

Oqton Denmark ApS

Lyngby Hovedgade 49, A, 1. tv.

2800 Kgs. Lyngby

CVR No. 39150832

Annual Report 2021

4. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 28 June 2022

Andrew Martin Johnson
Chairman

Oqton Denmark ApS

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Oqton Denmark ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of Oqton Denmark ApS for the financial year 1 January 2021 - 31 December 2021.

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 assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Kongens Lyngby, 28 June 2022

Executive Board

Andrew Martin Johnson
Manager

Oqton Denmark ApS

Auditors' Report on Compilation of Financial Statements

To the Management of Oqton Denmark ApS

We have compiled the accompanying financial statements of Oqton Denmark ApS for the financial year 1 January 2021 - 31 December 2021 based on the information you have provided.

These financial statements comprise a summary of significant accounting Policies, income statement, balance sheet, statement of change in equity and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statement Act. We have complied with relevant requirements under the Danish Act on Approved auditors and Audit Firms and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

The Financial Statement and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Accounts Act.

Jyllinge, 28 June 2022

JP Management Holding ApS

CVR-no. 25709888

John Petersson

State Authorised Public Accountant

mne29420

Oqton Denmark ApS

Company details

Company	Oqton Denmark ApS Lyngby Hovedgade 49, A, 1. tv. 2800 Kgs. Lyngby
CVR No.	39150832
Date of formation	7 December 2017
Executive Board	Andrew Martin Johnson, Manager
Parent Company	Oqton Inc.

Management's Review

The Company's principal activities

The Company's principal activities are to carry on business research, development and sale of Additive Manufacturing technologies and Machine Learning as well as any research and other business activities related thereto.

Development in the activities and the financial situation of the Company

The Company's Income Statement of the financial year 1 January 2021 - 31 December 2021 shows a result of DKK 700.132 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 3.030.451 and an equity of DKK 2.180.510.

Oqton Denmark ApS

Accounting Policies

Reporting Class

The annual report of Oqton Denmark ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

Government grants

Government grants provided to cover costs are recognised in the income statement when it is probable that all the conditions for the grant have been fulfilled. Grants to be repaid under certain circumstances are recognised only so far as they are not expected to be repaid. Grants provided for purchasing assets are set off in the cost of the asset.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

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Accounting Policies

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operating income, costs for raw materials and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible assets

Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-10 years	0%

Profit or loss resulting from the sale of intangible assets or property, plant and equipment is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the income statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Accounting Policies

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

Deposits

Deposits are measured at cost.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income and deferred expenses, assets

Accrued income and expenses recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Proposed dividend for the year is recognised as a separate item in equity.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Accounting Policies

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Oqton Denmark ApS**Income Statement**

	Note	2021 kr.	2020 kr.
Gross profit		5.554.160	4.082.863
Staff Costs	1	-4.628.132	-3.852.553
Depreciation and impairment losses of tangible assets		<u>-16.142</u>	<u>-19.293</u>
Profit from ordinary operating activities		909.886	211.017
Finance expences	2	<u>-9.907</u>	<u>-2.246</u>
Profit from ordinary activities before tax		899.979	208.771
Tax expense on ordinary activities	3	<u>-199.848</u>	<u>-45.949</u>
Profit		<u>700.131</u>	<u>162.822</u>
Proposed distribution of results			
Retained earnings		<u>700.131</u>	<u>162.822</u>
Distribution of profit		<u>700.131</u>	<u>162.822</u>

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Balance Sheet as of 31 December

	Note	2021 kr.	2020 kr.
Assets			
Other plants, operating assets, fixtures and equipment	4	2.610	18.752
Tangible fixed assets in total		2.610	18.752
Deposits	5	83.630	84.179
Financial fixed assets in total		83.630	84.179
Fixed assets		86.240	102.931
Short-term receivables from group enterprises		2.768.314	1.755.262
Current deferred tax		4.403	2.511
Other short-term receivables		83.358	431.298
Accrued income and deferred expenses		6.702	3.533
Receivables		2.862.777	2.192.605
Cash and cash equivalents		81.434	42.189
Current assets		2.944.212	2.234.794
Assets		3.030.452	2.337.725

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Balance Sheet as of 31 December

	Note	2021 kr.	2020 kr.
Liabilities and equity			
Contributed capital		50.000	50.000
Retained earnings		2.130.510	1.430.379
Equity		2.180.510	1.480.379
Other payables		338.759	338.759
Long-term liabilities other than provisions	6	338.759	338.759
Trade payables		18.793	30.989
Tax payables		175.740	21.982
Other payables		316.650	465.616
Short-term liabilities other than provisions		511.183	518.587
Liabilities other than provisions within the business		849.942	857.346
Liabilities and equity		3.030.452	2.337.725
Contingent liabilities	7		
Collaterals and assets pledged as security	8		

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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	50.000	1.430.379	1.480.379
Profit (loss)	0	700.131	700.131
Equity 31 December 2021	50.000	2.130.510	2.180.510

The share capital has remained unchanged for the last 4 years.

Notes

	2021	2020
1. Staff costs		
Wages and salaries	4.149.260	3.404.593
Post-employment benefit expense	420.000	408.700
Social security contributions	40.608	34.259
Other employee expense	18.264	5.001
	4.628.132	3.852.553
Average number of employees	5	4
2. Finance expenses		
Other finance expenses	9.907	2.246
	9.907	2.246
3. Tax expense		
Current tax	201.740	47.982
Adjustment of deferred tax	-1.892	-2.033
	199.848	45.949
4. Other plants, operating assets, fixtures and furniture		
Cost at the beginning of the year	55.277	55.277
Cost at the end of the year	55.277	55.277
Depreciation and amortisation at the beginning of the year	-36.525	-36.525
Amortisation for the year	-16.142	0
Impairment losses and amortisation at the end of the year	-52.667	-36.525
Carrying amount at the end of the year	2.610	18.752
5. Deposits		
Cost at the beginning of the year	84.159	81.918
Addition during the year	0	2.261
Disposal during the year	-529	0
Cost at the end of the year	83.630	84.179
Carrying amount at the end of the year	83.630	84.179

Notes

	2021	2020	
6. Long-term liabilities			
	Due after 1 year	Due within 1 year	Due after 5 years
Other payables	338.759	0	0
	<u>338.759</u>	<u>0</u>	<u>0</u>

7. Contingent liabilities

The company has entered a tenancy agreement. The company has rental commitment of DKK 167 thousand as of 31 December 2021 (2020: DKK 164 thousand).

8. Collaterals and securities

No securities or mortgages exist at the balance sheet date.