

Mimos & Cotton Organic ApS

**c/o LEAD Advokatpartnerselskab
Store Kongensgade 40H, 2
1264 København K**

CVR no. 40 97 62 64

Annual report for 2021

Prepared without audit or review

Adopted at the annual general
meeting on 21 June 2022

Yu-Hsuan Hsiung
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Mimos & Cotton Organic ApS for the financial year 1 January - 31 December 2021.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 21 June 2022

Executive board

Yu-Hsuan Hsiung
director

Auditor's report on compilation of the financial statements

To the shareholder of Mimos & Cotton Organic ApS

We have compiled the financial statements of Mimos & Cotton Organic ApS for the financial year 1 January - 31 December 2021 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 21 June 2022

Rödl & Partner Danmark

Godkendt revisionsaktieselskab
CVR no. 39 18 86 78

Gitte Henckel
Statsautoriseret Revisor
MNE no. mne32734

Company details

The company

Mimos & Cotton Organic ApS
c/o LEAD Advokatpartnerselskab
Store Kongensgade 40H, 2
1264 København K

CVR no.: 40 97 62 64

Reporting period: 1 January - 31 December 2021

Incorporated: 2 December 2019

Financial year: 2nd financial year

Domicile: København K

Executive board

Yu-Hsuan Hsiung, director

General meeting

The annual general meeting is held at the company's address on 21 June 2022.

Management's review

Business review

The purpose of the company is to manufacture and sell organic clothing as well as related business.

Financial review

The company's income statement for the year ended 31 December 2021 shows a loss of DKK 181,233, and the balance sheet at 31 December 2021 shows negative equity of DKK 187,309.

Financing

Mimos & Cotton Organic ApS has had minimal activity in the financial year due to Covid-19 and as a consequence the company has lost more than half of the equity. The management expects to reestablish the equity through own earnings in the following years. The financing of the company's next financial year is covered by a letter of support from the shareholder.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Mimos & Cotton Organic 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 provisions applying to higher reporting classes.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Expenses for raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables.

Other external costs

Other external costs include expenses related to distribution, advertising and administration, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised exchange gains and losses on foreign currency transactions etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement.

Balance sheet

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to shareholders and management and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement 1 January - 31 December

| | <u>Note</u> | <u>2021</u> DKK | <u>2019/20</u> DKK |
|---------------------------------|-------------|------------------------|-----------------------|
| Gross profit | | -168,479 | -46,076 |
| Financial income | | 141 | 0 |
| Financial costs | | <u>-12,895</u> | <u>0</u> |
| Profit/loss before tax | | -181,233 | -46,076 |
| Tax on profit/loss for the year | | <u>0</u> | <u>0</u> |
| Profit/loss for the year | | <u>-181,233</u> | <u>-46,076</u> |
| Retained earnings | | <u>-181,233</u> | <u>-46,076</u> |
| | | <u>-181,233</u> | <u>-46,076</u> |

Balance sheet 31 December

| | <u>Note</u> | <u>2021</u> DKK | <u>2020</u> DKK |
|---------------------------------|-------------|------------------------------|-----------------------------|
| Assets | | | |
| Raw materials and consumables | | <u>145,166</u> | <u>0</u> |
| Stocks | | <u>145,166</u> | <u>0</u> |
| Other receivables | | <u>28,352</u> | <u>1,199</u> |
| Receivables | | <u>28,352</u> | <u>1,199</u> |
| Cash at bank and in hand | | <u>0</u> | <u>26,367</u> |
| Total current assets | | <u>173,518</u> | <u>27,566</u> |
| Total assets | | <u><u>173,518</u></u> | <u><u>27,566</u></u> |

Balance sheet 31 December

| | <u>Note</u> | <u>2021</u> DKK | <u>2020</u> DKK |
|---|-------------|--------------------|--------------------|
| Equity and liabilities | | | |
| Share capital | | 40,000 | 40,000 |
| Retained earnings | | -227,309 | -46,076 |
| Equity | | -187,309 | -6,076 |
| Trade payables | | 10,411 | 16,737 |
| Payables to shareholders and management | | 334,485 | 16,905 |
| Other payables | | 15,931 | 0 |
| Total current liabilities | | 360,827 | 33,642 |
| Total liabilities | | 360,827 | 33,642 |
| Total equity and liabilities | | 173,518 | 27,566 |
| Uncertainty about the continued operation (going concern) | 1 | | |
| Contingent liabilities | 2 | | |
| Related parties and ownership structure | 3 | | |

Statement of changes in equity

| | <u>Share capital</u> | <u>Retained earnings</u> | <u>Total</u> |
|-----------------------------------|----------------------|--------------------------|------------------------|
| Equity at 1 January 2021 | 40,000 | -46,076 | -6,076 |
| Net profit/loss for the year | 0 | -181,233 | -181,233 |
| Equity at 31 December 2021 | <u>40,000</u> | <u>-227,309</u> | <u>-187,309</u> |

Notes

1 **Uncertainty about the continued operation (going concern)**

Financing of the company's future financial year are covered by letter of support from the shareholder.

2 **Contingent liabilities**

Other contingent liabilities

The company has no contingent liabilities.

3 **Related parties and ownership structure**

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Yu-Hsuan Hsiung