

1 PEOPLE A/S

Venedigvej 5, 4, th,

2300 København S

CVR No. 34586780

Annual Report 2021

10. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 3 July 2022

Jonathan Tjoa Algreen
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of 1 PEOPLE A/S for the financial year 1 January 2021 - 31 December 2021.

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 assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

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

København, 3 July 2022

Executive Board

Jonathan Tjoa Algreen
Man. Director

Supervisory Board

Jonathan Tjoa Algreen
Member

Rea Louise Tjoa Algreen
Member

Molay Ghosh
Member

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Company details

Company	1 PEOPLE A/S Venedigvej 5, 4, th, 2300 København S
Telephone	71995353
email	info@1people.com
Website	www.1people.com
CVR No.	34586780
Date of formation	4 June 2012
Registered office	København
Supervisory Board	Jonathan Tjoa Algreen, Man. Director Rea Louise Tjoa Algreen Molay Ghosh
Executive Board	Jonathan Tjoa Algreen, Man. Director
Bank	Handelsbanken Nibevej 6 9200 Aalborg SV

Management's Review

The Company's principal activities

The company produce and sell ethical and sustainable luxury fashion and lifestyle or related products within fashion, such as bags, watches, jewellery, clothing, care products and similar items.

The company's purpose is to: show a new way of doing business. That business can have a bigger purpose than just for profit. Doing this through,

A) contribute to an end of poverty, illiteracy and unworthy living conditions worldwide, by creating sustainable and persistent growth in developing countries, by providing jobs, education and investments.

B) educate and invest in new entrepreneurs who are driven by social impact entrepreneurship. This is done directly through the Business for Planet programme where some of 1 People's profit and resources are allocated to support the programme.

C) make sure that all our decisions, all products we sell and produce are always aligned with a People and Planet centric approach. We are ethical and sustainable in all our operations.

Development in the activities and the financial situation of the Company

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2021 - 31 December 2021 shows a result of DKK -1.659.892 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 20.982.701 and an equity of DKK -2.336.875.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Expectations for the future

With the 1 People group expanding in 2021 where company setups have been established in our two biggest markets, Germany and the USA, as well as in Singapore, it has been a fruitful year for the organization and structural setup of establishing a global brand and logistics with fast global delivery of our products. We can do that due to a three logistic hub strategy with warehouses in Singapore, Germany and the USA.

We invested heavily in the organization with offices and warehouses around the globe as well as our supply chain with strong manufacturing partners established in four countries, Portugal, India, Indonesia and Mauritius, to be able to scale sales.

Another part of our business focus and investments are on the tech side of our operations.

We consistently work on improving our tech tools and infrastructure being as automated as possible to better align with a high growth organisation and distribution. At the same time we are preparing for Web 3 and block chain integration in all parts of the organization including sales.

The group deficit is a result of our heavy investments in having a professional organization, global reach and strong supply chain. Therefore the result was expected and a part of our budget.

Our global sales across the 1 People group had a growth of 800% compared to 2020 which is a result of a strong focus on expanding our sales channels and product line. We see the growth rate as acceptable and keep on pushing for even faster growth for the future.

Looking into 2022 we expect high growth through a multiple sales channel approach focusing on the best performing markets. New market launches will be added but the primary focus will always be on top 3-5 markets. We are prepared for high growth rates due to the organization, structure, product line and supply chain being ready, which is what we have built the last couple of years. Therefore 2022 will have the primary focus on sales where also most investments will be allocated.

Accounting Policies

Reporting Class

The annual report of 1 PEOPLE A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Consolidated Financial Statements

With reference to § 110 of the Danish Financial Statements Act, no Consolidated Financial Statement have been prepared because the Group enterprises do not exceed the amount limits.

With reference to § 112 of the Danish Financial Statements Act, no Consolidated Financial Statement have been prepared because the Group enterprises are subsidiaries of a higher-ranking group.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and

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Accounting Policies

goods for resale, other operating income, costs for raw materials and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other external expenses

Distribution costs include costs relating to distribution and sales, advertising and marketing costs, vehicle operating costs, etc.

Administrative expenses include expenses for Management and administrative staff, office expenses, amortization and depreciation, etc.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Other staff expenses are recognised in other external expenses.

Research and development costs

Research and development costs which do not meet the criteria for capitalisation are recognised in the income statement as they are paid.

Development projects that are clearly defined and identifiable, and which are expected to generate future economic profits, are recognised as intangible assets at cost less accumulated amortization and any write-downs. Amortization is calculated on a straight-line basis over the expected useful life, usually 3-6 years. Other development costs are recognised in the income statement.

Borrowing costs relating to financing of development costs are recognised in the income statement.

Income from investments in group enterprises and associates

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortization of consolidated goodwill.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance sheet

Accounting Policies

Equity investments in group enterprises and associates

Investments in group enterprises and associates are recognized in the balance sheet at the proportionate share of the equity value of the enterprises, calculated according to the parent Company's accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Subsidiaries having a negative equity value are recognised at kr. 0, and any amounts receivable from those enterprises are written down by the parent Company's share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent Company has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Inventories

Merchandises are measured at cost comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Andre tilgodehavender betår af tilgodehavende moms.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Accounting Policies

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

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Income Statement

	Note	2021 kr.	2020 kr.
Gross profit		-688.054	-541.360
Employee benefits expense	1	-505.818	-412.617
Research and development expenditure		-11.421	0
Profit from ordinary operating activities		-1.205.293	-953.977
Income from investments in group enterprises and associates		-186.000	-389.532
Other finance income	2	669.898	580.229
Finance expences	3	-938.497	-970.557
Profit from ordinary activities before tax		-1.659.892	-1.733.837
Profit		-1.659.892	-1.733.837
Proposed distribution of results			
Retained earnings		-1.659.892	-1.733.837
Distribution of profit		-1.659.892	-1.733.837

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Balance Sheet as of 31 December

	Note	2021 kr.	2020 kr.
Assets			
Long-term investments in group enterprises	4, 5	0	0
Investments		0	0
Fixed assets		0	0
Raw materials and consumables		116.677	0
Manufactured goods and goods for resale		893.166	1.362.000
Inventories		1.009.843	1.362.000
Short-term trade receivables		65.066	0
Short-term receivables from group enterprises		19.567.559	17.819.480
Other short-term receivables		86.092	0
Deferred income		15.249	0
Receivables		19.733.966	17.819.480
Cash and cash equivalents		238.892	346.653
Current assets		20.982.701	19.528.133
Assets		20.982.701	19.528.133

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Balance Sheet as of 31 December

	Note	2021 kr.	2020 kr.
Liabilities and equity			
Contributed capital		10.000.000	7.572.497
Retained earnings		-12.336.875	-10.676.984
Equity		-2.336.875	-3.104.487
Payables to group enterprises		22.987.905	22.349.590
Long-term liabilities other than provisions	6	22.987.905	22.349.590
Trade payables		135.309	0
Other payables		1.856	96.139
Intercompany with owner		194.505	186.891
Short-term liabilities other than provisions		331.670	283.030
Liabilities other than provisions within the business		23.319.575	22.632.620
Liabilities and equity		20.982.700	19.528.133
Contingent liabilities	7		
Collaterals and assets pledges as security	8		

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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	7.572.497	-10.676.983	-3.104.486
Increase of capital	2.427.503	0	2.427.503
Profit (loss)	0	-1.659.892	-1.659.892
Equity 31 December 2021	10.000.000	-12.336.875	-2.336.875

The share capital has developed as follows:

	2021	2020	2018	2017	2016
Balance at the beginning of the year	7.572.497	2.572.497	2.572.497	2.572.497	2.572.497
Addition during the year	2.427.503	5.000.000	0	0	0
Balance at the end of the year	10.000.000	7.572.497	2.572.497	2.572.497	2.572.497

Notes

	2021	2020
1. Employee benefits expense		
Wages and salaries	505.818	404.716
Other employee expense	0	7.901
	505.818	412.617
Average number of employees	1	1
2. Other finance income		
Other finance income	669.897	580.229
	669.897	580.229
3. Finance expenses		
Finance expenses arising from group enterprises	938.252	953.801
Other finance expenses	245	16.756
	938.497	970.557
4. Long-term investments in group enterprises		
Cost at the beginning of the year	4.530.000	4.530.000
Addition during the year, incl. improvements	186.000	0
Cost at the end of the year	4.716.000	4.530.000
Depreciation and amortisation at the beginning of the year	-4.530.000	0
Change due to change in accounting policies	0	-4.140.468
Impairment losses for the year	-186.000	-389.532
Impairment losses and amortisation at the end of the year	-4.716.000	-4.530.000
Carrying amount at the end of the year	0	0

5. Disclosure in long-term investments in group enterprises and associates*Group enterprises*

Name	Registered office	Share held in %	Equity	Profit
PT ONE People Indonesia	Indonesien	80,00	-4.434.506	-1.753.441
1 People PTE LTD	Singapore	100,00	-76.440	-76.440
1 People LLC	USA	100,00	-249.227	-249.227
1 People GmbH	Tyskland	100,00	-1.307.170	-1.121.170
			-6.067.343	-3.200.278

6. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	22.987.905	0	25.431.619
	22.987.905	0	25.431.619

Notes

2021

2020

7. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of Agito Holding ApS which is the administration company in the joint taxation.

8. Collaterals and securities

A corporate mortgage has been pledged to Handelsbanken for a total of DKK 1,500,000 per status day.

A mortgage has been given in:

Operating equipment

Stocks of raw materials, semi-finished and finished goods

Simple receivables arising from the sale of goods and services

Fuels and other excipients

Goodwill, domain names and rights under the Patents Act, the Trademarks Act, the Designs Act, the Utility Model Act, the Designs Act, the Copyright Act and the Act on the Protection of Semiconductor Product Design (Topography)

Motor vehicles that are not or have not previously been registered

The booked value relating to the corporate mortgage is per status date: DKK 1,074,909,-