

Qeye Labs ApS

Lersø Parkallé 107

2100 København Ø

CVR no. 34 20 46 59

Annual report for 2018/19
(7th Financial year)

Adopted at the annual general
meeting on 2. October 2019

Henrik Juhl Hansen
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Accounting policies	7
Income statement 1 July 2018 - 30 June 2019	12
Balance sheet at 30 June 2019	13
Notes to the annual report	15

Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Qeye Labs ApS for the financial year 1 July 2018 - 30 June 2019.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2019 and of the results of the company's operations for the financial year 1 July 2018 - 30 June 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 2 October 2019

Executive board

Anders Georg Bruun
CEO

Frederik Horn
director

Supervisory board

Frederik Horn

Henrik Juhl Hansen

Anders Georg Bruun

Klaus Bolding Rasmussen

Ask Frode Jakobsen

Independent auditor's report

To the shareholders of Qeye Labs ApS

Opinion

We have audited the financial statements of Qeye Labs ApS for the financial year 1 July 2018 - 30 June 2019, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2019 and of the results of the company's operations for the financial year 1 July 2018 - 30 June 2019 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for 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 audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Taastrup, 2 October 2019

JH Revision
Godkendt Revisionspartnerselskab
CVR no. 55 39 97 19

Frederik Bille
Statsautoriseret revisor
MNE no. mne33208

Company details

The company

Qeye Labs ApS
Lersø Parkallé 107
2100 København Ø

Telephone: 41275652

CVR no.: 34 20 46 59

Reporting period: 1 July 2018 - 30 June 2019

Incorporated: 6. January 2012

Financial year: 7th financial year

Domicile: Copenhagen

Supervisory board

Frederik Horn
Henrik Juhl Hansen
Anders Georg Bruun
Klaus Bolding Rasmussen
Ask Frode Jakobsen

Executive board

Anders Georg Bruun, CEO
Frederik Horn, director

Auditors

JH Revision
Godkendt Revisionspartnerselskab
Struergade 12, 1. th.
2630 Taastrup

Bankers

Nykredit Bank A/S
Kalvebod Brygge 47
1780 København V

Management's review

Business activities

Qeye is a geophysical technology company specialising in quantitative interpretation (QI). The purpose of the company is to provide project based consultancy using proprietary and innovative QI software.

Business review

The company's income statement for the year ended 30 June shows a profit of DKK 1.741.572, and the balance sheet at 30 June 2019 shows equity of DKK 6.198.337.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Qeye Labs ApS for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow 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 will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue less other external expenses.

Accounting policies

Revenue

Income from sale is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other external expenses

Other external expenses include direct costs and expenses related to distribution, sale, advertising, administration, premises, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Profit/loss from investments in subsidiaries

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5	years 0 %

Assets costing less than DKK 13.800 are expensed in the year of acquisition.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Investments in subsidiaries

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Accounting policies

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Qeye Labs ApS is adopted are not taken to the net revaluation reserve.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Work in progress

Work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Securities

Securities and investments, which consist of listed shares and bonds, are measured at fair value at the balance sheet date.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries relative to the cost.

Accounting policies

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

Income statement 1 July 2018 - 30 June 2019

	<u>Note</u>	<u>2018/19</u> DKK	<u>2017/18</u> DKK
Gross profit		8.058.265	5.158.223
Staff costs	1	<u>-5.800.488</u>	<u>-5.353.317</u>
Profit/loss before amortisation/depreciation and impairment losses		2.257.777	-195.094
Depreciation, amortisation and impairment of tangible assets		<u>-25.514</u>	<u>-37.982</u>
Profit/loss before net financials		2.232.263	-233.076
Income from investments in subsidiaries		74.021	-861.659
Financial income	2	141.480	193.968
Financial costs		<u>-221.863</u>	<u>-123.899</u>
Profit/loss before tax		2.225.901	-1.024.666
Tax on profit/loss for the year		<u>-484.329</u>	<u>27.517</u>
Profit/loss for the year		<u>1.741.572</u>	<u>-997.149</u>
Proposed dividend for the year		500.000	0
Reserve for net revaluation under the equity method		227.343	73.630
Retained earnings		<u>1.014.229</u>	<u>-1.070.779</u>
		<u>1.741.572</u>	<u>-997.149</u>

Balance sheet at 30 June 2019

	<u>Note</u>	<u>2018/19</u> DKK	<u>2017/18</u> DKK
Assets			
Other fixtures and fittings, tools and equipment		356.007	15.343
Tangible assets	3	<u>356.007</u>	<u>15.343</u>
Investments in subsidiaries	4	2.097.319	1.537.137
Deposits		1.250	1.250
Fixed asset investments		<u>2.098.569</u>	<u>1.538.387</u>
Total non-current assets		<u>2.454.576</u>	<u>1.553.730</u>
Trade receivables		3.932.630	1.069.213
Contract work in progress	5	1.038.949	0
Receivables from subsidiaries		0	529.568
Other receivables		128.877	344.969
Deferred tax asset		0	171.833
Corporation tax		0	14.169
Prepayments		39.034	149.747
Receivables		<u>5.139.490</u>	<u>2.279.499</u>
Current asset investments		154.518	607.761
Securities		<u>154.518</u>	<u>607.761</u>
Cash at bank and in hand		<u>943.874</u>	<u>1.048.384</u>
Total current assets		<u>6.237.882</u>	<u>3.935.644</u>
Total assets		<u>8.692.458</u>	<u>5.489.374</u>

Balance sheet at 30 June 2019

	<u>Note</u>	<u>2018/19</u> DKK	<u>2017/18</u> DKK
Equity and liabilities			
Share capital		80.000	80.000
Reserve for net revaluation under the equity method		1.897.922	1.537.127
Retained earnings		3.720.415	2.706.186
Proposed dividend for the year		500.000	0
Equity	6	<u>6.198.337</u>	<u>4.323.313</u>
Provision for deferred tax		81.849	0
Provisions relating to investments in group entities		16.032	0
Total provisions		<u>97.881</u>	<u>0</u>
Banks		96.080	48.793
Trade payables		5.500	5.500
Payables to subsidiaries		168.386	0
Payables to shareholders and management		851	942
Corporation tax		236.238	0
Other payables		1.889.185	1.110.826
Total current liabilities		<u>2.396.240</u>	<u>1.166.061</u>
Total liabilities		<u>2.396.240</u>	<u>1.166.061</u>
Total equity and liabilities		<u><u>8.692.458</u></u>	<u><u>5.489.374</u></u>
Rent and lease liabilities	7		
Mortgages and collateral	8		

Notes

	<u>2018/19</u>	<u>2017/18</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	5.698.004	5.208.477
Pensions	55.904	90.970
Other social security costs	<u>46.580</u>	<u>53.870</u>
	<u>5.800.488</u>	<u>5.353.317</u>
Average number of employees	<u>7</u>	<u>8</u>
2 Financial income		
Interest received from subsidiaries	135.446	119.709
Other financial income	<u>6.034</u>	<u>74.259</u>
	<u>141.480</u>	<u>193.968</u>
3 Tangible assets		
		Other fixtures and fittings, tools and equipment
Cost at 1 July 2018		815.700
Additions for the year		<u>366.178</u>
Cost at 30 June 2019		<u>1.181.878</u>
Impairment losses and depreciation at 1 July 2018		800.357
Depreciation for the year		<u>25.514</u>
Impairment losses and depreciation at 30 June 2019		<u>825.871</u>
Carrying amount at 30 June 2019		<u>356.007</u>

Notes

	2018/19	2017/18
	DKK	DKK
4 Investments in subsidiaries		
Cost at 1 July 2018	10	10
Additions for the year	199.387	0
Cost at 30 June 2019	199.397	10
Revaluations at 1 July 2018	1.537.127	1.406.920
Exchange adjustment	133.452	56.577
Net profit/loss for the year	74.021	-861.659
Revaluations for the year, net	0	0
Equity investments with negative net asset value amortised over receivables, start year	-2.886.123	-1.950.834
Equity investments with negative net asset value amortised over receivables, end year	3.023.413	2.886.123
Equity investments with negative net asset value transferred to provisions	16.032	0
Revaluations at 30 June 2019	1.897.922	1.537.127
Carrying amount at 30 June 2019	2.097.319	1.537.137

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
Qeye Labs Canada Ltd.	Canada	100%
Qeye Labs Australia Pty Ltd.	Australien	100%
Qeye Labs USA Inc.	USA	100%

Notes

	2018/19	2017/18
	DKK	DKK
5 Contract work in progress		
Work in progress, selling price	3.355.383	0
Work in progress, payments received on account	-2.316.434	0
	1.038.949	0

6 Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 July 2018	80.000	1.537.127	2.706.186	0	4.323.313
Exchange adjustment, foreign	0	133.452	0	0	133.452
Net profit/loss for the year	0	227.343	1.014.229	500.000	1.741.572
Equity at 30 June 2019	80.000	1.897.922	3.720.415	500.000	6.198.337

	2018/19	2017/18
	DKK	DKK
7 Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	85.888	83.387
	85.888	83.387

Notes

8 Mortgages and collateral

As security for guarantee of DKK 45.000 to the company's landlord, liquid assets of DKK 45.000 have been deposited by the company's bank.

Anders Georg Bruun

Som Direktør NEM ID
PID: 9208-2002-2-568411972822
Tidspunkt for underskrift: 02-10-2019 kl.: 11:07:04
Underskrevet med NemID

Anders Georg Bruun

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-568411972822
Tidspunkt for underskrift: 02-10-2019 kl.: 11:07:04
Underskrevet med NemID

Frederik Horn

Som Direktør NEM ID
PID: 9208-2002-2-254193508207
Tidspunkt for underskrift: 02-10-2019 kl.: 10:40:22
Underskrevet med NemID

Frederik Horn

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-254193508207
Tidspunkt for underskrift: 02-10-2019 kl.: 10:40:22
Underskrevet med NemID

Henrik Juhl Hansen

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-135801252901
Tidspunkt for underskrift: 02-10-2019 kl.: 09:53:49
Underskrevet med NemID

Klaus Bolding Rasmussen

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-362099724363
Tidspunkt for underskrift: 02-10-2019 kl.: 15:57:41
Underskrevet med NemID

Ask Frode Jakobsen

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-962110435211
Tidspunkt for underskrift: 02-10-2019 kl.: 10:17:05
Underskrevet med NemID

Frederik Bille

Som statsautoriseret revisor NEM ID
RID: 30614065
Tidspunkt for underskrift: 02-10-2019 kl.: 16:01:39
Underskrevet med NemID

This document is signed with esignatur. Embedded in the document is the original agreement document and a signed data object for each signatory. The signed data object contains a mathematical hash value calculated from the original agreement document, which secures that the signatures is related to precisely this document only. Prove for the originality and validity of signatures can always be lifted as legal evidence.

The document is locked for changes and all cryptographic signature certificates are embedded in this PDF. The signatures therefore comply with all public recommendations and laws for digital signatures. With esignatur's solution, it is ensured that all European laws are respected in relation to sensitive information and valid digital signatures. If you would like more information about digital documents signed with esignatur, please visit our website at www.esignatur.dk.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Henrik Juhl Hansen

Som Dirigent

PID: 9208-2002-2-135801252901

Tidspunkt for underskrift: 03-10-2019 kl.: 12:35:52

Underskrevet med NemID

NEM ID

This document is signed with esignatur. Embedded in the document is the original agreement document and a signed data object for each signatory. The signed data object contains a mathematical hash value calculated from the original agreement document, which secures that the signatures is related to precisely this document only. Prove for the originality and validity of signatures can always be lifted as legal evidence.

The document is locked for changes and all cryptographic signature certificates are embedded in this PDF. The signatures therefore comply with all public recommendations and laws for digital signatures. With esignatur's solution, it is ensured that all European laws are respected in relation to sensitive information and valid digital signatures. If you would like more information about digital documents signed with esignatur, please visit our website at www.esignatur.dk.

This document has esignatur Agreement-ID: 32db4f6dxTYR27324609