

Finematter ApS

Gammel Kongevej 90, 4. th.
DK-1850 Frederiksberg C

CVR no. 41 48 26 48

Annual report for the period 29 June 2020 – 31 March 2021

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

31 August 2021

Caroline Chalmer
Chairman

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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 period 29 June 2020 – 31 March 2021.

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 2021 and of the results of the Company's operations for the financial period 29 June 2020 – 31 March 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.

Frederiksberg, 31 August 2021
Executive Board:

Caroline Chalmer
CEO

Mie Marie Ejdrup Bredkjær
CEO

Board of Directors:

Caroline Chalmer
Chairman

Mie Marie Ejdrup Bredkjær

Jimmy Fussing Nielsen

Independent auditor's report

To the shareholders of Finematter ApS

Opinion

We have audited the financial statements of Finematter ApS for the financial period 29 June 2020 – 31 March 2021 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 2021 and of the results of the Company's operations for the financial period 29 June 2020 – 31 March 2021 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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.

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.

Independent auditor's report

- 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.

Copenhagen, 31 August 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Finematter ApS
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Management's review

Company details

Finematter ApS
Gammel Kongevej 90, 4. th.
1850 Frederiksberg C
Denmark

Website: www.finematter.com
E-mail: Caroline@finematter.com

CVR no.: 41 48 26 48
Established: 29 June 2020
Financial period: 29 June 2020 – 31 March 2021

Board of Directors

Caroline Chalmer, Chairman
Mie Marie Ejdrup Bredkjær
Jimmy Fussing Nielsen

Executive Board

Caroline Chalmer, CEO
Mie Marie Ejdrup Bredkjær, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
Denmark
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 2020/21 shows a profit of EUR -290,000. Equity in the Company's balance sheet at 31 March 2021 stood at EUR 1,032,353.

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 29 June – 31 March

Income statement

EUR	Note	29/6 2020- 31/3 2021
Gross profit/loss		<u>-208,108</u>
Staff costs	2	-175,261
Depreciation, amortisation and impairment losses		<u>-642</u>
Profit/loss before financial income and expenses		-384,011
Other financial expenses		<u>-4,441</u>
Profit/loss before tax		-388,452
Tax on profit/loss for the year	3	<u>98,452</u>
Profit/loss for the year		<u><u>-290,000</u></u>
Proposed profit appropriation/distribution of loss		
Reserve for development projects		153,552
Retained earnings		<u>-443,552</u>
		<u><u>-290,000</u></u>

Financial statements 29 June – 31 March

Balance sheet

EUR	Note	31/3 2021
ASSETS		
Fixed assets		
Intangible assets	4	
Goodwill		49,694
Development projects in progress		<u>196,861</u>
		<u>246,555</u>
Property, plant and equipment	5	
Fixtures and fittings, tools and equipment		<u>5,029</u>
Total fixed assets		<u>251,584</u>
Current assets		
Receivables		
Trade receivables		14,310
Other receivables		15,628
Deferred tax asset		55,143
Corporation tax		<u>43,309</u>
		<u>128,390</u>
Cash at bank and in hand		<u>1,212,234</u>
Total current assets		<u>1,340,624</u>
TOTAL ASSETS		<u><u>1,592,208</u></u>

Financial statements 29 June – 31 March

Balance sheet

EUR	Note	<u>31/3 2021</u>
EQUITY AND LIABILITIES		
Equity		
Contributed capital		17,823
Share premium		1,304,530
Reserve for development costs		153,552
Retained earnings		<u>-443,552</u>
Total equity		<u>1,032,353</u>
Liabilities		
Non-current liabilities		
Other credit institutions		<u>501,420</u>
Current liabilities		
Prepayments received from customers		710
Other payables		<u>57,725</u>
		<u>58,435</u>
Total liabilities		<u>559,855</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,592,208</u></u>

Financial statements 29 June – 31 March

Statement of changes in equity

EUR	Contributed capital	Share premium	Reserve for development costs	Retained earnings	Total
Equity at 29 June 2020	13,720	0	0	0	13,720
Cash capital increase	4,103	1,304,530	0	0	1,308,633
Transferred over the [profit appropriation/distribution of loss]	0	0	153,552	-443,552	-290,000
Equity at 31 March 2021	17,823	1,304,530	153,552	-443,552	1,032,353

Financial statements 29 June – 31 March

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1 Accounting policies

The annual report of Finematter ApS for 2020/21 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.

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 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.

Financial statements 29 June – 31 March

Notes

1 Accounting policies (continued)

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 depreciated when they are taken into commercial use.

Property, plant and equipment

Land and buildings, plant and machinery and 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.

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
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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.

Financial statements 29 June – 31 March

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1 Accounting policies (continued)

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.

Receivables

Receivables are measured at amortised cost.

Cash at bank and in hand

Cash and cash equivalents comprise cash.

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.

Net revaluation reserve according to the equity method

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in subsidiaries and associates in proportion to cost.

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.

Financial statements 29 June – 31 March

Notes

1 Accounting policies (continued)

Liabilities

Other liabilities are measured at net realisable value.

Financial statements 29 June – 31 March

Notes

2 Staff costs

EUR	29/6 2020- 31/3 2021
Wages and salaries	370,920
Other social security costs	1,202
Transferred to development projects	<u>-196,861</u>
	<u>175,261</u>
Average number of full-time employees	<u>4</u>

Out of total wages EUR 507.944, EUR 196.861 has been capitalized as development costs.

3 Tax on profit/loss for the year

EUR	29/6 2020- 31/3 2021
Current tax for the year	-43,309
Deferred tax for the year	<u>-55,143</u>
	<u>-98,452</u>

4 Intangible assets

EUR	Goodwill	Development projects in progress
Cost at 29 June 2020	0	0
Additions for the year	<u>49,694</u>	<u>196,861</u>
Cost at 31 March 2021	<u>49,694</u>	<u>196,861</u>
Carrying amount at 31 March 2021	<u>49,694</u>	<u>196,861</u>

5 Property, plant and equipment

EUR	Fixtures and fittings, tools and equipment
Cost at 29 June 2020	0
Additions for the year	<u>5,672</u>
Cost at 31 March 2021	<u>5,672</u>
Depreciation for the year	<u>-642</u>
Depreciation and impairment losses at 31 March 2021	<u>-642</u>
Carrying amount at 31 March 2021	<u>5,030</u>