martinsen
Rådgivning & Revision

Hubb ApS

c/o Alexander Chalmer, Godthåbsvej 56 2. tv., 2000 Frederiksberg

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Annual report

2023

Company reg. no. 41 92 27 02

The annual report was submitted and approved by the general meeting on the 12 July 2024.

Alexander Chalmer
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Contents

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Hubb ApS for the financial year 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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.

Frederiksberg, 12 July 2024

Managing Director

Alexander Chalmer

Board of directors

Jørgen Rugholm Jensen   Leif Nørgaard   Alexander Chalmer

Independent auditor's report

To the Shareholders of Hubb ApS

Auditor's report on the Financial Statements

Opinion

We have audited the financial statements of Hubb ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements and in the management's report, wherein the management explains that the going concern is subject to uncertainties. The continuation of operations assumes that the company can maintain its current credit facilities with the bank, suppliers, and other credit facilities, and to the extent necessary, expand these credit facilities.

Our opinion is not modified in respect of the matter.

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.

Independent auditor's report

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 judgment and maintain professional skepticism 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 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.

Independent auditor's report

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.

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, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Violation of the provisions of the Companies Act regarding the timely registration of capital increases.

The company has, in violation of Section 173, subsection 1, of the Danish Companies Act, failed to register its capital increase within two weeks after the deadline for the payment of the capital contributions or once the payment has been made.

Vejle, 12 July 2024

Martinsen
State Authorised Public Accountants
Company reg. no. 32 28 52 01

Jesper Hørby Jensen
State Authorised Public Accountant
mne34103

Company information

The company	Hubb ApS c/o Alexander Chalmer, Godthåbsvej 56 2. tv. 2000 Frederiksberg	
	Web site	www.hubb.dk
	Company reg. no.	41 92 27 02
	Financial year:	1 January 2023 - 31 December 2023
Board of directors	Jørgen Rugholm Jensen Leif Nørgaard Alexander Chalmer	
Managing Director	Alexander Chalmer	
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Dandyvej 3 B 7100 Vejle	

Management´s review

Description of key activities of the company

Like previous years, the company's activities are to operate businesses that makes life easier and better for many people through fast delivery pof all groceries to the home and other related activity.

Development in activities and financial matters

The gross profit for the year totals DKK 1.606.124 against DKK -2.718.098 last year. Income or loss from ordinary activities after tax totals DKK -5.396.870 against DKK -10.027.846 last year.

The Company's equity is negative and the Company is dependent on positive operations and additional capital being made available in order to finance its operations and further growth plans. The existing and new investors have supported the company, and a capital increase was conducted in 2023 which has increased the equity with 14,8 mio. DKK. In 2024 the owners has made a capital increase on 600 t.DKK.

Management has prepared a liquidity budget, which demonstrates that they have the necessary liquid assets to operate in 2024. The actual figures for 2024 are ahead of budget. However, Management also notes that this assessment is subject to material uncertainty, which may cast significant doubt on the Company’s ability to continue as a going concern.

Treasury shares

The enterprise’s holding of treasury shares is 11.280 shares at DKK 1 each, corresponding to 4,43 % of the contributed capital.

Accounting policies

The annual report for Hubb 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.

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.

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.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross profit

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

Accounting policies

The enterprise will be applying 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. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

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, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses 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.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible 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, 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.

Accounting policies

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Development costs comprise invoices atributable to the company's development activities.

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

Development costs that do not fulfill the criterias 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.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down 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.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

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

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Accounting policies

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

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

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

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.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Accounting policies

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

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.

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.

Prepayments

Prepaymentsrecognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

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

Equity

Treasury shares

Purchase prices and sales prices of own shares are recognised directly in equity. The capital reduction arising from the cancellation of own shares will reduce the share capital by an amount corresponding to the nominal value of the shares and increase the results brought forward, respectively.

The dividend of own shares is recognised directly in equity under retained earnings.

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

Accounting policies

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

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 1 January - 31 December

All amounts in DKK.

Note		2023	2022
	Gross profit	**1.606.124**	**-2.718.098**
2	Staff costs	-6.039.117	-6.457.131
	Depreciation, amortisation, and impairment	-471.759	-375.051
	Operating profit	**-4.904.752**	**-9.550.280**
	Other financial income	0	300
	Other financial expenses	-492.118	-477.866
	Pre-tax net profit or loss	**-5.396.870**	**-10.027.846**
	Tax on ordinary results	0	0
	Net profit or loss for the year	**-5.396.870**	**-10.027.846**
	Proposed distribution of net profit:		
	Allocated from retained earnings	-5.396.870	-10.027.846
	Total allocations and transfers	**-5.396.870**	**-10.027.846**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
	Completed development projects, including patents and similar rights arising from development projects	1.050.221	1.101.725
	Total intangible assets	1.050.221	1.101.725
	Other fixtures, fittings, tools and equipment	4.094.689	4.136.594
	Total property, plant, and equipment	4.094.689	4.136.594
	Deposits	730.289	631.887
	Total investments	730.289	631.887
	Total non-current assets	**5.875.199**	**5.870.206**
	Current assets		
	Manufactured goods and goods for resale	234.769	210.420
	Total inventories	234.769	210.420
	Trade receivables	151.899	215.868
	Other receivables	205.235	362.276
	Prepayments	20.555	250.017
	Total receivables	377.689	828.161
	Cash and cash equivalents	193.798	415.629
	Total current assets	**806.256**	**1.454.210**
	Total assets	**6.681.455**	**7.324.416**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	223.044	100.000
	Share premium account	14.717.931	0
	Reserve for development expenditure	819.173	859.346
	Results brought forward	-16.780.797	-11.424.100
	Total equity	**-1.020.649**	**-10.464.754**
	Liabilities other than provisions		
	Mortgage debt	2.574.608	2.902.674
3	Total long term liabilities other than provisions	2.574.608	2.902.674
3	Current portion of long term liabilities	328.066	0
	Bank debts	0	8
	Trade creditors	2.479.266	2.559.158
	Debt to shareholders and management	373.215	11.208.999
	Other payables	1.946.949	1.118.331
	Total short term liabilities other than provisions	5.127.496	14.886.496
	Total liabilities other than provisions	**7.702.104**	**17.789.170**
	Total equity and liabilities	**6.681.455**	**7.324.416**

1 Uncertainties relating to going concern

4 Charges and security

5 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Reserve for development costs	Retained earnings	Total
Equity 1 January 2022	100.000	0	859.346	-1.396.254	-436.908
Profit or loss for the year brought forward	0	0	0	-10.027.846	-10.027.846
Equity 1 January 2023	100.000	0	859.346	-11.424.100	-10.464.754
Cash capital increase	123.044	14.717.931	0	0	14.840.975
Profit or loss for the year brought forward	0	0	0	-5.396.870	-5.396.870
Transferred from results brought forward	0	0	-40.173	40.173	0
	223.044	**14.717.931**	**819.173**	**-16.780.797**	**-1.020.649**

Notes

All amounts in DKK.

1. Uncertainties relating to going concern

The Company's equity is negative and the Company is dependent on positive operations and additional capital being made available in order to finance its operations and further growth plans. The existing and new investors have supported the company, and a capital increase was conducted in 2023 which has increased the equity with 14,8 mio. DKK. In 2024 the owners has made a capital increase on 600 t.DKK.

Management has prepared a liquidity budget, which demonstrates that they have the necessary liquid assets to operate in 2024. The actual figures for 2024 are ahead of budget. However, Management also notes that this assessment is subject to material uncertainty, which may cast significant doubt on the Company’s ability to continue as a going concern.

	2023	2022
2. Staff costs		
Salaries and wages	5.987.711	6.419.831
Other costs for social security	51.406	37.300
	6.039.117	**6.457.131**
Average number of employees	15	17

3. Long term labilities other than provisions

	Total payables 31 Dec 2023	Current portion of long term payables	Long term payables 31 Dec 2023	Outstanding payables after 5 years
Mortgage debt	2.902.674	328.066	2.574.608	0
	2.902.674	**328.066**	**2.574.608**	**0**

4. Charges and security

For bank loans, DKK 3.000.000, the company has provided security in company assets representing a nominal value of DKK 3.000.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	235
Trade receivables	152
Intangible assets	1.050
Property, plant and equipment	4.095

Notes

All amounts in DKK.

4. Charges and security (continued)

5. Contingencies

Contingent liabilities

	DKK in thousands
Rental liabilities	837
Total contingent liabilities	**837**