

Ades ApS
Hallingsgade 31, 2100 København Ø

Company reg. no. 38 44 46 70

Annual report

1 July 2018 - 30 June 2019

The annual report was submitted and approved by the general meeting on the 17 December 2019.

Robert Paul Timothy Adés
Chairman of the meeting

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, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

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Management's report

The managing director has today presented the annual report of Ades ApS for the financial year 1 July 2018 to 30 June 2019.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 June 2019 and of the company's results of its activities in the financial year 1 July 2018 to 30 June 2019.

The managing director considers the requirements of omission of audit of the annual accounts for 2018/19 as met.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København Ø, 17 December 2019

Managing Director

Robert Adés

Auditor's report on compilation of the annual accounts

To the shareholders of Ades ApS

We have compiled the annual accounts of Ades ApS for the period 1 July 2018 to 30 June 2019 based on the bookkeeping of the company and on further information you have provided.

The annual accounts comprise the accounting policies used, profit and loss account, balance sheet and notes.

We performed this engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the annual accounts in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The annual accounts and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the annual accounts. Accordingly, we do not express an audit opinion or a review conclusion on whether the annual accounts are prepared in accordance with the Danish Financial Statements Act.

Hillerød, 17 December 2019

Grant Thornton

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

Bo Lysen

State Authorised Public Accountant
mne32109

Company data

The company

Ades ApS
Hallingsgade 31
2100 København Ø

Company reg. no. 38 44 46 70
Financial year: 1 July - 30 June

Managing Director

Robert Adés

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Nordstensvej 11
3400 Hillerød

Management's review

The principal activities of the company

The principal activities of the company consists in selling design goods.

Uncertainties as to recognition or measurement

There has been no significant uncertainty or unusual circumstances that have affected recognition or measurement.

Development in activities and financial matters

The company's result and economic development are considered unsatisfactory.

The company has a negative equity of DKK 621.809, and the prerequisite for the company's continued operation is, at the current credit facilities can be maintained.

The expected development

The company expects improved results for the coming year.

Events subsequent to the financial year

There are no post balance sheet significant events have occurred which are considered to have significant influence on the assessment of the annual report.

Accounting policies used

The annual report for Ades ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, consumption of goods and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

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

Accounting policies used

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	<i>Useful life</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>3-5 years</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Accounting policies used

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises 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. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Accounting policies used

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account

All amounts in DKK.

<u>Note</u>	1/7 2018 - 30/6 2019	22/2 2017 - 30/6 2018
Gross profit	51.680	-14.496
2 Staff costs	-312.804	-371.835
Af- og nedskrivninger af anlægsaktiver	-7.081	0
Operating profit	-268.205	-386.331
Other financial costs	-9.050	-8.223
Results before tax	-277.255	-394.554
Tax on ordinary results	0	0
Results for the year	-277.255	-394.554
 Proposed distribution of the results:		
Allocated from results brought forward	-277.255	-394.554
Distribution in total	-277.255	-394.554

Balance sheet 30 June

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets		
Fixed assets		
Other plants, operating assets, and fixtures and furniture	202.539	0
Tangible fixed assets in total	<u>202.539</u>	<u>0</u>
Deposits	374.500	0
Financial fixed assets in total	<u>374.500</u>	<u>0</u>
Fixed assets in total	<u>577.039</u>	<u>0</u>
Current assets		
Manufactured goods and trade goods	157.992	313.484
Inventories in total	<u>157.992</u>	<u>313.484</u>
Other debtors	48.000	48.000
Debtors in total	<u>48.000</u>	<u>48.000</u>
Available funds	38.667	28.409
Current assets in total	<u>244.659</u>	<u>389.893</u>
Assets in total	<u>821.698</u>	<u>389.893</u>

Balance sheet 30 June

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity		
Contributed capital	50.000	50.000
Results brought forward	-671.809	-394.554
Equity in total	-621.809	-344.554
 Liabilities		
Trade creditors	109.487	17.355
Other debts	1.334.020	717.092
Short-term liabilities in total	1.443.507	734.447
Liabilities in total	1.443.507	734.447
 Equity and liabilities in total	821.698	389.893

- 1 **Uncertainties concerning the enterprise's ability to continue as a going concern**
- 3 **Contingencies**

Notes

All amounts in DKK.

	1/7 2018	22/2 2017
	- 30/6 2019	- 30/6 2018

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company has a negative equity of DKK 621.809, and the prerequisite for the company's continued operation is, at the current credit facilities can be maintained.

2. Staff costs

Salaries and wages	298.221	350.212
Other costs for social security	14.583	21.623
	<u>312.804</u>	<u>371.835</u>
 Average number of employees	 <u>1</u>	 <u>1</u>

3. Contingencies

Contingent liabilities

Rental and leasing liabilities:

The company has assumed a rental obligation of rented premises in addition to the normal term of notice, the rental obligation can be calculated to minimum DKK 2,9 mio. at status day.