

In-Toto Copenhagen ApS

Lyngby Hovedgade 102, 2800 Kgs. Lyngby

Company reg. no. 39 33 40 46

Annual report

9 February - 31 December 2018

The annual report was submitted and approved by the general meeting on the 21 May 2019.

John Bengt Andreas Jonsson

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 In-Toto Copenhagen ApS for the financial year 9 February to 31 December 2018.

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 31 December 2018 and of the company's results of its activities in the financial year 9 February to 31 December 2018.

The managing director considers the requirements of omission of audit of the annual accounts for 2018 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.

Kgs. Lyngby, 7 May 2019

Managing Director

John Bengt Andreas Jonsson

Auditor's report on compilation of the annual accounts

To the shareholders of In-Toto Copenhagen ApS

We have compiled the annual accounts of In-Toto Copenhagen ApS for the period 9 February to 31 December 2018 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.

Copenhagen, 7 May 2019

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Ulrik Nørskov

State Authorised Public Accountant
mne29456

Company data

The company

In-Toto Copenhagen ApS
Lyngby Hovedgade 102
2800 Kgs. Lyngby

Phone 31353438

Web site www.in-toto.com

Company reg. no. 39 33 40 46

Established: 9 February 2018

Domicile:

Financial year: 9 February - 31 December

Managing Director

John Bengt Andreas Jonsson

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Parent company

INTOTO Scandinavia AB

Management's review

The principal activities of the company

The principal activities are sale of kitchen elements and cabinets.

Development in activities and financial matters

The results from ordinary activities after tax are DKK -35,037. The management consider the results satisfactory based on the company's first financial year.

The company's management points out that the company has lost more than 50% of its share capital and thus is covered by section 119 of the Danish Companies Act.

Management believes that the company's capital and liquidity resources are sufficient for the company's by long-term debt to group enterprises, has provided the necessary capital resources.

The company expects a positive accounts for the following financial year.

Accounting policies used

The annual report for In-Toto Copenhagen ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

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.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

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

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, 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.

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

Accounting policies used

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

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 concern the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

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

Other 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.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Accounting policies used

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

| | Useful life | Residual value |
|--|-------------|----------------|
| Technical plants and machinery | 3-5 years | 0-20 % |
| Other plants, operating assets, fixtures and furniture | 3-5 years | 0-20 % |

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.

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.

As regards assets of own production, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Decoration of rented premises

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 5 years.

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.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

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> | 9/2 2018 | - 31/12 2018 |
|-------------|--|----------------|
| | | |
| | | 291.348 |
| 2 | Staff costs | -316.273 |
| | Depreciation and writedown relating to tangible fixed assets | <u>-5.303</u> |
| | Operating profit | -30.228 |
| | Other financial income | 100 |
| 3 | Other financial costs | <u>-4.909</u> |
| | Results before tax | -35.037 |
| | Tax on ordinary results | <u>0</u> |
| | Results for the year | -35.037 |
| | | |
| | Proposed distribution of the results: | |
| | Allocated from results brought forward | <u>-35.037</u> |
| | Distribution in total | -35.037 |

Balance sheet

All amounts in DKK.

| <u>Note</u> | <u>31/12 2018</u> |
|--|-------------------------|
| Assets | |
| Fixed assets | |
| 4 Other plants, operating assets, and fixtures and furniture | 1.347.291 |
| 5 Decoration rented premises | 213.477 |
| Tangible fixed assets in total | <u>1.560.768</u> |
| 6 Deposits | 100.000 |
| Financial fixed assets in total | <u>100.000</u> |
| Fixed assets in total | <u>1.660.768</u> |
| Current assets | |
| Trade debtors | 1.133.848 |
| Other debtors | 24.000 |
| Accrued income and deferred expenses | 48.374 |
| Debtors in total | <u>1.206.222</u> |
| Available funds | <u>180.552</u> |
| Current assets in total | <u>1.386.774</u> |
| Assets in total | <u>3.047.542</u> |

Balance sheet

All amounts in DKK.

| <u>Note</u> | <u>31/12 2018</u> |
|---|-------------------|
| Equity and liabilities | |
| Equity | |
| 7 Contributed capital | 50.000 |
| 8 Results brought forward | -35.037 |
| Equity in total | 14.963 |
| Liabilities | |
| Prepayments received from customers | 21.284 |
| Trade creditors | 26.414 |
| Debt to group enterprises | 2.482.458 |
| Other debts | 502.423 |
| Short-term liabilities in total | 3.032.579 |
| Liabilities in total | 3.032.579 |
| Equity and liabilities in total | 3.047.542 |
| | |
| 1 Uncertainties concerning the enterprise's ability to continue as a going concern | |
| 9 Contingencies | |

Notes

All amounts in DKK.

9/2 2018
- 31/12 2018

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

The company's management points out that the company has lost more than 50% of its share capital and thus is covered by section 119 of the Danish Companies Act.

Management believes that the company's capital and liquidity resources are sufficient for the company's by debt to group enterprises, has provided the necessary capital resources.

The company expects a positive accounts for the following financial year.

2. Staff costs

| | |
|---------------------------------|----------------|
| Salaries and wages | 314.431 |
| Other costs for social security | 1.704 |
| Other staff costs | 138 |
| | <hr/> |
| | 316.273 |
| | <hr/> |
| Average number of employees | 2 |
| | <hr/> |

3. Other financial costs

| | |
|-----------------------|--------------|
| Other financial costs | 4.909 |
| | <hr/> |
| | 4.909 |
| | <hr/> |

4. Other plants, operating assets, and fixtures and furniture

| | |
|------------------------------------|------------------|
| Additions during the year | 1.347.291 |
| | <hr/> |
| Cost 31 December 2018 | 1.347.291 |
| | <hr/> |
| Depreciation for the year | 0 |
| | <hr/> |
| Book value 31 December 2018 | 1.347.291 |
| | <hr/> |

Notes

All amounts in DKK.

| | <u>31/12 2018</u> |
|--|-----------------------|
| 5. Decoration rented premises | |
| Additions during the year | <u>218.780</u> |
| Cost 31 December 2018 | <u>218.780</u> |
| Depreciation for the year | <u>-5.303</u> |
| Depreciation and writedown 31 December 2018 | <u>-5.303</u> |
| Book value 31 December 2018 | <u>213.477</u> |
| | |
| 6. Deposits | |
| Additions during the year | <u>100.000</u> |
| Cost 31 December 2018 | <u>100.000</u> |
| Book value 31 December 2018 | <u>100.000</u> |
| | |
| 7. Contributed capital | |
| Contributed capital 9 February 2018 | <u>50.000</u> |
| | <u>50.000</u> |
| | |
| 8. Results brought forward | |
| Profit or loss for the year brought forward | <u>-35.037</u> |
| | <u>-35.037</u> |
| | |
| 9. Contingencies | |
| Rental commitments, non-cancellation period 16 months amount to DKK 800,000. | |

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"By my signature I confirm all dates and content in this document."

ANDREAS JONSSON

Adm. direktør

Serial number: 19780603xxxx

IP: 85.224.xxx.xxx

2019-05-22 07:45:49Z



Ulrik Nørskov

Statsautoriseret revisor

On behalf of: Buus Jensen I/S Statsautoriserede Revisorer

Serial number: CVR:16119040-RID:78872295

IP: 195.184.xxx.xxx

2019-05-22 13:14:57Z



ANDREAS JONSSON

Dirigent

Serial number: 19780603xxxx

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