

Oqton Denmark ApS

Lyngby Hovedgade 49, A, 1, tv.

2800 Kgs. Lyngby

CVR No. 39150832

Annual Report 2019

2. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29 April 2020

Samir Hanna
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 2019 - 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019.

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, 29 April 2020

Executive Board

Samir Hanna
Manager

Erik Andreassen
Manager

Oqton Denmark ApS

Auditors' Report on Compilation of Financial Statements

To the day-to-day management of Oqton Denmark ApS

We have compiled the Financial Statements of Oqton Denmark ApS for the financial year 1 January 2019 - 31 December 2019 based on the Company's bookkeeping and other information provided by it.

The financial statements comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We have completed the engagement of Compiling Financial Information in accordance with The International Standards on Related Services, ISRS 4410 (Revised), Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of these Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions in the Danish Act on Auditors and Audit Firms as well as Danish Auditors' (FSR) ethical rules for auditors, 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 regarding financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you have given us in order for us to compile the Financial Statements. Accordingly, we do not express an audit or review opinion on whether the Financial Statements are prepared in accordance with the Danish Financial Accounts Act.

Jyllinge, 29 April 2020

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	Samir Hanna, Manager Erik Andreassen, 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 activities and financial matters

The Company's Income Statement of the financial year 1 January 2019 - 31 December 2019 shows a result of DKK 181.186 and the Balance Sheet at 31 December 2019 a balance sheet total of DKK 2.271.507 and an equity of DKK 1.317.557.

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Accounting Policies

Reporting Class

The Annual Report of Oqton Denmark ApS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with the adoption of individual rules from class C.

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 in 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 princip.

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 amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, 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 Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

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 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 exclusive of VAT and net of sales discounts.

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible assets

Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised 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	3-5 years	0%

Profit or loss resulting from the sale of tangible assets 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 on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, realised and unrealised capital gains and losses regarding transactions in foreign currencies and surcharges and allowances under the tax prepayment scheme.

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

Tangible assets

Tangible assets 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 data 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 composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Deposits

Deposits are measured at cost.

Receivables

Receivables are measured at amortised 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

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 balance-sheet 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 crystallise as current tax.

Accounting Policies

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Other payables

Other payables are measured at amortised 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.

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Income Statement

	Note	2019 kr.	2017/18 kr.
Gross profit		4.391.032	3.482.317
Staff Costs	1	-4.146.701	-3.243.384
Depreciation and impairment losses of tangible assets		-11.472	-5.760
Profit from ordinary operating activities		232.859	233.173
Finance income	2	0	20.555
Finance expences	3	-593	-1.554
Profit from ordinary activities before tax		232.266	252.173
Tax expense on ordinary activities	4	-51.080	-55.802
Profit		181.186	196.371
Proposed distribution of results			
Retained earnings		181.186	196.371
Distribution of profit		181.186	196.371

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Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Assets			
Other plants, operating assets, fixtures and equipment	5	17.186	28.658
Tangible fixed assets in total		17.186	28.658
Deposits	6	81.918	79.174
Financial fixed assets in total		81.918	79.174
Fixed assets		99.104	107.832
Short-term receivables from group enterprises		1.383.715	145.417
Current deferred tax		478	0
Other short-term receivables		310.948	39.085
Accrued income and deferred expenses		3.017	543
Receivables		1.698.157	185.045
Cash and cash equivalents		474.246	1.402.415
Current assets		2.172.404	1.587.460
Assets		2.271.507	1.695.292

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Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Liabilities and equity			
Contributed capital		50.000	50.000
Retained earnings		1.267.557	1.086.371
Equity		1.317.557	1.136.371
Provisions for deferred tax		0	626
Provisions		0	626
Other payables		164.588	0
Long-term liabilities other than provisions	7	164.588	0
Trade payables		26.116	66.853
Tax payables		2.184	56.721
Other payables		470.580	434.721
Deferred income, liabilities		290.482	0
Short-term liabilities other than provisions		789.362	558.295
Liabilities other than provisions within the business		953.950	558.295
Liabilities and equity		2.271.507	1.695.292
Contingent liabilities	8		
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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2019	50.000	1.086.371	1.136.371
Profit (loss)	0	181.186	181.186
Equity 31 December 2019	50.000	1.267.557	1.317.557

The share capital has remained unchanged for the last 5 years.

Notes

	2019	2017/18
1. Staff costs		
Wages and salaries	3.517.646	2.881.599
Post-employment benefit expense	586.900	307.800
Social security contributions	30.838	22.003
Other employee expense	11.317	31.981
	4.146.701	3.243.383
Average number of employees	4	4
2. Finance income		
Other finance income	0	20.555
	0	20.555
3. Finance expenses		
Other finance expenses	593	1.554
	593	1.554
4. Tax expense		
Current tax	52.184	55.176
Adjustment of deferred tax	-1.104	626
	51.080	55.802
5. Other plants, operating assets, fixtures and furniture		
Cost at the beginning of the year	34.418	0
Addition during the year, incl. improvements	0	34.418
Cost at the end of the year	34.418	34.418
Depreciation and amortisation at the beginning of the year	-5.760	0
Amortisation for the year	-11.472	-5.760
Impairment losses and amortisation at the end of the year	-17.232	-5.760
Carrying amount at the end of the year	17.186	28.658
6. Deposits		
Cost at the beginning of the year	79.174	
Addition during the year	2.744	79.174
Cost at the end of the year	81.918	79.174
Carrying amount at the end of the year	81.918	79.174

Notes

2019

2017/18

7. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Other payables	164.588	0	0
	<u>164.588</u>	<u>0</u>	<u>0</u>

8. Contingent liabilities

The company has entered a tenancy agreement. The company has rental commitment of DKK 146 thousand as of 31 December 2019 (2018: DKK 146 thousand).

9. Collaterals and securities

No securities or mortgages exist at the balance sheet date.