

SoKind ApS
Bispevej 4A, 2400 København NV

Company reg. no. 40 65 47 47

Annual report

1 July 2021 - 30 June 2022

The annual report was submitted and approved by the general meeting on the 28 December 2022.

Emil Nikolai Reeh
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of SoKind ApS for the financial year 1 July 2021 - 30 June 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 – 30 June 2022.

Further, in our opinion, the Management's review gives a true and 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, 28 December 2022

Managing Director

Marie Louise Fabrin

Board of directors

Emil Nikolai Reeh

Morten Pedersen

Jonas Reeh Petersen

Jens Reimer Olesen

Independent auditor's report

To the Shareholders of SoKind ApS

Opinion

We have audited the financial statements of SoKind ApS for the financial year 1 July 2021 - 30 June 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2022, and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022 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' 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.

Material Uncertainty Related to Going Concern

We draw your attention to the fact that there is significant uncertainty that may raise significant doubts about the company's ability to continue operations. We refer to the information in Note 1, in which the management account for significant uncertainty about the company's ability to continue operations. The uncertainty can be referred to the fact that there is uncertainty as to whether the company has sufficient liquidity to pay the company's debt. The budget for the financial year 2022-2023 shows that the company expects to improve its operations significantly. The management assesses that there is a solution that ensures the necessary liquidity in the company and in accordance herewith the management submits the annual report on the assumption of continued operation. We have not modified our conclusion on this.

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 judgment and maintain professional skepticism 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.

Independent auditor's report

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 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, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 28 December 2022

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Jan Tønnesen

State Authorised Public Accountant
mne9459

Casper Christiansen

State Authorised Public Accountant
mne44100

Company information

The company

SoKind ApS
Bispevej 4A
2400 København NV

Company reg. no. 40 65 47 47
Established: 2 July 2019
Domicile: Copenhagen
Financial year: 1 July - 30 June

Board of directors

Emil Nikolai Reeh
Morten Pedersen
Jonas Reeh Petersen
Jens Reimer Olesen

Managing Director

Marie Louise Fabrin

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

The principal activities of the company

The principal activities are business with e-commerce within beauty and cosmetics.

Development in activities and financial matters

The gross loss for the year totals t.DKK -780 against t.DKK -4.560 last year. Net loss for the year totals t.DKK -1.298 against t.DKK -4.953 last year.

Management considers the net profit or loss for the year unsatisfactory.

Financial resources

The company expects to receive funding as demand arises. The budget for the financial year 2022-2023 shows that the company expects to improve its operations significantly. Based on this assumption, the management issues the accounts on the basis of continued operations.

Income statement 1 July - 30 June

All amounts in DKK.

<u>Note</u>	<u>2021/22</u>	<u>2020/21</u>
Gross profit	-780.412	-4.560.033
2 Staff costs	-98.884	-187.173
Amortisation and impairment of intangible assets	-22.543	-19.876
Operating profit	-901.839	-4.767.082
Other financial income	51.050	20.855
Other financial expenses	-461.642	-207.105
Pre-tax net profit or loss	-1.312.431	-4.953.332
Tax on net profit or loss for the year	14.875	0
Net profit or loss for the year	-1.297.556	-4.953.332
Proposed appropriation of net profit:		
Allocated from retained earnings	-1.297.556	-4.953.332
Total allocations and transfers	-1.297.556	-4.953.332

Balance sheet at 30 June

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Non-current assets		
3 Completed development projects, including patents and similar rights arising from development projects	64.947	0
Acquired concessions, patents, licenses, trademarks, and similar rights	39.861	59.737
Total intangible assets	<u>104.808</u>	<u>59.737</u>
Deposits	35.810	0
Total investments	<u>35.810</u>	<u>0</u>
Total non-current assets	<u>140.618</u>	<u>59.737</u>
Current assets		
Manufactured goods and goods for resale	2.625.681	1.844.933
Prepayments for goods	17.294	132.889
Total inventories	<u>2.642.975</u>	<u>1.977.822</u>
Trade receivables	143.517	2.760
Receivable corporate tax	14.875	0
Other receivables	533.123	427.077
Prepayments	28.565	152.988
Total receivables	<u>720.080</u>	<u>582.825</u>
Cash and cash equivalents	227.432	274.063
Total current assets	<u>3.590.487</u>	<u>2.834.710</u>
Total assets	<u>3.731.105</u>	<u>2.894.447</u>

Balance sheet at 30 June

All amounts in DKK.

Equity and liabilities		<u>2022</u>	<u>2021</u>
<u>Note</u>			
Equity			
	Contributed capital	40.000	40.000
	Reserve for development expenditure	50.659	0
	Retained earnings	-7.067.149	-5.718.934
	Total equity	-6.976.490	-5.678.934
Liabilities other than provisions			
	Other payables	6.877.941	5.315.516
4	Total long term liabilities other than provisions	6.877.941	5.315.516
	Bank loans	1.490.588	1.664.605
	Trade payables	2.324.066	1.559.316
	Other payables	15.000	33.944
	Total short term liabilities other than provisions	3.829.654	3.257.865
	Total liabilities other than provisions	10.707.595	8.573.381
	Total equity and liabilities	3.731.105	2.894.447
1	Going concern		
5	Charges and security		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 July 2020	40.000	0	-765.602	-725.602
Profit or loss for the year brought forward	0	0	-4.953.332	-4.953.332
Equity 1 July 2021	40.000	0	-5.718.934	-5.678.934
Profit or loss for the year brought forward	0	0	-1.297.556	-1.297.556
Transferred from results brought forward	0	50.659	-50.659	0
	40.000	50.659	-7.067.149	-6.976.490

Notes

All amounts in DKK.

1. Going concern

Regarding going concern there is uncertainty to whether the company has sufficient liquidity to pay the company's debt. The budget for the financial year 2022-2023 shows that the company expects to improve its operations significantly. After the end of the financial year in 2021-2022 a loan has been granted amounting to a total of tDKK 1,000 that has been received after the end of the financial year.

The management assesses that there is a solution that ensures the necessary liquidity in the company and in accordance herewith the management submits the annual report on the assumption of continued operation.

	<u>2021/22</u>	<u>2020/21</u>
2. Staff costs		
Salaries and wages	98.032	184.901
Other costs for social security	<u>852</u>	<u>2.272</u>
	<u>98.884</u>	<u>187.173</u>
Average number of employees	<u>1</u>	<u>1</u>

3. Completed development projects, including patents and similar rights arising from development projects

Development costs relate to development of the company's systems. The year's attendance is attribute to external consultants. The completed development projects are essential for maintenance of the turnover and cost savings.

The management has not identified indication of impairment in proportion to the book value.

4. Long term liabilities other than provisions

	Total payables 30 Jun 2022	Current portion of long term payables	Long term payables 30 Jun 2022	Outstanding payables after 5 years
Other payables	<u>6.877.941</u>	<u>0</u>	<u>6.877.941</u>	<u>6.877.941</u>
	<u>6.877.941</u>	<u>0</u>	<u>6.877.941</u>	<u>6.877.941</u>

Notes

All amounts in DKK.

5. Charges and security

For bank loans, DKK 1.490, the company has provided security in company assets representing a nominal value of DKK 2.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	2.643
Trade receivables	144
Intangible assets	105

Accounting policies

The annual report for SoKind ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of finished goods less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, and purchased rights

Development costs comprise costs to external consultants directly attributable to development activities.

Accounting policies

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 5 years.

Purchased rights is measured at cost with deduction of accumulated amortisation. Purchased rights is amortised on a straight-line basis over the estimated financial life which is 5 years.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible assets and investments are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Accounting policies

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Accounting policies

Liabilities other than provisions

Other liabilities concerning payables to suppliers, and other payables are measured at amortised cost which usually corresponds to the nominal value.

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Jonas Reeh Petersen

Bestyrelsesmedlem

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NEM ID 

Morten Petersen

Bestyrelsesmedlem

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2022-12-28 19:08:41 UTC

Mit  

Jens Reimer Olesen

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-887869365245

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NEM ID 

Emil Nikolai Reeh

Bestyrelsesformand

Serienummer: eb07f516-29d0-42f2-93fc-5de263ff64e3

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2022-12-29 07:07:11 UTC

Mit  

Marie Louise Fabrin

Direktør

Serienummer: 05a1ae83-6e50-4bf2-9c63-29cbe652501e

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Mit  

Casper Christiansen

Statsautoriseret revisor

Serienummer: CVR:34209936-RID:69383443

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Jan Tønnesen

Statsautoriseret revisor

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NEM ID 

Emil Nikolai Reeh

Dirigent

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