Nøie ApS

Skelbækgade 2, 2. th, DK-1717 København V

Annual Report for 2023

CVR No. 39 35 91 97

The Annual Report was presented and adopted at the Annual General Meeting of the company on 26/6 2024

Lars Kolind
Chairman of the general meeting

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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nøie ApS for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København V, 26 June 2024

Executive Board

Daniel Jensen
CEO

Board of Directors

Lars Kolind
Chairman

Daniel Jensen

Chris Lykke Christiansen

William Pollard

Linus Dahg

Independent Auditor's report

To the shareholders of Nøie ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company´s operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nøie ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

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’ 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management’s Review

Management is responsible for Management’s Review.

Our opinion on the Financial Statements does not cover 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 Management’s Review and, in doing so, consider whether 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 Management’s Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 Management’s Review.

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.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken 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 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.

- 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.

Hellerup, 26 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Søren Alexander	Daniel Sitch
State Authorised Public Accountant	State Authorised Public Accountant
mne42824	mne47889

Company information

The Company	Nøie ApS Skelbækgade 2, 2. th DK-1717 København V CVR No: 39 35 91 97 Financial period: 1 January - 31 December Municipality of reg. office: København
Board of Directors	Lars Kolind, chairman Daniel Jensen Chris Lykke Christiansen William Pollard Linus Dahg
Executive Board	Daniel Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's review

Key activities

The company's key activities comprise conducting industrial business and trade as well as all business which, in the opinion of the Executive Board, is related to this.

Development in the year

The income statement of the Company for 2023 shows a loss of DKK 20,806,735 and on 31 December 2023 the balance sheet of the Company shows positive equity of DKK 8,960,889.
The result is as expected and is characterised by continued marketing and development costs, enhancing the concept NØIE.
2023 was a year focusing and consolidating our business. Due to this, we have been reducing spending to save runway while also rebuilding our growth engine. We have focused on building trust around our brand by a big TV campaign and a clinical study with medical professionals revealing a significantly better result when using NØIE than any other OTC brand in the market. The result was astonishing as the solutions we offer to people with skin conditions literally change their lives. We have also built strong relationships with leading dermatologists and researchers in the scientific community.

Capital resources

It is the Management's assessment that there is adequate liquidity to continue the Company's operations for the rest of 2024 and pay the liabilities of the company as they fall due.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Subsequent events

The company has secured an additional 3 million DKK in funding from investors to pursue the goals of 2024. The funding has been received in Q2 2024 in the form of a loan.

Sustainability

In 2023, we continued to take responsibility for our emissions by actively financing high quality carbon offsets that remove CO2. We are committing 1% of our revenues to carbon removals. We also gained our B Corp certification, which is positioning us further as a company which balances profit and purpose.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross loss		**-5,277,360**	**-9,778,089**
Staff expenses	1	-12,374,828	-21,028,048
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-414,291	-631,855
Write-down of current assets that exceed normal write-down	2	-2,150,394	-1,218,842
Other operating expenses	3	0	-561,297
Profit/loss before financial income and expenses		**-20,216,873**	**-33,218,131**
Financial income		4,126	44,134
Financial expenses		-593,988	-546,022
Profit/loss before tax		**-20,806,735**	**-33,720,019**
Tax on profit/loss for the year	4	0	875,524
Net profit/loss for the year		**-20,806,735**	**-32,844,495**

Distribution of profit

	2023	2022
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-20,806,735	-32,844,495
	-20,806,735	**-32,844,495**

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Acquired trademarks		88,339	115,437
Goodwill		0	0
Intangible assets	5	**88,339**	**115,437**
Other fixtures and fittings, tools and equipment		487,611	896,500
Property, plant and equipment	6	**487,611**	**896,500**
Deposits		520,872	515,336
Fixed asset investments		**520,872**	**515,336**
Fixed assets		**1,096,822**	**1,527,273**
Raw materials and consumables		3,053,483	5,430,511
Finished goods and goods for resale		1,249,804	1,660,956
Prepayments for goods		0	307,313
Inventories		**4,303,287**	**7,398,780**
Other receivables		223,836	223,885
Deferred tax asset		0	875,524
Prepayments		254,760	615,941
Receivables		**478,596**	**1,715,350**
Cash at bank and in hand		**11,472,387**	**27,841,002**
Current assets		**16,254,270**	**36,955,132**
Assets		**17,351,092**	**38,482,405**

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		107,747	107,723
Retained earnings		8,853,142	29,659,877
Equity		**8,960,889**	**29,767,600**
Interest bearing debt		3,363,252	6,692,394
Long-term debt		**3,363,252**	**6,692,394**
Interest bearing debt		3,059,000	0
Trade payables		856,557	859,249
Other payables		1,111,394	1,163,162
Short-term debt		**5,026,951**	**2,022,411**
Debt		**8,390,203**	**8,714,805**
Liabilities and equity		**17,351,092**	**38,482,405**
Contingent assets, liabilities and other financial obligations	7		
Accounting Policies	8		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	107,723	29,659,877	29,767,600
Cash capital increase	24	0	24
Net profit/loss for the year	0	-20,806,735	-20,806,735
Equity at 31 December	**107,747**	**8,853,142**	**8,960,889**

Notes to the Financial Statements

	2023	2022
	DKK	DKK
1. Staff Expenses		
Wages and salaries	12,175,611	20,591,248
Pensions	62,728	73,932
Other social security expenses	136,489	362,868
	12,374,828	**21,028,048**
Average number of employees	**20**	**43**

	2023	2022
	DKK	DKK
2. Write-down of current assets that exceed normal write-down		
Extraordinary write down of inventory	2,150,394	1,218,842
	2,150,394	**1,218,842**

The result for the year is impacted negatively by DKK 2,150 thousand (DKK 1,219 thousand in 2022) related to the extraordinary write-down of inventory materials. Write-down in 2023 is due to inventory material beyond expiry date and overstock due to business restructuring, whereas write-down in 2022 was due to a termination of certain product lines.

	2023	2022
	DKK	DKK
3. Other operating expenses		
Other expenses	0	561,297
	0	**561,297**

Other operating expenses in 2022 primarily comprise DKK 426 thousand in losses in connection with sales of fixed assets as part of an office relocation.

	2023	2022
	DKK	DKK
4. Income tax expense		
Deferred tax for the year	0	-875,524
	0	**-875,524**

Notes to the Financial Statements

5. Intangible fixed assets

	Acquired trademarks	Goodwill
	DKK	DKK
Cost at 1 January	244,469	80,000
Cost at 31 December	244,469	80,000
Impairment losses and amortisation at 1 January	129,032	80,000
Amortisation for the year	27,098	0
Impairment losses and amortisation at 31 December	156,130	80,000
Carrying amount at 31 December	**88,339**	**0**

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	1,624,584
Additions for the year	39,237
Disposals for the year	-237,918
Cost at 31 December	1,425,903
Impairment losses and depreciation at 1 January	728,083
Depreciation for the year	387,193
Impairment and depreciation of sold assets for the year	-176,984
Impairment losses and depreciation at 31 December	938,292
Carrying amount at 31 December	**487,611**

7. Contingent assets, liabilities and other financial obligations

The company has entered into a rental agreement with a total obligation of TDKK 242 as at 31.12.23 equivalent to 3 months' of rent.

The company has entered into several agreements regarding software. These agreements have a total obligation of TDKK 73 as at 31.12.23.

Notes to the Financial Statements

8. Accounting policies

The Annual Report of Nøie ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

Cost of goods sold

All costs related to achieving the revenue for the year is recognized in the income statement. These costs include the cost price of the product, the cost of processing the payment of the order and the cost of the logistics to send out the order to the customer.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, costs of goods sold and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Intangible fixed assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 3 year.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5-10 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as mortgage loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.