

Smartsten ApS

Lyskær 3, C, st,

2730 Herlev

CVR No. 42182109

Annual Report 2023

3. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 11 April 2024

Indrek Vallaste
Chairman

Smartsten ApS

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Management's Statement

Today, Management has considered and adopted the Annual Report of Smartsten ApS for the financial year 1 January 2023 - 31 December 2023.

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 assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Herlev, 11 April 2024

Executive Board

Norman Aeg
Manager

Indrek Vallaste
Manager

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Company details

Company	Smartsten ApS Lyskær 3, C, st, 2730 Herlev
CVR No.	42182109
Date of formation	19 February 2021
Registered office	Herlev
Executive Board	Norman Aeg, Manager Indrek Vallaste, Manager

Management's Review

The Company's principal activities

The Company's principal activities consist in trade of kitchen elements, including surveying and installation of kitchen worktops as well as directly and indirectly related business.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of DKK 32.680 and the Balance Sheet at 31 December 2023 a balance sheet total of DKK 8.720.406 and an equity of DKK -64.937.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Uncertainties relating to going concern

The company has lost more than 50% of its share capital and is therefore subject to the rules on capital losses in the Companies Act. Management expects that the equity will be restored within 3-4 years through the company's own earnings.

The company depends on the necessary financing being made available from its shareholders. Management expects that the necessary financing will be made available from the company's shareholders and, accordingly, presents annual reports on a going concern basis.

Accounting Policies

Reporting Class

The annual report of Smartsten ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with options of reporting class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue and other external expenses.

Accounting Policies

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Amortisation and impairment of tangible assets

Amortization and impairment of assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values.

Financial income and expenses

Financial expenses are recognised in the income statement based at the amounts that concern the financial year. Financial expenses include interest revenue and expenses, realised and unrealised capital gains and losses regarding accounts payable and transactions in foreign currencies and surcharges and allowances under the advance-payment of tax scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

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

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

Property, plant and equipment

5 years useful life

Accounting Policies

Inventories

The cost of goods for resale, raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

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Income Statement

	Note	2023 kr.	2022 kr.
Gross profit		2.204.265	1.891.750
Employee benefits expense	2	-2.123.896	-1.864.241
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-35.080	-11.693
Profit from ordinary operating activities		45.289	15.816
Other finance income		61	0
Finance expenses		-1.861	-14.296
Profit from ordinary activities before tax		43.489	1.520
Tax expense on ordinary activities		-10.809	-1.267
Profit		32.680	253
Proposed distribution of results			
Retained earnings		32.680	253
Distribution of profit		32.680	253

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Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Assets			
Property, plant and equipment	3	128.627	163.707
Property, plant and equipment		128.627	163.707
Deposits, investments		10.000	10.000
Investments		10.000	10.000
Fixed assets		138.627	173.707
Raw materials and consumables		8.367.072	4.432.772
Prepayments for goods		140.090	183.076
Inventories		8.507.162	4.615.848
Current deferred tax		26.811	37.620
Other short-term receivables		40.000	59.259
Receivables		66.811	96.879
Cash and cash equivalents		7.806	6.330
Current assets		8.581.779	4.719.057
Assets		8.720.406	4.892.764

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Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Liabilities and equity			
Contributed capital		40.000	40.000
Retained earnings		-104.937	-137.617
Equity	1	-64.937	-97.617
Other provisions		74.465	64.046
Provisions		74.465	64.046
Debt to other credit institutions		1.122.593	596.150
Payables to associates		6.977.952	3.898.385
Tax payables		133.217	95.490
Other payables		477.116	336.310
Short-term liabilities other than provisions		8.710.878	4.926.335
Liabilities other than provisions within the business		8.710.878	4.926.335
Liabilities and equity		8.720.406	4.892.764
Contingent liabilities	4		
Collaterals and assets pledges as security	5		

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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	40.000	-137.617	-97.617
Profit (loss)	0	32.680	32.680
Equity 31 December 2023	40.000	-104.937	-64.937

The share capital has remained unchanged since the foundation.

Notes

1. Uncertainties relating to going concern

The company has lost more than 50% of its share capital and is therefore subject to the rules on capital losses in the Companies Act. Management expects that the equity will be restored within 3-4 years through the company's own earnings.

The company depends on the necessary financing being made available from its shareholders. Management expects that the necessary financing will be made available from the company's shareholders and, accordingly, presents annual reports on a going concern basis.

	2023	2022
2. Employee benefits expense		
Wages and salaries	2.106.222	1.847.200
Social security contributions	17.674	17.041
	2.123.896	1.864.241
Average number of employees	5	4
3. Plant and machinery		
Cost at the beginning of the year	175.400	0
Addition during the year, incl. improvements	0	175.400
Cost at the end of the year	175.400	175.400
Depreciation and amortisation at the beginning of the year	-11.693	0
Amortisation for the year	-35.080	-11.693
Impairment losses and amortisation at the end of the year	-46.773	-11.693
Carrying amount at the end of the year	128.627	163.707

4. Contingent liabilities

The company has contingent liabilities in the form of leasing obligations of DKK 356,552 at the balance sheet date.

5. Collaterals and securities

No securities or mortgages exist at the balance sheet date.