

Lapee ApS

Gammel Kongevej 11
1610 Copenhagen

CVR no. 39 15 25 92

Annual report 2019

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

11 August 2020

Alexander Højland Egebjerg
Chairman

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Lapee ApS
Annual report 2019
CVR no. 39 15 25 92

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 Lapee ApS for the financial year 1 January – 31 December 2019.

The annual report has been prepared 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 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

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 11 August 2020
Executive Board:

Gina Terry Carolina Périer
CEO

Alexander Højlund Egebjerg

Board of Directors:

Søren Bøgesgaard Niebuhr
Chairman

Alexander Højland Egebjerg

Ronnie Hansen

Lasse Sørensen

Independent auditor's report

To the shareholders of Lapee ApS

Opinion

We have audited the financial statements of Lapee ApS for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared 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 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 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' 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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.

Independent auditor's report

- 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 the Management's review

Management is responsible for the Management's review.

Our opinion 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 audit 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 audit, 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 of the Management's review.

Copenhagen, 11 August 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Lapee ApS
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Management's review

Company details

Lapee ApS
Gammel Kongevej 11
1610 Copenhagen

CVR no.: 39 15 25 92
Financial year: 1 January – 31 December

Board of Directors

Søren Bøgesgaard Niebuhr, Chairman
Alexander Højland Egebjerg
Ronnie Hansen
Lasse Sørensen

Executive Board

Gina Terry Carolina Périer, CEO
Alexander Højlund Egebjerg

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

Management's review

Operating review

Principal activities

Lapee is a female urinal production startup company.

Profit/loss for the year (including comparison with forecasts previously announced)

The Company's income statement for 2019 shows a loss of DKK -219,516 as against DKK 31,577 in 2018. Equity in the Company's balance sheet at 31 December 2019 stood at DKK 1,812,201 as against DKK 2,031,717 at 31 December 2018.

Events after the balance sheet date

In March 2020 Denmark was hit by the COVID-19. Lapee ApS has not have significant impact on the financial result due to the COVID-19 so far. The total financial impact of the COVID-19 for 2020 is at this stage too early to predict.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2019	2018
Gross profit		129,746	40,624
Staff costs	2	-328,556	0
Operating profit/loss		-198,810	40,624
Financial income		1,628	38
Financial expenses		-22,334	-179
Profit/loss before tax		-219,516	40,483
Tax on profit/loss for the year	3	0	-8,906
Profit/loss for the year		-219,516	31,577
Proposed profit appropriation/distribution of loss			
Reserve for development cost		866,943	381,337
Retained earnings		-1,086,459	-349,760
		-219,516	31,577

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2019	31/12 2018
ASSETS			
Fixed assets			
Intangible assets			
Software		12,958	0
Development projects in progress		<u>1,600,459</u>	<u>488,993</u>
		<u>1,613,417</u>	<u>488,993</u>
Investments			
Investments in group entities		<u>50,000</u>	<u>50,000</u>
Total fixed assets		<u>1,663,417</u>	<u>538,993</u>
Current assets			
Receivables			
Receivables from group entities		608,052	100,000
Other receivables		297,984	8,887
Corporation tax		<u>244,170</u>	<u>98,650</u>
		<u>1,150,206</u>	<u>207,537</u>
Cash at bank and in hand		<u>95,625</u>	<u>1,475,213</u>
Total current assets		<u>1,245,831</u>	<u>1,682,750</u>
TOTAL ASSETS		<u>2,909,248</u>	<u>2,221,743</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2019	31/12 2018
EQUITY AND LIABILITIES			
Equity			
Contributed capital		66,667	66,667
Share premium		1,983,373	1,933,473
Reserve for development costs		1,248,280	381,337
Retained earnings		-1,486,119	-349,760
Total equity		<u>1,812,201</u>	<u>2,031,717</u>
Provisions			
Provisions for deferred tax		351,727	107,557
Total provisions		<u>351,727</u>	<u>107,557</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Funding	4	<u>719,748</u>	<u>0</u>
Current liabilities other than provisions			
Trade payables		10,168	82,469
Other payables		15,404	0
		<u>25,572</u>	<u>82,469</u>
Total liabilities other than provisions		<u>745,320</u>	<u>82,469</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,909,248</u></u>	<u><u>2,221,743</u></u>
Contractual obligations, contingencies, etc.	5		

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Lapee ApS for 2019 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 distribution costs and 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, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

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 January – 31 December

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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.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

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.

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

When it is probable that total costs will exceed total income from a construction contract, the total projected loss on the work is recognised as a provision. The provision is recognised as production costs.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Prepayments and deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

2 Staff costs

DKK	2019	2018
Wages and salaries	527,984	0
Other social security costs	8,140	0
Other staff costs	47,674	0
Activated development cost	-255,242	0
	<u>328,556</u>	<u>0</u>
Average number of full-time employees	<u>2</u>	<u>0</u>

Financial statements 1 January – 31 December

Notes

3 Tax loss for the year

DKK	2019	2018
Current tax for the year	244,170	98,650
Deferred tax for the year	-244,170	-107,557
	<u>0</u>	<u>-8,907</u>

4 Non-current liabilities other than provisions

DKK	31/12 2019	31/12 2018
Due within 1-5 years	719,748	0

5 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in Lapee ApS liability. The Group as a whole is not liable to any other parties.

Operating lease obligations

The Company has entered into house renting contract with a termination period of 3 month. The obligation totalling DKK 9,350.

6 Deferred tax

DKK	31/12 2019	31/12 2018
Deferred tax at 1 January	107,557	0
Deferred tax adjustment for the year in the income statement	244,170	107,557
	<u>351,727</u>	<u>107,557</u>