450.154	0
	Provisions in total	**450.154**	**0**
	Liabilities		
	Bank debts	6	0
	Trade creditors	21.250	7.500
	Debt to group enterprises	0	486.872
	Debt to shareholders and management	757.969	65.764
	Tax payables to group enterprises	83.986	0
	Other debts	5.158	128.170
	Short-term liabilities in total	868.369	688.306
	Liabilities in total	**868.369**	**688.306**
	Equity and liabilities in total	**2.000.899**	**7.710.517**

11 Mortgage and securities

12 Contingencies

Notes

All amounts in DKK.

		2018	2017
1.	**Other financial income from group enterprises**		
	Interest, group enterprises	0	28.379
		0	**28.379**
2.	**Other financial costs**		
	Other financial costs	5.616	2.916
		5.616	**2.916**
3.	**Tax on ordinary results**		
	Tax of the results for the year	32.054	129.316
	Adjustment for the year of deferred tax	13.000	-4.000
		45.054	**125.316**
4.	**Acquired concessions, patents, licenses, trademarks and similar rights**		
	Cost 1 January 2018	250.000	250.000
	Cost 31 December 2018	**250.000**	**250.000**
	Amortisation and writedown 1 January 2018	-200.000	-150.000
	Amortisation for the year	-50.000	-50.000
	Amortisation and writedown 31 December 2018	**-250.000**	**-200.000**
	Book value 31 December 2018	**0**	**50.000**

All amounts in DKK.

		31/12 2018	31/12 2017
5.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2018	205.000	160.000
	Additions during the year	0	45.000
	Cost 31 December 2018	**205.000**	**205.000**
	Revaluations, opening balance 1 January 2018	6.071.787	2.433.742
	Results for the year before goodwill amortisation	-3.405.821	4.960.048
	Dividend	-2.300.000	-1.300.000
	Adjustment of gains / losses on currency futures	-14.814	-22.003
	Revaluation 31 December 2018	**351.152**	**6.071.787**
	Transferred to provisions	450.154	0
	Set off against debtors and provisions for liabilities	**450.154**	**0**
	Book value 31 December 2018	**1.006.306**	**6.276.787**

The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	**Equity**	**Results for the year**	**Book value at Uniwa Group ApS**
Jorgobé Operations ApS, Copenhagen	100 %	918.632	-2.469.846	918.632
Uniwa Production ApS, Copenhagen	100 %	-450.154	-978.649	-450.154
Uniwa Distribution ApS, Copenhagen	90 %	97.416	47.416	87.674
		565.894	**-3.401.079**	**556.152**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
6.	**Contributed capital**		
	Contributed capital 1 January 2018	80.000	80.000
		80.000	**80.000**
7.	**Reserves for net revaluation as per the equity method**		
	Reserves for net revaluation 1 January 2018	3.771.787	2.433.742
	Share of results	-3.405.821	1.360.048
	Gains / losses on currency futures in group enterprises	-14.814	-22.003
		351.152	**3.771.787**
8.	**Results brought forward**		
	Results brought forward 1 January 2018	170.424	425.053
	Profit or loss for the year brought forward	80.800	-254.629
	Extraordinary dividend adopted during the financial year	0	1.300.000
	Distributed extraordinary dividend adopted during the financial year.	0	-1.300.000
		251.224	**170.424**
9.	**Proposed dividend for the financial year**		
	Dividend 1 January 2018	3.000.000	0
	Distributed dividend	-3.000.000	0
	Dividend for the financial year	0	3.000.000
		0	**3.000.000**
10.	**Provisions concerning equity investments in group enterprises**		
	Provisions, Uniwa Production ApS	450.154	0
		450.154	**0**
	Maturity is expected to be:		
	0-1 year	450.154	0
	1-5 year	0	0

Notes

All amounts in DKK.

	31/12 2018	31/12 2017
	450.154	**0**

11. Mortgage and securities

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

12. Contingencies

Joint taxation

The company is the administration company of the group of companies 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 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.