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PERSONLIGT ENGAGEMENT

STATSAUTORISERET  
REVISIONSAKTIESELSKAB

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# Hairclinic Group ApS

c/o Hårklinikken ApS, Amaliegade 42, 1256 København K

Company reg. no. 35 39 70 51

## Annual report

1 January - 31 December 2021

The annual report has been submitted and approved by the general meeting on the 30 June 2022.

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Mette Marie Louise Skjøth  
Chairman of the meeting



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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 statement

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Today, the Board of Directors and the Executive Board have approved the annual report of Hairclinic Group ApS for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 30 June 2022

### Executive board

Lars Skjøth

Mette Marie Louise Skjøth

### Board of directors

Lars Skjøth

Chairman

Florian Willem Ridder van  
Rappard

Marc Andreas Speichert

Michael Rodolfo Bryce

Barbara Stella Rybka



## **Independent auditor's report**

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### **To the Shareholder of Hairclinic Group ApS**

#### **Opinion**

We have audited the financial statements of Hairclinic Group ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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.



## **Independent auditor's report**

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As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 Company'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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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 Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.



## **Independent auditor's report**

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 30 June 2022

**Christensen Kjarulff**

Company reg. no. 15 91 56 41

**Elan Schapiro**

State Authorised Public Accountant  
mne33765



## Company information

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<b>The company</b>	Hairclinic Group ApS c/o Hårklinikken ApS Amaliegade 42 1256 København K
	Company reg. no. 35 39 70 51 Established: 5 July 2013 Domicile: Copenhagen Financial year: 1 January 2021 - 31 December 2021
<b>Board of directors</b>	Lars Skjøth, Chairman Florian Willem Ridder van Rappard Marc Andreas Speichert Michael Rodolfo Bryce Barbara Stella Rybka
<b>Executive board</b>	Lars Skjøth Mette Marie Louise Skjøth
<b>Auditors</b>	Christensen Kjerulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K
<b>Parent company</b>	EMKL Holding ApS
<b>Subsidiaries</b>	HK Koncept og Produkt ApS, Copenhagen Harklinikken LLC, USA Harklinikken ehf, Iceland Hårklinikken ApS, Copenhagen



## Management's review

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### **The principal activities of the company**

Like previous years, the principal activities are directly and indirectly as a holding company, trading and industry, financing and investment as well as other activities related thereto.

The company is the parent company of HK Koncept og Produkt ApS. HK Koncept og Produkt ApS' principal activities are to hold and develop recipes, concepts, trademarks and intangible rights, as well as production, licensing and sales of products, trademarks and rights and other activities related thereto.

### **Development in activities and financial matters**

The gross loss for the year totals DKK -23.000 against DKK -17.000 last year. Income or loss from ordinary activities after tax totals DKK -247.000 against DKK -290.000 last year. Management considers the net profit or loss for the year satisfactory.

The development of the company's activities and financial matters are shown in the following income statement and in the statement of financial position.





## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Gross loss</b>	<b>-23.352</b>	<b>-16.725</b>
Other financial income	74.968	0
1 Other financial costs	-307.020	-272.907
<b>Pre-tax net profit or loss</b>	<b>-255.404</b>	<b>-289.632</b>
Tax on ordinary results	8.319	0
<b>Net profit or loss for the year</b>	<b>-247.085</b>	<b>-289.632</b>
<b>Proposed appropriation of net profit:</b>		
Allocated from retained earnings	-247.085	-289.632
<b>Total allocations and transfers</b>	<b>-247.085</b>	<b>-289.632</b>



## Balance sheet at 31 December

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All amounts in DKK.

### Assets

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>		
2 Investments in subsidiaries	187.073.120	187.073.120
3 Investment in participating interest	150.000	0
Total investments	<u>187.223.120</u>	<u>187.073.120</u>
<b>Total non-current assets</b>	<b><u>187.223.120</u></b>	<b><u>187.073.120</u></b>
<b>Current assets</b>		
Receivables from related parties	16.510	15.875
Receivables from participating interest	201.333	0
Tax receivables from subsidiaries	8.319	0
Total receivables	<u>226.162</u>	<u>15.875</u>
Cash on hand and demand deposits	<u>714</u>	<u>1.514.325</u>
<b>Total current assets</b>	<b><u>226.876</u></b>	<b><u>1.530.200</u></b>
<b>Total assets</b>	<b><u>187.449.996</u></b>	<b><u>188.603.320</u></b>



## Balance sheet at 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2021</u>	<u>2020</u>
<b>Equity</b>			
	Contributed capital	80.000	80.000
	Retained earnings	<u>179.198.607</u>	<u>179.445.692</u>
	<b>Total equity</b>	<b><u>179.278.607</u></b>	<b><u>179.525.692</u></b>
 <b>Long term liabilities other than provisions</b>			
4	Payables to group enterprises	<u>0</u>	<u>6.014.149</u>
	Total long term liabilities other than provisions	<u>0</u>	<u>6.014.149</u>
	Current portion of long term liabilities	5.003.233	0
	Trade payables	18.750	15.000
	Payables to group enterprises	<u>3.149.406</u>	<u>3.048.479</u>
	Total short term liabilities other than provisions	<u>8.171.389</u>	<u>3.063.479</u>
	<b>Total liabilities other than provisions</b>	<b><u>8.171.389</u></b>	<b><u>9.077.628</u></b>
	<b>Total equity and liabilities</b>	<b><u>187.449.996</u></b>	<b><u>188.603.320</u></b>
 <b>5 Charges and security</b>			
<b>6 Contingencies</b>			



## Statement of changes in equity

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All amounts in DKK.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2020	80.000	179.735.324	179.815.324
Profit or loss for the year brought forward	0	-289.632	-289.632
Equity 1 January 2021	80.000	179.445.692	179.525.692
Profit or loss for the year brought forward	0	-247.085	-247.085
	<b>80.000</b>	<b>179.198.607</b>	<b>179.278.607</b>



## Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
<b>1. Other financial costs</b>		
Financial costs, group enterprises	306.856	215.247
Other financial costs	164	57.660
	<b><u>307.020</u></b>	<b><u>272.907</u></b>

<b>2. Investments in subsidiaries</b>		
Acquisition sum, opening balance 1 January 2021	<u>187.073.120</u>	<u>187.073.120</u>
<b>Carrying amount, 31 December 2021</b>	<b><u>187.073.120</u></b>	<b><u>187.073.120</u></b>

### Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, Hairclinic Group ApS
HK Koncept og Produkt ApS, Copenhagen	100 %	119.425.165	-7.189.951	180.080.000
Harklinikken LLC, USA	100 %	-9.528.634	9.915.827	2.180.366
Harklinikken ehf, Iceland	100 %	-7.816.820	-2.480.953	30.546
Hårklinikken ApS, Copenhagen	100 %	2.308.192	1.156.134	4.782.208
		<b><u>104.387.903</u></b>	<b><u>1.401.057</u></b>	<b><u>187.073.120</u></b>

<b>3. Investment in participating interest</b>		
Additions during the year		<u>150.000</u>
<b>Carrying amount, 31 December 2021</b>		<b><u>150.000</u></b>

<b>4. Payables to group enterprises</b>		
Total payables to group enterprises		5.003.233
Share of amount due within 1 year		<u>-5.003.233</u>
		<b><u>0</u></b>
Share of liabilities due after 5 years		<u>0</u>



## Notes

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All amounts in DKK.

### 5. Charges and security

As security for group's bank debts the company has provided security in Hårklinikken ApS shares with a net asset value of DKK 1.005 thousand.

### 6. Contingencies

#### Contingent assets

The company has not recognised deferred tax asset of DKK 11.825 thousand corresponding to DKK 53.751 thousand in tax loss carryforwards. The tax asset is not recognised in the statement of financial position, 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.

#### Joint taxation

With EMKL Holding ApS, company reg. no 35395768 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

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

The total tax payable under the joint taxation scheme totals DKK 0

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.



## Accounting policies

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The annual report for Hairclinic Group ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Income statement**

#### **Gross loss**

Gross loss comprises external costs.

Other external costs comprise costs incurred for administration.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses.

#### **Results from investments in subsidiaries and participating interest**

Dividend from investments in subsidiaries and participating interest is recognised in the financial year in which the dividend is declared.

#### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.



## Accounting policies

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The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

### Statement of financial position

#### **Impairment loss relating to non-current assets**

The carrying amount of equity investments i group 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 for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

#### **Investments**

##### **Investments in subsidiaries and participating interest**

Investments in subsidiaries and participating interest arerecognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

#### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

#### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank.

#### **Equity**

##### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under equity.

#### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.





## Accounting policies

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The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, 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. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

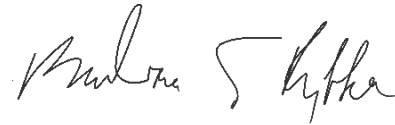
Other liabilities concerning payables to suppliers, group enterprises are measured at amortised cost which usually corresponds to the nominal value.

## Lars Skjøth

As Direktør  
PID: 9208-2002-2-904039478012 NEM ID  
Time of signature: 04-07-2022 at: 13:20:11  
Signed with NemID

## Mette Marie Louise Skjøth

As Direktør  
PID: 9208-2002-2-782524384562 NEM ID  
Time of signature: 05-07-2022 at: 12:25:47  
Signed with NemID



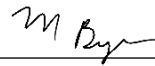
## Lars Skjøth

As Bestyrelsesformand  
PID: 9208-2002-2-904039478012 NEM ID  
Time of signature: 06-07-2022 at: 15:35:07  
Signed with NemID

Barbara Rybka  
As Bestyrelsesmedlem  
IP-address:  
Time of signature: 06-07-2022 at: 23:51:19  
Signed with esignatur EasySign



Florian van Rappard  
As Bestyrelsesmedlem  
IP-address:  
Time of signature: 05-07-2022 at: 12:29:45  
Signed with esignatur EasySign



Michael Bryce  
As Bestyrelsesmedlem  
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Time of signature: 11-07-2022 at: 15:23:42  
Signed with esignatur EasySign



Marc Speichert  
As Bestyrelsesmedlem  
IP-address:  
Time of signature: 11-07-2022 at: 16:31:41  
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## Elan Schapiro

As Revisor  
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## Mette Marie Louise Skjøth

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As Dirigent

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