

Material Think Space A ApS

Istedgade 60, 1650 København V

Company reg. no. 40 92 10 79

Annual report

5 November 2019 - 31 December 2020

The annual report was submitted and approved by the general meeting on the 16 July 2021.

Kate A. McCambridge
Chairman of the meeting

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 %.

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Management's report

Today, the managing director has presented the annual report of Material Think Space A ApS for the financial year 5 November 2019 - 31 December 2020.

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

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 5 November 2019 – 31 December 2020.

The managing director consider the conditions for audit exemption of the 2019/20 financial statements to be met.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Copenhagen, 14 July 2021

Managing Director

Kate A McCambridge

Auditor's report on compilation of the annual accounts

To the shareholders of Material Think Space A ApS

We have compiled the financial statements of Material Think Space A ApS for the financial year 5 November 2019 - 31 December 2020 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position, statement of changes in equity and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

As 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 in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Copenhagen, 14 July 2021

ReviPoint

Statsautoriserede Revisorer A/S
Company reg. no. 31 61 15 20

Morten Willemar Kristensen

State Authorised Public Accountant
mne34348

Company information

The company

Material Think Space A ApS
Istedgade 60
1650 København V

Company reg. no. 40 92 10 79
Established: 5 November 2019
Domicile: Denmark
Financial year: 5 November 2019 - 31 December 2020
1st financial year

Managing Director

Kate A McCambridge

Auditors

ReviPoint Statsautoriserede Revisorer A/S
Ragnagade 7
2100 København Ø

Parent company

Kamlab Holding ApS
40904034

Management commentary

The principal activities of the company

The main activity consists of running an interdisciplinary art studio.

Unusual matters

Net profit of the year and the economic development are significantly affected by the corona crisis and the restrictions that were implemented in Denmark and the rest of the world to stop the spread of the pandemic.

Development in activities and financial matters

The gross profit for the year totals DKK 307.018. Income or loss from ordinary activities after tax totals DKK 102.208. Management considers the net profit as expected.

Net profit for the year is lower than expected, but it is considered as expected due to the given circumstances.

The expected development

The economic development in 2021 will largely depend on the type and extent of the restrictions that the authorities in Denmark maintain or introduce to counter the spread of the Corona virus. The current uncertainty about the development of the Corona crisis means that it is not currently possible to quantify the expectations for the coming financial years with sufficient certainty.

Accounting policies

The annual report for Material Think Space A 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.

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.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue and external costs.

Revenue by artistic performance 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.

Cost of sales include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for sales, advertisement and administration.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

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, debt and transactions in foreign currency.

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.

Accounting policies

The balance sheet

Property, plant, and equipment

Equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

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

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

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.

Accounting policies

Available funds

Available funds comprise cash at bank.

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.

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.

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.

Income statement

All amounts in DKK.

<u>Note</u>	5/11 2019 - 31/12 2020
Gross profit	292.018
1 Staff costs	-140.669
Depreciation and impairment of property, land, and equipment	-871
Operating profit	150.478
Other financial costs	-34.274
Pre-tax net profit or loss	116.204
2 Tax on net profit or loss for the year	-25.695
Net profit or loss for the year	90.509
 Proposed appropriation of net profit:	
Transferred to retained earnings	90.509
Total allocations and transfers	90.509

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/12 2020</u>
Assets	
Non-current assets	
3 Other fixtures and fittings, tools and equipment	33.965
Total property, plant, and equipment	<u>33.965</u>
Total non-current assets	<u>33.965</u>
Current assets	
Receivables from group enterprises	2.399
Other receivables	38.401
Prepayments and accrued income	<u>4.003</u>
Total receivables	<u>44.803</u>
Cash on hand and demand deposits	<u>429.038</u>
Total current assets	<u>473.841</u>
Total assets	<u>507.806</u>

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/12 2020</u>
Equity and liabilities	
Equity	
Contributed capital	40.000
Results brought forward	90.509
Total equity	<u>130.509</u>
Provisions	
Provisions for deferred tax	1.341
Total provisions	<u>1.341</u>
Liabilities other than provisions	
Trade payables	31.705
Payables to shareholders and management	273.055
Tax payables to group enterprises	24.354
Other payables	46.842
Total short term liabilities other than provisions	<u>375.956</u>
Total liabilities other than provisions	<u>375.956</u>
Total equity and liabilities	<u>507.806</u>

4 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 5 November 2019	40.000	0	40.000
Profit or loss for the year brought forward	<u>0</u>	<u>90.509</u>	<u>90.509</u>
	<u>40.000</u>	<u>90.509</u>	<u>130.509</u>

Notes

All amounts in DKK.

	5/11 2019 - 31/12 2020
1. Staff costs	
Salaries and wages	139.533
Other costs for social security	1.136
	<u>140.669</u>
Average number of employees	<u>1</u>
2. Tax on net profit or loss for the year	
Tax of the results for the year, parent company	24.354
Adjustment for the year of deferred tax	1.341
	<u>25.695</u>
3. Other fixtures and fittings, tools and equipment	
Additions during the year	34.836
Cost 31 December 2020	<u>34.836</u>
Writedown for the year	-871
Depreciation and writedown 31 December 2020	<u>-871</u>
Carrying amount, 31 December 2020	<u>33.965</u>

Notes

All amounts in DKK.

4. Contingencies

Joint taxation

With Kamlab Holding Aps, company reg. no 40904034 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.