Piaster Revisorerne
vi giver bedre råd

KINRADEN ApS

Møntergade 3, 1116 København K

Company reg. no. 36 55 04 14

Annual report

1 July 2023 - 30 June 2024

The annual report was submitted and approved by the general meeting on the 23 December 2024.

Sarah Emilie Müllertz
Chairman of the meeting

Contents

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

Today, the Board of Directors and the Managing Director have approved the annual report of KINRADEN ApS for the financial year 1 July 2023 - 30 June 2024.

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 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 – 30 June 2024.

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, 23 December 2024

Managing Director

Christina Neustrup Trudslev

Board of directors

Annette Pia Larsen	Christina Neustrup Trudslev	Heidi Jacqueline Ahlefeldt-Laurvig
Bo Bendixen	Sarah Emilie Müllertz	

The independent practitioner’s report

To the Shareholders of KINRADEN ApS

Conclusion

We have performed an extended review of the financial statements of KINRADEN ApS for the financial year 1 July 2023 - 30 June 2024, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 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 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.

Practitioner'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 in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

The independent practitioner's report

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

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

Statement on the Management's Review
Management is responsible for the Management's Review.

Our conclusion on the financial statements does not cover the Management's Review, 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's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, 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 conclude that the Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in the Management's Review.

Alleroed, 23 December 2024

Piaster Revisorerne
Statsautoriseret Revisionsaktieselskab
Company reg. no. 25 16 00 37

Kaspar Hartmann-Petersen
State Authorised Public Accountant
mne45833

Company information

The company	KINRADEN ApS Møntergade 3 1116 København K	
	Company reg. no.	36 55 04 14
	Established:	24 February 2015
	Domicile:	Copenhagen
	Financial year:	1 July - 30 June
Board of directors	Annette Pia Larsen Christina Neustrup Trudslev Heidi Jacqueline Ahlefeldt-Laurvig Bo Bendixen Sarah Emilie Müllertz	
Managing Director	Christina Neustrup Trudslev	
Auditors	Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab Engholm Parkvej 8 3450 Allerød	

Management´s review

Description of key activities of the company

The company’s principal activities center on the design, production, and sale of fine jewelry, as well as the exploration of related business areas that align with its strategic vision.

Uncertainties relating to going concern

Management has devised a robust plan to execute the company's growth strategy, with a clear focus on expanding sales channels and cultivating strong customer relationships. From the beginning of 2025, the company are expecting to welcome a new strategic investor, alongside the current owner, who will provide a substantial financial injection. This investment will ensure the company’s full financial viability and support its long-term growth trajectory. Consequently, the annual report has been prepared on a going concern basis, reflecting management's confidence in the company’s continued operations beyond June 30, 2025.

Development in activities and financial matters

The company is in its startup phase, during which operating losses are in line with expectations. To address negative equity, management has outlined a comprehensive plan to restore capital through projected future earnings. Based on the business plan, the company is expected to achieve profitability within two to three years, leveraging these earnings to offset realized losses.

During the preparation of the annual accounts for 2023/24, it was identified that the annual accounts for 2022/23 contained a material misstatement related to the recording of sales. This error has been corrected in the 2023/24 financial statements, with adjustments made to the opening equity and restated comparative figures. The correction reduces the pre-tax net loss and net loss by DKK 120 thousand and decreases equity and total assets as of July 1, 2023, by the same amount.

The company’s leadership has elected not to recognize deferred tax assets at this time, given the inherent uncertainties surrounding future earnings.

Additionally, refering to the the notes 'Contingent Assets' and 'Uncertainties relating to going concern' which discuss the provision of liquidity for the continued operation of the company in accordance with the company's strategy.

Income statement 1 July - 30 June

All amounts in DKK.

Note		2023/24	2022/23
	Gross profit	**-2.729.815**	**-2.693.287**
2	Staff costs	-1.591.555	-1.882.114
	Depreciation and impairment of property, plant, and equipment	-40.682	-41.138
	Operating profit	**-4.362.052**	**-4.616.539**
3	Other financial expenses	-439.033	-46.285
	Pre-tax net profit or loss	**-4.801.085**	**-4.662.824**
4	Tax on net profit or loss for the year	0	121.829
	Net profit or loss for the year	**-4.801.085**	**-4.540.995**
	Proposed distribution of net profit:		
	Allocated from retained earnings	-4.801.085	-4.540.995
	Total allocations and transfers	**-4.801.085**	**-4.540.995**

Balance sheet at 30 June

All amounts in DKK.

Note	Assets	2024	2023
	Non-current assets		
5	Other fixtures, fittings, tools and equipment	128.064	38.511
	Total property, plant, and equipment	128.064	38.511
6	Deposits	0	96.926
	Total investments	0	96.926
	Total non-current assets	**128.064**	**135.437**
	Current assets		
	Raw materials and consumables	88.646	0
	Manufactured goods and goods for resale	1.925.603	1.459.938
	Total inventories	2.014.249	1.459.938
	Trade receivables	238.647	124.531
	Tax receivables from group enterprises	121.829	188.080
	Other receivables	276.872	0
	Prepayments	61.000	0
	Total receivables	698.348	312.611
	Cash and cash equivalents	963.228	99.467
	Total current assets	**3.675.825**	**1.872.016**
	Total assets	**3.803.889**	**2.007.453**

Balance sheet at 30 June

All amounts in DKK.

Note	**Equity and liabilities**	2024	2023
	Equity		
	Contributed capital	600.000	600.000
	Retained earnings	-3.889.502	-88.417
	Total equity	**-3.289.502**	**511.583**
	Liabilities other than provisions		
	Bank loans	4.473.368	0
7	Total long term liabilities other than provisions	4.473.368	0
7	Current portion of long term liabilities	822.891	0
	Trade payables	511.467	366.451
	Payables to group enterprises	954.767	978.836
	Payables to shareholders and management	111.571	0
	Other payables	180.994	150.583
	Deferred income	38.333	0
	Total short term liabilities other than provisions	2.620.023	1.495.870
	Total liabilities other than provisions	**7.093.391**	**1.495.870**
	Total equity and liabilities	**3.803.889**	**2.007.453**

1 Uncertainties relating to going concern

8 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 July 2022	600.000	1.302.578	1.902.578
Retained earnings for the year	0	-4.540.995	-4.540.995
Grant	0	3.150.000	3.150.000
Equity 1 July 2023	600.000	-88.417	511.583
Retained earnings for the year	0	-4.801.085	-4.801.085
Grant	0	1.000.000	1.000.000
	600.000	**-3.889.502**	**-3.289.502**

Notes

All amounts in DKK.

	2023/24	2022/23

1. Uncertainties relating to going concern

Management has devised a robust plan to execute the company's growth strategy, with a clear focus on expanding sales channels and cultivating strong customer relationships. From the beginning of 2025, the company are expecting to welcome a new strategic investor, alongside the current owner, who will provide a substantial financial injection. This investment will ensure the company’s full financial viability and support its long-term growth trajectory. Consequently, the annual report has been prepared on a going concern basis, reflecting management's confidence in the company’s continued operations beyond June 30, 2025.

2. Staff costs

	2023/24	2022/23
Salaries and wages	1.564.700	1.857.339
Other costs for social security	26.855	24.775
	1.591.555	**1.882.114**
Average number of employees	3	3

3. Other financial expenses

	2023/24	2022/23
Financial costs, group enterprises	37.180	41.013
Other financial costs	401.853	5.272
	439.033	**46.285**

4. Tax on net profit or loss for the year

	2023/24	2022/23
Tax on net profit or loss for the year	0	-121.829
	0	**-121.829**

Notes

All amounts in DKK.

5. Other fixtures, fittings, tools and equipment

Cost 1 July 2023	301.714	301.714
Additions during the year	130.235	0
Cost 30 June 2024	**431.949**	**301.714**
Depreciation and write-down 1 July 2023	-263.203	-222.065
Amortisation and depreciation for the year	-40.682	-41.138
Depreciation and write-down 30 June 2024	**-303.885**	**-263.203**
Carrying amount, 30 June 2024	**128.064**	**38.511**

6. Deposits

Cost 1 July 2023	96.926	78.869
Additions during the year	0	18.057
Disposals during the year	-96.926	0
Cost 30 June 2024	**0**	**96.926**
Carrying amount, 30 June 2024	**0**	**96.926**

7. Long term labilities other than provisions

	Total payables 30 Jun 2024	Current portion of long term payables	Long term payables 30 Jun 2024	Outstanding payables after 5 years
Bank loans	5.296.259	822.891	4.473.368	887.780
	5.296.259	**822.891**	**4.473.368**	**887.780**

8. Contingencies

Contingent assets

The company has a contingent asset in the form of tax loss carryforwards and depreciation options totaling mio. DKK 4, in tax value. The company's management has chosen not to recognize the asset in the balance sheet at this time.

Contingent liabilities

The company has entered into a lease agreement with a non-termination period of 47 months. The non-termination period corresponds to a liability of DKK 1.552.500.

Notes

All amounts in DKK.

8. Contingencies (continued)

Joint taxation

With Sarah Müllertz Holding ApS, company reg. no 29614555 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.

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

Accounting policies

The annual report for KINRADEN 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.

Material errors in previous years

During the preparation of the annual accounts for 2023/24, it has been established that the annual accounts for 2022/23 contained a material error, because of an error in registrations of sales. The error has been corrected in the annual accounts for 2023/24, and the correction has been made via the opening equity and comparative figures have been restated. The corrected error reduces the pretax net loss and the net loss by DKK 120 thousand. The equity and total assets per 1 July 2023 is also reduced by DKK 120 thousand.

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, write-downs 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.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

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.

Accounting policies

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Accounting policies

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

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.

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

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

Accounting policies

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3 years	0 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets 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. write-down 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. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

Accounting policies

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments
Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand.

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.

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.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, KINRADEN ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Accounting policies

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, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Deferred income

Payments received concerning future income are recognised under deferred income.