

Product Brothers ApS

Nordre Teglkaej 14, 6. th.
2450 København SV
Denmark

CVR no. 41 33 10 38

Annual report for the period 1 October – 31 December 2021

The annual report was presented and approved at
the Company's annual general meeting on

29 July 2022

Philip Hempel Sparsø
Chairman of the annual general meeting

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Product Brothers ApS
Annual report 2021
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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Product Brothers ApS for the financial period 1 October – 31 December 2021.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial period 1 October – 31 December 2021.

Further, in our opinion, the Management's review gives a 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, 29 July 2022
Executive Board:

Martin Hempel Sparsø
CEO

Philip Hempel Sparsø
CEO

Management confirms that the Company fulfils the requirements to be exempt of audit.



Auditor's report on the compilation of financial statements

To the Management of Product Brothers ApS

We have compiled the financial statements of Product Brothers ApS for the financial period 1 October – 31 December 2021 based on the Company's bookkeeping records and other information provided by you.

The financial statements comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed our work in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our professional expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied relevant provisions of the Auditor Act, including the requirements for independence, and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is based on fundamental principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion as to whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 29 July 2022

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Product Brothers ApS
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Management's review

Company details

Product Brothers ApS
Nordre Teglvej 14, 6. th.
2450 København SV
Denmark

E-mail:	philipsparso@gmail.com
CVR no.:	41 33 10 38
Established:	30 April 2020
Registered office:	Copenhagen
Financial period:	1 October – 31 December

Executive Board

Martin Hempel Sparsø, CEO
Philip Hempel Sparsø, CEO

Management's review

Operating review

Principal activities

The Company's purpose is to conduct business with retail of various products via the Internet.

Development in activities and financial position

The Company's income statement for the period 1 October 2021 - 31 December 2021 shows a loss of DKK -4,027 as against DKK -23,095 for the period 30 April 2020 - 30 September. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 12,878 as against DKK 16,905 at 30 September 2021.

The Company has changed the financial reporting period from 1 October - 30 September to 1 January - 31 December. The transition period covers 1 October 2021 - 31 December 2021.

Material uncertainties regarding going concern

The Company has lost more than 50% of its capital and are thereby covered by the Company law's rules on capital loss. It is the management's expectation that the capital will be re-established in future operations.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2021.

Financial statements 1 October – 31 December

Income statement

DKK	Note	1/10 2021- 31/12 2021	30/4 2020- 30/9 2021
Gross loss		-4,000	-27,234
Other financial expenses		<u>-27</u>	<u>-2,375</u>
Loss before tax		-4,027	-29,609
Tax on loss for the year	3	<u>0</u>	<u>6,514</u>
Loss for the year		<u>-4,027</u>	<u>-23,095</u>
Proposed distribution of loss			
Retained earnings		<u>-4,027</u>	<u>-23,095</u>
		<u>-4,027</u>	<u>-23,095</u>

Financial statements 1 October – 31 December

Balance sheet

DKK	Note	<u>31/12 2021</u>	<u>30/09 2021</u>
ASSETS			
Current assets			
Receivables			
Receivables from group entities		<u>6,514</u>	<u>6,514</u>
Cash at bank and in hand		<u>12,364</u>	<u>12,391</u>
Total current assets		<u>18,878</u>	<u>18,905</u>
TOTAL ASSETS		<u><u>18,878</u></u>	<u><u>18,905</u></u>

Financial statements 1 October – 31 December

Balance sheet

DKK	Note	31/12 2021	30/09 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		40,000	40,000
Retained earnings		<u>-27,122</u>	<u>-23,095</u>
Total equity		<u>12,878</u>	<u>16,905</u>
Liabilities			
Current liabilities			
Other payables		<u>6,000</u>	<u>2,000</u>
Total liabilities		<u>6,000</u>	<u>2,000</u>
TOTAL EQUITY AND LIABILITIES		<u>18,878</u>	<u>18,905</u>
Average number of full-time employees	2		
Contractual obligations, contingencies, etc.	4		

Financial statements 1 October – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 October 2021	40,000	-23,095	16,905
Transferred over the distribution of loss	<u>0</u>	<u>-4,027</u>	<u>-4,027</u>
Equity at 31 December 2021	<u><u>40,000</u></u>	<u><u>-27,122</u></u>	<u><u>12,878</u></u>

Financial statements 1 October – 31 December

Notes

1 Accounting policies

The annual report of Product Brothers ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The Company has changed the financial reporting period from 1 October - 30 September to 1 January - 31 December. The transition period covers 1 October 2021 - 31 December 2021.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Tax on loss for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Financial statements 1 October – 31 December

Notes

1 Accounting policies (continued)

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as intercompany balance with the group entities.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Other liabilities are measured at amortised cost.

Financial statements 1 October – 31 December

Notes

DKK	<u>1/10 2021- 31/12 2021</u>	<u>30/4 2020- 30/9 2021</u>
2 Average number of full-time employees		
Average number of full-time employees	<u>0</u>	<u>0</u>
3 Tax on loss for the year		
Current tax for the year	<u>0</u>	<u>-6,514</u>
	<u>0</u>	<u>-6,514</u>
4 Contractual obligations, contingencies, etc.		

Contingent liabilities

The Company are in joint taxation with it's Danish subsidiaries, and are therefore liable and solidary for additional companies in the national joint taxation. Any corrections that may occur of the joint taxation will lead to the Company's liable and solidary joint taxation to account to a different amount.