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Amakitu ApS

CVR-no. 35 03 12 27

Stærebo 6
2665 Vallensbæk Strand

Annual Report 2019
(Financial year 1 January 2019 - 31 December 2019)

The Annual Report is presented and adopted at the Annual General Meeting of shareholders on the 31 May 2020

Sean Møller Sealey
Chairman of the meeting

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Management's Statement

The Board of Directors and the Executive Board have today considered and approved the Annual Report of 1 January 2019 - 31 December 2019 for Amakitu ApS.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets and liabilities, financial position and results of operations for the financial year ended 31 December 2019.

In our opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

We recommend the Annual Report approved at the Annual General Meeting.

København, 31 May 2020

Executive Board:

Thomas Jan Skovgaard Pedersen

Board of Directors:

Sean Møller Sealey	Thomas Jan Skovgaard Pedersen	Christian Bredal Mørk Lauridsen

Independent Auditor's Reports

To the Shareholders of Amakitu ApS

Report on financial statements

Opinion
We have audited the Financial Statements of Amakitu ApS for the financial year 1 January 2019 - 31 December 2019, which comprise the income statement, balance sheet, statement of changes in equity, notes and 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 31 December 2019 and of the results of the operations for the financial year 1 January 2019 - 31 December 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 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty concerning going concern
The Company has a positive equity but management is considering on what basis the company should continue its operations. The company might continue on a no income / no cost basis for a period of more than 12 months from balance sheet date, but there is no sufficient business plan or sufficient financing to ensure business initiatives that supports the company's going concern on if cost are not kept at a minimum.

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 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.

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 Acts. We did not identify any material misstatement of Management's Review.

Report on Other legal and Regulatory Reguirements

Submission of VAT return
We must draw to your attention that the company during the financial year, not submitted VAT returns on time, in which respect mangement can be held reliable.

Allerød, 31 May 2020
Piaster Revisorerne,
statsautoriseret revisionsaktieselskab
CVR. no.: 25 16 00 37

Steen Dahl Andersen
State Authorized Public Accountant
mne29455

Company details

Company details	Amakitu ApS Stærebo 6 2665 Vallensbæk Strand	
	CVR no.:	35 03 12 27
	Founded:	17 January 2013
	Registered office:	København
	Financial year:	1 January - 31 December
Executive Board	Thomas Jan Skovgaard Pedersen	
Board of Directors	Sean Møller Sealey Thomas Jan Skovgaard Pedersen Christian Bredal Mørk Lauridsen	
Auditor	Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab Engholm Parkvej 8 3450 Allerød	

Management’s Review

Primary activities of the Company
The principal activity is software development. Specifically, development of automated algorithmic trading platforms for fx markets, stock indices and crypto currencies.

Development in activities and financial affairs

The conundrum of saving cost by bringing down revenue
The Company, as is, is no longer to be classified as Going Concern, as revenue has been brought down, in order to bring operational cost further down. The alternative, to push prices and revenue higher, so the cashflow would cover the cost-base was not a real-life option. The purpose of this unpleasant prioritization was to extend the lifetime of the company and its product as long as possible, in order to seek out all opportunities for a possible Exit transaction without the need of raising new funds from the company’s shareholders.

Early 2019: Hard choices
In early 2019, the Business Developer who had the job to establish B2B partnerships with brokers was terminated. Throughout 9 months two Business Developers had tried in various ways to land new deals with brokers, and no result had materialized. As a consequence, it was decided not to use any more funds to pursue this seemingly difficult way to try to generate revenue.

Some business experimentation took place in the following months. This included:

- Making Tradeworks an ‘Introducing Broker’. We succeeded to partner with some of the best brokers in the marketplace, with demonstrated favorable trading conditions in terms of spreads and splendid customer reviews on various platforms. Tradeworks got a commission of the trading volume of each client Tradeworks would introduce to these brokers. It was possible to attract clients and revenue in this manner. Unfortunately, the cost of acquisition and the cost of production exceeded the commissions earned per client under this business model. As a result it was abandoned.

- Making Tradeworks an affiliate-driven subscription service: Based on the inbound requests of three Introducing Brokers, Tradeworks developed a retail subscription business-model. Using this model, an affiliate of Tradeworks could obtain a unique coupon code, and anyone using this coupon code would get a discount on their paid Tradeworks subscription, and the affiliate would earn recurring revenue. At the end of the day, only one of these affiliates successfully managed to attract clients, and the traffic of new clients from this affiliate dried out in a couple of months. In parallel, around 40 Introducing Brokers were contacted using LinkedIn to try to get them onboarded with this model, but unfortunately interest was limited, and success remained absent. Under this model the unit-economics actually provide a basis for a viable business, but the lack of success in scalability made it unsuccessful.

- Some other experiments were also carried out, regrettably without any positive commercial outcome.

Monitoring this development made the management and board decide that it should be brought to the shareholders to decide if the company should be put up for sale.

Finding a buyer

During the first half of 2019 the board, in collaboration with the CEO, decided to prepare a proposal to the Annual General Meeting, allowing the shareholders to agree to a possible disposal of the company, or the company's software assets, via the use of M&A agents. On 24 June 2019, the Annual General Meeting consented to this proposal.

Throughout the rest of the year three different M&A agents were employed to try to ensure the company's shareholders an exit transaction. One team was based in the US, one in Australia and one in Indonesia. These efforts continued until 1 March 2020. Ultimately, neither of these consultants were successful in finding a buyer interested in acquiring the company or its software, even though the two last ones were told they would be welcome to suggest any kind of deal to the board of directors. All these agents were paid on a pay-for-performance basis only, so they were highly motivated to bring any kind of deal to the table. Regrettably, even this level of motivation did not present an interested buyer. On that basis, it is fair to conclude that the market for buying the company's software product is negligible, if existent at all.

As a part of the above process, the company in September 2019 raised additional capital to make sure that the process of finding a buyer would not be halted by lack of cash to maintain an operational state of the company and its software.

As a part of the effort to make sure the company would not default because of a lack of liquidity, the management faced the tough choice of terminating B2B broker agreements. The challenge at hand was that the revenue from the fixed-fee broker agreements did not cover the related cost of production. Therefore, the last of these remaining clients were terminated. Subsequently, within the following month the cost of server usage dropped more than the revenue brought in by this broker. Afterwards, the server cost was minimized as much as possible, while still holding the company's platform operational, so it could be reviewed by a potential buyer.

Most of the second half of 2019, the company was operated by the CEO and a senior engineer, and a few freelancers would be contracted on a need-to-have basis.

Conclusion
If no buyer is found within the immediate future, and no new leadership from within the shareholder group will take over leadership and try to create a future for the company, it is uncertain how long it will continue to be operational.

Financials
The company's financial performance is considered dissatisfying.

The only reason that the company reports a profit for the year is due to the company having a debt reduction of 100% of the bank dept. The only reason that the company reports a profit for the year is due to the company having agreed a debt reduction of 100% of the bank dept. However in case of an exit of the company / activities the bank has the right to obtain an exit payment. The conditions regarding the exit payment linked with the conditions in the provided collateral agreement covering all of the companys assets has the consequence that the bank holds control of the companys furture life.

The bank and the company entered the agreement regarding the debt reduction in 2018 and at year end 2018 the company believed in an exit that provided an exitpayment according to the agreement, but as stated in the management review a profitable exit is not considered realistic, and therefore the debt reduction is recognized in the income statement in 2019.

Treasuury shares
The company holds 11,489 treasury shares which is approximately 0.9% of the total shares. There has been no transactions with treasury shares during the year.

Significant events occurred after the end of the financial year
After the end of the financial year the company has increased capital through a debt conversion.

Income Statement 1 January - 31 December

DKK	Notes	2019	2018
Gross profit		**5.175.714**	**-1.182.746**
Staff costs	1	0	781
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		0	0
Operating profit		**5.175.714**	**-1.181.965**
Financial income		5	28.483
Financial expenses		-1.979	-518.726
Profit before tax		**5.173.740**	**-1.672.208**
Tax on profit for the year	2	77.408	122.000
Profit for the year		**5.251.148**	**-1.550.208**
Proposed distribution of results			
Retained earnings		5.251.148	-1.550.208
Proposed dividend recognised in equity		0	0
Reserve for net revaluation according to equity method		0	0
Total distribution		**5.251.148**	**-1.550.208**

Balance Sheet at 31 December

Assets

	Notes	2019	2018
Trade receivables		0	55.872
Short-term tax receivables		77.408	122.000
Other receivables		343.682	176.972
Receivables		**421.090**	**354.844**
Cash and cash equivalents		**104.558**	**992.521**
Current assets		**525.648**	**1.347.365**
Assets		**525.648**	**1.347.365**

Balance Sheet at 31 December

Equity and liabilities

	Notes	2019	2018
Share capital		1.277.823	1.156.155
Retained earnings		-1.121.330	-6.615.814
Proposed dividend recognised in equity		0	0
Equity		**156.493**	**-5.459.659**
Bank debt	3	0	6.472.895
Long-term liabilities other than provisions		**0**	**6.472.895**
Trade payables		309.155	125.984
Other payables		60.000	208.145
Short-term liabilities other than provisions		**369.155**	**334.129**
Liabilities other than provisions		**369.155**	**6.807.024**
Equity and liabilities		**525.648**	**1.347.365**
Uncertainties relating to going concern	4		
Special items	5		
Mortgages and collaterals	6		

Statement of changes in equity 1. January - 31. December

	2019	2018
Share capital		
Beginning balance	1.156.155	156.155
Increase of capital	121.668	1.000.000
End balance	1.277.823	1.156.155
Retained earnings		
Beginning balance	-6.615.814	-5.065.606
Increase of capital	243.336	0
Profit (loss)	5.251.148	-1.550.208
End balance	-1.121.330	-6.615.814
Proposed dividend recognized in equity		
Beginning balance	0	0
Extraordinary dividend paid	0	0
Dividend paid	0	0
Profit (loss)	0	0
End balance	0	0
Equity	**156.493**	**-5.459.659**

The company holds 11,489 treasury shares which is approximately 0.9% of the total shares. There has been no transactions with treasury shares during the year.

The Company has established a warrant program.

Notes

		2019	2018
1	**Staff costs**		
	Wages and salaries	0	-12.061
	Post-employment benefit expense	0	11.280
	Social security contributions	0	0
		0	**-781**
	Average number of full time employees	0	1

		2019	2018
2	**Tax on profit for the year**		
	Tax expense on ordinary activities	77.408	122.000
	Adjustment of deferred tax	0	0
		77.408	**122.000**

3 Long-term liabilities other than provisions

The bank has agreed on a 100% debt reduction of app DKK 6,500,000. However in case of an exit of the company / activities then the bank has the right to obtain an exit payment. The exit payment depends on the timing of the exit and the exit price. The bank holds all company assets as collateral and therefore has to verify the exit conditions. Managements current estimate is that the exit payment is app DKK 0.

4 Uncertainties relating to going concern

The Company has a positive equity but management is considering on what basis the company should continue its operations. The company might continue on a no income / no cost basis for a period of more than 12 months from balance sheet date, but there is no sufficient business plan or sufficient financing to ensure business initiatives that supports the company's going concern on if cost are not kept at a minimum.

5 Special items

The debt reduction of app DKK 6,500,000 is recognized as other income and included in gross profit / loss.

Notes

6 Mortgages and collaterals

In regards to long-term debt of DKK 0 and the Exit provision, the company has posted collateral in all assets excluding Cash and cash equivalents, with an accounting value at the 31. december 2019 of DKK 421,902. The collateral includes capitalized development costs with a cost price of app. DKK 6,500,000

Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

The accounting policies are consistent with prior year. There has been made minor adjustment in the classification of individual items.

General

Reporting currency
The Annual Report is presented in Danish kroner (DKK).

In general regarding accounting and measuring
Income is recognized in the income statement when they are earned. Furthermore are all costs, depreciations and write downs recognized in the income statement when incurred.

Assets are recognized in the balance sheet when it is probable that future economical benefits will accrue to the company and the assets value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economical benefits will be deducted from the company and the value can be measured reliably.

On inital recognition assets and liabilities are measured to cost price. Thereafter assets and liabilities are measured as described for each entry.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Currency retranslation
Transactions denominated in foreign currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Exchange differences arising between the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Accounting policies

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the balance sheet date. The difference between the exchange rates ruling at the balance sheet date and at the date when the receivable or payable arose is recognized in the income statement under financial income or financial expenses.

Non-current assets aquired in foreign currency are measured to the exchange rate ruling at the date of the transaction.

Income statement

Gross profit
With reference to section 32 of the Danish Financial Statement Act, the items “Revenue” to and including “Other external expenses” are consolidated into one item designated “Gross profit”.

Revenue
Revenue includes invoiced sales of goods and rendering of services, recognition is done, when

- delivery and transfer of risk to the buyer has taken place before year end
- a commiting sales agreement exists
- sales price is determined, and
- payment is received, or there are reasonable security that it will be received

Revenue is recognized excluding value added tax and after deduction of provisions rebates and trade discounts relating to the sale.

Cost of sales
Cost of sales include costs incurred to achieve revenue for the year.

Other external expenses
Other external expenses include expenses related to distribution, sale, advertising, administration, bad debt, premises, operating lease agreements etc.

Staff costs
Staff costs comprise costs such as wages and salaries, pension costs and other social security benefits ect. to the company's employees.

Other operating income and expenses
Other operating income and expenses includes items of a secondary nature relative to the enterprise’s core business.

Accounting policies

Financial items
Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest and currency translation adjustments.

Tax expense
Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

Balance sheet

Receivables
Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

Cash and bank balances
Cash comprises cash balances and bank balances.

Current tax and current deferred tax
Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities.

Defered tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measuered at net realisable value.

Deferred income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Accounting policies

Liabilities
Borrowings are recognized at the time the loans are obtained and are initially measured at the proceeds received less transaction costs. In the subsequent periods, financial liabilities are measured at amortized cost, applying the ‘effective interest rate method’, to the effect that the difference between the proceeds and the nominal value is recognized in the income statement under financial expenses over the term of the loan.

Mortgage debt is recognized at amortized cost price, which for cash loans is equal to outstanding loan. For bond loans amortized cost price equals the underlying cash value at time of borrowing regulated with an exchange rate at the time of borrowing depreciated over the

Other liabilities are measured at amortized cost, corresponding to the nominal value.

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Christian Lauridsen
Bestyrelsesmedlem
Serienummer: 19790628xxxx
IP: 87.49.xxx.xxx
2020-06-02 08:58:06Z
BankID

Thomas Jan Skovgaard Pedersen
Direktør
Serienummer: PID:9208-2002-2-794854711914
IP: 87.61.xxx.xxx
2020-06-02 09:10:04Z
NEM ID

Thomas Jan Skovgaard Pedersen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-794854711914
IP: 87.61.xxx.xxx
2020-06-02 09:10:04Z
NEM ID

Sean Møller Sealey
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-885339946661
IP: 5.186.xxx.xxx
2020-06-02 21:01:18Z
NEM ID

Sean Møller Sealey
Dirigent
Serienummer: PID:9208-2002-2-885339946661
IP: 5.186.xxx.xxx
2020-06-02 21:01:18Z
NEM ID

Steen Dahl Andersen
Revisor
På vegne af: Piaster Revisorerne, Statsautoriseret revisionsaktieselskab
Serienummer: CVR:25160037-RID:67629748
IP: 87.48.xxx.xxx
2020-06-03 04:03:07Z
NEM ID

Penneo dokumentnøgle: YH6DK-2MPTY-W31UP-GEP8Q-1DUTQ-N1TJJ