

VRAI ApS

Nybrogade 12

1203 København K

CVR No. 41851279

Annual Report 2020/21

1. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 1 August 2022

Martin Roland Roscheisen
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of VRAI ApS for the financial year 14 November 2020 - 31 December 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 14 November 2020 - 31 December 2021.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

San Fransisco, 1 August 2022

Executive Board

Martin Roland Roscheisen
Manager

The independent practitioner's report

To the shareholders of VRAI ApS

Disclaimer of Opinion

We have been chosen to conduct an extended review of the financial statements of VRAI ApS for the financial year 2020/21, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

We do not express a conclusion on the financial statements. Due to the significance of the facts described in the section 'Basis for Disclaimer of Opinion', we have not been able to obtain sufficient and appropriate evidence that can form the basis for an opinion on the financial statements.

Basis for disclaimer of opinion

The company's bookkeeping and the other basis for the company's annual accounts are flawed and contain several errors in relation to other payables regarding VAT, as well as other taxes. In addition, we have not been able to review the bookkeeping transactions. At the time of issuing our statement of extended review of the financial statements, it has not yet been possible for management to correct the deficiencies and correct the errors.

We have not otherwise had the opportunity to obtain sufficient and suitable evidence for other payable of DKK 2.649.264, or the opportunity to review the transactions of the financial accounts in general. As a result of these circumstances, we have not been able to determine whether any adjustments can be considered necessary, as well as the possible effect thereof on the income statement and equity.

Management's responsibilities for the financial statements

Management is responsible for the preparation of the 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.

Auditor's responsibility

Our responsibility is to carry out an extended review of the annual accounts in accordance with the Danish Business Authority's statement standard for small businesses and FSR - Danish auditors' standard on extended review of annual accounts prepared in accordance with the Annual Accounts Act, and to issue a statement on the extended review. However, due to the situation described in the 'Basis for lack of conclusion' section, we have not been able to obtain sufficient and suitable evidence to form the basis of a conclusion on the financial statements.

We are independent of the company in accordance with international ethical rules for auditors (IESBA's Ethical Rules) and additional requirements applicable in Denmark, just as we have fulfilled our other ethical obligations in accordance with these rules and requirements.

Statement on the Management's review

As stated in the section 'Basis for disclaimer of opinion', we have not been able to obtain sufficient and appropriate evidence that can provide a basis for an opinion on the financial statements. We therefore do not give an opinion on the management's review.

The independent practitioner's report

Reports on other legal and regulatory requirements

Information disclosing violation of the Danish VAT Act

The Company has not complied with the requirements of the Danish VAT Act in that it has failed to timely fill the correct figures for ingoing and outgoing VAT. The Company's Management may incur liability for violating the Danish Bookkeeping Act.

Information disclosing violation of the Danish Companies Act

The Company has not complied with the requirements of the Danish Companies Act with regard to upholding deadline for delivering the annaual report. The Company's Management may incur liability for violating the Danish Bookkeeping Act.

Information disclosing violation of the Danish Bookkeeping Act

The Company has not complied with the requirements of the Danish Bookkeeping Act to the effect that an entity's bookkeeping procedures must be planned and carried out in accordance with generally accepted bookkeeping practices, due regard being had to the nature and scope of the entity. The Company's Management may incur liability for violating the Danish Bookkeeping Act.

Frederiksberg, 1 August 2022

CY Revision Registreret revisionsfirma ApS
CVR-no. 41474084

Børge Jimmy Højmosen Christiansen
Registered Public Accountant
mne25196

Company details

Company	VRAI ApS Nybrogade 12 1203 København K
CVR No.	41851279
Date of formation	14 November 2020
Executive Board	Martin Roland Roscheisen, Manager
Auditors	CY Revision Registreret revisionsfirma ApS Borups Alle 117, st. 2000 Frederiksberg CVR-no.: 41474084

Management's Review

The Company's principal activities

The Company's principal activities consist in the import, marketing and sale of jewellery and other products based on artificially produced diamonds.

Development in the activities and the financial situation of the Company

The Company's Income Statement of the financial year 14 November 2020 - 31 December 2021 shows a result of DKK -537.284 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 2.121.322 and an equity of DKK -527.942.

The company has lost more than 50% of its share capital and is consequently covered by section about capital loss in the Companies Act. The management expects the re-establishment of the company's equity capital through its own future earnings.

Accounting Policies

Reporting Class

The annual report of VRAI ApS for 2020/21 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

As the financial year 2020/21 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, costs for raw materials and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Accounting Policies

Raw materials and consumables used

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs subcontractors and change in inventories for the year.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Financial expenses

Financial expenses are recognised in the income statement based at the amounts that concern the financial year. Financial expenses include interest expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies and surcharges under the advance-payment of tax scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance sheet

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Prepayments, assets

Prepayments recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Liabilities

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Income Statement

	Note	2020/21 DKK
Gross profit		1.912.527
Staff costs	1	-2.478.191
Profit from ordinary operating activities		-565.664
Finance expenses		28.380
Profit from ordinary activities before tax		-537.284
Profit		-537.284
Proposed distribution of results		
Retained earnings		-537.284
Distribution of profit		-537.284

Balance Sheet as of 31 December

	Note	2021 DKK
Assets		
Short-term receivables from group enterprises		1.697.531
Prepayments		14.168
Receivables		1.711.699
Cash and cash equivalents		409.623
Current assets		2.121.322
Assets		2.121.322

Balance Sheet as of 31 December

	Note	2021 DKK
Liabilities and equity		
Contributed capital		40.000
Retained earnings		-567.942
Equity		-527.942
Other payables		2.649.264
Short-term liabilities		2.649.264
Liabilities		2.649.264
Liabilities and equity		2.121.322

Notes**1. Staff costs**

Wages and salaries	2.252.309
Social security contributions	225.882
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	2.478.191
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Average number of employees	1
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