

Tekla ApS
Frederiksholms Kanal 4, kl., 1220 København K
Company reg. no. 37 85 90 95
Annual report
1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 16 April 2021.

Kristoffer Windall Juhl
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 report

Today, the board of directors and the executive board have presented the annual report of Tekla ApS for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

The board of directors and the executive board consider the conditions for audit exemption of the 2020 financial statements to be met.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Copenhagen, 16 April 2021

Executive board

Kristoffer Windall Juhl

Christoffer Charlie Nicolai Hedin

Board of directors

Nicolaj Reffstrup

Kristoffer Windall Juhl

Caius William Pawson

Mikael Fabian Schiller

Christoffer Charlie Nicolai Hedin Alexandra Daisy Hoppen

Auditor's report on compilation of the financial statements

To the shareholders of Tekla ApS

We have compiled the financial statements of Tekla ApS for the financial year 1 January - 31 December 2020 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Copenhagen, 16 April 2021

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Casper Christiansen

State Authorised Public Accountant
mne44100

Company information

The company

Tekla ApS
Frederiksholms Kanal 4, kl.
1220 København K

Company reg. no. 37 85 90 95
Established: 3 July 2016
Domicile: Copenhagen
Financial year: 1 January - 31 December

Board of directors

Nicolaj Reffstrup
Kristoffer Windall Juhl
Caius William Pawson
Mikael Fabian Schiller
Christoffer Charlie Nicolai Hedin
Alexandra Daisy Hoppen

Executive board

Kristoffer Windall Juhl
Christoffer Charlie Nicolai Hedin

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management commentary

The principal activities of the company

The principal activities are to design, produce and sell textiles as well as other products as interior. The company's secondary activity is to run consulting services and other related activities.

Development in activities and financial matters

The gross profit for the year totals t.DKK 7.774 against t.DKK 1.678 last year. The result of the year totals t.DKK 4.022 against t.DKK 454 last year.

Management considers the net profit for the year satisfactory.

Treasury shares

The enterprise's holding of treasury shares is 2.120 shares, corresponding to 1,87% of the contributed capital.

During the year, the enterprise acquired 2.120 treasury shares. The purchase price amounts to DKK 25.000. The previous owner of the treasury shares went bankrupt during the financial year.

Accounting policies

The annual report for Tekla 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.

Changes in classification

There has been some changes in classification. The changes in classification have no effect on the net profit and equity for the year.

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.

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.

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.

Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, 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. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of 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.

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

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown 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.

Accounting policies

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 5 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 5 years.

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. 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. Impairment relating to goodwill is not reversed.

Accounting policies

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.

The net realisable value for inventories is recognised as the market 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.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Treasury shares

Purchase prices and sales prices of own shares are recognised directly in equity. The capital reduction arising from the cancellation of own shares will reduce the share capital by an amount corresponding to the nominal value of the shares and increase the results brought forward, respectively.

The dividend of own shares is recognised directly in equity under retained earnings.

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.

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.

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.

Accounting policies

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.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross profit	7.773.866	1.677.845
2 Staff costs	-2.314.351	-1.021.281
Amortisation and impairment of intangible assets	-201.138	-51.605
Operating profit	5.258.377	604.959
Other financial costs	-87.210	-14.706
Pre-tax net profit or loss	5.171.167	590.253
Tax on net profit or loss for the year	-1.149.235	-136.065
Net profit or loss for the year	4.021.932	454.188
Proposed appropriation of net profit:		
Transferred to retained earnings	4.021.932	454.188
Total allocations and transfers	4.021.932	454.188

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Non-current assets		
Concessions, patents, licenses, trademarks, and similar rights acquired	685.656	336.466
Goodwill	576.660	0
Total intangible assets	<u>1.262.316</u>	<u>336.466</u>
Deposits	251.500	0
Total investments	<u>251.500</u>	<u>0</u>
Total non-current assets	<u>1.513.816</u>	<u>336.466</u>
Current assets		
Manufactured goods and goods for resale	3.438.409	1.074.399
Total inventories	<u>3.438.409</u>	<u>1.074.399</u>
Trade receivables	4.702.851	1.232.281
Deferred tax assets	0	194.577
Other receivables	0	55.689
Total receivables	<u>4.702.851</u>	<u>1.482.547</u>
Cash on hand and demand deposits	3.043.712	917.657
Total current assets	<u>11.184.972</u>	<u>3.474.603</u>
Total assets	<u>12.698.788</u>	<u>3.811.069</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities	<u>2020</u>	<u>2019</u>
<u>Note</u>		
Equity		
3 Contributed capital	113.316	113.316
4 Retained earnings	6.371.115	2.374.183
Total equity	<u>6.484.431</u>	<u>2.487.499</u>
Provisions		
Provisions for deferred tax	130.494	0
Total provisions	<u>130.494</u>	<u>0</u>
Liabilities other than provisions		
Prepayments received from customers	71.755	163.793
Trade payables	2.547.621	213.015
Corporate tax	824.164	0
Other payables	2.619.947	946.762
Accrued expenses and deferred income	20.376	0
Total short term liabilities other than provisions	<u>6.083.863</u>	<u>1.323.570</u>
Total liabilities other than provisions	<u>6.083.863</u>	<u>1.323.570</u>
Total equity and liabilities	<u>12.698.788</u>	<u>3.811.069</u>

1 Special items

5 Contingencies

Notes

All amounts in DKK.

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	<u>2020</u>	<u>2019</u>
Income:		
Covid-19 Salary Compensation	24.750	0
	<u>24.750</u>	<u>0</u>
Special items are recognised in the following items in the financial statements:		
Gross profit	24.750	0
Profit of special items, net	<u>24.750</u>	<u>0</u>

2. Staff costs

Salaries and wages	2.282.075	999.087
Other costs for social security	12.813	8.394
Other staff costs	19.463	13.800
	<u>2.314.351</u>	<u>1.021.281</u>
Average number of employees	<u>4</u>	<u>4</u>

3. Contributed capital

Contributed capital 1 January 2020	113.316	105.979
Cash capital increase	0	7.337
	<u>113.316</u>	<u>113.316</u>

Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
4. Retained earnings		
Retained earnings 1 January 2020	2.374.183	496.368
Profit or loss for the year brought forward	4.021.932	454.188
Share premium	0	1.423.627
Purchase of own shares	-25.000	0
	<u>6.371.115</u>	<u>2.374.183</u>

5. Contingencies

Contingent liabilities

The company has entered into a rental agreement with a term of 40 months with a commitment of t.DKK 1.677.