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Hivenetworkonline Holding ApS

Følfodsvej 42
DK-2300 Copenhagen S

CVR no. 38 24 98 51

Annual report 2018

The annual report has been presented and approved on the Company's ordinary general meeting on 31 May 2019

Anna Sofie Blakstad
Chairman of general meeting

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COMPANY DETAILS

Reporting entity	Hivenetworkonline Holding ApS Følfodsvej 42 DK-2300 Copenhagen S
	CVR no.: 38 24 98 51
	Date of foundation: December 12, 2016
	Reporting period: 1 January 2018 - 31 December 2018
Executive Board	Anna Sofie Blakstad
Company auditors	Kallermann Revision A/S - statsautoriseret revisionsfirma Stationspladsen 1 og 3 3000 Helsingør
	CVR no.: 30 19 52 64

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Executive Board have today considered and approved the annual report for the financial year 1 January - 31 December 2018 for Hivenetworkonline Holding ApS.

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 financial position at 31 December 2018 and of its financial performance for the financial year 1 January - 31 December 2018.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31 May 2019

Executive board

Anna Sofie Blakstad

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Hivenetworkonline Holding ApS

Opinion

We have audited the Financial Statements of Hivenetworkonline Holding ApS for the financial year 1 January - 31 December 2018, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 Company's financial position at 31 December 2018 and of the result of the Company's operations for the financial year 1 January - 31 December 2018 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility 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 Responsibility 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 of accounting information 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

INDEPENDENT AUDITOR'S REPORT

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.
- 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 Statement Act. We did not identify any material misstatement of Management's Review.

Elsinore, 31 May 2019
Kallermann Revision A/S - statsautoriseret revisionsfirma
CVR no. 30 19 52 64

Morten Bjerregaard
State Authorized Public Accountant
MNE no.: mne34299

MANAGEMENT'S REVIEW**Primary activities**

The Company's primary activity is to own investments in group enterprises.

Development in activities and finances

The result for the year shows a loss of 2.822.686 DKK, which is in accordance with Management's expectations. The equity amounts to 756.509 DKK at 31 December 2018.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

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ACCOUNTING POLICIES

This annual report of Hivenetworkonline ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with additional choice of a few rules from class C enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognized in the income statement as financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses.

Long-term assets purchased in foreign currency are translated at the exchange rate at the transaction date.

INCOME STATEMENT

External expenses

Other external expenses comprise expenses for distribution, sale, marketing, bad debts, operational costs etc.

Staff costs

Staff costs comprise salaries and wages including holiday pay and pensions as well as social security costs, etc for the Company's staff. Received compensations from the authorities have been deducted in staff costs.

Income and expenses from investments in group enterprises and associates

A proportional share of the result after tax in the subjacent companies is recognized according to the equity method in the income statement. Profit shares after tax in subsidiaries and associated companies are presented in the income statement in separate lines. A full elimination of group internal profit/loss is made on equity investments in the subsidiaries, whereas a proportional elimination of group internal profit/loss is made in associated companies.

Financial income and expenses

Financial income and expenses comprise interest income and expense, leasing costs, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Income tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity. The tax share recognized in the income statement, and which is attached to the year's extraordinary result, is attributed hereto, whereas the remaining share is attributed to the year's ordinary result.

The Company is included in the Danish rules on mandatory joint taxation with the Danish subsidiary. Subsidiaries are included in the joint taxation from the time they are included in the consolidated accounts and on to the time, when they no longer are part of the consolidated accounts.

ANNUAL REPORT

ACCOUNTING POLICIES

The Company is administration Company for the joint taxation and as consequence hereof settles all payment of Company tax with the Danish tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. Companies with tax losses receive joint taxation contributions from other companies that have used the tax losses to reduce their own taxable profit.

BALANCE SHEET

Investments in subsidiaries

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the proportional share of the enterprises' equity value.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net evaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less provisions for bad debts.

Equity

Reserve for net revaluation of investments according to the equity method

Net revaluation of investments in subsidiaries is recognized at cost in the reserve for net revaluation according to the equity method.

Tax payables and deferred tax

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax is measured on basis of the tax rules and tax rates, which are valid according to the legislation on the balance sheet date, when deferred tax is expected to become actual tax. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Current tax receivable and payable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account. Allowances under the tax prepayment scheme are included in the income statement as financial items.

Liabilities other than provisions

Other liabilities are measured at net realisable value.

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INCOME STATEMENT FOR 2018

	Notes	2018 DKK	2017 DKK
Gross loss		-20.165	-27.554
Income from investments in group enterprises		-2.696.597	3.002.208
Financial income		0	3.603
Financial expenses	1	-105.924	0
Profit (loss) from ordinary activities before tax		-2.822.686	2.978.257
Tax	2	0	0
PROFIT/LOSS FOR THE YEAR		<u>-2.822.686</u>	<u>2.978.257</u>
Proposed distribution of results:			
Reserve for net revaluation according to equity method		-2.696.597	3.002.208
Retained earnings		-126.089	-23.951
		<u>-2.822.686</u>	<u>2.978.257</u>

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BALANCE OF 31 DECEMBER 2018

	Notes	2018 DKK	2017 DKK
ASSETS			
Investments in group enterprises		726.381	3.422.979
Long-term receivables from group enterprises		1.641.131	178.551
Long-term investments and receivables	3	<u>2.367.512</u>	<u>3.601.530</u>
FIXED ASSETS		<u>2.367.512</u>	<u>3.601.530</u>
ASSETS		<u>2.367.512</u>	<u>3.601.530</u>
EQUITY AND LIABILITIES			
Contributed capital		50.000	50.000
Reserve for net revaluation according to equity method		305.574	3.002.171
Retained earnings		400.935	527.024
EQUITY		<u>756.509</u>	<u>3.579.195</u>
Debt to other credit institutions		1.598.504	0
Trade payables		12.499	22.335
Short-term liabilities other than provisions		<u>1.611.003</u>	<u>22.335</u>
LIABILITIES OTHER THAN PROVISIONS		<u>1.611.003</u>	<u>22.335</u>
EQUITY AND LIABILITIES		<u>2.367.512</u>	<u>3.601.530</u>
Related parties	4		
Contingent liabilities	5		

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STATEMENT OF CHANGES IN EQUITY FOR 2018

	2018	2017
	DKK	DKK
Contributed capital:		
Capital, 1 January 2018	50.000	50.000
Capital, 31 December 2018	50.000	50.000
Reserve for net revaluation according to equity method:		
Equity, beginning balance	3.002.171	0
Increase of equity	0	3.002.171
Decrease of equity	-2.696.597	0
Equity, ending balance	305.574	3.002.171
Retained earnings:		
Retained earnings, 1 January 2018	527.024	550.974
Decrease	-126.089	-23.950
Retained earnings, 31 December 2018	400.935	527.024
Equity, 31 December 2018	756.509	3.579.195

ANNUAL REPORT

NOTES

	2018	2017
	DKK	DKK
1. Other finance expenses		
Other interest expenses	105.924	0
Other finance expenses	105.924	0
2. Tax		
Current tax expense	0	0
Tax expense on ordinary activities	0	0
3. Investments		
Investments in group enterprises:		
Investments, gross, beginning balance	420.770	600.000
Disposals of investments	0	-179.230
Investments, gross, ending balance	420.770	420.770
Accumulated revaluations of investments, beginning balance	3.002.208	0
Profit (loss) related to investments (revaluation)	-2.696.597	2.938.338
Reversals of revaluation of disposed investments	0	63.870
Accumulated revaluations of investments, ending balance	305.611	3.002.208
Long-term investments and receivables, ending period	726.381	3.422.978
4. Related parties		
Subsidiary 1:		
Identification number: 38 25 03 02		
Related entity name: Hiveonline ApS		
Equity interest in subsidiary company	58,10%	58,10%
Equity	-1.249.218	-5.886.474
Profit (loss)	4.637.256	655.577

5. Contingent liabilities

The Company serves as the administration company in the Danish joint taxation arrangement. According to the joint taxation provision of the Danish Corporation Tax Act, the Company is there liable for income taxes etc. For the jointly taxed entities, and for obligations, if any, relating to withholding taxes on interest, royalties and dividends for these entities.

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Anna Sofie Blakstad

Direktør og dirigent

På vegne af: Hivenetworkonline ApS

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2019-05-31 13:47:42Z

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Morten Bjerregaard

Statsautoriseret revisor

På vegne af: Kallermann Revision A/S

Serienummer: CVR:30195264-RID:37445821

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