

Hovedgaden 34
Rønde

Brunbjergvej 3
Risskov

Østeralle 8
Ebeltoft

Pro Design Interior ApS

**C/O Det Italienske Handelskammer i Dan
H.C. Andersens Boulevard 37, 4. th
1553 København V**

**ANNUAL REPORT
2022**

The annual report was presented and adopted
at the annual general meeting of the Company,
the 9 / 8 2023



Mirel-Octavian Musat

Medlem af:

Allinial GLOBAL®
An association of legally independent firms

Company reg. no.: 41 86 35 36

Statsautoriseret
revisionspartnerselskab

RGD REVISORGRUPPEN DANMARK

CVR 38 75 16 46

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Management's report

Today the Board of Directors and the Executive Board have discussed and approved the Annual Report of Pro Design Interior ApS for the period 1. januar - 31. december 2022.

The Annual Report has been prepared in conformity with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31. december 2022 and of its financial performance and cash flows for the period 1. januar - 31. december 2022.

In our opinion the Management commentary includes a fair review of the matters described.

We recommend that the Annual Report be approved by the Annual General Meeting.

København V, the 9 / 8 2023

Executive Board

Radu Sandu Covaci

Mirel-Octavian Musat

The image shows two handwritten signatures in black ink. The signature on the left is for Radu Sandu Covaci and the signature on the right is for Mirel-Octavian Musat. Both signatures are stylized and cursive.

INDEPENDENT AUDITOR'S EXTENDED REVIEW REPORT

To the shareholders of Pro Design Interior ApS

Conclusion

We have performed an extended review of the financial statements of Pro Design Interior ApS for the financial period from 1. januar to 31. december 2022, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in conformity with 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 period from 1. januar to 31. december 2022 in conformity with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Material uncertainties about ability to continue as a going concern

We point out that there is significant uncertainty that may raise significant doubts about the Company's ability to continue operations. The Company has realized a significant loss and the equity is negative with DKK 7,466k. We refer to note 1 for description of the basis for going concern. The main conditions are the Company's ability to create positive earnings and positive cash flow from earnings in order to pay the Company debt in accordance with the payment agreements that has been made.

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 an 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.

INDEPENDENT AUDITOR'S EXTENDED REVIEW REPORT

Statement on the management's review

Management is responsible for the 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 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 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 Financial Statements Act. We did not identify any material misstatements in the Management's review.

Statement pursuant to other regulation

Emphasis of matter relating to corporate or corresponding law

In violation of the Danish Company Act section 210, subsection 1, the Company have granted a loan to both of the Company's shareholders, whereby the management may be drawn accountable. The loan was granted last year and has been repaid during the financial year. No new loans have occurred during current financial year.

Violation of reporting rules

The company's management has not complied with the Danish Financial Statements Act submission deadline for submission of the annual report. Management may be hold liable for this matter.

Violation of VAT legislation

The Company has not in accordance with the Danish Act on VAT reported correct any timely VAT figures and declarations to the Tax Authorities. Management may be hold liable for this matter.

Capital loss

The company has lost more than 50% of the capital. General meeting has not in accordance with the Danish Financial Statements Act been convened no more than 6 months after it has been ascertained. Management may be hold liable for this matter.

Aarhus, the 9 / 8 2023

Kovsted & Skovgård

Statsautoriseret revisionspartnerselskab

Company reg. no.: 38751646



René Ferrer Ruiz

statsautoriseret revisor

mne33710

Company information

The Company

Pro Design Interior ApS
C/O Det Italienske Handelskammer i Dan
H.C. Andersens Boulevard 37, 4. th
1553 København V

Company reg. no.: 41 86 35 36
Financial year: 1. januar - 31. december

Executive Board

Radu Sandu Covaci
Mirel-Octavian Musat

Auditors

Kovsted & Skovgård
Statsautoriseret revisionspartnerselskab
Brunbjergvej 3
8240 Risskov

Management commentary

Main activity of the company

The company's activity is within carpentry and building joinery business, primarily with interior completion of ceilings and walls as well as any activity related to this.

Exceptional circumstances

The comparative figures in the income statement cover the period from 5 November 2020 - 31 December 2021.

Uncertainty in recognition and measurement

We point out that there is significant uncertainty in recognition and measurement. We refer to note 1 for further description.

Development in the activities and the financial situation of the Company

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK -7.735.299 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 4.684.860 and an equity of DKK -7.465.944.

The Company's equity is lost during the year. The Company's financial position at 31 December 2022 might raise uncertainty regarding going concern. We refer to note 1 for further description.

Material events after the reporting date

No events have occurred after the reporting date that may materially affect the financial position of the company.

Accounting policies

GENERAL INFORMATION

The financial statements of Pro Design Interior ApS for the financial year 2022 have been prepared in conformity with the provisions of the Financial Statements Act on class B enterprises combined with a few rules on class C enterprises.

The current year is the first financial period of the Company, for which reason no comparative figures are disclosed in the income statement, balance sheet and notes.

The reporting currency is Danish kroner.

Recognition and measurement in general

The financial statements have been prepared under the historical cost convention.

Income is recognised in the income statement when earned. Value adjustments of financial assets and liabilities measured at fair value or amortised cost are also recognised in the income statement. Costs incurred to generate the earnings for the year are also recognised in the income statement, including amortisation, depreciation, impairment losses and provisions as well as reversals resulting from changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future financial benefits will flow to the Company and it is possible to obtain a reliable measurement of the individual assets.

Liabilities are recognised in the balance sheet when it is probable that future financial benefits will flow from the Company and it is possible to obtain a reliable measurement of the individual liabilities.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item.

Anticipated losses and risks arising before the presentation of the financial statements and confirming or disconfirming facts and circumstances known at the reporting date are taken into consideration at recognition and measurement.

The functional currency used is Danish kroner. All other currencies are considered foreign currencies.

Foreign currency translation

Foreign currency transactions are translated at the exchange rates ruling at the transaction dates. Gains and losses arising from movements between the exchange rates at the date of the individual transaction and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, accounts payable and other monetary items denominated in a foreign currency, but not settled at the reporting date, are translated at the exchange rates ruling at the reporting date. Exchange rate differences between the exchange rates at the reporting date and the date of the individual transaction are recognised in the income statement as financial income or financial expenses.

INCOME STATEMENT

General information

Certain income and expenses have been aggregated in the item designated 'Gross profit' with reference to section 32 of the Financial Statements Act.

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end. Revenue is recognised exclusive of VAT and net of sales discounts.

Accounting policies

Other operating income and expenses

Other operating income and expenses comprise items relating to activities secondary to the activities of the enterprise, including profit and loss from the disposal of property, plant and equipment.

Cost of raw materials and consumables

Cost of raw materials and consumables includes the cost of goods purchased less discounts and changes in inventories for the year.

Other external expenses

Other external expenses include costs for sales, administration, premises, rental expenses under operating leases, etc.

Staff costs

Staff costs include wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement from the Government.

Financial income and expenses

Financial income and expenses are recognised in the income statement based on the amounts which relate to the financial year. Financial income and expenses include interest revenue and expenses, realised and unrealised gains and losses on accounts payable and transactions in foreign currencies.

Tax on net profit for the year

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

The parent and its domestic subsidiaries are assessed jointly for Danish tax purposes. The current Danish corporate income tax is allocated to the jointly taxed Danish companies in proportion to their taxable income. The parent is the administration company of the jointly taxed group of companies, the parent being in charge of paying taxes, etc., to the Danish tax authorities.

BALANCE SHEET

Tangible fixed assets

Property, plant and equipment is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciation basis is the cost price less the expected residual value after the end of the useful life. Land is not depreciated. The depreciation period and the residual value are determined at the time of acquisition and reassessed annually. If the residual value exceeds the carrying amount of the asset, the depreciation ceases.

The cost price includes the acquisition price as well as costs directly associated with the acquisition until the time when the asset is ready to be taken into use. For self-manufactured assets, the cost price includes costs for materials, components, subcontractors and direct labor consumption.

Linear depreciation is made based on the following assessment of the assets' expected useful lives and residual values:

	<u>User time</u>	<u>Residual value</u>
Tools and equipment	5 years	0 %

Assets with a service life less than 1 year are recognised as expenses in the income statement in the year of acquisition.

Accounting policies

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

Receivables

Receivables are measured at amortised cost, which normally corresponds to the nominal value. The value is reduced by an allowance for expected impairment losses.

Impairment of accounts receivable past due is established on individual assessment of receivables.

Contract work in progress

Construction contracts in progress are measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the estimated total income from the individual work in progress. The stage of completion is determined on the basis of costs incurred in relation to expected total costs.

Deduction for loss is determined as the total expected contract loss, irrespective of the share actually performed.

The value of the individual supplies in progress less invoicing on account is classified as receivables if the amounts are positive and as payables if the amounts are negative.

Prepayments

Prepayments recognised under assets include costs already defrayed but relating to the subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents include deposits in banks with bank accounts as well as cash and cash equivalents.

Corporate income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on the taxable income for previous years and for prepaid taxes.

Deferred tax is measured using the balance-sheet liability method on any temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are measured at their anticipated realisable values, either by elimination in tax on future earnings or by being offset against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at their net realisable values.

Deferred tax is measured based on the tax rules and tax rates applicable when the deferred tax is expected to crystallise as current tax according to the legislation in force at the reporting date. Any change in deferred tax as a result of changes in the tax rates is recognised in the income statement. The current tax rate has been applied for the current year.

Payables

Other payables, comprising trade payables and other accounts payable, are measured at amortised cost, which normally corresponds to the nominal value.

Profit and loss account
1. JANUAR - 31. DECEMBER 2022

Note	2022	2020/21
GROSS PROFIT	37.965.259	18.658.261
2 Staff costs	-44.677.560	-18.203.942
Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment	-384.073	-98.390
Other operating costs	-404.358	0
OPERATING PROFIT OR LOSS	-7.500.732	355.929
Other financial income	99.205	16.661
Other financial expenses	-396.388	-46.253
PROFIT OR LOSS BEFORE TAX	-7.797.915	326.337
Tax on net profit for the year	62.616	-96.982
PROFIT OR LOSS FOR THE YEAR	-7.735.299	229.355
PROPOSED DISTRIBUTION OF NET PROFIT		
Retained earnings	-7.735.299	229.355
SETTLEMENT OF DISTRIBUTION TOTAL	-7.735.299	229.355

Balance sheet 31 December

ASSETS

Note	2022	2021
Other plant, fixtures and operating equipment	1.361.418	1.399.949
Tangible fixed assets	1.361.418	1.399.949
Other receivables	0	1.234.678
Deposits	45.000	0
Fixed assets investments	45.000	1.234.678
NON-CURRENT ASSETS	1.406.418	2.634.627
Trade receivables	413.504	2.790.023
Contract work in progress	523.519	0
Other receivables	358.689	298.808
3 Receivables from owners and management	0	619.664
Accruals	34.938	23.107
Receivables	1.330.650	3.731.602
Cash	1.947.792	1.387.654
CURRENT ASSETS	3.278.442	5.119.256
ASSETS	4.684.860	7.753.883

Balance sheet 31 December EQUITY AND LIABILITIES

Note	2022	2021
Contributed capital	40.000	40.000
Retained earnings	-7.505.944	229.355
EQUITY	-7.465.944	269.355
Provision for deferred tax	3.230	65.846
PROVISIONS	3.230	65.846
Trade creditors	1.256.888	454.391
Corporate income tax	0	31.136
Other accounts payable	10.688.983	6.933.155
Payables to owners and management	201.703	0
Short-term payables	12.147.574	7.418.682
PAYABLES	12.147.574	7.418.682
EQUITY AND LIABILITIES	4.684.860	7.753.883

STATEMENT OF CHANGES IN EQUITY

	2022	2021
Contributed capital opening	40.000	40.000
Contributed capital closing balance	40.000	40.000
Retained earnings at beginning of period	229.355	0
Profit or loss for the year	-7.735.299	229.355
Retained earnings closing balance	-7.505.944	229.355
EQUITY	-7.465.944	269.355

Notes

2022 2020/21

1 Uncertainty regarding the going concern status

There is significant uncertainty about the Company's ability to continue operations. The Company's equity is negative by DKK -7.465.944, and the Company's capital is thus lost. It is the assessment of Management that the Company can re-establish the capital through own earnings. The assessment is based on the realized result from 1 January - 30 June 2023 and budgets from 1 July 2023 until 31 December 2024. If the Company's budgets are not realized, this may change the company's ability to continue operations. The Company has entered a payment agreement with the largest creditor (the Tax Authorities).

The main factors for the basis of going concern is that the activity of the Company can be realized as stated in the budget and that the Company comply with the payment agreement which has been made with the Tax Authorities.

Based on the assessment of Management and the budgets the financial statements have accordingly been prepared using the going concern assumption.

2 Staff costs

Number of people employed	94	36
Wages and salaries	39.282.931	15.788.211
Pensions	4.541.376	2.034.739
Other social security costs	853.253	380.992
	<u>44.677.560</u>	<u>18.203.942</u>

2022 2021

3 Receivables from owners and management

Receivables from owners and management	0	619.664
	<u>0</u>	<u>619.664</u>

During the financial year, loans has been granted to the Company's shareholders, and at the balance sheet date, the loans has been repaid.

The loans has an interest rate with The National Bank of Denmark's lending rate of 10,05 %. Interest amounts to 71 TDKK in the financial year.