

Kaffedrenge ApS

Hammerholmen 11K, 2650 Hvidovre

Company reg. no. 39 54 93 28

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 30 June 2023.

Michael Tobiassen Hansen
Chairman of the meeting

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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 Managing Director has approved the annual report of Kaffedrengen ApS for the financial year 1 January - 31 December 2022.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in my 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.

Hvidovre, 30 June 2023

Managing Director

Michael Tobiassen Hansen

Independent auditor's report

To the Shareholder of Kaffedrengen ApS

Opinion

We have audited the financial statements of Kaffedrengen ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. 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 financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 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' 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.

Other Matter - Scope of the Audit

Effective as from the current financial year, Kaffedrengen ApS is subject to audit obligations. We must emphasize, as it also appears from the annual accounts, that no audit of the comparative figures in the annual accounts has been carried out.

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.

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.

Independent auditor's report

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 judgment and maintain professional skepticism throughout the audit. We also:

- 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.

Independent auditor's report

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 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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 30 June 2023

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Kristian Randløv Lydolph

State Authorised Public Accountant
mne47843

Company information

The company

Kaffedrengen ApS
Hammerholmen 11K
2650 Hvidovre

Web site www.kaffedrengen.dk

E mail hej@kaffedrengen.dk

Company reg. no. 39 54 93 28

Established: 4 May 2018

Domicile:

Financial year: 1 January - 31 December
5th financial year

Managing Director

Michael Tobiassen Hansen

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

You Got delivery ApS

General meeting

Ordinary general meeting will be held on 30 June 2023

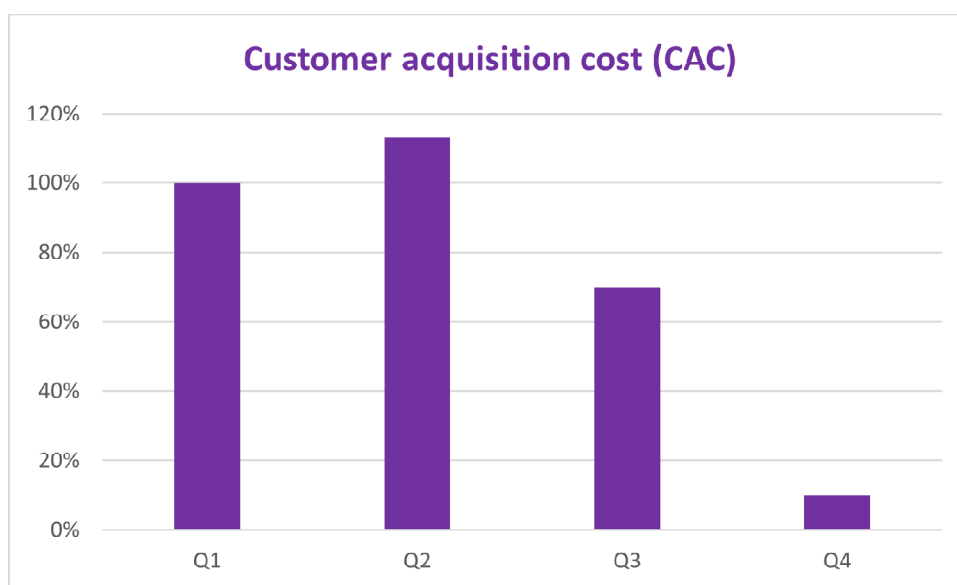
Management's review

Description of key activities of the company

Barberklingen is providing consumers with razor blades shipped directly to their mailbox as well as shaving accessories. Since the company launched in 2016 it has been one of the leading subscription companies in this area.

Development in activities and financial matters

In the beginning of 2022, the management and board decided strategically to invest in preparing for the company's international growth. This included optimization of procedures, refining marketing strategies, investing in customer retention programs as well as hiring and promoting key employees. As a result the company has one of the lowest cost of acquiring customers (CAC) in the market, a solid increase in sales margin as well as a better retention of existing subscribers.



Graph showing CAC, the cost per acquired customer, reducing over the entire year.

Development in activities and finances

In 2022, the loss after tax amounted to DKK 1.1 M from a profit of DKK 0.2 M in 2021.

The operating profit amounted to minus DKK 1.6 M, compared to a profit of DKK 0.2 M in 2021. The investment in increasing the sales margin is anticipated to continue having an impact for the following period.

The company's balance sheet shows total assets of DKK 3.6 M and equity of DKK 1.0 M. Compared to 2021, the assets have decreased by DKK 1.6 M, and equity has decreased by DKK 1.1 M. The decrease in assets is mainly attributable to optimization of stock. The decrease in equity is attributable to the negative result in 2022.

Management's review

Considering the effects of increasing inflation and high consumer uncertainty in markets, the result for 2022 is in line with the management's expectations and the business plan for the company, which included preparing the company for the future as well as the next funding round.

Outlook

The company will continue the planned sustainable growth to be profitable in 2023. The focus is to continuously build up the subscription base and strengthen the position as the online market leader for unisex razor blades and accessories.

Events occurring after the end of the financial year

No significant events have occurred after the balance sheet date.

Accounting policies

The annual report for Kaffedrengen 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.

Income statement

Gross loss

Gross loss comprises the revenue, expenses of goods sold, other operating income, and other external expenses.

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. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Expenses of goods sold includes Expenses for the purchase of goods less discounts and changes in inventories.

Other external expenses comprise expenses for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing expenses.

Depreciation, amortisation, and write-down for impairment

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

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible fixed assets.

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, 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 result for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

The current Danish corporate tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses). In connection to this, the companies receive fiscal deficiency jointly taxed from the companies that could have used this deficiency.

Statement of financial position

Equipment

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3 years

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed 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.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories 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.

Accounting policies

The net realisable value for inventories is recognised as the market 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.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

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.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

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

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u> (not audited)
Gross profit	-1.577.719	215.778
Depreciation and impairment of property, land, and equipment	-14.178	-14.217
Other operating expenses	0	-1.208
Operating profit	-1.591.897	200.353
Other financial income from group enterprises	227.759	166.648
Other financial income	0	2.104
1 Other financial expenses	-102.266	-66.692
Pre-tax net profit or loss	-1.466.404	302.413
Tax on net profit or loss for the year	320.483	-68.042
Net profit or loss for the year	-1.145.921	234.371
Proposed distribution of net profit:		
Transferred to retained earnings	0	234.371
Allocated from retained earnings	-1.145.921	0
Total allocations and transfers	-1.145.921	234.371

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u> (not audited)
Non-current assets		
Other fixtures, fittings, tools and equipment	16.545	30.722
Total property, plant, and equipment	16.545	30.722
Total non-current assets	16.545	30.722
Current assets		
Raw materials and consumables	772.653	2.108.513
Total inventories	772.653	2.108.513
Receivables from group enterprises	1.513.316	2.922.228
Deferred tax assets	319.347	0
Other receivables	893.651	84.598
Total receivables	2.726.314	3.006.826
Cash and cash equivalents	127.253	69.694
Total current assets	3.626.220	5.185.033
Total assets	3.642.765	5.215.755

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u> (not audited)
Equity		
Contributed capital	51.500	51.500
Retained earnings	959.692	2.105.613
Total equity	1.011.192	2.157.113
Provisions		
Provisions for deferred tax	0	1.136
Total provisions	0	1.136
Liabilities other than provisions		
Bank loans	906.823	350.008
Trade payables	1.091.116	1.249.346
Payables to group enterprises	583.648	754.502
Income tax payable to group enterprises	0	67.910
Other payables	49.986	635.740
Total short term liabilities other than provisions	2.631.573	3.057.506
Total liabilities other than provisions	2.631.573	3.057.506
Total equity and liabilities	3.642.765	5.215.755

2 Charges and security**3 Contingencies**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	51.500	2.105.613	2.157.113
Retained earnings for the year	0	-1.145.921	-1.145.921
	51.500	959.692	1.011.192

Notes

All amounts in DKK.

	2022	2021 (not audited)
1. Other financial expenses		
Financial costs, group enterprises	41.989	11.337
Other financial costs	60.277	55.355
	102.266	66.692

2. Charges and security

For bank loans, DKK 907 thousand, the company has provided security in company assets representing a nominal value of DKK 1.500 thousand. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Fixed assets	17
Inventories	853
In total	870

3. Contingencies

Contingent assets

The company has provided guarantees for the bank debts of the group enterprises. On 31. December 2022 the total bank debts of the group enterprises were DKK 2.139 thousand.

Joint taxation

M.T.H Holding ApS, company reg. no 36 71 00 63 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

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