Nøie ApS

Nørre Voldgade 90, DK-1358 København K

Annual Report for 1 January - 31 December 2021

CVR No 39 35 91 97

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29/6 2022

Thomas Ryge Mikkelsen
Chairman of the General Meeting

Contents

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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 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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

København, 29 June 2022

Executive Board

Daniel Jensen
CEO

Board of Directors

Thomas Ryge Mikkelsen Chairman	Matus Maar	Ekaterina Gianelli
Chris Lykke Christiansen	Daniel Jensen	

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 2021, 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 Financials 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.

Independent Auditor's Report

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.

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.

Independent Auditor's Report

- 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, 29 June 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Søren Alexander
statsautoriseret revisor
mne42824

Daniel Sitch
statsautoriseret revisor
mne47889

Company Information

The Company	Nøie ApS Nørre Voldgade 90 DK-1358 København K CVR No: 39 35 91 97 Financial period: 1 January - 31 December Municipality of reg. office: København
Board of Directors	Thomas Ryge Mikkelsen, Chairman Matus Maar Ekaterina Gianelli Chris Lykke Christiansen Daniel Jensen
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 2021 shows a loss of DKK 43,895,876 and at 31 December 2021 the balance sheet of the Company shows positive equity of DKK 28,824,497.

The result is as expected and budgeted and is characterised by development costs and expansion of the concept Nøie.

2021 was a year of great expansion as we achieved our series A investment of DKK 75 million which resulted in expanding the team with new experts, efficient management of our supply chain and scale of our tech infrastructure. We have rebranded all our products to new sustainable packaging and introduced new products to our users with a focus on sunscreens and spot treatments. Our growth strategy has been adjusted to a more organic and sustainable approach towards scaling the sales of the business with less focus on paid online ads.

Corporate Social Responsibility

In 2021 we executed our sustainability strategy and launched new primary and secondary packaging, designed with circularity and recyclability in mind. As an example, we increased the share of recycled materials in our packaging from 43.1% to 74.1%. We made our first greenhouse gas accounting with 2020 as our baseline year and calculated our 2021 emissions as well as historic emissions from 2018 and 2019. In 2021, we started actively investing in a diversified portfolio of high quality carbon removal offsets that remove as much CO2 as we emit- plus some extra. Thus, we achieved our goal of becoming carbon negative. We also worked towards a B Corp certification, which will position us further as a company balancing profit and purpose. As of March 2021, we are in the validation process. In 2022, we aim to dive deeper and increase the transparency in our value chain with more and better data, we will also work on reducing our emission hotspots and extend our sustainability agenda to include social aspects.

Capital resources

In the spring of 2022, a capital increase was made from new and existing investors. The capital increase comprised cash capital injections of approximately DKK 33.8 million.

With the capital increase received, it is Management's assessment that there is adequate liquidity to continue the Company's operations for the rest of 2022 and to pay the liabilities of the company as they fall due.

Management's Review

Uncertainty relating to recognition and measurement

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

Subsequent events

In the spring of 2022, a capital increase was made from new and existing investors, which ensures that equity is re-established. The capital increase comprised cash capital injections of approximately DKK 33.8 million.

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2021	2020
		DKK	DKK
Gross profit/loss		**-28.196.350**	**-3.823.740**
Staff expenses	3	-15.811.877	-5.628.997
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-357.832	-139.754
Other operating expenses		-6.996	0
Profit/loss before financial income and expenses		**-44.373.055**	**-9.592.491**
Financial income		457.404	207.405
Financial expenses		-926.092	-1.400.868
Profit/loss before tax		**-44.841.743**	**-10.785.954**
Tax on profit/loss for the year	4	945.867	473.014
Net profit/loss for the year		**-43.895.876**	**-10.312.940**

Distribution of profit

Proposed distribution of profit		
Retained earnings	-43.895.876	-10.312.940
	-43.895.876	**-10.312.940**

Balance Sheet 31 December

Assets

	Note	2021	2020
		DKK	DKK
Acquired trademarks		142.534	171.855
Goodwill		0	4.444
Intangible assets	5	**142.534**	**176.299**
Other fixtures and fittings, tools and equipment		2.098.666	232.687
Property, plant and equipment	6	**2.098.666**	**232.687**
Investments in subsidiaries		8	8
Deposits		941.799	0
Fixed asset investments		**941.807**	**8**
Fixed assets		**3.183.007**	**408.994**
Raw materials and consumables		5.837.349	0
Finished goods and goods for resale		3.532.929	1.533.937
Inventories		**9.370.278**	**1.533.937**
Other receivables		5.414.166	596.421
Deferred tax asset		945.867	473.014
Prepayments		437.423	704.554
Receivables		**6.797.456**	**1.773.989**
Cash at bank and in hand		**22.598.487**	**3.295.254**
Currents assets		**38.766.221**	**6.603.180**
Assets		**41.949.228**	**7.012.174**

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		94.620	50.011
Retained earnings		28.729.877	-26.385.752
Equity		**28.824.497**	**-26.335.741**
Interest bearing debt		6.353.590	6.073.100
Convertible and dividend yielding instruments of debt		0	24.760.003
Long-term debt		**6.353.590**	**30.833.103**
Credit institutions		0	80.789
Trade payables		5.267.632	1.027.905
Payables to group enterprises		37.759	68.918
Other payables		1.465.750	1.337.200
Short-term debt		**6.771.141**	**2.514.812**
Debt		**13.124.731**	**33.347.915**
Liabilities and equity		**41.949.228**	**7.012.174**
Capital resources	1		
Subsequent events	2		
Contingent assets, liabilities and other financial obligations	7		
Accounting Policies	8		

Statement of Changes in Equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	50.011	0	-26.385.752	-26.335.741
Cash capital increase	44.609	99.011.505	0	99.056.114
Net profit/loss for the year	0	0	-43.895.876	-43.895.876
Transfer from share premium account	0	-99.011.505	99.011.505	0
Equity at 31 December	**94.620**	**0**	**28.729.877**	**28.824.497**

Notes to the Financial Statements

1 Capital resources

The income statement of the Company for 2021 shows a loss of DKK 43,895,876 and at 31 December 2021 the balance sheet of the Company shows positive equity of DKK 28,824,497.

In the spring of 2022, a capital increase was made from new and existing investors. The capital increase comprised cash capital injections of approximately DKK 33.8 million.

With the capital increase received, it is Management's assessment that there is adequate liquidity to continue the Company's operations for the rest of 2022 and to pay the liabilities of the company as they fall due.

2 Subsequent events

In the spring of 2022, a capital increase was made from new and existing investors. The capital increase comprised cash capital injections of approximately DKK 33.8 million.

	2021	2020
	DKK	DKK
3 Staff expenses		
Wages and salaries	15.514.908	5.399.193
Pensions	109.248	168.593
Other social security expenses	187.721	61.211
	15.811.877	**5.628.997**
Average number of employees	**31**	**11**

4 Tax on profit/loss for the year

	2021	2020
Current tax for the year	0	0
Deferred tax for the year	-945.867	-473.014
	-945.867	**-473.014**

Notes to the Financial Statements

5 Intangible assets

	Acquired trade-marks	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	72.614	75.556
Amortisation for the year	29.321	4.444
Impairment losses and amortisation at 31 December	101.935	80.000
Carrying amount at 31 December	**142.534**	**0**

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	340.015
Additions for the year	2.204.213
Disposals for the year	-30.000
Cost at 31 December	2.514.228
Impairment losses and depreciation at 1 January	107.328
Depreciation for the year	323.784
Impairment and depreciation of sold assets for the year	-15.550
Impairment losses and depreciation at 31 December	415.562
Carrying amount at 31 December	**2.098.666**

Notes to the Financial Statements

7 Contingent assets, liabilities and other financial obligations

Charges and security

As security for loans received from Vækstfonden, the company has posted a company mortgage in the amount of TDKK 5,950.

The company has entered into a rental agreement with a total obligation of TDKK 873 as at. 31.12.21 equivalent to 6 months’s of rent.

The company has entered into several agreements regarding internet and software. These agreements have a total obligation of TDKK 717 as at 31.12.21.

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Nøie ApS for 2021 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 2021 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. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Notes to the Financial Statements

8 Accounting Policies (continued)

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.

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 profit/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, cost 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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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 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 years.

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

Notes to the Financial Statements

8 Accounting Policies (continued)

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 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.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, writedown is made to this lower value.

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. 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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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 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.

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 debts

Loans, such as loans from credit institutions, 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.