
Hubb ApS

Klosterstræde 9 st., DK-1157 København K

Annual Report for 3 December 2020 - 31 December 2021

CVR No 41 92 27 02

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
13/7 2022

Alexander Chalmer
Chairman of the General
Meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 3 December 2020 - 31 December 2021	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Hubb ApS for the financial year 3 December 2020 - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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

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

Copenhagen, 13 July 2022

Executive Board

Alexander Chalmer
CEO

Independent Auditor's Report

To the Shareholders of Hubb ApS

Opinion

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 3 December 2020 - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Hubb ApS for the financial year 3 December 2020 - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the

Independent Auditor's Report

Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 13 July 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Alexander

State Authorised Public Accountant

mne42824

Alexander Oliver Duschek

State Authorised Public Accountant

mne47774

Company Information

The Company

Hubb ApS
Klosterstræde 9 st.
DK-1157 København K

Telephone: + 45 22 32 46 81

CVR No: 41 92 27 02

Financial period: 3 December 2020 - 31 December 2021

Municipality of reg. office: København

Executive Board

Alexander Chalmer

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The company's purpose is to operate business that makes life easier and better for many people through fast delivery of all groceries to the home and other related activity

Development in the year

The income statement of the Company for 3 December 2020 - 31 December 2021 shows a loss of DKK 5,124,172, and at 31 December 2021 the balance sheet of the Company shows negative equity of DKK 436,908.

Capital resources

The Company has prepared liquidity forecasts for 2022. The forecast shows a substantial liquidity balance at year-end. The forecast is to a certain degree dependent on the ambitious sales forecast materialises according to plan and that planned cost savings yield the expected effects. Should the Company not perform according to the forecasts, Management has identified various ways to cut investments and capex to ensure that the Company may honour its commitments as they fall due. On this basis, the Financial Statements have been prepared in accordance with the going concern principle.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

The management has considered the economical effect and possible risks on the financial statements arising from the Russian Military's invasion of Ukraine. The implications of the invasion is considered a subsequent event occurred after the balance sheet date (31 December 2021), which is therefore a non-adjusting event to the company.

The Company is not materially exposed to any risks derived from the invasion.

Income Statement 3 December 2020 - 31 December 2021

	<u>Note</u>	<u>2020/21</u> DKK
Gross profit/loss		-1,724,054
Staff expenses	2	-3,380,191
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-6,286
Profit/loss before financial income and expenses		-5,110,531
Financial expenses		-13,641
Profit/loss before tax		-5,124,172
Tax on profit/loss for the year		0
Net profit/loss for the year		-5,124,172

Distribution of profit

Proposed distribution of profit

Retained earnings	-5,124,172
	-5,124,172

Balance Sheet 31 December

Assets

	Note	2021 DKK
Development projects in progress		385,923
Intangible assets	3	385,923
Other fixtures and fittings, tools and equipment		496,428
Property, plant and equipment		496,428
Deposits		431,165
Fixed asset investments		431,165
Fixed assets		1,313,516
Inventories		73,767
Trade receivables		104,896
Other receivables		686,860
Prepayments		225,412
Receivables		1,017,168
Cash at bank and in hand		904,466
Currents assets		1,995,401
Assets		3,308,917

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK
Share capital		100,000
Reserve for development costs		308,738
Retained earnings		-845,646
Equity		-436,908
Other payables		205,834
Long-term debt		205,834
Convertible instruments of debt		1,875,000
Trade payables		763,487
Payables to owners and Management		19,204
Other payables		882,300
Short-term debt		3,539,991
Debt		3,745,825
Liabilities and equity		3,308,917
Going concern	1	
Contingent assets, liabilities and other financial obligations	4	
Accounting Policies	5	

Statement of Changes in Equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 3 December 2020	0	0	0	0	0
Cash payment concerning formation of entity	42,000	0	0	0	42,000
Cash capital increase	58,000	4,967,264	0	0	5,025,264
Purchase of treasury shares	0	0	0	-380,000	-380,000
Development costs for the year	0	0	308,738	-308,738	0
Net profit/loss for the year	0	0	0	-5,124,172	-5,124,172
Transfer from share premium account	0	-4,967,264	0	4,967,264	0
Equity at 31 December 2021	100,000	0	308,738	-845,646	-436,908

Notes to the Financial Statements

1 Going concern

The Company has prepared liquidity forecasts for 2022. The forecast shows a substantial liquidity balance at year-end. The forecast is to a certain degree dependent on the ambitious sales forecast materialises according to plan and that planned cost savings yield the expected effects. Should the Company not perform according to the forecasts, Management has identified various ways to cut investments and capex to ensure that the Company may honour its commitments as they fall due. On this basis, the Financial Statements have been prepared in accordance with the going concern principle.

2 Staff expenses

	2020/21 DKK
Wages and salaries	3,250,545
Other social security expenses	50,493
Other staff expenses	79,153
	3,380,191
 Average number of employees	 12

3 Intangible assets

	Development projects in progress DKK
Cost at 3 December 2020	0
Additions for the year	385,923
Cost at 31 December 2021	385,923
 at 31 December	 385,923

Development projects relate to the development of new software products. The first edition of the Company's ordering system was completed in Q1 2022 and is operating effectively. The projects are progressing according to plan through the use of the resources allocated by Management to the development. The software is expected to be used in all of the Company's existing and future operating sites.

Notes to the Financial Statements

2021

DKK

4 Contingent assets, liabilities and other financial obligations

Hubb ApS has no contingent assets, liabilities or other financial obligations besides the stated rental and lease obligations.

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year

653,398

Between 1 and 5 years

858,000

1,511,398

Notes to the Financial Statements

5 Accounting Policies

The Annual Report of Hubb ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2020/21 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions.

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Notes to the Financial Statements

5 Accounting Policies (continued)

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise rental contracts, repairs and maintenance expenses, marketing costs etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

5 Accounting Policies (continued)

Balance Sheet

Intangible assets

Development costs and costs relating to rights developed by the Company are recognised as development projects in the year of acquisition.

Development costs comprise salaries and invoices attributable to the company's development activities.

Development projects are clearly defined and identifiable, where the technical usability, sufficient resources and a potential future market or improvement of the company's existing activities can be demonstrated, and where the intention is to manufacture, market or use the project.

Development costs that do not fulfill the criteria for recognition as an intangible asset are recognized as expenses in the income statement in the year of acquisition.

Completed development projects are recognized at cost less accumulated amortizations and less accumulated impairment. Completed Development projects are amortized on a straight-line basis over the expected useful lives of the projects, which is assessed at 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 - 15 years
--	--------------

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

5 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits in connection with rental contracts.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rental of premises, insurance etc.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

5 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Loans from investors are measured at amortised cost, substantially corresponding to nominal value.