Uniwise ApS

Jens Baggesens Vej 47, 8200 Aarhus N

CVR no. 34 68 90 91

Annual report 2019/20

Approved at the Company's annual general meeting on 30 November 2020

Chairman:

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Building a better working world

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 2019 - 30 June 2020.

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 2020 and of the results of the Company's operations for the financial year 1 July 2019 - 30 June 2020.

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, 30 November 2020
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 2019 - 30 June 2020, 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 2020 and of the results of the Company's operations for the financial year 1 July 2019 - 30 June 2020 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, 30 November 2020
EY 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
Established	15 August 2012
Registered office	Aarhus
Financial year	1 July 2019 - 30 June 2020
Board of Directors	Rasmus Tolstrup Blok, Chairman Steffen Lytgens Skovfoged
Executive Board	Rasmus Tolstrup Blok Steffen Lytgens Skovfoged
Auditors	EY 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 2019/20 shows a profit of DKK 1,311,375 against a profit of DKK 1,216,076 last year, and the balance sheet at 30 June 2020 shows equity of DKK 4,993,875.

A smaller loss was projected for this year and would have been in line with the budget presented by Management and the Board at the beginning of the year, as focus have been on investing in, starting and scaling up our UK branch. However, we are pleased, that due to increased sales as a consequence of the Corona pandemic, hand in hand with increased uptake of staff to support this, a larger gain has been accomplished instead. 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 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 balance or small gain the coming years due to this ongoing investment plan.

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 2019 - 30 June 2020

Income statement

Note	DKK	2019/20	2018/19
	Gross profit	13,512,637	11,178,365
2	Staff costs	-10,584,116	-9,055,421
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-94,378	-517,729
	Profit before net financials	2,834,143	1,605,215
	Income from investments in subsidiaries	-855,499	0
	Financial income	47,037	1,462
	Financial expenses	-87,159	-9,857
	Profit before tax	1,938,522	1,596,820
3	Tax for the year	-627,147	-380,744
	Profit for the year	1,311,375	1,216,076
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	750,000	750,000
	Other statutory reserves	-48,060	-249,790
	Retained earnings	609,435	715,866
		1,311,375	1,216,076

Financial statements 1 July 2019 - 30 June 2020

Balance sheet

Note	DKK	2019/20	2018/19
	ASSETS		
	Fixed assets		
4	Intangible assets		
	Completed development projects	0	60,886
	Acquired intangible assets	0	0
		0	60,886
5	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	242,582	104,251
		242,582	104,251
6	Investments		
	Investments in subsidiaries, net asset value	0	0
	Investments in associates, cost	127,568	127,568
	Deposits	123,062	123,062
		250,630	250,630
	Total fixed assets	493,212	415,767
	Non-fixed assets		
	Receivables		
	Trade receivables	2,755,418	2,472,795
	Work in progress for third parties	1,414,800	823,500
	Receivables from group entities	2,101,464	0
	Other receivables	180,056	246,225
	Deferred income	156,990	295,256
		6,608,728	3,837,776
	Cash	1,948,244	2,734,605
	Total non-fixed assets	8,556,972	6,572,381
	TOTAL ASSETS	9,050,184	6,988,148

Financial statements 1 July 2019 - 30 June 2020

Balance sheet

Note	DKK	2019/20	2018/19
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	90,000	90,000
	Reserve for development costs	0	48,060
	Retained earnings	4,153,875	3,544,440
	Dividend proposed for the year	750,000	750,000
	Total equity	4,993,875	4,432,500
	Provisions		
	Deferred tax	233,800	140,700
	Total provisions	233,800	140,700
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Other payables	883,298	0
		883,298	0
	Current liabilities other than provisions		
	Trade payables	543,798	226,396
	Payables to associates	15,252	0
	Income taxes payable	485,668	325,854
	Other payables	1,894,493	1,756,765
	Deferred income	0	105,933
		2,939,211	2,414,948
	Total liabilities other than provisions	3,822,509	2,414,948
	TOTAL EQUITY AND LIABILITIES	9,050,184	6,988,148

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

Financial statements 1 July 2019 - 30 June 2020

Statement of changes in equity

DKK	Share capital	Reserve for development costs	Retained earnings	Dividend proposed for the year	Total
Equity at 1 July 2019	90,000	48,060	3,544,440	750,000	4,432,500
Transfer through appropriation of profit	0	-48,060	609,435	750,000	1,311,375
Dividend distributed	0	0	0	-750,000	-750,000
Equity at 30 June 2020	90,000	0	4,153,875	750,000	4,993,875

Financial statements 1 July 2019 - 30 June 2020

Notes to the financial statements

1 Accounting policies

The annual report of Uniwise ApS for 2019/20 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 2019 - 30 June 2020

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

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit/loss from investments in subsidiaries and associates

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

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.

Financial statements 1 July 2019 - 30 June 2020

Notes to the financial statements

1 Accounting policies (continued)

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.

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 subsidiaries and associates

Equity investments in subsidiaries and are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrevocable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Investments in 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.

Financial statements 1 July 2019 - 30 June 2020

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Financial statements 1 July 2019 - 30 June 2020

Notes to the financial statements

1 Accounting policies (continued)

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 2019 - 30 June 2020

Notes to the financial statements

	DKK	2019/20	2018/19
2	Staff costs		
	Wages/salaries	10,221,979	8,727,136
	Pensions	43,422	37,426
	Other social security costs	71,530	30,692
	Other staff costs	247,185	260,167
		10,584,116	9,055,421
	Average number of full-time employees	22	17
3	Tax for the year		
	Estimated tax charge for the year	534,047	412,544
	Deferred tax adjustments in the year	93,100	-31,800
		627,147	380,744

4 Intangible assets

DKK	Completed development projects	Acquired intangible assets	Total
Cost at 1 July 2019	5,382,317	350,000	5,732,317
Cost at 30 June 2020	5,382,317	350,000	5,732,317
Impairment losses and amortisation at 1 July 2019	5,321,431	350,000	5,671,431
Amortisation/depreciation in the year	60,886	0	60,886
Impairment losses and amortisation at 30 June 2020	5,382,317	350,000	5,732,317
Carrying amount at 30 June 2020	0	0	0
Amortised over	3 years	5 years	

5 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment
Cost at 1 July 2019	337,629
Additions in the year	171,823
Cost at 30 June 2020	509,452
Impairment losses and depreciation at 1 July 2019	233,378
Depreciation in the year	33,492
Impairment losses and depreciation at 30 June 2020	266,870
Carrying amount at 30 June 2020	242,582
Depreciated over	3-5 years

6 Investments

DKK	Investments in subsidiaries, net asset value	Investments in associates, cost	Deposits	Total
Cost at 1 July 2019	0	127,568	123,062	250,630
Additions in the year	817	0	0	817
Cost at 30 June 2020	817	127,568	123,062	251,447
Share of the profit/loss for the year	-855,499	0	0	-855,499
Set-off of negative net asset value in receivable from group entity	854,682	0	0	854,682
Value adjustments at 30 June 2020	-817	0	0	-817
Carrying amount at 30 June 2020	0	127,568	123,062	250,630

Name	Domicile	Interest
Subsidiaries		
Uniwise Education Solutions Ltd.	United Kingdom	100.00%
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 184 thousand in interminable rent agreements. In addition, commitments in operational leases on IT equipment totaling DKK 7 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.