

Smartsten ApS

Lyskær 3, C, st,

2730 Herlev

CVR No. 42182109

Annual Report 2021

1. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 16 May 2022

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 19 February 2021 - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 19 February 2021 - 31 December 2021.

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

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

Herlev, 16 May 2022

Executive Board

Norman Aeg
Manager

Indrek Vallaste
Manager

Smartsten ApS

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 19 February 2021 - 31 December 2021 shows a result of DKK -137.870 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 1.458.429 and an equity of DKK -97.870.

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.

Capital loss

Management is aware that the company has lost the share capital. Within six months of the finding of capital losses, management has held an extraordinary general meeting at which the company's management has set out the financial plan for the re-establishment of the share capital. The capital that is lost is expected by management re-established in the coming year through positive earnings.

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Accounting Policies

Reporting Class

The annual report of Smartsten ApS for 2021 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.

As the financial year 2021 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The annual report is presented in Danish kroner.

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, change in inventories of finished goods, work in progress and goods for resale, other operating income, costs for raw materials and consumables 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.

Financial income and expenses

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

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

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

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.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

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

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.

Accounting Policies

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.

Accounting Policies

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Other payables

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

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Income Statement

| | Note | 2021 kr. |
|---|------|-----------------|
| Gross profit | | 522.771 |
| Employee benefits expense | | <u>-699.528</u> |
| Profit from ordinary operating activities | | -176.757 |
| Profit from ordinary activities before tax | | -176.757 |
| Tax expense on ordinary activities | | <u>38.887</u> |
| Profit | | -137.870 |
| Proposed distribution of results | | |
| Retained earnings | | <u>-137.870</u> |
| Distribution of profit | | -137.870 |

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Balance Sheet as of 31 December

| | Note | 2021 kr. |
|-------------------------------|------|------------------|
| Assets | | |
| Deposits, investments | | 10.000 |
| Investments | | 10.000 |
| Fixed assets | | 10.000 |
| Raw materials and consumables | | 1.202.750 |
| Prepayments for goods | | 166.792 |
| Inventories | | 1.369.542 |
| Current deferred tax | | 38.887 |
| Other short-term receivables | | 40.000 |
| Receivables | | 78.887 |
| Current assets | | 1.448.429 |
| Assets | | 1.458.429 |

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Balance Sheet as of 31 December

| | Note | 2021 kr. |
|--|------|------------------|
| Liabilities and equity | | |
| Contributed capital | | 40.000 |
| Retained earnings | | -137.870 |
| Equity | | -97.870 |
| Other provisions | | 44.817 |
| Provisions | | 44.817 |
| Debt to other credit institutions | | 249.906 |
| Payables to associates | | 999.986 |
| Tax payables | | 80.708 |
| Other payables | | 180.882 |
| Short-term liabilities other than provisions | | 1.511.482 |
| Liabilities other than provisions within the business | | 1.511.482 |
| Liabilities and equity | | 1.458.429 |
| Contingent liabilities | 2 | |
| Collaterals and assets pledges as security | 3 | |

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Statement of changes in Equity

| | Contributed capital | Retained earnings | Total |
|--------------------------------|--------------------------------|------------------------------|----------------|
| Equity 19 February 2021 | 40.000 | 0 | 40.000 |
| Profit (loss) | 0 | -137.870 | -137.870 |
| Equity 31 December 2021 | 40.000 | -137.870 | -97.870 |

Notes

2021

1. Employee benefits expense

| | |
|-------------------------------|----------------|
| Wages and salaries | 693.630 |
| Social security contributions | 5.898 |
| | <hr/> |
| | 699.528 |
| | <hr/> |

| | |
|-----------------------------|-------|
| Average number of employees | |
| | <hr/> |
| | 2 |
| | <hr/> |

2. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

3. Collaterals and securities

No securities or mortgages exist at the balance sheet date.