



## Organic Basics ApS

Laplandsgade 11  
2300 Copenhagen S  
CVR No. 35676864

## Annual report 2020

The Annual General Meeting adopted the  
annual report on 08.02.2021

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**Mads Fibiger Rasmussen**  
Conductor

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# Entity details

## Entity

Organic Basics ApS  
Laplandsgade 11  
2300 Copenhagen S

CVR No.: 35676864  
Registered office: Copenhagen  
Financial year: 01.01.2020 - 31.12.2020

## Board of Directors

Christoffer Immanuel Lund Nielsen, Chairman  
Daniel Nyvang Mariussen  
Mads Fibiger Rasmussen  
Hans Alexander Hovgaard Christiansen  
Antoine Jean-Pierre Vincent Regis

## Executive Board

Mads Fibiger Rasmussen  
Hans Alexander Hovgaard Christiansen  
Christoffer Immanuel Lund Nielsen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

Lead Client Service Partner : Mads Fauerskov

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Organic Basics ApS for the financial year 01.01.2020 - 31.12.2020.

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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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

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

Copenhagen, 08.02.2021

## Executive Board

**Mads Fibiger Rasmussen**

**Hans Alexander Hovgaard Christiansen**

**Christoffer Immanuel Lund Nielsen**

## Board of Directors

**Christoffer Immanuel Lund Nielsen**  
Chairman

**Daniel Nyvang Mariussen**

**Mads Fibiger Rasmussen**

**Hans Alexander Hovgaard Christiansen**

**Antoine Jean-Pierre Vincent Regis**

# Independent auditor's extended review report

To the shareholders of Organic Basics ApS

## Conclusion

We have performed an extended review of the financial statements of Organic Basics ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

## Basis for conclusion

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. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the 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.

#### **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 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, 08.02.2021

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Mads Juul Hansen**

State Authorised Public Accountant  
Identification No (MNE) mne44386

# Management commentary

## Primary activities

The activity of the company is sale of ecological textiles to women and men.

## Description of material changes in activities and finances

The income statement of the company shows a profit for the year of DKK 1,233k., and at 31 December 2020 the balance sheet shows an equity of DKK 17,470k.

The annual report for 2020 is significantly affected by changes in applied accounting policies. The capitalization of development costs as an intangible asset, with these costs previously being expensed. Management consider the annual report, with these changes in account practice, to give a more accurate reflection of the financial position of the company, and have therefore decided to follow the Danish Generally Accepted Accounting Practice (Årsregnskabsloven). Comparison figures have been adjusted as a consequence of this. Reference is made to accounting policies used on page 13 for additional description and consequences.

The outbreak and spread of COVID-19 at the beginning of 2020 has not and is not expected to have a significant impact on the company's financial position and development since the company is operating online providing services within e-commerce which isn't affected as much by the circumstances.

## 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 2020

	Notes	2020 DKK	2019 DKK
<b>Gross profit/loss</b>		<b>13,335,255</b>	<b>1,527,934</b>
Staff costs	1	(11,167,409)	(3,917,872)
Depreciation, amortisation and impairment losses	2	(381,526)	(65,266)
<b>Operating profit/loss</b>		<b>1,786,320</b>	<b>(2,455,204)</b>
Other financial income		0	1,425
Other financial expenses		(1,201,457)	(531,846)
<b>Profit/loss before tax</b>		<b>584,863</b>	<b>(2,985,625)</b>
Tax on profit/loss for the year	3	648,303	800,741
<b>Profit/loss for the year</b>		<b>1,233,166</b>	<b>(2,184,884)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		1,233,166	(2,184,884)
<b>Proposed distribution of profit and loss</b>		<b>1,233,166</b>	<b>(2,184,884)</b>



# Balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	5	2,289,736	0
Development projects in progress	5	3,353,031	3,313,832
<b>Intangible assets</b>	4	<b>5,642,767</b>	<b>3,313,832</b>
Other fixtures and fittings, tools and equipment		210,055	138,867
Leasehold improvements		222,794	0
<b>Property, plant and equipment</b>	6	<b>432,849</b>	<b>138,867</b>
Deposits		128,262	118,413
<b>Other financial assets</b>		<b>128,262</b>	<b>118,413</b>
<b>Fixed assets</b>		<b>6,203,878</b>	<b>3,571,112</b>
Manufactured goods and goods for resale		18,863,390	7,834,486
Prepayments for goods		4,109,310	287,505
<b>Inventories</b>		<b>22,972,700</b>	<b>8,121,991</b>
Trade receivables		1,469,922	1,987,007
Receivables from group enterprises		963,737	749,267
Deferred tax		125,000	0
Other receivables		87,815	25,451
Income tax receivable		523,303	1,059,562
Prepayments		116,658	152,754
<b>Receivables</b>		<b>3,286,435</b>	<b>3,974,041</b>
<b>Cash</b>		<b>5,972,337</b>	<b>4,989,811</b>
<b>Current assets</b>		<b>32,231,472</b>	<b>17,085,843</b>
<b>Assets</b>		<b>38,435,350</b>	<b>20,656,955</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Contributed capital		148,585	148,585
Reserve for development expenditure		4,401,358	2,584,789
Retained earnings		12,920,414	13,503,817
<b>Equity</b>		<b>17,470,357</b>	<b>16,237,191</b>
Other provisions		215,222	52,805
<b>Provisions</b>		<b>215,222</b>	<b>52,805</b>
Other payables		803,936	222,693
<b>Non-current liabilities other than provisions</b>		<b>803,936</b>	<b>222,693</b>
Bank loans		3,481	78,384
Trade payables		15,294,401	2,672,402
Other payables		4,647,953	1,393,480
<b>Current liabilities other than provisions</b>		<b>19,945,835</b>	<b>4,144,266</b>
<b>Liabilities other than provisions</b>		<b>20,749,771</b>	<b>4,366,959</b>
<b>Equity and liabilities</b>		<b>38,435,350</b>	<b>20,656,955</b>
Unrecognised rental and lease commitments	7		
Assets charged and collateral	8		

# Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	148,585	0	12,774,774	12,923,359
Changes in accounting policies	0	2,584,789	729,043	3,313,832
<b>Adjusted equity, beginning of year</b>	<b>148,585</b>	<b>2,584,789</b>	<b>13,503,817</b>	<b>16,237,191</b>
Transfer to reserves	0	1,816,569	(1,816,569)	0
Profit/loss for the year	0	0	1,233,166	1,233,166
<b>Equity end of year</b>	<b>148,585</b>	<b>4,401,358</b>	<b>12,920,414</b>	<b>17,470,357</b>

# Notes

## 1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	12,419,989	5,518,030
Pension costs	70,135	11,594
Other social security costs	200,732	103,883
Other staff costs	620,906	488,896
	<b>13,311,762</b>	<b>6,122,403</b>
Staff costs classified as assets	(2,144,353)	(2,204,531)
	<b>11,167,409</b>	<b>3,917,872</b>
Average number of full-time employees	<b>47</b>	<b>25</b>

## 2 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Amortisation of intangible assets	276,251	55,683
Depreciation of property, plant and equipment	105,275	9,583
	<b>381,526</b>	<b>65,266</b>

## 3 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	(523,303)	(800,741)
Change in deferred tax	(125,000)	0
	<b>(648,303)</b>	<b>(800,741)</b>

## 4 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	0	3,313,832
Transfers	2,072,880	(2,072,880)
Additions	493,107	2,112,079
<b>Cost end of year</b>	<b>2,565,987</b>	<b>3,353,031</b>
Amortisation for the year	(276,251)	0
<b>Amortisation and impairment losses end of year</b>	<b>(276,251)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>2,289,736</b>	<b>3,353,031</b>

## 5 Development projects

Development projects include the development of the platform. The development project essentially consists of costs in the form of direct salaries and other costs, which are registered through the company's internal project module.

The carrying amount is 5,643 t.kr. the 31.12.2020. The platform is expected to bring significant competitive advantages and thus a significant increase in the level of activity and profit for the company.

## 6 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	282,052	0
Additions	151,064	248,193
<b>Cost end of year</b>	<b>433,116</b>	<b>248,193</b>
Depreciation and impairment losses beginning of year	(143,185)	0
Depreciation for the year	(79,876)	(25,399)
<b>Depreciation and impairment losses end of year</b>	<b>(223,061)</b>	<b>(25,399)</b>
<b>Carrying amount end of year</b>	<b>210,055</b>	<b>222,794</b>

## 7 Unrecognised rental and lease commitments

	<b>2020 DKK</b>	<b>2019 DKK</b>
Liabilities under rental or lease agreements until maturity in total	<b>1,436,063</b>	<b>196,203</b>

## 8 Assets charged and collateral

Bank loans are secured by a corporate mortgage of DKK 1.250.000 with a mortgage on the property, plant, equipment, inventories and trade receivables.

The value of the pledged assets is DKK 24,875,471.

# 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.

## Changes in accounting policies

Applied accounting policies have been changed for the following items, which has resulted in a change of comparison figures:

- Development costs are capitalized as intangible asset.

As a consequence of below, the comparison figures for 2019 have been changed compared to the previously filed report as follows:

Results for the year 2019 as previously filed	(5,498,716) DKK
Change, new practice	3,313,832 DKK
2019 comparison figures, new practice	(2,184,884) DKK
Shareholders equity, at the beginning of the year	
2019 as previously filed	12,923,359 DKK
Change, new practice	3,313,832 DKK
2019 comparison figures, new practice	16,237,191 DKK

Changes have no taxable effect. Apart from below, the applied accounting policies are unchanged compared to 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.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, other operating income, cost of raw materials and consumables and external expenses.

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### 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 writedowns 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

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as plant and equipment.

### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises and 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, net capital or exchange losses on securities, 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.

## Balance sheet

### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise

can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 8 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### **Property, plant and equipment**

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:

Other fixtures and fittings, tools and equipment	8 years
Leasehold improvements	8 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment 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.

Cost consists of purchase price plus delivery costs.

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 writedowns for bad and doubtful debts.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

**Tax payable or receivable**

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

**Prepayments**

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

**Cash**

Cash comprises of bank deposits.

**Other provisions**

Other provisions comprise of anticipated costs of returns.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

**Other financial liabilities**

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