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## MOSCOT DENMARK APS

Købmagergade 50B  
1150 Copenhagen

Annual report for 2021/22

Adopted at the annual general meeting on  
6 June 2023

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Harvey Moscot  
chairman

CVR-nr. 42 64 27 70

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## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The executive board has today discussed and approved the annual report of MOSCOT DENMARK ApS for the financial year 30 August 2021 - 31 December 2022.

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 2022 and of the results of the company's operations for the financial year 30 August 2021 - 31 December 2022.

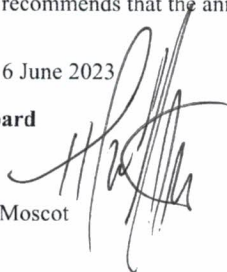
In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

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

Copenhagen, 6 June 2023

**Executive board**

Harvey Glen Moscot  
Director

A handwritten signature in black ink, appearing to read 'H. Moscot', is written over the printed name and title of the director.

## INDEPENDENT AUDITOR'S REPORT

*To the shareholder of MOSCOT DENMARK ApS*

### **Opinion**

We have audited the financial statements of MOSCOT DENMARK ApS for the financial year 30 August 2021 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 30 August 2021 - 31 December 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' 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 requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's responsibilities 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 as management determines is necessary to enable the preparation of the 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 about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken 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:

## INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the 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.

## INDEPENDENT AUDITOR'S REPORT

### **Statement on management's review**

Management is responsible for management's review.

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

Based on the work we have performed, we conclude that 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 management's review.

Copenhagen, 6 June 2023

### **MAZARS**

Statsautoriseret Revisionspartnerselskab

CVR no. 31 06 17 41

Nicklas Rasmussen

MNE no. mne43474

## COMPANY DETAILS

The company	MOSCOT DENMARK ApS Købmagergade 50B 1150 Copenhagen
	Website: <a href="http://www.moscot.com">www.moscot.com</a>
	CVR no.: 42 64 27 70
	Reporting period: 30 August 2021 - 31 December 2022
	Incorporated: 30 August 2021
	Financial year: 1st financial year
	Domicile: Copenhagen
Executive board	Harvey Glen Moscot, director
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2.tv. 2100 København Ø
Consolidated financial statements	The company is reflected in the group report as the parent company MOSCOT HOLDING S.A., Luxembourg



## MANAGEMENT'S REVIEW

### **Business review**

The purpose of the company is to sell glasses and sunglasses marketed under the brand "Moscot" in Denmark.

### **Financial review**

The company's income statement for the year ended 31 December 2022 shows a loss of DKK 1.331.563, and the balance sheet at 31 December 2022 shows negative equity of DKK 1.291.563.

### ***Financing***

The company's assets and liabilities have been assessed with continued operations in mind. The management is aware, that the company has lost more than 50% of its share capital. The management expects the company to restore its share capital through future operations.

### **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.



## INCOME STATEMENT 30 AUGUST - 31 DECEMBER

	Note	2021/22 DKK
<b>Gross profit</b>		<b>1.281.137</b>
Staff costs	2	-2.063.975
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-461.990
<b>Profit/loss before net financials</b>		<b>-1.244.828</b>
Financial income		1.081
Financial costs	3	-87.816
<b>Profit/loss before tax</b>		<b>-1.331.563</b>
Tax on profit/loss for the year		0
<b>Profit/loss for the year</b>		<b>-1.331.563</b>
Retained earnings		-1.331.563
		<b>-1.331.563</b>

## BALANCE SHEET 31 DECEMBER

	Note	2021/22 DKK
<b>ASSETS</b>		
Leasehold improvements	4	1.886.456
<b>Tangible assets</b>		<b>1.886.456</b>
Other fixed asset investments	5	1.500
Deposits	5	395.250
<b>Fixed asset investments</b>		<b>396.750</b>
<b>Total non-current assets</b>		<b>2.283.206</b>
Finished goods and goods for resale		1.465.875
<b>Stocks</b>		<b>1.465.875</b>
Trade receivables		44.768
Other receivables		63.209
Prepayments	6	95.499
<b>Receivables</b>		<b>203.476</b>
<b>Cash at bank and in hand</b>		<b>188.441</b>
<b>Total current assets</b>		<b>1.857.792</b>
<b>Total assets</b>		<b>4.140.998</b>

## BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2021/22</u> DKK
<b>EQUITY AND LIABILITIES</b>		
Share capital		40.000
Retained earnings		<u>-1.331.563</u>
<b>Equity</b>		<u><b>-1.291.563</b></u>
Payables to group entities		<u>3.328.441</u>
<b>Total non-current liabilities</b>	7	<u><b>3.328.441</b></u>
Trade payables		164.453
Payables to group entities		1.040.987
Other payables		846.192
Prepayments	8	<u>52.488</u>
<b>Total current liabilities</b>		<u><b>2.104.120</b></u>
<b>Total liabilities</b>		<u><b>5.432.561</b></u>
<b>Total equity and liabilities</b>		<u><u><b>4.140.998</b></u></u>

## STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 30 August 2021	40.000	0	40.000
Net profit/loss for the year	0	-1.331.563	-1.331.563
Equity at 31 December 2022	<u>40.000</u>	<u>-1.331.563</u>	<u>-1.291.563</u>

## NOTES

### 1 ACCOUNTING POLICIES

The annual report of MOSCOT DENMARK ApS for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises, as well as provisions applying to reporting class C entities.

The annual report for 2021/22 is presented in DKK

As 2021/22 is the company's first reporting period, no comparatives have been presented.

#### **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 less other external expenses.

##### **Revenue**

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

## NOTES

### I ACCOUNTING POLICIES

#### **Change in inventories of finished goods**

Changes in inventories of finished goods comprise decreases or increases for the financial year in inventories of finished goods. This item includes ordinary write-downs of such inventories.

#### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises etc.

#### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

#### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

#### **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, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, 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 as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

#### **Balance sheet**

##### **Tangible assets**

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Leasehold improvements	5 years
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Assets costing less than DKK 31.000 are expensed in the year of acquisition.

## NOTES

### I ACCOUNTING POLICIES

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

#### **Other securities and investments, fixed assets**

Other fixed asset investments are measured at cost.

#### **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 comprises of the purchase price.

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.

#### **Impairment of fixed assets**

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

#### **Receivables**

Receivables are measured at amortised cost.

#### **Equity**

##### **Dividends**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

#### **Income tax and deferred tax**

As management company, MOSCOT DENMARK ApS is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

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 is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.



## NOTES

### 1 ACCOUNTING POLICIES

#### Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

	<u>2021/22</u> DKK
<b>2 STAFF COSTS</b>	
Wages and salaries	1.781.848
Pensions	237.927
Other social security costs	25.402
Other staff costs	<u>18.798</u>
	<u>2.063.975</u>
Average number of employees	<u>3</u>

	<u>2021/22</u> DKK
<b>3 FINANCIAL COSTS</b>	
Financial expenses, group entities	24.853
Other financial costs	<u>62.963</u>
	<u>87.816</u>

## NOTES

### 4 TANGIBLE ASSETS

	Leasehold improvements
Cost at 30 August 2021	0
Additions for the year	2,348,446
Cost at 31 December 2022	2,348,446
Impairment losses and depreciation at 30 August 2021	0
Depreciation for the year	461,990
Impairment losses and depreciation at 31 December 2022	461,990
Carrying amount at 31 December 2022	1,886,456

### 5 FIXED ASSET INVESTMENTS

	Other fixed asset investments	Deposits
Cost at 30 August 2021	0	0
Additions for the year	1,500	395,250
Cost at 31 December 2022	1,500	395,250
Carrying amount at 31 December 2022	1,500	395,250

### 6 PREPAYMENTS

Prepayments comprise prepaid expenses regarding rent, and subscriptions.

### 7 LONG TERM DEBT

	Debt at 30 August 2021	Debt at 31 December 2022	Instalment next year	Debt outstanding after 5 years
Payables to group entities	0	3,328,441	0	0
	0	3,328,441	0	0

## NOTES

### 8 PREPAYMENTS

Deferred income consists of payments received in respect of income in subsequent financial years.

### 9 ANDRE USÆDVANLIGE FORHOLD I ÅRSRAPPORTEN

The company's management has obtained confirmation from the parent company that the parent company will continue to support the company financially by making adequate credit facilities available to the company thereby enabling the company to maintain and continue its current activities over the coming 12 months.

### 10 CONTINGENT LIABILITIES

The company has entered into land lease agreements with an agreed termination period of 57 months from the leaseholder. The rent in the termination period amounts to DKK 3.067.708.

### 11 RELATED PARTIES AND OWNERSHIP STRUCTURE

#### Consolidated financial statements

The company is reflected in the group report as the parent company MOSCOT HOLDING S.A., Luxembourg