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SoKind ApS

Bispevej 4A, 2400 København NV

Company reg. no. 40 65 47 47

Annual report

1 July 2020 - 30 June 2021

The annual report was submitted and approved by the general meeting on the 10 December 2021.

Jens Reimer Olesen
Chairman of the meeting

Contents

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 report

Today, the board of directors and the managing director have presented the annual report of SoKind ApS for the financial year 1 July 2020 - 30 June 2021.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 June 2021 and of the company's results of activities in the financial year 1 July 2020 – 30 June 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

København NV, 10 December 2021

Managing Director

Emil Nikolai Reeh

Board of directors

Jens Reimer Olesen | Morten Pedersen | Jonas Reeh Petersen

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 2020 - 30 June 2021, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 30 June 2021 and of the results of the company's activities for the financial year 1 July 2020 - 30 June 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section “Auditor’s responsibilities for the audit of the financial statements”. 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 uncertainties concerning the company’s ability to continue as a 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 2021-2022 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 10 December 2021

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:	
	Financial year:	1 July - 30 June 2nd financial year
Board of directors	Jens Reimer Olesen Morten Pedersen Jonas Reeh Petersen	
Managing Director	Emil Nikolai Reeh	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	

Management commentary

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 tDKK -4.435 against tDKK -586 last year. Net loss for the year totals tDKK -4.953 against tDKK -766 last year.

Mangement considers the net loss for the year unsatisfactory.

The company has lost more than 50% of the contributed capital and thus, the company is coverde by the rules about capital loss, according to the Danish Companies Act. The management is aware of this and expecta a positive development in 2021/22 and that the company capital will be re-established by the company's own operation in the coming years.

Expected developments

The budget for the financial year 2021-2022 shows that the company expects to improve its operations significantly.

Income statement

All amounts in DKK.

Note		1/7 2020 - 30/6 2021	2/7 2019 - 30/6 2020
	Gross profit	**-4.560.033**	**-586.014**
2	Staff costs	-187.173	-159.623
	Amortisation and impairment of intangible assets	-19.876	-19.822
	Operating profit	**-4.767.082**	**-765.459**
	Other financial income	20.855	0
	Other financial costs	-207.105	-143
	Pre-tax net profit or loss	**-4.953.332**	**-765.602**
	Tax on ordinary results	0	0
	Net profit or loss for the year	**-4.953.332**	**-765.602**
	Proposed appropriation of net profit:		
	Allocated from retained earnings	-4.953.332	-765.602
	Total allocations and transfers	**-4.953.332**	**-765.602**

Statement of financial position at 30 June

All amounts in DKK.

Assets

Note		2021	2020
	Non-current assets		
	Concessions, patents, licenses, trademarks, and similar rights acquired	59.737	79.613
	Total intangible assets	59.737	79.613
	Total non-current assets	**59.737**	**79.613**
	Current assets		
	Manufactured goods and goods for resale	1.844.933	0
	Prepayments for goods	132.889	86.032
	Total inventories	1.977.822	86.032
	Trade receivables	2.760	0
	Other receivables	427.077	120.839
	Prepayments and accrued income	152.988	317.657
	Total receivables	582.825	438.496
	Cash on hand and demand deposits	274.063	0
	Total current assets	**2.834.710**	**524.528**
	Total assets	**2.894.447**	**604.141**

Statement of financial position at 30 June

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
	Contributed capital	40.000	40.000
	Retained earnings	-5.718.934	-765.602
	Total equity	**-5.678.934**	**-725.602**
	Liabilities other than provisions		
	Other payables	5.315.516	3.750
3	Total long term liabilities other than provisions	5.315.516	3.750
	Bank loans	1.664.605	1.020.324
	Trade payables	1.559.315	296.747
	Other payables	33.945	8.922
	Total short term liabilities other than provisions	3.257.865	1.325.993
	Total liabilities other than provisions	**8.573.381**	**1.329.743**
	Total equity and liabilities	**2.894.447**	**604.141**

1 Going concern

4 Charges and security

5 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 2 July 2019	40.000	0	40.000
Profit or loss for the year brought forward	0	-765.602	-765.602
Equity 1 July 2020	40.000	-765.602	-725.602
Profit or loss for the year brought forward	0	-4.953.332	-4.953.332
	40.000	**-5.718.934**	**-5.678.934**

Notes

All amounts in DKK.

1. Going concern

The company expects to receive funding as demand arises. The budget for the financial year 2021-2022 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.

	1/7 2020 - 30/6 2021	2/7 2019 - 30/6 2020
2. Staff costs		
Salaries and wages	184.901	159.055
Other costs for social security	2.272	568
	187.173	**159.623**
Average number of employees	1	1

3. Liabilities other than provision

	Total payables 30 Jun 2021	Current portion of long term payables	Long term payables 30 Jun 2021	Outstanding payables after 5 years
Other payables	5.315.516	0	5.315.516	0
	5.315.516	**0**	**5.315.516**	**0**

4. Charges and security

For bank loans, tDKK 1,664, 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
Intangible assets	60
Inventories	1.978

5. Contingencies

Contingent assets

The company has unrecognized deferred tax asset of tDKK 1.242.

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, cost of sales 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 costs comprise costs 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. Staff costs are less government reimbursements.

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
Purchased rights
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.

Accounting policies

Impairment loss relating to non-current assets

The carrying amount of intangible assets 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.

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 and accrued income

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

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Dividend

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

Accounting policies

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.

Liabilities other than provisions

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

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Jonas Reeh Petersen
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