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SoKind ApS
Bispevej 4A, 2400 København NV

Company reg. no. 40 65 47 47

Annual report
1 July 2023 - 30 June 2024

The annual report was submitted and approved by the general meeting on the 16 December 2024.

Emil Nikolai Reeh
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
The independent practitioner's report	2
Management's review	
Company information	5
Management's review	6
Financial statements 1 July 2023 - 30 June 2024	
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11
Accounting policies	13

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of SoKind ApS for the financial year 1 July 2023 - 30 June 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 – 30 June 2024.

Further, in our opinion, the Management's review gives a true and 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, 16 December 2024

Managing Director

Kaare Rosbach Munch

Board of directors

Emil Nikolai Reeh
Chairman

Jens Reimer Olesen

Jonas Reeh Petersen

Morten Petersen

The independent practitioner's report

To the Shareholders of SoKind ApS

Conclusion

We have performed an extended review of the financial statements of SoKind ApS for the financial year 1 July 2023 - 30 June 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Material Uncertainty Related to Going Concern

We draw your attention to the fact that there is significant uncertainty that may raise significant doubts about the company's ability to continue operations. We refer to the information in Note 1, in which the management account for significant uncertainty about the company's ability to continue operations. The uncertainty can be referred to the fact that there is uncertainty as to whether the company has sufficient liquidity to pay the company's debt. The budget for the financial year 2024-2025 shows that the company expects to improve its operations significantly. The management assesses that there is a solution that ensures the necessary liquidity in the company and in accordance herewith the management submits the annual report on the assumption of continued operation. We have not modified our conclusion on this.

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 financial statements that are free from material misstatement, whether due to fraud or error.

The independent practitioner's report

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.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

Our conclusion 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 extended review 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 extended review, 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 in the Management's Review.

The independent practitioner's report

Copenhagen, 16 December 2024

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36

Jan Tønnesen

State Authorised Public Accountant
mne9459

Casper Christiansen

State Authorised Public Accountant
mne44100

Company information

The company

SoKind ApS
Bispevej 4A
2400 København NV

Company reg. no. 40 65 47 47
Established: 2 July 2019
Domicile: Copenhagen
Financial year: 1 July - 30 June

Board of directors

Emil Nikolai Reeh, Chairman
Jens Reimer Olesen
Jonas Reeh Petersen
Morten Petersen

Managing Director

Kaare Rosbach Munch

Auditors

Grant Thornton, Godkendt Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

Description of key activities of the company

The principal activities are business with e-commerce within beauty and cosmetics.

Development in activities and financial matters

The gross loss for the year totals t.DKK -575 against t.DKK 675 last year. Net profit for the year totals t.DKK -1.157 against t.DKK 127 last year.

Management considers the net profit for the year unsatisfactory.

Financial resources

The company expects to receive funding as demand arises. The budget for the financial year 2024-2025 shows that the company expects to improve its operations significantly. Based on this assumption, the management issues the accounts on the basis of continued operations.

Income statement 1 July - 30 June

All amounts in DKK.

<u>Note</u>	<u>2023/24</u>	<u>2022/23</u>
Gross profit	-575.227	675.161
2 Staff costs	-10.777	-8.560
Amortisation and impairment of intangible assets	-46.723	-33.552
Operating profit	-632.727	633.049
Other financial income	9.716	11.279
Other financial expenses	-533.662	-517.538
Pre-tax net profit or loss	-1.156.673	126.790
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-1.156.673	126.790
Proposed distribution of net profit:		
Transferred to retained earnings	0	126.790
Allocated from retained earnings	-1.156.673	0
Total allocations and transfers	-1.156.673	126.790

Balance sheet at 30 June

All amounts in DKK.

Assets			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Non-current assets			
3	Completed development projects, including patents and similar rights arising from development projects	72.459	51.424
	Acquired concessions, patents, licenses, trademarks, and similar rights	0	19.832
	Total intangible assets	<u>72.459</u>	<u>71.256</u>
	Deposits	<u>34.832</u>	<u>34.045</u>
	Total investments	<u>34.832</u>	<u>34.045</u>
	Total non-current assets	<u>107.291</u>	<u>105.301</u>
Current assets			
	Manufactured goods and goods for resale	2.676.811	2.791.345
	Prepayments for goods	<u>283.497</u>	<u>171.138</u>
	Total inventories	<u>2.960.308</u>	<u>2.962.483</u>
	Trade receivables	258.417	620.553
	Income tax receivables	0	14.875
	Other receivables	589.817	1.084.998
	Prepayments	<u>43.675</u>	<u>39.867</u>
	Total receivables	<u>891.909</u>	<u>1.760.293</u>
	Cash and cash equivalents	<u>184.583</u>	<u>142.144</u>
	Total current assets	<u>4.036.800</u>	<u>4.864.920</u>
	Total assets	<u>4.144.091</u>	<u>4.970.221</u>

Balance sheet at 30 June

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Equity			
	Contributed capital	40.000	40.000
	Reserve for development costs	56.561	40.111
	Retained earnings	-8.102.934	-6.929.811
	Total equity	-8.006.373	-6.849.700
Liabilities other than provisions			
	Other payables	9.127.784	6.723.187
4	Total long term liabilities other than provisions	9.127.784	6.723.187
	Bank loans	1.475.474	1.986.148
	Trade payables	1.173.885	2.797.538
	Other payables	373.321	313.048
	Total short term liabilities other than provisions	3.022.680	5.096.734
	Total liabilities other than provisions	12.150.464	11.819.921
	Total equity and liabilities	4.144.091	4.970.221

1 Material Uncertainty Related to Going Concern**5 Charges and security**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 July 2022	40.000	50.659	-7.067.149	-6.976.490
Profit or loss for the year brought forward	0	0	126.790	126.790
Transferred from results brought forward	0	-10.548	10.548	0
Equity 1 July 2023	40.000	40.111	-6.929.811	-6.849.700
Profit or loss for the year brought forward	0	0	-1.156.673	-1.156.673
Transferred from results brought forward	0	16.450	-16.450	0
	40.000	56.561	-8.102.934	-8.006.373

Notes

All amounts in DKK.

1. Material Uncertainty Related to Going Concern

Regarding going concern there is uncertainty to whether the company has sufficient liquidity to pay the company's debt. The budget for the financial year 2024-2025 shows that the company expects to improve its operations significantly.

The management assesses that there is a solution that ensures the necessary liquidity in the company and in accordance herewith the management submits the annual report on the assumption of continued operation.

	2023/24	2022/23
2. Staff costs		
Salaries and wages	10.777	8.560
	10.777	8.560
Average number of employees	1	1

3. Completed development projects, including patents and similar rights arising from development projects

Development costs relate to development of the company's systems and products. The year's attendance is attributed to external consultants. The completed development projects are essential for maintenance of the turnover and cost savings.

The management has not identified indication of impairment in proportion to the book value.

4. Long term liabilities other than provisions

	Total payables 30 Jun 2024	Current portion of long term payables	Long term payables 30 Jun 2024	Outstanding payables after 5 years
Other payables	9.127.784	0	9.127.784	0
	9.127.784	0	9.127.784	0

Notes

All amounts in DKK.

5. Charges and security

For bank loans, DKK 1.475, the company has provided security in company assets representing a nominal value of DKK 2.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	2.960
Intangible assets	72
Trade receivables	258

Accounting policies

The annual report for SoKind ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of finished goods less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises and loss on receivables.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, debt and transactions in foreign currency, as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, and purchased rights

Development costs comprise costs to external consultants directly attributable to development activities.

Accounting policies

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 5 years.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of intangible assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Accounting policies

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash equivalents comprise cash at bank.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, and other payables are measured at amortised cost which usually corresponds to the nominal value.