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STATE OF ART SCANDINAVIA A/S

ROMS HULE 4 1., 7100 VEJLE

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 29 June 2023**

Petra Marieke Westerman

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 30 73 19 13

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
The Independent Auditor's Report.....	5-6
Management Commentary	
Management Commentary.....	7
Financial Statements 1 January - 31 December	
Income Statement.....	8
Balance Sheet.....	9-10
Equity.....	11
Notes.....	12
Accounting Policies.....	13-14

COMPANY DETAILS

Company	State Of Art Scandinavia A/S Roms Hule 4 1. 7100 Vejle CVR No.: 30 73 19 13 Established: 19 July 2007 Municipality: Vejle Financial Year: 1 January - 31 December
Board of Directors	Petra Marieke Westerman, chairman Johannes Leonard Kuijff Martijn Mateman
Executive Board	Martijn Mateman
Auditor	BDO Statsautoriseret revisionsaktieselskab Roms Hule 4, 1. sal 7100 Vejle

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of State Of Art Scandinavia A/S for the financial year 1 January - 31 December 2022.

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 Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Vejle, 29 June 2023

Executive Board

Martijn Mateman

Board of Directors

Petra Marieke Westerman
Chairman

Johannes Leonard Kuijf

Martijn Mateman

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder of State Of Art Scandinavia A/S

REPORT ON EXTENDED REVIEW OF THE FINANCIAL STATEMENTS

Conclusion

We have performed an extended review of the Financial Statements of State Of Art Scandinavia A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 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 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 "Auditor'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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements 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.

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.

Auditor'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 Commentary

Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.

THE INDEPENDENT AUDITOR'S REPORT

In connection with our extended review of the Financial Statements, our responsibility is to read the Management Commentary and, in doing so, consider whether the Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management Commentary 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 Commentary.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Infringement of VAT legislation

The company has, in infringement of VAT legislation, on one occasion failed to make a timely submission of the VAT filing to the tax authority, and the management may incur liability for this.

Vejle, 29 June 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Kristian Frost Vingum
State Authorised Public Accountant
MNE no. mne36183

MANAGEMENT COMMENTARY

Principal activities

The company's activities is sale and distribution of fashion clothes in Scandinavia.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
GROSS LOSS		-91,543	-109,821
Other operating expenses.....		0	-256
OPERATING LOSS		-91,543	-110,077
Income from investments in subsidiaries.....		-63,934	-67,579
Other financial expenses.....		-3,826	-487
LOSS BEFORE TAX		-159,303	-178,143
Tax on profit/loss for the year.....		0	0
LOSS FOR THE YEAR		-159,303	-178,143
 PROPOSED DISTRIBUTION OF PROFIT			
Allocation to reserve for net revaluation according to equity valuation.....		0	-67,579
Retained earnings.....		-159,303	-110,564
TOTAL		-159,303	-178,143

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Equity investments in group enterprises.....		29,159	1,530,176
Financial non-current assets.....	1	29,159	1,530,176
NON-CURRENT ASSETS.....		29,159	1,530,176
Receivables from group enterprises.....		1,510,063	664,592
Other receivables.....		0	7,499
Receivables.....		1,510,063	672,091
Cash and cash equivalents.....		520,827	51,334
CURRENT ASSETS.....		2,030,890	723,425
ASSETS.....		2,060,049	2,253,601

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....		500,000	500,000
Reserve for net revaluation according to equity valuation.....		0	1,407,448
Retained profit.....		1,531,370	283,225
EQUITY.....		2,031,370	2,190,673
Trade payables.....		28,679	62,928
Current liabilities.....		28,679	62,928
LIABILITIES.....		28,679	62,928
EQUITY AND LIABILITIES.....		2,060,049	2,253,601
 Staff costs	 2		

EQUITY

	Share capital	Reserve for net revaluation according to equity va	Retained profit	Total
Equity at 1 January 2022.....	500,000	1,407,448	283,225	2,190,673
Proposed profit allocation.....			-159,303	-159,303
Transfers				
Allowed equalization.....		-1,407,448	1,407,448	0
Equity at 31 December 2022.....	500,000	0	1,531,370	2,031,370

NOTES

Note

Financial non-current assets

1

	Equity investments in group enterprises
Cost at 1 January 2022.....	122,728
Disposals.....	-77,793
Cost at 31 December 2022.....	44,935
Revaluation at 1 January 2022.....	1,407,396
Profit/loss for the year.....	-66,533
Reversel of impairment.....	-1,356,639
Revaluation at 31 December 2022.....	-15,776
Carrying amount at 31 December 2022.....	29,159

Investments in subsidiaries

Name and domicil	Ownership
State of Art Sweden AB,	100 %

2022

2021

Staff costs

Average number of employees

1

1

2

ACCOUNTING POLICIES

The Annual Report of State Of Art Scandinavia A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Income from investments in subsidiaries

The proportional share of results of subsidiaries after full elimination of intercompany profits/losses and deduction of amortised goodwill is recognised in the company's income statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from debt and transactions in foreign currencies as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Financial non-current assets

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

ACCOUNTING POLICIES

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.