

Hafnium Labs Q-props ApS

Vestergade 16, 3., 1456 København K

Company reg. no. 39 42 90 98

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 2 September 2020.

Jon Rune Christensen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The executive board has today presented the annual report of Hafnium Labs Q-props ApS for the financial year 1 January to 31 December 2019.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

The executive board considers the requirements of omission of audit of the annual accounts for 2019 as met.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Copenhagen, 31 August 2020

Executive board

Jon Rune Christensen

Bjørn Maribo-Mogensen

Rasmus Lundsgaard

The independent auditor's report on review of the annual accounts

To the shareholders of Hafnium Labs Q-props ApS

We have reviewed the financial statements of Hafnium Labs Q-props ApS for the financial year 1 January to 31 December 2019. Our review comprised accounting policies, profit and loss account, balance sheet and notes.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our review in accordance with the international standard on engagements to review historical annual accounts and additional requirements under Danish audit regulation. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the annual accounts, taken as a whole, are not in all material respects in accordance with the applicable financial reporting framework. The standard also requires us to comply with relevant ethical requirements.

A review of annual accounts performed in accordance with the international standard on engagements to review historical annual accounts is an limited assurance engagement. The review consists primarily of making inquiries of the management and, when appropriate, of others within the enterprise, applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with international standards on auditing. Accordingly, we do not express an audit opinion on the financial statements.

Opinion

Based on our review, nothing has come to our attention which causes us to believe that the annual accounts do not provide a true and fair view of the company's assets, liabilities and financial position as of 31 December 2019 and of the results from its activities and for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Copenhagen, 31 August 2020

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Christoffer Jensen

State Authorised Public Accountant
mne34277

Company information

The company

Hafnium Labs Q-props ApS
Vestergade 16, 3.
1456 København K

Company reg. no. 39 42 90 98
Established: 21 March 2018
Domicile: Copenhagen
Financial year: 1 January - 31 December

Executive board

Jon Rune Christensen
Bjørn Maribo-Mogensen
Rasmus Lundsgaard

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Management commentary

The principal activities of the company

Like previous years, the principal activities are development and sales of software, calculations and services.

Development in activities and financial matters

The gross profit for the year is DKK 1.020.000 against DKK 243.000 last year. The results from ordinary activities after tax are DKK 287.000 against DKK 73.000 last year. The management consider the results satisfactory.

Income statement

All amounts in DKK.

<u>Note</u>	<u>1/1 - 31/12 2019</u>	<u>21/3 - 31/12 2018</u>
Gross profit	1.019.545	243.447
1 Staff costs	-640.309	-150.379
Operating profit	379.236	93.068
Other financial income	0	302
2 Other financial costs	-10.214	-136
Pre-tax net profit or loss	369.022	93.234
3 Tax on ordinary results	-82.170	-20.500
Net profit or loss for the year	286.852	72.734
Proposed appropriation of net profit:		
Transferred to retained earnings	286.852	72.734
Total allocations and transfers	286.852	72.734

Statement of financial position at 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets		
Current assets		
Other debtors	388.268	142.290
Accrued income and deferred expenses	0	8.500
Total receivables	<u>388.268</u>	<u>150.790</u>
Available funds	<u>1.335.504</u>	<u>130.175</u>
Total current assets	<u>1.723.772</u>	<u>280.965</u>
Total assets	<u>1.723.772</u>	<u>280.965</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Equity			
4	Contributed capital	50.000	50.000
5	Retained earnings	409.586	122.734
	Total equity	459.586	172.734
Provisions			
	Provisions for deferred tax	85.400	20.500
	Total provisions	85.400	20.500
Liabilities other than provisions			
	Other debts	759.041	0
	Total long term liabilities other than provisions	759.041	0
	Trade payables	6.500	30.148
	Corporate tax	17.270	0
	Other payables	395.975	57.583
	Total short term liabilities other than provisions	419.745	87.731
	Total liabilities other than provisions	1.178.786	87.731
	Total equity and liabilities	1.723.772	280.965

Notes

All amounts in DKK.

	1/1 - 31/12 2019	21/3 - 31/12 2018
1. Staff costs		
Salaries and wages	638.037	149.811
Other costs for social security	<u>2.272</u>	<u>568</u>
	<u>640.309</u>	<u>150.379</u>
Average number of employees	<u>1</u>	<u>1</u>
2. Other financial costs		
Other financial costs	<u>10.214</u>	<u>136</u>
	<u>10.214</u>	<u>136</u>
3. Tax on ordinary results		
Tax of the results for the year, parent company	17.270	0
Adjustment for the year of deferred tax	<u>64.900</u>	<u>20.500</u>
	<u>82.170</u>	<u>20.500</u>
4. Contributed capital		
Contributed capital 1 January 2019	<u>50.000</u>	<u>50.000</u>
	<u>50.000</u>	<u>50.000</u>
5. Retained earnings		
Retained earnings 1 January 2019	122.734	0
Profit or loss for the year brought forward	286.852	72.734
Adjustment 1	<u>0</u>	<u>50.000</u>
	<u>409.586</u>	<u>122.734</u>

Accounting policies

The annual report for Hafnium Labs Q-props ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concern matters existing on the balance sheet date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Accounting policies

Other operating income comprises accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Hafnium Labs Q-props ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.