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IMPLICIT APS
ORIENTKAJ 4, 1. TV., 2150 NORDHAVN
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2020

The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 5 October 2021

Hiroki Inagawa

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COMPANY DETAILS**Company**

Implicit ApS
Orientkaj 4, 1. tv.
2150 Nordhavn

CVR No.: 36 72 34 91
Established: 24 April 2015
Registered Office: Copenhagen
Financial Year: 1 January - 31 December

Executive Board

Hiroki Inagawa

Auditor

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Implicit ApS for the financial year 1 January - 31 December 2020.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 5 October 2021

Executive Board

Hiroki Inagawa
Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Implicit ApS

AUDITORS OPINION ON THE FINANCIAL STATEMENTS

Opinion

We have audited the Financial Statements of Implicit ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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.

INDEPENDENT AUDITOR'S REPORT

- 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.
- 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.

INDEPENDENT AUDITOR'S REPORT

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Violation of the Deadline stated in the Danish Financial Statements Act Relating to Submission of the Financial Statements

In our opinion, the Company has not complied with the provisions of the Danish Financial Statements Act to submit the Financial Statements to the Danish Business Authority within the deadline of five months specified in the Danish Financial Statements Act, and the Company's Management may incur liability in this respect.

Violation of the Danish VAT legislation

Contrary to the Danish VAT Act the Company has submitted incorrect VAT returns to Skattestyrelsen, the Danish Tax Authorities, and the Company's Management may incur liability in this respect.

Copenhagen, 5 October 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ole C. K. Nielsen
State Authorised Public Accountant
MNE no. mne23299

MANAGEMENT COMMENTARY

Principal activities

The company's principal activities are to provide IT consultancy.

Development in activities and financial and economic position

As the conditions, which are required to assess the company's assets and liabilities, the financial position and results of the operations during the year, are shown in the balance sheet and the income statement and the notes, we refer hereto.

Significant events after the end of the financial year

The Covid-19 situation in Denmark in 2020 has also had an impact on the operations in Implicit ApS.

The Management of Implicit ApS have followed recommendations from the authorities during 2020, and have managed the company aligned with the shareholders, and based on the change of circumstances.

The shareholders of Monstarlab EMEA Holding ApS and related companies are continuously reviewing the status of the group, and will support financially, to ensure that Implicit ApS as a group subsidiary at any time is in a position to fulfil any and all obligations.

Future expectations

Implicit ApS is expected to be merged with Monstarlab Denmark ApS in 2021.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK
GROSS PROFIT		7,212,221	14,058,303
Staff costs.....	1	-8,139,744	-12,665,878
OPERATING LOSS		-927,523	1,392,425
Other financial income.....	2	0	113,313
Other financial expenses.....		-61,469	-33,572
LOSS BEFORE TAX		-988,992	1,472,166
Tax on profit/loss for the year.....	3	211,566	-333,791
LOSS FOR THE YEAR		-777,426	1,138,375
PROPOSED DISTRIBUTION OF LOSS			
Retained earnings.....		-777,426	1,138,375
TOTAL		-777,426	1,138,375

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK
Trade receivables.....		905,234	3,272,490
Contract work in progress.....	4	459,945	1,504,958
Receivables from group enterprises.....		2,584,561	3,179,768
Deferred tax assets.....		211,566	0
Other receivables.....		1,802,921	1,206,266
Receivables.....		5,964,227	9,163,482
Cash and cash equivalents.....		173,716	0
CURRENT ASSETS.....		6,137,943	9,163,482
ASSETS.....		6,137,943	9,163,482
 EQUITY AND LIABILITIES			
Share capital.....		50,000	50,000
Retained profit.....		4,151,762	4,929,188
EQUITY.....		4,201,762	4,979,188
Other liabilities.....		405,403	437,657
Non-current liabilities.....	5	405,403	437,657
Bank debt.....		0	117,602
Contract work in progress.....	4	277,170	934,979
Prepayments received from customers.....		83,373	0
Trade payables.....		135,538	819,338
Payables to group enterprises.....		333,791	0
Corporation tax.....		0	563,364
Other liabilities.....		700,906	1,311,354
Current liabilities.....		1,530,778	3,746,637
LIABILITIES.....		1,936,181	4,184,294
EQUITY AND LIABILITIES.....		6,137,943	9,163,482
 Contingencies etc.	 6		
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EQUITY

	Share capital	Retained profit	Total
Equity at 1 January 2020.....	50,000	4,929,188	4,979,188
Proposed loss allocation.....		-777,426	-777,426
Equity at 31 December 2020.....	50,000	4,151,762	4,201,762

NOTES

	2020 DKK	2019 DKK	Note	
Staff costs			1	
Average number of employees	10	14		
Wages and salaries.....	7,893,027	11,895,154		
Pensions.....	175,004	650,715		
Social security costs.....	51,081	102,579		
Other staff costs.....	20,632	17,430		
	8,139,744	12,665,878		
Other financial income			2	
Group enterprises.....	0	97,140		
Other interest income.....	0	16,173		
	0	113,313		
Tax on profit/loss for the year			3	
Calculated tax on taxable income of the year.....	0	333,791		
Adjustment of deferred tax.....	-211,566	0		
	-211,566	333,791		
Contract work in progress			4	
Sale value of work carried out.....	4,934,254	1,712,992		
Progress billings.....	-4,751,479	-1,143,013		
Work in progress under contract, net.....	182,775	569,979		
Recognized as follows:				
Work in progress under contract (assets).....	459,945	1,504,958		
Work in progress under contract (liabilities).....	-277,170	-934,979		
	182,775	569,979		
Long-term liabilities			5	
	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Other liabilities.....	405,403	0	0	437,657
	405,403	0	0	437,657

NOTES

Note

Contingencies etc.

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Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Monstarlab EMEA Holding ApS, which serves as management company for the joint taxation.

Information on significant uncertainties and unusual circumstances

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Capital Resources

The company has received a letter of support from the parent company Monstarlab Inc. to provides such financial support as it is necessary to enable the company and subsidiaries to continue their operations and meet their liabilities as they fall due for a period to at least August 2022.

Monstarlab Inc. has raised DKK 250 million in August 2020, and based on this information it is expected that Monstarlab Inc. will be able to provide the financial support as necessary.

Significant events after the end of the financial year

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The Covid-19 situation in 2021 has also had an impact on the operations of the group.

The management have followed recommendations from the authorities during 2020, and have managed the company aligned with the shareholders, and based on the change of circumstances.

The shareholders of Monstarlab EMEA Holding ApS and related companies are continuously reviewing the status of the group, and will support financially, to ensure that the subsidiaries at any time is in a position to fulfil any and all obligations.

ACCOUNTING POLICIES

The Annual Report of Implicit ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue is recognised in the income statement as the work is carried out and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to related costs to the extent that it is likely that they will be recovered.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from debt and transactions in foreign currencies and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

The specific piece of work in progress is recognized in the Balance Sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the Income Statement as and when they are incurred.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognized in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognized in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realizable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to be charged as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognized in the income statement, except from items recognised directly in equity.

Liabilities

Amortised cost of current liabilities usually corresponds to nominal value.