

Qeye Labs ApS

Århusgade 88, 1.

2100 Copenhagen

CVR no. 34 20 46 59

Annual report for 2022/23

(11st Financial year)

Adopted at the annual general
meeting on 15. November 2023

Henrik Juhl Hansen
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	2
Independent auditor's report	3
Management's review	
Company details	6
Management's review	7
Financial statements	
Accounting policies	8
Income statement 1 July 2022 - 30 June 2023	14
Balance sheet at 30 June 2023	15
Statement of changes in equity	17
Notes	18

Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Qeye Labs ApS for the financial year 1 July 2022 - 30 June 2023.

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 2023 and of the results of the company's operations for the financial year 1 July 2022 - 30 June 2023.

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, 15 November 2023

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 2022 - 30 June 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity 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 2023 and of the results of the company's operations for the financial year 1 July 2022 - 30 June 2023 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 and IESBA Code. 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 judgement and maintain professional scepticism 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, 15 November 2023

JH Revision
Godkendt Revisionspartnerselskab
CVR no. 55 39 97 19

Frederik Bille
Statsautoriseret revisor
MNE no. mne33208

Company details

The company

Qeye Labs ApS
Århusgade 88, 1.
2100 Copenhagen

Telephone: 41275652

CVR no.: 34 20 46 59

Reporting period: 1 July 2022 - 30 June 2023

Incorporated: 6 January 2012

Financial year: 11st 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
Kingsvej 3
2630 Taastrup

Bankers

Nykredit Bank A/S
Kalvebod Brygge 47
1780 Copenhagen

Management's review

Business review

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.

Financial review

The company's income statement for the year ended 30 June 2023 shows a profit of DKK 269.079, and the balance sheet at 30 June 2023 shows equity of DKK 6.654.390.

Accounting policies

The annual report of Qeye Labs ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

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

The annual report for 2022/23 is presented in DKK

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 installments 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, changes in work in progress less costs and other external expenses.

Accounting policies

Revenue

Income from the sale of goods for resale and finished goods 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 expenses related advertising, administration, premises and payments under operating leases, 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.

Depreciation

Depreciation comprise the year's amortisation of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on shares and foreign currency transactions, and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries and associates

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.

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

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 and leasehold improvements 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 %
Leasehold improvements	3-5 years	0 %

Assets costing less than DKK 32.000 are expensed in the year of acquisition.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Accounting policies

Investments in subsidiaries and associates

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. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries, associates and participating interests 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.

Net revaluations of investments in subsidiaries, associates and participating interests 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.

Impairment of fixed assets

The carrying amount of items of property, plant and equipment and investments in subsidiaries and associates interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

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.

Accounting policies

Contract work in progress

Contract 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

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, participating interests and associates relative to the cost.

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.

Accounting policies

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 is measured at net realisable value.

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 instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under '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 translated at the exchange rate at the transaction date.

Income statement 1 July 2022 - 30 June 2023

	Note	2022/23 DKK	2021/22 DKK
Gross profit		6.067.824	7.786.133
Staff costs	1	-6.925.169	-8.119.317
Loss before amortisation/depreciation and impairment losses		-857.345	-333.184
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-54.342	-125.970
Profit/loss before net financials		-911.687	-459.154
Income from investments in subsidiaries		914.579	-536.461
Income from investments in associates		162.480	0
Financial income	2	150.089	91.892
Financial costs	3	-465.993	-48.250
Profit/loss before tax		-150.532	-951.973
Tax on profit/loss for the year	4	419.611	395.439
Profit/loss for the year		269.079	-556.534
Proposed dividend for the year		500.000	500.000
Reserve for net revaluation under the equity method		1.730.475	-536.461
Retained earnings		-1.961.396	-520.073
		269.079	-556.534

Balance sheet at 30 June 2023

	<u>Note</u>	<u>2022/23</u> DKK	<u>2021/22</u> DKK
Assets			
Other fixtures and fittings, tools and equipment	5	109.983	152.228
Leasehold improvements	5	51.497	0
Tangible assets		<u>161.480</u>	<u>152.228</u>
Investments in subsidiaries	6	3.824.779	3.412.399
Investments in associates	7	412.480	250.000
Deposits		197.450	198.700
Fixed asset investments		<u>4.434.709</u>	<u>3.861.099</u>
Total non-current assets		<u>4.596.189</u>	<u>4.013.327</u>
Trade receivables		1.369.091	1.762.996
Contract work in progress	8	0	461.963
Receivables from subsidiaries		1.756.252	1.397.778
Other receivables		5.000	176.193
Deferred tax asset		649.061	265.286
Corporation tax		35.836	0
Prepayments		46.131	0
Receivables		<u>3.861.371</u>	<u>4.064.216</u>
Cash at bank and in hand		<u>440.934</u>	<u>1.206.259</u>
Total current assets		<u>4.302.305</u>	<u>5.270.475</u>
Total assets		<u><u>8.898.494</u></u>	<u><u>9.283.802</u></u>

Balance sheet at 30 June 2023

	Note	2022/23 DKK	2021/22 DKK
Equity and liabilities			
Share capital		80.000	80.000
Reserve for net revaluation under the equity method		3.787.862	2.074.424
Retained earnings		2.286.528	4.247.924
Proposed dividend for the year		500.000	500.000
Equity		6.654.390	6.902.348
Holiday allowance		286.235	283.068
Total non-current liabilities	9	286.235	283.068
Banks		47.359	83.697
Trade payables		211.989	5.500
Payables to subsidiaries		424.204	475.616
Payables to shareholders and management		1.000.000	500.000
Other payables		274.317	1.033.573
Total current liabilities		1.957.869	2.098.386
Total liabilities		2.244.104	2.381.454
Total equity and liabilities		8.898.494	9.283.802
Rent and lease liabilities	10		

Statement of changes in equity

	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 July 2022	80.000	2.074.424	4.247.924	500.000	6.902.348
Ordinary dividend paid	0	0	0	-500.000	-500.000
Exchange adjustment, foreign	0	-17.037	0	0	-17.037
Net profit/loss for the year	0	1.730.475	-1.961.396	500.000	269.079
Equity at 30 June 2023	80.000	3.787.862	2.286.528	500.000	6.654.390

Notes

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	6.635.301	7.825.252
Pensions	203.591	209.767
Other social security costs	<u>86.277</u>	<u>84.298</u>
	<u>6.925.169</u>	<u>8.119.317</u>
Number of fulltime employees on average	<u>10</u>	<u>11</u>
2 Financial income		
Other financial income	4.536	1.837
Exchange gains	<u>145.553</u>	<u>90.055</u>
	<u>150.089</u>	<u>91.892</u>
3 Financial costs		
Financial expenses, group entities	12.806	18.293
Other financial costs	8.547	29.957
Exchange loss	<u>444.640</u>	<u>0</u>
	<u>465.993</u>	<u>48.250</u>
4 Tax on profit/loss for the year		
Deferred tax for the year	-383.775	-296.879
Adjustment of tax concerning previous years	<u>-35.836</u>	<u>-98.560</u>
	<u>-419.611</u>	<u>-395.439</u>

Notes

5 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	<u> </u>	<u> </u>
Cost at 1 July 2022	1.350.860	0
Additions for the year	0	71.094
Disposals for the year	0	-7.500
Cost at 30 June 2023	<u>1.350.860</u>	<u>63.594</u>
Impairment losses and depreciation at 1 July 2022	1.198.632	0
Depreciation for the year	42.245	12.097
Impairment losses and depreciation at 30 June 2023	<u>1.240.877</u>	<u>12.097</u>
Carrying amount at 30 June 2023	<u>109.983</u>	<u>51.497</u>

Notes

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
6 Investments in subsidiaries		
Cost at 1 July 2022	<u>199.397</u>	<u>199.397</u>
Cost at 30 June 2023	<u>199.397</u>	<u>199.397</u>
Revaluations at 1 July 2022	3.213.002	2.451.188
Exchange adjustment	-17.037	159.697
Net profit/loss for the year	914.579	-536.461
Equity investments with negative net asset value amortised over receivables, start year	-2.899.053	-1.760.475
Equity investments with negative net asset value amortised over receivables, end year	<u>2.413.891</u>	<u>2.899.053</u>
Revaluations at 30 June 2023	<u>3.625.382</u>	<u>3.213.002</u>
Carrying amount at 30 June 2023	<u>3.824.779</u>	<u>3.412.399</u>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
Qeye Labs Canada Ltd.	Canada	100%
Qeye Labs Australia Pty Ltd.	Australia	100%
Qeye Labs USA Inc.	USA	100%

Notes

	2022/23 DKK	2021/22 DKK
7 Investments in associates		
Cost at 1 July 2022	250.000	0
Additions for the year	0	250.000
Cost at 30 June 2023	250.000	250.000
Revaluations at 1 July 2022	0	0
Net profit/loss for the year	162.480	0
Revaluations at 30 June 2023	162.480	0
Carrying amount at 30 June 2023	412.480	250.000

Investments in associates are specified as follows:

Name	Registered office	Ownership interest
Solidground ApS	Denmark, Copenhagen	50%

Notes

	2022/23 DKK	2021/22 DKK
8 Contract work in progress		
Work in progress, selling price	0	461.963
	0	461.963

9 Long term debt

	Debt at 1 July 2022	Debt at 30 June 2023	Instalment next year	Debt outstanding after 5 years
Holiday allowance	283.068	286.235	0	286.235
	283.068	286.235	0	286.235

	2022/23 DKK	2021/22 DKK
10 Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	394.900	394.900
Between 1 and 5 years	213.902	806.254
	608.802	1.201.154