

Hafnium Labs Q-props ApS

Vestergade 16, 3., 1456 København K

Company reg. no. 39 42 90 98

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 28 June 2022.

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 statement

Today, the Executive Board has approved the annual report of Hafnium Labs Q-props ApS for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

The Executive Board consider the conditions for audit exemption of the 2021 financial statements to be met.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 28 June 2022

Executive board

Jon Rune Christensen

Bjørn Maribo-Mogensen

Independent practitioner's report on review of the financial statements

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 - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies.

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 the financial statements that are free from material misstatement whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the financial statements. We conducted our review in accordance with International Standard relating to Engagements to Review Historical Financial Statements and additional requirements under Danish Auditor regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This requires us also to comply with relevant ethical requirements.

A review of financial statements in accordance with the International Standard relating to Engagements to Review Historical Financial Statements is a limited assurance engagement. The practitioner performs procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates 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 these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2021 and of its financial performance for the financial year 1 January to 31 December 2021 in accordance with the Danish Financial Statements Act.

Copenhagen, 28 June 2022

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

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Management's review

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 totals DKK 1.933.000 against DKK 1.657.000 last year. Income or loss from ordinary activities after tax totals DKK 259.000 against DKK 367.000 last year. Management considers the net profit or loss for the year satisfactory.

The net profit for the year is affected by factors that differ from what is considered by management to be part of operating activities. Further details on these factors are listed under "Special items".

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	1.932.879	1.656.865
2 Staff costs	<u>-1.734.739</u>	<u>-1.183.665</u>
Operating profit	198.140	473.200
Other financial expenses	<u>-1.983</u>	<u>-2.362</u>
Pre-tax net profit or loss	196.157	470.838
3 Tax on net profit or loss for the year	<u>62.900</u>	<u>-103.522</u>
Net profit or loss for the year	259.057	367.316
Proposed appropriation of net profit:		
Transferred to retained earnings	<u>259.057</u>	<u>367.316</u>
Total allocations and transfers	259.057	367.316

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Current assets		
Other receivables	279.492	1.243.948
Total receivables	279.492	1.243.948
Cash and cash equivalents	1.420.687	89.766
Total current assets	1.700.179	1.333.714
Total assets	1.700.179	1.333.714

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	50.000	50.000
Retained earnings	1.035.959	776.902
Total equity	<u>1.085.959</u>	<u>826.902</u>
Provisions		
Provisions for deferred tax	34.700	97.600
Total provisions	<u>34.700</u>	<u>97.600</u>
Liabilities other than provisions		
Trade payables	13.500	13.525
Payables to subsidiaries	0	17.270
Income tax payable	0	91.322
Other payables	566.020	287.095
Total short term liabilities other than provisions	<u>579.520</u>	<u>409.212</u>
Total liabilities other than provisions	<u>579.520</u>	<u>409.212</u>
Total equity and liabilities	<u>1.700.179</u>	<u>1.333.714</u>

1 Special items

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	50.000	409.586	459.586
Profit or loss for the year brought forward	<u>0</u>	<u>367.316</u>	<u>367.316</u>
Equity 1 January 2021	50.000	776.902	826.902
Profit or loss for the year brought forward	<u>0</u>	<u>259.057</u>	<u>259.057</u>
	<u>50.000</u>	<u>1.035.959</u>	<u>1.085.959</u>

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
1. Special items		
Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.		
As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.		
Special items for the year are specified below, indicating where they are recognised in the income statement.		
Income:		
Covid-19 compensation	450.516	184.000
	<u>450.516</u>	<u>184.000</u>
Special items are recognised in the following items in the financial statements:		
Other income	450.516	184.000
Profit of special items, net	<u>450.516</u>	<u>184.000</u>
2. Staff costs		
Salaries and wages	1.590.087	1.173.917
Pension costs	127.172	0
Other costs for social security	17.480	9.748
	<u>1.734.739</u>	<u>1.183.665</u>
Average number of employees	<u>3</u>	<u>3</u>
3. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	0	91.322
Adjustment for the year of deferred tax	-62.900	12.200
	<u>-62.900</u>	<u>103.522</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 accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting 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.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

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 items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Statement of financial position

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounting policies

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

According to the rules of joint taxation, Hafnium Labs Q-props ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Accounting policies

Deferred tax assets, including the tax value of tax losses allowed for carryforward, 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. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.