

Beyond Leather Material IVS

Fruebjergvej 3, c/o Symbion A/S
2100 København Ø

CVR no. 38 69 87 29

Annual report 2018/20

The annual report was presented and approved at
the Company's annual general meeting on

5 October 2020

Steen Ulf Jensen
chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Beyond Leather Material IVS for the financial period 1 December 2018 – 31 March 2020.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2020 and of the results of the Company's operations for the financial period 1 December 2018 – 31 March 2020.

Further, in our opinion, the Management's review gives a 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 5 October 2020
Executive Board:

Mikael Eyd

Hannah Christen Michaud

Board of Directors:

Mikael Eyd

Hannah Christen Michaud

Steen Ulf Jensen

Management confirms that the Company fulfills the requirements to be exempt of audit.



Auditor's report on the compilation of financial statements

To the Management of Beyond Leather Material IVS

We have compiled the financial statements of Beyond Leather Material IVS for the financial period 1 December 2018 – 31 March 2020 based on the Company's bookkeeping records and other information provided by you. The financial statements comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed our work in accordance with ISRS 4410 *Engagements to Compile Financial Statements*.

We have applied our professional expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with the independence and other ethical requirements of the IESBA Codes of Ethics, which is based on fundamental principles of integrity, objectivity, professional competence and due care.

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

Since 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 to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion as to whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 5 October 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Beyond Leather Material IVS
Annual report 2018/20
CVR no. 38 69 87 29

Management's review

Company details

Beyond Leather Material IVS
Fruebjergvej 3, c/o Symbion A/S
2100 København Ø

CVR no.: 38 69 87 29
Established: 8 June 2017
Financial period: 1 December 2018 – 31 March 2020

Board of Directors

Mikael Eyd
Hannah Christen Michaud
Steen Ulf Jensen

Executive Board

Mikael Eyd
Hannah Christen Michaud

Annual general meeting

The annual general meeting will be held on 5 October 2020.

Management's review

Operating review

Principal activities

The Company's main purpose is to develop, produce and sell bio degradable textiles

Development in activities and financial position

The Company's income statement for 2020 shows a profit of DKK 304,677 as against DKK -14,213 in 2019. Equity in the Company's balance sheet at 31 March 2020 stood at DKK 291,794 as against DKK -12,883 at 31 March 2019.

Events after the balance sheet date

Management has assessed the potential impact of the global COVID-19 crisis and found that there will be no immediate negative effect on operations. However, management will as part of its Risk Assessment and Contingency Planning process continuously assess the development of the COVID-19 situation and its potential business impact.

Apart from the above, there has not been any events after the end of the financial year, that could materially affect the company's financial position.

Financial statements 1 December – 31 March

Income statement

DKK	Note	1/12 2018- 31/3 2020	08/06 2017- 30/11 2018
Gross profit		375,806	174,094
Staff costs	2	0	-186,656
Depreciation, amortisation and impairment losses		-16,540	0
Operating profit/loss		359,266	-12,562
Financial income		21	0
Financial expenses		-7,557	-1,651
Profit/loss before tax		351,730	-14,213
Tax on profit/loss for the year	3	-47,053	0
Profit/loss for the year		<u>304,677</u>	<u>-14,213</u>
Proposed profit appropriation/distribution of loss			
Reserve for the development costs		763,123	0
Reserve for IVS		38,670	0
Retained earnings		-497,116	-14,213
		<u>304,677</u>	<u>-14,213</u>

Financial statements 1 December – 31 March

Balance sheet

DKK	Note	31/3 2020	30/11 2018
ASSETS			
Fixed assets			
Intangible assets			
Development projects in progress		<u>978,363</u>	<u>0</u>
Property, plant and equipment	4		
Fixtures and fittings, tools and equipment		<u>66,158</u>	<u>0</u>
Total fixed assets		<u>1,044,521</u>	<u>0</u>
Current assets			
Inventories			
Raw materials and consumables		<u>15,000</u>	<u>2,000</u>
Receivables			
Trade receivables		3,111	0
Other receivables		153,844	51,809
Corporation tax		<u>141,478</u>	<u>0</u>
		<u>298,433</u>	<u>51,809</u>
Cash at bank and in hand		<u>111,013</u>	<u>25,650</u>
Total current assets		<u>424,446</u>	<u>79,459</u>
TOTAL ASSETS		<u><u>1,468,967</u></u>	<u><u>79,459</u></u>

Financial statements 1 December – 31 March

Balance sheet

DKK	Note	31/3 2020	30/11 2018
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,330	1,330
Reserve for IVS		38,670	0
Reserve for development costs		763,123	0
Retained earnings		<u>-511,329</u>	<u>-14,213</u>
Total equity		<u>291,794</u>	<u>-12,883</u>
Provisions			
Provisions for deferred tax		<u>216,150</u>	<u>0</u>
Total provisions		<u>216,150</u>	<u>0</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Convertible and profit-sharing debt instruments		<u>745,126</u>	<u>0</u>
Current liabilities other than provisions			
Trade payables		129,794	54,947
Other payables		<u>86,103</u>	<u>37,395</u>
		<u>215,897</u>	<u>92,342</u>
Total liabilities other than provisions		<u>961,023</u>	<u>92,342</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,468,967</u></u>	<u><u>79,459</u></u>
Financial resources			

Financial statements 1 December – 31 March

Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Reserve for IVS</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 December 2018	1,330	0	0	-14,213	-12,883
Transferred over the [profit appropriation/distribution of loss]	<u>0</u>	<u>38,670</u>	<u>763,123</u>	<u>-497,116</u>	<u>304,677</u>
Equity at 31 March 2020	<u><u>1,330</u></u>	<u><u>38,670</u></u>	<u><u>763,123</u></u>	<u><u>-511,329</u></u>	<u><u>291,794</u></u>

Financial statements 1 December – 31 March

Notes

1 Accounting policies

The annual report of Beyond Leather Material IVS for 2018/20 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Income statement

Other external costs

Other external costs comprise costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees.

Financial income and expenses

Financial income and expenses comprise interest income and expense.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 December – 31 March

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Receivables

Receivables are measured at amortised cost.

Cash at bank and in hand

Cash and cash equivalents comprise cash.

Financial statements 1 December – 31 March

Notes

1 Accounting policies (continued)

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid.

Other liabilities are measured at net realisable value.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 December – 31 March

Notes

2 Staff costs

	1/12 2018- 31/3 2020	08/06 2017- 30/11 2018
DKK		
Wages and salaries	344,074	182,157
Pensions	7,892	292
Other social security costs	49,806	4,207
	<u>401,772</u>	<u>186,656</u>
Average number of full-time employees	<u>3</u>	<u>1</u>

Of the 402 t.dkk in staff cost, 402 t.dkk has been capitalised under development cost.

3 Tax on profit/loss for the year

	1/12 2018- 31/3 2020	08/06 2017- 30/11 2018
DKK		
Tax credit scheme (LL8X)	-141,478	0
Deferred tax for the year	216,150	0
Adjustment of tax concerning previous years	-27,619	0
	<u>47,053</u>	<u>0</u>

4 Property, plant and equipment

	Fixtures and fittings, tools and equipment
DKK	
Cost at 1 December 2018	<u>82,698</u>
Cost at 31 March 2020	<u>82,698</u>
Impairment losses for the year	<u>-16,540</u>
Depreciation and impairment losses at 31 March 2020	<u>-16,540</u>
Carrying amount at 31 March 2020	<u><u>66,158</u></u>