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SoKind ApS

Bispevej 4A, 2400 København NV

Company reg. no. 40 65 47 47

Annual report

1 July 2022 - 30 June 2023

The annual report was submitted and approved by the general meeting on the 21 December 2023.

Emil Nikolai Reeh
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 statement

Today, the Board of Directors and the Managing Director have approved the annual report of SoKind ApS for the financial year 1 July 2022 - 30 June 2023.

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 2023 and of the results of the Company's operations for the financial year 1 July 2022 – 30 June 2023.

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, 21 December 2023

Managing Director

Marie Louise Fabrin

Board of directors

Emil Nikolai Reeh　　Jens Reimer Olesen　　Jonas Reeh Petersen

Morten 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 2022 - 30 June 2023, 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 2023, and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 2023 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 2023-2024 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 accorance 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, 21 December 2023

Grant Thornton
Certified 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 Jens Reimer Olesen Jonas Reeh Petersen Morten Petersen
Managing Director	Marie Louise Fabrin
Auditors	Grant Thornton, Godkendt 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 profit for the year totals t.DKK 675 against t.DKK -780 last year. Net profit for the year totals t.DKK 127 against t.DKK -1.298 last year.

Management considers the net profit for the year satisfactory.

Financial resources

The company expects to receive funding as demand arises. The budget for the financial year 2023-2024 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.

Note		2022/23	2021/22
	Gross profit	**675.161**	**-780.412**
2	Staff costs	-8.560	-98.884
	Amortisation and impairment of intangible assets	-33.552	-22.543
	Operating profit	**633.049**	**-901.839**
	Other financial income	11.279	51.050
	Other financial expenses	-517.538	-461.642
	Pre-tax net profit or loss	**126.790**	**-1.312.431**
	Tax on net profit or loss for the year	0	14.875
	Net profit or loss for the year	**126.790**	**-1.297.556**
	Proposed distribution of net profit:		
	Transferred to retained earnings	126.790	0
	Allocated from retained earnings	0	-1.297.556
	Total allocations and transfers	**126.790**	**-1.297.556**

Balance sheet at 30 June

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
3	Completed development projects, including patents and similar rights arising from development projects	51.424	64.947
	Acquired concessions, patents, licenses, trademarks, and similar rights	19.832	39.861
	Total intangible assets	71.256	104.808
	Deposits	34.045	35.810
	Total investments	34.045	35.810
	Total non-current assets	**105.301**	**140.618**
	Current assets		
	Manufactured goods and goods for resale	2.791.345	2.625.681
	Prepayments for goods	171.138	17.294
	Total inventories	2.962.483	2.642.975
	Trade receivables	620.553	143.517
	Income tax receivables	14.875	14.875
	Other receivables	1.084.998	533.123
	Prepayments	39.867	28.565
	Total receivables	1.760.293	720.080
	Cash and cash equivalents	142.144	227.432
	Total current assets	**4.864.920**	**3.590.487**
	Total assets	**4.970.221**	**3.731.105**

Balance sheet at 30 June

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	40.000	40.000
	Reserve for development costs	40.111	50.659
	Retained earnings	-6.929.811	-7.067.149
	Total equity	**-6.849.700**	**-6.976.490**
	Liabilities other than provisions		
	Other payables	6.723.187	6.877.941
4	Total long term liabilities other than provisions	6.723.187	6.877.941
	Bank loans	1.986.148	1.490.588
	Trade payables	2.797.538	2.324.066
	Other payables	313.048	15.000
	Total short term liabilities other than provisions	5.096.734	3.829.654
	Total liabilities other than provisions	**11.819.921**	**10.707.595**
	Total equity and liabilities	**4.970.221**	**3.731.105**

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 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
Equity 1 July 2021	40.000	50.659	-7.067.149	-6.976.490
Profit or loss for the year brought forward	0	0	126.790	126.790
Transferred from results brought forward	0	-10.548	10.548	0
	40.000	**40.111**	**-6.929.811**	**-6.849.700**

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 2023-2024 shows that the company expects to improve its operations significantly. After the end of the financial year in 2022-2023 a loan has been granted amounting to a total of tDKK 2,000 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 accorance herewith the management submits the annual report on the assumption of continued operation.

	2022/23	2021/22
2. Staff costs		
Salaries and wages	8.560	98.032
Other costs for social security	0	852
	8.560	**98.884**
Average number of employees	1	1

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 labilities other than provisions

	Total payables 30 Jun 2023	**Current portion of long term payables**	**Long term payables 30 Jun 2023**	**Outstanding payables after 5 years**
Other payables	6.723.187	0	6.723.187	0
	6.723.187	**0**	**6.723.187**	**0**

Notes

All amounts in DKK.

5. Charges and security

For bank loans, DKK 1.986, 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	2.962
Intangible assets	71
Trade receivables	621

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 profit

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. Revenue is measured at the fair value of the consideration promised 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, 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 consulents 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 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.

Accounting policies

The net realisable value for inventories is recognised as the estimated selling 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 equivalents comprise cash at bank.

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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Morten Petersen
Bestyrelsesmedlem
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IP: 79.142.xxx.xxx
2023-12-21 10:23:08 UTC

Jonas Reeh Petersen
Bestyrelsesmedlem
Serienummer: aef1d065-3a09-4ea5-8ab6-57d6574ecd64
IP: 147.78.xxx.xxx
2023-12-21 10:26:52 UTC

Emil Nikolai Reeh
Bestyrelsesformand
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Jens Reimer Olesen
Bestyrelsesmedlem
Serienummer: e3220b69-29fa-4207-9b23-a872fa6b22e9
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Marie Louise Fabrin
Direktør
Serienummer: 05a1ae83-6e50-4bf2-9c63-29cbe652501e
IP: 152.115.xxx.xxx
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Jan Poul Crilles Tønnesen
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Casper Christiansen
Grant Thornton, Godkendt Revisionspartnerselskab CVR: 34209936
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Emil Nikolai Reeh
Dirigent
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