Finematter ApS

Værnedamsvej 12A, 4.
1619 København V
Denmark

CVR no. 41 48 26 48

Annual report 2021/22

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

14 October 2022

Caroline Chalmer
Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Finematter ApS for the financial year 1 April 2021 – 31 March 2022.

The annual report has been prepared 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 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 – 31 March 2022.

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, 14 October 2022
Executive Board:

Caroline Chalmer

Board of Directors:

Caroline Chalmer Chairman	Jimmy Fussing Nielsen	Henrik Holmark

Independent auditor's report

To the shareholders of Finematter ApS

Independent auditor's report on the financial statements

Opinion

We have audited the financial statements of Finematter ApS for the financial year 1 April 2021 – 31 March 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared 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 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 – 31 March 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.

Management's responsibility 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 that 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the company 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.

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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Independent auditor's report

Report on other legal and regulatory requirements

Non-compliance with VAT legislation

In violation of VAT legislation, the Company has not filled VAT returns in due time to the Danish tax authorities. The Company's Management may incur liability in this respect.

Copenhagen, 14 October 2022
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Management's review

Company details

Finematter ApS
Værnedamsvej 12A, 4.
1619 København V
Denmark

Website:	www.finematter.com
E-mail:	Caroline@finematter.com
CVR no.:	41 48 26 48
Established:	29 June 2020
Registered office:	Copenhagen
Financial year:	1 April – 31 March

Board of Directors

Caroline Chalmer, Chairman
Jimmy Fussing Nielsen
Henrik Holmark

Executive Board

Caroline Chalmer

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The purpose of the company is to conduct business online selling jewellery and related products.

Development in activities and financial position

The Company's income statement for 2021/22 shows a loss of EUR -1,176,731 as against EUR -290,000 for the period 27 June 2020 - 31 March 2021. Equity in the Company's balance sheet at 31 March 2022 stood at EUR -144,378 as against EUR 1,032,353 at 31 March 2021.

The Company has lost more than 50% of its contributed capital and is thus subject to the provisions on loss of capital under the Danish Companies Act section 119. It is Management's expectation that the capital can be reestablish from continued operations in future years.

Events after the balance sheet date

There has been no events after the end of the financial year that we can see having an impact on the Company's situation

Financial statements 1 April – 31 March

Income statement

EUR	Note	1/4 2021-31/3 2022	29/6 2020-31/3 2021
Gross loss		-234,408	-11,247
Staff costs	2	-834,502	-372,122
Depreciation, amortisation and impairment losses		-7,311	-642
Loss before financial income and expenses		-1,076,221	-384,011
Other financial expenses		-45,367	-4,441
Loss before tax		-1,121,588	-388,452
Tax on loss for the year	3	-55,143	98,452
Loss for the year		-1,176,731	-290,000

Proposed distribution of loss

Reserve for development projects		215,907	153,552
Retained earnings		-1,392,638	-443,552
		-1,176,731	-290,000

Financial statements 1 April – 31 March

Balance sheet

EUR	Note	31/3 2022	31/3 2021
ASSETS			
Fixed assets			
Intangible assets	4		
Goodwill		44,725	49,694
Development projects in progress		473,665	196,861
		518,390	246,555
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		19,155	5,029
Investments			
Deposits		11,257	0
Total fixed assets		548,802	251,584
Current assets			
Receivables			
Trade receivables		49,392	14,310
Other receivables		83,753	15,628
Deferred tax asset		0	55,143
Corporation tax		0	43,309
		133,145	128,390
Cash at bank and in hand		998,252	1,212,234
Total current assets		1,131,397	1,340,624
TOTAL ASSETS		1,680,199	1,592,208

Financial statements 1 April – 31 March

Balance sheet

EUR	Note	31/3 2022	31/3 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		17,823	17,823
Share premium		1,304,530	1,304,530
Reserve for development costs		369,459	153,552
Retained earnings		-1,836,190	-443,552
Total equity		-144,378	1,032,353
Liabilities			
Non-current liabilities	6		
Other credit institutions		535,114	501,420
Convertible and profit-sharing debt instruments		1,205,879	0
		1,740,993	501,420
Current liabilities			
Prepayments received from customers		18,405	710
Trade payables		1,117	0
Other payables		64,062	57,725
		83,584	58,435
Total liabilities		1,824,577	559,855
TOTAL EQUITY AND LIABILITIES		1,680,199	1,592,208

Financial statements 1 April – 31 March

Statement of changes in equity

EUR	Contributed capital	Share premium	Reserve for development costs	Retained earnings	Total
Equity at 1 April 2021	17,823	1,304,530	153,552	-443,552	1,032,353
Transferred over the distribution of loss	0	0	215,907	-1,392,638	-1,176,731
Equity at 31 March 2022	17,823	1,304,530	369,459	-1,836,190	-144,378

Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of Finematter ApS for 2021/22 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. However, few reclassifications have been made in the comparative figures to comply with current year presentation.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, 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

Gross profit

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

Revenue

Income is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale. Cost of sales includes cost related to shipping and packaging of the goods.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, telephones, travelling, legal fees, accounting fees, bank fees and hiring costs.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial statements 1 April – 31 March

Notes

1 **Accounting policies (continued)**

Financial income and expenses

Financial income and expenses comprise interest income and expense.

Tax on loss for the year

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

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. The maximum amortisation period is between 5 and 25 years and longest for strategically acquired entities with a strong market position and long-term earnings profile.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities. Development projects will be depriciated when they are taken into commercial use.

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Investments

Deposits are recognised at amortised cost.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash at bank and in hand

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

Financial statements 1 April – 31 March

Notes

1 **Accounting policies (continued)**

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

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. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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. Any deferred net assets are measured at net realisable value.

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 April – 31 March

Notes

EUR	1/4 2021-31/3 2022	29/6 2020-31/3 2021

2 Staff costs

Wages and salaries	819,625	370,920
Other social security costs	14,877	1,202
	834,502	372,122
Average number of full-time employees	8	4

Out of total wages EUR 1.177.124, EUR 264.848 has been capitalized as development costs.

3 Tax on loss for the year

Current tax for the year	0	-43,309
Deferred tax for the year	55,143	-55,143
	55,143	-98,452

4 Intangible assets

EUR	Goodwill	Development projects in progress	Total
Cost at 1 April 2021	49,694	196,861	246,555
Additions for the year	0	276,804	276,804
Cost at 31 March 2022	49,694	473,665	523,359
Amortisation for the year	-4,969	0	-4,969
Amortisation and impairment losses at 31 March 2022	-4,969	0	-4,969
Carrying amount at 31 March 2022	44,725	473,665	518,390

5 Property, plant and equipment

EUR	Fixtures and fittings, tools and equipment
Cost at 1 April 2021	5,671
Additions for the year	16,468
Cost at 31 March 2022	22,139
Depreciation and impairment losses at 1 April 2021	-642
Depreciation for the year	-2,343
Depreciation and impairment losses at 31 March 2022	-2,985
Carrying amount at 31 March 2022	19,154

Financial statements 1 April – 31 March

Notes

5 Property, plant and equipment (continued)

6 Non-current liabilities

EUR	31/3 2022	31/3 2021	Outstanding debt after five years
Other credit institutions	501,420	501,420	0
Convertible and profit-sharing debt instruments	1,205,879	0	0
	1,707,299	501,420	0

7 Contractual obligations, contingencies, etc.

Contingent liabilities

Finematter ApS has entered into a rent obligation with a 6 months notice. The total rent obligation is EUR 14 thousand.