Uniwise ApS

Jens Baggesens Vej 47, 8200 Aarhus N

CVR no. 34 68 90 91

Annual report 2018/19

Approved at the Company's annual general meeting on 26 November 2019

Chairman:

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Rasmus Tolstrup Blok

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Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Uniwise ApS for the financial year 1 July 2018 - 30 June 2019.

The annual report is prepared in accordance with 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 30 June 2019 and of the results of the Company's operations for the financial year 1 July 2018 - 30 June 2019.

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

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

Aarhus, 26 November 2019
Executive Board:

Rasmus Tolstrup Blok	Steffen Lytgens Skovfoged

Board of Directors:

Rasmus Tolstrup Blok Chairman	Steffen Lytgens Skovfoged

Independent auditor's report

To the shareholders of Uniwise ApS

Opinion

We have audited the financial statements of Uniwise ApS for the financial year 1 July 2018 - 30 June 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with 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 30 June 2019 and of the results of the Company's operations for the financial year 1 July 2018 - 30 June 2019 in accordance with the Danish Financial Statements Act.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 as to 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 the 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.

Independent auditor's report

- 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Aarhus, 26 November 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Tom B. Lassen
State Authorised Public Accountant
mne24820

Management's review

Company details

Name	Uniwise ApS
Address, Postal code, City	Jens Baggesens Vej 47, 8200 Aarhus N
CVR no.	34 68 90 91
Registered office	Aarhus
Financial year	1 July 2018 - 30 June 2019
Board of Directors	Rasmus Tolstrup Blok, Chairman Steffen Lytgens Skovfoged
Executive Board	Rasmus Tolstrup Blok Steffen Lytgens Skovfoged
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management commentary

Business review

The Company's objective is to provide consultancy, processing and system support, and other related activities.

Financial review

The income statement for 2018/19 shows a profit of DKK 1,216,076 against a profit of DKK 360,016 last year, and the balance sheet at 30 June 2019 shows equity of DKK 4,432,500.

A small profit was predicted this year and would have been in line with the budget presented by Management and the Board at the beginning of the year. However, we are pleased, that due to increased sales and decreased cost a larger gain have been accomplished instead of the a small profit projected at the year's beginning. Despite the positive profit path, the Company are determined to continue and escalate our strategy and thus increase our investment in the company in terms of product development resources and infrastructure, in order to strengthen our position in existing as well as new and emerging markets in the years ahead. As such, we therefore budget with loss the coming years due to this investment.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 July 2018 - 30 June 2019

Income statement

Note	DKK	2018/19	2017/18
	Gross profit	11,197,843	9,380,811
2	Staff costs	-9,074,899	-8,426,502
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-517,729	-572,713
	Profit before net financials	1,605,215	381,596
	Financial income	1,462	65,140
	Financial expenses	-9,857	-52,481
	Profit before tax	1,596,820	394,255
3	Tax for the year	-380,744	-34,239
	Profit for the year	1,216,076	360,016
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	750,000	360,000
	Other statutory reserves	-249,790	-249,790
	Retained earnings	715,866	249,806
		1,216,076	360,016

Financial statements 1 July 2018 - 30 June 2019

Balance sheet

Note	DKK	2018/19	2017/18
	ASSETS		
	Fixed assets		
4	**Intangible assets**		
	Completed development projects	60,886	526,074
	Acquired intangible assets	0	0
		60,886	526,074
5	**Property, plant and equipment**		
	Other fixtures and fittings, tools and equipment	104,251	156,792
		104,251	156,792
6	**Investments**		
	Investments in associates, cost	127,568	0
	Deposits	123,062	115,160
		250,630	115,160
	Total fixed assets	415,767	798,026
	Non-fixed assets		
	Receivables		
	Trade receivables	2,472,795	2,079,772
	Work in progress for third parties	823,500	528,970
	Income taxes receivable	0	12,420
	Other receivables	246,225	542,048
	Deferred income	295,256	128,506
		3,837,776	3,291,716
	Cash	2,734,605	2,330,122
	Total non-fixed assets	6,572,381	5,621,838
	TOTAL ASSETS	6,988,148	6,419,864

Financial statements 1 July 2018 - 30 June 2019

Balance sheet

Note	DKK	2018/19	2017/18
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	90,000	90,000
	Reserve for development costs	48,060	297,850
	Retained earnings	3,544,440	2,828,574
	Dividend proposed for the year	750,000	360,000
	Total equity	4,432,500	3,576,424
	Provisions		
	Deferred tax	140,700	172,500
	Total provisions	140,700	172,500
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Prepayments received from customers	0	781,250
	Trade payables	226,396	176,167
	Income taxes payable	325,854	-5,058
	Other payables	1,756,765	1,718,581
	Deferred income	105,933	0
		2,414,948	2,670,940
	Total liabilities other than provisions	2,414,948	2,670,940
	TOTAL EQUITY AND LIABILITIES	6,988,148	6,419,864

1 Accounting policies
7 Contractual obligations and contingencies, etc.
8 Collateral

Financial statements 1 July 2018 - 30 June 2019

Statement of changes in equity

DKK	Share capital	Reserve for development costs	Retained earnings	Dividend proposed for the year	Total
Equity at 1 July 2018	90,000	297,850	2,828,574	360,000	3,576,424
Transfer through appropriation of profit	0	-249,790	715,866	750,000	1,216,076
Dividend	0	0	0	-360,000	-360,000
Equity at 30 June 2019	90,000	48,060	3,544,440	750,000	4,432,500

Financial statements 1 July 2018 - 30 June 2019

Notes to the financial statements

1 Accounting policies

The annual report of Uniwise ApS for 2018/19 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

Income from sale is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Income from work in progress from third party contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from work in progress from third party contracts cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Licence income is recognised over the term of the agreement in accordance with the contents of the agreement.

Revenue from time limited software licences is accrued and recognised on a straight line basis over the term of the licence according to the terms of the licence agreement.

Sale of indefinite software licences is recognised as sale of goods whereby revenue is recognised when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 July 2018 - 30 June 2019

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	3 years
Acquired intangible assets	5 years
Other fixtures and fittings, tools and equipment	3-5 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Financial statements 1 July 2018 - 30 June 2019

Notes to the financial statements

1 Accounting policies (continued)

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3 years.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Investments in associates

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

Every year, intangible assets and other fixtures and fittings, tools and equipment as well as investments in subsidiaries and associates are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Financial statements 1 July 2018 - 30 June 2019

Notes to the financial statements

1 Accounting policies (continued)

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 July 2018 - 30 June 2019

Notes to the financial statements

	DKK	2018/19	2017/18
2	**Staff costs**		
	Wages/salaries	8,727,136	8,199,526
	Pensions	37,426	33,260
	Other social security costs	30,692	-16,844
	Other staff costs	279,645	210,560
		9,074,899	8,426,502
	Average number of full-time employees	17	17

		2018/19	2017/18
3	**Tax for the year**		
	Estimated tax charge for the year	412,544	2,905
	Deferred tax adjustments in the year	-31,800	31,334
		380,744	34,239

4 **Intangible assets**

DKK	Completed development projects	Acquired intangible assets	Total
Cost at 1 July 2018	5,382,317	350,000	5,732,317
Cost at 30 June 2019	5,382,317	350,000	5,732,317
Impairment losses and amortisation at 1 July 2018	4,856,243	350,000	5,206,243
Amortisation/depreciation in the year	465,188	0	465,188
Impairment losses and amortisation at 30 June 2019	5,321,431	350,000	5,671,431
Carrying amount at 30 June 2019	60,886	0	60,886
Amortised over	3 years	5 years	

Financial statements 1 July 2018 - 30 June 2019

Notes to the financial statements

5 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment
Cost at 1 July 2018	477,019
Disposals in the year	-139,390
Cost at 30 June 2019	337,629
Impairment losses and depreciation at 1 July 2018	320,227
Depreciation in the year	52,541
Reversal of depreciation of disposals	-139,390
Impairment losses and depreciation at 30 June 2019	233,378
Carrying amount at 30 June 2019	104,251
Depreciated over	3-5 years

6 Investments

DKK	Investments in associates, cost	Deposits	Total
Cost at 1 July 2018	0	115,160	115,160
Additions in the year	127,568	7,902	135,470
Cost at 30 June 2019	127,568	123,062	250,630
Carrying amount at 30 June 2019	127,568	123,062	250,630

Name	Domicile	Interest
Associates		
DUCOgen Co., Ltd.	Korea	20.00%

7 Contractual obligations and contingencies, etc.

Other financial obligations

Rent and lease liabilities include a rent obligation totaling DKK 182 thousand in interminable rent agreements. In addition, commitments in operational leases on IT equipment totaling DKK 6 thousand.

8 Collateral

As security for the Company's debt to banks, the Company has placed assets or other as security worth a total of DKK 750 thousand.