



## Final Gravity ApS

Humletorvet 27, 3.  
1799 København V  
CVR No. 39177978

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 03.07.2022

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**Mikkel Bjergsø**

Chairman of the General Meeting

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# Entity details

## Entity

Final Gravity ApS  
Humletorvet 27, 3.  
1799 København V

Business Registration No.: 39177978  
Registered office: København  
Financial year: 01.01.2021 - 31.12.2021

## Executive Board

Mikkel Bjergsø  
Søren Thagård Runge

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

Lead Client Service Partner : Bjørn Winkler Jakobsen

# Statement by Management

The Executive Board has today considered and approved the annual report of Final Gravity ApS for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 03.07.2022

**Executive Board**

**Mikkel Bjergsø**

**Søren Thagård Runge**

# Independent auditor's extended review report

## To the shareholders of Final Gravity ApS

### Conclusion

We have performed an extended review of the financial statements of Final Gravity ApS for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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' 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.

### Material uncertainty related to going concern

We refer to note 1 to the financial statements, which states an uncertainty about the Company's capability of continuing operation as they have not entitled support from the owners. However The management expects that it will be possible for the Company to pay its liabilities as they become due, and for which reason the financial statements have been presented on a going concern basis. As stated in note 1, this indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion has not been modified with respect to this matter.

### 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 conclusion 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, 03.07.2022

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

### **Hans Tauby**

State Authorised Public Accountant  
Identification No (MNE) mne44339

# Management commentary

## Primary activities

The company's activities comprise in selling running apparel and a range of cotton merchandise products sold through own points of sale (webshop and pop-ups) plus selected retailers.

## Development in activities and finances

The income statement for 2021 shows a loss of DKK 199,918 against a loss of DKK 207,584 last year, which management considers expected. The balance sheet shows a negative equity of DKK 472,657.

The global effect of the COVID-19 outbreak has significantly affected the company and Management has taken reasonable measures to secure the performance of the company through this global crisis.

The Management has found that the equity is lost per 31 December 2021 and that the current liabilities exceeds the current assets in the balance sheet. The Management is working on a plan to re-establish the equity and improve the cash flow through improving operational performance and income.

The management has based on cash flow projections presented the financial statements on a going concern basis. The company is not entitled to support from the owners, which causes an uncertainty about the company's capability of continuing operation.

## Events after the balance sheet date

Management noted that the worldwide Covid-19 outbreak may still affect the Company's performance. However, it is not possible for Management at the time of financial reporting to further quantify such potential effect.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report. The war in Ukraine which started at the end of February 2022 has not had and is not expected to have a significant impact on the Company's financial position and development, as the Company has no significant sales or significant suppliers in the countries concerned.

# Income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>(170,812)</b>	<b>(124,759)</b>
Other financial expenses	2	(29,106)	(50,357)
<b>Profit/loss before tax</b>		<b>(199,918)</b>	<b>(175,116)</b>
Tax on profit/loss for the year	3	0	(32,468)
<b>Profit/loss for the year</b>		<b>(199,918)</b>	<b>(207,584)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(199,918)	(207,584)
<b>Proposed distribution of profit and loss</b>		<b>(199,918)</b>	<b>(207,584)</b>



# Balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Manufactured goods and goods for resale		390,606	487,688
Prepayments for goods		77,657	199,113
<b>Inventories</b>		<b>468,263</b>	<b>686,801</b>
Trade receivables		2,828	179,789
Other receivables		12,386	0
<b>Receivables</b>		<b>15,214</b>	<b>179,789</b>
<b>Cash</b>		<b>14,226</b>	<b>286,753</b>
<b>Current assets</b>		<b>497,703</b>	<b>1,153,343</b>
<b>Assets</b>		<b>497,703</b>	<b>1,153,343</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital		50,000	50,000
Retained earnings		(522,657)	(322,739)
<b>Equity</b>		<b>(472,657)</b>	<b>(272,739)</b>
Payables to shareholders and management		906,241	0
<b>Non-current liabilities other than provisions</b>		<b>906,241</b>	<b>0</b>
Trade payables		42,626	28,915
Payables to shareholders and management		0	1,142,611
Other payables		21,493	254,556
<b>Current liabilities other than provisions</b>		<b>64,119</b>	<b>1,426,082</b>
<b>Liabilities other than provisions</b>		<b>970,360</b>	<b>1,426,082</b>
<b>Equity and liabilities</b>		<b>497,703</b>	<b>1,153,343</b>
Going concern	1		
Employees	4		

# Statement of changes in equity for 2021

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	50,000	(322,739)	(272,739)
Profit/loss for the year	0	(199,918)	(199,918)
<b>Equity end of year</b>	<b>50,000</b>	<b>(522,657)</b>	<b>(472,657)</b>

# Notes

## 1 Going concern

The management has found that the equity is lost per 31 December 2021. The management is working on a plan to re-establish the equity and improve the cash flow. The management expects that it will be possible for the company to pay its liabilities as they become due.

The management has based on cash flow projections presented the financial statements on a going concern basis. The company is not entitled to support from the owners, which causes an uncertainty about the company's capability of continuing operation.

## 2 Other financial expenses

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	27,630	0
Other interest expenses	1,476	50,278
Exchange rate adjustments	0	79
	<b>29,106</b>	<b>50,357</b>

## 3 Tax on profit/loss for the year

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Change in deferred tax	0	32,468
	<b>0</b>	<b>32,468</b>

## 4 Employees

The average numbers of employees is 0.

# 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 a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied 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, other operating income, cost of sales and external expenses.

### Revenue

Revenue from the sale of services 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.

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### 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.

**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, and 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****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.

**Cash**

Cash comprises cash in hand and bank deposits.

**Other financial liabilities**

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