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Hiveonline ApS
c/o Copenhagen Fintech Lab Applebys
1411 København K

CVR no. 38 25 03 02

Annual report 2019

The annual report has been presented and approved on the Company's ordinary general meeting on 28 August 2020

Anna Sofie Blakstad
Chairman of general meeting

Hiveonline ApS

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COMPANY DETAILS

Reporting entity	Hiveonline ApS c/o Copenhagen Fintech Lab Applebys Plads 7 1411 København K
	CVR no.: 38 25 03 02
	Reporting period: 1 January 2019 - 31 December 2019
Board of Directors	Anna Sofie Blakstad, chairman Johanna Margaret Campion Carl Fredik Wettermark
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 Board of Directors and the Executive Board have today considered and approved the annual report for the financial year 1 January - 31 December 2019 for Hiveonline ApS.

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 Company's financial position at 31 December 2019 and of its financial performance for the financial year 1 January - 31 December 2019.

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

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

Copenhagen, 28 August 2020

Executive board

Anna Sofie Blakstad

Board of Directors

DocuSigned by:

08E4AEF9E0F0492
Anna Sofie Blakstad
chairman


Johanna Margaret Campion


Carl Fredrik Wettermark

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Hiveonline ApS

Opinion

We have audited the Financial Statements of Hiveonline ApS for the financial year 1 January - 31 December 2019, 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 2019 and of the result of the Company's operations for the financial year 1 January - 31 December 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 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

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

Elsinore, 28 August 2020

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 activities comprise development and marketing of online products related to financial administration.

Development in activities and finances

The result for the year shows a profit of 2.670.096 DKK, which is in accordance with managements expectations. The equity amounts to 3.998.326 DKK at 31 December 2019. The financial year has been characterized by continous scaling of the Company and the development of the Hiveonline app for small businesses.

In order to finance the approved budget and plans for 2020 the Company is depending on a capital injection. The Company has initiated negotiations with new investors and expects the negotiation to turn out in favor of the Company.

The shareholders have declared that adequate liquidity will be injected in the Company to finance the present budget and plans as a minimum for 12 months from the balance sheet date or at least until an agreement on new equity financing with new investors have been finalized. Based on this declaration the financial statements for 2019 have been prepared under the assumption of going concern.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which can influence the financial position of the company.

ANNUAL REPORT

ACCOUNTING POLICIES

This annual report of Hiveonline ApS for 2019 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.

During the financial statement close process for 2019 some classification errors in the balance sheet and the income statement have been detected in the financial statements for 2018. The comparison figures for 2018 have been corrected.

Recognition and measurement

Income is recognised in the income statement when earned, hereunder valuation adjustment concerning financial assets and liabilities. Costs are also recognised in the income statement, hereunder depreciations and amortisations.

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

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.

Description of methods of leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially measured in the balance sheet at the lower of fair value and the net present value of the future lease payments. In calculating the net present value of future lease payments, the discount factor is the interest rate implicit in the lease or an alternative rate. Assets held under finance leases are subsequently treated as the Company's other non-current assets.

The capitalised residual lease obligation is recognized in the balance sheet as a liability and the interest implicit in the lease is recognized in the income statement over the lease term.

ANNUAL REPORT

ACCOUNTING POLICIES

All other leases are defined as operating leases. Operating lease payments and other lease payments are recognized in the income statement over the lease term. The Company's total liabilities relating to operating leases and other leases are disclosed in the notes under contingent liabilities.

Information on omission of consolidated financial statement

Referring to section 110 in the Danish Financial statements Act the Company has opted out of preparing consolidated financial statements.

INCOME STATEMENT

Revenue

Revenue concerning services rendered is recognized in the income statement as the service is rendered to buyer, when the earnings can be calculated reliably and payment for the service is expected to be received.

Revenue is measured to fair value of the agreed fee ex. VAT and taxes charged on behalf of third parties. All discounts granted in connection with the sale are recognized in the revenue.

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.

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 in Hiveonlinenetworks Group Danish subsidiaries. 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.

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

Intangible assets

Development projects

Development costs comprise costs, salaries and amortisation directly or indirectly attributable to the Group's development activities.

ANNUAL REPORT

ACCOUNTING POLICIES

Development projects that are clearly defined and identifiable, where the technical utilisation degree, sufficient resources and a potential future market or development opportunities in the Group are evidenced, and where the Group intends to produce, market or use the project, are recognized as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling and administrative expenses and development costs. Other development costs are recognized in the income statement when incurred.

Development costs that are recognized in the balance sheet are measured at the lower of cost less accumulated amortisation and impairment and the recoverable amount.

On the completion of the development projects, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 5 years.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. The basis of depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price and costs directly attributable to the acquisition until the time when it is ready to be put into operation. Concerning self-constructed assets the cost comprises direct and indirectly expenses to materials, components, subcontractors, wages and borrowing costs from specific and general borrowing, which directly relate to the construction of the single asset.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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

Other fixtures and fittings, tools and equipment, 3-5 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are re-assessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized.

In case of changes in the depreciation period or the residual value, the effect on the amortisation charges is recognized prospectively as a change in accounting estimates.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. Gains and losses are recognized in the income statement as other operating income and other operating costs, respectively.

Amortisation of noncurrent assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

ANNUAL REPORT**ACCOUNTING POLICIES****Investments**

Deposits are measured at cost.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured at cost.

Receivables

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

Prepayments

Accruals, recognized in short-term assets, comprise costs concerning the following accounting year.

Equity

Reserve for development costs

The reserve for development costs comprises recognized development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognized development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

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.

Current tax receivables and liabilities

Financial liabilities are measured at net realisable value.

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INCOME STATEMENT FOR 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Revenue		3.565.067	674.075
Cost of sales		0	-2.344.394
Other external expenses		-473.739	-1.045.682
Gross profit		3.091.328	-2.716.001
Staff costs	2	-577.684	-1.949.766
Depreciation, amortisation and impairment losses		0	-3.238
Profit (loss) from ordinary operating activities		2.513.644	-4.669.005
Financial income	3	189	5
Financial expenses	4	-26.389	-19.846
Profit (loss) from ordinary activities before tax		2.487.444	-4.688.846
Tax	5	182.652	0
PROFIT/LOSS FOR THE YEAR		2.670.096	-4.688.846
Proposed distribution of results:			
Retained earnings		2.670.096	-4.688.846
		2.670.096	-4.688.846

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BALANCE OF 31 DECEMBER 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
ASSETS			
Development projects in progress		7.032.724	2.903.101
Intangible assets	6	<u>7.032.724</u>	<u>2.903.101</u>
Fixtures, fittings, tools and equipment		2.702	5.940
Property, plant and equipment	7	<u>2.702</u>	<u>5.940</u>
Investments in group enterprises		35.810	35.500
Deposits		43.511	15.011
Long-term investments and receivables	8	<u>79.321</u>	<u>50.511</u>
FIXED ASSETS		<u>7.114.747</u>	<u>2.959.552</u>
Current deferred tax assets		0	178.216
Tax receivables		360.868	0
Other receivables		217.465	134.523
Deferred income assets		0	26.030
Receivables		<u>578.333</u>	<u>338.769</u>
Cash and cash equivalents		<u>77.126</u>	<u>465.193</u>
CURRENT ASSETS		<u>655.459</u>	<u>803.962</u>
ASSETS		<u>7.770.206</u>	<u>3.763.514</u>

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BALANCE OF 31 DECEMBER 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
EQUITY AND LIABILITIES			
Contributed capital		64.544	60.241
Share premium		126.299	0
Reserve for development expenditure		5.485.525	2.264.419
Retained earnings		-1.678.042	-1.127.032
EQUITY		<u>3.998.326</u>	<u>1.197.628</u>
Amounts owed to group enterprises		1.782.602	1.693.109
Amounts owed to shareholders and management		1.596.424	354.695
Deposits, liabilities other than provisions		26.050	0
Long-term liabilities other than provisions	9	<u>3.405.076</u>	<u>2.047.804</u>
Trade payables		258.649	266.847
Other payables		108.155	251.235
Short-term liabilities other than provisions		<u>366.804</u>	<u>518.082</u>
LIABILITIES OTHER THAN PROVISIONS		<u>3.771.880</u>	<u>2.565.886</u>
EQUITY AND LIABILITIES		<u><u>7.770.206</u></u>	<u><u>3.763.514</u></u>
Uncertainties relating to going concern	1		
Subsidiaries	10		
Contingent assets	11		
Contingent liabilities	12		

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STATEMENT OF CHANGES IN EQUITY FOR 2019

	2019	2018
	DKK	DKK
Contributed capital:		
Capital, 1 January 2019	60.241	60.241
Increase	4.303	0
Capital, 31 December 2019	64.544	60.241
Share premium:		
Equity, beginning balance	0	6.481.810
Increase of equity	126.299	0
Transferred	0	-6.481.810
Equity, ending balance	126.299	0
Reserve for development expenditure:		
Equity, beginning balance	2.264.419	875.944
Transferred	3.221.106	1.388.475
Equity, ending balance	5.485.525	2.264.419
Retained earnings:		
Retained earnings, 1 January 2019	-1.127.032	-1.531.521
Transferred	2.670.096	5.093.335
Decrease	-3.221.106	-4.688.846
Retained earnings, 31 December 2019	-1.678.042	-1.127.032
Equity, 31 December 2019	3.998.326	1.197.628

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1. Uncertainties relating to going concern

In order to finance the approved budget and plans for 2020 the Company is depending on a capital injection. The Company has initiated negotiations with new investors and expects the negotiation to turn out in favor of the Company.

The shareholders have declared that adequate liquidity will be injected in the Company to finance the present budget and plans as a minimum for 12 months from the balance sheet date or at least until an agreement on new equity financing with new investors have been finalized. Based on this declaration the financial statements for 2019 have been prepared under the assumption of going concern.

	2019	2018
	DKK	DKK
2. Staff costs		
Wages and salaries	963.534	1.818.494
Post-employment benefit expense	0	100.798
Social security contributions	21.954	30.474
Employee expenses transferred to intangible assets	-410.902	0
Other employee expense	3.098	0
Employee benefits expense	577.684	1.949.766
Average number of employees	5	8
3. Other finance income		
Exchange rate profit	189	5
Other finance income	189	5
4. Other finance expenses		
Interest expense assigned to group enterprises	25.119	6.314
Other interest expenses	0	11.722
Interest charge and tax recognized as finance expenses	1.270	1.810
Other finance expenses	26.389	19.846
5. Tax		
Current tax expense	-360.868	0
Adjustments for deferred tax	178.216	0
Tax expense on ordinary activities	-182.652	0
6. Intangible assets		
Development projects in progress:		
Intangible assets, gross, beginning balance	2.903.101	1.123.005
Additions to intangible assets	4.129.623	1.780.096
Intangible assets, gross, ending balance	7.032.724	2.903.101
Intangible assets, ending balance	7.032.724	2.903.101

ANNUAL REPORT

NOTES

	2019	2018
	DKK	DKK
7. Property, plant and equipment		
Fixtures, fittings, tools and equipment:		
Cost, 1 January 2019	9.714	9.714
Cost, 31 December 2019	9.714	9.714
Accumulated depreciation, 1 January 2019	-3.774	-536
Depreciation	-3.238	-3.238
Accumulated depreciation, 31 December 2019	-7.012	-3.774
Fixtures, fittings, tools and equipment, 31 December 2019	2.702	5.940
8. Investments		
Investments in group enterprises:		
Investments, gross, beginning balance	35.500	35.500
Additions to investments	310	0
Investments, gross, ending balance	35.810	35.500
Long-term investments and receivables, ending period	35.810	35.500

9. Long-term liabilities

The Company has a loan to the parent company amounting to 200,000 EUR (1,493,940 DKK) recognised in Amounts owed to group enterprises raised against issue of a convertible debt instrument. The loan can be converted to shares in the Company on the same conditions and valuation as a possible future equity financing. The loan falls due after five years and more.

In 2019 the Company has obtained 2 loans amounting to 125,000 USD (826,269 DKK) recognised in Amounts owed to shareholders and management and raised against issue of a convertible debt instrument. The loans can be converted to shares in the Company on the same conditions and valuation as a possible future equity financing. The loan falls due after five years and more.

10. Subsidiaries**Subsidiary 1:**

Related entity name:	Apiary Network AB		
Registered office:	Klarabergsviadukten 63 111 64 Stockholm, Sweden		
Equity interest in subsidiary company		100,00%	100,00%

Subsidiary 2:

Related entity name:	HIVE ONLINE APS Limited		
Registered office:	Kigali, Nyarugenge, Umujyi wa Kigali, RWANDA		
Equity interest in subsidiary company		100,00%	-

11. Contingent assets

The Company has a contingent asset amounting to 1.2 DKK million comprising tax losses carry-forward. At the time of approval of the annual report uncertainty exists concerning when the Company expects to use the tax losses to offset against positive income.

ANNUAL REPORT**NOTES****12. Contingent liabilities**

The Company participates in a Danish joint taxation arrangement, where Hivenetworkonline Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed Danish entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.